

Item 1 – Cover Page

HarbourVest Partners, LLC
as of March 31, 2017

One Financial Center
Boston, MA 02111
+1-617-348-3707
www.HarbourVest.com

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 Compliance@HarbourVest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) 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

There have been no material changes to HarbourVest since the last brochure was submitted to the SEC on March 31, 2017. The description of certain fees and expenses was expanded upon in Item 5 and the description of certain potential conflicts of interest was expanded upon in Item 11.

Our brochure may be requested, at any time without charge, by contacting us at Compliance@HarbourVest.com.

Item 3 - Table of Contents

<u>Item 1 – Cover Page</u>	1
<u>Item 2 – Material Changes</u>	2
<u>Item 3 – Table of Contents</u>	3
<u>Item 4 – Advisory Business</u>	4
<u>Item 5 – Fees and Compensation</u>	5
<u>Item 6 – Performance-Based Fees and Side-By-Side Management</u>	8
<u>Item 7 – Types of Clients</u>	9
<u>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</u>	9
<u>Item 9 – Disciplinary Information</u>	31
<u>Item 10 – Other Financial Industry Activities and Affiliations</u>	31
<u>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u>	32
<u>Item 12 – Brokerage Practices</u>	38
<u>Item 13 – Review of Accounts</u>	38
<u>Item 14 – Client Referrals and Other Compensation</u>	39
<u>Item 15 – Custody</u>	40
<u>Item 16 – Investment Discretion</u>	40
<u>Item 17 – Voting Client Securities</u>	40
<u>Item 18 – Financial Information</u>	41

Item 4 – Advisory Business

HarbourVest is an independent investment firm that provides private market solutions to institutional and sophisticated high net worth investors worldwide. Our primary advisory business is managing private equity funds (“Funds”) and customized separately managed accounts (“Separate Accounts”). Absent individually negotiated restrictions imposed by some Funds or Separate Accounts, HarbourVest acts as the sole general partner of HarbourVest Partners L.P. and as the ultimate general partners of the respective Funds. HarbourVest (or HarbourVest Partners (Europe) Limited for Funds formed under the Alternative Investment Fund Managers Directive) has exclusive responsibility and authority for the selection of investments for and the management of the Funds and Separate Accounts, and generally devotes substantial time and resources to the operation of the Funds and Separate Accounts.

HarbourVest also provides portfolio monitoring and reporting services (“Portfolio Monitoring Clients”).

An affiliate of HarbourVest acts as investment manager to HarbourVest Global Private Equity Limited (“HVPE”; collectively with the Funds, the Separate Accounts, and the Portfolio Monitoring Clients, referred to herein as “Clients”), a publicly-traded closed-end investment company organized under the laws of Guernsey. HVPE 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 the Main Market of the London Stock Exchange and is also a constituent of the FTSE 250 index. 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. The affiliate, or its designee, will be paid certain fees with respect to co-investments that HVPE makes alongside the Clients. The fee schedule for such co-investments mirrors the fee schedule paid by the applicable Client.

HarbourVest’s Clients invest in venture and growth equity buyout, mezzanine and distressed debt, and real asset 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 co-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 Clients.

HarbourVest’s Clients 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 Clients are designed to provide investors with comprehensive private equity solutions or specialized solutions, depending on its needs.

HarbourVest's history dates back to 1982. In 1982, the HarbourVest team formed its first Client, 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 Client was one of the first private equity fund of funds ever formed. The team also has a long track record of secondary and direct co-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 (1990), Hong Kong (1996), Tokyo (2010), Beijing (2012), Canada (2014), Seoul, and Tel Aviv (both in 2015). A representative office was established in Bogotá in 2011. An Alternative Investment Fund Manager, HarbourVest Partners (Europe) Limited, was established in 2013. In February 2016, HarbourVest acquired the Bank of America Merrill Lynch Capital Access Funds business from Bank of America including the group's six-person investment staff.

For over 35 years HarbourVest has committed more than \$33 billion to primary partnerships, \$18 billion to secondary investments, and \$7 billion to direct co-investments.

HarbourVest has an experienced team of more than 100 investment professionals and more than 200 professionals dedicated to finance, tax, compliance, legal, analytics, and communications.

HarbourVest's investment team is characterized by its consistency and continuity. The average tenure of its 46 managing directors is 13 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.

As of September 30, 2017, HarbourVest has \$46,108,034,531 in regulatory assets under management on a discretionary basis and \$4,298,364,013 in regulatory assets under management on a nondiscretionary basis.

Item 5 – Fees and Compensation

HarbourVest receives management fees to cover administrative, management, investment management, and supervisory services it provides to the Clients. Management fees are established in negotiations with the Separate Accounts and Portfolio Monitoring Clients or, with respect to the Funds, the limited partners of the Funds. Management fees may range from .5% to 2.0% of committed, called, or invested capital of the Client, pursuant to the limited partnership agreement or Investment Management Agreement of the Client. Fees for Clients in extension years may be reduced, including to nil. The specific payment terms and other conditions of the management fees are set forth in the governing documents relating to the Clients.

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

HarbourVest occasionally collect fees related to portfolio transactions or other services provided to portfolio companies. All such fees are offset against the applicable Client's management fee.

HarbourVest has and may in the future enter into arrangements with certain persons to provide services to Clients. HarbourVest will allocate fees and expenses with respect to such services on a fair and equitable basis. For example, HarbourVest has entered into a retainer arrangement with a consultant to provide due diligence services with respect to direct investments across the HarbourVest platform and generally expects to allocate fees and expenses with respect thereto to Clients based on amounts actually invested in direct investments, regardless of whether or not the consultant provided services on a particular direct investment or provided services for a deal in which a Client invested.

Client investors will typically bear all the costs and expenses relating to the operations of the Client and its general partner (or similar managing fiduciary). Such costs and expenses include all reasonable expenses related to a Client, including: (i) legal, accounting, regulatory, compliance, administrator, consulting (including expert network and media consultants) and other external professional fees and expenses, and database subscriptions, (ii) travel expenses which include expenses for first class or equivalent travel and have in the past and may in the future include the cost of non-commercial air travel (to the extent not subject to any reimbursement of such costs and expenses by portfolio investments or third parties); (iii) out of pocket costs of evaluating potential portfolio investments (including broken deal expenses in the case of unconsummated investments) or temporary investments and of sourcing, making, holding, or selling portfolio investments and temporary investments, such as recordkeeping expenses, travel expenses, finders fees, placement fees, brokerage fees and other fees, costs, and expenses; (iv) expenses related to the organization or maintenance of any entity (including intermediate entities) used to acquire, hold, or dispose of any portfolio investment or otherwise facilitate the Client's investment activities, including without limitation any travel and accommodation expenses related to such entity, the salary and benefits of any non-HarbourVest personnel reasonably necessary for the maintenance of such entity and other overhead expenses in connection therewith; (v) expenses related to borrowing and other similar fees and expenses; (vi) out of pocket costs of reporting to Client investors, including annual software licensing fees related to investor reporting; (vii) costs and expenses related to a Fund's annual meeting, including hotel accommodations and entertainment; (viii) any taxes, fees, or other governmental charges levied against a Client or its income or assets or in connection with its business or operations; (ix) out of pocket costs of HarbourVest team members travelling to meet with a Client investor(s); (x) costs and expenses of a Fund's advisory committee, including travel and hotel accommodations; (xi) insurance; and (xii) all other costs and expenses of a Client, the manager, or its affiliates in connection with a Client and its limited partnership agreement or governing documents, such as costs of litigation or other matters that are the subject of indemnification pursuant to the limited partnership agreement, and costs of winding-up and liquidating a Client.

Allocation of Expenses

A Client generally shall only bear its pro rata share of any such expenses incurred in connection with any portfolio investment to the extent the same portfolio investment is being made by other HarbourVest managed investment vehicles. Client-specific expenses will generally be allocated to the Clients incurring such expenses, however certain other Clients may indirectly benefit from products or services paid for by another Client.

The appropriate allocation between a Client and other Clients managed by HarbourVest of expenses and fees generated in the course of sourcing, evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorneys' fees and the fees of other professionals, will be determined by the general partner generally based on expected participation.

However, certain Clients will not bear broken deal expenses, and in such event a Client may bear more than its share of expenses. Similarly, co-investors in one or more specific investments will not necessarily be required to share in broken-deal expenses that are paid by a Client, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to a Client, and in such event a Client will bear all such expenses.

Expenses related to consummated investments will generally be allocated by invested capital among a Client and other Clients managed by HarbourVest.

Organizational expenses of a Fund and its related AIFMD-regulated Fund, as applicable, (including organizational expenses of any related feeder funds) will be aggregated and allocated between a Fund and its related AIFMD-regulated Fund, as applicable, based on the relative commitments of the investors of a Fund and the commitments of the investors of its related AIFMD-regulated Fund (unless the general partner determines in good faith that a different share is appropriate). Accordingly, a Fund may bear certain organizational expenses of its related AIFMD-regulated Fund, and a related AIFMD-regulated Fund may bear certain organizational expenses of its related Fund. In the event that the related AIFMD-regulated Fund does not close on any third party commitments, a Fund will bear all the organizational expenses of the related AIFMD-regulated Fund (unless the general partner determines in good faith that a different share is appropriate). In the event that any related feeder fund does not close on any third party commitments, a Fund and its related AIFMD-regulated Fund will bear the organizational costs of such related feeder fund pro rata based on the relative commitments of the partners of a Fund and the commitments of the investors of its related AIFMD-regulated Fund (unless the general partner determines in good faith that a different share is appropriate).

In addition, HVPE reimburses HarbourVest for partial salary and fringe benefit costs associated with HarbourVest employees working on HVPE matters.

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

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

The governing documents for a Client set forth the formula for the allocation of profits and losses of such Client; this performance fee is a typical feature of private equity funds and is commonly referred to as “carried interest.” Generally, the allocation formula for a Client includes the realized gains and losses, and unrealized gains and losses of securities over any given period. The governing documents for a Client describe the method by which the assets of a Client will be valued. Distributions to HarbourVest (or an affiliate) in connection with carried interest are dependent, in part, on the unrealized value of certain investments, which could provide an incentive for HarbourVest (or an affiliate) to use higher valuations. However, Clients report in conformity with U.S. Generally Accepted Accounting Principles (GAAP), which requires fair value measurements.

No carried interest will be allocated by a Client to HarbourVest (or an affiliate) for any given period if, at the end of that period, the cumulative amount of losses of a Client for that period and all prior periods exceeds the cumulative amount of gains for that period and all prior periods; except 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 Client, 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 HarbourVest (or an affiliate) 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 or to overstate their valuations which would benefit HarbourVest. However, this incentive may be tempered in that losses will reduce a Client’s performance and thus the carried interest received by HarbourVest (or an affiliate), and by Client or Client investor oversight of a Client’s valuation policies.

HarbourVest may receive different amounts of compensation from one Client, in comparison to that of another Client, each having similar investment objectives. HarbourVest may have an incentive to favor the Client from which it receives higher compensation. HarbourVest has in place policies and procedures designed to ensure allocation of investments to all Clients (individually and collectively) are on a fair and equitable basis. See Item 11 for additional information on HarbourVest’s allocation policies.

Item 7 – Types of Clients

HarbourVest provides investment advice and portfolio management services to Clients, any subsequent limited partnerships formed by HarbourVest, Separate Accounts, the Portfolio Monitoring Clients and HVPE.

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 investors.

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

METHODS OF ANALYSIS & INVESTMENT STRATEGIES

The long-term objective of a Client 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 co-investments in private companies, generally through buyout, growth, or credit transactions (direct co-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 Co-Investments - HarbourVest employs a number of methods of analysis in the direct co-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. It is the intent of HarbourVest for a Client 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 Client's investors. HarbourVest may also make distributions in kind to Client investors.

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

RISKS OF LOSS

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 Client investors 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

An investment in a Client requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to the investors. Because of the risks involved, the lack of a public market for interests in a Client, and restrictions on transfer of interests, investment in the Client is only suitable for sophisticated investors who are willing to hold their interests for the term of a Client, and who understand that they may lose all or a significant portion of their invested capital. The general partner of a Client expects the managers of the portfolio partnership investments of a Client to hold its investments for a number of years, and generally expects to hold direct co-investments in operating companies for a number of years. Additionally, a Client may be prohibited by contract or applicable laws from selling certain securities for a period of time.

Nature of the investments of a Client

Many Client investments will be highly illiquid, and there can be no assurance that a Client will be able to realize such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period, may be required to be made at inopportune times or may result in distributions in kind to the investors.

A Client might not obtain suitable investments, and, even if it does, 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 a Client 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 or considered for prospective investment.

Purchasers of Client interests do not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments being made by a Client and, accordingly, will be dependent upon the judgment and ability of the general partner and HarbourVest in investing and managing the capital of a Client. 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 a Client will be achieved. Accordingly, there can be no assurance that a Client will be able to identify and complete attractive investments in the future or that they will be able to invest fully its commitments.

Competition for access to investment funds and other investments

HarbourVest seeks to maintain excellent relationships with the general partners and managers of investment funds in which they have previously made investments, and the sponsors of investments that might provide the opportunity for co-investments. However, due to the number of investors seeking to gain access to underlying funds and co-investment opportunities managed or sponsored by the top performing managers, there can be no assurance that HarbourVest will be able to secure the opportunity to invest its Clients in all of the investments it selects, or that the size of the investments available to HarbourVest Clients will be as large as desire. Access to opportunities to make secondary investments is also highly competitive, and is often controlled by a limited number of general partners and intermediaries.

Private equity investments are generally illiquid

Substantial proportions of a Clients' investments are in private equity funds or private companies and require a long-term commitment of capital. A Client investor 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.

Within private equity, particular investment strategies have specific risks

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

- **Venture Capital and Growth Equity Investments** - HarbourVest 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. The most significant risks include the risks associated with investments in (i) companies in an early stage of development or with little or no operating history; (ii) companies operating at a loss or with substantial fluctuations in operating results from period to period and; (iii) companies with the need for substantial additional capital to support or to achieve a competitive position. 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** - HarbourVest 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.
- **Investments in Special Situation, Recapitalization, and Distressed Debt Transactions** - HarbourVest 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 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 Natural Resources and Energy Investments (Real Asset Investments)** - Investments in the natural resource (inclusive of energy) sector may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks may include but are not limited to: (i) the risk that the technology employed in a project will not be effective or efficient; (ii) risks of equipment failures, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in energy, power or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, and catastrophic events; (iii) risks that regulations affecting the industry will change in a manner detrimental to the industry; (iv) environmental liability risks related to properties, and projects; (v) uncertainty about the extent, quality, and availability of mineral, oil, gas, and coal reserves; and (vi) the risk of changes in values of companies in the natural resources sector whose operations are affected by changes in prices, and supplies of fuels (prices, and supplies of fuels can fluctuate significantly over a short period of time due to changes in international politics, conservation, the success of exploration projects, the tax, and other regulatory policies of various governments, and the economic growth of countries that are large consumers of resources, as well as other factors). The occurrence of events related to the foregoing may have a material adverse effect on a Client and its investments.

Investments in natural resources and energy services companies, including mining and oilfield service, product manufacturing, and technology businesses that are involved in the preparation, drilling, completion, production, and abandonment of oil and gas wells and mines may be subject to fluctuations in the demand for their services based on commodity prices, the macroeconomic environment, customer concentration, availability of alternative technologies or services and political or market pressures favoring these alternatives.

- **Investments in Credit & Subordinated Debt Investments (Mezzanine Investments)** - 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 in the U.S. are usually unsecured. Should an issuer trigger an event of default, depending on the capital structure and the issuer's financial situation, the Client could lose the entire value of its investment. The ability of the subordinated debt holders to influence a company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under the terms of subordination agreements, senior creditors are typically able to block the acceleration of the subordinated debt or other exercises by the subordinated creditors

of their rights. Accordingly, the Client may not be able to take the steps necessary to protect its investments in a timely manner or at all.

Certain of a Client's debt investments may be unsecured and may be structurally or contractually subordinated to substantial amounts of indebtedness, all or a significant portion of which may be secured. Such debt investments may not be protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there may be no minimum credit rating (or any credit rating) for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of portfolio companies, government fiscal policy and domestic or worldwide economic conditions. The market for relatively illiquid debt tends to be more volatile than the market for more liquid instruments.

Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on its debt and result in defaults on, and declines in, the value of its subordinated debt more quickly than in the case of the senior debt obligations of such issuer. A Client may incur expenses if it is required to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, a defaulted or non-performing debt investment may be the subject of substantial and lengthy workout or restructuring negotiations. Such negotiations may result in a reduction of principal, delay in the payment of principal, change of interest rate and/or other substantial changes in terms that may affect the value of such investment and the cash flows from such portfolio company. The ability of a Client to influence such negotiations may be limited. If a Client does not provide a majority (or, in certain cases, a greater proportion) of such financing, it may not be able to control the restructuring of such debt or direct the exercise of remedies upon the occurrence of an event of default under such debt. A Client's remedies with respect to the collateral securing such loan will be subject to the decisions made by other lenders to the portfolio company. Even where a Client has effective control over the portfolio company, relevant jurisdictions may refuse to enforce certain remedies sought by a Client. The level of risk associated with investments in loans increases to the extent such investments are loans of distressed or below-investment-grade companies.

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 a Client will be achieved.

A Client may acquire an investment with the intent to sell such investment to another Client or third-party co-investors.

In certain circumstances, subject to applicable law, a Client may initially acquire an investment with the expectation of selling a portion of such investment to other Clients or third-party co-investors. In such circumstance, a Client may (or may not) charge interest for the time period the investment was held by the Client that initially acquired the investment or

any other related expenses to the applicable co-investors. There can be no assurance that a Client will be successful in subsequently selling a portion of such investment and a Client may consequently hold a greater concentration and have more exposure to such investment (and its related expenses) than was initially intended, which could reduce the Client's overall investment returns. Furthermore, if such proposed investment is not consummated, a Client may bear all of the related broken-deal expenses, including expenses related to the portion of the proposed investment it had expected to sell.

Similarly, in certain circumstances, subject to applicable laws and applicable partnership agreements, a Client may acquire an investment from other Clients or third-party co-investors.

A Client may make commitments in excess of its capital commitments

A Client may make commitments to underlying portfolio partnership funds and direct investments in excess of its aggregate capital commitments. Therefore, it is possible that a Client, at a given point in time, could have outstanding obligations in excess of its aggregate capital commitments. Accordingly, there is a risk that, should a Client make commitments in excess of its aggregate capital commitments and should a significant portion of a Client's obligations come due in a short period of time; there could be insufficient capital available to satisfy all of a Client's obligations. Specifics on the limitations of excess capital commitments are noted in the governing documents for a Client.

A Client may pay finders fees in connection with deal sourcing

Any finders, placement, brokerage, and other similar fees incurred in connection with sourcing portfolio investments will be payable by the respective Client. One possible source of portfolio investments is investors of a Client; such persons may, to the extent permitted by law, be paid finders or other similar fees.

A Client, and certain entities in which a Client invests, may utilize leverage in its investment strategy

A Client may use leverage to bridge capital calls from limited partners, allowing HarbourVest to more accurately match the contributions by the investors to the capital needs of a Client, and also to enhance returns. Although leverage will increase investment returns if a Client 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 Client 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 Client invests may rely on leverage as part of its 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 Clients which focus on making leveraged buyout investments.

In addition to interest costs related to borrowing, a Client may bear any related facility fees, commitment expenses and any other costs related to the borrowing.

A Client may invest in portfolio companies which are significantly debt-financed by third parties. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. As a result of the use of leverage, economic downturns, operating problems, and other general business and economic risk may have a more pronounced effect on a company's profitability or survivability. Moreover, rising interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service debt. In addition, cash flow from operations or investment that could otherwise be available to a leveraged portfolio company to fund growth may instead be diverted to repay the company's debt obligations. If a portfolio company cannot generate adequate cash flow to meet debt obligations, a Client may suffer a partial or total loss of its invested capital. A portfolio company's obligations to these lenders will likely be senior to a Client's investment in the company and may also be secured by the assets of the company. A Client's junior status could result in a loss of investment by a Client in liquidations or sale transactions. It may also be necessary from time to time for a leveraged portfolio company to seek refinancing or restructuring of its debt financing, and there can be no assurance that any needed refinancing or restructuring may be available on terms that are favorable to a Client's investment in the portfolio company.

The cumulative effect of the use of leverage by a Client and operating companies in which a Client invests, directly and indirectly, may cause greater losses to us than if they used no leverage. As a general matter, the use of borrowings in lieu of drawing down commitments impacts Internal Rate of Return (either negative or positive to limited partners). If a Client agreement contains a hurdle, HarbourVest may be incentivized to use leverage to reach the hurdle.

Risk arising from provision of managerial assistance

A Client may directly or alongside a lead sponsor designate directors to serve on the boards of directors of portfolio companies. The designation of directors could expose the assets of a Client to claims by a portfolio company, its security holders, and its creditors, including claims that a Client is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against a Client if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose a Client to claims that it has interfered in management to the detriment of a portfolio company. HarbourVest Client are heavily reliant on third-party 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 portfolio partnership funds in which a Client invest. Furthermore, a Client 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 a Client that makes primary partnership investments, secondary investments or direct co-investments, will primarily depend on the performance of unrelated investment managers and other management personnel. The failure of such investment managers or management personnel to make profitable investments would have a negative impact on a Client's ability to achieve its investment goals.

In addition, a Client may co-invest with third parties, thereby acquiring non-controlling equity positions in portfolio companies. A Client will generally not have control over these companies and therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of a HarbourVest Client, or may be in a position to take action contrary to a Clients' investment objectives. Furthermore, a third party co-investor may control the form and timing of a Clients' sale of a portfolio investment.

A Client's investment in operating companies may require follow-on investments

A Client or an underlying partnership may be called upon to provide follow-on funding for its portfolio companies, or have the opportunity to increase its investment in such portfolio companies (a "Follow-On Investment"). There can be no assurance that a Client or an underlying partnership will wish to make a Follow-On Investment or that it will have sufficient funds to do so. Any decision by a Client or an underlying partnership not to make a Follow-On Investment, 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.

A Client and the underlying partnerships in which a Client 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, their general partners, 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, their general partners, 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 are generally 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.

Past performance does not guarantee future returns

There is no assurance that the performance of any Client will equal or exceed the past investment performance of other Client.

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 Client investments are in the form of investments for which market quotations are not readily available. The valuations of a 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, or net asset value. In determining such values, HarbourVest is reliant on receiving financial data from the underlying manager 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 a Client's investment will not immediately reflect such a change.

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 a 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 Client will be adversely affected if the amounts received on realizations of direct or indirect investments are lower than the values previously recorded for them.

A Client may experience fluctuations in results

A Client may experience fluctuations in results from period to period due to a number of factors, including changes in the values of a Client's 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.

Vintage year concentration risks

Due to their long-term nature, private equity funds are exposed to market cycles that can result in final returns that vary substantially over vintage years. Additionally, fundraising by general partners, and volume of investment activity frequently follow counter-cyclical patterns, which may impede proper diversification over time. There can be no assurance that HarbourVest may adequately diversify a Client over vintage years. As a result, their investment portfolio may become overly concentrated in one or more vintage years, which may adversely affect performance.

Difficult market, economic and/or political 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 a Client or its underlying investments. Unexpected volatility or liquidity could impair a Client'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 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 a Client 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 a Client and its 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 Client's investments. In addition, U.S. and Non-U.S. governments have enacted and may enact various regulations that may impact a Client and its investments. New regulations, changing regulatory schemes, and the burdens of regulatory compliance may have a material negative impact on the performance of a Client and its investments.

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; (iii) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (iv) the impact of changes in the value of Non-U.S. currencies relative to the U.S. dollar and other currencies.

Risks associated with investments in developing countries

A portion of the assets of a Client may be invested in developing countries. Investing in developing countries exposes a Client to risks of a nature and degree not normally encountered in relation to more developed economies and additional to those inherent in any private equity investment. These risks include, but are not limited to (i) the risk of adverse political developments such as nationalization, confiscation without fair compensation, confiscatory taxation, war, or construction of trade barriers or other protectionist measures in countries with which such target countries trade; (ii) the risk of fluctuations in currency exchange rates; (iii) greater price fluctuations and market volatility, less liquidity and smaller capitalization of securities markets; (iv) higher rates of inflation; (v) greater governmental involvement in and control over the economies; (vi) the risk of governmental, market, exchange and other restrictions on capital movements, which may make it difficult or impossible to exchange or repatriate non-US currency; (vii) the risk of inadequate or immature legal systems in some countries reducing a Client's ability to obtain satisfactory legal advice or recourse or protect its interest in investments; (viii) the risk of inadequate financial information and accounting and auditing standards and controls limiting the ability to assess investment opportunities and monitor investments; (ix) the risk of pollution-related liabilities arising out of historically poor environmental controls and inability to determine the extent of legal responsibility for, and size of, such potential liabilities; (x) limitations on obtaining and enforcing judgments against residents in developing countries; (xi) the risk that regulations might prevent portfolio companies from implementing strategies to pursue expansion, to reduce costs or to improve operations or otherwise to enhance the value of a Client's investment in such portfolio companies; (xii) less extensive regulation of the securities markets; (xiii) operational clearance, settlement and custody problems that may result in failed securities transactions or longer settlement periods for securities transactions; (xiv) differences in tax regimes and changes in tax treaties; (xv) less developed corporate laws regarding fiduciary duties and the protection of investors; and (xvi) the risk of encountering organized crime and/or corruption. The foregoing factors may increase transaction costs and adversely impact the value of a Client's investment in portfolio companies. In addition, laws and regulations of emerging countries may impose restrictions or approvals that do not exist in the United States and other more developed markets and may require financing and structuring alternatives that differ significantly from those customarily used in the United States and other more developed markets. Other countries may also impose taxes, including retroactively, on a Client or its investors.

Movements in currency exchange rates could negatively affect a Client

A Client is generally denominated in U.S. dollars or Euros, depending on its investment focus. However, a Client may make investments denominated in currencies other than a Client's currency. Distributions received by a Client in a local currency will be converted back to a Client currency for distribution to its investors. The partnerships and companies in which a Client invests may similarly be conducting their business in multiple currencies. An investment in a Client 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, a Client and the partnerships and companies in which a Client invests 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 a Client's currency may adversely affect valuations or increase a Client's liabilities in relation to available resources. In addition, a Client will incur costs in connection with conversions between various currencies.

Short-term currency fluctuations should not significantly affect a Client's 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. A Client may occasionally hedge, but investors should understand that currency risk is inherent in long term, international private equity investing.

In connection with the financing of certain investments, a Client may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for a Client than if it had not entered into such hedging transactions.

Geographic concentration risk may pose additional risks

A Client may focus its 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 Client may be worse than the performance of other funds that invest more broadly geographically.

Natural disasters could adversely affect a Client

HarbourVest's, the Clients' and their portfolio companies' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although HarbourVest has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients may be adversely affected.

Cyber security breaches and identity theft could adversely affect HarbourVest, a Client, and its portfolio companies

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency in the future. The information and technology systems of HarbourVest, a Client, and its portfolio companies, including their service providers, may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors or malfeasance by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes, or terrorist incidents. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they may be able to steal, publish, delete or modify private and sensitive information.

Although HarbourVest has implemented, and a Client's portfolio companies and service providers may implement various measures to manage risks relating to these types of events, such measures may be inadequate and, if compromised, information and technology systems could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Even with sophisticated prevention and detection systems, breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial or other espionage may not be identified in a timely manner or at all, potentially resulting in further harm and precluding appropriate remediation. HarbourVest, a Client and its portfolio companies may have to make significant investments to fix or replace information and technology systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of HarbourVest, a Client and its portfolio companies and/or their service providers and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Client investors and the intellectual property and trade secrets of HarbourVest, a Client and its portfolio companies. Such a failure could harm the reputation of HarbourVest, a Client, and its portfolio companies, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

Investment Adviser 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 Client 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 Client.

A Client depends 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 governing documents of a Client may contain "key man" provisions which require certain groups of individuals to remain active in the management of those Clients. 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 a Client, which could materially harm its value.

HarbourVest professionals may engage in other activities unrelated to a Client

The managing directors and other employees of HarbourVest will devote that portion of their business time to the affairs of a Client necessary for the proper performance of their duties. Other investment activities of HarbourVest are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of a Client.

Risks Related to Client Structure and Other Risks

Investors have limited control over a Client

Investors in private equity funds will have no right nor power to participate in the management or control of the business of a Client and thus must depend solely upon the ability of the general partner and HarbourVest with respect to the conduct of the affairs of a Client.

Side letter agreements

The general partner and/or a Client has and may in the future enter into other written agreements ("Side Letters") with one or more investors. These Side Letters entitle an investor to make an investment in a Client on terms other than those described in its governing documents. Any such terms, including with respect to (i) reporting obligations of, or the

provision of further information in relation to, a Client, (ii) transfer, (iii) jurisdiction or venue, (iv) consent rights to certain governing document amendments (v) advisory committee representation (or participation as an observer), (vi) ability to disclose certain confidential information, (vii) power to opt out of direct co-investments, (viii) limitations on the exercise of the general partner's discretions under the governing documents, (ix) limitations on powers to execute documents for the investors under the powers of attorney contained in the governing documents, (x) confirmations of the way in which the general partner will carry out certain of its duties, (xi) additional warranties relating to a Client or its operation, (xii) confirmation that the general partner will use commercially reasonable efforts to facilitate the sale of securities distributed in kind to an investor, (xiii) confidentiality obligations in relation to information about an investor, (xiv) access to information and audit, (xv) confirmation that the general partner will use commercially reasonable efforts to encourage portfolio entities to follow relevant ethical or governance guidelines, (xvi) grants of most favored nation provisions, (xvii) recognition of an investor's internal policies or applicable laws or regulations, (xviii) rights to co-invest with a Client, or (xix) any other matters described therein, may be more favorable than those offered to any other investors. If the general partner and/or a Client enter into a Side Letter entitling an investor to opt out of making certain investments, any election to opt out by such investor may increase any other investor's pro rata interest in that particular investment. The other investor will have no recourse against a Client or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters. Side Letters may be available to an investor only after such investor has consummated its investment with HarbourVest and will not be disclosed to investors unless specifically requested.

Client investors are subject to restrictions on transfer and withdrawal

Interests in a Client should be considered as long-term, illiquid investments, and investors must be willing to bear the economic risk of an investment in a Client for an indefinite period of time. The interests in a Client 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. HarbourVest has no plans, and are under no obligation to register the interests in a Client under the Securities Act. Interests in a Client may not be sold, assigned, participated, pledged, or otherwise transferred without the prior written consent of the general partner of a Client (which consent may be conditioned upon, among other things, the transferee subscribing for interests in other funds managed by Harbourvest), and interests are subject to the terms and conditions of the governing documents of a Client. Furthermore, investors may not withdraw capital from a Client. In addition, HarbourVest has a right of first refusal with respect to transfers of investments in certain funds.

Investors in a Client could be diluted from subsequent closings

Investors in a Client at subsequent closings will participate in existing investments of a Client, diluting the interest of existing investors therein. Although such investors will generally contribute their pro rata share of previously made Client draws (plus an additional amount relating to the cost of money previously contributed by existing investors), there can be no

assurance that this payment will reflect the fair value of a Client's existing investments at the time such additional investors subscribe for interests in a Client. A Client's interest in an aggregating partnership or entity will similarly be diluted by closings of other funds comprising the program.

The structure of a fund-of-funds results in multiple expenses borne by an investor

Each underlying partnership and direct co-investment will impose carried interest payments as well as management costs and other administrative expenses. In addition, a Client investor will incur management costs and other administrative costs and carried interest payments. This will result in greater expense than if an investor invested directly in the underlying partnership or the direct co-investment.

Failure of an investor to make capital contributions could cause them to be in default and could have a negative effect on a Client or other investors

If an investor fails to pay when an installment of its commitment to a Client is due, and the contributions made by non-defaulting investors and borrowings by a Client are inadequate to cover the defaulted capital contribution, a Client may be unable to pay its obligations when due. As a result, a Client may be subject to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors). If an investor defaults, it may be subject to various remedies as provided in the governing documents of a Client, including without limitation, reductions in its capital account balance. Investors may also face acceleration of the payment of their commitments pursuant to capital calls in the event of a default by another investors. Pursuant to a Client's governing documents, any defaulted capital calls by an investor may be funded through additional capital calls from non-defaulting investors in the Client, and the non-defaulting investor would be obligated to fund such calls (subject to the maximum aggregate commitment of such non-defaulting investors to a Client).

Compliance with the AIFM Directive

Depending on the jurisdiction of a Client, the general partner and/or HarbourVest may be subject to the Alternative Investment Fund Managers Directive ("AIFMD"). Additionally, they may be subject to the obligations under the AIFMD to include certain disclosure requirements in relation to valuation procedures, regulatory capital, indemnity insurance, and delegation of functions under the AIFMD. A depositary will also be required to be appointed.

The AIFMD could have an adverse effect on any Client by, among other things, increasing the regulatory burden and costs of doing business in EEA Member States, imposing extensive disclosure obligations on companies located in EEA Member States in which a Client may acquire investments and potentially disadvantaging a Client as an investor in private companies located in EEA Member States when compared to competitors which may not be subject to the requirements of the AIFMD, thereby potentially restricting a Client's ability to

make investments in such company. The AIFMD could also limit a Client's operating flexibility and investment opportunities, as well as expose a Client to conflicting regulatory requirements in the U.S. and the European Union. Clients subject to the AIFMD may incur higher costs, such as fees and other expenses in relation to mandatory use of depositories.

Performance may differ from that of any respective related AIFMD-regulated Fund

It is intended that a Fund will generally invest alongside any respective related Alternative Investment Fund ("AIFMD-regulated Fund"), and will when appropriate be given the opportunity to do so pro rata to their respective commitments. However, there may be legal, structural, tax, regulatory, or portfolio construction reasons why such investment is not practicable or appropriate, or the general partner may determine that a particular investment or level of investment is not appropriate for a Fund. Further, during the marketing period of a Fund, it may not invest alongside its respective related AIFMD-regulated Fund. Accordingly, the portfolio of a Fund may not be identical to that of its related AIFMD-regulated Fund. In addition, the costs borne by a Fund will not be identical to those of its related AIFMD-regulated Fund.

Investors in private equity funds in which a HarbourVest Client invests 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 a Client and its investors. The indemnification obligation of a Client will be payable from its assets, including the unfunded capital commitments of its investors. If the assets of a Client are insufficient, the general partner may recall distributions previously made to the investors (subject to certain limitations set forth in a Client's governing documents). The governing documents of the underlying portfolio partnership funds are expected to contain similar provisions.

Liability of limited partners that invest in a Client

The general partner may require each investor to return its received distributions for the purpose of meeting its pro rata share of a Client's obligations (including any indemnification obligations).

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. A 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 a Client's investors to the extent of their commitments. Also, the governing documents of a Client contain provisions to the effect that if there is any such claim in respect of an investment, it will be funded by its investors, subject to certain limitations. A Client's underlying portfolio partnership funds governing documents are expected to contain similar provisions. A Client's direct and indirect investments in operating companies could be deemed to be control positions which could expose a Client or their 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 Client's minority direct and indirect investments in operating companies will subject a Client to actions taken by the majority holders of the securities of such companies that may not be aligned with a Client's investment profile and goals

A Client or its underlying partnerships may make minority equity investments in portfolio companies where a Client or its underlying partnerships may not be able to protect its portfolio investments or to control or influence effectively the business or affairs of such entities. In such cases, a Client or their 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 a Client is not affiliated and whose interests may at times conflict with its interests. In addition, the ability to sell publicly traded stock held by a Client may be controlled by the lead investor, not the respective Client. A Client and its underlying partnerships may therefore be adversely affected by actions taken by the majority equity holder(s) of the portfolio companies in which it invests. There can be no assurance that meaningful minority shareholder rights will be available to a Client or its underlying partnerships or that any rights received will provide full protection of a Client's interests.

HarbourVest may outsource services it has historically performed in-house

Services that HarbourVest has historically performed in-house for other Clients may for certain reasons, including efficiency considerations, be outsourced in whole or in part to third parties in the discretion of HarbourVest or a general partner in connection with the operation of a Client. Such outsourced services may include, without limitation, accounting, tax, compliance, research, investment and operational due diligence, trade settlement,

information technology or legal services. Outsourcing may not occur uniformly for all Clients and, accordingly, certain costs may be incurred by a Client through the use of third-party service providers that are not incurred for comparable services used by other Clients. The decision by HarbourVest to initially perform particular services in-house for a Client will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties. The costs, fees or expenses of any such third-party service providers will be treated as Client expenses borne by such Client.

Advisors and service providers often charge different rates or have different arrangements for specific types of services. For example, the fee for a particular type of service may vary based on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by a Client are different from those used by other Clients, their portfolio companies or their respective affiliates, any of the foregoing may pay different amounts or rates than those paid by a Client with respect to any particular advisor or service provider.

HarbourVest Clients 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 Client 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 its Clients, in connection with their organization, offering, and ongoing investment activities. Separate counsel has not been engaged by a Client to act on behalf of its investors, nor commented on the adequacy of its governing documents, or the fairness of the disclosure herein.

A Client could be deemed an underwriter

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 taxation of a Client is extremely complex, and they may be subject to taxes in various jurisdictions

The U.S. federal, state, and local income taxation of partnerships and partners is extremely complex, involving, among other things, significant issues as to the character, timing of realization, and sourcing of gains and losses. Client investors may be allocated a portion of taxable income of a Client without regard to actual cash distributions. Accordingly, an investor’s tax liability could exceed the cash distributions to it in any tax year.

As applicable, Client investors should not expect to receive a Schedule K-1s from a Client prior to the time when their tax return reporting obligations become due and should expect to need to file for extensions.

Legal, tax, and regulatory changes may occur during the term of a Client that may have adverse effects on itself, its portfolio investments, or its investors. Prospective investors should be aware that a number of changes in U.S. tax law have been proposed by the U.S. Congress and the current administration that could materially affect the tax consequences to investors in a Client.

Client investors 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 Client may be subject to withholding or other taxes in such jurisdictions.

Prospective investors are urged to consult their tax advisers with reference to their specific tax situations, including any applicable U.S. federal, state, local, and Non-U.S. taxes and, in the case of prospective investors subject to special rules under U.S. federal income tax laws such as tax-exempt and Non-U.S. investors, with reference to any special issues that an investment in a Client may raise for such investors.

The governing documents of a Client may be amended without the consent of all investors

Except in very limited circumstances either (a) requiring a higher consent threshold or (b) requiring the consent of a specific group of investors, any amendment to the governing documents of a Client will require the consent of the general partner and a majority in interest of its investors. Such amendments may include changes to a Client's investment strategy, investment policy, and other limitations. Client investors' consent may be granted despite the objection of a large minority in interest of the investors. Any such amendment or waiver may be considered adverse by the investors who did not support the amendment.

Investors may receive different information

Due in part to the fact that prospective investors may ask different questions and request different information, the general partner may provide certain information to one or more prospective investors in connection with their investment decision or during the term of a Fund that it does not provide to all investors. None of such additional information is or will be integrated into the Private Placement Memorandum of a Fund or otherwise provided to the investors.

Possession of material non-public information may restrict a Client's investment activities

In connection with management of a Client, HarbourVest may come into possession of material, non-public information. A Client's activities may be constrained as a result of restrictions on HarbourVest's ability to use such information. In particular, due to possession by HarbourVest of such information, a Client may not be able to initiate a transaction or sell a portfolio investment.

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 a Client in which investors 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 the general partner of the Clients formed.

HarbourVest Partners (U.K.) Limited and HarbourVest Partners (Europe) Limited, are registered in England and Wales (Nos. 2512083 and 8618271, respectively), and are authorized and regulated by the Financial Conduct Authority (Nos. 147086 and 605879, respectively).

HarbourVest Partners (Canada) Limited, a wholly-owned subsidiary of HarbourVest Partners L.P., is registered as a Portfolio Manager and Exempt Market Dealer with the Ontario Securities Commission and various other Canadian provincial securities regulators.

HarbourVest Partners (Asia) Limited is registered with the Hong Kong Securities and Futures Commission (CE Reference BAD993).

HarbourVest Partners (Japan) Limited is registered with the Kanto Local Financial Bureau as a Type II Financial Instruments Business Operator.

HarbourVest Partners Korea Ltd, a wholly-owned subsidiary of HarbourVest Partners L.P, registered with the South Korean Financial Supervisory Services as a cross border discretionary investment management entity pursuant to the Financial Investment Services and Capital Market Act.

HarbourVest Partners (Israel) Ltd – Consulting Office for HarbourVest Partners L.P.

HarbourVest Partners, LLC Oficina de Representación – Representation Office for HarbourVest Partners, LLC

HarbourVest Investment Consulting (Beijing) Company Limited – Consulting Office for HarbourVest Partners (Asia) Limited

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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, outside business activities, gifts and entertainment, and political contributions. 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 Client investors. The Code of Ethics reminds employees of their obligations to the 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 Client investors upon request.

Conflicts of Interest

Possible conflicts of interest that may arise with respect to HarbourVest's business, and a summary of how HarbourVest addresses such conflicts of interest are described below. This discussion does not 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 Clients, HarbourVest, or a general partner, HarbourVest may consider various factors, including the immediate and/or longer term interests of the Clients and/or other parties involved. Certain conflicts of interest may be resolved by investment guidelines set forth in the governing documents of a Client. 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), or the governing documents of the relevant Clients.

In mitigating or resolving conflicts, HarbourVest seeks to treat all Clients fairly and equitably over time. HarbourVest and its affiliates will attempt to resolve any such conflicts of interest in good faith, but there can be no assurance that such conflicts of interest or actions taken by HarbourVest or its affiliates with respect to a Client will not have an adverse effect on the investments made by that client or another Client.

Allocation of Investment Opportunities

Other Clients frequently invest in transactions in which a particular Client participates, and other Clients frequently invest in assets eligible for purchase by a Client, but in which it does

not participate. The investment policies, fee arrangements, and carried interest with respect to a Client, and other circumstances of a 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.

HarbourVest may receive different amounts of compensation from one Client, in comparison to that of another Client, each having similar investment objectives. HarbourVest may have an incentive to favor the Client from which it receives higher compensation. HarbourVest has in place policies and procedures reasonably designed to ensure allocation of investments to all Clients (individually and collectively) is on a fair and equitable basis.

HarbourVest adheres to an investment allocation policy that is designed to ensure all Clients are treated in a fair and equitable manner. Under the Allocation Policy, an Allocation Committee considers a variety of factors in making recommendations to the HarbourVest Investment Committee, including, but not limited to: (i) the size, nature and type of investment or sale opportunity; (ii) contractual obligations; (iii) principles of diversification of assets; (iv) the tactical plan of each Client, including its targeted strategies and level of portfolio concentration, including the investment guidelines and limitations of a Client; (v) restrictions imposed by the underlying manager (e.g. FOIA); (vi) structural, tax or legal issues of a transaction that may make an investment not appropriate for a particular Client; (vii) cash availability, including cash that becomes available through leverage; (viii) a determination by HarbourVest that the investment or sale opportunity is inappropriate, in whole or in part, for one or more of the Clients; (ix) applicable transfer or assignment provisions; (x) proximity of a Client to the end of its investment period or specified term, if any; or (xi) such other factors as HarbourVest may reasonably deem relevant. In situations where there is insufficient capacity, HarbourVest, in its sole discretion, will make subjective judgments using some or all of the above factors.

Certain Clients may be allocated investment opportunities due to the relationships that one or more beneficial owners thereof may have with other sponsors and, accordingly, such investment opportunities may not be allocated to another Client. Such investment opportunities may be allocated solely or disproportionately to such Client.

Because the investment focus of certain Clients overlap with the investment focus of other Clients, not all investment opportunities suitable for a Client will be allocated to such Client. There may also be commercial, structural, regulatory, legal (including ERISA) or other reasons that may cause HarbourVest to determine that a prospective investment is not appropriate for a Client. In addition, there is no assurance that future developments will not create additional potential conflicts of interest. In the event that a situation arises in the future where the interests of a Client with respect to a particular investment conflict with the interests of one or more other Clients, HarbourVest will in good faith seek to manage such conflicts of interest consistent with its policies, subject to the terms of the partnership agreement.

It is not possible to anticipate or describe all conflicts that may arise in the management of a Client's account. By way of example, however, 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 a Client if it were investing without another Client.

Conflicts related to allocation of fees and expenses

As more fully described in Item 5, while Harbourvest seeks to allocate expenses in a fair and equitable manner there may be instances where a certain Client are allocated more than its fair share of fees and expenses.

Conflicts relating to existing investments

HarbourVest may give advice to (and recommend investments for) one Client that may differ from advice given to or investments recommended or made by another Client. In particular, one Client and another Client may have an investment in the same securities of a company, but may not necessarily buy or sell such security at the same time or on the same terms or conditions.

If a Client invests in the equity securities of a company and another Client invests in the debt of the same company, the various economic and other terms of the debt and equity securities may raise conflicts of interest between the two Clients, including the interest rates to be paid on the debt, the characterization of the securities as preferred stock or subordinated debt, and the nature of the covenants.

If such portfolio company becomes troubled, one Client might arguably be best served by a liquidation that would result in its debt being paid, but leave nothing for the other Client. In those circumstances where Clients hold investments in different classes of a company's debt or equity, HarbourVest may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between the Clients, including causing a Client to take certain actions that, in the absence of such conflict, it would not take, such as (A) remaining passive in a restructuring or similar situations (including electing not to vote or voting pro rata with other security holders), (B) divesting investments or (C) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting one Client and therefore may not have been in the best interests of, and may have been adverse to, another Client.

A similar standard generally will apply if a Client makes an investment in a company or asset in which another Client holds an investment in a different class of such company's debt or equity securities or asset.

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 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 to enforce claims, whether 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, to finance growth, or other opportunities, the respective Client may or may not provide such additional capital. HarbourVest will resolve all such conflicts in accordance using its good faith judgment, but in its sole discretion.

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 Client may participate in re-leveraging 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 Client in the event that an investor requests to transfer its interest in a Client through a secondary transaction. Subject to any restrictions in the governing documents of the respective Client, 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.

The fact that the general partner's carried interest is based on the performance of a Client, including unrealized as well as realized gains, may create an incentive on the part of a general partner to cause a Client to make investments that are more speculative than would be the case in the absence of performance-based compensation or overstate their valuations which would benefit HarbourVest. However, this incentive may be tempered in that losses will reduce a Client's performance and thus the general partner's carried interest and by an advisory committee's oversight of a Client's valuation policies.

A Client may pursue a transaction with an entity in which another Client has a pre-existing investment. Such transactions (including, for example a secondary recapitalization led by one Client in a fund in which another Client has a pre-existing investment) may give rise to conflicts of interest as HarbourVest may take into account the interests of such other Client, and in certain circumstances, such transaction may preclude a Client from taking actions it would otherwise have taken.

A Client may pursue a transaction with an entity in which another Client has engaged or anticipates engaging or investing with in business. Such transactions (including, for example a Client warehousing an investment for a third-party fund in which another Client anticipates investing) may give rise to conflicts of interest as HarbourVest may take into account the interests of such other Client, and in certain circumstances, such transaction may preclude a Client from taking actions it would otherwise have taken.

A Client may invest in a third-party partnership in which another Client owns an investment in the general partner or management Company of such third-party partnership and, accordingly, such other Client would benefit from such investment.

A Client may buy securities from partnerships in which another Client is a limited partner. The other Clients invested in such selling partnership may indirectly benefit from such transaction. A Client may also buy securities of a company that is owned, in whole or in part, by other Clients or partnerships in which other Clients are limited partners and the transaction may allow such other Client or such other partnership to increase its holding value of such securities.

There can be no assurance that the return on a Client's investments will not be less than the returns obtained by another Client participating in the transaction. HarbourVest will determine all matters relating to structuring transactions and capitalizing portfolio companies, including the amount, terms, and allocation of securities among the involved Clients; using its good faith judgment considering all factors it deems relevant, but in its sole discretion.

Allocation of Co-Investment Opportunities

With regard to direct co-investments, a HarbourVest general partner has and may in the future agree to offer Client investors, or other third parties, opportunities to co-invest alongside a Client. The general partner allocates any such opportunities among interested parties in its sole discretion, including, for example, on the basis of the size of investor commitments to a Client as well as a broad range of other considerations, including commercial considerations for the applicable investment, an investor's stated desire to participate in co-investments, the general partner's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties. There can be no assurances with respect to the amount of any co-investment opportunity that will be made available in connection with a Client, and nothing in a Client's governing documents constitutes a guarantee, prediction, or projection of the availability of future co-investment opportunities. Investing in a Client does not entitle any investor to allocations of co-investment opportunities and such opportunities are, and typically will, be offered to some but not other investors, or to third parties who are not investors in a Client. In addition, an investor may be offered fewer co-investment opportunities than investors with the same or smaller capital commitments in a Client. Investors are not required to participate in co-investments offered by the general partner. The performance of co-investments is not aggregated with that of a Client, including for purposes of determining a general partner's carried interest or management fees under the respective Client's governing documents. A general partner may charge management fees, one-time funding fees or carried interest in respect of co-investments, subject to the terms of any applicable agreements with investors. The allocation of any co-investment opportunities may directly or indirectly benefit the general partner or its affiliates as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to a Client and to other funds or accounts managed by HarbourVest. Co-investors in one or more specific investments will not necessarily be required to share in broken-deal expenses that are paid by a Client, either with respect to a co-investment opportunity that is not consummated

or with respect to other potential investments that may be offered to the Client, and in such event the Client will bear all such expenses. In certain circumstances, co-investors may acquire an interest in an investment after a Client has made such investment.

HarbourVest will attempt to resolve any such conflicts of interest in good faith, but there can be no assurance that such actions will not have an adverse effect on the investments made by either Client.

Conflicting Client objectives

All Clients will generally engage common legal counsel and other advisers to represent all of the Clients in a particular transaction, including a transaction in which the Clients 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 Client, 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 Client may have tax-exempt, taxable, foreign, or other investors, whereas most members of the HarbourVest general partners and other Clients 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 Client may purchase investments, or otherwise engage in business transactions with investors, prospective investors, or their affiliates. In particular, if a Client buys an investment from an entity that may invest in such Client or another Client, HarbourVest may have an incentive to provide such entity with favorable terms in order to encourage it to invest in that Client. HarbourVest seeks to deal with such entities on an arms' length basis in such transactions.

Client investors may have conflicting investment, tax, and other interests with respect to their investments in a Client. The conflicting interests of individual investors may relate or arise from, among other things, the nature of investments made by a Client, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the general partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Client, the general partner will consider the investment and tax objectives of a Client and its investors as a whole, not the investment, tax, or other objectives of any investor individually.

Potential conflicts with respect to service providers, etc.

Certain advisors and other service providers (including, without limitation, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and certain other advisors and agents) to a Client, HarbourVest and/or certain entities in which a Client has an investment, or affiliates of such advisors or service providers, may also provide goods or services to or have business, personal, financial or other relationships with HarbourVest, its affiliates, other HarbourVest-managed funds or accounts or their respective portfolio companies. Additionally, certain HarbourVest employees may have family members employed by advisors and service providers. These service providers and their affiliates may contract or enter into any custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with a Client, general partner, HarbourVest, any investor in a Client or any portfolio company in which a Client has made an investment. These relationships may influence the general partner or HarbourVest in deciding whether to select or recommend such a service provider to perform services for a Client or a portfolio company (the cost of which will generally be borne directly or indirectly by such Client).

HarbourVest employees, including their family members, and Clients may own investments in the same securities and such jointly held investments could lead to conflict of interests. HarbourVest seeks to mitigate these conflicts through its Code of Ethics and other applicable policies and procedures.

Item 12 – Brokerage Practices

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

HarbourVest reviews the investment portfolio with the Separate Account investors, or, with respect to a Fund, Fund investors on no less than a semi-annual basis with a written report. It is the intent of HarbourVest to meet with these investors at least once a year. If desired, select HarbourVest professionals are available to meet more frequently.

Client and investor relationships are allocated among senior HarbourVest professionals in an appropriate fashion. Portfolio reviews do not take place in accordance with any particular sequence unless requested by investors. Matters reviewed include investment commitments and the investment environment. Discussion topics include the performance of a Fund or Separate Account and its investment portfolio. Emphasis is placed on new investments, deal flow, investment pace, and the development of a Fund's or Separate Account'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 an investor

usually establishes the time for reviews, if dramatic changes occur which could impact the portfolio, an ad hoc review may be arranged.

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 investor interests. Statements of capital 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 produces 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 the investment company's website (www.HVPE.com).

Item 14 – Client Referrals and Other Compensation

HarbourVest utilizes arrangements with third party placement agents to refer potential investors to the Funds and Separate Accounts. HarbourVest compensates these placement agents, generally based on a percentage of the amount committed to a Client by these investors.

HarbourVest had an agreement with Norbert Enste (“Norbert”), whereby Norbert was compensated for referring certain investors in Germany to HarbourVest. HarbourVest pays a Norbert a specific percentage of the management fees of the relevant accounts.

HarbourVest has an agreement with Korea Asset Investment Securities (“KAI”), whereby KAI is compensated for referring qualified investors in South Korea to HarbourVest. HarbourVest pays KAI a specific percentage of the management fees of the relevant accounts.

HarbourVest has an agreement with Picton, whereby Picton is compensated for referring certain investors in Chile to the HarbourVest Partners Co-Investment Fund IV Program. HarbourVest pays Picton a specific percentage of the capital commitments made by such investors.

HarbourVest has an agreement with Eugene Investment and Securities Co., Ltd. (“Eugene”), whereby Eugene is compensated for referring certain investors in South Korea to the HarbourVest 2017 Global Fund Program and accounts. HarbourVest pays Eugene a specific percentage of the capital commitments made by such investors.

HarbourVest has an agreement with Dongbu Securities (“Dongbu”), whereby Dongbu is compensated for referring certain investors in South Korea to the HarbourVest Partners Co-Investment Fund IV Program. HarbourVest pays Dongbu a specific percentage of the capital commitments made by such investors.

HarbourVest has an agreement with Artivest Brokerage LLC (“Artivest”), whereby Artivest is compensated for referring certain U.S. investors in HarbourVest Access - 2017 Global Fund

L.P. HarbourVest pays Artivest a specified percentage of the capital commitments made by such investors in the fund.

HarbourVest has an agreement with Nomura Securities Co., Ltd (“Nomura”), whereby Nomura is compensated for referring certain investors in Japan to the HarbourVest 2017 Global Fund Program. HarbourVest pays Nomura a specified percentage of the capital commitments made by such investors.

HarbourVest has an agreement with Samsung Securities Co., Ltd. (“Samsung”), whereby Samsung is compensated for referring certain investors in South Korea to the HIPEP VIII Fund Program. HarbourVest pays Samsung a specified percentage of the capital commitments made by such investors, and reasonable expenses.

HarbourVest has an agreement with LPL Financial LLC (“LPL”), whereby LPL is compensated for referring certain U.S. investors to the HarbourVest 2017 Global Fund Program. HarbourVest pays LPL a specified percentage of the capital commitments made by such investors.

Item 15 – Custody

HarbourVest may be deemed to have custody of the assets of the Funds because we serve as the general partner and HVPE because a related person has custody of its assets. HarbourVest does not have custody of the assets of Separate Accounts and Portfolio Monitoring Clients.

HarbourVest retains the custodial services of Merrill Lynch for direct investments in companies and stock distributions in private companies. Publicly-traded stocks in a Client’s portfolio are held in various brokerage accounts until sold.

The Funds and HVPE are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each investor within 120 or 180 days of each Fund’s fiscal year end.

Item 16 – Investment Discretion

As described in Item 4, HarbourVest manages the Funds on a discretionary basis and provides nondiscretionary advice to the Separate Accounts and Portfolio Monitoring Clients. The governing documents for each Client 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 a Client. The policy is designed to ensure that proxies are voted in the best interest a Client and their investors, including when there may be material conflicts of interest in voting proxies. A Client 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 any contractual and fiduciary commitments to a Client, and has not been the subject of a bankruptcy proceeding.