

**CHP II, L.P.**  
**FINANCIAL REPORT**  
**3rd QUARTER, 2007**

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

FROM: John J. Park

DATE: October 15, 2007

SUBJECT: Portfolio Valuations for September 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 September 30, 2007.

**ATHENAHEALTH** – On June 29, 2007, PSS World Medical, Inc. made a \$22.5 million equity investment in Athenahealth, through a purchase of approximately 5% of the then outstanding preferred equity of the company. The shares were purchased at a price of \$15.30 per share, with CHP II, L.P. selling 172,433 shares of its Series D preferred stock holdings, receiving \$2,638,225 in proceeds, with a corresponding realized gain of \$2,107,131 from the transaction. After this transaction, CHP II continued to hold 1,450,944 shares of Athena Series D convertible preferred stock.

On September 19, 2007, Athenahealth (NASDAQ:ATHN) completed its initial public offering through the sale of 5 million shares at \$18.00 per share. The offering included a secondary component in which CHP II sold 290,000 shares, receiving net proceeds of \$4,854,400 and recording a realized gain of \$3,961,400 from this market transaction.

Post-IPO, CHP II holds 1,160,944 of Athena common stock, all of which are subject to an underwriters’ lockup agreement until March 17, 2008. In accordance with the CHP II Standard Valuation Policy, these shares are valued at a 30% discount from the closing market price on September 28, 2007 for Athena (NASDAQ:ATHN) of \$33.91 per share. This results in an investment valuation of \$27,577,328, with a corresponding unrealized gain of \$23,981,620 on our cost basis of \$3,575,707 as of September 30, 2007. After accounting for the shares sold in the offering, this valuation represents an increase of \$12,801,228 from the valuation for the Athena investment as of June 30, 2007.

Value Computation:

Common Stock

$$1,160,944 \text{ shares} \times \$33.91 \times 70\% = \underline{\underline{\$27,577,328}}$$

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**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 September 30, 2007. This valuation represents no change from the valuation for the Atyr Pharma investment as of June 30, 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. The analysis is ongoing, but preliminary conclusions are not promising and we propose to cut the valuation for CardioOptics to \$375,000, which approximates our return at a net liquidation value of \$3-\$5 million for the company. At a total carrying value for the investment of \$375,000, there is a corresponding unrealized loss of \$5,794,002 on our cost basis of \$6,169,002 as of September 30, 2007. This valuation represents a decrease of \$3,426,372 from the valuation for the CardioOptics investment as of June 30, 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 \$0.3251	=	<u>375,000</u>
Total Value		<u>\$375,000</u>

**CHP II, L.P.**  
**Portfolio Valuations as of September 30, 2007**  
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**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 September 30, 2007. This valuation represents no change from the valuation for the Replication investment as of June 30, 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 September 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 (NASDAQ:SIRT) on September 28, 2007 of \$17.08 per share. This results in a total valuation for the Sirtris investment of \$24,790,395, with an unrealized gain of \$16,740,394 on our cost basis of \$8,050,001 as of September 30, 2007. This valuation represents an increase of \$10,464,798 from the valuation for Sirtris as of June 30, 2007.

Value Computation:

Common Stock		
2,073,469 shares x \$17.08 x 70%	=	<u>\$24,790,395</u>

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

<b>Company</b>	<b>Investment</b>	<b>Fair Value 30-Sep-2007</b>	<b>Fair Value 30-Jun-2007</b>	<b>Change From Last Quarter</b>	<b>Reason For Change</b>
AllianceCare, Inc.	\$6,166,180	\$6,215,187	\$6,166,180	\$49,007	Bridge Note Conversion. (note 1)
AthenaHealth, Inc.	\$3,575,707	\$27,557,328	\$14,756,100	\$12,801,228	Initial Public Offering, Sale of Shares. (note 2)
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	\$375,000	\$3,801,372	(\$3,426,372)	Mark-down to expected liquidation value. (note 3)
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	\$24,790,395	\$14,325,597	\$10,464,798	Market Price Increase. (note 4)
<b>Total</b>	<b>\$49,153,631</b>	<b>\$91,282,701</b>	<b>\$71,394,040</b>	<b>\$19,888,661</b>	

- (1) During the period, the \$765,050 in bridge notes for AllianceCare, together with \$49,007 in accrued interest, were converted into shares of Series C-1 convertible preferred stock in concert with the acquisition of Sun at Home.
- (2) On September 19, 2007, AthenaHealth completed its initial public offering selling 5.0 million shares priced at \$18.00 per share, topping the \$14 to \$16 pricing range from the offering prospectus. The offering included a 20% secondary component, in which Cardinal sold 290,000 shares, receiving net proceeds of \$4.85 million. Post-offering, CHP II holds 1,160,944 shares of Athenahealth common stock. All of these shares are subject to an underwriters lockup until March 17, 2008. Accordingly, these shares are valued at a 30% discount from the closing price for Athena (NASDAQ:ATHN) on September 28, 2007 of \$33.91 per share, as is stipulated for restricted public securities in the CHP II Valuation Policy.
- (3) During the period, we further marked the Cardio-Optics investment down to \$375,000 to reflect a \$3-\$5 million net liquidation valuation for the company. The technology assessment project results to-date have not been promising.
- (4) 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 September 28, 2007 of \$17.08 per share as is stipulated for restricted public securities in the CHP II Valuation Policy. The valuation increase reflects the change in market price from the closing price as of June 30, 2007 of \$9.87 per share.

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

	Three Months Ended 9/30/2007	Nine Months Ended 9/30/2007
Revenue:		
Non Portfolio Income	\$19,548	\$30,194
Interest-Equivalent Amounts	0	0
Expenses:		
Management Fee	468,929	1,539,418
Professional Fees	8,448	35,221
NVCA Dues & Expenses	0	4,340
Annual Meeting & Miscellaneous Expenses	535	1,347
Consulting & Diligence Expenses	0	0
Total Expenses	477,912	1,580,326
Net Operating Expense	(458,364)	(1,550,132)
Investment Income	4,614	43,247
Net Income Before Gains (Losses)	(453,750)	(1,506,885)
Realized Gains (Losses)	3,961,400	6,069,860
Unrealized Gains (Losses)	20,732,854	28,678,175
Net Income (Loss)	\$24,240,504	\$33,241,150

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

<b>ASSETS:</b>	Period Ended 09/30/07	Period Ended 06/30/07
Cash and Short-Term Investments	\$6,598,813	\$3,256,751
Cash Held in Escrow	0	0
Accrued Interest	2,621	71,244
Venture Capital Investments	91,282,701	71,394,040
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	<u>237,287</u>	<u>228,066</u>
	<u><u>\$98,121,422</u></u>	<u><u>\$74,950,101</u></u>
 <b>LIABILITIES &amp; CAPITAL:</b>		
Accrued Expenses and Payables	\$11,963	\$558,921
Partners' Accounts	<u>98,109,459</u>	<u>74,391,180</u>
Total Liabilities and Capital	<u><u>\$98,121,422</u></u>	<u><u>\$74,950,101</u></u>

**CHP II, L.P.**  
**Footnotes**  
**As of September 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:	9/30/2007	6/30/2007
IntelliCare Escrowed Funds	\$0	\$0
Reserve on IntelliCare Escrow	0	0
Total	<u>\$0</u>	<u>\$0</u>

Note 3 - Accrued Interest:	9/30/2007	6/30/2007
General Partners Promissory Notes	\$2,621	\$22,238
AllianceCare 10% Convertible Note	0	49,006
Total	<u>\$2,621</u>	<u>\$71,244</u>

Note 4 - Net Organization Costs:	9/30/2007	6/30/2007
Organization Costs	\$183,232	\$183,232
Accumulated Amortization	(183,232)	(183,232)
Total	<u>\$0</u>	<u>\$0</u>

Note 5 - Other Assets:	9/30/2007	6/30/2007
GP Promissory Note Principal	\$236,537	\$227,316
Prepaid Management Fees	0	0
Prepaid State Filing Fees	750	750
Total	<u>\$237,287</u>	<u>\$228,066</u>

Note 6 - Accrued Expenses and Payables:	9/30/2007	6/30/2007
Professional Fees - Audit	\$24,000	\$16,000
NVCA and Annual Meeting	0	4,340
Professional Fees - Legal	754	3,337
Management Fees	(12,791)	535,244
Total	<u>\$11,963</u>	<u>\$558,921</u>

Note 7 - Financial Highlights (Return & IRR):	Net to LP's	Total Fund
Year-to-Date Return on Net Assets	71.75%	74.20%
Internal Rate of Return Since Inception	16.23%	18.80%



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

	Three Months Ended 09/30/07	Nine Months Ended 09/30/07
<b>Cash flows from operating activities</b>		
Net Income Before Gains (Losses)	(\$453,750)	(\$1,506,885)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:		
Accrued Interest Receivable	68,623	29,991
Accrued Organization Costs	-	-
Other Assets	(9,221)	(11,321)
Accrued Expenses & Payables	(546,958)	(22,037)
Net Cash used in Operating Activities	(941,306)	(1,510,252)
<b>Cash flows from investing activities</b>		
Purchases of venture capital investments	(49,007)	(816,148)
Sales of venture capital investments	4,854,600	7,494,154
Net cash provided by investing activities	4,805,593	6,678,006
<b>Cash flows from financing activities</b>		
Cash contributions by partners	2,116,000	2,716,000
Cash distribution to partners	(2,638,225)	(2,638,225)
Net cash used in financing activities	(522,225)	77,775
Net Change in Cash and Short Term Investments	3,342,062	5,245,529
Cash and Short Term Investments, beginning	3,256,751	1,353,284
Cash and Short Term Investments, ending	\$6,598,813	\$6,598,813

**CHP II, L.P.**  
**Schedule of Venture Capital Investments**  
**As of September 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.	\$0	\$6,215,187	\$6,215,187	\$6,215,187	\$0
AthenaHealth, Inc.	0	3,575,708	3,575,708	27,557,328	23,981,620
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	375,000	(5,794,002)
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	24,790,395	16,740,394
Totals	\$0	\$49,202,639	\$49,202,639	\$91,282,701	\$42,080,062

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

	Partners' Total Subscription	Contributions Account 6/30/2007	Period Contributions in Cash	Period Contributions by Note	Contributions Account 9/30/2007	Partners' Outstanding Subscription
<u>Limited Partners:</u>						
The State Teachers Retirement System of Ohio	\$30,000,000	\$26,340,761	\$540,371	\$0	\$26,881,132	\$3,118,868
Nassau Capital Funds, L.P.	10,000,000	8,780,255	180,124	0	8,960,379	1,039,621
The Robert Wood Johnson Foundation	10,000,000	8,780,255	180,124	0	8,960,379	1,039,621
Northwestern University	10,000,000	8,780,255	180,124	0	8,960,379	1,039,621
LACERA	10,000,000	8,780,255	180,124	0	8,960,379	1,039,621
Wachovia Investors (First Union)	7,500,000	6,585,191	135,093	0	6,720,284	779,716
AlpInvest US Secondary Investments 2003	5,000,000	4,390,127	90,062	0	4,480,189	519,811
HarbourVest VII Limited	5,000,000	4,390,127	90,062	0	4,480,189	519,811
Pension Commissioners of City of LA	5,000,000	4,390,126	90,062	0	4,480,188	519,812
Princess Private Equity	5,000,000	4,390,126	90,062	0	4,480,188	519,812
Hillside Capital Incorporated	3,500,000	3,073,089	63,043	0	3,136,132	363,868
Hamilton Lane-Carpenters Fund	3,000,000	2,634,074	54,037	0	2,688,111	311,889
UNISYS Master Trust	3,000,000	2,634,074	54,037	0	2,688,111	311,889
Venture Investment Associates III, LP	2,300,000	2,019,458	41,428	0	2,060,886	239,114
Fleet Growth Resources, Inc. (formerly Summit Bancorp)	2,000,000	1,756,050	36,025	0	1,792,075	207,925
S.R. One, Limited	2,000,000	1,756,050	36,025	0	1,792,075	207,925
PharmaBio Development, Inc. (Qfinance)	2,000,000	1,756,050	36,025	0	1,792,075	207,925
Private Equity Holdings Ltd II	1,000,000	878,025	18,012	0	896,037	103,963
	<u>\$116,300,000</u>	<u>\$102,114,348</u>	<u>\$2,094,840</u>	<u>\$0</u>	<u>\$104,209,188</u>	<u>\$12,090,812</u>
<u>General Partner:</u>						
CHP II Management LLC	<u>1,174,747</u>	<u>1,031,458</u>	<u>11,108</u>	<u>10,052</u>	<u>1,052,618</u>	<u>122,129</u>
Total Partnership	<u><u>\$117,474,747</u></u>	<u><u>\$103,145,806</u></u>	<u><u>\$2,105,948</u></u>	<u><u>\$10,052</u></u>	<u><u>\$105,261,806</u></u>	<u><u>\$12,212,941</u></u>

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

	Public Securities	Private Securities	Cash	Other Assets	Total Assets	Accrued Expenses & Other Liabilities	Net Assets 9/30/2007
<u>Limited Partners:</u>							
State Teachers Retirement System of Ohio	\$10,923,206	\$8,124,419	\$1,376,950	\$50,060	\$20,474,635	(\$2,497)	\$20,472,138
Nassau Capital Funds, L.P.	3,641,057	2,708,130	458,982	16,687	6,824,856	(832)	6,824,024
The Robert Wood Johnson Foundation	3,641,057	2,708,130	458,982	16,687	6,824,856	(832)	6,824,024
Northwestern University	3,641,057	2,708,130	458,982	16,687	6,824,856	(832)	6,824,024
LACERA	3,641,057	2,708,130	458,982	16,687	6,824,856	(832)	6,824,024
Wachovia Investors (First Union)	2,730,789	2,031,094	344,236	12,515	5,118,634	(624)	5,118,010
AlpInvest US Secondary Investments 2003	1,820,519	1,354,059	229,490	8,343	3,412,411	(416)	3,411,995
HarbourVest VII Limited	1,820,519	1,354,059	229,490	8,343	3,412,411	(416)	3,411,995
Pension Commissioners of City of LA	1,820,525	1,354,063	229,490	8,343	3,412,421	(416)	3,412,005
Princess Private Equity	1,820,525	1,354,063	229,490	8,343	3,412,421	(416)	3,412,005
Hillside Capital Incorporated	1,274,366	947,844	160,642	5,840	2,388,692	(291)	2,388,401
Hamilton Lane-Carpenters Fund	1,092,332	812,450	137,697	5,006	2,047,485	(250)	2,047,235
UNISYS Master Trust	1,092,332	812,450	137,697	5,006	2,047,485	(250)	2,047,235
Venture Investment Associates III, LP	837,450	622,875	105,567	3,838	1,569,730	(191)	1,569,539
Fleet Growth Resources, Inc.	728,219	541,632	91,797	3,338	1,364,986	(166)	1,364,820
S.R. One, Limited	728,219	541,632	91,797	3,338	1,364,986	(166)	1,364,820
PharmaBio Development, Inc. (Qfinance)	728,219	541,632	91,797	3,338	1,364,986	(166)	1,364,820
Private Equity Holdings Ltd II	364,103	270,811	45,898	1,669	682,481	(84)	682,397
	\$42,345,551	\$31,495,603	\$5,337,966	\$194,068	\$79,373,188	(\$9,677)	\$79,363,511
<u>General Partner:</u>							
CHP II Management LLC	10,002,172	7,439,375	1,260,847	45,840	18,748,234	(2,286)	18,745,948
Total Partnership	\$52,347,723	\$38,934,978	\$6,598,813	\$239,908	\$98,121,422	(\$11,963)	\$98,109,459

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

	Partners' Capital 07/01/07	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partners' Capital 09/30/07
<u>Limited Partners:</u>									
The State Teachers Retirement System of Ohio	\$15,652,187	\$540,371	\$4,993	(\$96,697)	\$809,312	\$717,608	\$4,235,706	(\$673,734)	\$20,472,138
Nassau Capital Funds, L.P.	5,217,373	180,124	1,664	(32,232)	269,771	239,203	1,411,902	(224,578)	6,824,024
The Robert Wood Johnson Foundation	5,217,373	180,124	1,664	(32,232)	269,771	239,203	1,411,902	(224,578)	6,824,024
Northwestern University	5,217,373	180,124	1,664	(32,232)	269,771	239,203	1,411,902	(224,578)	6,824,024
LACERA	5,217,373	180,124	1,664	(32,232)	269,771	239,203	1,411,902	(224,578)	6,824,024
Wachovia Investors (First Union)	3,913,023	135,093	1,248	(24,174)	202,328	179,402	1,058,926	(168,434)	5,118,010
AlpInvest US Secondary Investments 2003	2,608,669	90,062	832	(16,115)	134,885	119,602	705,951	(112,289)	3,411,995
HarbourVest VII Limited	2,608,669	90,062	832	(16,115)	134,885	119,602	705,951	(112,289)	3,411,995
Pension Commissioners of City of LA	2,608,679	90,062	832	(16,115)	134,885	119,602	705,951	(112,289)	3,412,005
Princess Private Equity	2,608,679	90,062	832	(16,115)	134,885	119,602	705,951	(112,289)	3,412,005
Hillside Capital Incorporated	1,826,072	63,043	583	(11,281)	94,420	83,722	494,166	(78,602)	2,388,401
Hamilton Lane-Carpenters Fund	1,565,240	54,037	498	(9,669)	80,930	71,759	423,572	(67,373)	2,047,235
UNISYS Master Trust	1,565,240	54,037	498	(9,669)	80,930	71,759	423,572	(67,373)	2,047,235
Venture Investment Associates III, LP	1,200,009	41,428	383	(7,413)	62,047	55,017	324,738	(51,653)	1,569,539
Fleet Growth Resources, Inc.	1,043,491	36,025	333	(6,446)	53,954	47,841	282,379	(44,916)	1,364,820
S.R. One, Limited	1,043,491	36,025	333	(6,446)	53,954	47,841	282,379	(44,916)	1,364,820
PharmaBio Development, Inc. (QFinance)	1,043,491	36,025	333	(6,446)	53,954	47,841	282,379	(44,916)	1,364,820
Private Equity Holdings Ltd II	521,732	18,012	166	(3,223)	26,977	23,920	141,191	(22,458)	682,397
	\$60,678,164	\$2,094,840	\$19,352	(\$374,852)	\$3,137,430	\$2,781,930	\$16,420,420	(\$2,611,843)	\$79,363,511
<u>General Partner:</u>									
CHP II Management LLC	13,485,700	11,939	196	(98,446)	823,970	725,720	4,312,434	(26,382)	18,509,411
Total Partnership	\$74,163,864	\$2,106,779	\$19,548	(\$473,298)	\$3,961,400	\$3,507,650	\$20,732,854	(\$2,638,225)	\$97,872,922

\* - 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 Nine Months Ended September 30, 2007**

	Partners' Capital 01/01/07	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partners' Capital 09/30/07
<u>Limited Partners:</u>									
State Teachers Retirement System of Ohio	\$13,659,593	\$693,595	\$7,712	(\$314,025)	\$1,240,068	\$933,755	\$5,858,929	(\$673,734)	\$20,472,138
Nassau Capital Funds, L.P.	4,553,176	231,199	2,570	(104,675)	413,356	311,251	1,952,976	(224,578)	6,824,024
The Robert Wood Johnson Foundation	4,553,176	231,199	2,570	(104,675)	413,356	311,251	1,952,976	(224,578)	6,824,024
Northwestern University	4,553,176	231,199	2,570	(104,675)	413,356	311,251	1,952,976	(224,578)	6,824,024
LACERA	4,553,176	231,199	2,570	(104,675)	413,356	311,251	1,952,976	(224,578)	6,824,024
Wachovia Investors (First Union)	3,414,873	173,400	1,928	(78,506)	310,017	233,439	1,464,732	(168,434)	5,118,010
AlpInvest US Secondary Investments 2003	2,276,570	115,600	1,285	(52,337)	206,678	155,626	976,488	(112,289)	3,411,995
HarbourVest VII Limited	2,276,570	115,600	1,285	(52,337)	206,678	155,626	976,488	(112,289)	3,411,995
Pension Commissioners of City of LA	2,276,580	115,600	1,285	(52,337)	206,678	155,626	976,488	(112,289)	3,412,005
Princess Private Equity	2,276,580	115,600	1,285	(52,337)	206,678	155,626	976,488	(112,289)	3,412,005
Hillside Capital Incorporated	1,593,603	80,919	900	(36,636)	144,675	108,939	683,542	(78,602)	2,388,401
Hamilton Lane-Carpenters Fund	1,365,981	69,358	771	(31,402)	124,006	93,375	585,894	(67,373)	2,047,235
UNISYS Master Trust	1,365,981	69,358	771	(31,402)	124,006	93,375	585,894	(67,373)	2,047,235
Venture Investment Associates III, LP	1,047,244	53,175	591	(24,075)	95,072	71,588	449,185	(51,653)	1,569,539
Fleet Growth Resources, Inc.	910,651	46,240	514	(20,935)	82,671	62,250	390,595	(44,916)	1,364,820
S.R. One, Limited	910,651	46,240	514	(20,935)	82,671	62,250	390,595	(44,916)	1,364,820
PharmaBio Development, Inc. (QFinance)	910,651	46,240	514	(20,935)	82,671	62,250	390,595	(44,916)	1,364,820
Private Equity Holdings Ltd II	455,312	23,119	257	(10,467)	41,336	31,126	195,298	(22,458)	682,397
	\$52,953,544	\$2,688,840	\$29,892	(\$1,217,366)	\$4,807,329	\$3,619,855	\$22,713,115	(\$2,611,843)	\$79,363,511
<u>General Partner:</u>									
CHP II Management LLC	11,612,524	15,089	302	(319,713)	1,262,531	943,120	5,965,060	(26,382)	18,509,411
Total Partnership	\$64,566,068	\$2,703,929	\$30,194	(\$1,537,079)	\$6,069,860	\$4,562,975	\$28,678,175	(\$2,638,225)	\$97,872,922

\* - 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 September 30, 2007**

	Partners' Contributions Accounts	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partner Transfer of Interest	Partners' Account
<u>Limited Partners:</u>									
The State Teachers Retirement System of Ohio	\$26,881,132	\$43,959	(\$4,708,301)	\$14,441,394	\$9,777,052	\$8,596,924	(\$24,782,970)	\$0	\$20,472,138
Nassau Capital Funds, L.P.	8,960,379	14,654	(1,569,435)	4,813,798	3,259,017	2,865,641	(8,261,013)	0	6,824,024
The Robert Wood Johnson Foundation	8,960,379	14,654	(1,569,435)	4,813,798	3,259,017	2,865,641	(8,261,013)	0	6,824,024
Northwestern University	8,960,379	14,654	(1,569,435)	4,813,798	3,259,017	2,865,641	(8,261,013)	0	6,824,024
LACERA	8,960,379	14,654	(1,569,435)	4,813,798	3,259,017	2,865,641	(8,261,013)	0	6,824,024
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)	6,720,284	10,991	(1,177,075)	3,610,347	2,444,263	2,149,230	(6,195,767)	0	5,118,010
AlpInvest US Secondary Investments 2003	4,480,189	3,496	(131,679)	1,287,405	1,159,222	45,825	(1,957,724)	(315,517)	3,411,995
HarbourVest VII Limited	4,480,189	3,496	(131,679)	1,287,405	1,159,222	45,825	(1,957,724)	(315,517)	3,411,995
Pension Commissioners of City of LA	4,480,188	7,326	(784,718)	2,406,896	1,629,504	1,432,822	(4,130,509)	0	3,412,005
Princess Private Equity	4,480,188	7,326	(784,718)	2,406,896	1,629,504	1,432,822	(4,130,509)	0	3,412,005
Hillside Capital Incorporated	3,136,132	5,128	(549,302)	1,684,829	1,140,655	1,002,976	(2,891,362)	0	2,388,401
Hamilton Lane-Carpenters Fund	2,688,111	4,395	(470,830)	1,444,138	977,703	859,693	(2,478,272)	0	2,047,235
UNISYS Master Trust	2,688,111	4,395	(470,830)	1,444,138	977,703	859,693	(2,478,272)	0	2,047,235
Venture Investment Associates III, LP	2,060,886	3,370	(360,970)	1,107,173	749,573	659,098	(1,900,018)	0	1,569,539
Fleet Growth Resources, Inc.	1,792,075	2,931	(313,886)	962,759	651,804	573,128	(1,652,187)	0	1,364,820
S.R. One, Limited	1,792,075	2,931	(313,886)	962,759	651,804	573,128	(1,652,187)	0	1,364,820
PharmaBio Development, Inc. (Qfinance)	1,792,075	2,931	(313,886)	962,759	651,804	573,128	(1,652,187)	0	1,364,820
Private Equity Holdings Ltd II	896,037	1,465	(156,943)	481,380	325,902	286,563	(826,105)	0	682,397
	\$104,209,188	\$170,417	(\$18,252,518)	\$55,984,458	\$37,902,357	\$33,327,410	(\$96,075,444)	\$0	\$79,363,511
<u>General Partner:</u>									
CHP II Management LLC	1,052,618	1,723	(1,319,636)	11,229,032	9,911,119	8,752,653	(970,442)	0	18,745,948
Total Partnership	\$105,261,806	\$172,140	(\$19,572,154)	\$67,213,490	\$47,813,476	\$42,080,063	(\$97,045,886)	\$0	\$98,109,459

\* - 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 September 30, 2007**

<b>Company</b>	<b>Investment Cost</b>	<b>GAAP Fair Value</b>	<b>Unrealized Gain (Loss)</b>	<b>Realized Value</b>	<b>Realized Gain (Loss)</b>	<b>Cumulative Investment Return</b>
<b><i>Public Company Securities</i></b>						
AthenaHealth, Inc.	5,000,002	27,557,328	23,981,620	7,492,825	6,068,531	30,050,151
SirTris Pharmaceuticals, Inc.	8,050,001	24,790,395	16,740,394	0	0	16,740,394
	<u>\$13,050,003</u>	<u>\$52,347,723</u>	<u>\$40,722,014</u>	<u>\$7,492,825</u>	<u>\$6,068,531</u>	<u>\$46,790,545</u>
<b><i>Private Company Investments</i></b>						
AllianceCare, Inc.	\$6,215,187	\$6,215,187	\$0	\$0	\$0	\$0
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	375,000	(5,794,002)	0	0	(5,794,002)
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>\$37,576,930</u>	<u>\$38,934,978</u>	<u>\$1,358,048</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,358,048</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>\$85,251,689</u></u>	<u><u>\$91,282,701</u></u>	<u><u>\$42,080,062</u></u>	<u><u>\$103,262,540</u></u>	<u><u>\$67,213,490</u></u>	<u><u>\$109,293,552</u></u>