

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of HarbourVest Partners, LLC (“HarbourVest”). If you have any questions about the contents of this Brochure, please contact us at 1-617-348-3511 or compliance@harbourvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

HarbourVest is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about HarbourVest is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure contains certain changes from the Brochure that we filed with the SEC on March 31, 2011 (which was the last annual update of this Brochure). The only material changes that are reflected in this Brochure from the last annual update of our Brochure are as follows:

Item 4 has been updated to disclose the establishment of a representative office in Bogotá, in 2011, an increase in the number of investment professionals that we employ and an increase in our discretionary assets under management.

Item 8 has been updated to provide additional disclosures concerning risks arising from regulatory changes and risks associated with investing in non-U.S. securities. Item 8 also provides additional information concerning conflicts of interest relating to the nature of private equity products and our business.

Currently, our Brochure may be requested, at any time without charge, by contacting us at 1-617-348-3511 or compliance@harbourvest.com

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 – Disciplinary Information	23
Item 10 – Other Financial Industry Activities and Affiliations	23
Item 11 – Code of Ethics	24
Item 12 – Brokerage Practices	24
Item 13 – Review of Accounts.....	24
Item 14 – Client Referrals and Other Compensation.....	25
Item 15 – Custody	26
Item 16 – Investment Discretion	26
Item 17 – Voting Client Securities.....	26
Item 18 – Financial Information.....	27

Item 4 – Advisory Business

HarbourVest is an independent investment firm that provides private equity solutions to institutional investors worldwide. Our primary advisory business is managing private equity funds of funds and private equity funds investing directly in operating companies (collectively “Funds”). Acting as the general partner of HarbourVest Partners L.P. and as the ultimate general partners of the respective Funds, HarbourVest Partners, LLC, (“HarbourVest”) has exclusive responsibility and authority for the selection of investments for and the management of the Funds and generally devotes substantial time and resources to the operation of the Funds.

In addition, HarbourVest provides investment management for separate accounts (“Separate Accounts”), as well as offshore listed funds, where the shareholders are primarily institutional investors. Our Separate Account Clients may impose restrictions on our ability to invest their accounts in specific types of issues. These restrictions depend upon the specific requirements of the Client

HarbourVest invests in venture, buyout, and mezzanine and distressed debt markets in the U.S., Europe, Asia Pacific, and emerging markets. These investments are generally one of three types: interests in private equity partnerships (primary partnerships), secondary purchases of interests in private equity funds and private operating companies (secondary investments), and direct investments in operating companies (direct investments). By focusing across these three areas, HarbourVest is able to develop valuable insight into the portfolios and capabilities of private equity fund managers, as well as industry sectors; leverage a strong, deep network of relationships; and increase the flow of potential investment opportunities to the Funds.

HarbourVest’s Funds are primarily structured as limited partnership vehicles, in which investors are limited partners and a HarbourVest-affiliate serves as the general partner. HarbourVest has established comprehensive private equity fund investment programs with broad coverage of the asset class, as well as focused private equity fund investment programs with more concentrated exposure to a particular market or strategy. HarbourVest’s Funds are designed to provide investors with comprehensive private equity solutions or specialized solutions, depending on their needs.

We refer to the Funds, the Separate Accounts and the off-shore listed funds collectively as our “Clients.”

HarbourVest’s history dates back to 1982. In 1982, the HarbourVest team formed its first Fund, with \$148.0 million in committed capital, to provide institutional investors with an efficient means of investing in private equity partnerships and operating companies. This

Fund was one of the first private equity fund of funds ever formed. The team also has a long track record of secondary and direct investing; the first secondary and direct investments were made in 1986 and 1983, respectively. Beginning in the mid-1980s, the HarbourVest team broadened its investment scope and began investing in Europe and Asia Pacific. In 1991, the team began offering dedicated secondary investment programs. To support its global investment focus, subsidiaries were established in London, Hong Kong, and Tokyo in 1990, 1996, and 2010 respectively. A representative office was established in Bogotá in 2011. Over the past 30 years, HarbourVest has committed more than \$25.2 billion to primary partnerships, \$9.1 billion to secondary investments, and \$4.4 billion to direct investments.

HarbourVest has an experienced investment team of more than 80 investment professionals and more than 150 professionals dedicated to finance, tax, reporting, monitoring, and client service activities.

HarbourVest's investment team is characterized by its consistency and continuity. The average tenure of its 24 managing directors is 17 years. The HarbourVest team was originally part of Hancock Venture Partners, a subsidiary of John Hancock Mutual Life Insurance Company. In 1997, the management team became independent through a management buyout and HarbourVest has been independently owned since that time. HarbourVest believes that its independent ownership allows its investment professionals to maintain their focus on selecting the investments with the strongest potential for returns.

HarbourVest has \$33,350,737,558 in discretionary assets under management as of December 31, 2011.

Item 5 – Fees and Compensation

HarbourVest receives management fees to cover administrative, management, investment management, and supervisory services it provides to the Funds. Management fees are established in negotiations with the limited partners of each Fund. Management fees may range from .5% to 2.0% of committed, called or invested capital of the Fund, pursuant to the limited partnership agreement of the Fund. Fees for Funds in extension years may be reduced, including to nil.

Management fees are payable on an estimated basis by the Fund to HarbourVest quarterly in advance. The fee is generally deducted from the investor's capital account in the Fund, although certain investors pay their management fee directly to HarbourVest. At the end of each fiscal year any overpayments are refunded to the Fund as soon as practical. HarbourVest may occasionally collect fees related to portfolio transactions or other

services provided to portfolio companies. All such fees are offset against the applicable Fund's management fee.

HarbourVest also manages Separate Accounts on behalf of investors. The specific payment terms and other conditions of the management fees are set forth in the separate management agreements with the Client. Such terms are generally negotiated and established at the time that the Separate Account is established.

An affiliate of HarbourVest acts as investment manager to HarbourVest Global Private Equity Limited ("HVPE"), a publicly-traded closed-end investment company organized under the laws of Guernsey that is designed to offer shareholders long-term capital appreciation by investing in a diversified portfolio of private equity investments managed by HarbourVest. Shares of HVPE trade on Euronext Amsterdam and the London Stock Exchange (Specialist Fund Market). HVPE does not pay HarbourVest's affiliate separate management fees with respect to assets that are invested in Funds managed by HarbourVest. (The Funds in which HVPE invests will pay fees with respect to such assets, as described above.) The affiliate or its designee will be paid certain fees with respect to co-investments that HVPE makes alongside the Funds. The fee schedule for such co-investments mirrors the fee schedule paid by the applicable Fund.

An affiliate of HarbourVest acts as investment manager to HarbourVest Senior Loans Europe Limited ("HSLE"), a publicly-traded closed-end investment company organized under the laws of Guernsey that is designed to provide income and capital growth through selective investment in primary and secondary senior secured loans of European private equity-backed mid-market companies. Shares of HSLE trade on the London Stock Exchange. As the manager, HarbourVest's affiliate is entitled to a Base Fee equal to 0.25 percent per calendar quarter of the net invested assets. The manager is also entitled to a performance fee. At the point at which an initial investor in HSLE has received, in aggregate, cash distributions (by way of dividend and/or capital return) amounting to its initial investment and such additional amounts so that it has realized an 8% IRR on his initial investment, the manager will be entitled to a performance fee of 15% of all future distributions.

Item 6 – Performance-Based Fees and Side-By-Side Management

In addition to the management fee described above, the general partners of the Funds may receive a performance fee per Fund, calculated as a share of the profits of that Fund, based on a percentage of such profits, which may vary from Fund to Fund, and which was established in negotiations with the limited partners of each Fund. The performance fee is charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940. The performance fee is allocated to the capital account of the general partner of the Fund.

The limited partnership agreement for each Fund sets forth the formula for the allocation of profits and losses of such Fund. (This performance fee is a typical feature of private equity funds and is commonly referred to as “carried interest.”) Generally, the allocation formula for each Fund includes the realized gains and losses and unrealized gains and losses of securities over any given period. The limited partnership agreement for each Fund describes the method by which the assets of the Fund will be valued. Distributions to the general partner in connection with carried interest are dependent, in part, on the unrealized value of certain investments. This could provide an incentive for the general partner to use higher valuations. However, the Funds report in conformity with U.S. Generally Accepted Accounting Principles (GAAP) which require fair value measurements.

No carried interest will be allocated by a Fund to its general partner for any given period if, at the end of that period, the cumulative amount of losses of the Fund for that period and all prior periods exceeds the cumulative amount of gains for that period and all prior periods except that, if such general partner is entitled to a performance fee with respect to gains generated only by one or more designated portions of the securities of a Fund, then the performance fee will be based on the gains and losses of each such designated portion of securities alone.

The allocation of carried interest to the general partner of the Funds may create an incentive for HarbourVest to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered somewhat by the fact that losses will reduce the Fund’s performance and thus the general partner’s carried interest.

Item 7 – Types of Clients

HarbourVest provides investment advice and portfolio management services to the Funds, any subsequent limited partnerships formed by HarbourVest, and Separate Accounts. The following types of institutions may invest in Funds or establish Separate Accounts: sophisticated institutional investors, primarily corporate pension and profit sharing plans, other pooled investment vehicles, public employee retirement and deferred compensation plans, municipalities, private investment funds, sovereign funds, insurance companies, investment companies, charitable organizations, endowment funds, foundations, and other U.S. and international institutions. In addition, certain brokers, high net worth individuals, banks, trust companies, and investment advisers may be Fund participants. HarbourVest also provides investment advice to Hancock Venture Partners, Inc.

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

METHODS OF ANALYSIS & INVESTMENT STRATEGIES

The long-term objective of each Fund and Separate Account is to provide a strong investment return through a carefully selected portfolio of private equity investments. The investment strategy employed to achieve this objective is to invest in a combination of interests in other private equity limited partnerships (primary partnerships), secondary purchases of private equity assets (secondary investments), and direct investments in private companies, generally through buyout, growth, or credit transactions (direct investments).

Primary partnerships - The evaluation typically takes into consideration many factors, including the investment acumen, leadership ability, and investment performance track record of the fund manager; the merits and sustainability of the fund's investment focus and strategy; and the economic and other contractual terms governing the fund. Due diligence activities include evaluating the performance records of previous limited partnerships, meeting with the management of the partnership, meeting with the management of portfolio companies, and holding discussions with other limited partners of the previous and the new limited partnerships. In addition, personal and business references are checked and evaluated and normal due diligence undertaken. On an ongoing basis, HarbourVest reviews annual reports and financial statements, attends partnership annual and advisory board meetings, and has face-to-face ad hoc visits with the fund manager.

Secondary investments – HarbourVest typically conducts a bottom-up, company-by-company analysis as well as an assessment of the private equity fund manager responsible for managing the portfolio and making future investments. The HarbourVest team utilizes portfolio company information obtained from financial reports, any relevant independent reports on portfolio companies, their competitors, and their industries, and interviews with fund managers and portfolio company management teams. Increased focus is given to those companies that are likely to have the largest impact on the overall future performance of the potential investment. The information is synthesized to perform an independent valuation of the portfolio and project its expected performance in order to make appropriate investment decisions.

Direct Investments - HarbourVest employs a number of methods of analysis in the direct investment decision-making process. Generally, face-to-face meetings with management, visits to major facilities, review of marketing strategies, analysis of

products, discussions with suppliers, customers, competitors and prior investors, and review of financial statements and financial projections are made before any decision to invest. An appropriate evaluation of the industry in which the company operates is undertaken including an analysis of industry trends, impact of the present stage of the business cycle, and/or the interpretation of the political, economic, social and market trends. Of critical importance to HarbourVest is the membership of the investor group participating in that particular financing. Direct private equity investments usually consist of securities which will be held for several years. These include purchases of common stock, preferred stock, convertible preferred stock, debt with warrants, and convertible subordinated debentures and, in the case of HSLE, senior loans. It is the intent of HarbourVest for a Fund to hold these securities until HarbourVest determines the appropriate time to liquidate the position. Upon sale of the securities, cash will generally be distributed to the Fund's investors. HarbourVest may also make distributions in kind to Fund investors.

Short-term investments - Cash held by a Fund is temporarily invested in high quality short-term money market instruments, including Treasury bills, commercial paper, and money market accounts.

RISKS

PRIVATE EQUITY INVESTING INVOLVES SUBSTANTIAL RISKS AND, THEREFORE, SHOULD BE UNDERTAKEN ONLY BY PROSPECTIVE INVESTORS CAPABLE OF EVALUATING THE MERITS AND RISKS OF SUCH AN INVESTMENT AND BEARING THE RISKS SUCH AN INVESTMENT REPRESENTS. PRIVATE EQUITY INVESTING INVOLVES RISK OF LOSS, INCLUDING RISK OF LOSS OF THE ENTIRE INVESTMENT THAT CLIENTS SHOULD BE PREPARED TO BEAR.

Set forth below is a summary of the risks presented by our investment strategies. The following list is not a complete list of all risks involved in connection with these strategies. There can be no assurance that a Client will be able to achieve its investment objectives or that the investors will receive a return on their capital.

Investment Risks

The long-term focus of private equity investing and the limited partnership structure may not be suitable for all investors

Because of the risks involved, the lack of a public market for interests in the Funds and restrictions on transfer of interests, investment in a Fund is only suitable for sophisticated investors who are willing to hold their interests for the term of the Fund and who understand that they may lose all or a significant portion of their invested capital. A Fund is expected to hold its investments for a number of years and, in turn,

the managers of the partnerships in which a Fund invests (“underlying partnerships”) are expected to hold their investments for a number of years.

In addition, in some cases, a Fund or Separate Account may be prohibited by contract or applicable laws from selling certain securities for a period of time.

Within private equity, particular investment strategies have specific risks

There are a number of significant risks, any one of which could cause a Client to lose all or part of the value of their investment. Those significant risks include, but are not limited to, those set out below.

- **Venture Capital and Growth Equity Investments.** Our Clients and certain of the underlying partnerships may make venture capital and growth equity investments. Such investments involve a high degree of business and financial risk that can result in substantial losses. Such companies may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Such companies also may have a lower capitalization and fewer resources (including cash) and be more vulnerable to failure, which could result in the loss of the entire investment. The directors of such companies may lack managerial experience, particularly of cash-flow management and budgeting. Such companies may face strong competition or need substantial additional capital to support or to achieve a competitive position. The availability of capital is generally a function of capital market conditions that are beyond our control, or the control of the underlying private equity funds or portfolio companies in which our Clients, directly or indirectly, will invest. There can be no assurance that any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. There can be no assurance that any such losses will be offset by gains (if any) realized on a Client’s other investments.
- **Buyout Transactions.** Our Clients and certain of the underlying partnerships may invest in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of leverage to available income. Leveraged investments are inherently more sensitive to declines in revenues and cash flows and to increases in interest rates and expenses than non-leveraged transactions. Increases in interest rates could also make it more difficult for private equity funds to access and consummate acquisitions because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher relative price due to a lower overall cost of capital or because the minimum targeted return on investment of such private equity fund is unachievable on such acquisition given the cost of the leverage that would be required. Recent constrictions in the availability of certain types of capital in the credit markets could also have a similarly adverse effect on the ability of funds to invest in leveraged buyouts, or to invest in such buyouts on attractive terms.

- **Mezzanine Transactions.** Our Clients and certain of the underlying partnerships may invest in mezzanine debt transactions. Although mezzanine securities are typically senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are usually unsecured. Our Clients or the underlying partnerships may not be able to take the steps necessary to protect an investment in a timely manner or at all and there can be no assurance that the rate of return objectives on any particular mezzanine debt investment will be achieved. As debt, such mezzanine investments are generally subject to various creditor risks, including the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, so-called lender liability claims by the issuer of the obligations and environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any investee company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of an investment in any such company.
- **Investments in Special Situation, Recapitalization, and Distressed Debt Transactions.** Our Clients and certain of the underlying partnerships may invest in securities of financially troubled companies or companies involved in work-outs, liquidations, reorganizations, recapitalizations, bankruptcies and similar transactions and securities of highly leveraged companies. While these investments may offer the potential for high returns, they also bring with them correspondingly greater risks. Such investments involve companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject our Clients or the underlying partnerships to certain additional potential liabilities. For example, under certain circumstances, a payment by such a company could be required to be returned if such payment is later determined to have been a fraudulent conveyance or a preferential payment.
- **Investments in Senior Secured Loans of Private Equity Backed European Mid-Market Companies.** Our Clients and certain underlying Funds may invest in debt securities, including loans, term debt and credit facilities for certain private equity backed companies. These securities will be in the senior secured tier of an investee company’s debt capital structure. While these types of investments are intended to provide current income while preserving capital, they are generally subject to creditor risk. For example, Borrowers under the loans in which the Company invests may not fulfil their payment obligations in full, or at all, and/or may cause, or fail to rectify, other events of default under the loans which could substantially reduce the return from the loan or result in loss of principal.

Investors in private equity funds generally do not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments to be made by a fund and, accordingly, will be dependent upon the judgment and ability of the general partner and HarbourVest. No assurance can be

given that a Client will be successful in obtaining suitable investments, or if such investments are made, that the objectives of the Client will be achieved.

The Funds, and certain entities in which the Funds invest, may utilize leverage in their investment strategy

The Funds primarily use leverage to bridge capital calls from limited partners, allowing HarbourVest to more accurately match the contributions by the limited partners to the capital needs of a fund. Leverage may also be used in relation to secondary or direct investments. For secondary investments, leverage is generally used based on expectations for near-term cash flows. Although leverage will increase investment returns if a Fund earns a greater return on the investments purchased with borrowed funds than it pays for the use of those funds, the use of leverage will decrease the returns of a Fund if it fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds.

In addition, certain entities in which a Fund invests may rely on leverage as part of their investment strategy. The use of leverage will magnify the volatility of changes in the value of portfolio investments. Any gain in the value of assets in excess of the cost of the amount borrowed to acquire such assets would cause the borrower's net asset value to increase more than if the assets had been bought without utilizing leverage. Conversely, any decline in the value of its assets to below the cost of the borrowing utilized to fund their purchase would cause the net asset value to decline more sharply than would be the case if debt had not been used to purchase such assets. Accordingly, whilst the use of leverage may increase a borrower's returns, it will also increase its exposure to risk. This risk is more concentrated in Funds which focus on making leveraged buyout investments.

Investments in highly-leveraged entities are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. In addition, the incurrence of a significant amount of indebtedness by an entity may, among other things:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which may limit such entity's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;
- limit such entity's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have comparatively less debt;
- limit such entity's ability to engage in strategic acquisitions that may be necessary to generate attractive returns or further growth; and

- limit such entity's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

A leveraged entity's income and net assets may increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged entity may be greater than for entities with comparatively less debt.

The cumulative effect of the use of leverage by the Funds and operating companies in which a Fund invests, directly and indirectly, may cause greater losses to us than if they used no leverage.

The Funds are heavily reliant on third-party Fund management

The returns achieved by the primary partnerships or secondary investments will depend in large part on the efforts and performance results obtained by the managers of the underlying partnerships in which the Funds invest. Furthermore, the Funds will not have an active role in the day-to-day management of the underlying partnerships nor the ability to approve the specific investment or management decisions made by the managers of the underlying partnerships. As a result, the investment returns of the Funds, that make primary partnership or secondary investments, will primarily depend on the performance of unrelated investment managers and other management personnel. The failure of such investment managers to make profitable investments would have a negative impact on a Fund's ability to achieve its investment goals.

A Client's direct and indirect investments in operating companies may require follow-on investments

A Client or an underlying partnership may be called upon to provide follow-on funding for their portfolio companies or have the opportunity to increase its investment in such portfolio companies (a "Follow-On Investment"). There can be no assurance that the Client or an underlying partnership will wish to make Follow-On Investments or that it will have sufficient funds to do so. Any decision by a Client or an underlying partnership not to make Follow-On Investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish such Client's or such underlying partnership's ability to influence the portfolio company's future development.

Funds and the underlying partnerships in which the Funds may invest have no significant operating history

Although key personnel of HarbourVest have had extensive experience managing investments in the private equity market, many of the Funds and the underlying partnerships in which our Clients expect to invest will be newly- or recently-formed entities with no significant operating history upon which to evaluate their likely performance or the likely effectiveness of their investment strategy. An investment in a

Fund or an underlying partnership is therefore subject to all of the risks and uncertainties associated with any new business, including the risk that the Fund will not achieve its investment objectives and that the value of an investment could decline substantially.

The due diligence process may not reveal all facts that may be relevant in connection with an investment

HarbourVest conducts due diligence to an extent deemed reasonable and appropriate based on the facts and circumstances applicable to each investment, before committing a Client to any particular investment. The objective of the due diligence process is to identify attractive investment opportunities based upon the facts and circumstances surrounding an investment. When conducting due diligence, the HarbourVest team expects to evaluate a number of important issues in determining whether or not to proceed with an investment. These issues will vary depending on the kind of investment opportunity presented, but may include business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, HarbourVest will be required to rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective with respect to newly organized funds or companies for which only limited information is available. In light of the foregoing, there can be no assurance that the due diligence investigations undertaken by HarbourVest will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful.

Clients might not obtain suitable investments, and, even if they do, there is a risk that a Client's investment objectives will not be achieved

The business of identifying and structuring investments of the types contemplated by our Clients and the underlying partnerships is competitive and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions and competition from other groups as well as, in some cases, the prevailing regulatory or political climate. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Client and the underlying partnerships or considered for prospective investment. Accordingly, there can be no assurance that a Client or the underlying partnerships will be able to identify and complete attractive investments in the future or that they will be able to invest fully their commitments.

There is no assurance that the values of investments that are reported from time to time will in fact be realized

The majority of our Clients' investments are in the form of investments for which market quotations are not readily available. The valuations of the Client's investments by HarbourVest and the underlying managers are drawn up on the basis of a good faith assessment of the fair value of the assets. There is no single standard for determining fair value in good faith and, in many cases; fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors that may be considered when applying fair value pricing to an investment in a particular company or asset include historical and projected financial data, valuations given to comparable enterprises, the size and scope of an entity's operations, the strengths and weaknesses of an enterprise, expectations relating to investors' receptivity to an offering of ownership interests in the entity, the relative size of the holding in the investment and the control or lack of control stemming from that size, information with respect to transactions in respect of, or offers for, ownership interests in the entity (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realizable value of any collateral or credit support and other relevant factors. Fair values may be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis. Since valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a liquid market for such investments had existed. Even if market quotations are available for any of the Client's investments, such quotations may not reflect the value that would actually be realizable owing to various factors, including the possible illiquidity arising from the holding of a majority ownership position by a third party, subsequent illiquidity in the market for an entity's securities or other ownership interests, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall and management performance. The value of an interest in a Fund will be adversely affected if the amounts received on realizations of direct or indirect investments are lower than the values previously recorded for them.

Clients may experience fluctuations in results

Clients may experience fluctuations in results from period to period due to a number of factors, including changes in the values of the Clients' underlying investments, changes in the level of drawdowns on capital commitments, changes in the amount of distributions, dividends or interest paid in respect of investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which Clients encounter competition in the making of investments or the underlying

investments encounter competition in their businesses and general economic and market conditions. As an asset class, private equity has exhibited volatility in returns over different periods and it is likely that this will continue to be the case in the future. Such variability may cause results for a particular period not to be indicative of performance in a future period.

Difficult market and/or economic conditions could adversely affect investments

The success of a Client's investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the securities held by the Funds and the underlying partnerships. Unexpected volatility or liquidity could impair a Fund's profitability or result in losses to the Client.

Client investments may be materially affected by conditions in the global financial markets and economic conditions throughout the world. The global market and economic climate may deteriorate because of many factors beyond our control, including rising interest rates or inflation, credit crises, market disruption, terrorism or political uncertainty. In the event of a market downturn, each of the investments held by a Client (or an investment in a Fund) could be adversely affected. The underlying private equity partnerships may face reduced opportunities to sell and realize value from their existing investments and there may be a lack of suitable new investments for the underlying partnership and Clients to make. In addition, economic downturns may make it more difficult for companies to meet their debt service obligations and satisfy financial covenants, either of which could have a material adverse effect on their businesses. An increase in either the general levels of interest rates or in the risk spread demanded by finance providers would make the financing of private equity investments with indebtedness more expensive and could limit the ability of Clients and the underlying partnerships to structure and consummate private equity investments. A downturn in market and/or economic conditions, or a specific market dislocation or rise in the general level of interest rates, may lead to a decline in the net asset value of a Fund's investments.

Market driven regulatory challenges could limit a Fund's activities or cause unforeseen adverse effects

In recent years, world financial markets experienced extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators in the U.S. and several other countries undertook unprecedented regulatory action. The U.S. government and securities regulators of many other jurisdictions (including the European Union) continue to consider and implement measures to stabilize U.S. and global financial markets. The Funds may be adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant

new regulations (including the Directive on Alternative Investment Fund Managers currently being implemented within the European Union) that could limit a Fund's activities and investment opportunities or change the functioning of the capital markets. Any such regulations could have an adverse impact on a Fund, including on the ability of the Fund to achieve its objectives.

Non-U.S. investments may pose different risks than U.S. investments

Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (i) differences between the U.S. and foreign securities markets, including greater price volatility in and less liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (ii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (iii) the possible imposition of foreign taxes on income and gains recognized with respect to such securities.

Movements in currency exchange rates could negatively affect our Clients

The Funds are generally denominated in U.S. dollars or Euros, depending on their investment focus. However, the Funds may make investments denominated in currencies other than the Fund's currency. Distributions received by the Fund in a local currency will be converted back to the Fund currency for distribution to Clients. The partnerships and companies in which the Funds invest may similarly be conducting their business in multiple currencies. An investment in the Funds will therefore be subject to currency exchange risk

Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Any returns on, and the value of, the Funds and the partnerships and companies in which the Funds invest may, therefore, be materially affected by these factors and by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors. Accordingly, a change in the value of the currencies in which investments are denominated against the Fund's currency may adversely affect valuations or increase the Fund's liabilities in relation to available resources. In addition, the Funds will incur costs in connection with conversions between various currencies.

Short-term currency fluctuations should not significantly affect the Funds' performance because capital calls (cash out-flows) and distributions (capital in-flows) will occur over an extended period of time. While HarbourVest has expertise in hedging and the use of

forward contracts, the nature and timing of liquidity opportunities do not allow sufficient circumstances to protect against the potentially adverse effect of movements in currency exchange rates. The Funds may occasionally hedge, but Clients should understand that currency risk is inherent in long term, international private equity investing.

Our other Clients may also be subject to these currency exchange risks.

Geographic concentration risk may pose additional risks

Certain Funds will focus their investments in a particular geographic region and therefore will be particularly vulnerable to events affecting companies in such region. The economy of a particular country in which a geographically focused fund may invest is influenced by economic and market considerations in other countries in the relevant region. Investors' reactions to events in one country can have adverse effects on the securities of companies and the value of property and related assets in other countries in which a geographically focused fund may invest. The performance of a geographically focused Fund may be worse than the performance of other funds that invest more broadly geographically,

Private equity investments are generally illiquid

A substantial proportion of our Clients' investments are in private equity funds or private companies and require a long-term commitment of capital. A limited partner's interest in a Fund is also subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises and the investor may realize a substantial loss on the sale of such investment.

Investment Advisor Risks

The departure or reassignment of some or all of HarbourVest's investment professionals could prevent a Client from achieving its investment objectives

The success of a Fund or Separate Account will depend in substantial part on the skills and expertise of the investment professionals of HarbourVest. The loss of one or more key individuals could have a material adverse effect on the performance of a Fund or Separate Account.

Our Clients depend on the diligence, skill, and business contacts of HarbourVest's investment professionals, and the information and deal flow they generate during the normal course of their activities. The ability of a Client to achieve its objectives depends on the continued service of these individuals, who are not obligated to remain employed with HarbourVest or its affiliates. The market for experienced private equity investment professionals is highly competitive. If HarbourVest fails to adequately compensate its investment professionals, in light of such market conditions, one or

more of such individuals could cease to work for HarbourVest. HarbourVest has experienced departures of investment professionals in the past and may do so in the future, and it cannot predict the impact that any such departures will have on a Client's ability to achieve its investment objectives.

As it does on a regular basis, HarbourVest continues to review and revise its policies for compensation, succession and retirement of its investment professionals and transition of management and control. Whether or not such policies are revised, there is a risk that investment professionals of HarbourVest could depart. The departure of any of HarbourVest's senior investment professionals, their reassignment to duties other than having responsibility for managing our investments, a significant deterioration in their performance, the departure of a significant number of HarbourVest's other investment professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures or reassignment could have a material adverse effect on a Client's ability to achieve its investment objectives.

In addition, the limited partnership agreements of the Funds contain "key man" provisions which require certain groups of individuals to remain active in the management of those funds. The departure of a significant number of those individuals could trigger certain consequences under those provisions, including possibly the cessation of further investing activity by that Fund. Those consequences could materially harm the value of a Fund.

Risks Related to Fund Structure and Other Risks

Investors have limited control over the Funds

Investors in private equity funds will have no right or power to participate in the management or control of the business of the funds and thus must depend solely upon the ability of the general partner and HarbourVest with respect to the conduct of the affairs of the Funds.

The Funds will experience time delays in receiving financial and other information from managers of the private equity funds in which they invest

The values of Client investments will be reported based on their net asset value. In determining such values, we are reliant on receiving financial data from the managers of their underlying investments. Such information is generally provided on a quarterly basis. To the extent that the net asset value of any investment in an underlying partnership's portfolio changes without our knowledge, the reported value of the Client's investment will not immediately reflect such a change.

Side Letter Agreements

The general partner and/or a Fund may enter into other written agreements ("Side Letters") with one or more limited partners. These Side Letters may entitle a limited

partner to make an investment in such Fund on terms other than those described in the limited partnership agreement. Any such terms, including with respect to (i) reporting obligations of a Fund, (ii) transfer to affiliates, or (iii) any other matters described therein, may be more favorable than those offered to any other limited partners.

Limited partners in a Fund are subject to restrictions on transfer and withdrawal

Interests in a Fund should be considered as long-term, illiquid investments, and investors must be willing to bear the economic risk of an investment in a Fund for an indefinite period of time. The interests in the Fund will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or any state or other securities laws and may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. We have no plans, and are under no obligation, to register the interests in the Funds under the Securities Act. Interests in a Fund may not be sold, assigned, participated, pledged or otherwise transferred without the prior written consent of the general partner of the Fund. Furthermore, limited partners may not withdraw capital from a Fund.

Limited partners in a Fund could be diluted from subsequent closings

Limited partners subscribing for interests in a Fund at subsequent closings will participate in existing investments of the Fund, diluting the interest of existing limited partners therein. Although such limited partners will contribute their pro rata share of previously made Fund draws (plus an additional amount relating to the cost of money previously contributed by existing limited partners), there can be no assurance that this payment will reflect the fair value of the Fund’s existing investments at the time such additional limited partners subscribe for interests in the Fund.

The structure of a fund-of-funds results in multiple expenses borne by a limited partner

Each underlying partnership will impose carried interest payments as well as management costs and other administrative expenses. In addition, a limited partner in a Fund will incur management costs and other administrative costs and carried interest payments. This will result in greater expense than if a Client invested directly in the underlying partnership.

Failure of a limited partner to make capital contributions could cause them to be in default and could have a negative effect on the Fund or other limited partners

If a limited partner fails to pay when due installments of its commitment to a Fund, and the contributions made by non-defaulting limited partners and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subject to significant penalties that could materially adversely affect the returns to the limited partners

(including non-defaulting limited partners). If a limited partner defaults, it may be subject to various remedies as provided in the partnership agreement of the Fund, including without limitation, reductions in its capital account balance.

Investors in the private equity funds in which our Clients invest are subject to certain indemnification obligations that could result in a recall of distributions

Investors in a private equity fund are generally required to indemnify its general partner, the affiliates of its general partner and their respective managers, members, partners, agents and employees, and all of their respective successors, heirs and assigns and its advisory committee for liabilities incurred in connection with the affairs of such fund and otherwise as provided in the partnership agreement of such fund. Such liabilities may be material and have an adverse effect on the returns to Clients and the limited partners of a Fund. If the assets of the relevant fund are insufficient to cover such indemnification obligations, its general partner may, subject to certain limitations set forth in the partnership agreement of the relevant fund, have the right to recall distributions previously made to any of such fund's limited partners to cover the shortfall.

Liability of limited partners that invest in a Fund

The general partner may require each limited partner to return distributions made to such limited partner for the purpose of meeting such limited partner's pro rata share of the Fund's obligations (including any indemnification obligations). Limited partners may also face acceleration of the payment of their commitments pursuant to capital calls in the event of a default by another limited partner. Pursuant to a Fund's limited partnership agreement, any defaulted capital calls by a limited partner may be funded through additional capital calls from non-defaulting limited partners in the Fund, and the non-defaulting limited partners will be obligated to fund such calls (subject to the maximum aggregate commitment of such non-defaulting limited partners to the Fund).

A Client may be subject to additional risks upon the disposition of investments

In connection with the disposition of a portfolio investment, a Client or the underlying partnerships may be required to make representations about the business and financial affairs of the portfolio companies typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Client or the underlying partnerships may also be required to indemnify the purchasers of such portfolio investments or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the limited partners to the extent of their commitments. Also, a Client's limited partnership agreement contains

provisions to the effect that if there is any such claim in respect of an investment, it will be funded by the partners, subject to certain limitations.

The Fund's direct and indirect investments in operating companies could be deemed to be control positions which could expose the Fund or the underlying partnerships to risk of liability

The underlying partnerships (alone, or together with other investors) may be deemed to have a control or management position with respect to one or more of their portfolio companies. This in turn could expose the underlying partnerships to risk of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability, including, in the case of debt investments, lender liability.

A Fund's minority direct and indirect investments in operating companies will subject the Fund to actions taken by the majority holders of the securities of such companies that may not be aligned with the Fund's investment profile and goals

The Fund or the underlying partnerships may make minority equity investments in portfolio companies where the Fund or the underlying partnerships may not be able to protect their portfolio investments or to control or influence effectively the business or affairs of such entities. In such cases, the Fund or the underlying partnerships will rely significantly on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may at times conflict with the Fund's interests. The Fund and the underlying partnerships may therefore be adversely affected by actions taken by the majority equity holder(s) of the portfolio companies in which they invest. There can be no assurance that meaningful minority shareholder rights will be available to the Fund or the underlying partnerships or that any rights received will provide full protection of a Fund's interests.

The Funds are not regulated as an investment company under the U.S. Investment Company Act and related rules

The U.S. Investment Company Act of 1940 and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. While a Fund may be considered similar in some ways to investment companies, it is not required, and does not intend, to register as such under the Investment Company Act and, accordingly, limited partners are not accorded the protections of the Investment Company Act.

No separate counsel

HarbourVest has retained counsel to advise it as well as to act as special counsel to the general partners of the Funds, in connection with their organization, offering, and

ongoing investment activities. Separate counsel has not been engaged by the Fund to act on behalf of limited partners in the Fund.

Clients could be deemed Underwriters

When restricted securities are sold to the public, a Client may be deemed an “underwriter,” or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under that Act

The Funds may be subject to taxes in various jurisdictions

A Fund may be subject to tax return filing obligations and income, franchise or other taxes in the jurisdictions in which *it* invests. In addition, income or gains from investments held by *a Fund* may be subject to withholding or other taxes in such jurisdictions.

The taxation of partnerships is extremely complex

The U.S. federal, state and local income taxation of partnerships is extremely complex, involving, among other things, significant issues as to the character, timing of realization and sourcing of gains and losses. Limited partners in a Fund may be allocated a portion of taxable income of the Fund without regard to actual cash distributions. Accordingly, a limited partner’s tax liability could exceed the cash distributions to it in any tax year. In addition, legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund, its portfolio investments or its partners.

Each investor in a Fund should consult its own tax advisers with reference to its specific tax situations, including any applicable U.S. federal, state, local and non-U.S. taxes.

OTHER CONFLICTS

Conflicts of Interest Generally

Various conflicts of interest that may arise in respect of HarbourVest’s business, as well as a summary of how HarbourVest addresses such conflicts of interest, are described below. This discussion does not, however, describe all conflicts that may arise, certain of which may be disclosed throughout this document, which should be read in its entirety.

Resolution of Conflicts

HarbourVest deals with all conflicts of interest using its good faith judgment, but in its sole discretion. In resolving conflicts that may arise among Client accounts managed by HarbourVest or a general partner, HarbourVest may consider various factors, including the immediate and/or longer term interests of the Clients. Certain important conflicts of interest may be resolved by set the investment guidelines set forth in the partnership agreements of the Funds. In the case of all conflicts involving Clients, the determination as

to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of HarbourVest, except as required by law (e.g., ERISA), the governing documents of the relevant Funds, or the management agreement of any Separate Account.

Sources of Conflicts

Conflicts Relating to the Purchase and Sale of Investments

Other Clients may invest in transactions in which a particular Client participates, and other Clients may invest in assets eligible for purchase by such Client, but in which it does not participate. The investment policies, fee arrangements, carried interest, investments owned by employees of HarbourVest or its affiliates with respect to a Client, and other circumstances of the Client, may vary from those with respect to other Clients. These relationships may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a particular Client.

Subject to any requirements of the governing instruments of the Funds and the management agreements of Separate Accounts, opportunities for investments will be allocated among Clients in a fair and equitable manner that HarbourVest, as well as the respective general partners of the Funds, believe in their sole discretion to be appropriate given factors they believe to be relevant. When making these determinations, HarbourVest will consider some or all of the following factors: (i) the size, nature and type of investment or sale opportunity; (ii) principles of diversification of assets; (iii) the investment guidelines and limitations of the Clients; (iv) cash availability, including cash that becomes available through leverage; (v) the magnitude of the investment; (vi) a determination by HarbourVest that the investment or sale opportunity is inappropriate, in whole or in part, for one or more of the Clients; (vii) applicable transfer or assignment provisions; (viii) proximity of a Client to the end of its investment period or specified term, if any; or (ix) such other factors as HarbourVest may reasonably deem relevant.

A Client may be purchasing an investment at a time when another Client is selling the same or a similar investment, or vice versa.

Conflicts may arise when a Client makes investments in conjunction with an investment being made by another Client, or in a transaction in which another Client has already made an investment. Investment opportunities may be appropriate for a Client and another Client at the same time. Conflicts may also arise in determining the terms of investments. For example, investments by a Client in transactions controlled by another Client may be subject to investment terms, including with respect to liquidity or governance, that may be more restrictive than those preferable for such Client if it were investing without another Client. As another example, conflicts with respect to the terms of investments may arise where Clients may invest in different types of securities in a single portfolio company.

There can be no assurance that the return on a Client's investments will not be less than the returns obtained by other Clients participating in the transaction. HarbourVest will determine all matters relating to structuring transactions and capitalizing portfolio

companies, including the amount and terms of securities and allocation of securities among the involved Clients, using its good faith judgment considering all factors it deems relevant, but in its sole discretion.

In addition to the fees described in Item 4, Clients will also bear the expenses and fees generated in the course of evaluating and making investments, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals. Generally, in the event an investment transaction closes, such expenses and fees are allocated to Clients proportionately to their respective investments. However, the appropriate basis for allocating such fees and expenses often may not be clear, especially where more than one Client participates in a transaction that does not close. In such circumstances, HarbourVest will allocate the fees among the Clients for which the investment was considered on a basis that HarbourVest concludes is fair and reasonable

Conflicts Relating to Existing Investments

Further conflicts may arise once a Client has made an investment in a company or underlying fund in which another Client has also invested. For example, questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Clients may or may not provide such additional capital. HarbourVest will resolve all such conflicts in accordance with law using its good faith judgment, but in its sole discretion.

Investments to finance follow-on acquisitions are a regular part of the business of certain of the Funds. Follow-on investments involving multiple Clients present conflicts of interest, including determination of the equity component and other terms of the new financing. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which other Clients have invested or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. HarbourVest will resolve all such conflicts using its good faith judgment, but in its sole discretion.

In addition, a potential conflict may arise between investors in a Fund in the event that a limited partner requests to transfer its interest in a Fund in a secondary transaction. Subject to any restrictions in the organizational documents of the applicable Fund, or terms that may be negotiated in any side-letter arrangement, HarbourVest or the general partner may identify certain, but not all, investors to potentially acquire the interest being transferred.

Conflicting Client Objectives

A Fund and the other Funds will generally engage common legal counsel and other advisers to represent all of the Funds in a particular transaction, including a transaction in which the Funds have conflicting interests because they are investing in different securities of a single portfolio company. In the event of a significant dispute or divergence of interest between one or more Funds, such as in a work-out or other distressed situation, separate representation may become desirable, in which case HarbourVest may hire separate counsel in its sole discretion, and in litigation and other circumstances, separate representation may be required.

A Fund and the other Funds may have tax-exempt, taxable, foreign and other investors, whereas most members of the HarbourVest general partners and other Funds are taxable at individual U.S. rates. Conflicts may exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

HarbourVest or a Fund may from time to time purchase investments or otherwise engage in business transactions with limited partners or prospective limited partners of such Fund or other Funds or their affiliates. In particular, if a Fund buys an investment from an entity that may invest in such Fund or another Fund, HarbourVest may have an incentive to provide such entity with favorable terms in order to encourage it to invest in a Fund. HarbourVest seeks to deal with such entities on an arms' length basis in such transactions.

Item 9 – Disciplinary Information

HarbourVest has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

HarbourVest or a related person is a general partner in the Funds in which limited partners are solicited to invest.

As described in Item 4 above, HarbourVest and the members (owners) of HarbourVest form limited partnerships or limited liability companies to serve as general partner of the Funds formed.

Our affiliate, Hancock Venture Partners, Inc. ("Hancock") also provides investment management services to certain of the Funds that we manage.

Item 11 – Code of Ethics

In accordance with Rule 204A-1 of the Investment Advisers Act of 1940, HarbourVest maintains a Code of Ethics. The Code of Ethics sets forth a standard of conduct expected of all employees and addresses certain other matters including the misuse of nonpublic information, insider trading, personal trading activity and political contributions. Certain employees are also required to provide information concerning their personal securities investment activities. This information is reviewed by HarbourVest to determine if an employee's personal trading activity is inconsistent with the employee's duties to HarbourVest, or the interest of our Clients or Fund investors. The Code of Ethics reminds employees of their obligations to Clients and their obligations to comply with federal securities laws. Each employee is required to acknowledge receipt of the Code of Ethics and certify compliance on an annual basis. A copy of the Code of Ethics is available to Clients and Fund investors upon request.

Item 12 – Brokerage Practices

HarbourVest manages accounts on a discretionary basis. Investments that HarbourVest makes are generally investments in private companies or purchases in private placements and do not involve brokers. The Firm uses brokers to sell public stock received in the form of stock distributions from underlying partnerships or received when a private company completes an initial public offering. When selling securities HarbourVest generally sells through a diversified group of brokers. Brokers are selected on the basis of best price and execution. Soft dollars arrangements are not utilized for this purpose.

Item 13 – Review of Accounts

Officers of HarbourVest review the investment portfolio with Fund investors and Separate Accounts on no less than a semi-annual basis with a written report. It is the intent of HarbourVest to meet with investors in a Fund at least once a year. The officers of HarbourVest are available to meet with investors and Separate Account Clients more frequently if desired.

Investor relationships are allocated among senior HarbourVest professionals in an appropriate fashion. Reviews do not take place in accordance with any particular sequence unless requested by investors. Matters reviewed include investment commitments and the investment environment. The performance of the Funds in which the limited partner is invested and the Fund's investment portfolio are also discussed. Emphasis is placed on new investments, deal flow, investment pace, the development of a Fund's portfolio, cash flow activity, a review of HarbourVest, and the state of the private equity industry. Performance metrics, including internal rates of return are also reviewed. While the

investor usually establishes the time for reviews, if dramatic changes occur which could impact the portfolio, it will trigger HarbourVest to undertake a review.

On an annual and semi-annual basis, a detailed review of the portfolio is provided including valuations of investments, a description of investment performance, and an accounting of limited partnership interests. Statements of account are provided quarterly. In addition, financial statements are audited by an independent certified public accounting firm of nationally recognized standing annually, where required.

Additionally, HVPE and HSLE (as described in item 5) produce monthly statements, together with explanatory notes, setting out the estimated net asset value of the investments, the composition of the investments and the number of issued shares as at the relevant date of such statement. These statements as well as the annual audited financial statements and semi-annual financial statements are available on these investment companies' respective web sites.

Meetings with, and reports to, Separate Account Clients occur based on the requirements of the related Separate Account investment management agreement.

Item 14 – Client Referrals and Other Compensation

HarbourVest does not have arrangement under which it pays third parties to solicit potential investors. It does, however, have arrangements with third party solicitors to refer potential investors to the Funds. HarbourVest compensates these solicitors, generally based on a percentage of the amount committed to a Fund by these investors.

HarbourVest has an agreement with Edison Investment Research ("Edison"), whereby Edison is compensated for arranging meetings with potential investors and providing general marketing services to raise awareness of HVPE among UK-based wealth management firms. Edison receives a fixed annual fee.

HarbourVest has an agreement with bfinance UK Ltd. ("bfinance"), whereby HarbourVest may be invited to tenders organized by bfinance on behalf of investors and on a non-exclusive basis seeking to select a fund manager to manage investments which may be effected through investments in the Funds. HarbourVest compensates bfinance a specified percentage of the amount invested.

HarbourVest has an agreement with Larrain Vial Investment, Inc. ("Larrain Vial"), whereby Larrain Vial is compensated for referring certain investors who maintain their primary place of business and primary contact in Chile to the HarbourVest Partners IX Investment Program and the HarbourVest International Private Equity Partners VI Investment Program, HarbourVest Partners 2012 Direct Fund, and the Dover Street VIII, L.P.

HarbourVest pays Larrain Vial a specified percentage of the management fees paid with respect to such investors.

HarbourVest has an agreement with Nomura Securities Co., Ltd. ("Nomura"), whereby Nomura is compensated for referring certain investors who maintain their primary place of business and primary contact in Japan to the HarbourVest International Private Equity VI Investment Program. HarbourVest pays Nomura a specified percentage of the management fees paid with respect to such investors.

HarbourVest has an agreement with Samsung Securities Co., Ltd. ("Samsung"), whereby Samsung is compensated for referring certain investors in Korea to the Dover VIII Investment Program. HarbourVest pays Samsung a specified percentage of the management fees paid with respect to such investors.

HarbourVest has an agreement with El Dorado Investments ("El Dorado"), whereby El Dorado is compensated for referring certain investors in Peru to the HarbourVest Partners IX Investment Program, HarbourVest Partners 2012 Direct Fund, Dover Street VIII, L.P. and the HarbourVest Partners Latin America Fund of Funds. HarbourVest pays El Dorado a specified percentage of the management fees paid with respect to such investors.

Item 15 – Custody

We may be deemed to have custody of the Funds' assets because we serve as general partner to the Funds. HarbourVest retains the custodial services of Merrill Lynch for direct investments in companies and stock distributions in private companies. Publicly-traded stocks in a Fund's portfolio are held in various brokerage accounts until sold.

Item 16 – Investment Discretion

As described in Item 5, HarbourVest manages accounts on a discretionary basis. The limited partnership agreement for each Fund and the investment management agreement relating to each Separate Account sets forth the investment guidelines. Investments that HarbourVest makes are generally purchased in private placements and do not involve brokers. When selling securities HarbourVest generally sells through brokers.

Item 17 – Voting Client Securities

In accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, HarbourVest has adopted Proxy Voting Policies and Procedures to address how HarbourVest will vote proxies on behalf of the Funds. The policy is designed to ensure that proxies are voted in the best interest of our Clients and the limited partners of the Funds, including when there may be material conflicts of interest in voting proxies. A Client or Fund investor may obtain a copy of HarbourVest's Proxy Voting Policies and Procedures and information

about how HarbourVest voted proxies by sending an e-mail to client_relations@harbourvest.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about HarbourVest’s financial condition. HarbourVest has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.