

**CHP II, L.P.**  
**FINANCIAL REPORT**  
**2nd QUARTER, 2007**

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TO: The Limited Partners of CHP II, L.P.

FROM: John J. Park

DATE: July 13, 2007

SUBJECT: Portfolio Valuations for June 30, 2007

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Investment securities held by CHP II, L.P. (the “Partnership”) have been valued in accordance with the Standard Valuation Policy of the Partnership. In accordance with the Policy, we propose to value restricted securities at cost, until subsequent events of a significant nature indicate the need for a change. Public securities are valued at market unless they are subject to trading restrictions. This memorandum delineates the portfolio valuation calculations as proposed by the General Partner for those investments not valued at cost as of June 30, 2007.

**ATHENAHEALTH** – On June 29, 2007, PSS World Medical, Inc. (NASDAQ: GS PSSI) made a \$22.5 million equity investment in AthenaHealth, purchasing approximately 5% of the current outstanding shares of the company. The investment was accomplished through a purchase of AthenaHealth Series C, Series D, and Series E convertible preferred stock. The shares were purchased at a price of \$15.30 per share, valuing the company at \$450 million. As part of the PSS transaction, CHP II sold 172,433 shares of its Series D preferred stock holdings. CHP II received \$2,638,225 from the sale and has recorded a realized gain of \$2,107,131. Post-sale, CHP II continues to hold 1,450,944 shares of Athena Series D convertible preferred stock.

Given the strategic nature of the PSS investment, we propose to value our investment at \$10.17 per share, representing the midpoint between the PSS price of \$15.30 per share and previous carrying value for Athena of \$5.04 per share. This results in an investment valuation of \$14,756,100, with a corresponding unrealized gain of \$10,287,192 on our cost basis of \$4,468,908 as of June 30, 2007. This valuation represents an increase of \$6,574,280 from the valuation for AthenaHealth as of March 31, 2007.

Value Computation:

$$\begin{array}{lcl} \text{Series D Convertible Preferred Stock} & & \\ 1,450,944 \text{ shares} \times \$10.17 & = & \underline{\underline{\$14,756,100}} \end{array}$$

**CHP II, L.P.****Portfolio Valuations as of June 30, 2007****Page 2 of 3**

**ATYR PHARMA** – On November 30, 2006, Atyr Pharma completed a \$10.5 million Series B Preferred stock financing priced at \$2.50 per share and valuing the Company at \$6.25 million pre-money. This financing was co-led by new investors, Alta Partners and Polaris Venture Partners. CHP II invested \$3 million in the financing. We propose to value our investment at the Series B price of \$2.50, resulting in an investment valuation of \$5,000,000, with a corresponding unrealized gain of \$1,400,000 on our cost basis of \$3,600,000 as of June 30, 2007. This valuation represents no change from the valuation for Atyr Pharma as of March 31, 2007.

Value Computation:

|                                      |   |                    |
|--------------------------------------|---|--------------------|
| Series A Convertible Preferred Stock |   |                    |
| 800,000 shares x \$2.50              | = | \$ 2,000,000       |
| Series B Convertible Preferred Stock |   |                    |
| 1,200,000 shares x \$2.50            | = | <u>3,000,000</u>   |
| Total Value                          |   | <u>\$5,000,000</u> |

**CARDIO-OPTICS** – On October 20, 2005, CardioOptics held an initial closing of \$21.5 million on a Series B preferred financing round that totaled \$28 million. The Series B preferred was priced at \$3.296 per share, placing a \$27.5 million pre-money value on the financing. The round was led by new investor Novo A/S and also included new investors, The Hillman Company and Investor Growth Capital. Cardinal invested a total of \$3,801,372 in the round; including the conversion of \$1,578,722 in promissory notes plus accrued interest and \$633,649 in accrued dividends on our Series A preferred holdings.

During Q4 2006, management reported that sales of the company's lead product had slowed considerably. The Board directed management to perform a complete analysis of the product's technology and manufacturing process and discontinue its sales efforts in the field. Until the analysis is complete (June 2007), we propose to cut the value of the CardioOptics investment to the cost basis of our Series B preferred shares, which approximates a liquidation value of \$20 million for the company. This results in a total carrying value for the investment of \$3,801,372, with a corresponding unrealized loss of \$2,367,630 on our cost basis of \$6,169,002 as of June 30, 2007. This valuation represents no change from the valuation for CardioOptics as of March 31, 2007.

Value Computation:

|                                      |   |                    |
|--------------------------------------|---|--------------------|
| Series A Convertible Preferred Stock |   |                    |
| 1,938,310 shares x \$0.00            | = | \$ 0               |
| Series B Convertible Preferred Stock |   |                    |
| 1,153,329 shares x \$3.296           | = | <u>3,801,372</u>   |
| Total Value                          |   | <u>\$3,801,372</u> |

**CHP II, L.P.****Portfolio Valuations as of June 30, 2007****Page 3 of 3**

**REPLICATION MEDICAL** – On July 21, 2005, Abbott Laboratories invested \$12 million at \$5.00 per share in the form of a Series D preferred stock. As this investment was strategic in nature, we propose to value our holdings in Replication, in accordance with the Standard Valuation Policy of CHP II, at the midpoint between our previous investment carrying value per share (investment cost) and the Series D price of \$5.00. This results in a carrying value for the Replication investment of \$2.9781 for each share of Series B preferred (midpoint between \$0.9562 and \$5.00), and \$3.45 per share for each share of Series C preferred (midpoint between \$1.90 and \$5.00). Accordingly, the total carrying value for the Replication investment is \$8,818,809, with a corresponding unrealized gain of \$5,752,050 on our cost basis of \$3,066,759 as of June 30, 2007. This valuation represents no change from the valuation for Replication as of March 31, 2007.

Value Computation:

|                                      |   |                    |
|--------------------------------------|---|--------------------|
| Series B Convertible Preferred Stock |   |                    |
| 2,614,516 shares x \$2.9781          | = | \$7,786,290        |
| Series C Convertible Preferred Stock |   |                    |
| 299,281 shares x \$3.45              | = | <u>1,032,519</u>   |
| Total Value                          |   | <u>\$8,818,809</u> |

**SIRTRIS PHARMACEUTICALS** – On May 22, 2007, Sirtris Pharmaceuticals (NASDAQ:SIRT) completed an initial public offering of its securities priced at \$10.00 per share, selling 6.9 million shares, with net proceeds to the company of \$62.4 million. Concurrent with the completion of the IPO, the company enacted a 1 to 5.25 reverse stock split on all outstanding shares, with all shares of preferred stock automatically being converted to common stock. Accordingly, all of the CHP II holdings of preferred stock have been converted into 2,073,469 shares of Sirtris Pharmaceuticals common stock, with a combined cost basis of \$8,050,001.

As of June 30, 2007, CHP II holds 2,073,469 shares of Sirtris common stock that are subject to underwriter sale restrictions until November 18, 2007. In accordance with the Standard Valuation Policy of CHP II, L.P., until the sale restriction period ends, we propose to value these shares at a 30% discount from the closing market price for Sirtris Pharmaceuticals on June 30, 2007 of \$9.87 per share. This results in a total valuation for the CHP II Sirtris investment of \$14,325,597, with an unrealized gain of \$6,275,596 on our cost basis of \$8,050,001 as of June 30, 2007. This valuation represents a decrease of \$3,962,404 from the valuation for Sirtris as of March 31, 2007.

Value Computation:

|                                 |   |                     |
|---------------------------------|---|---------------------|
| Common Stock                    |   |                     |
| 2,073,469 shares x \$9.87 x 70% | = | <u>\$14,325,597</u> |

**CHP II, L.P.**  
**Portfolio Investment Valuation Summary**  
**For the Quarter Ended June 30, 2007**

| Company                 | Investment   | Fair Value<br>30-Jun-2007 | Fair Value<br>31-Mar-2007 | Change From<br>Last Quarter | Reason For Change                            |
|-------------------------|--------------|---------------------------|---------------------------|-----------------------------|--|
| AllianceCare, Inc.      | \$6,166,180  | \$6,166,180               | \$6,166,180               | \$0                         |  |
| AthenaHealth, Inc.      | \$4,468,907  | \$14,756,100              | \$8,181,820               | \$6,574,280                 | Sale of Shares, Mark-up to \$10.17. (note 1) |
| aTyr Pharma, Inc.       | \$3,600,000  | \$5,000,000               | \$5,000,000               | \$0                         |  |
| AxoGen, Inc.            | \$3,250,000  | \$3,250,000               | \$3,250,000               | \$0                         |  |
| Cardio-Optics, Inc.     | \$6,169,002  | \$3,801,372               | \$3,801,372               | \$0                         |  |
| CodeRyte, Inc.          | \$5,025,982  | \$5,025,982               | \$5,025,982               | \$0                         |  |
| MitralSolutions, Inc.   | \$3,250,000  | \$3,250,000               | \$3,250,000               | \$0                         |  |
| Replication Medical     | \$3,066,759  | \$8,818,809               | \$8,818,809               | \$0                         |  |
| Rib-X Pharmaceuticals   | \$7,000,000  | \$7,000,000               | \$7,000,000               | \$0                         |  |
| Sirtris Pharmaceuticals | \$8,050,001  | \$14,325,597              | \$18,288,001              | (\$3,962,404)               | Initial Public Offering. (note 2)            |
| Total                   | \$50,046,831 | \$71,394,040              | \$68,782,164              | \$2,611,876                 |  |

- (1) On June 29, 2007, PSS World Medical purchased 172,433 shares of the CHP II holdings of AthenaHealth Series D convertible preferred stock at a price of \$15.30 per share. These shares have a cost basis of \$3.08 per share, producing a realized gain of \$2,107,131 from the sale. CHP II continues to hold 1,450,944 shares of AthenaHealth Series D convertible preferred, which are now valued at \$10.17 per share, representing the midpoint between the price paid by PSS (a strategic investor) of \$15.30 per share and the previous carrying value for Athena of \$5.04 per share.
- (2) The Sirtris Pharmaceuticals initial public offering went effective on May 22, 2007 at a price of \$10.00 per share. Post-offering, CHP II holds 2,073,469 shares of Sirtris common stock (Nasdaq:SIRT). All of these shares are subject to an underwriters lockup agreement that restricts Cardinal from selling or distributing any of its shares until November 18, 2007. Accordingly, the valuation for Sirtris is discounted 30% from the closing price for June 29, 2007 of \$9.87 per share as is stipulated for restricted public securities in the CHP II Valuation Policy.

**CHP II, L.P.**  
**Income Statement**  
**For the Period Ended June 30, 2007**

|   | Three Months<br>Ended<br>6/30/2007 | Six Months<br>Ended<br>6/30/2007 |
|---|------------------------------------|----------------------------------|
| Revenue:                                |                                    |                                  |
| Non Portfolio Income                    | \$5,931                            | \$10,647                         |
| Interest-Equivalent Amounts             | 0                                  | 0                                |
| Expenses:                               |                                    |                                  |
| Management Fee                          | 535,244                            | 1,070,489                        |
| Professional Fees                       | 9,797                              | 26,773                           |
| NVCA Dues & Expenses                    | 4,340                              | 4,340                            |
| Annual Meeting & Miscellaneous Expenses | 52                                 | 812                              |
| Consulting & Diligence Expenses         | 0                                  | 0                                |
| Total Expenses                          | 549,433                            | 1,102,414                        |
| Net Operating Expense                   | (543,502)                          | (1,091,767)                      |
| Investment Income                       | 17,393                             | 38,632                           |
| Net Income Before Gains (Losses)        | (526,109)                          | (1,053,135)                      |
| Realized Gains (Losses)                 | 2,107,131                          | 2,108,460                        |
| Unrealized Gains (Losses)               | 3,142,970                          | 7,945,321                        |
| Net Income (Loss)                       | \$4,723,992                        | \$9,000,646                      |

**CHP II, L.P.**  
**Balance Sheet**  
**As of June 30, 2007**

| <b>ASSETS:</b>                                  | Period Ended<br>06/30/07 | Period Ended<br>03/31/07 |
|---|--------------------------|--------------------------|
| Cash and Short-Term Investments                 | \$3,256,751              | \$613,047                |
| Cash Held in Escrow                             | 0                        | 0                        |
| Accrued Interest                                | 71,244                   | 53,851                   |
| Venture Capital Investments                     | 71,394,040               | 68,782,164               |
| Organization Costs (Net of Accum. Amortization) | 0                        | 0                        |
| Other Assets                                    | 228,066                  | 228,066                  |
|   | <u>\$74,950,101</u>      | <u>\$69,677,128</u>      |
| <br><b>LIABILITIES &amp; CAPITAL:</b>           |                          |                          |
| Accrued Expenses and Payables                   | \$558,921                | \$9,940                  |
| Partners' Accounts                              | 74,391,180               | 69,667,188               |
| Total Liabilities and Capital                   | <u>\$74,950,101</u>      | <u>\$69,677,128</u>      |

**CHP II, L.P.**  
**Footnotes**  
**As of June 30, 2007**

Note 1 - CHP II, L.P. is a Limited Partnership and as such is not subject to income taxes at the partnership level.

| Note 2 - Net Cash Held in Escrow: | <u>6/30/2007</u>  | <u>3/31/2007</u>  |
|-----------------------------------|-------------------|-------------------|
| IntelliCare Escrowed Funds        | \$0               | \$0               |
| Reserve on IntelliCare Escrow     | <u>0</u>          | <u>0</u>          |
| Total                             | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

| Note 3 - Accrued Interest:        | <u>6/30/2007</u>       | <u>3/31/2007</u>       |
|-----------------------------------|------------------------|------------------------|
| General Partners Promissory Notes | \$22,238               | \$17,704               |
| AllianceCare 10% Convertible Note | <u>49,006</u>          | <u>36,147</u>          |
| Total                             | <u><u>\$71,244</u></u> | <u><u>\$53,851</u></u> |

| Note 4 - Net Organization Costs: | <u>6/30/2007</u>  | <u>3/31/2007</u>  |
|----------------------------------|-------------------|-------------------|
| Organization Costs               | \$183,232         | \$183,232         |
| Accumulated Amortization         | <u>(183,232)</u>  | <u>(183,232)</u>  |
| Total                            | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

| Note 5 - Other Assets:       | <u>6/30/2007</u>        | <u>3/31/2007</u>        |
|------------------------------|-------------------------|-------------------------|
| GP Promissory Note Principal | \$227,316               | \$227,316               |
| Prepaid Management Fees      | 0                       | 0                       |
| Prepaid State Filing Fees    | <u>750</u>              | <u>750</u>              |
| Total                        | <u><u>\$228,066</u></u> | <u><u>\$228,066</u></u> |

| Note 6 - Accrued Expenses and Payables: | <u>6/30/2007</u>        | <u>3/31/2007</u>      |
|---|-------------------------|-----------------------|
| Professional Fees - Audit               | \$16,000                | \$8,000               |
| NVCA and Annual Meeting                 | 4,340                   | 0                     |
| Professional Fees - Legal               | 3,337                   | 1,940                 |
| Management Fees                         | <u>535,244</u>          | <u>0</u>              |
| Total                                   | <u><u>\$558,921</u></u> | <u><u>\$9,940</u></u> |

| Note 7 - Financial Highlights (Return & IRR): | <u>Net to LP's</u> | <u>Total Fund</u> |
|---|--------------------|-------------------|
| Year-to-Date Return on Net Assets             | 29.00%             | 30.02%            |
| Internal Rate of Return Since Inception       | 13.38%             | 15.68%            |



**CHP II, L.P.**  
**Statement of Cash Flows**  
**For the Period Ended June 30, 2007**

|  | Three Months<br>Ended<br>06/30/07 | Six Months<br>Ended<br>06/30/07 |
|--|-----------------------------------|---------------------------------|
| <b>Cash flows from operating activities</b>  |                                   |                                 |
| Net Income Before Gains (Losses)   | (\$526,109)                       | (\$1,053,135)                   |
| Adjustments to reconcile net income before gains<br>(losses) to net cash used in operating activities: |                                   |                                 |
| Accrued Interest Receivable  | (17,393)                          | (38,632)                        |
| Accrued Organization Costs   | -                                 | -                               |
| Other Assets   | -                                 | (2,100)                         |
| Accrued Expenses & Payables  | 548,981                           | 524,921                         |
| Net Cash used in Operating Activities  | 5,479                             | (568,946)                       |
| <b>Cash flows from investing activities</b>  |                                   |                                 |
| Purchases of venture capital investments   | -                                 | (767,141)                       |
| Sales of venture capital investments   | 2,638,225                         | 2,639,554                       |
| Net cash provided by investing activities  | 2,638,225                         | 1,872,413                       |
| <b>Cash flows from financing activities</b>  |                                   |                                 |
| Cash contributions by partners   | -                                 | 600,000                         |
| Cash distribution to partners  | -                                 | -                               |
| Net cash used in financing activities  | -                                 | 600,000                         |
| Net Change in Cash and Short Term Investments  | 2,643,704                         | 1,903,467                       |
| Cash and Short Term Investments, beginning   | 613,047                           | 1,353,284                       |
| Cash and Short Term Investments, ending  | \$3,256,751                       | \$3,256,751                     |

**CHP II, L.P.**  
**Schedule of Venture Capital Investments**  
**As of June 30, 2007**

| <b>Company</b>                | <b>Debt</b> | <b>Equity</b> | <b>Total Cost</b> | <b>Fair Value</b> | <b>Unrealized Gain (Loss)</b> |
|-------------------------------|-------------|---------------|-------------------|-------------------|-------------------------------|
| AllianceCare, Inc.            | \$765,050   | \$5,401,130   | \$6,166,180       | \$6,166,180       | \$0                           |
| AthenaHealth, Inc.            | 0           | 4,468,908     | 4,468,908         | 14,756,100        | 10,287,192                    |
| aTyr Pharma, Inc.             | 0           | 3,600,000     | 3,600,000         | 5,000,000         | 1,400,000                     |
| AxoGen, Inc.                  | 0           | 3,250,000     | 3,250,000         | 3,250,000         | 0                             |
| Cardio-Optics, Inc.           | 0           | 6,169,002     | 6,169,002         | 3,801,372         | (2,367,630)                   |
| CodeRyte, Inc.                | 0           | 5,025,982     | 5,025,982         | 5,025,982         | 0                             |
| MitralSolutions, Inc.         | 0           | 3,250,000     | 3,250,000         | 3,250,000         | 0                             |
| Replication Medical           | 0           | 3,066,759     | 3,066,759         | 8,818,809         | 5,752,050                     |
| Rib-X Pharmaceuticals, Inc.   | 0           | 7,000,000     | 7,000,000         | 7,000,000         | 0                             |
| Sirtris Pharmaceuticals, Inc. | 0           | 8,050,001     | 8,050,001         | 14,325,597        | 6,275,596                     |
| Totals                        | \$765,050   | \$49,281,782  | \$50,046,832      | \$71,394,040      | \$21,347,208                  |

**CHP II, L.P.**  
**Statement of Partners' Contributions Accounts**  
**As of June 30, 2007**

|  | Partners'<br>Total<br>Subscription | Contributions<br>Account<br>3/31/2007 | Period<br>Contributions<br>in Cash | Period<br>Contributions<br>by Note | Contributions<br>Account<br>6/30/2007 | Partners'<br>Outstanding<br>Subscription |
|--|------------------------------------|---------------------------------------|------------------------------------|------------------------------------|---------------------------------------|--|
| <u>Limited Partners:</u>                               |                                    |                                       |                                    |                                    |                                       |  |
| The State Teachers Retirement System of Ohio           | \$30,000,000                       | \$26,340,761                          | \$0                                | \$0                                | \$26,340,761                          | \$3,659,239                              |
| Nassau Capital Funds, L.P.                             | 10,000,000                         | 8,780,255                             | 0                                  | 0                                  | 8,780,255                             | 1,219,745                                |
| The Robert Wood Johnson Foundation                     | 10,000,000                         | 8,780,255                             | 0                                  | 0                                  | 8,780,255                             | 1,219,745                                |
| Northwestern University                                | 10,000,000                         | 8,780,255                             | 0                                  | 0                                  | 8,780,255                             | 1,219,745                                |
| LACERA   | 10,000,000                         | 8,780,255                             | 0                                  | 0                                  | 8,780,255                             | 1,219,745                                |
| Wachovia Investors (First Union)                       | 7,500,000                          | 6,585,191                             | 0                                  | 0                                  | 6,585,191                             | 914,809                                  |
| AlpInvest US Secondary Investments 2003                | 5,000,000                          | 4,390,127                             | 0                                  | 0                                  | 4,390,127                             | 609,873                                  |
| HarbourVest VII Limited                                | 5,000,000                          | 4,390,127                             | 0                                  | 0                                  | 4,390,127                             | 609,873                                  |
| Pension Commissioners of City of LA                    | 5,000,000                          | 4,390,126                             | 0                                  | 0                                  | 4,390,126                             | 609,874                                  |
| Princess Private Equity                                | 5,000,000                          | 4,390,126                             | 0                                  | 0                                  | 4,390,126                             | 609,874                                  |
| Hillside Capital Incorporated                          | 3,500,000                          | 3,073,089                             | 0                                  | 0                                  | 3,073,089                             | 426,911                                  |
| Hamilton Lane-Carpenters Fund                          | 3,000,000                          | 2,634,074                             | 0                                  | 0                                  | 2,634,074                             | 365,926                                  |
| UNISYS Master Trust                                    | 3,000,000                          | 2,634,074                             | 0                                  | 0                                  | 2,634,074                             | 365,926                                  |
| Venture Investment Associates III, LP                  | 2,300,000                          | 2,019,458                             | 0                                  | 0                                  | 2,019,458                             | 280,542                                  |
| Fleet Growth Resources, Inc. (formerly Summit Bancorp) | 2,000,000                          | 1,756,050                             | 0                                  | 0                                  | 1,756,050                             | 243,950                                  |
| S.R. One, Limited                                      | 2,000,000                          | 1,756,050                             | 0                                  | 0                                  | 1,756,050                             | 243,950                                  |
| PharmaBio Development, Inc. (Qfinance)                 | 2,000,000                          | 1,756,050                             | 0                                  | 0                                  | 1,756,050                             | 243,950                                  |
| Private Equity Holdings Ltd II                         | 1,000,000                          | 878,025                               | 0                                  | 0                                  | 878,025                               | 121,975                                  |
|  | <u>\$116,300,000</u>               | <u>\$102,114,348</u>                  | <u>\$0</u>                         | <u>\$0</u>                         | <u>\$102,114,348</u>                  | <u>\$14,185,652</u>                      |
| <u>General Partner:</u>                                |                                    |                                       |                                    |                                    |                                       |  |
| CHP II Management LLC                                  | <u>1,174,747</u>                   | <u>1,031,458</u>                      | <u>0</u>                           | <u>0</u>                           | <u>1,031,458</u>                      | <u>143,289</u>                           |
| Total Partnership                                      | <u><u>\$117,474,747</u></u>        | <u><u>\$103,145,806</u></u>           | <u><u>\$0</u></u>                  | <u><u>\$0</u></u>                  | <u><u>\$103,145,806</u></u>           | <u><u>\$14,328,941</u></u>               |

**CHP II, L.P.**  
**Statement of Partners' Distributive Share of Net Assets**  
**For the Period Ended June 30, 2007**

|  | Public<br>Securities | Private<br>Securities | Cash        | Other<br>Assets | Total<br>Assets | Accrued Expenses<br>& Other Liabilities | Net Assets<br>6/30/2007 |
|--|----------------------|-----------------------|-------------|-----------------|-----------------|---|-------------------------|
| <u>Limited Partners:</u>                 |                      |                       |             |                 |                 |   |                         |
| State Teachers Retirement System of Ohio | \$3,014,161          | \$12,007,417          | \$685,232   | \$62,976        | \$15,769,786    | (\$117,599)                             | \$15,652,187            |
| Nassau Capital Funds, L.P.               | 1,004,716            | 4,002,455             | 228,410     | 20,992          | 5,256,573       | (39,200)                                | 5,217,373               |
| The Robert Wood Johnson Foundation       | 1,004,716            | 4,002,455             | 228,410     | 20,992          | 5,256,573       | (39,200)                                | 5,217,373               |
| Northwestern University                  | 1,004,716            | 4,002,455             | 228,410     | 20,992          | 5,256,573       | (39,200)                                | 5,217,373               |
| LACERA                                   | 1,004,716            | 4,002,455             | 228,410     | 20,992          | 5,256,573       | (39,200)                                | 5,217,373               |
| Wachovia Investors (First Union)         | 753,536              | 3,001,836             | 171,307     | 15,744          | 3,942,423       | (29,400)                                | 3,913,023               |
| AlpInvest US Secondary Investments 2003  | 502,354              | 2,001,214             | 114,204     | 10,496          | 2,628,268       | (19,599)                                | 2,608,669               |
| HarbourVest VII Limited                  | 502,354              | 2,001,214             | 114,204     | 10,496          | 2,628,268       | (19,599)                                | 2,608,669               |
| Pension Commissioners of City of LA      | 502,355              | 2,001,222             | 114,205     | 10,496          | 2,628,278       | (19,599)                                | 2,608,679               |
| Princess Private Equity                  | 502,355              | 2,001,222             | 114,205     | 10,496          | 2,628,278       | (19,599)                                | 2,608,679               |
| Hillside Capital Incorporated            | 351,650              | 1,400,852             | 79,943      | 7,347           | 1,839,792       | (13,720)                                | 1,826,072               |
| Hamilton Lane-Carpenters Fund            | 301,420              | 1,200,758             | 68,524      | 6,298           | 1,577,000       | (11,760)                                | 1,565,240               |
| UNISYS Master Trust                      | 301,420              | 1,200,758             | 68,524      | 6,298           | 1,577,000       | (11,760)                                | 1,565,240               |
| Venture Investment Associates III, LP    | 231,087              | 920,575               | 52,535      | 4,828           | 1,209,025       | (9,016)                                 | 1,200,009               |
| Fleet Growth Resources, Inc.             | 200,946              | 800,504               | 45,683      | 4,198           | 1,051,331       | (7,840)                                 | 1,043,491               |
| S.R. One, Limited                        | 200,946              | 800,504               | 45,683      | 4,198           | 1,051,331       | (7,840)                                 | 1,043,491               |
| PharmaBio Development, Inc. (Qfinance)   | 200,946              | 800,504               | 45,683      | 4,198           | 1,051,331       | (7,840)                                 | 1,043,491               |
| Private Equity Holdings Ltd II           | 100,471              | 400,241               | 22,841      | 2,099           | 525,652         | (3,920)                                 | 521,732                 |
|  | \$11,684,865         | \$46,548,641          | \$2,656,413 | \$244,136       | \$61,134,055    | (\$455,891)                             | \$60,678,164            |
| <u>General Partner:</u>                  |                      |                       |             |                 |                 |   |                         |
| CHP II Management LLC                    | 2,640,732            | 10,519,802            | 600,338     | 55,174          | 13,816,046      | (103,030)                               | 13,713,016              |
| Total Partnership                        | \$14,325,597         | \$57,068,443          | \$3,256,751 | \$299,310       | \$74,950,101    | (\$558,921)                             | \$74,391,180            |

**CHP II, L.P.**  
**Statement of Partners' Capital Accounts**  
**For the Three Months Ended June 30, 2007**

|  | Partners' Capital<br>04/01/07 | Net Capital<br>Contributions | Non-Portfolio<br>Income | Net Investment<br>Income (Loss) | Realized<br>Gains (Losses) | Total<br>Income | Unrealized<br>Gains (Losses) | Distributions | Partners' Capital<br>06/30/07 |
|--|-------------------------------|------------------------------|-------------------------|---------------------------------|----------------------------|-----------------|------------------------------|---------------|-------------------------------|
| <u>Limited Partners:</u>                     |                               |                              |                         |                                 |                            |                 |                              |               |                               |
| The State Teachers Retirement System of Ohio | \$14,686,775                  | \$0                          | \$1,515                 | (\$108,694)                     | \$430,485                  | \$323,306       | \$642,106                    | \$0           | \$15,652,187                  |
| Nassau Capital Funds, L.P.                   | 4,895,571                     | 0                            | 505                     | (36,232)                        | 143,494                    | 107,767         | 214,035                      | 0             | 5,217,373                     |
| The Robert Wood Johnson Foundation           | 4,895,571                     | 0                            | 505                     | (36,232)                        | 143,494                    | 107,767         | 214,035                      | 0             | 5,217,373                     |
| Northwestern University                      | 4,895,571                     | 0                            | 505                     | (36,232)                        | 143,494                    | 107,767         | 214,035                      | 0             | 5,217,373                     |
| LACERA                                       | 4,895,571                     | 0                            | 505                     | (36,232)                        | 143,494                    | 107,767         | 214,035                      | 0             | 5,217,373                     |
| Wachovia Investors (First Union)             | 3,671,668                     | 0                            | 379                     | (27,173)                        | 107,621                    | 80,827          | 160,528                      | 0             | 3,913,023                     |
| AlpInvest US Secondary Investments 2003      | 2,447,767                     | 0                            | 252                     | (18,116)                        | 71,748                     | 53,884          | 107,018                      | 0             | 2,608,669                     |
| HarbourVest VII Limited                      | 2,447,767                     | 0                            | 252                     | (18,116)                        | 71,748                     | 53,884          | 107,018                      | 0             | 2,608,669                     |
| Pension Commissioners of City of LA          | 2,447,777                     | 0                            | 252                     | (18,116)                        | 71,748                     | 53,884          | 107,018                      | 0             | 2,608,679                     |
| Princess Private Equity                      | 2,447,777                     | 0                            | 252                     | (18,116)                        | 71,748                     | 53,884          | 107,018                      | 0             | 2,608,679                     |
| Hillside Capital Incorporated                | 1,713,441                     | 0                            | 176                     | (12,680)                        | 50,223                     | 37,719          | 74,912                       | 0             | 1,826,072                     |
| Hamilton Lane-Carpenters Fund                | 1,468,699                     | 0                            | 152                     | (10,870)                        | 43,049                     | 32,331          | 64,210                       | 0             | 1,565,240                     |
| UNISYS Master Trust                          | 1,468,699                     | 0                            | 152                     | (10,870)                        | 43,049                     | 32,331          | 64,210                       | 0             | 1,565,240                     |
| Venture Investment Associates III, LP        | 1,125,994                     | 0                            | 116                     | (8,333)                         | 33,004                     | 24,787          | 49,228                       | 0             | 1,200,009                     |
| Fleet Growth Resources, Inc.                 | 979,130                       | 0                            | 101                     | (7,247)                         | 28,699                     | 21,553          | 42,808                       | 0             | 1,043,491                     |
| S.R. One, Limited                            | 979,130                       | 0                            | 101                     | (7,247)                         | 28,699                     | 21,553          | 42,808                       | 0             | 1,043,491                     |
| PharmaBio Development, Inc. (QFinance)       | 979,130                       | 0                            | 101                     | (7,247)                         | 28,699                     | 21,553          | 42,808                       | 0             | 1,043,491                     |
| Private Equity Holdings Ltd II               | 489,551                       | 0                            | 51                      | (3,623)                         | 14,350                     | 10,778          | 21,403                       | 0             | 521,732                       |
|  | \$56,935,589                  | \$0                          | \$5,872                 | (\$421,376)                     | \$1,668,846                | \$1,253,342     | \$2,489,233                  | \$0           | \$60,678,164                  |
| <u>General Partner:</u>                      |                               |                              |                         |                                 |                            |                 |                              |               |                               |
| CHP II Management LLC                        | 12,504,283                    | 0                            | 59                      | (110,664)                       | 438,285                    | 327,680         | 653,737                      | 0             | 13,485,700                    |
| Total Partnership                            | \$69,439,872                  | \$0                          | \$5,931                 | (\$532,040)                     | \$2,107,131                | \$1,581,022     | \$3,142,970                  | \$0           | \$74,163,864                  |

\* - Statement of Partners' Capital does not include Contributions made by the General Partners in the form of Promissory Notes.

**CHP II, L.P.**  
**Statement of Partners' Capital Accounts**  
**For the Six Months Ended June 30, 2007**

|  | Partners' Capital<br>01/01/07 | Net Capital<br>Contributions | Non-Portfolio<br>Income | Net Investment<br>Income (Loss) | Realized<br>Gains (Losses) | Total<br>Income | Unrealized<br>Gains (Losses) | Distributions | Partners' Capital<br>06/30/07 |
|--|-------------------------------|------------------------------|-------------------------|---------------------------------|----------------------------|-----------------|------------------------------|---------------|-------------------------------|
| <u>Limited Partners:</u>                 |                               |                              |                         |                                 |                            |                 |                              |               |                               |
| State Teachers Retirement System of Ohio | \$13,659,593                  | \$153,224                    | \$2,719                 | (\$217,328)                     | \$430,756                  | \$216,147       | \$1,623,223                  | \$0           | \$15,652,187                  |
| Nassau Capital Funds, L.P.               | 4,553,176                     | 51,075                       | 906                     | (72,443)                        | 143,585                    | 72,048          | 541,074                      | 0             | 5,217,373                     |
| The Robert Wood Johnson Foundation       | 4,553,176                     | 51,075                       | 906                     | (72,443)                        | 143,585                    | 72,048          | 541,074                      | 0             | 5,217,373                     |
| Northwestern University                  | 4,553,176                     | 51,075                       | 906                     | (72,443)                        | 143,585                    | 72,048          | 541,074                      | 0             | 5,217,373                     |
| LACERA                                   | 4,553,176                     | 51,075                       | 906                     | (72,443)                        | 143,585                    | 72,048          | 541,074                      | 0             | 5,217,373                     |
| Wachovia Investors (First Union)         | 3,414,873                     | 38,307                       | 680                     | (54,332)                        | 107,689                    | 54,037          | 405,806                      | 0             | 3,913,023                     |
| AlpInvest US Secondary Investments 2003  | 2,276,570                     | 25,538                       | 453                     | (36,222)                        | 71,793                     | 36,024          | 270,537                      | 0             | 2,608,669                     |
| HarbourVest VII Limited                  | 2,276,570                     | 25,538                       | 453                     | (36,222)                        | 71,793                     | 36,024          | 270,537                      | 0             | 2,608,669                     |
| Pension Commissioners of City of LA      | 2,276,580                     | 25,538                       | 453                     | (36,222)                        | 71,793                     | 36,024          | 270,537                      | 0             | 2,608,679                     |
| Princess Private Equity                  | 2,276,580                     | 25,538                       | 453                     | (36,222)                        | 71,793                     | 36,024          | 270,537                      | 0             | 2,608,679                     |
| Hillside Capital Incorporated            | 1,593,603                     | 17,876                       | 317                     | (25,355)                        | 50,255                     | 25,217          | 189,376                      | 0             | 1,826,072                     |
| Hamilton Lane-Carpenters Fund            | 1,365,981                     | 15,321                       | 273                     | (21,733)                        | 43,076                     | 21,616          | 162,322                      | 0             | 1,565,240                     |
| UNISYS Master Trust                      | 1,365,981                     | 15,321                       | 273                     | (21,733)                        | 43,076                     | 21,616          | 162,322                      | 0             | 1,565,240                     |
| Venture Investment Associates III, LP    | 1,047,244                     | 11,747                       | 208                     | (16,662)                        | 33,025                     | 16,571          | 124,447                      | 0             | 1,200,009                     |
| Fleet Growth Resources, Inc.             | 910,651                       | 10,215                       | 181                     | (14,489)                        | 28,717                     | 14,409          | 108,216                      | 0             | 1,043,491                     |
| S.R. One, Limited                        | 910,651                       | 10,215                       | 181                     | (14,489)                        | 28,717                     | 14,409          | 108,216                      | 0             | 1,043,491                     |
| PharmaBio Development, Inc. (QFinance)   | 910,651                       | 10,215                       | 181                     | (14,489)                        | 28,717                     | 14,409          | 108,216                      | 0             | 1,043,491                     |
| Private Equity Holdings Ltd II           | 455,312                       | 5,107                        | 91                      | (7,244)                         | 14,359                     | 7,206           | 54,107                       | 0             | 521,732                       |
|  | \$52,953,544                  | \$594,000                    | \$10,540                | (\$842,514)                     | \$1,669,899                | \$837,925       | \$6,292,695                  | \$0           | \$60,678,164                  |
| <u>General Partner:</u>                  |                               |                              |                         |                                 |                            |                 |                              |               |                               |
| CHP II Management LLC                    | 11,612,524                    | 3,150                        | 106                     | (221,267)                       | 438,561                    | 217,400         | 1,652,626                    | 0             | 13,485,700                    |
| Total Partnership                        | \$64,566,068                  | \$597,150                    | \$10,646                | (\$1,063,781)                   | \$2,108,460                | \$1,055,325     | \$7,945,321                  | \$0           | \$74,163,864                  |

\* - Statement of Partners' Capital does not include Contributions made by the General Partners in the form of Promissory Notes.

**CHP II, L.P.**  
**Statement of Partners' Accounts**  
**For the Period of April 25, 2000 to June 30, 2007**

|  | Partners'<br>Contributions<br>Accounts | Non-Portfolio<br>Income | Net Investment<br>Income (Loss) | Realized<br>Gains (Losses) | Total<br>Income | Unrealized<br>Gains (Losses) | Distributions  | Partner<br>Transfer of<br>Interest | Partners'<br>Account |
|--|--|-------------------------|---------------------------------|----------------------------|-----------------|------------------------------|----------------|------------------------------------|----------------------|
| <u>Limited Partners:</u>                     |  |                         |                                 |                            |                 |                              |                |                                    |                      |
| The State Teachers Retirement System of Ohio | \$26,340,761                           | \$38,966                | (\$4,611,604)                   | \$13,632,082               | \$9,059,444     | \$4,361,218                  | (\$24,109,236) | \$0                                | \$15,652,187         |
| Nassau Capital Funds, L.P.                   | 8,780,255                              | 12,990                  | (1,537,203)                     | 4,544,027                  | 3,019,814       | 1,453,739                    | (8,036,435)    | 0                                  | 5,217,373            |
| The Robert Wood Johnson Foundation           | 8,780,255                              | 12,990                  | (1,537,203)                     | 4,544,027                  | 3,019,814       | 1,453,739                    | (8,036,435)    | 0                                  | 5,217,373            |
| Northwestern University                      | 8,780,255                              | 12,990                  | (1,537,203)                     | 4,544,027                  | 3,019,814       | 1,453,739                    | (8,036,435)    | 0                                  | 5,217,373            |
| LACERA                                       | 8,780,255                              | 12,990                  | (1,537,203)                     | 4,544,027                  | 3,019,814       | 1,453,739                    | (8,036,435)    | 0                                  | 5,217,373            |
| Textron Master Trust                         | 0                                      | 7,661                   | (1,306,075)                     | 2,238,988                  | 940,574         | 2,773,991                    | (4,345,599)    | 631,034                            | 0                    |
| Wachovia Investors (First Union)             | 6,585,191                              | 9,743                   | (1,152,901)                     | 3,408,019                  | 2,264,861       | 1,090,304                    | (6,027,333)    | 0                                  | 3,913,023            |
| AlpInvest US Secondary Investments 2003      | 4,390,127                              | 2,664                   | (115,564)                       | 1,152,520                  | 1,039,620       | (660,126)                    | (1,845,435)    | (315,517)                          | 2,608,669            |
| HarbourVest VII Limited                      | 4,390,127                              | 2,664                   | (115,564)                       | 1,152,520                  | 1,039,620       | (660,126)                    | (1,845,435)    | (315,517)                          | 2,608,669            |
| Pension Commissioners of City of LA          | 4,390,126                              | 6,494                   | (768,603)                       | 2,272,011                  | 1,509,902       | 726,871                      | (4,018,220)    | 0                                  | 2,608,679            |
| Princess Private Equity                      | 4,390,126                              | 6,494                   | (768,603)                       | 2,272,011                  | 1,509,902       | 726,871                      | (4,018,220)    | 0                                  | 2,608,679            |
| Hillside Capital Incorporated                | 3,073,089                              | 4,545                   | (538,021)                       | 1,590,409                  | 1,056,933       | 508,810                      | (2,812,760)    | 0                                  | 1,826,072            |
| Hamilton Lane-Carpenters Fund                | 2,634,074                              | 3,897                   | (461,161)                       | 1,363,208                  | 905,944         | 436,121                      | (2,410,899)    | 0                                  | 1,565,240            |
| UNISYS Master Trust                          | 2,634,074                              | 3,897                   | (461,161)                       | 1,363,208                  | 905,944         | 436,121                      | (2,410,899)    | 0                                  | 1,565,240            |
| Venture Investment Associates III, LP        | 2,019,458                              | 2,987                   | (353,557)                       | 1,045,126                  | 694,556         | 334,360                      | (1,848,365)    | 0                                  | 1,200,009            |
| Fleet Growth Resources, Inc.                 | 1,756,050                              | 2,598                   | (307,440)                       | 908,805                    | 603,963         | 290,749                      | (1,607,271)    | 0                                  | 1,043,491            |
| S.R. One, Limited                            | 1,756,050                              | 2,598                   | (307,440)                       | 908,805                    | 603,963         | 290,749                      | (1,607,271)    | 0                                  | 1,043,491            |
| PharmaBio Development, Inc. (Qfinance)       | 1,756,050                              | 2,598                   | (307,440)                       | 908,805                    | 603,963         | 290,749                      | (1,607,271)    | 0                                  | 1,043,491            |
| Private Equity Holdings Ltd II               | 878,025                                | 1,299                   | (153,720)                       | 454,403                    | 301,982         | 145,372                      | (803,647)      | 0                                  | 521,732              |
|  | \$102,114,348                          | \$151,065               | (\$17,877,666)                  | \$52,847,028               | \$35,120,427    | \$16,906,990                 | (\$93,463,601) | \$0                                | \$60,678,164         |
| <u>General Partner:</u>                      |  |                         |                                 |                            |                 |                              |                |                                    |                      |
| CHP II Management LLC                        | 1,031,458                              | 1,527                   | (1,221,190)                     | 10,405,062                 | 9,185,399       | 4,440,219                    | (944,060)      | 0                                  | 13,713,016           |
| Total Partnership                            | \$103,145,806                          | \$152,592               | (\$19,098,856)                  | \$63,252,090               | \$44,305,826    | \$21,347,209                 | (\$94,407,661) | \$0                                | \$74,391,180         |

\* - Statement of Partners' Accounts includes Contributions made by the General Partners in the form of Promissory Notes.

**CHP II, L.P.**  
**Comprehensive Investment Summary**  
**For the Period of April 25, 2000 to June 30, 2007**

| <b>Company</b>                            | <b>Investment<br/>Cost</b> | <b>GAAP Fair<br/>Value</b> | <b>Unrealized<br/>Gain (Loss)</b> | <b>Realized<br/>Value</b>  | <b>Realized<br/>Gain (Loss)</b> | <b>Cumulative<br/>Investment<br/>Return</b> |
|---|----------------------------|----------------------------|-----------------------------------|----------------------------|---------------------------------|---|
| <b><i>Public Company Securities</i></b>   |                            |                            |                                   |                            |                                 |   |
| SirTris Pharmaceuticals, Inc.             | 8,050,001                  | 14,325,597                 | 6,275,596                         | 0                          | 0                               | 6,275,596                                   |
|   | <u>\$8,050,001</u>         | <u>\$14,325,597</u>        | <u>\$6,275,596</u>                | <u>\$0</u>                 | <u>\$0</u>                      | <u>\$6,275,596</u>                          |
| <b><i>Private Company Investments</i></b> |                            |                            |                                   |                            |                                 |   |
| AllianceCare, Inc.                        | \$6,166,180                | \$6,166,180                | \$0                               | \$0                        | \$0                             | \$0   |
| AthenaHealth, Inc.                        | 5,000,002                  | 14,756,100                 | 10,287,192                        | 2,638,225                  | 2,107,131                       | 12,394,323                                  |
| aTyr Pharma, Inc.                         | 3,600,000                  | 5,000,000                  | 1,400,000                         | 0                          | 0                               | 1,400,000                                   |
| AxoGen, Inc.                              | 3,250,000                  | 3,250,000                  | 0                                 | 0                          | 0                               | 0   |
| Cardio-Optics, Inc.                       | 6,169,002                  | 3,801,372                  | (2,367,630)                       | 0                          | 0                               | (2,367,630)                                 |
| CodeRyte, Inc.                            | 5,025,982                  | 5,025,982                  | 0                                 | 0                          | 0                               | 0   |
| MitralSolutions, Inc.                     | 3,250,000                  | 3,250,000                  | 0                                 | 0                          | 0                               | 0   |
| Replication Medical                       | 3,066,759                  | 8,818,809                  | 5,752,050                         | 0                          | 0                               | 5,752,050                                   |
| Rib-X Pharmaceuticals, Inc.               | 7,000,000                  | 7,000,000                  | 0                                 | 0                          | 0                               | 0   |
|   | <u>\$42,527,925</u>        | <u>\$57,068,443</u>        | <u>\$15,071,612</u>               | <u>\$2,638,225</u>         | <u>\$2,107,131</u>              | <u>\$17,178,743</u>                         |
| <b><i>Fully Disposed Investments</i></b>  |                            |                            |                                   |                            |                                 |   |
| Alynlam Pharmaceuticals, Inc.             | \$8,959,015                | \$0                        | \$0                               | \$34,851,302               | \$25,892,287                    | \$25,892,287                                |
| Intellicare America                       | 4,000,000                  | 0                          | 0                                 | 3,430,236                  | (569,764)                       | (569,764)                                   |
| iPhysician Net                            | 5,757,897                  | 0                          | 0                                 | 0                          | (5,757,897)                     | (5,757,897)                                 |
| Molecular Mining Corporation              | 1,509,060                  | 0                          | 0                                 | 108,993                    | (1,400,067)                     | (1,400,067)                                 |
| Momenta Pharmaceuticals                   | 6,823,506                  | 0                          | 0                                 | 56,956,359                 | 50,132,853                      | 50,132,853                                  |
| ParkStone Medical Info. Sys.              | 7,575,278                  | 0                          | 0                                 | 422,825                    | (7,152,453)                     | (7,152,453)                                 |
|   | <u>\$34,624,756</u>        | <u>\$0</u>                 | <u>\$0</u>                        | <u>\$95,769,715</u>        | <u>\$61,144,959</u>             | <u>\$61,144,959</u>                         |
| <b>TOTAL INVESTMENTS</b>                  | <u><u>\$85,202,682</u></u> | <u><u>\$71,394,040</u></u> | <u><u>\$21,347,208</u></u>        | <u><u>\$98,407,940</u></u> | <u><u>\$63,252,090</u></u>      | <u><u>\$84,599,298</u></u>                  |