

Part 2A of Form ADV: Firm Brochure

Item 1 – Cover Page

HEALTH CATALYST CAPITAL

Health Catalyst Capital Management LLC

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March 31, 2023

This brochure (“**Brochure**”) provides information about the qualifications and business practices of Health Catalyst Capital Management LLC (“**Health Catalyst Capital**”). If you have any questions regarding the contents of this Brochure, please contact us at (212) 752-2225. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Health Catalyst Capital can also be found on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Item 2 – Material Changes

There are no material changes to report since the previous Health Catalyst Capital Management LLC Form ADV Part 2A Brochure was filed on March 29, 2022.

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Item 4 – Advisory Business

Health Catalyst Capital Management LLC (“**Health Catalyst Capital**” or the “**Adviser**”), a Delaware limited liability company headquartered in New York, NY, was formed in December 2015 by Charles Boorady, Managing Partner. The Adviser aims to invest in and help grow healthcare information technology and healthcare technology-enabled service companies with significant growth prospects and capital appreciation potential.

Health Catalyst Capital provides discretionary investment advisory services to Health Catalyst Capital, L.P. (“**Fund I**”) and Health Catalyst Capital II, L.P. (“**Fund II**”). In addition, Health Catalyst Capital provides discretionary investment advisory services to a co-investment fund, HCC Coinvest QBD 18, L.P. (the “**Co-Investment Fund**”) to co-invest in certain opportunities alongside Fund I. Health Catalyst Capital also provides discretionary investment advisory services to Health Catalyst Capital Annex Fund I, L.P. (“**Annex Fund**”) to co-invest with Fund I in follow-on investment opportunities with certain Fund I portfolio companies. Fund I, Fund II, the Co-Investment Fund and the Annex Fund are collectively referred to as the “**Funds**”.

Health Catalyst Capital’s advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents, investment management agreements, limited partnership or other operating agreements or governing documents (collectively the “**Offering Documents**”).

Health Catalyst Associates, LLC is the general partner of the Co-Investment Fund and Fund I. Health Catalyst Associates II, LLC is the general partner of Fund II. Health Catalyst Associates Annex, LLC is the General Partner of the Annex Fund. Health Catalyst Associates, LLC, Health Catalyst Associates II, LLC and Health Catalyst Associates Annex, LLC are hereinafter referred to as the “**General Partner**”. The Offering Documents of the Funds typically allow the General Partner to control the business and affairs of the Funds.

“**Investors**” refer to investors or limited partners in the Funds. Health Catalyst Capital does not expect to tailor advisory services to any Investors in the Funds. Generally, Investors accept the terms of advisory services as set forth in each Fund’s Offering Documents, including as such may be amended from time to time. The Adviser expects to have broad investment authority with respect to the Funds and, as such, Investors should consider whether the investment objectives of the Funds are in line with their individual objectives and risk tolerance prior to investment.

The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Interests in the Funds are only offered to individuals and entities that are accredited investors and/or qualified purchasers, as applicable.

Health Catalyst Capital does not participate in wrap fee programs.

Health Catalyst Capital managed approximately \$382,769,560 of “Regulatory Assets Under Management” (as calculated under the instructions to Form ADV) all on a discretionary basis as of December 31, 2022.

Item 5 – Fees and Compensation

Health Catalyst Capital generally charges the Funds an annual management fee, payable quarterly in advance. Fund I charges up to 2.5% per annum, Fund II charges up to 2% per annum and the Co-investment Fund charges up to 1% per annum, in each case, of the capital commitment during the investment period of each Fund, as further disclosed in each Fund's Offering Documents. The Annex Fund does not charge an annual management fee. The Funds will also be responsible for payment of organizational expenses, subject to a cap, pursuant to the Offering Documents.

Health Catalyst Capital's fees and compensation arrangements vary among the Investors in the Funds. The specific terms of such arrangements are established by Health Catalyst Capital, and are set forth in each Fund's Offering Documents and side letter arrangements, as applicable.

Health Catalyst Capital generally will be responsible for normal overhead attributable to its activities, including salaries and employee benefits of employees, office expenses and office rent and utilities. Each Fund bears the expenses set forth in its Offering Documents.

Item 6 – Performance-Based Fees and Side-By-Side Management

Health Catalyst Capital and/or its affiliate(s) accept performance-based compensation from each Fund.

The General Partner will generally receive a performance-based carried interest (up to 20%) pursuant to the Funds' Offering Documents. The existence of the General Partner's carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangements. Neither the Management Fee nor the carried interest amounts have been established on the basis of any arm's length negotiation among the Funds, the General Partner and the Adviser. However, each of the General Partner and the Adviser believes that such amounts are reasonable in light of the services to be rendered and customary practice in the venture capital and growth equity industry.

Health Catalyst Capital's performance-based carried interest varies among the Investors in certain of the Funds. The specific terms of such arrangements are established by Health Catalyst Capital, and are set forth in each Fund's Offering Documents and side letter arrangements, as applicable.

Fund Investors should review the respective Fund's Offering Documents for detailed information with respect to performance-based fees.

Item 7 – Types of Clients

Health Catalyst Capital provides investment advice solely to its Funds. Investors in the Funds must generally be “accredited investors” as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933 and “qualified purchasers” within the meaning of Section 2(a)(51) and Rule 2a51-1 under the Investment Company Act of 1940, as applicable.

Fund Investors are required to commit or contribute certain minimum capital amounts to become investors in the Funds. Generally, the minimum capital commitment to each Fund is \$1 million, although the General Partner reserves the right to accept capital commitments of a lesser amount. The General Partner has committed in the aggregate at least 1% of the total capital commitments to each of Fund I, Fund II and the Annex Fund.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

As described in each Fund's Offering Documents, the Adviser's investment strategy generally holds that the very large and inefficient healthcare sector offers significant opportunities for both robust financial gain and meaningful social impact through investments in companies that utilize technology to improve patient access and outcomes, and/or lower the costs of healthcare. The Adviser believes there are abundant opportunities to create value for experienced healthcare investors who are diligent in searching for companies with compelling technology and capable management.

The Adviser has an established approach to all investment opportunities, which informs how to consider any particular private equity investment in the target zone of healthcare IT and tech-enabled healthcare services. With the Adviser's financial targets in mind, the Adviser has explored many sub-sectors of the healthcare market seeking potential high-growth areas that could produce attractive returns. When these subsectors produce substantial potential high-growth opportunities, the Adviser considers them investment themes, and devotes considerable time to exploring the companies inhabiting such subsectors.

An investment in the Funds involves a high degree of risk. This following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in the Funds. Prospective Investors in the Funds should carefully consider the following investment risks and considerations in evaluating the Funds and their business before making a decision to purchase an interest in a Fund. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that any of the Funds will meet their investment objectives or otherwise be able to successfully carry out its investment program, or that an Investor will receive a return of capital. A full identification of risks is disclosed in the Offering Documents.

Risks Inherent in Private Equity Investments.

The success of investments in private companies is subject to risks related to (i) the ability of the Adviser to identify and invest in quality operating companies; (ii) the ability of the management of the respective operating companies to maintain and develop successful business enterprises given risks including but not limited to, rapidly developing technology, governmental regulation, market acceptance for new products and services, product obsolescence and lack or loss of qualified management; (iii) general economic conditions; and (iv) the ability to liquidate investments.

Risk Inherent in Venture Capital and Growth Equity Investments.

The types of investments that the Funds anticipate making involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Funds will be adequately compensated for risks taken. A loss of an Investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in a Fund's term, while successes often require a long maturation.

Development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

Often the success of an investment in a portfolio company will depend not only on the efforts of the Adviser, but also upon actions or other key individuals, or extraneous factors including political or economic developments over which the Adviser has little control. Additionally, the significant returns that have been earned in a small portion of venture capital investments have in large part resulted from the completion of highly successful initial public offerings (IPOs) or acquisitions that have permitted the venture investors to sell their equity interests at multiples of original cost. There can be no assurance that the public securities markets will support an IPO of the Funds' portfolio companies to permit such returns to the Funds or that the fundamentals of such portfolio companies will warrant such returns.

Uncertainty related to health care reimbursement and reform measures.

In both the U.S. and foreign markets, sales of a healthcare company's products and its success will often depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of healthcare companies may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of health care. Significant uncertainty exists as to the reimbursement status of newly approved health care products.

There can be no assurance that a company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Risks associated with investments in Lifesciences and Healthcare companies.

The success of the Funds' portfolio companies may be dependent upon obtaining certain government approvals. Companies in the life-sciences and healthcare industries sometimes require the approval of agencies such as the U.S. Food and Drug Administration ("FDA") prior to marketing their products to the public. The process for obtaining FDA and other required regulatory approvals can be lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals. If a portfolio company is unable to obtain these approvals in a timely fashion, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of the Funds.

The Funds may invest in companies that will need to obtain patents for their products, both in the U.S. and in other countries. The patent protection of the intellectual property of healthcare technology companies in many countries is highly uncertain and involves complex legal, scientific and factual issues. The policy regarding allowable claimed subject matter of life sciences or healthcare technology patents varies from jurisdiction to jurisdiction.

Dependence on single products.

Certain companies in which the Funds invest may only have one product under development. If such product were to require regulatory approval, there can be no assurance that the product will be approved for marketing by the FDA or any foreign regulatory agency. Further, competition to the product may develop from other new and existing products. In either case, if a company is dependent on that one product, the consequences of such failure could be devastating to the prospects of such company, which in turn could negatively affect the performance of the Funds.

Changing Economic Conditions.

The success of the Adviser's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by pandemics, terrorism, or acts of war. Companies in which the Funds invest may be sensitive to general downward swings in the overall economy. Factors affecting economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws and innumerable other factors, none of which will be within the control of the Funds, can substantially and adversely affect the business and prospects of the Funds. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

A sustained period of low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by the Funds. In addition, factors specific to a portfolio company may have an adverse effect on the Funds' investment in such company. The Adviser may rely upon its own, or a portfolio company's, projections concerning the portfolio company's future performance in making investment decisions. Such projections are inherently subject to uncertainty and to certain factors beyond the control of the portfolio company, the Funds and the Adviser.

Epidemic Outbreak

An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including the Adviser's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. The Adviser has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect the Adviser's business and/or the markets can be determined and addressed in advance.

Effects of Health Crises and Other Catastrophic Events.

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war, or civil disturbances, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Funds' investments and the Adviser's operations and employees. For example, any preventative or protective actions that governments may take in respect to such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for certain Fund investments. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended, or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Cybersecurity.

The Adviser's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and/or the Investors, despite the efforts of the Adviser and service providers to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and the Investors.

Custody Risk

The Adviser is required to maintain certain Fund assets with a qualified custodian. The Adviser or Funds may incur a loss on securities and cash held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration, or inadequate recordkeeping. Generally, deposits maintained at a bank do not become part of a failed bank's estate however, the Adviser's operations could be impacted by the bank's insolvency in that there may be a delay in access to liquidity, trade settlement, delivery of securities, etc. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

Bank Deposits Risk

Deposits maintained at a Federal Deposit Insurance Corporation ("FDIC") insured bank are insured up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Any deposits over \$250,000 in cash per account at a single bank may be unrecoverable in the event the bank fails. Diversifying banking relationships could serve to mitigate the potential loss of assets and available liquidity.

Counterparty Risk

The Adviser and Funds may be subject to credit and liquidity risk with respect to the counterparties. Exposure to credit and liquidity risk from counterparties can occur through a wide range of activities when dealing with, including but not limited to, service providers, banks, brokers, insurance providers, trading counterparties, portfolio companies, prospective portfolio companies, or other entities. Should a counterparty become bankrupt or otherwise fail to perform its obligations under a contract due to financial difficulties, there may be significant delays in obtaining any or limited recovery under a contract in a bankruptcy court or other reorganization proceeding. The lack of any independent evaluation of such

counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement or provide access to capital will increase the potential for losses by the Adviser and Funds especially during unusually adverse market conditions.

Please refer to the Offering Documents of the Funds for a detailed description of the material risks related in an investment in the Funds.

Item 9 – Disciplinary Information

Health Catalyst Capital and its principals and employees have not been subject to any material legal or disciplinary events required to be disclosed in this Brochure.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Health Catalyst Capital nor any of its principals and employees are registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Health Catalyst Capital nor any of its principals and employees are registered as futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Health Catalyst Capital's affiliates act as the General Partners to the Funds. The General Partners have engaged Health Catalyst Capital to act as an investment adviser to the Funds.

Health Catalyst Capital's principals and employees do not have any relationships with other financial firms that have been identified to pose a material conflict of interest.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Health Catalyst Capital has adopted a Code of Ethics (the “**Code**”) pursuant to Rule 204A-1 under the Investment Advisers Act designed to promote high ethical standards and reflect Health Catalyst Capital’s fiduciary duty to its clients. The Code establishes standards of business conduct for all employees and access persons (“**Access Persons**”) under the Code and is designed to detect and prevent prohibited acts and mitigate potential conflicts of interest between Health Catalyst Capital, its employees, Access Persons, and the Funds. Health Catalyst Capital requires its employees and Access Persons to certify their compliance to the Code on an annual basis.

In addition to the specifics required under Rule 204A-1, the Code also describes rules and restrictions surrounding personal securities transactions. Those employees deemed to be Access Persons must provide Health Catalyst Capital’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an employee. In addition, these employees must also provide annual holdings reports and periodic account statements, transaction confirmations and any other information reflecting account or transactional activity in accordance with Rule 204A-1. The Code also requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information.

The Code also regulates the outside business activities of employees and Access Persons, limits gifts and entertainment received or given, regulates political contributions, and implements policies to prevent the misuse of material non-public information, among other policies.

Current and prospective clients and Investors may obtain a copy of the Code by contacting Health Catalyst Capital’s Chief Compliance Officer, Mr. David Powers at (832) 244-8786.

It will not be in Health Catalyst Capital’s usual practice as principal to purchase securities or other instruments for itself from any Fund, nor to sell securities or other instruments to any Fund.

Health Catalyst Capital and its employees, Access Persons, and principals do not buy or sell securities which it recommends to clients or Fund accounts.

Item 12 – Brokerage Practices

The investments made by the Funds are generally private, illiquid and long-term in nature. Due to the nature of its business, Health Catalyst Capital does not use soft dollars or permit its clients to direct brokerage.

The Adviser will allocate investments to the Funds in accordance with their Offering Documents.

Item 13 – Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors companies in which the Funds invest and the Chief Compliance Officer and Charles Boorady periodically check to confirm that each Fund is maintained in accordance with its stated objectives and guidelines to the extent required by any investment activity in such Fund.

Item 14 – Client Referrals and Other Compensation

The Adviser may enter into relationships with placement agents, whereby such placement agents are compensated for successfully introducing potential Investors to the Funds. Any fees payable to the placement agents will be paid by the Adviser or its affiliates and will not be borne by Investors.

None of the Advisor's own employees are directly or indirectly compensated for Investor referrals.

Item 15 – Custody

Under Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”), Health Catalyst Capital is deemed to have custody of the assets of each Health Catalyst Capital Fund for which it or an affiliate serves as the general partner, or for any Fund for which it has authority to withdraw funds from a Fund account. Accordingly, the Adviser adheres to the applicable requirements of the Custody Rule with respect to the Funds.

The Adviser will arrange for annual audits of the Funds by an independent accounting firm that is registered with and (subject to certain temporary SEC staff relief) subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, and for delivery of the audited financial statements to Investors within 120 days of each Fund’s fiscal year end (subject to certain unforeseeable circumstances). Health Catalyst Capital recommends that Investors carefully review the annual financial statements.

Item 16 – Investment Discretion

Pursuant to the applicable investment management agreement, the Adviser manages the Funds on a fully discretionary basis. The terms of the investment management agreements and the Adviser's investment strategy and guidelines are described in detail in the Offering Documents. Through the use of this discretion, Health Catalyst Capital invests principally in privately held healthcare information technology and service companies. Health Catalyst Capital seeks to generate long-term capital appreciation, primarily by acquiring equity and equity-related securities.

Item 17 – Voting Client Securities

While Health Catalyst Capital normally does not vote proxies, the Adviser has adopted written proxy voting policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act. The Adviser's goal is to act prudently and vote proxies in the best interests of each Fund. The Adviser believes company management generally is best suited to make the decisions that are essential to the ongoing operation of the company. The reason for the voting decision, along with a record of the vote, will be retained by the Adviser.

The Adviser's policies and procedures contain procedures designed to address potential conflicts of interest that may arise between Health Catalyst Capital and its Funds. To protect the Funds against a breach of the Adviser's duties to them, on any occasion when a proxy vote presents a conflict of interest, the Adviser will present any purported conflict of interest to senior management/investment professional for consultation on the matter and conduct a conflict analysis accordingly. The Adviser shall document the matter and preserve such documentation.

Health Catalyst Capital will provide a copy of its Proxy Voting Policies and Procedures and information about how the Adviser voted a client's proxies to any Investor or prospective investor upon request.

Item 18 – Financial Information

Not applicable.

Item 19 – Requirements for State-Registered Advisers

Not applicable.