



FIRST LIGHT ASSET MANAGEMENT, LLC
PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of First Light Asset Management, LLC (“First Light”). If you have any questions about the contents of this brochure, please contact First Light at (952) 831-6500 or info@firstlightam.com. 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 First Light also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

In this Item, First Light is required to disclose material changes to its last annual update in this Brochure, ("**Brochure**") which was the version dated March 30, 2023. This Brochure does not contain any material changes since that update. However, this update includes certain nonmaterial revisions, including technical, stylistic, or clarifying changes intended to enhance the overall Form ADV Part 2A.

A complimentary copy of this Brochure is available by contacting First Light at 952-831-6500 or by submitting a written request to First Light Asset Management, 3300 Edinborough Way, Suite 201, Edina, MN 55435 or info@firstlightam.com.

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Item 4: Advisory Business

First Light Asset Management, LLC ("**First Light**"), a Delaware limited liability company, was formed in September 2013. Mathew P. Arens, First Light's Managing Member, Chief Executive Officer and Senior Portfolio Manager, is its principal owner.

First Light provides advisory services to individuals, high-net worth individuals, institutional clients, pension plans or profit-sharing plans, corporations, and charitable organizations on a discretionary basis through separately managed accounts ("**Separate Accounts**") and each such client, a "**Separate Account Client**").

First Light manages a long-only health care equity investment strategy (the "**Genesis Strategy**") for Separate Account Clients. The Genesis Strategy primarily seeks out high quality, reasonably priced, growth-equity opportunities among publicly traded micro- to small/mid-cap health care and life sciences companies. The Genesis Strategy targets companies developing transformative devices, technologies and innovations that seek to save money and/or improve patient care. The Genesis Strategy aims to identify companies with high growth potential before the broader market recognizes these opportunities.

First Light provides investment and advisory services to Separate Account Clients pursuant to the Genesis Strategy and other strategies it employs. From time to time First Light provides additional advisory services tailored to meet the specific needs or investment restrictions of Separate Account Clients to the extent agreed upon in writing between such Separate Account Client and First Light.

First Light provides advisory services using the Genesis Strategy to many Separate Account Clients pursuant to "**dual contract programs**" (also called "**wrap fee programs**") sponsored by unaffiliated broker-dealers/investment advisers that have approved First Light's participation in their programs. In a dual contract program, the client executes two agreements. The first contract is with the program sponsor and typically addresses such matters as custodial and brokerage services and can provide assistance in selecting third party investment managers, such as First Light. The second contract is an investment advisory agreement with First Light pursuant to which a Separate Account Client retains First Light directly to provide investment advisory services and pays First Light an advisory fee as set forth in the agreement. Each investment advisory agreement discloses the strategy's investment mandate and grants First Light discretionary investment authority to implement that strategy. Separate Account Clients must disclose certain suitability factors such as investment background and experience, among others, that First Light relies upon in rendering services and will continue to rely on until the Separate Account Client updates the information. Potential Separate Account Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a dual contract program. First Light has limited information around participants in dual contract programs, and partially relies on recommendations regarding suitability provided by the program sponsor.

In these programs, Separate Account Clients are not charged separate commissions or other transaction costs on each trade so long as the program sponsor (or its broker-dealer affiliate) executes the trade. A portion of the sponsor's fee generally is considered to cover commissions or other transaction costs. It is anticipated that most Separate Account Clients who participate in a dual contract program will direct or require First Light to trade with the program sponsor (or its broker-dealer affiliate). This avoids incurring brokerage costs or additional transaction costs by other broker-dealers, in addition to the sponsor's bundled fee, or to avoid other costs associated with trading away. More information on First Light's trading practices associated with this type of brokerage direction is contained in Item 12 below. Dual contract programs impose certain investment or transaction limitations or restrictions on First Light such that such accounts will be managed similarly, but not necessarily identically, to First Light's non-program accounts.

Where dual contract program terms allow, First Light is permitted to execute a transaction through a broker-dealer other than the program sponsor where First Light believes that such trade would result in the best price and execution under the circumstances. In such cases, transaction and other fees are often included in the net price of the security. See Item 12 for more information.

Separate Account Clients using dual contract programs should review all materials regarding their program's terms, conditions, and fees (including the sponsor's Form ADV Part 2A, or the applicable wrap fee program brochure, as applicable), and consider the advantages and disadvantages and overall appropriateness of the program in light of the Separate Account Client's particular circumstances.

First Light also provides investment management services to five private investment funds, First Light Focus Fund, LP, First Light Focus Feeder Fund, Ltd, First Light Prism Fund, LP, First Light Prism Feeder Fund, Ltd., and First Light Genesis+ Fund, LP (each, a "**Fund**" and collectively the "**Funds**"). Related entities of First Light, First Light Focus Fund GP, LLC, First Light Prism Fund GP, LLC, and First Light Genesis+ Fund GP, LLC (together the "**General Partners**") act as the general partners of their related Funds. Interests in the Funds are offered in private placements under the Securities Act of 1933, as amended (the "**Securities Act**"). As a result, First Light offers investment in the Funds on a private basis to a limited number of qualified institutional and high net worth Investors that meet the criteria prescribed by relevant requirements for such investments.

More information concerning the Funds is contained in the Funds' limited partnership agreements, confidential private placement memorandums and other governing documents (the "**Offering Documents**"). Investors and prospective Investors in the Funds (each, an "**Investor**" and collectively, "**Investors**") should refer to the Offering Documents for complete information regarding the investment objectives, investment liquidity, investment restrictions and other important information with respect to the Funds. Investors must be financially sophisticated and able to bear the substantial risks of an investment in the Funds, including loss of the entire investment.

The Separate Account Clients and the Funds are referred to together, as "**Clients**".

First Light's advisory services to Clients primarily consist of (1) investigating, identifying, and evaluating investment opportunities; (2) structuring, negotiating, and making investments on behalf of Clients; (3) managing and monitoring the performance of such investments; and (4) exiting such investments on behalf of Clients. Other professionals (e.g., lawyers, accountants, tax preparers, and insurance agents) engaged directly by Clients typically charge fees of their own. First Light does not provide legal or tax advice.

First Light's investment advisory agreements with its Clients typically contain provisions that may act as a waiver, release, or limitation on certain rights Clients may have against First Light arising from its services. In substance, the investment advisory agreements usually state that First Light, and its directors, officers, employees, or agents, are not liable for any acts or omissions or for any loss in regard to First Light's performance of its duties under such agreements, except for any acts or omissions which constitute bad faith, fraud, material breach of the agreement, violation of applicable laws or regulations, intentional misconduct, gross negligence, or recklessness. Notwithstanding the liability-limiting nature of these provisions, Clients should be aware that federal and state securities laws may impose liabilities on First Light under certain circumstances. Therefore, nothing in those or any other provisions in the investment advisory agreements will have the effect of waiving, releasing, or limiting any rights a Client may have under those laws or under any other laws that are not permitted to be waived by contract.

As of December 31, 2023, First Light managed approximately \$1,387,863,426 in Regulatory Assets Under Management (as defined in Form ADV Part 1) on a discretionary basis and no Client assets on a non-discretionary basis.

Item 5: Fees and Compensation

Separate Account Client Fees and Expenses

The standard fee schedule for Separate Account Clients provides for a management fee based on the following rates calculated on the value of all assets in the Client's Separate Account (as determined by First Light based upon its valuation policy ("**Valuation Policy**")):

- On accounts with net assets up to \$1,000,000 – 2.00% per annum;
- On accounts with net assets in excess of \$1,000,000 and up to \$5,000,000 – 1.75% per annum; and
- On accounts with net assets in excess of \$5,000,000 – 1.50% per annum.

Each Separate Account Client pays First Light a quarterly management fee in advance based on the market value of the Separate Account as of the last trading day of the preceding calendar quarter.

In any partial calendar quarter, the management fee will be paid in advance based on the initial value of assets in the Separate Account and is prorated based upon the number of days that the Separate Account is open during the quarter. In a similar fashion, subject to a de minimis threshold for each occurrence, additions to the Account will be assessed a management fee based upon the amount added to an existing Separate Account and is prorated based on the number of days remaining in the quarter at the time of the addition to the Separate Account.

In the event a Separate Account closes or has a withdrawal during a quarter, a portion of the prepaid management fees will be returned to the Separate Account Client. This calculation is based upon the value of the Separate Account as of the last trading day of the preceding calendar quarter or the amount being withdrawn (with the withdrawal amount being subject to a de minimis threshold per occurrence) and is prorated for the number of days remaining in the quarter at the time of the closure or withdrawal.

First Light's fee schedule is negotiable in its sole discretion based upon certain criteria (i.e., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, or negotiations with Clients). Fees paid by a Client vary based on the managed account program. Tailored services provided to some Separate Account Clients incur both management and performance-based fees. These services are offered on a limited basis with terms that vary based on services provided and are set forth within their specific investment advisory agreement.

First Light sends an invoice to each Separate Account Client. First Light either bills Separate Account Clients directly or is authorized in its investment advisory agreement with Separate Account Clients to instruct the custodian to pay the advisory fee from the assets of the Clients' account. Separate Account Clients can select either billing method.

Separate Account Clients are responsible for all brokerage commissions and other costs associated with the purchase or sale of securities and other investment instruments, fees charged by the custodian, interest, taxes, and other account expenses in addition to the management fee described above. To the extent Separate Account Client assets are invested in exchange-traded funds (ETFs) and/or other third-party mutual funds, the Separate Account Client pays two levels of advisory fees on those assets – First Light's management fee and the Separate Account Client's share of the advisory fees and other fees and expenses assessed to all shareholders of such funds.

As noted above, Separate Account Clients incur brokerage and other transaction costs in addition to First Light's fees. Please see Item 12 for a discussion of First Light's brokerage practices.

Fund Fees and Expenses

The compensation the Funds pay First Light is set forth in the Offering Documents.

The General Partners are permitted to enter into side letters and other agreements granting more favorable rights or terms to certain Investors. These rights or terms can include special rights with respect to future investment capacity; special liquidity or withdrawal rights; rights to receive additional, more frequent or specialized reports; and rights to reduced rates or limits on Performance Allocations (as defined below), management fee, and/or expense pass-through. These agreements can create preferences or priorities for certain Investors as compared to other Investors.

The General Partners are permitted to enter into these separate agreements without the consent of, or notice to, other Investors. Investors are not entitled to participate in any special arrangement without the prior approval of the relevant Fund's General Partner. Investors not offered a special arrangement do not have any right or claim against the relevant Fund's General Partner, First Light or the Funds.

Valuation Process

First Light has significant discretion to determine the valuations of Clients' investments in certain circumstances. The exercise of such discretion by First Light with respect to Clients' accounts gives rise to inherent conflicts of interest, as management fees and Performance Allocations (as defined below and as applicable) are calculated based, in part, on these valuations. For example, when First Light participates in valuing Clients' investments, it has an incentive to place higher values on investments, since this could increase the amount of fees Clients would pay to First Light.

First Light has adopted and implemented a Valuation Policy governing the pricing of securities and other assets held by Clients. The Valuation Policy generally provides that liquid investments be valued at readily ascertainable market values. With respect to each Fund, on an annual basis, First Light's valuations are reviewed in connection with the Funds' independent financial statement audit.

For the purpose of calculating the net asset values ("**NAV**") of the Funds and the value of the Separate Account Clients' investment portfolios, First Light will rely on and is entitled to rely on, and will not be responsible for the accuracy of, financial data furnished to it by broker-dealers, market makers, or independent third-party pricing services. First Light can also use and rely on industry standard financial models in pricing Clients' securities or other assets.

Sales-Based Compensation

Neither First Light nor its supervised persons are compensated for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

Each Fund provides for the payment of performance compensation to its relevant General Partner, each of which is a First Light affiliated entity. Performance-based compensation (a "**Performance Allocation**") will be determined for each Investor at the end of each performance period (generally, each calendar year), subject to a "high water mark". Additional details about the mechanics of calculating and charging the Performance Allocation and details regarding the varying Performance Allocation options and characteristics are set forth in each Funds' Offering Documents.

No Performance Allocation is assessed against a General Partner, First Light, or any of their affiliates, and the General Partners are permitted to, in their sole discretion, waive or reduce the Performance Allocation of any Investor, including any member, employee, or affiliate of the General Partner, First Light, or its affiliates that invests in any of the Funds as an Investor.

Tailored services provided to certain Separate Account Clients also incur performance-based fees in limited instances.

The calculation and payment of Performance Allocations and performance-based fees charged to any Separate Account Clients complies with relevant regulatory requirements, including the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Performance-based fee and Performance Allocation arrangements create an incentive for First Light to make more speculative investments in the assets purchased for each Fund than it might otherwise make in a flat fee arrangement (such as that which is generally applicable

with respect to the Separate Accounts), in order to increase the likelihood that a General Partner will receive Performance Allocations. Similarly, performance-based fee and Performance Allocation arrangements create an incentive for First Light to favor Clients subject to performance-based fee and allocation arrangements over those Clients subject to a straight flat fee arrangement (known as “**side-by-side management**”). This incentive could cause an investment adviser to allocate the more favorable investment opportunities only to the higher-fee account and the better-executed trades to the higher fee account. First Light has procedures addressing the allocation of investment opportunities and the execution of Clients’ trades that are designed and implemented to help ensure that all Clients are treated fairly and equally over time and that no Client is systematically disadvantaged. Such procedures are generally described in Item 12 below. First Light also reviews the transactions within the performance-based fee accounts against the transactions within other accounts to identify any differences that might be the result of this conflict of interest.

Item 7: Types of Clients

First Light provides discretionary investment management services to (1) Separate Account Clients, which include individuals, high-net worth individuals, institutional clients, pension plans or profit-sharing plans, corporations, and charitable organizations; and (2) the Funds, as described above in Item 4.

With respect to Separate Account Clients, a minimum account value of \$250,000 is typically required; however, amounts less than the required minimum can be agreed upon in First Light’s sole discretion. In certain instances, the minimum Separate Account size is higher or lower at First Light’s discretion.

Investment minimums for each Fund are set forth in their Offering Documents. Interests in the Funds are only offered to persons who meet the eligibility requirements for investment in privately offered securities, which (1) rely on an exclusion from the definition of “investment company” under the Investment Company Act of 1940, as amended, provided by Section 3(c)(7) thereunder; and (2) rely on an exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(a)(2) and Rule 506 of Regulation D. Investors and prospective Investors in each Fund are urged to refer to the Offering Documents of such Fund for detailed information on the investment requirements.

Given the nature of First Light’s investments, at all times it retains the discretion to close one or more of its strategies, as well as to open one or more of its closed strategies to new Clients and/or to additional investments from existing Clients, to the extent First Light determines doing so would be in the best interests of Clients.

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

In addition to the details provided in this Item 8 below, please refer to Item 4 above for a discussion of the investment strategies and investment processes utilized by First Light.

Investment Strategies

The Genesis Strategy is focused on investing in publicly traded health care equities. The Genesis Strategy utilizes a fundamental, bottom-up approach to stock selection in an attempt to identify high-quality, compelling investment opportunities. In general, the Genesis

Strategy invests in companies that are growing at rates faster than the U.S. economy. The Genesis Strategy typically invests in equities that are weighted in the portfolio based on First Light's level of conviction. First Light holds higher percentages of cash in the portfolio from time to time for defensive purposes or pending investment in suitable securities.

First Light's investment strategies and techniques with respect to each Fund are subject to the specific investment objectives and restrictions applicable to each Fund, all as set forth in the specific Fund's Offering Documents. Investors and prospective Investors in each Fund should refer to the specific Offering Documents for complete information regarding the investment objectives, investment restrictions and other important information with respect to each Fund.

From time to time, First Light enters into managed account agreements providing advisory services that closely align with one of the Funds or differ from the Genesis Strategy. These advisory services can be tailored to meet the specific needs or investment restrictions of a Separate Account Client to the extent agreed upon in writing between such Separate Account Client and First Light.

Some securities (or particular transactions) are not deemed appropriate for some strategies while being appropriate for other strategies. For example, the Genesis Strategy has a broader mandate than the Funds and often holds a greater number of investments at smaller percentages. Additionally, while not appropriate for the Genesis Strategy, some Fund-related strategies utilize leverage and sell short equities. First Light makes determinations for each investment based upon many factors, including liquidity of the security, market capitalization of the security (or issuer), optimal ownership levels for the security (in relation to a particular strategy), and expected time period of the holding, as well as other factors. First Light is not required to provide every opportunity to every Client, but is required to, and will act in good faith and in a manner consistent with its fiduciary duties to Clients.

Investment Process

First Light primarily uses fundamental analysis. Fundamental analysis involves evaluating securities using real data such as company revenues, earnings, return on equity, and profit margins to determine underlying value and potential growth. Fundamental analysis involves interest rate risk, market risk, business risk, and financial risk. The main sources of information relied upon include analysis of filings with the Securities and Exchange Commission (the "SEC"), company press releases, communication with research analysts, industry experts, and company management, as well as financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, and prospectuses.

Risk Management

First Light's investment focus is on capital appreciation. A key tenet of its investment process is assessing the margin of safety in prospective investments, and therefore risk management starts at the position level. First Light views risk as potential for permanent impairment of capital and not the volatility of a security. First Light seeks to manage risk through fundamental analysis and disciplined portfolio construction, and in general re-allocates capital to what it believes are the best risk/reward scenarios. First Light believes its probability weighted approach to stock selection also adequately accounts for individual stock risks and therefore position weightings reflect this implied risk. Any risk management or mitigation processes or actions discussed refer to efforts to monitor and manage risk but should not be confused with and do not imply no or low risk.

Risk Factors

Investing in securities involves risk of loss that Clients and Investors should be prepared to bear. Past performance is not a guarantee of future returns. The material risks presented by First Light's investment strategies are set forth below, but this section does not attempt to identify every risk, or to describe completely those risks it does identify.

No Guarantee of Investment Performance. First Light cannot warrant or guarantee that Clients will achieve their stated investment objective or achieve positive or competitive investment returns. Market, regulatory, and other factors, many of which cannot be anticipated or controlled by First Light, could result in Clients not generating positive or competitive returns or in Clients losing a portion or all of their investment.

Risks of Concentrating in Health Care and Related Sectors. First Light's strategy of concentrating on securities of companies in the health care and related industry sectors means that Clients' investment performance will be closely tied to the performance of these particular market segments. Clients' concentration in these companies presents more risks than if it were broadly diversified across numerous industries and sectors of the economy. A downturn in health care related companies would have a larger impact on Clients than on a strategy that does not concentrate on such companies. At times, the performance of these companies lags the performance of other industries or the broader market as a whole. Many health care companies are smaller and less seasoned than companies in other sectors. Health care companies are also strongly affected by scientific or technological developments and their products can quickly become obsolete. Many health care related companies are heavily dependent on patent protection and the actual or perceived efficacy of their products. The expiration of patents may adversely affect the profitability of health care companies. Certain health care companies may face special risks that their products or services will not prove to be commercially successful. Health care companies are also strongly affected by worldwide scientific developments. In addition, such companies are subject to governmental regulation and can be adversely affected by governmental policies.

Extensive Government Regulation of Health Care Companies. The success of Clients' investments is, in many cases, dependent upon the issuing companies obtaining certain government approvals. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a health care company's product are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration ("**FDA**") and other regulatory agencies in the U.S. and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, the issuing company will obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. If a company is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, the company would likely experience significant adverse effects, which in turn, could negatively affect Clients' investment performance.

Impact of Third-Party Payers on Health Care Companies. In both the U.S. and foreign markets, sales of a health care product and its success depends in part on the availability of reimbursement from third-party payers such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of pharmaceutical and other health care companies in which Clients invest can be affected

by the continuing efforts of governmental and third-party payers to contain or reduce the costs of health care. Significant uncertainty exists around 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.

Securities of Smaller Companies. First Light's investment strategy includes investments in small-cap and micro-cap securities. Accordingly, Clients are subject to the additional risks associated with investment in such companies. These companies can (1) have relatively small revenues, (2) have limited product lines, (3) have a small share of the market for their products or services, (4) lack depth of management, (5) be unable to obtain funds necessary for growth, and (6) be developing or marketing new products or services for which markets are not yet established and may never become established. Due to these and other factors, small-cap and micro-cap companies can suffer significant losses, as well as realize substantial growth. Further, stocks of small-cap and micro-cap companies have been historically more volatile than stocks of larger companies and are, therefore, more speculative than investments in larger companies. Among the reasons for the greater price volatility are the following: (1) the less certain growth prospects of small-cap and micro-cap companies, (2) the lower degree of liquidity in the markets for such stocks, and (3) the greater sensitivity of micro-cap companies to changing economic conditions. Besides exhibiting greater volatility, small-cap and micro-cap company stocks often fluctuate to a degree independent of larger company stocks. Small-cap and micro-cap company stocks can also decline in price as large company stocks rise or rise in price as large company stocks decline. Clients and Investors should, therefore, expect the value of their investment in the Separate Account or the Fund, respectively, to be more volatile than an investment in a portfolio that invests primarily in larger company stocks.

Lack of Liquidity in Markets. Despite the heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. This lack of liquidity and depth can be a disadvantage to Clients, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Investment Competition. The market for some types of securities is highly competitive. First Light competes for investment opportunities for Clients with a significant number of financial institutions, other private funds, and various institutional investors. Many of these competitors are larger and have greater financial, human, and other resources than First Light and in certain circumstances can have a competitive advantage over First Light. As a result of this advantage, there could be fewer attractively priced investment opportunities available, which in turn can have an adverse impact on the ability of Clients to meet their investment objectives and the length of time that is required for Clients to become fully invested. There can be no assurance that returns on Separate Account Clients' investments will immediately match the returns of established Clients when they fund (or add to) their investment portfolios with First Light.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, political and diplomatic events and trends, tax laws and innumerable other factors, can substantially and adversely affect Client returns.

Volatility of Securities Markets. Prices of securities can be volatile and price movements are influenced by many unpredictable factors.

Other Instruments and Strategies. The foregoing descriptions of investment strategies and instruments are not intended to be exhaustive. First Light employs various other strategies and instruments from time to time in pursuing Clients' investment objectives which can potentially create conflicts among Client Accounts. Additionally, during weak or declining markets, First Light sometimes invests more of Clients' assets in cash and cash equivalents. Although these types of investments are primarily intended to avoid losses, they can also prevent Clients from achieving their investment objectives.

Possible Adverse Effect of Large Withdrawals. First Light's investment strategies can be disrupted by large withdrawals by Clients or Investors. For example, such withdrawals can require First Light to prematurely liquidate securities it purchased for a Client. When this occurs, it can be difficult to close out positions in particular securities at prevailing market prices or at prices which First Light believes reflects full value.

Start-Up Periods. The Separate Accounts and the Funds sometimes encounter start-up periods during which they incur certain risks related to the initial investment of newly contributed assets. The Separate Accounts or Funds can commence investment operations, or receive substantial additional investable capital, at unfavorable times such as after sustained movements in a number of markets or individual securities. At its discretion, First Light can take a significant period of time to appropriately invest any newly contributed capital.

Increase in Amount of Assets Managed. First Light expects that it will continue to grow the assets for which it directs trading. It is not known what effect, if any, such growth will have on the performance of its strategies and/or Clients' accounts or on the trading strategies generally. No assurance can be given that any changes in First Light's strategies in response to the increased assets that it manages will be successful. In any case, there can be no guarantee that future investment results will be similar to those previously achieved by First Light.

Market Conditions. The performance of the Separate Accounts and the Funds is materially affected by conditions in the financial markets and economic conditions throughout the world, including regulatory intervention and policies, interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls, market liquidity, and national and international political circumstances. Difficult market conditions can reduce the value or performance of a Separate Account or a Fund's portfolio investments.

Institutional Risk. Institutions, including brokerage firms and banks, with which Clients (directly or indirectly) do business, or to which securities have been entrusted for custodial purposes, can encounter financial difficulties that impair Clients' operational capabilities or capital position.

Changing Regulatory Environment. The U.S. and international regulatory environment for investment advisers and private investment funds is evolving, and changes in regulations can occur that adversely affect Clients and their investment results. Clients can be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the U.S. Internal Revenue Service, or other U.S. or applicable non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. Clients can also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations, or initiatives not yet proposed, or whether any of the proposals will become law. Compliance with any new laws

or regulations can be more difficult and expensive and can affect the manner in which First Light is able to manage Clients' investment portfolios. New laws or regulations can also subject Clients to new or increased taxes or other costs.

Material Nonpublic Information and Insider Trading. By reason of their responsibilities in connection with the Clients and other investment activities, and notwithstanding procedural safeguards including, but not limited to, restricted securities lists, personnel of First Light at times acquire confidential or material nonpublic information ("**MNPI**") that would limit the ability of the Clients to buy and sell certain of its investments. The Clients' investment flexibility can be constrained due to the inability of First Light to use such information for investment purposes. Moreover, the Clients would be restricted from initiating transactions in certain investments due to First Light's acquisition of confidential or MNPI at a time when First Light would otherwise take such action. Please refer to Item 11 below for further discussion of these risks.

Pandemic Risks. Disease outbreaks that affect local economies or the global economy can materially and adversely impact First Light's investment funds and portfolios and/or its business. These types of outbreaks can cause a range of decreases in core business activities such as manufacturing, purchasing, tourism, business conferences, and workplace participation, among others. These disruptions can lead to instability in the marketplace, including stock market losses and overall volatility. In the face of such instability, governments can take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses.

Business Continuity and Disaster Recovery. First Light has in place business continuity and disaster recovery plans reasonably designed to ensure that it is able to maintain normal business operations and that its investment portfolios and Clients' assets are protected, and it periodically tests those plans. However, in the event of a business disruption event, there can be no assurance that either First Light or its service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis. The full impact of and nature and scope of future disaster events are inherently unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

Cybersecurity Risk. As the use of technology and the Internet have become essential to First Light's business, it is therefore more susceptible to operational, financial and information security risks resulting from cybersecurity breaches or other cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, gaining unauthorized access to electronic systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets, sensitive information (e.g., personally identifiable information (PII) or trading information), corrupting data, or causing operational disruption. Cyber-attacks can also be carried out in a manner that does not involve gaining unauthorized access. For example, causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber incidents affecting First Light, any of its service providers or the Funds' service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Funds' NAV, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs. In addition, substantial costs can be incurred to prevent cyber incidents in the future. Similar adverse consequences can also result from cyber incidents involving counterparties with which First Light engages in transactions,

governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions, (including financial intermediaries and service providers for Clients), and other parties.

Although First Light has established internal risk management security protocols reasonably designed to prevent, identify, and respond to cybersecurity incidents, there are inherent limitations in such protocols including the possibility that certain threats and vulnerabilities have not been identified or made public due to the evolving nature of cybersecurity threats. As such, there is a possibility that First Light has not adequately prepared for or identified certain risks. Furthermore, although First Light conducts initial and ongoing due diligence of its third-party service providers, it cannot directly control any cybersecurity plans and systems put in place by such service providers.

Cybersecurity risks are also present for issuers of securities in which a Client's account invests, which can result in material adverse consequences for such issuers and can cause a Client's investment in such securities to lose value.

Risk Factors for each Fund including leverage, counterparty risk and others are set forth in their Offering Documents.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any material legal or disciplinary events that would be material to an evaluation of First Light or the integrity of First Light's management.

First Light has no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

As noted above in Item 4, First Light has material business relationships with five private investment funds: First Light Focus Fund, LP, First Light Focus Feeder Fund, Ltd., First Light Prism Fund, LP, First Light Prism Feeder Fund, Ltd, and First Light Genesis+ Fund, LP, in addition to the Funds' General Partners, First Light Focus Fund GP, LLC, First Light Prism Fund GP, LLC, and First Light Genesis+ Fund GP, LLC, which are affiliated with First Light. Please refer to Item 6 above regarding performance-based fees paid by the Fund to the General Partners.

First Light, the General Partners, and the Funds are subject to various conflicts of interest in their relationships with Clients. These conflicts include the following:

The services of First Light are not exclusive to Separate Account Clients or the Funds. First Light is permitted to provide services to other clients or funds that have investment objectives and policies similar to those of Separate Account Clients or the Funds. In such a situation, the Separate Account Clients and/or the Funds could invest in securities in which other funds and accounts managed by First Light and/or its affiliates also invest. In addition, First Light and/or its affiliates could give advice and recommend securities to, or buy or sell securities for, such funds or accounts that could be different from the advice given to, or securities recommended for, the Separate Account Clients and/or the Funds, even though the investment objectives of such funds or accounts are the same as, or similar to, those of the Separate Account Clients and/or the Funds. As a result, there can be no assurance that the Separate Account Clients and/or the Funds would be afforded

comparable investment opportunities to those directed to such other funds and accounts managed or advised by First Light or its affiliates. First Light's personnel will devote such time to the activities of the Separate Account Clients and/or the Funds as they determine to be necessary to properly manage the investment portfolios of such Clients in a manner consistent with applicable agreements and relevant regulatory requirements. Conflicts of interest could arise in the allocation between Clients of time, services or functions by individuals associated with First Light.

Although not a conflict, implementing investment strategies relies on the discretionary investment advisory services of First Light. Therefore, Clients' investment experience will significantly depend upon the business and investment acumen of key personnel of First Light, namely, Mathew P. Arens. In the event key personnel became unable to carry out their role, the business and results of Clients' accounts could be adversely affected.

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

First Light maintains a Code of Ethics ("**Code**") designed to reinforce the fiduciary principals governing First Light and its employees. The Code, among other things, requires all employees to act with integrity and in an ethical and professional manner and addresses employees' personal securities transactions.

Policies against self-dealing, insider trading, and conflicts of interest are set forth in First Light's Code. The Code forbids employees from trading, either personally or on behalf of others on the basis of MNPI which is information that, if disclosed, might affect an investor's decision to buy, sell or hold a security, or communicating MNPI to others in violation of the law.

From time to time, First Light's employees come into possession of MNPI. Such employees are prohibited from improperly disclosing or using such information for their benefit or for the benefit of any other person. When First Light is in possession of MNPI about an issuer, it is prohibited from communicating such information to, or using such information for the benefit of Clients or on behalf of Clients, which could prevent First Light from buying or selling certain securities.

Additionally, the Code sets forth restrictions on the receipt of gifts, outside business activities, personal trading activity, maintenance of brokerage accounts, and other matters. First Light's investment team members periodically attend medical industry tradeshow and investment conferences for purposes of research. From time to time, they could accept badges to attend such events from portfolio companies which are not considered gifts with the condition that acceptance of such badges does not affect the investment team member's advisory decisions. First Light monitors this activity. First Light believes its Code is reasonably designed and implemented to prevent, mitigate, or eliminate potential conflicts of interest between First Light (and its employees) and Clients and Investors. First Light endeavors to always make decisions in the best interest of Clients should a conflict of interest arise.

Nevertheless, Clients and Investors should be aware that no set of rules, policies, or procedures can anticipate, avoid, or address all potential conflicts of interest.

Employees are not prohibited from owning or trading securities bought, sold, and/or recommended by First Light to Clients, provided such employee personal trading activity complies with the parameters, limitations, and requirements of the Code. Because First Light permits such personal trading, this creates the conflict that employees could use their knowledge of pending Client transactions in an attempt to obtain a benefit. For example, if

an employee owns a security and employee knows First Light will be selling that security out of Clients' accounts, the employee could sell the personal holding ahead of time Clients' transactions in an effort to obtain a higher price than might exist when the Client account holdings are sold. To address this, employees are required to request approval from First Light's Chief Compliance Officer (the "CCO") prior to engaging in certain types of securities transactions. The CCO has broad discretion to reject employees' personal trading preclearance requests for any reason. In addition, First Light's principals and qualified employees are permitted to invest in First Light's strategies or the Funds alongside other Separate Account Clients or Investors. The Code also requires employees to report personal securities transactions and the CCO to review such reports. First Light's policies and procedures related to employees' personal trading activity aim to demonstrate First Light's commitment to placing Clients' interests ahead of employees' personal trading interests.

From time to time, First Light can itself invest in a small private company that is not suitable for any Clients at the time of its investment. As long as First Light holds such a position, to avoid conflicts of interest, First Light will not invest Clients' assets in the issuer.

Any exceptions to the Code require the prior approval of the CCO. First Light will provide a copy of the Code to any Client, Investor, or prospective Client or Investor upon request. Such requests should be directed to the CCO at 952-831-6500.

Item 12: Brokerage Practices

Selection of Brokers

It is First Light's policy to seek to obtain best execution on all trades for Clients' accounts. In selecting a broker-dealer to execute securities transactions, First Light considers a variety of factors, including any combination of the following: price, commissions, execution capabilities, the broker-dealer's responsiveness, financial condition, ability to facilitate block trading and positioning, back office capabilities, ability to provide anonymity of transactions, ability to provide liquidity information, and the value of the research (including third party research) and research services provided by the broker-dealer. Because First Light generally has discretion in selecting brokers to execute Clients' trades, it can be deemed to be recommending such brokers to Clients.

When selecting a broker or dealer for a specific transaction, First Light will, in accordance with its fiduciary duties, seek to ensure that securities transactions are executed in such a manner that the total cost or proceeds of each transaction is the most favorable under the circumstances. In other words, while First Light seeks to obtain the best execution for Clients' transactions, the determinative factor in assessing whether First Light has obtained best execution is whether the transaction represents the best qualitative execution for the Client in light of applicable limitations and characteristics involved (rather than the lowest possible commission cost).

First Light periodically reviews its broker-dealers and its efforts to seek best execution.

As set forth in each Client's investment advisory agreement, First Light is not responsible for the acts or omissions of any broker or dealer selected by it in good faith.

First Light does not trade with broker-dealers to reward or incent them for Client referrals.

Use of Client Commissions

Subject to the criteria of Section 28(e) of the Securities Exchange Act of 1934 and applicable regulatory guidance, First Light directs Clients' transactions to brokers who furnish research services directly to First Light or pays third parties via commission sharing agreements who furnish research services to First Light. This can result in Clients paying those brokers a higher commission than might be charged by another broker for similar transactions. First Light believes it is important to its investment decision making processes to have access to independent research. The types of research and research services received include, but are not limited to, the following:

- political, economic, and financial market analysis,
- proprietary and third-party research reports concerning securities, financial models, sectors, and industries,
- access to analysts,
- access to industry conferences and group events, and
- meetings arranged with corporate or industry representatives and experts.

Commission sharing agreements allow First Light to "unbundle" their commission rates in order to allocate a portion of total commissions paid to a pool of soft dollar credits maintained by the broker-dealer that can be used to obtain eligible soft dollar benefits made available to First Light. These agreements could result in mixed-use services defined as having both non-research and research benefits. If this were to happen, First Light would make a good faith allocation between the non-research and research portion of the services received and pay "hard dollars" (i.e., First Light pays from its own monies) for the non-research portion.

In some cases, research services are generated by third parties but are provided to First Light by or through the broker-dealers with and through whom First Light effects Client transactions. As a general matter, the research services First Light receives from broker-dealers are used to service all of the accounts managed by First Light. However, every research service is likely not used to service each and every Client's account and often does not solely benefit the particular accounts that generated the brokerage commissions. First Light does not seek to allocate soft dollar benefits to Clients' accounts proportionately to the soft dollar commissions the accounts generate. When First Light uses Clients' brokerage commissions to obtain research or research services, First Light receives a benefit because it does not have to produce or pay for the research or research services. As a result, First Light has an incentive to select a broker-dealer based on First Light's interest in receiving the research or other products or services, rather than on Clients' interest in receiving most favorable execution. First Light has adopted and implemented policies and procedures, however, which address all aspects of its use of Client commissions and such use is reviewed by First Light on a periodic basis.

In instances when First Light is directed to use a particular broker-dealer to execute securities transactions for an account, such account's commissions are not used to purchase research services but will nevertheless derive benefits from research services obtained from the brokerage for Clients that make no such direction. Research furnished by broker-dealers is used to service any or all Clients' accounts and is used in connection with managing accounts beyond those executing trades with the broker-dealer providing the research.

First Light utilizes an informal process for determining which broker is used in return for soft-dollar benefits. In general, First Light directs trading to brokers that it believes provide value to its investment process which includes access to management teams, expert calls, research reports, analysts, financial models, or idea generation. First Light's approach includes input

from investment team members in determining relative commission levels for all brokers used. Input from the investment team is discussed on a regular basis, and decisions for directing trades to specific brokers are determined on a case-by-case basis as investment opportunities arise or investment decisions are made. Consideration is made for the amount of commissions generated at a specific broker on a quarterly and annual basis, and decisions to use certain brokers are made based on the overall value perceived to First Light in relation to the amount of commissions paid over a specified time period or relative to commissions paid to other brokers that provide similar services. In general, First Light strives to direct more trading to brokers providing the greatest benefit to its investment process.

Directed Brokerage

First Light will accept direction from Clients as to which broker-dealers are to be used for transactions in their account. Typically, the Client has an arrangement with such broker-dealer which results in the Client receiving some benefit from the broker-dealer in exchange for the directed brokerage. Any such direction must be agreed to in the investment advisory agreement or in another writing that is accepted by First Light before it is effective. Generally, it is First Light's policy to accept such direction subject to First Light seeking to obtain best execution.

Similarly, in the case of Clients' accounts that are maintained at broker-dealers, First Light could have discretion to select brokers or dealers other than the custodians when necessary to fulfill its duty to seek best execution of transactions for Clients' accounts. However, brokerage commissions and other charges for transactions not effected through the custodian are often charged to the Client. For this reason, it is likely that most, if not all, transactions for such Clients will be effected through the broker custodian.

First Light is generally not in a position to negotiate commission rates with the custodians in these arrangements. A Client who participates in these arrangements should consider that, depending on the level of the fee charged by the broker-dealer custodian, the amount of portfolio activity in the Client's account, the value of the custodial and other services that are provided under the arrangement, and other factors, the fees can exceed the aggregate cost of such services if they were to be provided separately.

Subject to First Light's sole discretion, First Light permits Clients to direct brokerage for their account to their broker-dealer custodian. Any such direction must be in writing and accepted by First Light before it will be effective. Such Clients should be aware that by directing brokerage in this fashion, it can limit First Light's ability to achieve best execution for transactions and this direction can cost Clients more money. The following are potential risks related to this type of brokerage direction: (1) the direction can result in higher commissions and/or greater spreads or less favorable net prices than would be the case if First Light selected the brokers; (2) the direction generally results in trades for the Client's account not being aggregated with similar trades for other Client's accounts at different broker-dealer custodians and thus are not eligible for the benefits that accrue to such aggregation of orders; and (3) that because of the direction, a Client's account could generate returns unequal to those of other Client's accounts which do not direct brokerage. In addition, trades in accounts with directed brokerage arrangements are initiated in First Light's trade order rotation and are generally completed in this rotation order unless the directed brokerage relationship trades are not being executed in a timely fashion and potentially have a detrimental effect on other Clients. In addition, more than one Client's account is permitted to participate in market on close transactions.

With respect to retirement plan Clients, in agreeing to satisfy such a Client's directions to execute transactions for its account through a directed broker, First Light understands that it is such Client's responsibility to seek to ensure that: (1) all services provided by the directed broker will accrue solely to the benefit of the Client's account and any beneficiaries of the account, and that all expenses paid are proper and permissible expenses of the account and are properly provided in consideration for brokerage commissions or other remuneration paid to the directed broker; (2) using the directed broker in the manner instructed is in the best interests of the Client's account and any beneficiaries of the account, taking into consideration the services provided by the directed broker; (3) its directions will not conflict with any obligations that persons acting for the Client's account have to the accounts, its beneficiaries, or any third parties, including any fiduciary obligations that persons acting for the account has to obtain the most favorable price and execution for the account and its beneficiaries; and (4) persons acting for the Client's account have the requisite power and authority to provide the directions on behalf of the account and have obtained all consents, approvals, or authorizations from any beneficiaries of the account and third parties that are required under applicable law or instruments governing the account.

Bunched Trades

First Light is permitted to bunch trades (or do block trades) on behalf of more than one Client. First Light bunches trades when it determines, exercising its judgment in good faith, that bunching a trade is fair and equitable, and will improve trade execution or otherwise benefit (or not be harmful to) the Clients participating in the trade. First Light generally bunches Separate Account Clients' trades for accounts that share the same broker-dealer custodian and generally bunches Fund-related trades. As described above, Separate Account Clients have the ability to direct brokerage to their respective custodians, thereby potentially limiting their ability to receive best execution. First Light then uses a rotational execution strategy in an effort to ensure that all Clients are treated fairly and equitably over time and that no Client is systematically disadvantaged. For example, to the extent Clients' accounts using Broker-Dealer A are traded first and Clients' accounts using Broker-Dealer B are traded second, in the following set of bunched trades, Broker-Dealer A accounts will be traded second, and Broker-Dealer B accounts will be traded third, and so on, with the bunched order that traded last moved to the first position. The Funds are treated as their own bunched order and participate in the rotation when trading the same securities as Separate Account Clients. This helps ensure that no Clients are given preferential treatment.

Given the nature of the securities in which First Light invests, some orders take a period of time to implement fully across all accounts. It is possible that in some market conditions, Clients' accounts traded last in any given buy or sell transaction will be negatively affected by the buys or sells that occurred earlier. However, First Light believes its rotational execution strategy is fair to all Clients over time.

When allocating bunched trades among Clients, First Light seeks to ensure that: (1) trades are allocated on a timely basis; (2) each participating account will participate at the average share price for the bunched order at the applicable broker-dealer custodian, and transaction costs shall be shared pro rata based on each Client's participation in the bunched order; (3) partially filled orders are allocated pro rata or randomly among all Clients participating in a trade at that broker-dealer custodian; and (4) accurate and complete records of all bunched trades are maintained.

Given this rotational execution strategy and other Client-specific factors, such as an order to liquidate while bunched orders are pending, not all transactions will receive the same price.

However, First Light believes the rotational strategy is fair over time, and it always seeks best execution in connection with Clients' trades.

Internal Cross Trades

Internal cross transactions are trades between Clients' accounts. Cross trades inherently involve a potential conflict of interest between an investment adviser and their clients. In any cross trade, the investment adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to a particular cross trade.

Generally, First Light does not intend to engage in cross transactions between Clients; however, First Light is generally not prohibited from doing so. First Light has procedures designed to eliminate and/or reduce the risks associated with cross trades.

Step-Outs

First Light can use "step-out trades" when it is determined that it might facilitate better execution for certain trades, even if the Client has directed First Light to utilize a particular broker. First Light "steps-out" a trade when it places a trade order for one or more Client accounts with a broker-dealer who executes the trade and then steps-out portions of the trade to another broker-dealer(s) for clearance and settlement. In certain cases, the executing broker-dealer receives commissions from the participating discretionary Clients' accounts but does not receive commissions from participating directed brokerage accounts. There are also instances where First Light executes a step-out transaction on a net basis, whereby the negotiated price is marked up or marked down to compensate the executing broker-dealer for its services. These commissions or mark-ups/mark-downs are netted into the price received for a security and are not reflected as individual items on the Client's trade confirmation. Although mark-up/mark-downs are independently more costly to the Client in terms of commissions, First Light believes that the selected broker-dealer being paid for these additional services offers the best combination of price and cost-execution. That is, the combination of directed brokerage and discretionary accounts in one block order benefits all participating accounts because concentrating the execution of the orders with one broker-dealer can result in a better overall price and execution for all participating accounts. First Light also uses step-outs in connection with obtaining research services, subject to the applicable legal standards and regulatory guidance discussed above. Any use by First Light of step-outs is subject to its obligation to seek best execution and the ongoing review of its trading practices.

Trade Errors

On occasion, a mistake occurs in the execution of a trade. As a fiduciary, First Light owes Clients the duty of care and loyalty, and as such must resolve trade errors in a fair and equitable manner. Trade errors occur for a number of reasons, including human input error, systems error, communications error, or incorrect application or understanding of a guideline or restriction. Examples of trade errors include, but are not limited to, the following: (1) buying securities not authorized for a Client's account; (2) buying or selling incorrect securities; and/or (3) buying or selling incorrect amounts of securities. First Light does not consider administrative differences in the trade rotation as trade errors. First Light seeks to correct any trade errors promptly in a way that mitigates any losses and puts the Client in the position it would have been in had no trade error occurred, but such a result cannot be guaranteed.

Trade errors with respect to Separate Account Clients are communicated with the respective custodians/Clients as necessary, and the impacted Clients are made whole. Each situation requires a tailored response, but historically, instances of unallocated trade errors resulting in net gains have been donated to charitable organizations, while net losses are absorbed by First Light.

With respect to the Funds, the cost of trade errors is borne by the impacted Fund unless a trade error is the result of bad faith, gross negligence, willful misconduct, or fraud by First Light. If any of those conditions are present, First Light offsets any net gains and net losses resulting from trade errors. In the case of net losses for which First Light is responsible pursuant to the above standard, First Light reimburses such Fund for such net losses.

Allocation of Investment Opportunities

In allocating investment opportunities among Clients, First Light makes a determination, exercising its judgment in good faith, as to whether an opportunity is appropriate for each Client based upon the strategy employed by the Client. Factors in making such a determination include: (1) a Client's liquidity profile, overall investment strategy and objectives, (2) regulatory constraints of the Client, (3) the composition of the Client's existing portfolio, (4) the size or amount of the available opportunity, (5) characteristics of the securities involved, (6) the liquidity of the markets in which the securities trade, (7) general and specific risks involved, and (8) other factors relating to each Client and investment opportunity. Some Client accounts are owned by First Light's employees whose accounts can compete for allocations with other non-employee accounts. First Light allocates investments within each strategy pursuant to a "Trade Allocation Framework" and documents any deviations. For the avoidance of doubt, and due to these factors, First Light is not required to provide every opportunity to every Client. However, First Light is required to act in good faith and in a manner consistent with its fiduciary duties to Clients. This means that First Light seeks to ensure that all Clients are treated fairly and equitably over time and that no Client is systematically disadvantaged. In general, First Light intends that only the Fund-related strategies will participate in initial public offerings and secondary offerings for several reasons, including but not limited to, suitability, and operational, custodial, or regulatory limitations. However, First Light is permitted to make exceptions on a case-by-case basis. First Light monitors the allocation of initial public and secondary offerings. First Light has no obligation to purchase or sell for Clients any security which First Light, its directors, officers, employees, or agents purchase or sell for their own accounts or for the account of any other Client if, in First Light's opinion, such transaction appears unsuitable, impractical or undesirable for Clients.

Item 13: Review of Accounts

First Light reviews Clients' portfolios on a regular and ongoing basis. Client account reviews are performed more frequently based on market conditions. First Light reviews new investment information due to changes in the macro-economic environment or sector, new tax laws, or tax law interpretations, and changes in Client situations.

First Light has an Organizational Risk Committee that among other things is responsible for brokerage oversight, security valuation, and adherence to investment strategy mandates.

First Light delivers to each Separate Account Client in the Genesis Strategy, no less frequently than quarterly, written statements setting forth the assets in the relevant account and transaction activity during the quarter, unless otherwise agreed between First Light and a Separate Account Client. Inasmuch as the statements First Light provides to Separate Account Clients are for informational purposes only and are not the "official" account statements, Separate Account Clients are encouraged to compare such statements to those received from the relevant custodian.

Item 14: Client Referrals and Other Compensation

First Light has entered into agreements with third parties which provide that First Light will pay a cash fee to the third parties in return for Separate Account Client referrals in accordance with Rule 206(4)-1 under the Advisers Act. Prior to signing an agreement for advisory services, Clients referred by third parties are provided with information describing the nature of these payments. A Client referred to First Light by a third party will not pay a higher investment management fee as a result of the referral, unless the Client is specifically advised.

First Light has also entered into cash compensation arrangements with unaffiliated placement agents for introducing Investors to its Funds. Any sales charge or placement fees associated with such arrangements will ultimately be payable by First Light. Additionally, if an Investor that is placed in a Fund by a placement agent retained by First Light has a brokerage, banking, or other relationship with that placement agent, that investor may pay additional fees to the placement agent based on the terms of that relationship. To the extent First Light provides cash compensation to a placement agent for the referral of investors, First Light will comply with the requirements in Rule 206(4)-1 under the Advisers Act.

Refer to the discussion related to use of Client commissions in Item 12 "Brokerage Practices" for information about other compensation.

Item 15: Custody

First Light does not maintain custody of Separate Account Clients' assets. Yet, First Light is deemed by the applicable regulations to have custody of assets if a Separate Account Client grants it authority to withdraw quarterly fees directly from their custodial accounts. Separate Account Client assets must be maintained in an account at a qualified custodian, generally a broker-dealer or bank. A custodian is appointed by each Separate Account Client to have possession of the assets of the account, settle transactions for the account, and accept instructions from First Light regarding the assets in the account, subject to certain procedural restrictions.

As noted above in Item 13, Separate Account Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains their investment assets. First Light urges such Clients to carefully review such statements and compare such official custodial records to the account statements that First Light provides. First Light statements can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should contact First Light using the information on page 1 of this Brochure if they have any questions about their statements or if their qualified custodians stop sending them at least quarterly statements.

Item 16: Investment Discretion

First Light receives discretionary investment authority in the investment advisory agreement executed with a Separate Account Client at the outset of an investment advisory relationship. The accounts over which First Light exercises investment discretion are generally subject to investment restrictions and guidelines developed in consultation with such Clients. These restrictions and guidelines customarily impose limitations on the types of securities to be

purchased and set forth other investment parameters. Additional policies can be set by a Separate Account Client's board or investment committee. First Light is generally authorized to make the following determinations, consistent with each Separate Account Client's investment goals and policies, without Client consultation or consent before a transaction is effected:

- which securities or other investments to buy or sell,
- the total amount of securities or other investments to buy or sell,
- the broker or dealer through whom securities are bought or sold,
- the commission rates, and
- the price at which securities or other investments are to be bought or sold, which includes dealer spreads or mark-ups and transactions costs.

However, as discussed in Item 12, First Light sometimes accepts accounts for which it has discretionary authority to purchase securities for the account, but not to select broker-dealers for transactions.

Each Fund retains First Light to exercise broad investment discretion as described above in accordance with the investment objectives and the investment mandates of the Fund without Investor consultation or consent, all as set forth in the applicable Offering Documents. This authority is established through each Fund's Offering Documents, as well as each Fund's investment management agreement.

Item 17: Voting Client Securities

To the extent agreed in a Client's investment advisory agreement, First Light is responsible for voting proxies for Separate Account Clients. Where First Light votes proxies, it endeavors to vote all proxies in the best economic interests of Clients and in accordance with the procedures outlined below (as applicable), unless otherwise mandated by an investment advisory agreement, the Fund's Offering Documents, or applicable law (e.g., the Employee Retirement Income Security Act).

- In any instance where First Light is given proxy voting authority and the shares are not being lent out by custodians, proxies are sent to First Light to vote on behalf of Clients' accounts.
- Prior to voting any proxies, First Light determines if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Senior Portfolio Manager, along with the CCO, makes a determination (in consultation with outside legal counsel when appropriate) as to whether the conflict is material.
- If no material conflict is identified pursuant to these procedures, First Light makes a decision regarding how to vote the proxy in accordance with First Light's proxy voting procedures and guidelines set forth below.
- If a material conflict of interest is identified, it is generally addressed in one of the following ways by the Senior Portfolio Manager, in conjunction with the CCO:
 - The proxy is voted according to the proxy voting guidelines, provided the proposal at issue is not one in which the guidelines require it to be considered on a case-by-case basis.

- In conflict situations that cannot be addressed using the guidelines, First Light follows the public recommendation of a third-party proxy voting service.
- If neither of the previous two procedures is deemed adequate, First Light discloses the conflict to Clients and obtains their consent before voting or sends the proxy directly to the relevant Client for a voting decision.

Voting Guidelines

A summary of First Light's proxy voting procedures and guidelines follows:

- First Light votes proxies in the best economic interests of Clients (taken as a whole in light of the applicable strategy). First Light endeavors to vote all proxies for a specific issuer in the same way for all Clients, absent some qualifying restrictions or a material conflict of interest.
- First Light seeks to invest in companies that it believes have executive management teams and directors that are proficient agents for their shareholders. Therefore, First Light is generally supportive of the board of directors and their recommendations. First Light generally votes in favor of routine corporate housekeeping proposals.
- First Light generally votes against proposals related to highly dilutive stock option grants or in instances where it is First Light's opinion that directors are not acting consistently in the best interest of Clients.
- When voting a proxy, First Light also considers the opinion of management, its effect on management, and its effect on shareholder value and the issuer's business practices.

Clients that wish to direct First Light how to vote on a particular proxy or want a copy of First Light's proxy voting policy, as well as information about how their securities were voted should contact First Light at 952-831-6500.

Item 18: Financial Information

Each registered investment adviser is required to disclose whether it has any financial condition that could impair its ability to meet its contractual or fiduciary commitments to its clients, and whether it has been or is presently the subject of a bankruptcy proceeding. First Light does not have any adverse financial conditions to disclose and has not been and is not presently the subject of a bankruptcy proceeding.