

Green Jeremy
Form 3
August 02, 2018

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

Redmile Group, LLC
(Last) (First) (Middle)

ONE LETTERMAN DRIVE,
BUILDING D, SUITE D3-300

(Street)

SAN FRANCISCO, CA 94129

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
07/31/2018

3. Issuer Name and Ticker or Trading Symbol
FATE THERAPEUTICS INC [FATE]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer Other
(give title below) (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

Common Stock

2. Amount of Securities Beneficially Owned (Instr. 4)

6,655,962

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

I

4. Nature of Indirect Beneficial Ownership (Instr. 5)

See footnote (1) (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

Title

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Class A Convertible Preferred Stock	Â (3)(4)	Â (3)(4)	Common Stock	14,097,745	\$ (3) (4)	I	See footnote (1) (2)
Cash-settled swaps	Â (5)(6)(7)	Â (6)	Common Stock	559,100	\$ 3.02 (8)	I	See footnote (1) (2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Redmile Group, LLC ONE LETTERMAN DRIVE, BUILDING D SUITE D3-300 SAN FRANCISCO, CA 94129	Â X	Â X	Â	Â
Green Jeremy C/O REDMILE GROUP, LLC ONE LETTERMAN DR., BLDG. D, SUITE D3-300 SAN FRANCISCO, CA 94129	Â X	Â X	Â	Â

Signatures

/s/ Jeremy Green, Managing Member of Redmile Group, LLC	08/02/2018
__Signature of Reporting Person	Date
/s/ Jeremy Green	08/02/2018
__Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These securities are directly owned by certain private investment vehicles and separately managed accounts managed by Redmile Group, LLC ("Redmile") and may be deemed beneficially owned by Redmile as investment manager of such private investment vehicles and separately managed accounts. The reported securities may also be deemed beneficially owned by Jeremy Green as the principal of Redmile. The Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Persons are the beneficial owners of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(2) Michael Lee, a member of the board of directors of the Issuer and a managing director of Redmile, was elected to the board of the Issuer as a representative of Redmile. As a result, the Reporting Persons are directors by deputization for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

(3) The Class A Convertible Preferred Stock is convertible into shares of the Issuer's common stock in accordance with the terms of the Issuer's Amended and Restated Certificate of Incorporation and Certificate of Designation of Preferences, Rights and Limitations of Class A Convertible Preferred Stock at any time and from time to time at the holder's election using a calculation based on the stated value of the shares and the conversion rate in effect at the time of conversion. The shares of Class A Convertible Preferred Stock will currently convert on a 1-for-5 basis and such conversion rate is reflected in the amount listed under Column 3.

(4) The terms of the Class A Convertible Preferred Stock provide that the holder may not convert any shares of Class A Convertible Preferred Stock if, after giving effect to the attempted conversion, the holder and its affiliates would collectively beneficially own more than 9.99% of the number of shares of Common Stock outstanding after giving effect to such attempted conversion. The Class A

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Convertible Preferred Stock has no expiration date.

Certain private investment vehicles and separately managed accounts managed by Redmile are parties to swap agreements with counterparties. Each notional share subject to each swap agreement represents the economic equivalent of one share of the Issuer's

- (5) common stock. These agreements do not give the Reporting Persons direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not require the counterparties thereto to acquire, hold, vote or dispose of any securities of the Issuer. Accordingly, the Reporting Persons disclaim any beneficial ownership in securities that may be referenced in such swap agreements or that may be held from time to time by any counterparties to the agreements.

- (6) The Reporting Persons have the right to terminate and close out each swap at any time.

Upon settlement of the various swap agreements, either (i) the counterparty will pay to the Reporting Persons in cash an amount determined in part by reference to any increase between the reference price and the market value of the notional number of shares of

- (7) Common Stock subject to the swap agreement or (ii) the Reporting Persons will pay to the counterparty in cash an amount determined in part by reference to any decrease between the reference price and the market value of the notional number of shares of Common Stock subject to the swap agreement.

- (8) Represents the reference price associated with the swap agreements.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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