AISLING CAPITAL IV, LP

Quarterly Report - March 31, 2023

CONFIDENTIAL

AISLING CAPITAL IV, LP

Quarterly Report – March 31, 2023

Dear Partner:

Enclosed is the quarterly report for the period ended March 31, 2023 for Aisling Capital IV, LP ("Aisling" or the "Fund"). Included in the report are financial statements and an update on the status of the Fund's portfolio investments.

During the quarter ended March 31, 2023, the Fund invested approximately $104k in one follow-on investment. As of March 31, 2023, the Fund had current investments with a cost basis of approximately $178.5 million in 14 companies.

Portfolio Company Updates – Selected Key Events:

BridgeBio Pharma, Inc. ("BridgeBio") In March BridgeBio raised approximately $150 million in gross proceeds from a public offering of common stock priced at $17.00 per share. Prior to the offering, the company announced positive Phase II Cohort 5 results of infigratinib in children with achondroplasia. Within Cohort 5, the highest dose level evaluated to date, the mean increase from baseline in annualized heigh velocity (AHV) was 3.03 cm per year, translating into a median AHV of 7.6 cm per year. Based on the positive Phase II results, BridgeBio has started to enroll children for a pivotal Phase III trial.

PellePharm, Inc. ("PellePharm") In January dermatology company Sol-Gel Technologies, Ltd. announced the acquisition of patidegib from PellePharm in an upfront and milestone-based deal. So-Gel will pay PellePharm an upfront payment of $4.7 million and total development and NDA acceptance milestones of up to $6.0 million, with up to $64.0 million in commercial milestones as well as single digit royalties.

Verona Pharma, Inc. ("Verona") During the quarter, the Fund partially realized its position in Verona, selling approximately 217,000 shares. $4.7 million in proceeds were generated for a realized gain of $1.8 million.

Subsequent Event:

Marker Therapeutics, Inc. ("Marker") In May, Marker announced it has entered into a comprehensive agreement with CellReady, a newly formed CDMO founded by John Wilson, founder and CEO of Wilson Wolf Corporation and Marker Co-Founder and Board Member. As part of the non-dilutive transaction, CellReady will purchase certain cell manufacturing assets from Marker for approximately $19 million in cash and reduce Marker's overhead by about $11 million annually by employing Marker's manufacturing, development, quality, and regulatory affairs personnel, and assuming the leases for Marker's Houston-based manufacturing and R&D facilities. CellReady also agreed to enter into a long-term contract with Marker wherein CellReady will perform a wide variety of services for Marker including R&D, manufacturing, and regulatory activity. This

agreement allows Marker to concentrate solely on the clinical advancement of its unique form of T cell therapy.

Valuations:

We have included changes in valuation for March 31, 2023.

	For the three months ended March 31, 2023		
Portfolio Company	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Total Gain/(Loss)
Aclaris Therapeutics, Inc	$ (3,328,000)	$ -	$ (3,328,000)
Aeglea BioTherapeutics, Inc.	(271,000)	-	(271,000)
Ajax Health II, LLC	2,531,000	-	2,531,000
Atreca, Inc.	132,000	-	132,000
AvroBio, Inc.	293,000	-	293,000
BridgeBio Pharma, Inc.	54,372,000	-	54,372,000
Elevation Oncology, Inc.	2,693,000	-	2,693,000
Marker Therapeutics, Inc.	(626,000)	-	(626,000)
Nuvation Bio Inc.	(661,000)	-	(661,000.00)
PellePharm, Inc.	2,483,998	(1,999,998)	484,000
Poseida Therapeutics, Inc.	(2,317,000)	-	(2,317,000)
Prolacta Bioscience, Inc.	521,000	-	521,000
Verona Pharma plc	(9,464,941)	1,777,466	(7,687,475)
Viracta Therapeutics, Inc.	38,000	-	38,000
Zavante Therapeutics, Inc.	(2,544,000)	-	(2,544,000.00)
Total	$ 43,852,057	$ (222,532)	$ 43,629,525

	For the quarter ended March 31, 2023		
Portfolio Company	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Total Gain/(Loss)
Aclaris Therapeutics, Inc	$ (3,328,000)	$ -	$ (3,328,000)
Aeglea BioTherapeutics, Inc.	(271,000)	-	(271,000)
Ajax Health II, LLC	2,531,000	-	2,531,000
Atreca, Inc.	132,000	-	132,000
AvroBio, Inc.	293,000	-	293,000
BridgeBio Pharma, Inc.	54,372,000	-	54,372,000
Elevation Oncology, Inc.	2,693,000	-	2,693,000
Marker Therapeutics, Inc.	(626,000)	-	(626,000)
Nuvation Bio Inc.	(661,000)	-	(661,000.00)
PellePharm, Inc.	2,483,998	(1,999,998)	484,000
Poseida Therapeutics, Inc.	(2,317,000)	-	(2,317,000)
Prolacta Bioscience, Inc.	521,000	-	521,000
Verona Pharma plc	(9,464,941)	1,777,466	(7,687,475)
Viracta Therapeutics, Inc.	38,000	-	38,000
Zavante Therapeutics, Inc.	(2,544,000)	-	(2,544,000.00)
Total	$ 43,852,057	$ (222,532)	$ 43,629,525

We hope you were able to join us virtually for our Annual Meeting last month. We would appreciate any comments as to how we could make the meeting as useful as possible for you. As always, if you have any questions, please do not hesitate to contact us.

Sincerely,

Steve Elms
Managing Partner

Andrew Schiff, MD
Managing Partner

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/22**

Aclaris Therapeutics, Inc. (NASDAQ: ACRS)

Initial Investment Date:	6/1/16	Fund Ownership %:	0.7%	Total Invested	$12.6M
Industry:	Biopharma	Major Inst. Ownership %: (with Aisling):	68.7%	Current Invested Capital	$8.9M
Headquarters:	Wayne, PA	Management/Other Ownership %:	31.3%	Realized Proceeds	$3.3
Pre-money – original investment:	$315M	Other Major Institutional Investors: Foresite, Wellington, Venrock, RA Capital, Rock Springs, BlackRock, Vanguard, Braidwell, Holocene Advisors, BVF, Point72, Commodore & OrbiMed		Reported Value	$3.5M
Board Representation:	1 of 10			Investment Multiple	0.5x
Board Members:	Schiff			Gross IRR (All Security Types)	-9.19%
Assessment:	On Plan				

INVESTMENT BACKGROUND

Aclaris Therapeutics, Inc. ("Aclaris" or the "Company") is a biopharmaceutical company developing a pipeline of novel drug candidates for immuno-inflammatory diseases. The multi-stage portfolio of drug candidates is powered by a robust R&D engine exploring protein kinase regulation. The pipeline of clinical drug development programs includes zunsemetinib (ATI-450), an investigational oral, small molecule selective MK2 inhibitor compound for rheumatoid arthritis and psoriatic arthritis; ATI-1777, an investigational topical "soft" JAK 1/3 inhibitor for atopic dermatitis; and ATI-2138, an oral JAK3 inhibitor primarily for psoriasis and T-cell mediated diseases.

INVESTMENT THESIS / EXPECTATIONS

- Strong management team with successful track record of developing and selling dermatology assets
- Leverage expertise across additional indications including atopic dermatitis, psoriasis, and IBD

RECENT EVENTS & KEY INITIATIVES

- Released topline data from 12-week Phase IIa study of oral zunsemetinib (ATI-450) for moderate to severe hidradenitis suppurativa; the study did not meet primary or secondary efficacy endpoints
- Ongoing Phase II clinical trials of zunsemetinib in rheumatoid arthritis (ATI-450-RA-202) and psoriatic arthritis (ATI-450-PSA-201)
- Ongoing Phase IIb trial of ATI-1777 for moderate to severe atopic dermatitis; topline data expected mid-2023
- Selected ulcerative colitis as the intended first clinical development target for ATI-2138; topline data from the Phase I multiple ascending dose trial expected in H2'23
- Preclinical development underway for ATI-2231 as a potential treatment for pancreatic cancer and metastatic breast cancer, as well as preventing bone loss in patients with metastatic breast cancer; plan to initiate clinical development activities in 2023

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares/Par	Amount of Investment
Common stock	6/1/16	205,405	$3,799,992
Common stock	6/24,27,28/16	32,537	582,222
Common stock	11/17/16	87,912	1,999,998
Common stock	8/15/17	108,601	2,499,995
TOTAL		**434,455**	**$8,882,207**

REALIZATION

Date of Realization	Shares Sold	Cost of Realization	Amount of Realization
Q4:2022	200,000	$3,700,000	$3,343,328

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$6,761	$29,752	$1,453	$2,528
Net Income (Loss)	(90,865)	(86,908)	(18,789)	(28,160)
Cash Flow from Operations	(52,134)	(67,567)	(20,969)	(26,353)
Balance Sheet				
Cash and short term securities	$191,414	$217,571	$36,342	$170,803
Debt	0	0	0	0
Equity	197,341	197,621	180,199	176,810

VALUATION METHODOLOGY

The investment in Aclaris is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Clinical and regulatory risks
2. Commercialization and/or development will require more capital

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Aeglea BioTherapeutics, Inc. (NASDAQ:AGLE)

Initial Investment Date:	10/4/2018	Fund Ownership %:	2.6%	Total Invested	$13.2M
Industry:	Biopharma	Major Inst. Ownership %(with Aisling):	59.0%	Current Invested Capital	$13.2M
Headquarters:	Austin, TX	Management/Other Ownership %:	41.0%	Realized Proceeds	$0
Pre-money - original investment	$215M	Other Institutional Investors:	OrbiMed,	Reported Value	$0.5M
Board Representation:	N/A	Baker, Bain, Pictet, Sio Capital, Suvretta,		Investment Multiple	0.0x
Board Members:	N/A	Millennium, Adage, Acadian, Vanguard,		Gross IRR (All Security Types)	-55.9%
Assessment:	Behind Plan	Nantahala, Rock Springs, & Lilly			

INVESTMENT BACKGROUND

Aeglea BioTherapeutics, Inc. ("Aeglea" or the "Company") is a clinical-stage company that designs and develops human enzyme therapeutics for the treatment of patients with rare genetic diseases and metabolically driven cancers. Aeglea is investigating pegtarviliase (AGLE-177) for the treatment of Classical Homocystinuria. Pegtarviliase has been granted Rare Pediatric Disease Designation. Aeglea's additional clinical program, pegzilarginase, met the primary endpoint of arginine reduction in patients with Arginase 1 deficiency (ARG1-D) in a Phase III clinical trial. Its preclinical pipeline includes a program in cystinuria with an engineered human enzyme to reduce plasma cystine and ultimately reduce kidney stone formation.

INVESTMENT THESIS / EXPECTATIONS

- Promising preclinical data for pegtarviliase with potential for best-in-class treatment for homocystinuria
- Potential for expedited approval pathway and premium pricing given rarity of disorder.
- Significantly undervalued relative to comparable orphan disease companies.
- Strong management team with successful track record of developing therapies for rare disease.

RECENT EVENTS & KEY INITIATIVES

- Ongoing Phase I/II clinical trial of pegtarviliase (AGLE-177) in classical homocystinuria
- Announced further corporate restructuring with an additional 15% workforce reduction and plans to halt preclinical work on Cystinuria and other unnamed pipeline programs
- Transitioning patients in pegzilarginase trials into one simplified open-label trial; marketing authorization application for the treatment of ARG1-D under review by the European Medicines Agency (EMA)

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common stock	10/04/18	868,621	$ 7,999,999
Common stock	Jan 2019	39,790	349,701
Common stock	02/06/19	312,500	2,500,000
Common stock	06/19/19	40,240	259,894
Common stock	06/26/19	17,724	111,984
Common stock	06/27/19	12,276	78,468
Common stock	04/28/20	400,000	1,900,000
Total		**1,691,151**	**$13,200,046**

FINANCIAL RESULTS (000)(post merger)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$18,739	$2,329	$1,362	$198
Net Income (Loss)	(65,801)	(83,815)	(24,436)	(18,422)
Cash Flow from Operations	(53,716)	(80,144)	(26,263)	(17,634)
Balance Sheet				
Cash and Marketable Securities	$94,966	$57,264	$66,725	$39,788
Debt	0	0	0	0
Equity	83,941	50,305	61,657	33,652

VALUATION METHODOLOGY

The investment in Aeglea is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Clinical development of the pegtarviliase program in homocystinuria is early.
2. Outstanding questions regarding the regulatory pathway and approvable endpoints for pegzilarginase in ARG1-D.
3. The prevalence of ARG1-D may be lower than initially anticipated, potentially slowing patient enrollment in the Company's clinical trials and/or lessening the commercial value of the drug.
4. Potential for emergence of safety issues commonly seen with IV infusion enzyme replacement therapies.
5. Development of competitive gene therapy approaches for the pipeline of genetically defined diseases that AGLE is focused on.
6. The Company will require additional funding in 2023.

SUBSEQUENT EVENTS

- April 2023 – Announced interim results from ongoing Ph I /II trial of pegtarviliase with results from the first two cohorts showing a dose-dependent reduction in total homocysteine levels and additional data indicating the exploration of higher doses or longer duration dosing.
- April 2023 - Exploring strategic alternatives, including acquisition, merger, reverse merger, asset sales or other strategic transactions; workforce reduced to approximately 10 employees required to support the process.

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Ajax Health II (private)

Initial Investment Date:	4/8/2019	Fund Ownership %:	11.8%	Total Invested	$13.5M
Industry:	Medical Technology	Major Inst. Ownership % (with Aisling):	78.9%	Current Invested Capital	$13.5M
Headquarters:	Menlo Park, CA	Management/Other Ownership %:	21.1%	Realized Proceeds	$0
Pre-money-original investment:	$0M	Other Institutional Investors:	HealthQuest and Polaris	Reported Value	$16.2M
Board Representation:	1 of 5			Investment Multiple	1.2x
Board Members:	Elms			Gross IRR (All Security Types)	5.5%
Assessment:	On Plan				

INVESTMENT BACKGROUND

Ajax Health II ("Ajax" or the "Company") operates healthcare companies that address significant unmet needs by developing emerging medical device technologies and providing treatment services. The strategy focuses on de-risked medical technology ("medtech") opportunities and aims to capitalize on inefficiencies in medtech investing that may exist given the scarcity of capital playing in the space. Ajax Health II is led by Duke Rohlen, a medical device veteran who has sold several businesses to strategic acquirors, with whom Aisling Capital ("Aisling") has successfully invested twice before through Spirox and Ajax Health.

INVESTMENT THESIS / EXPECTATIONS

- Strong management team with established track record that is well-positioned to execute on the strategy.
- There is an abundance of opportunities in innovative medical device technologies and services to be captured with disciplined risk mitigation.
- This may be an attractive way to invest in medtech while avoiding traditional single-asset development and/or commercialization risk.
- Incentives are aligned.

RECENT EVENTS & KEY INITIATIVES

- Assets:
  - Ablacon – software, therapeutic guidance for atrial fibrillation ablation therapy
  - Cortica – provider of advanced neurological therapies for children with autism and other neurodevelopmental conditions
  - Foresight Mental Health – tech-enabled mental health care services platform
  - AcuityMD – a CRM for medical device companies
  - EP Map – a heart mapping system to be used by electrophysiologists
- Ablacon presented data from the FLOW-AF trial at the 2023 AF Symposium in Boston at the Late Breaking Clinical Trials session; the data show Ablacon's Electrographic Flow (EGF) Mapping software results in improved ablation outcomes in persistent atrial fibrillation

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Series A preferred units	4/8/19	9,000,000	$9,000,000
Series A preferred units	9/12/19	1,500,000	1,500,000
Series A preferred units	8/26/20	750,000	750,000
Series A preferred units	11/12/20	750,000	750,000
Series A preferred units	12/14/21	300,000	300,000
Series A preferred units	03/01/22	600,000	600,000
Series A preferred units	06/13/22	300,000	300,000
Series A preferred units	03/27/23	300,000	300,000
Total		**13,500,000**	**$13,500,000**

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	$0
Net Income (Loss)	18,620	(38,544)	(40,690)	16,181
Cash Flow from Operations	18,233	(38,829)	(41,333)	17,049
Balance Sheet				
Cash and Marketable Securities	$1,776	$772	$834	$2,337
Debt	0	0	0	0
Equity	133,415	100,505	96,781	118,720

VALUATION METHODOLOGY

The investment in Ajax is valued as the sum of the subsidiary positions held by the Company.

RISK ASSESSMENT/UPDATE

1. The medtech landscape is challenging with a high bar to IPO and M&A hard to predict.
2. Ajax's management team wears multiple hats.
3. The underlying businesses must succeed independently.

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Atreca, Inc. (NASDAQ: BCEL)

Initial Investment Date:	9/5/2018	Fund Ownership %:	1.2%	Total Invested	$5.5M
Industry:	Biopharma	Major Inst. Ownership %(with Aisling):	30.2%	Current Invested Capital	$5.5M
Headquarters:	San Carlos, CA	Management/Other Ownership %:	69.8%	Realized Proceeds	$0
Pre-money - original investment	$156M	Other Institutional Investors: Baker, BlackRock, Boxer, Bill & Melinda Gates Foundation, & Vanguard		Reported Value	$0.4M
Board Representation:	N/A			Investment Multiple	0.1x
Board Members:	N/A			Gross IRR (All Security Types)	-43.1%
Assessment:	Behind Plan				

INVESTMENT BACKGROUND

Atreca, Inc. ("Atreca" or the "Company") is an oncology company whose platform is focused on new off-the-shelf, antibody-based therapeutics derived from effective anti-cancer human immune responses. The Company's technologies enable it to capture clinically relevant immune responses of patients and determine novel pathways, which the Company then uses to identify and generate functional and valuable human antibodies. Atreca's lead product candidate, ATRC-101, is a monoclonal antibody with a novel mechanism of action and target derived from an antibody identified using its discovery platform.

INVESTMENT THESIS / EXPECTATIONS

- ATRC-101's target is anticipated to be the first of its class investigated in the clinic
- Existing strong human validation and data from broader class of adjacent molecular pathways.
- Best-in-class, complex, proprietary platform technology to support drug development efforts in identifying clonal families associated with active immune responses and a platform from which to develop many novel antibodies. Deep-pocketed syndicate of investors who are committed to funding the successful development of the programs.

RECENT EVENTS & KEY INITIATIVES

- Additional data from ongoing Phase 1b trial of ATRC-101 in select solid tumors showing ATRC-101 continues to be well-tolerated with clinical activity observed in multiple tumor types and longer progression free survival observed in patients with high target expression; additional data and Phase 2 development decision expected by year end
- Together with Xencor as part of their existing strategic collaboration announced the development of their first program, a T Cell engaging bispecific antibody directed against novel solid tumor targets, with expectations to name a candidate from the program in late 2023 and submit an IND by early 2025
- Appointed Philippe Bishop, M.D., as Chief Medical Officer

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common stock	9/08/18	357,653	$4,999,989
Common stock	6/20/19	30,000	510,000
Total		**387,653**	**$5,509,989**

FINANCIAL RESULTS (000)(post merger)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	$0
Net Income (Loss)	(109,326)	(97,157)	(24,876)	(21,010)
Cash Flow from Operations	(60,920)	(80,721)	(25,551)	(14,444)
Balance Sheet				
Cash and Marketable Securities	$94,749	$30,819	$52,110	$39,484
Debt	0	0	0	0
Equity	154,929	78,406	137,783	60,966

VALUATION METHODOLOGY

The investment in Atreca is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Lead asset early in its development, and the platform has not yet been clinically validated.
2. Competition in oncology space across tumor indications may require robust clinical data and activity.
3. The Company will require additional funding in 2023.

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

AVROBIO, Inc. (NASDAQ: AVRO)

Initial Investment Date:	1/19/18	Fund Ownership %:	2.3%	Total Invested	$17.2M
Industry:	Biopharma	Major Inst. Ownership %: (with Aisling):	38.6%	Current Invested Capital	$11.6M
Headquarters:	Cambridge, MA	Management/Other Ownership %:	61.4%	Realized Proceeds	$14.8M
Pre-money – original investment:	$110M	Other Institutional Investors: Atlas, Acadian, BlackRock, Farallon, GMT, & Vanguard		Reported Value	$1.0M
Board Representation:	N/A			Investment Multiple	0.9x
Board Members:	N/A			Gross IRR (All Security Types)	-16.6%
Assessment:	Behind Plan				

INVESTMENT BACKGROUND

AVROBIO, Inc. ("AVROBIO" or the "Company") is a clinical-stage, Cambridge, MA-based company developing autologous lentivirus-based gene therapies to treat rare diseases with high unmet need, specifically lysosomal storage disorders (LSD). The Company's investigational therapies are currently in clinical trials in Gaucher disease type 1 (GD1), Gaucher disease type 3 (GD3), and cystinosis. Additionally, the Company is advancing programs in Pompe disease and Hunter syndrome. All AVROBIO's therapies are based on the same platform, by which a patient's stem cells are removed from the body, modified, and reinfused. This platform has the potential to develop one-time, curative therapies for a variety of monogenic disorders with high unmet need.

INVESTMENT THESIS / EXPECTATIONS

- Potential to address significant unmet need – in terms of efficacy, cost, and patient convenience – associated with the standard of care for lysosomal storage disorders (enzyme replacement therapy)
- Strong management team with appropriate capabilities to manage complex gene therapy manufacturing
- Significant industry and investor momentum behind the field of gene therapy

RECENT EVENTS & KEY INITIATIVES

- Following positive regulatory feedback, plan to initiate a registrational global Ph 2/3 clinical trial of AVR-RD-02 for GD3 in H2 2023
- Phase I/II trial of AVR-RD-04 ongoing in cystinosis; a company-sponsored clinical trial is planned to initiate in H2'23
- Plan to initiate a collaborator-sponsored Phase 1/2 trial of AVR-RD-05 for Hunter syndrome in 2023

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares/Par	Amount of Investment
Common stock	1/19/18	678,891	$5,999,998
Common stock	6/21/18	58,107	1,104,033
Common stock	Jan 19	75,000	1,013,425
Common stock	7/17/19	81,081	1,499,999
Common stock	3/11/20	76,088	1,348,462
Common stock	3/12/20	40,612	641,235
Total		1,009,779	$11,607,152

REALIZATION

Date of Realization	Shares Sold	Cost of Realization	Amount of Realization
09/2018	291,893	$5,545,967	$14,761,716

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	$0
Net Income (Loss)	(119,126)	(105,890)	(29,833)	(24,957)
Cash Flow from Operations	(98,025)	(97,208)	(28,014)	(20,284)
Balance Sheet				
Cash and Marketable Securities	$189,567	$92,563	$161,663	$72,326
Debt	14,945	15,276	15,020	15,356
Equity	169,476	75,370	143,163	52,998

VALUATION METHODOLOGY

The investment in AVROBIO is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. The market and regulatory factors, which impacted the Fabry trial, could similarly impact AVROBIO's other programs
2. The Company's manufacturing processes may yield inconsistencies in the drug product, create delays in the development timeline, or pose regulatory issues
3. Issues experienced by other companies in the gene therapy space, may impact the valuation of or market sentiment towards other gene therapy players (including AVROBIO)
4. The safety of the lentiviral class may be affected by other lentiviral programs

SUBSEQUENT EVENTS

- May 2023 – Announced leadership transition with CEO Geoff MacKay stepping down from the position; CFO Erik Ostrowski appointed as interim CEO

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

BridgeBio Pharma, Inc. (NASDAQ:BBIO)

Initial Investment Date:	8/15/2017	Fund Ownership %:	3.8%	Total Invested	$45.5M
Industry:	Biopharma	Major Inst. Ownership %(with Aisling):	62.4%	Current Invested Capital	$45.5M
Headquarters:	Palo Alto, CA	Management/Other Ownership %:	37.6%	Realized Proceeds	$0
Pre-money - original investment	$155M	Other Institutional Investors: Kohlberg,		Reported Value	$100.6M
Board Representation:	1 of 15	Viking, Vanguard, BlackRock, HHLR,		Investment Multiple	2.2x
Board Members:	Aguiar	SSgA, & AIG		Gross IRR (All Security Types)	25.1%
Assessment:	On Plan				

INVESTMENT BACKGROUND

BridgeBio Pharma, Inc. ("BridgeBio" or the "Company") is a clinical stage biotechnology company with a "hub and spoke" structure of subsidiary companies focused on developing therapies for genetically defined rare diseases. BridgeBio seeks to identify differentiated assets in therapeutic areas of high unmet need and launch portfolio companies dedicated to bringing each of them to market, leveraging the parent company's shared resources. BridgeBio executes on partnerships with some of the leading rare disease experts and operates a highly efficient, ultra-lean corporate business model. The Company has a deep pipeline of preclinical and clinical studies underway.

INVESTMENT THESIS / EXPECTATIONS

- BridgeBio's network provides opportunity to leverage investments in distinctive orphan drug assets serving significant unmet needs
- Favorable clinical, commercial and regulatory dynamics in orphan markets with unmet needs
- Highly efficient, ultra-lean corporate business model.
- Diversified portfolio provides multiple opportunities for liquidity on an asset-by-asset basis
- Strong management team and scientific network to lead development of orphan drugs

RECENT EVENTS & KEY INITIATIVES

- Raised gross proceeds of $150M in a public offering of common stock, priced at $17 per share
- Announced positive Phase II Cohort 5 results of infigratinib in achondroplasia, demonstrating a mean increase in annualized height velocity (AHV) of 3.03 cm/year, translating to a median AHV of 7.6 cm/year; no treatment related adverse events observed
- Phase III trial of encaleret ongoing in patients with autosomal dominant hypocalcemia type 1 (ADH1)
- Ongoing Ph II study of BBP-418 in patients with limb-girdle muscular dystrophy type 2i (LGMD2i
- Ongoing Phase III trial of acoramidis in transthyretin amyloidosis cardiomyopathy (ATTR-CM); topline data from the Month 30 primary endpoint expected in mid-2023

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common stock	8/15/17	866,527	$3,668,378
Common stock	12/15/17	860,314	3,668,378
Common stock	3/29/18	306,315	1,499,991
Common stock	4/10/18	620,386	2,663,244
Common stock	5/04/18	918,954	4,499,996
Common stock	6/20/18	652,940	5,999,997
Common stock	Nov 18	1,217,844	11,491,789
Common stock	12/04/18	555	4,059
Common stock	6/27/19	470,600	8,000,200
Common stock	3/9/20	139,290	3,594,490
Common stock	3/10/20	14,400	397,692
Total		**6,068,125**	**$45,488,214**

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$69,716	$77,648	$1,694	$1,826
Net Income (Loss)	(586,454)	(484,652)	(201,330)	(142,732)
Cash Flow from Operations	(497,934)	(419,494)	(160,635)	(144,322)
Balance Sheet				
Cash and Marketable Securities	$787,515	$428,269	$633,454	$441,490
Debt	1,703,805	1,707,615	1,708,050	1,713,292
Equity	(867,002)	(1,243,335)	(1,041,023)	(1,213,409)

VALUATION METHODOLOGY

The investment in BridgeBio is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Downstream financing may be required for BridgeBio's subsidiaries.
2. Current clinical stage orphan and oncology programs may not succeed, and BridgeBio's other pipeline subsidiaries are early in nature.
3. Acoramadis may fail to demonstrate benefit on the Month 30 endpoint in the current Phase III trial

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Elevation Oncology, Inc. (NASDAQ: ELEV)

Initial Investment Date:	7/12/19	Fund Ownership %:	12.0%	Total Invested	$14.7M
Industry:	Biopharma	Major Inst. Ownership %: (with Aisling):	66.9%	Current Invested Capital	$14.7M
Headquarters:	New York, NY	Management/Other Ownership %:	33.1%	Realized Proceeds	$0
Pre-money – original investment:	$11.7M	Other Institutional Investors: venBio, Qiming, Vertex, Cormorant, BVF, Samsara, & Tang Capital		Reported Value	$5.4M
Board Representation:	1 of 5			Investment Multiple	0.4x
Board Members:	Elms (Chair)			Gross IRR (All Security Types)	-31.1%
Assessment:	Behind Plan				

INVESTMENT BACKGROUND

Elevation Oncology, Inc. ("Elevation" or the "Company") is a clinical stage oncology company developing targeted therapies for genetically driven cancers. The Company was formed by Aisling Capital upon the in-licensing of two assets from Merrimack Pharmaceuticals. The Company's lead candidate, EO-3021, is a potential best-in-class antibody-drug conjugate (ADC) targeting Claudin 18.2.

INVESTMENT THESIS / EXPECTATIONS

- EO-3021 is a potential best-in-class, clinical-stage ADC designed to treat Claudin 18.2 and selectively deliver a cytotoxic payload directly to kill cancer cells
- Claudin 18.2 is a clinically validated oncology target expressed in several solid tumor types including many gastrointestinal cancers
- Opportunity to in-license additional pipeline assets for various cancer indications

RECENT EVENTS & KEY INITIATIVES

- Announced a pipeline prioritization, reallocating resources to advance EO-3021 while pausing further development of seribantumab and seeking a partnership for further investment
- Reduced workforce by 30% to prioritize key R&D; cash runway extended into the Q4'24
- EO-3021 proof-of-concept data to be presented in H1 2023 and plan to initiate a Phase 1 trial in the US in H2 2023
- Shawn Leland resigned as CEO and Joseph Ferra, current CFO, appointed interim CEO
- Continues to explore new and existing partnerships and business development opportunities to expand oncology pipeline

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares/Par	Amount of Investment
Common stock	05/13/19	295,818	$0
Common stock	07/12/19	414,145	1,750,000
Common stock	01/09/20	1,479,087	6,250,000
Common stock	11/12/20	458,360	3,697,997
Common stock	06/25/21	187,500	3,000,000
Total		2,834,910	$14,697,997

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	*
Net Income (Loss)	(32,039)	(95,080)	(17,275)	*
Cash Flow from Operations	(30,167)	(85,483)	(14,024)	*
Balance Sheet				
Cash and Marketable Securities	$146,284	$90,280	$132,062	*
Debt	0	29,435	0	*
Equity	140,697	49,032	123,866	*

* Information not available

VALUATION METHODOLOGY

The investment in Elevation is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Claudin18.2 is a validated target in cancer, but data in this approach is still emerging.
2. Additional capital required in 2024.
3. Potential delays in manufacturing and/or regulatory timelines.

SUBSEQUENT EVENT

- April 2023 – Presented preclinical proof-of-concept data for EO-3021, which demonstrated anti-tumor activity in preclinical models expressing varying levels of Claudin 18.2; highlighted a clinical case study in an ongoing Phase I clinical trial in China showing EO-3021 induced a confirmed partial response in a metastatic gastric cancer patient.

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Marker Therapeutics, Inc. (NASDAQ: MRKR)

Initial Investment Date:	10/17/18	Fund Ownership %:	3.6%	Total Invested	$10.0M
Industry:	Biopharma	Major Inst. Ownership %: (with Aisling):	5.6%	Current Invested Capital	$10.0M
Headquarters:	Houston, TX	Management/Other Ownership %:	94.4%	Realized Proceeds	$0
Pre-money – original investment:	$102M	Other Institutional Investors: Vanguard		Reported Value	$0.2M
Board Representation:	1 of 7			Investment Multiple	0.0x
Board Members:	Elms			Gross IRR (All Security Types)	-69.1%
Assessment:	Behind Plan				

INVESTMENT BACKGROUND

Marker Therapeutics, Inc. ("Marker" or the "Company") is a biopharmaceutical company focused on the development of next-generation T cell-based immunotherapies for the treatment of hematological malignancies and solid tumor indications. Marker's cell therapy technology is based on the selective expansion of non-engineered, tumor-specific T cells that recognize tumor associated antigens (i.e. tumor targets) and kill tumor cells expressing those targets. Once infused into patients, this population of T cells attacks multiple tumor targets and acts to activate the patient's immune system to produce broad spectrum anti-tumor activity. Marker is pursuing post-transplant AML as the lead indication for the Multi-tumor-associated antigen (MultiaTAA) targeted T cell therapy. Additional preclinical studies in solid tumors are underway.

INVESTMENT THESIS / EXPECTATIONS

- Responses seen in clinical data across acute myeloid leukemia, lymphoma, and multiple myeloma.
- Superior safety profile relative to other cell therapies driven by lack of lymphodepletion process.
- Potential to address patients currently unfit for, inaccessible to, and earlier than existing CAR-T therapies.
- Non gene-modified nature provides significant competitive advantage on cost of goods and pricing.

RECENT EVENTS & KEY INITIATIVES

- Effected a one-for-ten reverse stock split
- Plan to initiate a Phase I study in 2023 for MT-601, a six-antigen product, for relapsed/refractory lymphoma and pancreatic cancer

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares/Par	Amount of Investment
Common stock	10/17/18	2,000,000	$8,000,000
Common stock	3/12/21	1,142,857	2,000,000
Total		3,142,857	$10,000,000
Common stock warrants	10/17/18	1,500,000	

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$1,242	$9,014	$964	*
Net Income (Loss)	(41,879)	(29,931)	(9,910)	*
Cash Flow from Operations	(27,280)	(26,972)	(12,226)	*
Balance Sheet				
Cash and Marketable Securities	$43,497	$11,782	$28,819	*
Debt	0	0	0	*
Equity	43,985	19,601	35,706	*

* Information not available

VALUATION METHODOLOGY

The investment in Marker is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Marker's cell therapies may fail in the clinic across multiples sites or face regulatory obstacles.
2. Marker will require additional capital in Q3 2023.
3. Cell therapy is a very competitive therapeutic area.

SUBSEQUENT EVENTS

- May 2023 – Announced comprehensive non-dilutive agreement with CellReady, a newly-formed CDMO founded by John Wilson, who is a co-founder of Marker. CellReady to purchase certain cell manufacturing assets for $19M in cash, which reduces Marker's overhead by $11M annually by employing Marker's manufacturing, development, quality, and regulatory affairs personnel, and assuming leases for Marker's Houston-based manufacturing and R&D facilities.
- May 2023 – Peter Hoang, President and CEO, resigns from role; Juan Vera, scientific co-founder, appointed as President and CEO.

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Nuvation Bio, Inc. (NYSE:NUVB)

Initial Investment Date:	6/14/19	Fund Ownership %:	1.2%	Total Invested	$10.0M
Industry:	Biopharma	Major Inst. Ownership %: (with Aisling):	49.1%	Current Invested Capital	$10.0M
Headquarters:	New York, NY	Management/Other Ownership %:	50.9%	Realized Proceeds	$0
Pre-money – original investment:	$350M	Other Institutional Investors: Omega, Fidelity, Vanguard, Deep Track, Deerfield, Baupost, Citadel, BlackRock, & Ecor1		Reported Value	$4.2M
Board Representation:	N/A			Investment Multiple	0.4x
Board Members:	N/A			Gross IRR (All Security Types)	-24.5%
Assessment:	Behind Plan				

INVESTMENT BACKGROUND

Nuvation Bio, Inc. ("Nuvation" or the "Company") is a clinical stage biopharmaceutical company focused on revolutionizing cancer treatment by discovering, developing, and delivering therapies that tackle some of the greatest needs in oncology. The Company was founded by David Hung, the founder and CEO of Medivation (acquired by Pfizer in 2016 for $14.3 billion). The Company's pipeline includes NUV-868, a BET inhibitor program and a drug-drug conjugate (DDC) platform.

INVESTMENT THESIS / EXPECTATIONS

- The targets are clinically validated and address large sections of the oncology market, not niche sub-indications.
- The value of each of the Company's drug candidates' is in the incremental improvements on the bio-chemical properties of the existing class of drugs to circumvent its potential shortcomings (potential for each asset to be best-in-class or first-in-class).
- Strong management team with track record of drug discovery and development

RECENT EVENTS & KEY INITIATIVES

- First patient dosed in Phase Ib combination study of NUV-868 in advance solid tumors
  - Patients in first regime will be dosed with NUV-868 in combination with Olaparib for the treatment of ovarian cancer, pancreatic cancer, metastatic castration-resistant prostate cancer (mCRPC), triple negative breast cancer and other solid tumors
  - Patients in the second regime will be dosed with NUV-868 in combination with enzalutamide for the treatment of mCRPC
  - Continues to enroll Phase I monotherapy study in advanced solid tumors
- Nominated an undisclosed DDC as first clinical candidate, expect to submit an IND by year end 2023

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common stock	06/14/19	1,270,505	$5,000,000
Common stock	10/15/20	1,270,504	5,000,001
Total		2,541,009	10,000,001

FINANCIAL RESULTS (000)

* Data not available

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	$0
Net Income (Loss)	(86,848)	(104,199)	(21,293)	(21,726)
Cash Flow from Operations	(68,190)	(96,108)	(24,929)	(19,330)
Balance Sheet				
Cash and Marketable Securities	$765,392	$661,014	$106,107	$646,609
Debt	0	0	0	0
Equity	745,997	655,076	723,563	641,073

VALUATION METHODOLOGY

The investment in Nuvation is valued at the quoted public market price.

RISK ASSESSMENT/UPDATE

Preclinical and early clinical stage risks

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Poseida Therapeutics, Inc. (NASDAQ:PSTX)

Initial Investment Date:	4/22/2019	Fund Ownership %:	1.2%	Total Invested	$14.0M
Industry:	Biopharma	Major Inst. Ownership % (with Aisling):	59.9%	Current Invested Capital	$14.0M
Headquarters:	San Diego, CA	Management/Other Ownership %:	40.1%	Realized Proceeds	$0
Pre-money-original investment:	$400M	Other Institutional Investors:	Fidelity,	Reported Value	$3.2M
Board Representation:	N/A	Malin, Longitude, Novartis, EcoR1,		Investment Multiple	0.2x
Board Members:	N/A	Paradigm, Vanguard, SilverArc, Wellington,		Gross IRR (All Security Types)	-36.2%
Assessment:	Behind Plan	& Pentwater			

INVESTMENT BACKGROUND

Poseida Therapeutics, Inc. ("Poseida" or the "Company") is a clinical-stage biopharmaceutical company leveraging proprietary next-generation non-viral, gene engineering technologies to create life-saving therapeutics for patients with high unmet medical need. The Company is developing a pipeline of allogeneic CAR-T product candidates, initially focused on the treatment of hematological malignancies (in partnership with Roche) and solid tumors. Poseida's pipeline candidates are designed to address the limitations of other CAR-T therapies, including duration of response, the ability to treat solid tumors and safety concerns. The Company also has a pipeline of gene therapy candidates, several of which are partnered with Takeda.

INVESTMENT THESIS / EXPECTATIONS

- Proprietary suite of genetic engineering technology platforms driving cell therapy pipeline across both wholly-owned solid tumor programs (allogeneic and autologous) and Roche-partnered hematologic programs (allogeneic), and gene therapy pipeline (wholly-owned and partnered)
- Upside potential to leverage platform technologies to continue expansion to solid tumors as well as other cell therapies, including iPSC, HSC, and T-cell products.
- Significant large pharma cell therapy validation through partnership and investment by Novartis (corporate) and partnership by Roche, among strong syndicate of life science investors.

RECENT EVENTS & KEY INITIATIVES

- Founder and Executive Chairman Eric Ostertag, MD, PhD to retire from the Board of Directors, remain a consultant
- Hosted R&D Day highlighting differentiated allogenic CAR-T programs, novel approaches to gene therapy, and collaborations with Roche and Takeda
- Two ongoing CAR-T allogeneic programs in the clinic, one product candidate in solid tumors and one program in multiple myeloma
- Evaluating P-OTC-101, the Company's first liver-directed gene therapy program for the in vivo treatment of area cycle disease caused by congenital mutations in the ornithine transcarbamylase (OTC) gene
- In partnership with Takeda, advancing P-FVIII-101 for the in vivo treatment of Hemophilia A, and P-PAH-101 for the treatment of PKU
- Appointed five new members to its Gene Therapy Scientific Advisory Board, to join Chair George Church, PhD

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common Stock	4/22/19	551,421	$ 7,000,002
Common Stock	6/24/20	366,846	5,000,005
Common Stock	7/10/20	125,000	2,000,000
Total		1,043,267	$14,000,007

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$31,238	$130,492	$1,435	$10,343
Net Income (Loss)	(124,974)	(64,002)	(58,057)	(38,847)
Cash Flow from Operations	(102,543)	(26,772)	(51,324)	(38,005)
Balance Sheet				
Cash and Cash Equivalents	$206,325	$282,493	$183,489	$247,201
Debt	29,357	58,250	57,967	58,322
Equity	156,211	187,595	103,702	157,565

VALUATION METHODOLOGY

The investment is valued at the quote public market price.

RISK ASSESSMENT/UPDATE

1. Highly competitive landscape in next-generation CAR-T therapies, including in BCMA (Bluebird).
2. Manufacturing and supply chain may present challenges in development.
3. The company will require more capital in 2024.

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Prolacta Bioscience, Inc. (private)

Initial Investment Date:	11/29/16	Fund Ownership %:	1.5%	Total Invested	$5.0M
Industry:	Biopharma	Major Inst. Ownership %:(with Aisling):	64.8%	Current Invested Capital	$5.0M
Headquarters:	Durate, CA	Management/Other Ownership %:	35.2%	Realized Proceeds	$0
Pre-money – original investment:	$300M	Other Institutional Investors: Arcturus,		Reported Value	$9.0M
Board Representation:	N/A	Alta, Leerink, EW Healthcare Partners,		Investment Multiple	1.8x
Board Members:	Schiff (Obs.)	Goel Family Ventures, DFJ Frontier, &		Gross IRR (All Security Types)	9.6%
Assessment:	On Plan	Health Evolution Partners			

INVESTMENT BACKGROUND

Prolacta Biosciences, Inc. ("Prolacta" or the "Company") is a commercial-stage biopharmaceutical company developing and marketing standardized human milk-based nutritional products for premature infants in the neonatal intensive care unit (NICU). The Company's products include: Prolact+ H²MF, the first and only 100% human milk-based liquid human milk fortifier that helps support the developing immune system and provides essential nutrients for pre-term infants; Prolact CR, a human milk caloric fortifier intended for use with mother's own milk or donor milk to meet the need for additional calories; Prolact Ready-to-Feed (RTF); and Human donor milk.

INVESTMENT THESIS / EXPECTATIONS

- Prolacta's fortifier is the only human milk-based fortifier in the market.
- Unmet need for premature infants at risk for Necrotizing Enterocolitis (NEC).
- High-margin, EBIDTA-positive business mitigates downside risk and provides opportunity to return capital to shareholders.
- Track record of consistent customer growth, loyalty, and diversification.

RECENT EVENTS & KEY INITIATIVES

- Study published in the *Journal of Perinatology* titled "Neurodevelopment Outcomes of Extremely Preterm Infants Fed an Exclusive Human Milk Diet Versus a Mixed Human Milk + Bovine Milk-Based Diet: a Multi-Center Study" showed preterm infants who received Prolacta's Exclusive Human Milk Diet (EHMD) in the NICU had improved developmental outcomes at age 2
- Ongoing Japan-based clinical trial evaluating growth and safety associated with an EHMD in very low birth weight (VLBW) infants; the study will evaluate Prolact+6 H2MF, Prolact+8 H2MF, and Prolact CR
- Ongoing clinical study evaluating the effect of Prolact+ H2MF, a specially fortified exclusive human milk diet, to improve growth in infants who have undergone surgery for a serious heart defect known as single ventricle cardiac physiology
- Ongoing trial evaluating the effect of Prolact CR on length of stay and bronchopulmonary dysplasia among very low birth weight infants
- Evaluating human milk oligosaccharides (HMOs) to treat a variety of microbiome-related diseases, new product launches and international market expansion

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares/Par	Amount of Investment
Preferred stock	11/29/16	2,739,080	$4,999,999

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$137,042	$150,348	$33,808	$36,069
Net Income (Loss)	21,727	15,952	2,718	7,339
Cash Flow from Operations	34,914	18,172	397	2,777
Balance Sheet				
Cash and Marketable Securities	$131,456	$143,945	$131,370	$145,385
Debt	7,005	5,635	6,565	5,340
Equity	207,811	231,927	212,376	241,243

VALUATION METHODOLOGY

The valuation is supported by EBITDA/Revenue models.

RISK ASSESSMENT/UPDATE

1. Potential regulation of mother's milk by the FDA
2. Some neonatologists want to see more prospective clinical studies before advocating for use of Prolacta's products
3. Human milk-based fortifier is not designated as a standard-of-care in AAP guidelines
4. Risks associated with revenue and EBITDA growth

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Promentis Pharmaceuticals, Inc. (private)

Initial Investment Date:	9/21/2016	Fund Ownership %:	12.2%	Total Invested	$6.5M*
Industry:	Biopharma	Major Inst. Ownership % (with Aisling):	75.3%	Current Invested Capital	$6.5M*
Headquarters:	Milwaukee, WI	Management/Other Ownership%:	24.7%	Realized Proceeds	$0
Pre-money-original investment:	$11M	Other Institutional Investors: OrbiMed,		Reported Value	$0.3M
Board Representation:	N/A	Philippos Asset Management, F-Prime, and		Investment Multiple	0.1x
Board Members:	N/A	Golden Angels		Gross IRR (All Security Types)	-41.7%
Assessment:	Behind Plan				

* Excludes PIK

INVESTMENT BACKGROUND

Promentis Pharmaceuticals, Inc. ("Promentis" of the "Company") is a biotechnology company developing therapies for diseases of the central nervous system (CNS), with a focus on neuropsychiatric disorders. The Company is developing SXC-2023 and other compounds that engage System x_c-, a CNS target addressing glutamatergic imbalance and oxidative stress, to treat obsessive-compulsive and related disorders, substance-related and addictive disorders, and other neuropsychiatric disorders. SXC-2023 has demonstrated a compelling profile across a range of non-clinical studies. The first indication is for the treatment of trichotillomania (TTM), an impulse control disorder that is characterized by excessive hair pulling. Prevalence estimates for TTM in the general population range from 0.6% to 4%, and to date, the FDA has not approved any drugs for the treatment of TTM.

INVESTMENT THESIS / EXPECTATIONS

- Low pre-money creates significant upside potential.
- Lead product has a high market potential in an area of unmet need with strong KOL support.
- Academic clinical studies indicate that Pro-2023 may have utility in a number of other impulse control indications.
- Strong safety database with NAC partially de-risks Pro-2023.

RECENT EVENTS & KEY INITIATIVES

- Following equivocal results from the Phase II trial of trichotillomania, Aisling Capital ("Aisling") elected not to participate in a subsequent financing and will seek to exit its position
- An advisor has been engaged to review strategic options for the company; Aisling remains hopeful that the assets of the company could be sold during calendar year 2023
- The Company is considering raising capital to run additional studies

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common stock	09/21/16	2,000,000	$2,000,000
Common stock	09/08/17	4,000,000	4,000,000
Common stock	12/11/19	474,183	474,183
Common stock	10/08/20	22,994	22,994 **
Common stock	12/30/22	767,758	104,108 ***
Total		7,264,935	$6,601,285

** This represents payment-in-kind interest
*** This represents payment-in-kind other

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	$0
Net Income (Loss)	(1,432)	(381)	(98)	(18)
Cash Flow from Operations	(1,462)	(414)	(77)	(23)
Balance Sheet				
Cash and Marketable Securities	$490	$360	$413	$336
Debt	1,542	0	0	0
Equity	(1,007)	399	474	381

VALUATION METHODOLOGY

Aisling Capital along with the other major investors has decided not to continue financing the Company due to unsuccessful trials. The write down reflects the poor performance of the Company and the significant decrease in ownership to Aisling due to the terms of the investment.

RISK ASSESSMENT/UPDATE

1. Phase II trial in trichotillomania did not achieve its primary endpoint

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Verona Pharma plc (NASDAQ:VRNA)

Initial Investment Date:	6/16/2016	Fund Ownership %:	1.4%	Total Invested	$10.3M
Industry:	Biopharma	Major Inst. Ownership % (with Aisling):	48.5%	Current Invested Capital	$7.4M
Headquarters:	London, UK	Management/Other Ownership %:	51.5%	Realized Proceeds	$4.7M
Pre-money-original investment:	$35.2M	Other Institutional Investors: Wellington, RA, Vivo, Perceptive, OrbiMed, Fidelity, Deep Track, Fairmount, Frazier, Octagon, & Abingworth		Reported Value	$22.4M
Board Representation:	N/A			Investment Multiple	2.6x
Board Members:	Elms (Obs.)			Gross IRR (All Security Types)	20.5%
Assessment:	On Plan				

INVESTMENT BACKGROUND

Verona Pharma plc ("Verona" or the "Company") is a UK-based clinical stage biopharmaceutical company focused on the development of innovative prescription medicines to treat respiratory diseases with significant unmet medical needs, such as chronic obstructive pulmonary disease (COPD), asthma and cystic fibrosis. Verona's lead drug, ensifentrine (RPL-554), is a first-in-class drug as a nebulized treatment for the maintenance of COPD. The drug is a dual phosphodiesterase (PDE) 3/4 inhibitor and therefore has both bronchodilator and anti-inflammatory effects, which are essential to the improvement of patients with COPD and asthma. Verona is also building a broader franchise around ensifentrine to maximize its value, both to patients and to investors. This includes the very significant market for cystic fibrosis and the development of MDI/DPI formulations.

INVESTMENT THESIS / EXPECTATIONS

- Large market opportunity that addresses an area of unmet need in COPD
- Straightforward path to approval with multiple precedent drugs approved through similar pathway
- Potential opportunity in cystic fibrosis and asthma
- Development of MDI/DPI formulation enlarges opportunity

RECENT EVENTS & KEY INITIATIVES

- The Fund partially realized its position, selling approximately 217,000 shares. $4.7 million in proceeds were generated for a realized gain of $1.8 million
- NDA submission for ensifentrine expected in Q2 2023 and preparing for the commercial launch in the US in 2024
- Two additional formulations of ensifentrine are in Phase II development for the treatment of COPD: dry powder inhaler ("DPI") and pressurized metered ("pMDI")

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares	Amount of Investment
Common stock	4/26/17	259,260	$3,500,010
Common stock	7/16/20	888,889	4,000,001
Total		**1,115,352**	**$7,352,424**

REALIZATION

Date of Realization	Shares Sold	Cost of Realization	Amount of Realization
Q1:2023	217,133	$2,957,059	$4,734,525

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$40,000	$458	$0	$0
Net Income (Loss)	(55,569)	(68,701)	(24,837)	(16,743)
Cash Flow from Operations	(33,254)	(59,862)	(14,512)	(5,782)
Balance Sheet				
Cash and Marketable Securities	$148,380	$227,827	$132,764	$291,415
Debt	4,874	9,768	4,928	19,809
Equity	148,005	230,466	126,307	276,749

VALUATION METHODOLOGY

The investment in Verona is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Single asset company
2. Commercialization risk with additional capital required over the next several years.

SUBSEQUENT EVENTS

- April 2023 – Development partner, Nuance Pharma, dosed the first patient in its ENHANCE - China Phase III trial for the maintenance treatment of COPD

Aisling Capital IV, LP
Investment Status Report **Quarter Ended 03/31/23**

Viracta Therapeutics, Inc. (NASDAQ:VIRX)

Initial Investment Date:	10/24/2016	Fund Ownership %:	0.8%	Total Invested	$12.7M
Industry:	Biopharma	Major Inst. Ownership % (with Aisling):	46.7%	Current Invested Capital	$12.7M
Headquarters:	San Francisco, CA	Management/Other Ownership %:	53.3%	Realized Proceeds	$0
Pre-money - original investment	$58M	Other Institutional Investors: BVF, aMoon, Forward Ventures, Citadel, Vanguard, and Rubric		Reported Value	$0.5M
Board Representation:	N/A			Investment Multiple	0.0x
Board Members:	N/A			Gross IRR (All Security Types)	-47.8%
Assessment:	Behind Plan				

INVESTMENT BACKGROUND

Viracta Therapeutics, Inc. ("Viracta" or the "Company") and Sunesis Pharmaceuticals, Inc. ("Sunesis") entered into a reverse merger in November 2020. The combined company, Viracta, is a clinical-stage precision oncology company targeting virus-associated malignancies. The Company's lead asset is nanatinostat, which is currently being evaluated in combination with valganciclovir as an oral combination therapy for Epstein-Barr virus positive (EBV+) lymphoma and in patients with advanced EBV+ nasopharyngeal carcinoma and other EBV+ solid tumors.

INVESTMENT THESIS / EXPECTATIONS

- Lead asset for EBV associated cancers is an area of high unmet need with limited direct competition
- Encouraging data to date from Phase II trial of nanatinostat
- Complete response observed across multiple subtypes of EBV+ lymphoma; preliminary ORR/CR of 80%/40% in T/NK-NHL and 66%/33% in DLBCL
- Potential to move into earlier lines of therapy as the company generates combination strategies and increases awareness of a targeted approach in these malignancies

RECENT EVENTS & KEY INITIATIVES

- Announced a partial response observed in the dose escalation study of Nana-val in EBV+ recurrent/metastatic (R/M) nasopharyngeal carcinoma (NPC) (RM-NPC); enrollment in the fourth dose level is ongoing
- Patients with other advanced EBV+ solid tumors will be enrolled to received Nana-val at the recommended Phase II dose in a Phase Ib dose expansion cohort
- Granted Orphan Drug designation by the European Commission (EC) for Nana-val for the treatment of diffuse large B-cell lymphoma (DLBCL); Nana-val has now received six orphan drug designations globally from the EC and FDA
- Ongoing Phase Ib/II trial of Nana-val (NAVAL-1) in relapsed/refractor (R/R) EBV+ lymphoma

INVESTMENT STRUCTURE

Security Purchased	Date of Investment	# of Shares/Par	Amount of Investment
Common stock	10/19/16	27,143	$3,657,500
Common stock	12/16	8,045	1,029,753
Common stock	1/17	6,240	857,234
Common stock	2/17	8,169	1,195,735
Common stock	3/17	3,260	460,858
Common stock	10/25/17	21,428	1,500,000
Common stock	1/18/19	142,857	2,500,000
Common stock	7/11/19	71,429	1,500,000
Total		**288,571**	**$12,701,080**

FINANCIAL RESULTS (000)

	ANNUAL		QUARTER	
	12/31/21	12/31/22	03/31/22	03/31/23
Income Statement				
Revenue	$0	$0	$0	$0
Net Income (Loss)	(114,762)	(49,197)	(10,546)	(12,209)
Cash Flow from Operations	(18,851)	(35,457)	(11,363)	(11,340)
Balance Sheet				
Cash and Marketable Securities	$103,554	$91,043	$92,199	$80,332
Debt	4,819	24,877	4,841	22,834
Equity	94,371	61,103	85,605	51,113

VALUATION METHODOLOGY

The investment in Viracta is valued at the quoted market price.

RISK ASSESSMENT/UPDATE

1. Clinical trials of Nana-val could fail to show clinical efficacy

SUBSEQUENT EVENTS

- May 2023 – Lisa Rojkjaer, MD, resigned from role as CMO to pursue another opportunity.

Aisling Capital IV, LP

(A Delaware Limited Partnership)
Unaudited Financial Statements
March 31, 2023

Aisling Capital IV, LP
Unaudited Schedule of Portfolio Investments
March 31, 2023

	Country	Cost	Fair Value	Fair Value as a % of Total Partners' Capital
Aclaris Therapeutics, Inc. (NASDAQ: ACRS)	U.S.			
634,455 Common Stock		$ 8,882,207	$ 3,515,000	2.04%
Aeglea BioTherapeutics, Inc. (NASDAQ: AGLE)	U.S.			
1,691,151 Common Stock		13,200,046	490,000	0.29%
Ajax Health II, LLC	U.S.			
13,500,000 Series A Preferred Units		13,500,000	16,231,000	9.44%
Atreca, Inc. (NASDAQ: BCEL)	U.S.			
387,653 Common Stock		5,509,989	442,000	0.26%
AVROBIO, Inc. (NASDAQ: AVRO)	U.S.			
1,009,779 Common Stock		11,607,152	1,010,000	0.59%
BridgeBio Pharma, Inc. (NASDAQ: BBIO)	U.S.			
6,068,125 Common Stock		45,488,214	100,610,000	58.54%
Elevation Oncology, Inc. (NASDAQ: ELEV)	U.S.			
2,834,910 Common Stock		14,697,997	5,386,000	3.13%
Marker Therapeutics, Inc. (NASDAQ: MRKR)	U.S.			
3,142,857 Common Stock 1,500,000 Warrants		10,000,000	223,000	0.13%
Nuvation Bio Inc. (NYSE: NUVB)	U.S.			
2,541,009 Common Stock		10,000,001	4,218,000	2.45%
PellePharm, Inc.	U.S.			
Milestones receivable		-	610,000	0.35%
Poseida Therapeutics, Inc. (NASDAQ: PSTX)	U.S.			
1,043,267 Common Stock		14,000,007	3,213,000	1.87%
Prolacta Bioscience, Inc.	U.S.			
2,739,080 Series E Preferred Stock		4,999,999	8,952,000	5.21%
Promentis Pharmaceuticals, Inc.	U.S.			
6,497,177 Common Stock		6,601,285	300,000	0.17%
Verona Pharma plc (NASDAQ: VRNA)	U.K.			
1,115,352 Common Stock		7,352,424	22,396,000	13.03%

Aisling Capital IV, LP
Unaudited Schedule of Portfolio Investments
March 31, 2023

	Country	Cost	Fair Value	Fair Value as a % of Total Partners' Capital
Viracta Therapeutics, Inc. (NASDAQ: VIRX)	U.S.			
288,571 Common Stock		12,701,080	459,000	0.27%
Zavante Therapeutics, Inc.	U.S.			
Milestones receivable		-	344,000	0.20%
		$ 178,540,401	**$ 168,399,000**	**97.97%**

The accompanying notes are an integral part of these financial statements.

Aisling Capital IV, LP
Unaudited Statement of Assets, Liabilities and Partners' Capital
March 31, 2023

Assets		
Portfolio Investments, at fair value (cost $178,540,401)	$	168,399,000
Cash and cash equivalents		3,678,336
Prepaid expenses		96,540
Total assets	**$**	**172,173,876**
Liabilities and partners' capital		
Liabilities		
Due to affiliates	$	146,952
Accrued expenses		141,979
Total liabilities		**288,931**
Partners' capital		
Affiliate Limited Partner		4,905,000
Investor Limited Partners		174,167,628
General Partner		(7,187,683)
Total partners' capital		**171,884,945**
Total liabilities and partners' capital	**$**	**172,173,876**

The accompanying notes are an integral part of these financial statements.

Aisling Capital IV, LP
Unaudited Statement of Operations
For the Three Months Ended March 31, 2023

	Unaudited Current Period (Jan 1, 2023 - Mar. 31, 2023)
Investment income	
Short-term interest	$ 1,925
Total investment income	**1,925**
Expenses	
Management Fees	741,618
Professional fees	113,725
Other expenses	53,531
Total expenses	**908,874**
Net investment loss	**(906,949)**
Net realized loss and unrealized appreciation on investments	
Net realized loss on investments	(222,532)
Net change in unrealized appreciation on investments	43,852,057
Net realized loss and unrealized appreciation on investments	**43,629,525**
Net increase in partners' capital from operations	**$ 42,722,576**

The accompanying notes are an integral part of these financial statements.

Aisling Capital IV, LP
Unaudited Statement of Changes in Partners' Capital
For the Three Months Ended March 31, 2023

	Affiliate Limited Partner*	Investor Limited Partners	General Partner	Total Partners' Capital
Balance at January 1, 2023	$ 3,620,670	$ 133,018,272	$ (7,476,573)	$ 129,162,369
Capital contributions	-	-	-	-
Capital distributions	-	-	-	-
Allocation of net increase in partners' capital from operations				
Net investment loss	(4,050)	(901,246)	(1,653)	(906,949)
Net realized gain / (loss) on investments	99,925	(323,252)	795	(222,532)
Net change in unrealized appreciation on investments	1,188,455	42,373,854	289,748	43,852,057
Carried interest	-	-	-	-
Net increase in partners' capital from operations	1,284,330	41,149,356	288,890	42,722,576
Balance at March 31, 2023	**$ 4,905,000**	**$ 174,167,628**	**$ (7,187,683)**	**$ 171,884,945**

* - Includes Special Limited Partner activity, if any.

The accompanying notes are an integral part of these financial statements.

Aisling Capital IV, LP
Unaudited Statement of Cash Flows
For the Three Months Ended March 31, 2023

	Unaudited Current Period (Jan 1, 2023 - Mar. 31, 2023)
Cash flows from operating activities	
Net increase in partners' capital from operations	$ 42,722,576
Adjustments to reconcile net increase in partners' capital from operations to net cash provided by operating activities	
Purchase of investments	(300,000)
Proceeds from sale and return of capital - portfolio investments	4,734,525
Net realized loss on investments	222,532
Net change in unrealized appreciation on investments	(43,852,057)
Increase in prepaid expenses	(96,540)
Increase in due to affiliates	139,263
Decrease in accrued expenses	(76,297)
Net cash provided by operating activities	**3,494,002**
Net increase in cash and cash equivalents	**3,494,002**
Cash and cash equivalents, beginning of period	184,334
Cash and cash equivalents, end of period	**$ 3,678,336**

The accompanying notes are an integral part of these financial statements.

1. Organization

Aisling Capital IV, LP (the "Fund"), a Delaware limited partnership, was formed on August 25, 2015. The Fund is governed by its agreement of limited partnership, as amended from time to time (the "Partnership Agreement"), by and among Aisling Capital Partners IV, LP (the "General Partner"), and each of the limited partners of the Fund. The Partnership Agreement currently in effect is the Agreement of Limited Partnership. Aisling Investors IV, LP (the "Affiliate Limited Partner"), a Delaware limited partnership, whose partners are associated with the Fund, is also associated with affiliates and related parties of the Fund. The Affiliate Limited Partner invests solely in the Fund and has committed to 2.45% of the total partners' committed capital of the Fund. The manager of the Fund is Aisling Capital Management, LP (the "Manager"), a Delaware limited partnership. The primary activity of the Fund is to make investments in the life science industry.

All capitalized terms not defined herein shall have the meaning ascribed to them in the Partnership Agreement.

The term of the Fund is the earlier of an event of dissolution, or the 10th anniversary of the Final Closing Date, which was June 22, 2017, unless extended for up to two consecutive additional one-year periods from and after such date, with the first extension at the discretion of the General Partner and the second extension with prior consent of the Advisory Board. The Fund's first closing date was November 5, 2015 and there was no activity in the Fund until the first capital call, which occurred on March 16, 2016.

2. Summary of Selected Significant Accounting Policies

The accompanying financial statements are prepared using accounting principles generally accepted in the United States of America ("GAAP"). The Fund follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The preparation of financial statements in conformity with GAAP may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Transactions
The Fund records security and contractual transactions, if any, on a trade/contract date basis.

Valuation of Investments
Investments are presented at fair value as determined by the General Partner. Investments valued at $26,437,000 (15.38% of partners' capital) have been estimated by the General Partner.

Fair Value Measurements
The Fund complies with FASB ASC 820, "*Fair Value Measurements and Disclosures"* which, among other things, requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of observable inputs used to measure the fair value of investments. Observable inputs are impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available actively quoted prices for which fair value can be measured generally will have a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments which would generally be included in Level 1 include listed equities and listed derivatives. As required by ASC 820, the Fund, to the extent that it holds such investments, does not adjust the quoted price for these investments, even in situations where the Fund holds a large position and a sale could reasonably impact the quoted price.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 - Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The types of investments which would generally be included in this category include equity and/or debt securities issued by private entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The following table summarizes the level in the ASC 820 fair value hierarchy that the Fund's investments fall into as of March 31, 2023:

Investments, at fair value	Level 1	Level 2	Level 3	Total
Common Stock	$ 141,962,000	$ -	$ 300,000	$ 142,262,000
Preferred Stock / units	-	-	25,183,000	25,183,000
Escrow / Milestone Receivables	-	-	954,000	954,000
Total investments, at fair value	**$ 141,962,000**	**$ -**	**$ 26,437,000**	**$ 168,399,000**

The Fund values equity securities that are traded on a national securities exchange at their last reported sales price. To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Equity securities that do have a valuation adjustment are generally categorized in Level 2 of the fair value hierarchy.

In determining the fair value of the Fund's investments that fall within Level 3 of the fair value hierarchy (which are comprised of equity and/or debt securities issued by private entities), the General Partner utilized the following valuation techniques: (1) market approach techniques consisting of: (a) comparable trading multiples, (b) comparable transaction multiples, and (c) market clearing transactions; (2) income approach techniques consisting of (d) discounted cash flow analysis; as well as (3) third party valuations; of which each are explained in greater detail below.

Comparable Trading Multiples: Management determines comparable public companies - based on industry, size, developmental stage, strategy, and other factors. This methodology applies a relevant multiple to an earnings measure of the company being valued in order to derive the value of the company. In using the earnings multiple methodology to estimate the fair value of an investment, management would apply a multiple that is appropriate and reasonable, given the risk profile and earnings growth prospects of the company. The trading multiple for each comparable company is calculated based on dividing the enterprise value ("EV") of the comparable company by its revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA"). In certain instances, the inputs used in the calculation of the trading multiples may vary based on the industry.

The trading multiple may be discounted for company specific facts and circumstances, illiquidity, or certain differences between the comparable companies and the company being valued. The trading multiple is applied to the underlying company's EBITDA (which may be normalized to adjust for certain non-recurring events), to calculate the EV of the underlying company. The EV may be further adjusted for entity specific facts and circumstances such as litigation, recent round of financing, and other factors. The EV is then allocated across the various outstanding instruments (notes payable, preferred stock, common stock, etc.) based on their standing in the capital structure and liquidation preferences to estimate the fair value of the security.

Comparable Transaction Multiples: Management may use recent transaction multiples to calculate the EV of the underlying company. Management may also use a weighted average of both comparable transaction and trading multiples to estimate the EV.

Market Clearing Transactions: A market clearing transaction generally has the attributes of an arm's-length transaction when the transaction price of the security negotiated with a third party is under normal market conditions and not in a distressed situation. Market clearing transactions may include follow-on financing, pending sale or capital transaction.

Discounted Cash Flow Analysis: Management may use a discounted cash flow analysis when trading and recent transactions multiples or market clearing transactions are not available or not deemed appropriate. Management may use estimates of projected free cash flows provided by the portfolio company (adjusted for probability) and estimated growth rate and apply a discount rate to calculate a present value of the company.

Third Party Valuations: Management may use an independent third party valuation analysis where deemed reasonable and appropriate. The third party appraisers may use the valuation techniques discussed above. Determining the fair value of a private equity investment is subject to a large degree of uncertainty and judgment from management.

Due to the subjective nature of valuing private equity investments, the valuation methods described above are used only as guidelines to ensure changes in fair value are applied on a consistent basis.

The transaction price, excluding transaction costs, is typically the Fund's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. Ongoing reviews by the Fund's management are based on an assessment of trends in the performance of each underlying portfolio company from the inception date through the most recent valuation date. These assessments typically incorporate the valuation methods described previously. In certain instances the Fund may use multiple valuation

methodologies for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results.

Investments valued using an income approach utilized discount rates. Additional inputs relied upon in this approach include annual projected cash flows for each investment provided by the portfolio companies (adjusted for probability) through their respective investment horizons. These cash flow assumptions may be probability-weighted to reflect the risks associated with achieving expected performance levels across various scenarios.

The valuation methodology for investments valued using a market approach varies by investment but typically the mean of the multiples are used for revenue or EBITDA. In addition, the Fund will generally apply liquidity discounts within a range of 0% to 10% on sales proceeds which remain in escrow due to the uncertain nature of its full collection as well as a range of 10% to 100% on additional sales proceeds based upon achieving agreed upon milestones, as defined in the sales agreement.

The Fund values warrants using the Black-Scholes option pricing model, which takes into account the contract terms (including the strike price and contract maturity) and multiple inputs (including time value, volatility, equity prices, interest rates, and currency rates). Warrants are generally classified in Level 2 of the fair value hierarchy.

Based upon collectability, the Fund may record a receivable for portfolio company sales proceeds not yet received. Typically, such uncollected proceeds relate to escrows and/or milestones. Escrows are often received on a predetermined date in the future, net of any claims paid. Milestone receivables are paid out when and if certain events occur, like the achievement of specific developmental or revenue targets. It is the Fund's policy to record a receivable for these amounts at the estimated fair value based upon the probability and timing of expected future collections. Such milestone and/or escrow receivables, if any, are included in the Schedule of Portfolio Investments and are generally classified in Level 3 of the fair value hierarchy.

The General Partner regularly assesses fair value of all loans, giving consideration to credit worthiness of the borrower and changes in economic conditions. If necessary, impairment charges are recorded to adjust the carrying value of the loan to fair value.

The following table summarizes purchases, transfers in, and transfers out of Level 3 investments for the period ended March 31, 2023:

Investments	Preferred stock / units	Common stock	Notes	Total
Purchases	$ 300,000	$ -	$ -	$ 300,000
Transfer In	-	-	-	-
Transfer Out	-	-	-	-

Transfers between Levels 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Levels 2 and 3 generally relate to whether, for various reasons, significant inputs become observable or unobservable. The transfer between levels is recognized as of the first day of the year.

The following table describes the valuation techniques used to calculate fair values for assets in Level 3:

Quantitative Information about Level 3 Fair Value Measurements

Investments, at fair value	Fair Value at March 31, 2023	Valuation Techniques	Unobservable Inputs	Range
Common stock	$300,000	Transaction Price	Discount Rates	95%
Preferred stock / units	8,952,000	Comparable Trading Multiples	Discount Rates	10%
			Multiples	3.0 - 11.0
Escrow / Milestone Receivables	344,000	Discounted Cash Flows	Discount Rates	10.6%
			Probabilities	0-50%
	610,000	Discounted Cash Flows	Discount Rates	12%
			Probabilities	0-50%

Certain of the Fund's Level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Fund, including third-party transactions and quotations. As a result, fair value assets of approximately $16,231,000 have been excluded from the preceding table.

Derivative Instruments
The Fund may receive warrants (equity contracts) from its Portfolio Companies upon its investment in debt or equity securities of such Portfolio Company. A warrant is a derivative instrument that entitles the holder to buy stock of the issuing company through a specified term at a specified price, which is usually higher than the fair value of the stock at time of issue. Warrants are subject to equity price risk and its value will fluctuate with the price of the underlying security. Upon expiration, the warrants are worthless unless the price of the common stock is greater than the exercise price.

Paid-in-Kind Interest / Dividends / Other Income
The following table summarizes the paid-in-kind ("PIK") interest, dividends, and other income which are included in the cost on the Schedule of Portfolio Investments:

	At March 31, 2023
Promentis Pharmaceuticals, Inc.	$ 127,103
	$ 127,103

Income and Expense Recognition
Realized gains and losses on the Fund's security transactions, if any, are determined using the specific identification method. Interest and dividend income is accrued as earned. Expenses that are directly attributable to the Fund are recorded on the accrual basis as incurred.

Other expenses include but are not limited to any and all out-of-pocket costs and expenses incurred in connection with the discovery, acquisition or disposition of investments (whether or not consummated), broken-deal expenses, consulting fees, information services, loan/line-of-credit fees, conferences and meetings (including annual meetings), insurance premiums, and other miscellaneous expenses incurred by the Fund in connection with its operations.

Accrual of interest and dividend income on Portfolio Investments in debt instruments and preferred stock is normally accrued as earned, except that past due interest and dividend amounts for which the Fund believes collectability is uncertain are not recorded in the financial statements until the uncertainty is resolved.

In recording partner capital balances, cumulative unrealized gains (losses), carried interest, and clawback provisions are reflected in the capital balances of each partner at the balance sheet date, as if the company had realized all assets and settled all liabilities at the fair values reported in the financial statements, and allocated all gains and losses and distributed the net assets to each class of partner at the reporting date consistent with the provisions of the Partnership Agreement.

Placement Fees
Costs incurred in the private placement offering of the Fund's interests are charged against partners' capital as incurred.

Foreign Currency
The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in foreign currencies, if any, will be translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies, if any, will be translated into U.S. dollar amounts on the respective dates of such transactions.

The Fund will not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations will be included with the net realized and unrealized gain or loss from investments.

Income Taxes
No provision has been made in the accompanying financial statements for federal, state or local income taxes, as each Partner is individually responsible for reporting their allocable share of the Fund's income, gains, reductions, losses and credits on its individual income tax return. Individual partners may be taxed on their proportionate share of the Fund's income based on their individual circumstances.

The Fund complies with ASC 740, "*Income Taxes*" which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. ASC 740 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, ASC 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Fund's U.S. federal and state income tax returns for the year ended December 31, 2018 and prior are closed. The General Partner will continue to review the requirements of ASC 740 as they relate to the Fund's financial

statements and conclusions reached regarding uncertain tax positions, which may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations and interpretations thereof.

Cash and Cash Equivalents
Cash represents cash on hand and demand deposits held at financial institutions. Cash equivalents include short-term highly-liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations.

3. Management Fees

During the term of the Fund, the Manager shall be paid a Management Fee by the Investor Limited Partners in the amounts and at the times as set forth in the Partnership Agreement. The Partnership Agreement provides that Investor Limited Partners will pay a Management Fee in an amount equal to 2% per annum of their aggregate commitments subject to reduction as set forth in the Partnership Agreement and as summarized below. The Affiliate Limited Partner does not pay a Management Fee. After the Management Fee Conversion Date, each Investor Limited Partner will pay a Management Fee in an amount equal to 2% of the Actively Invested Capital of the Investor Limited Partners. The Management Fees are payable in quarterly installments.

During the Investment Period and at the election of the Manager, all or a portion of the Management Fees otherwise payable by the Fund will instead be employed by the Fund as part of a Management Profits Interest ("MPI") program for the benefit of certain members of the General Partner and the Affiliate Limited Partner. Under the MPI program, such contributions will be invested in Partnership Investments and treated for certain purposes as if such contributions were invested by an affiliate of the Manager. An affiliate of the Manager will be entitled to receive a share of profits, if available, in an amount equal to its notional Investment and the profit thereon.

An affiliate of the Manager has made an MPI election amount totaling $6,140,000 which will offset Management Fees during the course of the Investment Period. For the three months ended March 31, 2023, Management Fees have been reduced by $0. As of March 31, 2023, $235,825 of excess MPI election is available for future draw downs.

In accordance with the Partnership Agreement, the Manager may receive Transaction Fees from Portfolio Companies or other third parties. Such fees may be retained in full by the Manager, provided that an amount equal to 100% of all net Investor Limited Partner Directors' Fees paid in the form of cash in connection with their service on the boards of directors or other similar governing bodies of Portfolio Companies, and 70% of all other net Investor Limited Partner Transaction Fees will reduce the Management Fees otherwise payable, on an aggregate basis. Transaction Fees include any fees received in connection with the consummation, disposition, holding or termination of an Investment and/or any fees received from Portfolio Companies, such as Portfolio Company management fees, investment banking fees and similar fees, break-up fees, commitment fees, termination fees, and options or similar compensation received by directors in connection with their service on the boards of directors or other similar governing bodies of Portfolio Companies. Transaction Fees totaling $58,375 were used to calculate the reduction of Management Fees for the three months ended March 31, 2023.

The Management Fee shall be further reduced by Placement Fees as incurred.

4. Other Transactions with Related Parties

The due to affiliates balance at March 31, 2023 primarily represents funds not yet paid to the Manager or one of its affiliates.

Certain officers or employees of the General Partner or the Manager are affiliated with certain Limited Partners of the Fund.

Members of the management of the General Partner often serve as members of the Board of Directors of certain Portfolio Companies.

Certain Investor Limited Partners are affiliated with the General Partner. The aggregate value of these Investor Limited Partners' share of ending partners' capital at March 31, 2023 is $2,265,140.

5. Insurance Policy

The Fund, the General Partner and certain affiliates, including other Funds, (collectively, the "Insured Parties"), carry a private equity insurance policy with an aggregate limit of $20,000,000. The policy is designed to protect the Insured Parties in the event that they or their respective officers or employees are named in litigation resulting from their role as a director, officer, investor or fiduciary of the Insured Parties and their respective Portfolio Companies.

6. Partners' Capital

Commitments
On November 5, 2015, the Fund had its first closing. Aggregate capital commitments were $114,000,000.

On June 24, 2016, the Fund had its second closing. Aggregate capital commitments were increased to $143,100,000.

On October 3, 2016, the Fund had its third closing. Aggregate capital commitments were increased to $164,350,000.

On October 26, 2016, the Fund had its fourth closing. The General Partner as well as Affiliated Limited Partner increased their capital commitment. Aggregate capital commitments were increased to $165,070,000.

The Fund returned previously called capital to the Limited Partners due to increases in capital commitments of the General Partner and the Affiliated Limited Partner, as applicable, related to the fourth closing. Pursuant to the Limited Partnership Agreement ("LPA"), the fourth closing adjustments are treated as if there had been a single closing on the date of the Initial Closing Date. On June 22, 2017, the Fund had its final close. Aggregate capital commitments were increased to $280,786,111.

The partners of the final close ("Final Close Partners") were required to fund a sum equal to the aggregate amount that they would have had to contribute had they been admitted to the Fund at the Initial Closing Date, plus an additional payment equal to the cumulative interest at a rate of the Prime Rate plus 2% per annum, as defined in the LPA. The contributions and additional payment with respect to Management Fees were paid to the Investment Manager and the remaining amounts were paid to the existing Limited Partners, pro rata, in proportion to each such Limited Partner's interest in the Fund, immediately prior to the final close. Pursuant to the LPA, final close adjustments are treated as if there had been a single closing on the date of the Initial Closing Date. The Fund may call capital from its Partners to fund Investments, Partnership Expenses, and Management Fees.

During the Investment Period, any return of capital from an Investment disposed of within 14 months of its acquisition will be added back to unfunded commitments and be subject to recall for future Investments. The Fund has returned, since its inception, $47,260,546 of invested capital in Ajax Health, LLC, Arcus Biosciences, Inc. (NYSE: RCUS), ARMO BioSciences, Inc. (NASDAQ: ARMO), Ascendis Pharma A/S., Audentes Therapeutics, Inc. (NASDAQ: BOLD), AvroBio, Inc. (NASDAQ: AVRO), Biohaven Pharmaceuticals Holding Company Ltd. (NYSE: BHVN), F2G Ltd., Global Blood Therapeutics, Inc. (NASDAQ: GBT), GTx, Inc. (NASDAQ: GTXI), Menlo Therapeutics, Inc. (NASDAQ: MNLO), ObsEva SA (NASDAQ: OBSV) and Protagonist Therapeutics, Inc. (NASDAQ: PTGX) within 14 months of its acquisition, thereby reducing Funded Capital and increasing the Available Capital.

Capital Commitments

	Total	Amount Funded	Available	% of Funded to Total Commitments
General Partner	$ 2,807,861	$ 2,700,011	$ 107,850	96.2%
Affiliate Limited Partner	6,878,250	6,614,056	264,194	96.2%
Investor Limited Partners	271,100,000	258,936,420	12,163,580	95.5%
	$ 280,786,111	**$ 268,250,487**	**$ 12,535,624**	**95.5%**

The above chart includes $23,058,915, $140,345 and $57,292 of Available Capital which may be recallable in the future from the Investor Limited Partners, the Affiliate Limited Partner and the General Partner, respectively, related to distributions up to the total amount of funded expenses.

Capital Contributions
Each Partner of the Fund is required to make capital contributions equal to its allocable share of the investments made by the Fund. The General Partner may make capital calls for any of the following purposes (subject to the limitations set forth in the Partnership Agreement): (i) to pay organizational expenses; (ii) to provide funds to make an investment; and (iii) to pay direct investment expenses.

Distributions
Net proceeds attributable to the Disposition of an Investment in a Portfolio Company, together with any dividends or interest income with respect to such Investment, will be distributed to the Partners participating in such Investment in the following amounts and order:

(i) First, 100% to the Partners in proportion to Capital Contributions with respect to such Investment until proceeds equal the aggregate of the following (to the extent not previously distributed):

- to the General Partner and the Affiliate Limited Partner the amount contributed by each Investor Limited Partner to the MPI Entity, subject to available profits;
- the cost basis (including any Allocable MPI Contributions made) of all Investments that have been disposed of and permanent write downs, if any, on Investments not disposed of as of such time;
- the Investor Limited Partners' share of all organizational expenses, net Management Fees and other expenses paid by the Fund and allocated to the Investments referred to in the above paragraph;
- a preferred return equal to 8% per annum, compounded annually, calculated on the net capital contributed with respect to the amounts referred to in the above paragraphs;

(ii) Second, (x) 20% to the Investor Limited Partners in proportion to Capital Contributions with respect to such Investment and (y) 80% to the General Partner, until such time as the General Partner has received, pursuant to clause (z), 20% of the sum of the distributions made under the fourth bullet point of paragraph (i) and under this paragraph; and

(iii) Thereafter, 80% to the Investor Limited Partners in proportion to Capital Contributions with respect to such Investment and 20% to the General Partner deemed to be the carried interest in the Fund's profits.

With respect to the Affiliate Limited Partner, the distributions are governed by a distribution policy separate from the Fund.

Upon the final liquidation of the Fund and distribution of its remaining assets, the General Partner will be required to restore capital to the Fund (clawback) for distribution to the Limited Partners (up to the amount of its cumulative net after-tax carried interest) to the extent, if any, that amounts previously distributed to the General Partner as carried interest exceeds the aggregate amount due the General Partner as carried interest on a cumulative basis over the life of the Fund.

At March 31, 2023, it was determined that the General Partner would be liable for Clawback amounting to $8,375,364 to the Investor Limited Partners had the remaining assets of the Fund been liquidated at year-end carrying values. Accordingly, a reallocation is reflected between the Investor Limited Partners and the General Partner for the effect of the Carried Interest allocation in the Fund's Statement of Changes in Partners' Capital. As such, this reallocation resulted in a negative partner's capital balance for the General Partner.

Realized Gains and Losses
During the first quarter of 2023, the Fund sold 217,133 shares of Verona Pharma plc (NASDAQ: VRNA) common stock for proceeds of $4,734,525, resulting in a realized gain of $1,777,466.

During the first quarter of 2023, the Fund sold 854,700 shares of PellePharm, Inc. prederred stock for proceeds of $0, resulting in a realized loss of $1,999,998.

The following table summarizes the 2023 realizations in the Fund:

Investments	Total Proceeds, Escrow and Milestones Received	Cost Basis/ Return of Capital	Capital Gain/(Loss)	Portfolio Interest Income / Dividend / Other Income
Verona Pharma plc (NASDAQ: VRNA)	$ 4,734,525	$ 2,957,059	$ 1,777,466	-
PellePharm, Inc.	-	1,999,998	(1,999,998)	-
	$ 4,734,525	**$ 4,957,057**	**$ (222,532)**	**$ -**

Allocation of Gains and Losses
Generally, all items of investment gains and losses are allocated to Partners' Capital Accounts in a manner consistent with the distribution procedures described above. Gains from Temporary Investments and Bridge Financings are allocated among the Partners' Capital Accounts in proportion to their Capital Contributions with respect to the Temporary Investment or Bridge Financing. All other gains or losses are allocated among the Partners' Capital Accounts in proportion to the Partners' relative Capital Commitments.

The distribution allocations described above relate to realized proceeds. However, the Fund's Statement of Changes in Partners' Capital reflects both the allocation from realized proceeds as well as the effect of an assumed hypothetical liquidation of all investments at the reported values as of March 31, 2023 on carried interest and clawback, if any. Because of the inherent uncertainty of valuation of the investment portfolio, the allocation of net

income (loss) to all Partners as reflected within these financial statements may not necessarily represent amounts that might ultimately be allocated and distributed to all Partners based on the methodology described above.

Portfolio Company Funding
In connection with its investments in certain Portfolio Companies, the Fund is required to invest additional capital if these Portfolio Companies reach certain defined milestones within certain prescribed time frames. Any additional investments will be funded through available Capital Commitments from the Partners.

7. Bank Loans

The Fund has an unsecured line of credit up to $3,000,000. Borrowings under this arrangement bear interest at the bank's prime rate, less 0.25%. As of March 31, 2023 the bank's prime rate was 7.5%. No compensating balance is required. As of March 31, 2023 there is no outstanding bank loan balance.

8. Concentrations of Market and Credit Risk

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown since this would involve future claims that may be made against the Fund that have not yet occurred. However, based on the experience of the Manager, the Fund expects the risk of loss to be remote.

The Fund's investments are subject to certain risks and uncertainties including, among others, high degrees of business and financial risks associated with private equity investments, dependence on capital markets, high volatility in value, the possible need for follow-on investments, competition, limited operating history, and dependence on key personnel. Investments in private equity securities are generally illiquid, and there can be no assurance that the Fund will be able to realize the value of such investments in a timely manner. In certain cases, the Fund may own a significant percentage interest in a particular Portfolio Company which may increase the general risks of private equity investing.

Life Science Companies
Investment in the securities of life science companies entails special considerations and risks. In addition to the risks associated with any strategy seeking capital appreciation through investment in securities, the Fund's portfolio will bear the additional risks that many life science companies may be subject to, and possibly adversely affected by, some of the same general trends relating to demand for health related products and services and the same regulatory, economic and political factors. Certain health science industries are characterized by single product focus and rapidly changing technologies. These changes may render existing products and technologies obsolete. There is also extensive government regulation. Unanticipated challenges may arise in connection with the development of new products or technologies, and many such efforts may ultimately be unsuccessful. In addition, testing or marketing products may require obtaining government approvals, which may be a lengthy and expensive process with an uncertain outcome. Delays in generating products may result in the need to seek additional capital, potentially diluting the interests of existing investors, such as the Fund. These various factors may result in abrupt advances and declines in the securities prices of particular companies and, in some cases, may have a broad effect on the value of life science companies.

9. Subsequent Events

The Fund has evaluated subsequent events through May 15, 2023, which is the date the financial statements were available to be issued.

10. Financial Highlights

Financial highlights for the three months ended March 31, 2023 are as follows:

	Ratio to Average Investor Limited Partners' Capital [a]
Investor Limited Partners	
Ratio of net investment income/(loss) [b] [c]	-0.59%
Ratio of total operating expenses [c]	0.59%
Ratio of carried interest	0.00%
Total ratio of carried interest and operating expenses	0.59%

	Investor Limited Partners
Internal Rate of Return (inception to December 31, 2022) [d]	-4.14%
Internal Rate of Return (inception to March 31, 2023) [d]	0.33%

[a] The ratios to average Investor Limited Partners' capital are calculated for the Limited Partners taken as a whole. The computation of such ratios based on the amount of net investment loss and expense allocated to an individual partner's capital account may vary from these ratios based upon the timing of capital transactions and differing carried interest and fee arrangements, if any.

[b] The ratio of net investment loss to the average Investor Limited Partners' capital does not include the effects of carried interest allocated to the General Partner.

[c] The ratio of net investment loss and operating expenses includes the effect of a reduction in Management Fees due to MPI credits of $0 or 0.00% of average Investor Limited Partners' capital and due to Transaction Fees received by the Manager of $58,375 or 0.04% of average Investor Limited Partners' capital and does not include the effects of carried interest, if any, allocated to the General Partner.

[d] The Internal Rate of Return ("IRR") is computed using the Investor Limited Partners' cash inflows (capital contributions) and outflows (distributions) during each quarter using the mid-point of each quarter as the measurement date. The IRR is presented inception to date and is net of the General Partner's carried interest allocations assuming a year-end disposition of assets at the value reported on the Statement of Assets, Liabilities and Partners' Capital. The IRR assumes any Placement Fees charged to Limited Partners are incurred at the respective closing date rather than when cash was called for such fees. Further, the calculation uses the cash call date rather than the investment date when determining the mid-quarter period. The IRR assumptions used are required under GAAP and may differ from the assumptions used for investor reporting purposes.