

Item 1 – Cover Page

HarbourVest Partners, LLC

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This brochure provides information about the qualifications and business practices of HarbourVest Partners, LLC (“HarbourVest” which term shall, as the context requires, include affiliates of HarbourVest Partners, LLC, (collectively with HarbourVest Partners L.P. and its other affiliated management and general partner vehicles)). 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 provides you with information in connection with your determination as to whether 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

HarbourVest has made the following updates since the last brochure was submitted to the SEC on March 31, 2023:

Descriptions were expanded upon, regarding the advisory business (Item 4) and other financial industry activities and affiliations (Item 10).

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

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Item 4 - Advisory Business

HarbourVest is an independent investment firm that provides private market solutions to institutional and sophisticated high net worth investors worldwide. The HarbourVest team was originally part of Hancock Venture Partners, a subsidiary of John Hancock Mutual Life Insurance Company. In 1997, the original management team became independent through a management buyout and HarbourVest has been independently owned since that time. Our primary advisory business is managing private funds ("Funds") and customized separately managed accounts ("Separate Accounts"). HarbourVest Partners, LLC acts as the sole general partner of HarbourVest Partners L.P. and as the ultimate general partner of the general partners of the Funds. Absent individually negotiated restrictions imposed by some Funds or Separate Accounts, HarbourVest (or HarbourVest Partners (Ireland) Limited which is authorized and regulated as an Alternative Investment Fund Managers ("AIFM") by the Central Bank of Ireland and is responsible for ensuring compliance with the rules of the AIFM) generally has ultimate responsibility and authority for the selection of investments for, and the management of Funds and Separate Accounts that are alternative investment funds for the purposes of the AIFMD.

HarbourVest's Funds, Separate Accounts, and HVPE (as defined below) (collectively, the "Clients") invest in venture capital, management buy-in, management buy-out, leveraged buy-out, mezzanine, private performing credit, special situation, recapitalization, power, infrastructure assets, real assets, and other private market assets in North America, Europe, Asia Pacific, and emerging markets. These investments are generally one of three types: interests in private partnerships (primary partnerships), secondary purchases of interests in private funds and private operating companies (secondary investments), and direct investments in operating companies (direct co-investments).

HarbourVest's Clients are primarily structured as limited partnership vehicles in which investors are limited partners and a HarbourVest entity serves as the general partner, although it has and could from time to time establish Separate Accounts pursuant to investment management agreements directly with the underlying investors and could establish Clients entities as vehicles other than limited partnerships. References in this document to the general partner of a Client will, with respect to any such Clients, refer to HarbourVest or any affiliate having ultimate responsibility and authority in respect of such Client arrangement, as applicable.

HarbourVest's history dates back to 1982. In 1982, the HarbourVest team formed its first Client, a private fund of funds with \$148.0 million in committed capital. This Client was one of the first

private fund of funds ever formed. The HarbourVest team also has a long track record of secondary and direct co-investing, with its first secondary and direct investments being 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 (1994), Tokyo (2010), Bogota (2011), Beijing (2012), Canada (2014), Seoul (2015), Tel Aviv (2015), Dublin (2018), Mexico (2018), Singapore (2021), Frankfurt (2021), Sydney (2022), and Switzerland (2024). HV Advisors was established in 2007. HarbourVest Partners (Europe) Limited was established in 2013; it later transitioned to HarbourVest Partners (Ireland) Limited in March 2019. In February 2016, HarbourVest acquired the Bank of America Merrill Lynch Capital Access Funds business from Bank of America including the business' six-person investment staff.

HarbourVest has an experienced team of more than 266 investment professionals and more than 724 professionals dedicated to finance, tax, compliance, legal, analytics, and communications.

The average tenure of its 69 Managing Directors is 14 years.

As of September 30, 2022, HarbourVest has \$113,329,365,120 in regulatory assets under management on a discretionary basis and \$21,207,602,968 in regulatory assets under management on a nondiscretionary basis.

Item 5 - Fees and Compensation

HarbourVest receives management fees for the investment management and related services that it provides to its Clients. The amount of management fees charged to a Client is dependent on a variety of factors, including the Client's size, structure, investment mandate, and the complexity of the services being provided. Management fees are established in negotiations with the Separate Account investors, or with respect to Clients that are Funds, the investors in HarbourVest Funds. HarbourVest therefore charges different management fees to Clients that have substantially similar investment objectives.

The annual management fee rate charged to a Client in some cases will vary from year to year over the life of the Client. For example, in some cases the management fee rate charged to a Client will increase during the early years of a Client and decrease over the later years. Fees for Clients in extension years in some cases will be reduced or eliminated. HarbourVest charges

management fees that generally range from an average of 0.0% to 1.25% per year of committed, called, or invested capital of the Client over the expected life of the Client or in some cases, of the net asset value of the Client. Certain Clients receive investment monitoring services rather than investment management services. Such Clients typically pay lower and, in some cases, no fees. The specific payment terms and other conditions of the management fees for each Client are set forth in the Client's investment management agreement or other relevant governing documents.

Management fees are generally payable by Clients quarterly in advance on an estimated basis. Management fees are typically deducted from the capital accounts of the Clients' investors, although certain investors pay their management fee directly to HarbourVest. HarbourVest occasionally collects fees related to portfolio transactions or other services provided to portfolio companies. Unless otherwise agreed with a relevant Client, the net after-tax amount of all such fees are offset against the applicable Client's management fee.

From time to time, HarbourVest enters into arrangements with certain persons to provide services to HarbourVest 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 certain investments across the HarbourVest platform and generally expects to allocate fees and expenses with respect thereto to HarbourVest Clients based on amounts actually invested in such investments, regardless of whether or not the consultant provided services on a particular investment or provided services for a deal in which the Clients invested. As another example, HarbourVest has engaged a consultant to provide restructuring advice with respect to certain credit investments held by HarbourVest Clients, and generally expects to allocate fees and expenses with respect thereto among such HarbourVest Clients based on their respective participation in such investments. In addition, certain distribution-related fees and expenses (including, for example, placement fees and investor servicing fees) incurred in connection with raising capital from certain investors are borne by such investors.

Subject to the terms of the governing documents of a Client, HarbourVest will bear ordinary administrative costs and expenses relating to its operations excluding Administrative Expenses (defined below). The Client will typically bear Administrative Expenses and all other costs and expenses relating to the organization and operations of the Client and its general

partner (or similar managing fiduciary and any related feeder vehicles). Such costs and expenses can be substantial and include:

- (i) legal, accounting, regulatory (including expenses incurred in connection with certain filings), compliance, administrator, consulting (including expert network and media consultants), valuation, custodial, depository, auditing, banking, database subscriptions (including, without limitation, subscriptions used for the purposes of researching, monitoring, valuing, or obtaining market data in respect of potential or existing portfolio investments), software licensing fees, and other external professional fees and expenses;
- (ii) out-of-pocket costs of sourcing and evaluating potential portfolio investments (including broken deal expenses in the case of unconsummated investments) or temporary investments (including expenses related to meetings or conferences hosted or attended by HarbourVest, its affiliates or its employees to source investments, attendance at industry conferences and trade association memberships, and, in the case of unconsummated investments, broken deal expenses, including break-up fees), and of making, monitoring, holding, or selling portfolio investments (including, without limitation, expenses relating to risk assessment, due diligence or ongoing monitoring of potential and existing portfolio investments, including the environmental, social and governance risks related thereto) and temporary investments, such as travel, hotel accommodations, meals, and entertainment expenses (collectively, "Travel Expenses", and which include expenses for first class or equivalent travel and have in the past and could in the future include the cost of non-commercial air travel), record-keeping expenses, finder's fees, placement fees, consulting fees, brokerage fees and other fees, costs, and expenses;
- (iii) expenses associated with the preparation of a Client's financial statements and tax returns, and the representation of a Client or its investors in tax matters and the preparation of tax forms and a Client's FATCA and CRS compliance;
- (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 a Client's investment activities, including without limitation Travel 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) out-of-pocket costs of meeting with prospective Client investors (including in connection with the offering of a Client's securities), meeting with investors of a Client, and reporting investors of a Client, including Travel Expenses and annual software licensing fees related to investor reporting;
- (vi) costs and expenses related to a Client's periodic and annual meetings, including Travel Expenses of the representatives of investors of a Client, employees of HarbourVest, speakers, and vendors;
- (vii) any taxes, fees, or other governmental charges levied against a Client or its income or assets or in connection with its business or operations;
- (viii) costs and expenses of a Client's advisory committee, including Travel Expenses;
- (ix) costs and expenses (including any legal or other professional expenses) incurred in connection with the formation of a Client's general partner;
- (x) premiums or fees for directors' and officers' liability insurance and other insurance protecting a Client or any indemnitee from liabilities in connection with the affairs of such Client;
- (xi) all costs and expenses of litigation or other matters that are the subject of indemnification;
- (xii) interest on, and fees and expenses related to or arising from, any incurrence of indebtedness (or guarantees of indebtedness) or hedging activities of a Client;
- (xiii) expenses incurred in connection with complying with provisions in other written agreements that the general partner and/or a Client have or could in the future enter into ("Side Letters") with one or more investors in a Client;
- (xiv) fees paid to locally licensed intermediaries or distributors that HarbourVest is required to engage as a result of one or more investors in a Client being domiciled in, or otherwise affiliated with, a particular jurisdiction;
- (xv) "Administrative Expenses";
- (xvi) costs of winding-up and liquidating a client; and
- (xvii) all other costs and expenses of a Client, HarbourVest or its affiliates as contemplated in

the governing documents of a Client.

“Administrative Expenses,” means amounts charged to a Client for administrative services provided by employees of HarbourVest in connection with a Client’s operations, including, but not limited to, services related to maintaining capital accounts and other books and records, preparing and issuing financial statements, reports and statements, annual audits, preparation and delivery of capital call and distribution notices, other periodic and episodic investor communications and notices, portfolio reporting, and similar investor services and treasury services.

HarbourVest and its employees can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of Clients and their portfolio companies, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as fund or account expenses typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will exclusively benefit HarbourVest and/or such personnel even though the cost of the underlying service is borne by the Clients. The value of such benefits and perquisites will neither be subject to an offset against management fees payable to Clients nor will otherwise be shared with Clients and/or portfolio companies.

HV Advisors acts as investment manager to HarbourVest Global Private Equity Limited (“HVPE”); a publicly traded closed-end investment company organized under the laws of Guernsey. HVPE invests in a diversified portfolio of private investments managed by HarbourVest. Shares of HVPE trade on the Main Market of the London Stock Exchange and are also a constituent of the FTSE 250 index. HVPE does not directly pay HV Advisors separate management fees with respect to assets that are invested by HVPE in Funds managed by HarbourVest, however, the Funds in which HVPE invests will pay fees with respect to such assets. HV Advisors, or its designee, will be paid certain fees with respect to co-investments that HVPE makes alongside any Funds or other Clients. The fee schedule for such co-investments mirrors the fee schedule paid by the Client along with which HVPE invests.

Allocation of Expenses

HarbourVest will determine, in its sole discretion, the appropriate allocation of investment and other expenses borne by each Client pursuant to their respective governing documents. Out-of-pocket expenses associated with a completed investment in which a Client participates will generally be borne by such Client and other participating Clients on a *pro rata* basis relative to

the size of their investments. Expenses related more generally to an investment strategy, including broken deal expenses, fees and expenses of consultants and costs and expenses of research relating to a strategy, will generally be allocated to Clients on what HarbourVest determines is a fair and equitable basis. For example, HarbourVest has entered, and could in the future enter, into arrangements with certain persons to provide services to Clients and in particular has entered into a retainer arrangement with a consultant to provide due diligence services with respect to certain investments, including direct equity and credit investments across the HarbourVest platform. HarbourVest generally expects to allocate fees and expenses with respect to such retainer arrangement to each Client based on the aggregate amounts actually invested by each Client during the year 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. As another example, HarbourVest has engaged a consultant to provide credit monitoring and restructuring advice with respect to certain credit investments held by certain Clients, and generally expects to allocate fees and expenses with respect thereto among such Clients based on their respective participation in such credit investments. Expense allocation decisions by HarbourVest could result in a Client bearing more or less of certain fees and expenses than other participants or potential participants in the same investments or strategies in which such Client invests. HarbourVest will make judgments with respect to allocation of expenses in its good faith discretion, notwithstanding its interest in the outcome, and can make corrective allocations after the fact should it determine that such corrections are necessary or advisable (any amounts payable to a Client in respect of any overpayment of expenses by a Client will not bear interest). Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular item or service will not necessarily reflect the relative benefit derived by such Client from that item or service in any particular instance and certain other Clients could indirectly benefit from products or services paid for by a Client and vice versa. For example, the cost of a Client's review of a prospective investment, structuring a vehicle in a novel jurisdiction, or other organizational costs will generally be borne by such Client, which could result in cost efficiencies for other Clients when such other Clients subsequently evaluate similar or related investments.

In addition, HVPE reimburses HarbourVest for partial salary and a proportionate share of health insurance and other employee benefits associated with HarbourVest Staff Members working on HVPE matters.

Expenses to be borne by a Client will reduce the actual returns realized by investors on their investment in such Client (and could, in certain circumstances, reduce the amount of capital

available to be deployed by such Client in investments). Client expenses include recurring and regular items, as well as extraordinary expenses for which it could be hard to budget or forecast. As a result, the amount of Client expenses ultimately called or called at any one time could exceed amounts expected or budgeted by the general partner of and/or investors in a Client. The general partner of each Client is typically empowered to withhold amounts otherwise distributable to its investors in order to address cash management and create appropriate reserves in respect of certain other near-term obligations of the Client (including potential tax obligations and required payments), which would reduce amounts that would otherwise be distributable to investors.

Item 6 - Performance-Based Fees and Side-by-Side Management

In addition to the management fee described above, HarbourVest (or an affiliate) will typically receive carried interest allocations and distributions (see below) and/or performance or incentive fees from a Client, calculated as a share of the profits of that Client, based on a percentage of such profits, which vary from Client to Client, and which are established in negotiations with the Client or the underlying investors of such Client. Such performance-related compensation is typically paid to the general partner of the relevant Client or another HarbourVest affiliate and is charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940.

The governing documents for each Client, as applicable, typically set forth the formula for the allocation of profits and losses of such Client between the capital accounts maintained within the Client for the benefit of its general partner or other relevant affiliated investor and for other investors; these allocations are a typical feature of private funds and these allocations and related amounts that are subsequently distributed by a Client to such general partner or other affiliated investor are 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 Client investments over any given period. The governing documents for a Client will typically describe the method by which the investments of a Client will be valued, with such valuations typically conducted by HarbourVest. Where carried interest allocations and distributions are dependent, at least in part, on the unrealized value of certain investments, this could provide an incentive for HarbourVest to use higher valuations. In connection with certain Clients’ mandates, comparable performance-related compensation is structured as a performance or incentive fee rather than carried interest allocations.

The allocation of carried interest or the payment of performance or incentive fees to HarbourVest creates 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.

HarbourVest can and does receive different amounts of compensation from certain Clients, in comparison to amounts received from other Clients with similar or substantially the same investment objectives. Such other Clients often will have economic terms that are different than those of such Clients and could incorporate economic and other terms that individually or in the aggregate are more favorable for their investors. HarbourVest has an incentive to favor the Clients from which it receives higher compensation including in particular, but not limited to, in respect of allocations of eligible investment opportunities. 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.

Item 7 - Types of Clients

HarbourVest provides investment advice and portfolio management services to Clients established as Funds, Separate Accounts, and HVPE. With the exception of Separate Accounts established pursuant to investment management agreements and HVPE, such Clients are typically structured as limited partnership vehicles in which investors are limited partners and a HarbourVest entity serves as the general partner. Clients can have minimum investment amounts for investors as set forth in their governing documents. HarbourVest can typically, in its discretion, waive the applicable minimum investment amount.

The following types of institutions have historically invested in HarbourVest Funds or established Separate Accounts: sophisticated institutional investors, including corporate pension and profit sharing plans, public employee retirement and deferred compensation plans, municipalities, private investment funds and other pooled investment vehicles, sovereign funds, insurance companies, investment companies, charitable organizations, endowment funds, foundations, and other US and international institutions. In addition, certain broker-dealers, high net worth individuals, banks, trust companies, and investment advisers have also invested in Clients.

Item 8 - Methods of Analysis & Investment Strategies, Risk of Loss, and Investment Risks

Methods of Analysis & Investment Strategies

HarbourVest Clients invest in some or all of the following types of investments:

Primary partnerships – The evaluation of a primary partnership or primary fund investments,

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 typically include evaluating the performance records of prior funds, meeting with the management of the fund and holding discussions with investors in the relevant funds. In addition, personal and business references are typically checked and evaluated. As part of our normal due diligence undertaken, on an ongoing basis, HarbourVest reviews annual reports and quarterly financial statements, attends fund annual and advisory board meetings, and has ad hoc visits or conference calls with the fund manager.

Secondary investments – HarbourVest typically conducts a bottom-up, company-by-company analysis as well as an assessment of the private fund manager responsible for managing the portfolio and making future investments. The HarbourVest team typically 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. 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, meetings with management and lead sponsors, review of marketing strategies, analysis of products, suppliers, customers, and competitors, discussions with prior investors, and review of financial statements and financial projections are and will continue to be made before any decision to invest. An appropriate evaluation of the industry in which the company operates is undertaken. This may include an analysis of industry trends, impact of the present stage of the business cycle, and/or the interpretation of certain political, economic, social, and market trends. The membership of the investor group participating in a particular investment is also an important determinant. Direct private investments usually consist of investments in securities that will be held for several years. These include purchases of common stock, preferred stock, convertible preferred stock, debt with warrants, and convertible subordinated debentures generally held indirectly through special purpose vehicles organized by the lead sponsor of the investment. It is the intent of HarbourVest for a Client to hold these securities until HarbourVest determines the appropriate time to liquidate the position (to the extent HarbourVest has the ability under the applicable terms of the investment to liquidate the position

prior to its liquidation by the relevant lead sponsor).

Credit investments – HarbourVest’s private credit investments include purchases of junior credit securities (such as second lien, subordinated debt, or mezzanine (including certain forms of preferred stock)), and senior credit securities (such as first lien or unitranche), complemented in some cases by equity exposure. HarbourVest assesses private credit opportunities using a combination of qualitative and quantitative factors. The investment process begins with an initial screening and includes a comprehensive company analysis, a multi-dimensional credit analysis, and a lead sponsor assessment based on HarbourVest’s proprietary database. HarbourVest reviews company data, comparable company data, and free cash flow and downside analyses. As part of the company review, reference calls with customers, suppliers, investors, and other market participants are in some cases conducted. HarbourVest also assesses the strengths and weaknesses of the lead equity and credit sponsors and evaluates the specific terms of each deal, paying particular attention to how the structure of the investment could positively or negatively affect investment performance.

Infrastructure and Real Asset investments – The Infrastructure and Real Assets team invests across primaries, secondaries, and direct investments into assets and operating companies across various sub-sectors, including power and renewables, telecommunications and data infrastructure, transportation and logistics, utilities and social infrastructure, energy and natural resources. HarbourVest employs a number of methods of analysis in the real assets investment decision-making process. Depending on the sector and transaction type, due diligence activities can include reviewing portfolio company financial reports, reviewing third- party and consultant reports, interviewing relevant fund managers and portfolio company management teams, and an analysis of prior investments made by associated fund managers and/or portfolio company management teams. An appropriate evaluation of the industry in which the fund manager and/or portfolio company operate 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. The information is synthesized to provide an independent review of the fund manager, portfolio, or portfolio company and project its expected performance in order to make appropriate investment decisions.

Risks of Loss

Private 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 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 material 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 markets investing and the limited partnership structure is not suitable for all investors

An investment in a Client requires a long-term commitment, with no certainty of return. A Client's investments are expected to be illiquid and in particular comprised predominantly of privately negotiated investments in underlying portfolio funds and/or privately negotiated direct investments. There most likely will be little or no near-term cash flow available to investors. A Client could be prohibited by contract or applicable laws from selling certain investments for a period of time. The general partner of a Client expects the managers of the underlying portfolio funds to hold their investments for a number of years, and generally expects to hold direct investments and investments in the underlying portfolio funds for a number of years.

Illiquidity can also result from the absence of an established market for certain investments. As a result, a Client could be unable to realize its investment objectives by sale or other disposition at attractive prices or could otherwise be unable to complete any exit strategy. There can be no assurance that a Client will be able to dispose of its investments or otherwise cause the disposal of investments in which it participates at the price and at the time it wishes to do so. Because of the risks involved, the lack of a public market for interests in a Client, and restrictions on transfers of interests, investment in a 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 could lose all or a significant portion of their investment. Investors should consult their professional advisers to assist them in making their own legal, tax, regulatory, accounting, and financial evaluation of the merits and risks of investment in the Client in light of their own circumstances and financial condition.

Temporary investments

Prior to funding investments or making distributions, a Client could invest cash temporarily in high-quality short-term obligations and other investments of the kinds permitted under the Client's governing documents, generally including certain obligations of the governments of France, Germany, the United Kingdom, or the United States of America and certain other highly rated money market instruments and funds investing only in such instruments. Such Clients will generally attempt to structure the maturity of these short-term investments to coincide with the cash needs of the Clients for permanent investment, but there can be no guarantee that these attempts will succeed.

Lack of coordination among investment decisions of underlying portfolio funds

Investment decisions of the underlying portfolio funds of a Client are made by such funds' managers independently of one another. Consequently, at any particular time, one underlying portfolio fund may be purchasing interests in an issuer that at the same time are being sold by another underlying portfolio fund. Investing by the underlying portfolio funds in this manner could cause a Client to incur indirectly certain transaction costs without accomplishing any net investment result.

Investments longer than term

A Client will be terminated and dissolved in accordance with the provisions governing its term as set forth in its governing documents. A Client could make investments that are not advantageously disposed of prior to the date that a Client is scheduled to be dissolved pursuant to its governing documents. The general partner of a Client does not generally expect that all investments will be disposed of prior to dissolution, and as a result a Client could be required to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of the Client's dissolution or extend the term of the Client.

Investors will receive different information

Due in part to the fact that investors and prospective investors in a Client are expected to ask different questions and request different information, HarbourVest could provide certain information to one or more investors or prospective investors in connection with their investment

decision or during the term of a Client that it does not provide to all investors. In addition, certain investors could have access to information regarding a Client's investments, including access to HarbourVest's investment committee materials and attendance at HarbourVest's investment committee meetings, which is not available to other investors. None of such additional information is or will be integrated into the private placement memorandum of a Client or otherwise provided to the other investors.

Difficult market, economic, political and/or regulatory conditions could adversely affect investments

The activities of a Client and its investments could be materially adversely affected by the instability in the global financial markets or changes in market, economic, political, or regulatory conditions, as well as by numerous other factors outside the control of the general partner of the Client, HarbourVest, or their respective affiliates, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in applicable laws, trade barriers, currency exchange controls, terrorism, war, other armed conflicts and related cyberattacks, economic and trade sanctions and local, national and international political and socioeconomic circumstances in respect of the countries in which a Client could invest, including sanctions, restrictions and counter-measures by the governments of NATO member states and other countries relating to the 2022 invasion of Ukraine by Russia. These factors could 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. General levels of economic activity could affect the value and number of investments made or considered for prospective investment by the Client or its underlying portfolio funds. In addition, future disruptions in the global markets could affect the price of, as well as the ability to make, certain types of investments, and there can be no assurance that these disruptions will not occur. In particular, global, regional, and local political dynamics, including recent populist and anti-globalization movements could result in material changes in economic, trade, and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequences on the investments of a Client, including in particular on portfolio companies whose operations are directly or indirectly dependent on international trade, including in particular trade with the United States.

In the event of a market downturn, each of the investments held by a Client could be adversely affected. Underlying portfolio funds invested in by a Client could face reduced opportunities to

sell and realize value from their existing investments and there could be a lack of suitable new investments for the underlying portfolio funds and a Client to make. In addition, economic downturns could 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 and negatively affect the performance of a Client.

Recent Developments in the Banking Sector

Recent events in the U.S. and European banking sectors have resulted in significant financial and market dislocation and have raised concerns regarding the stability of the broader global financial system. In the United States, Silicon Valley Bank (“SVB”) and Signature Bank (“Signature”) were closed by their respective state regulators on March 10, 2023 and March 12, 2023, respectively, and the U.S. Federal Deposit Insurance Corporation (the “FDIC”) was appointed as receiver. In an extraordinary step intended to calm markets and contain further contagion, the Secretary of the Treasury, the Federal Reserve Board Chair and the FDIC Chairman released a joint statement (the “Joint Statement”) stating that the depositors of both SVB and Signature would be made whole, and any losses to the FDIC’s Deposit Insurance Fund used to support depositors above the FDIC-insured limit will be recovered by a special assessment on banks. Since that time, the FDIC has entered into a purchase and assumption agreement with Flagstar Bank, National Association (“Flagstar”), a wholly owned subsidiary of New York Community Bancorp, Inc., pursuant to which Flagstar will assume substantially all deposits and acquire certain loan portfolios of the bridge bank established with respect to Signature (“Signature Bridge Bank”). The FDIC has also entered a purchase and assumption agreement with First-Citizens Bank & Trust Company of Raleigh, North Carolina (“First Citizens”), pursuant to which First Citizens will acquire “all deposits and loans” of the bridge bank established with respect to SVB (“SVB Bridge Bank”). These agreements, however, excluded certain assets from the sales of Signature Bridge Bank and SVB Bridge Bank. For Signature, the remaining assets of Signature Bridge Bank, including assets associated with its “Fund Banking” business, were excluded. For SVB, the sale does not include approximately \$90 billion in securities and other assets, all of which will remain in receivership for disposition by the FDIC. In Europe, UBS Group AG entered into a merger agreement with Credit Suisse Group AG in a transaction brokered by Swiss authorities in order to stabilize the Swiss financial system and financial markets generally and to protect Credit Suisse customers and counterparties.

Each of SVB and Signature was a significant provider of banking services to the private funds industry. Notwithstanding the fact that SVB Bridge Bank and Signature Bridge Bank have generally continued to fund outstanding loan commitments, there is no guarantee that this will

continue or that the eventual acquirer of the remaining loan portfolios (if any) will not experience operational or financial difficulties, or even failure, following the acquisition. The FDIC, as receiver, has broad powers to repudiate contracts of SVB and Signature, including repudiating any contracts containing obligations to provide credit under a Client's subscription credit facility. Moreover, if SVB Bridge Bank, Signature Bridge Bank or other market participants fail to honor subscription credit facility obligations or other loan commitments, there is no guarantee that other market participants will be willing or able to provide replacement financing, which could have broader and potentially cascading impacts within this sector of the banking industry or the industry more broadly. If a Client is unable to draw down amounts under its credit facility due to a failure of its subscription line lender to honor loan commitments, the operations of a Client could be materially and adversely impacted, including the potential that a Client could fail to meet its obligations to third parties on a timely basis.

Although there have not been further high-profile U.S. or European bank failures following the government and central bank interventions described above, there is concern that additional bank failures are possible, in particular among U.S. regional banks. Market commentators believe that the swift collapse of SVB and Signature was precipitated in part by the swift tightening of monetary policy by the Federal Reserve Board ("Federal Reserve") in the U.S., which has raised interest rates quickly after a long period of historically low rates. These tightening monetary conditions could continue as the Federal Reserve and other central banks seek to fight inflation. Certain U.S. regional banks are believed to have characteristics that subject them to pressures similar to those that resulted in the failure of SVB and Signature. Moreover, there is no assurance that financial institutions beyond the U.S. regional bank sector will not be impacted by a loss of depositor or counterparty confidence, which could, among other things, result in "bank runs" or similar events that could threaten the collapse of institutions currently believed to be sound. Banks, and U.S. regional banks in particular, have experienced significant stock price volatility and material declines in equity valuations due to these concerns, among others.

As a result, notwithstanding extraordinary government and central bank interventions, it is possible that the current instability in the banking sector could worsen, resulting in (among other things) the loss of uninsured deposits by private funds, their investors, their portfolio companies and/or their counterparties. Such losses, or even concerns about the potential for such losses, could result in significant impairment of the ability of any of the foregoing parties to effectively operate, resulting in potentially material and adverse effects on a Client and its investments. In light of the foregoing, there is a risk that the current instability in the U.S. and European banking

sectors could result in a deterioration in broader global financial markets, resulting in declines in equity, debt and other asset prices together with other (potentially unexpected) adverse impacts, all of which could have a material and adverse effect on a Client and its operations beyond the impacts specifically associated with bank failures.

In addition, the failure of SVB and Signature, the Swiss-organized rescue of Credit Suisse and the ongoing instability in the U.S. regional bank sector currently appear likely to result in the adoption of new and/or different regulations affecting the banking sector and potentially the financial sector more generally. Although such regulations (if adopted) could result in greater stability of the financial system, the actual impact of any such regulations on financial markets and their participants is unknown, and it is possible that any such regulations could adversely impact a Client, its operations and its investments.

Lack of diversification

A Client could expect to participate in a limited number of investments and, while such investments could themselves include some level of diversification, the overall investment returns of a Client could be substantially adversely affected by the unfavorable performance of even a single investment by a Client. There could be no requirements pursuant to the governing documents of a Client as to the degree of diversification of a Client's investments, either by size, geographic region, stage, asset type, investment strategy, sector, or vintage year. Although a Client may seek to construct a diversified portfolio of investments consistent with its stated investment objectives and policies, such Client could fail to achieve its targeted level of portfolio diversification. To the extent a Client's investment portfolio is overly concentrated in a particular investment, industry, stage, or geographic region or is otherwise not adequately diversified, a Client could be more susceptible to fluctuations in value resulting from adverse economic, business, or market conditions. Moreover, there can be no assurances that all of a Client's investments will perform well or even return capital. Therefore, if certain investments perform unfavorably, for a Client to achieve above-average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case.

Vintage year concentration risks

Due to their long-term nature, private 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 countercyclical patterns, which could impede proper diversification over time. There can be no assurance that HarbourVest will adequately diversify a Client over vintage years. As a result, the investment portfolio of a Client could become overly concentrated in one or more vintage years, which could adversely affect performance.

Consideration of environmental, social, and governance factors could negatively impact a Client's performance

Consideration of Environmental, Social and Governance (“ESG”) factors could increase a Client’s exposure to certain companies, sectors, regions, countries, or types of investments, which could negatively impact a Client’s performance depending on the performance of the impacted companies, sectors, regions, countries, or investments. Applying ESG goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by HarbourVest or any judgment exercised by HarbourVest in making an investment decision on behalf of a Client will reflect the ESG-related beliefs or values of any particular investor or group of investors. In evaluating an investment, HarbourVest is dependent upon information and data obtained through voluntary or third-party reporting that could be incomplete, inaccurate, or unavailable, which could cause HarbourVest’s assessment of an investment’s ESG practices and/or related risks and opportunities to be incorrect. In addition, HarbourVest makes investment decisions based on circumstances as they exist at the time the investment is made. Developments within or otherwise impacting an investment that take place subsequent to a Client’s investment, might not conform to HarbourVest’s expectations regarding ESG (for example, but not by limitation, a portfolio company could pivot in its use of technology or change its business plan in a manner that is not consistent with and conflicts with, a Client’s ESG objectives and expectations in respect of such Client’s investment in the company). ESG-related investment practices and applicable regulatory regimes and considerations differ by region, sector, and issue and are continually evolving and accordingly, a portfolio company’s ESG-related practices or HarbourVest’s assessment of such practices are likely to change over time.

Clients that Invest in Social and Environmental Impact Investment

A Client’s focus on social and environmental impact investments, if applicable, will subject it to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, an investment’s potential to achieve a positive social or environmental impact will be considered by the Client. As a result, the

opportunity set for potential investments by the Client will necessarily be smaller than it would otherwise be if the Client were seeking to make investments solely on the basis of financial returns, and HarbourVest may forgo opportunities that are attractive from a financial perspective if they do not also meet the Client's social and environmental impact criteria. In addition, although HarbourVest believes that pursuing positive social and environmental impact does not have to negatively affect an investment's financial returns, and it can even enhance a portfolio company's profitability, it is possible that a company's dual focus on financial success and positive social and environmental impact may from time to time require it to make decisions that favor one goal at the expense of the other. Any determination about whether or not a potential investment is expected to produce a positive social or environmental impact will be made in HarbourVest's sole discretion. The determination about what constitutes a positive social impact is inherently subjective, and what HarbourVest considers to be socially beneficial may not necessarily reflect the views of all investors of a Client. In addition, it is possible that the companies in which a Client invests are unable to obtain or realize the positive social or environmental impact that they seek to deliver.

Expedited transactions

Investment analyses and decisions by HarbourVest could frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to HarbourVest at the time of making an investment decision could be limited, and HarbourVest could not have access to detailed information regarding the investment. Therefore, no assurance can be given that HarbourVest will have knowledge of all circumstances that could adversely affect an investment, and a Client could make investments which it would not have made if more extensive due diligence had been undertaken. In addition, the general partner of a Client expects often to rely upon outside or independent advisors or consultants in connection with its evaluation of proposed investments. Furthermore, the general partner of a Client also expects to rely upon the outside advisors of third-party joint venture partners and other sponsors in connection with its evaluation of proposed joint investments, including legal diligence. No assurance can be given as to the accuracy or completeness of the information provided by such outside or independent advisors or consultants and a Client could incur liability as a result of such consultants' actions or limitations on a Client's right of recourse against such independent consultants in the event that an error or omission does occur.

Misconduct of employees and of third-party service providers

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to a Client. Misconduct by employees or by third-party service providers could cause significant losses to a Client. Employee misconduct could include, among other things, binding a Client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, can result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to a Client or HarbourVest. In addition, employees and third-party service providers could improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Client's business prospects or future activities. Furthermore, because of HarbourVest's diverse businesses and the regulatory regimes under which they operate, misdeeds by a HarbourVest entity (or its personnel) could result in foreclosing a Client's ability to conduct its activities in the manner otherwise intended. It is not always possible to deter misconduct by employees or service providers, and the precautions HarbourVest takes to detect and prevent this activity could not be effective in all cases.

The United Kingdom's exit from the European Union could adversely affect a Client

Following the United Kingdom's ("UK") withdrawal from the European Union ("EU") ("Brexit"), the UK and the EU entered into a free trade agreement on January 1, 2021 to govern their future relationship on a number of areas (the "Treaty"). Although the EU and the UK agreed to the Treaty, trade in goods and services between the UK and the EU has been, and could continue to be, disrupted through the imposition of new customs checks and processes at the border. The UK's departure from the customs union and the single market has rendered its access to EU markets significantly more restricted than it had been prior to Brexit.

The Treaty does not cover the UK's future relationship with the EU on financial services. The EU and the UK have agreed to a memorandum of understanding establishing a framework for regulatory cooperation in financial services, which does not include a new framework for mutual market access. While some EU directives contemplate access to EU markets by financial services firms established in countries deemed to have equivalent standards, even if UK domestic law continues to be equivalent to EU law, there is no certainty that the EU will make equivalence decisions. If the EU makes any equivalence decisions, it could unilaterally revoke them at short notice. It is therefore expected that there will continue to be disruption in all areas

in which there was previously harmonizing EU legislation, because the prior legal framework has ceased to apply to the UK with nothing to replace it unless and until the UK negotiates alternative arrangements with the EU and/or with individual member states.

To the extent the UK government amends laws or regulations following Brexit, this could have an adverse impact on a Client and its investments, including the ability of a Client to achieve its investment objectives. Brexit could result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased legal, regulatory, or compliance burden for investors, HarbourVest and/or a Client, each of which could have a negative impact on the operations, financial condition, returns, or prospects of a Client.

Following Brexit, there could also be an adverse effect on the tax treatment of a Client and its investments. In particular, EU directives preventing withholding taxes being imposed on intra-group dividends, interest, and royalties no longer apply to payments made into and out of the UK, so the UK's double tax treaty network with EU member states will need to be considered in their stead.

While the impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement could have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and elsewhere in Europe.

New regulations could adversely affect a Client

US and non-US governments have enacted and could enact various regulations that could adversely impact a Client, its underlying portfolio funds, and their investments. In the US, certain parts of Europe, and other jurisdictions, the private funds industry has, over the last few years, been subject to criticism by some politicians, regulators, and market commentators. The recent negative perception of this industry in certain countries could make it harder for funds sponsored by alternative management firms, such as the Clients and their underlying portfolio funds, and the funds alongside which direct investments are made by Clients, as applicable, to bid for and complete investments. US regulatory agencies continue to focus on the implementation of extensive financial regulatory reform legislation adopted by the US Congress following the 2008 global financial crisis. Such reforms require, among other things, increased registration and regulation of alternative management firms and disclosure with respect to such firms and the funds they sponsor that could impact a general partner's management of a Client and the

management of underlying portfolio funds and direct investments by their managers and sponsors. Other jurisdictions, including the European Union, have passed and are in the process of implementing similar measures. Such increased regulatory burdens and reporting requirements could divert the attention of personnel and the management teams of portfolio companies and could furthermore place a Client or its underlying portfolio funds or direct investments at a competitive disadvantage to the extent that its general partner or managers of the underlying portfolio funds (or their portfolio companies) are required to disclose sensitive business information. Clients and their investors should note that the outcome of US and non-US elections creates uncertainty with respect to legal, tax, and regulatory regimes in which a Client and its underlying portfolio funds and portfolio companies, as well as HarbourVest and its affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy, and/or government entitlement programs during the term of a Client could have a material adverse impact on such Client and its investments.

The SEC Proposed Rule could adversely affect a Client

In February 2022, the SEC voted to propose new rules and amendments (collectively, the “SEC Proposed Rule”) to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds. If enacted, the SEC Proposed Rule could have a significant impact on advisers to private funds, including HarbourVest. In particular, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; increase reporting requirements by private funds to investors concerning performance, fees, and expenses; require registered advisers to obtain an annual audit for private funds and also require such funds’ auditors to notify the SEC upon the occurrence of certain material events; enhanced requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); prohibit advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private fund clients and seeking reimbursement, indemnification, exculpation or otherwise limiting an adviser’s liability for certain activities; and impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. If adopted, including with modifications, this new SEC Proposed Rule could have a significant effect on private fund advisers and their operations, including increasing compliance burdens

and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and enhancing the risk of regulatory action, including public regulatory sanctions and may result in a change to HarbourVest's practices and create additional regulatory uncertainty. Further, we note that in connection with the SEC Proposed Rule, if such rule were to be enacted, it could also significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable.

US and non-US sanctions could adversely affect a Client and its ability to pursue certain investment opportunities

Various governments have imposed a number of economic and trade sanctions, export controls, and other restrictions that limit or impede the ability of certain persons to transact with and invest in certain jurisdictions and certain parties. For example, the US government has imposed restrictions that limit or impede the ability of US persons to transact with and invest in certain Chinese companies, including companies deemed by the United States to be so-called "Communist Chinese military companies," and restrict the ability of Chinese companies to engage in activities or transactions in the United States. In response to these US measures, China has adopted various counter-measures that could be applied to a Client. These restrictions, as well as increased scrutiny of widely-adopted practices, such as China's "crackdown" on variable interest entities used to list Chinese companies in the United States, could limit the ability of a Client to make certain investments in an underlying portfolio fund or in a direct investment. In addition, a Client could be forced to withdraw from an underlying portfolio fund or direct investment to address US sanctions concerns or China counter-measures. Furthermore, if the US-China relationship worsens and additional US sanctions are imposed or Chinese counter-measures are adopted, there could be a material adverse impact on a Client and its investments. Similar considerations could apply with respect to similar sanctions or restrictions, and any related counter-measures, imposed by the US government or by foreign governments, including, sanctions, restrictions, and counter-measures by governments of NATO member states and other countries relating to the 2022 invasion of Ukraine by Russia, which could have a severe and/or prolonged adverse impact on all or a portion of the global economy and trade.

Certain transactions could be precluded due to existing or prospective relationships of another Client

A Client could be precluded from making certain investments or taking certain actions by reason of (i) an existing or prospective relationship of another Client in a potential or actual portfolio investment of such Client, (ii) an existing or prospective relationship between the sellers or

sponsors of a potential portfolio investment (or its officers or shareholders) and an ERISA plan invested in such other Client or (iii) a determination by HarbourVest that such investment or action otherwise could result in a conflict with another Client or HarbourVest or its affiliates. For example, where one or more Clients could participate in a potential transaction through an existing portfolio investment that is (or is considering) pursuing such transaction, HarbourVest could determine not to permit other Clients to pursue the same potential transaction. Furthermore, certain Clients permit one or more investors or related parties to source and present investment opportunities to HarbourVest, and therefore the actions of such investors or related parties (which are not within HarbourVest's control) could preclude a Client from making investments or taking actions where HarbourVest has determined it could result in a conflict of interest. The inability of a Client to pursue investments or take certain actions due to conflicts of interest arising with respect to other Clients could adversely impact such Client. In particular, certain transactions can be precluded due to ERISA. For example, if the assets of a Client are treated as "plan assets," the Client could be precluded from selling or buying assets to or from other Clients, even with the consent of the Client (for example, through the consent of its advisory committee). Such consequences could adversely impact such Client.

Developments with respect to social networks, message boards and other means of mass communication could adversely affect HarbourVest, a Client, a Client's portfolio companies or a Client's investors

The use of social networks such as Facebook, Twitter, and Instagram, message boards such as Reddit, and other internet channels has become widespread within the US and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the US and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding HarbourVest, a Client, a Client's underlying portfolio funds and direct investments, or their respective affiliates could result in material and adverse effects on any of the foregoing.. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites, and other internet outlets have taken actions to ban, block, verify, or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect HarbourVest, a Client, a Client's underlying portfolio funds or direct investments, or their respective affiliates (e.g., if a portfolio company were to face public backlash or regulatory penalties for taking such actions, or if a portfolio company were itself the

subject of such a ban). In addition, the debt or equity securities of a Client's or its underlying portfolio funds' portfolio companies or their affiliates could become the subject of speculation, including speculation stemming from posts on websites, applications, widely-followed social networks, or message boards such as Reddit. Such speculation could result in volatility in the prices of such securities, disruptions in capital availability for, or the operations of, such portfolio companies and/or short-term or long-term losses for such portfolio companies, their affiliates, the applicable underlying portfolio funds, and/or the relevant Clients.

CFIUS could adversely impact a Client's ability to make certain investments in the United States

Review by the Committee on Foreign Investment in the United States ("CFIUS"), an inter-agency committee of the US government, of foreign persons' control of or investments in certain types of US businesses that can raise national security concerns could adversely affect the timing of a Client's or an underlying portfolio fund's entering into such transactions, or their ability to do so, or could otherwise restrict a Client's ability to access information, exercise voting rights, or take other actions relating to any such investment that are advantageous to such Client. Even where a Client's or an underlying portfolio fund's acquisition of an interest in any such business is not controlling, CFIUS could have jurisdiction to review the transaction if the relevant investor is accorded certain rights. An underlying portfolio fund or the sponsor of a direct investment could seek to limit a Client's access to certain types of information about any such US business in which a Client invests through such underlying portfolio fund or relating to such direct investment, for example through excluding or restricting the ability of a Client's representative on a limited partner advisory committee of an underlying portfolio fund to participate in a decision impacting any such investment or by otherwise curtailing the Client's rights to board seats or involvement in substantive decision making in respect of such business. In addition, a Client could be forced to withdraw from an underlying portfolio fund or direct investment or excluded completely from participating in certain investments by underlying portfolio funds and certain direct investment opportunities as a result of measures taken to address CFIUS concerns. In most circumstances, review by CFIUS is triggered by a voluntary filing by the parties to a transaction; HarbourVest does not expect a Client to be in a position to determine whether such a filing will be made in respect of any transaction in which it participates. If a filing is made, CFIUS review can take up to 90 days or more. Furthermore, as a condition of its approval, CFIUS could impose conditions on the parties to, or the US business subject to, a transaction, certain of which could adversely affect a Client's or an underlying portfolio fund's ability to execute its investment strategy. CFIUS also can refer a transaction to the President of the United States for decision, including where it

recommends that the transaction be suspended or prohibited. With respect to any particular investment in a US business by a Client or underlying portfolio fund, there can be no assurance that CFIUS will approve a Client's or an underlying portfolio fund's investment.

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 could affect the value and number of investments made by a Client and its underlying portfolio funds 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 of the Client 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 or its underlying portfolio funds will be able to identify and complete attractive investments in the future or that they will be able to invest fully their commitments.

It is possible that competition for appropriate investment opportunities could increase, thus reducing the number of investment opportunities available to a Client and adversely affecting the terms upon which investments can be made.

A Client can make commitments in excess of its aggregate capital commitments

Certain Clients can make commitments to underlying portfolio funds and direct investments 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 and it could be at risk of defaulting on such obligations and being subject to related penalties and other liabilities pursuant to the terms of the relevant investment. Specifics on the limitations of excess capital commitments are typically noted in the governing documents of a Client.

Certain risks and consequences similar to those applicable with respect to the utilization of leverage by a Client are also applicable and could arise in connection with the use of over-commitment strategies by a Client. For example, over-commitment by a Client will increase its exposure to investments in excess of its aggregate capital commitments, which could cause greater fluctuations in the net asset value of a Client's assets and the investment returns achieved by a Client and, to the extent a Client's available cash flows are applied in the sole discretion of a Client's general partner to meet a Client's contribution obligations with respect to its commitments, could limit a Client's ability to make distributions to investors or cause investors to be allocated income in excess of cash available for distribution. In addition, a Client could be subject to penalties and other liabilities if it defaults on any such obligations.

Subject to the limitations described in the Client's governing documents, HarbourVest will determine in its sole discretion on an ongoing basis the extent to which a Client will employ over-commitment strategies with respect to individual investments and a Client's portfolio of investments as a whole. HarbourVest could determine to over-commit a Client to a greater or lesser extent than it has historically determined, or contemporaneously determines, is appropriate for other Clients that employ over-commitment strategies. Accordingly, a Client could be exposed to a greater risk of loss than other Clients or, alternatively, could deploy a smaller percentage of capital relative to its capital commitments than other Clients.

Investors have limited control over Client entities

Investors in a HarbourVest Fund or other Client will have no right or power to participate in the management or control of the business of such Client and thus must depend solely upon the ability of the general partner of the Client and HarbourVest with respect to the conduct of the affairs of the Client.

Within private markets, particular investment strategies have specific risks

There are a number of significant risks within different strategies pursued or otherwise targeted by HarbourVest and its Clients, any one of which could cause a Client to lose all or part of the value of its investments. Those significant risks include, but are not limited to, those set out below.

Leveraged Buyout Transactions – HarbourVest Clients and certain of their underlying portfolio funds can invest in leveraged buyouts of companies; leveraged buyouts by their nature may involve companies undertaking a high ratio of debt relative to available income. Such leveraged investments are inherently sensitive to declines in portfolio company revenues, and increases in

portfolio company expenses and to increases in interest rates.

Growth Equity and Venture Capital Investments – HarbourVest Clients and certain of their underlying portfolio funds can make growth equity and venture capital investments. Such investments may involve a higher degree of business and financial risk that may 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.

Investments in Credit-Related Transactions – HarbourVest Clients and certain of their underlying portfolio funds could invest in credit-related transactions involving junior and senior debt investments. Although junior debt securities are typically senior to common stock and other equity securities in the capital structure of a portfolio company, they could be subordinated to large amounts of senior debt and could be unsecured. Such credit investments are subject to material risks as further discussed below.

Infrastructure Investments – Certain Clients and certain of their underlying portfolio funds can invest in infrastructure and infrastructure-related securities, properties, and other assets, which involve many relatively unique and acute risks. Project revenues from these investments can be affected by a number of factors including economic and market conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets could adversely affect the overall profitability of an investment or related project. Events outside the control of a portfolio company, such as political action, governmental regulation, demographic changes, economic conditions, pandemics, increasing fuel prices, government macroeconomic policies, political events, toll rates, social stability, competition from untolled or other forms of transportation, natural disasters (such as fire, floods, earthquakes and typhoons), changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer, and acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining, or restoring infrastructure facilities. In turn, this could impair a portfolio company's ability to repay its debt, make distributions to a Client, or even result in termination of an applicable concession or other agreement.

As a general matter, the operation and maintenance of infrastructure and infrastructure-related

securities, properties, and other assets involve various risks and are subject to substantial regulation, many of which could not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Although portfolio companies can maintain insurance to protect against certain risks, where available on reasonable commercial terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and could not be sufficient to recoup all of a portfolio company's losses. Furthermore, a portfolio company can face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

Ordinary operation or the occurrence of an accident with respect to an infrastructure asset could cause major environmental damage, which could result in significant financial distress to such asset or a related portfolio company if not covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials could also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Certain environmental laws and regulations can require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination. A Client could therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment could create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups could protest about the development or operation of infrastructure assets, which might induce government action to the detriment of a Client. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations, or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to alternative forms of infrastructure, and failure to comply with any such requirements could have an adverse effect on a portfolio company. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements particularly affect companies in the power and energy industries. Even in cases where a Client is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to

satisfy such indemnities or the ability of a Client to achieve enforcement of such indemnities.

Regulatory risks – In many instances, the making or acquisition of infrastructure and infrastructure-related investments by a Client involves substantive continuing involvement by, or an ongoing commitment to, a municipal, state, or national government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency (“Government Agencies”). The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than is typically imposed on other businesses.

Government Agencies might impose conditions on the construction, operations, and activities of infrastructure assets as a condition to granting their approval or to satisfy regulatory requirements, including requirements that such assets remain managed by the general partner of a Client, a Client or their affiliates, which could limit the ability of a Client to dispose of related portfolio investments at opportune times.

Government Agencies often have considerable discretion to change or increase regulation of the operations of an infrastructure asset or to otherwise implement laws, regulations, or policies affecting its operations (including, in each case, with retroactive effect), separate from any contractual rights that the Government Agency counterparties have. Accordingly, additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances, or similar actions, could be required to acquire infrastructure assets, and additional approvals could become applicable in the future due to, among other reasons, a change in applicable laws and regulations, or a change in the relevant portfolio company’s customer base. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it could require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sales to third parties, or could prevent operation of a facility owned by a portfolio company, the completion of a previously-announced acquisition or sale to third party, or could otherwise result in additional costs and material adverse consequences to a portfolio company and a Client.

Since many portfolio companies will provide basic, everyday services and face limited competition, Government Agencies could be influenced by political considerations and could make decisions that adversely affect a portfolio company’s business. Certain types of

infrastructure assets are very much in the “public eye” and politically sensitive, and as a result a Client’s activities could attract an undesirable level of publicity. Additionally, pressure groups and lobbyists could induce a Government Agency action to the detriment of a Client as the owner of the relevant portfolio company or asset. There can be no assurance that the relevant Government Agency will not legislate, impose regulations, or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a portfolio company. The profitability of certain types of investments might be materially dependent on government subsidies being maintained (for example, government programs encouraging the development of certain technologies such as solar and wind power generation). Reductions or eliminations of such subsidies would likely have a material adverse impact on relevant investments by a Client.

Where the ability to operate an infrastructure asset is subject to a concession or lease from a Government Agency, the concession or lease could restrict the operation of the infrastructure asset, including the ability of a Client to operate the asset in a way that maximizes cash flows and profitability. Leases or concessions could also contain clauses more favorable to the Government Agency than would a typical commercial contract (for example, enabling the government to terminate a lease or concession in certain circumstances without paying adequate compensation). Direct contracts with Government Agency counterparties could also be subject to greater default or recession risk than would be typical for a commercial contract, particularly following periods of regime change or other large-scale shifts in political trends. If an infrastructure asset fails to comply with any regulation or contractual obligation, the infrastructure asset or a Client could be subject to monetary penalties, loss of the right to operate affected businesses, or both. Furthermore, government permits, licenses, concessions, leases, and contracts are generally very complex and could result in a dispute over interpretation or enforceability; for example, it is possible that certain rights granted in a lease or concession could be challenged as an improper abdication of a city’s police powers. In addition to any contractual rights they could enjoy, Government Agency counterparties could also have the independent discretion to implement or change laws, regulations or treaties affecting the operations of infrastructure investments. There can be no assurance that any future modification to applicable laws, regulations or treaties will not adversely impact a Client. Further, the ability to grow future businesses will often require consents from numerous Government Agencies. These consents could be costly to seek, and a Client or its underlying portfolio funds could be unable to obtain them. A Client and its underlying portfolio funds’ ability to achieve its growth strategy could be adversely affected if they fail to obtain any required consents.

Infrastructure assets could be subject to rate regulation by Government Agencies because of their

unique position as the sole or predominant providers of services that are often essential to the community. As a result, certain infrastructure assets might be subject to unfavorable price regulation by Government Agencies. For example, infrastructure companies engaged in businesses with monopolistic or oligopolistic characteristics, such as electricity distribution and airports, could face caps placed by regulators on allowable returns. Often these price determinations are final with limited or no right of appeal. Given the public interest aspect of the services that infrastructure assets provide, political oversight of the sector is likely to remain pervasive and unpredictable and, for political reasons, Government Agencies could attempt to take actions which could negatively affect the operations, revenue, profitability or contractual relationships of infrastructure assets, including through expropriation. For example, in response to public pressure and/or lobbying efforts by specific interest groups, government entities could put pressure on infrastructure assets to reduce toll rates, limit or abandon planned rate increases, and/or exempt certain classes of users from tolls. Under these circumstances, if the affected infrastructure assets are unable to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Client's business, financial condition, and results of operations could be materially and adversely affected.

Certain infrastructure assets could need to use public ways or could operate under easements. Under the terms of agreements governing the use of public ways or easements, Government Agencies could retain the right to restrict the use of such public ways or easements or to require portfolio companies to remove, modify, replace, or relocate their facilities at the portfolio company's expense. If a Government Agency exercises these rights, the portfolio company could incur significant costs and its ability to provide service to its customers could be disrupted, which could adversely impact the performance of the relevant Investment.

Operating and technical risks – Investments in infrastructure assets could be subject to operating and technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications, labor strikes, labor disputes, work stoppages and other work interruptions, and other unanticipated events which adversely affect operations. An operating failure could lead to loss of a license, concession, or contract on which a portfolio investment is dependent.

Documentation risks – Infrastructure projects are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation could be higher than for other investments.

Other legal risks – It is not uncommon for infrastructure assets to be exposed to a variety of legal

risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action, and legal action from special interest groups. Special interest groups could use legal processes to seek to impede particular projects to which they are opposed; these risks could be particularly heightened as a result of a Client's investments in concessions or leases from municipalities or other governments that are themselves the targets of special interest groups.

Tolls and tariffs; Patronage Risks – The underlying portfolio funds of a client might invest in infrastructure assets, such as toll roads, airports, bridges, tunnels and water utilities, and related portfolio companies that derive substantially all of their revenues from tolls, tariffs or other usage or throughput-related fees collected from public and/or private users. The applicable usage charges are generally set out in a concession agreement entered into by the relevant company and the relevant Governmental Agency or might otherwise be subject to rate regulation by a Governmental Agency that determines or limits the prices that can be charged, particularly if the relevant portfolio company is the sole or predominant service provider in its service area or provides services that are essential to the community. A portfolio company could be subject to unfavorable regulatory determinations that are final with no right of appeal or that, despite a right of appeal, could result in its profits being negatively affected and investments not meeting initial return expectations. Users of the applicable service provided by a portfolio company could react negatively to any adjustments to the applicable rates, or public pressure could cause a Governmental Agency to challenge such rates. In addition, adverse public opinion, or lobbying efforts by specific interest groups, could result in government pressure on a portfolio company to reduce its rates or to forgo planned rate increases or otherwise result in a reduction of usage volume by users of the applicable service. It cannot be guaranteed that Governmental Agencies with which a portfolio company has concession agreements will not try to exempt certain users from tolls, tariffs, or other fees, or negotiate lower rates. If public pressure or government action forces a portfolio company to restrict its rate increases or reduce its rates or reductions in usage of the relevant services cannot be reversed and become significant and/or long term and the portfolio company is not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, a Client's business, financial condition, and results of operations could be adversely affected. To the extent that the general partner of a Client's assumptions regarding the demand, usage and patronage of assets prove incorrect, a Client's financial returns could be adversely affected. Some of these investments might be subject to seasonal variations in terms of usage. Accordingly, a Client's operating results for any particular investment in any particular quarter would not be indicative of the results that can be expected for such investment throughout the entire year.

Privatization – The underlying portfolio fund of a Client could invest in state-owned enterprises or assets that have been or will be transferred from government to private ownership. It is impossible to predict whether any further privatizations will take place or what the terms or effects of such privatizations could be. There can be no assurance that any privatizations will be undertaken or, if undertaken, that such plans will be successfully completed. There can also be no assurance that, if a privatization is undertaken on a private placement basis, a Client will have the opportunity to participate in the investing consortium. Investors should be aware that changes in governments or economic factors could result in a change in a country's policies on privatization. Should these policies change in the future, it is possible that governments could determine to return projects and companies to state ownership. In such a situation, the level of compensation that would be provided to the owners of the private companies concerned cannot be accurately predicted but could be substantially less than the amount invested in such companies.

Core infrastructure investments – Core infrastructure investments invested in by a Client in many cases involve the subcontracting of design and construction activities in respect of projects. The subcontractors responsible for the construction of a project asset will normally retain liability in respect of design and construction defects following the construction of the asset, subject to liability caps and statutory limitations. The contractual arrangements made by underlying portfolio funds of a Client might not be as effective in passing on risks to its subcontractors as intended and this could result in unexpected costs or a reduction in expected revenues for a Client. Certain provisions in subcontracts intended to pass risk could be ineffective. In addition to this financial liability, the construction subcontractors might also have an obligation to return to the site in order to carry out any remedial works required for a pre-agreed period. The underlying portfolio funds of a Client will not normally have recourse to any third party for any defects which arise after the expiry of limitation periods. If a subcontractor to a third-party management company fails to perform the services which it has agreed to provide, underlying portfolio funds of a Client could fail to meet the service standards agreed with certain counterparties and there could be a reduction in the actual income received that was not anticipated by a Client and/or claims by the counterparties against an underlying portfolio fund of a Client for damages. These reductions and/or claims are typically passed on to the relevant subcontractor, subject to any contractual liability caps. If there is a subcontractor service failure and the relevant subcontractor or its guarantors or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them, then, to the extent the liability cannot be set off, a Client will not be compensated for any reductions in payments and/or claims made by counterparties which they suffer as a result of the subcontractor's service failure. Ultimately such service failure could lead

to termination of a project agreement.

In some instances, a single subcontractor might be responsible for providing services to various core and core plus infrastructure investments. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the core infrastructure investments. If there is a subcontractor service failure which is sufficiently serious to cause a Client or third-party management company to terminate a subcontract, or an insolvency in respect of a subcontractor, or a counterparty requires an underlying portfolio fund of a Client to terminate a sub-contract in such event, there could be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor could levy a surcharge to assume the subcontract or charge more to provide the services. There will also be costs associated with the re-tender process. These costs might not be recoverable from the defaulting subcontractor.

Investments in Special Situation, Recapitalization, and Distressed Debt Transactions – HarbourVest Clients and certain of their underlying portfolio funds can invest in securities of financially troubled companies or companies involved in workouts, liquidations, reorganizations, recapitalizations, bankruptcies and similar transactions and securities of highly leveraged companies. While these investments could offer the potential for high returns, they also bring with them correspondingly greater risks as discussed below.

Investments in Debt Investments – A Client's or such Client's underlying portfolio funds' investments in junior and other debt instruments will entail normal credit risks (e.g., the risk of non-payment of interest and principal) and market risks (e.g., the risk that certain market factors will cause the value of the instrument to decline). The value of an investment could be subject to fluctuations due to changes in the issuer's credit quality.

Adverse changes in the financial condition of an issuer or in general economic conditions (or both) could impair the ability of such issuer to make payments and result in defaults on, and declines in, the value of its debt securities. A Client's and its underlying portfolio fund's return to investors would be adversely impacted if an issuer in which a Client or an underlying portfolio fund of such Client invests becomes unable to make such payments when due. There can be no assurance that a portfolio company will generate sufficient cash to service its contractual obligations to a Client or an underlying portfolio fund, and, in any such case, a Client or an underlying portfolio fund could suffer a partial or total loss of the capital invested in such issuer.

A Client's and its underlying portfolio fund's credit investments could be subject to early redemption features, refinancing options, prepayment options, or similar provisions that, in each

case, could result in the issuer repaying the principal on an obligation held by a Client or its underlying portfolio fund earlier than expected. This could happen, for example, when there is a decline in interest rates. In addition, depending on fluctuations in the equity markets, warrants, and other equity securities held by a Client or an underlying portfolio fund can become worthless.

Interest rates on debt securities could be fixed at inception and, accordingly, the value of the securities could be subject to fluctuations due to interest rate changes.

Credit risk – A fundamental risk associated with credit investments is credit risk, which is the risk that a borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations when due. Although a Client or its underlying portfolio fund could seek to make credit investments that it believes are secured by specific collateral the value of which exceeds the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's payment obligations. In the event of a foreclosure, a Client or its underlying portfolio fund could assume ownership of the underlying collateral which may be difficult to liquidate or may generate net proceeds that do not satisfy the defaulted payment obligations. Under certain circumstances, collateral securing such an investment could be released without the consent of a Client or its underlying portfolio fund. A Client's or its underlying portfolio fund's security interest with respect to an investment in secured debt could be unperfected for a variety of reasons, including the failure to make required filings by lenders, and, as a result, it might not have priority over other creditors as anticipated. Furthermore, claims could be asserted that might interfere with enforcement of the rights of a Client or its underlying portfolio fund. While a Client or its underlying portfolio fund could target a debt investment in a company it believes is high quality, such company could still present a high degree of business and credit risk and could deteriorate as a result of, among other factors, an adverse development in its businesses, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations.

Nature of Investment in Senior Loans – Certain Client's investments are expected to include first lien senior debt, unitranche senior debt, and second lien senior debt, the last of which may involve a higher risk of a loss of capital.

The factors affecting an issuer's first, unitranche, and second lien senior loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps, or other derivatives made available by members of the

syndicate to the company) or involve first liens only on specified assets of an issuer (e.g., excluding real estate). Issuers of first lien loans may have multiple tranches of first lien debt outstanding, each with first liens on separate collateral. Furthermore, liens with respect to primarily US financings generally only cover US assets, and non-US assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-US subsidiaries). In the event of Chapter 11 filing by an issuer, the US Bankruptcy Code authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a prior lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be "adequate protection," which may but need not always consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of prior liens on a Client's collateral would adversely affect the priority of the liens and claims held by a Client and could adversely affect a Client's recovery on its secured credit investments.

Any secured debt is secured only to the extent of the grant of security by the debtor to the secured party and only to the extent of the value of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow a Client to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be sufficient to satisfy the amount of principal and interest owing to a Client in respect of its investment.

Further, loans may become non-performing for a variety of reasons. Upon a bankruptcy filing in a US Bankruptcy Court by an issuer of debt, the US Bankruptcy Code imposes an automatic stay on payments of its pre-petition debt. Non-performing debt obligations may require substantial workout negotiations, restructuring, or bankruptcy filings that may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. If an issuer were to file for Chapter 11 reorganization, the US Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt even if the class fails to accept the restructuring as long as the restructured terms are "fair and equitable" to the class and certain other conditions are met.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the

terms of a restructuring of a credit pursuant to a Chapter 11 plan of reorganization is done on a class basis. As a result of these voting regimes, a Client is not expected to have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring, or reorganization of debts owed to a Client.

Subordinated debt investments – A Client or its underlying portfolio fund could invest in subordinated debt investments which could be unsecured and made in companies whose capital structures have significant indebtedness ranking ahead of the investments. Such investments might not be protected by financial covenants or limitations upon additional indebtedness incurred by a borrower, could have limited liquidity and would generally not be expected to be rated by a credit rating agency. In the event of a default by the relevant borrower, it might not have sufficient funds to pay all of its creditors, and a Client or its underlying portfolio fund, as applicable, could receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such borrower. Although junior credit securities are typically senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are usually unsecured. Should an issuer trigger an event of default, depending on the capital structure and the issuer's financial situation, a 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, a 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 credit 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 credit 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 credit investments. Other factors may materially and adversely affect the market price and yield of such credit 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 credit 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 credit investments increases to the extent such investments are loans of distressed or below-investment-grade companies.

Borrower Fraud; Breach of Covenant – A Client or its underlying portfolio fund investing in private debt investments could seek to obtain structural, covenant or other contractual protections with respect to its investments. Such attempts to provide downside protection with respect to such investments could not achieve their desired effect. A particular risk is the possibility of material misrepresentation or omission on the part of the relevant borrowers or other credit support providers or any breach of covenant by such parties.

Options and warrants – Certain Clients can receive or purchase options and warrants as part of a debt investment or purchase options or warrants to hedge securities obtained in the course of its investment activities. The successful use of options depends principally on the price movements of the underlying securities. In addition, if a Client purchases an option, it will run the risk that it will lose its entire investment in the option in a relatively short period of time, unless a Client exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, a Client will lose part or all of its respective investments in the option. There is no assurance that a Client will be able to effect closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which a Client engages in transactions in options, a Client could experience delays and/or losses in liquidating open positions purchased or sold through the broker.

Convertible debt – Certain Clients could invest in convertible debt securities to the extent the

general partner of any such Client believes that such securities offer the appropriate level of interest and capital appreciation. Such securities are likely to be non-investment grade.

Portfolio evolution and a Client's structure could result in an inability to generate a consistent cash yield – Certain Client's investments in companies will be comprised of loans, other debt instruments and equity or equity warrants and will have a stated goal of generating current income. However, the ability to generate any current income will depend on both the performance of the investments and the outstanding mix of securities owned by a Client. It is possible that all cash pay instruments, normally mezzanine loans and other debt, could have been repaid by the borrowers and a Client's remaining holdings are residual equity or equity warrants. Although PIK and equity securities can produce cash income, it is unlikely to be the case. There will also be Client management considerations and after a few years it is possible that all cash income could be required (assuming all necessary requirements are met) to pay the general partner of a Client its carry (including catch up). In such scenarios, such Client could be unable to generate a consistent cash yield.

Lender liability considerations – Certain Clients could invest in senior or junior loans and participations. These obligations are subject to unique risks, including (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations, and (iv) limitations on the ability of a Client to enforce its rights directly with respect to participations. Successful claims by third parties arising from these and other risks, absent certain conduct by the general partner of a Client, its affiliates, and certain other individuals, will be borne by a Client.

In general, if payments on an investment are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Client) or from subsequent transferees of such payments, including investors.

Although Clients generally are not expected to often invest in participations as defined under Loan Syndications Trading Association (a "Participation"), if a Client purchases a Participation, it will not have established any direct contractual relationship with the related borrower. A Client will be required to rely on the lender or the participant that sold the Participation, whether affiliated or not, not only for the enforcement of the Clients' rights against the borrower but also for the receipt and processing of payments due to the Client under the Participation. Clients will thus be subject to the credit risk of both the borrower and the selling lender or participant. Because it may be necessary to assert through the selling lender or participant such rights as may exist

against the borrower, in the event the borrower fails to pay principal and interest when due, such assertion of rights against the borrower can be subject to delays, expenses, and risks that are greater than those that would be involved if a Client could enforce its rights against the borrower directly.

There is an obligation of good faith to the borrower – In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors. A Client could be subject to potential allegations of lender liability. In addition, courts have in some cases applied the doctrine of equitable subordination to subordinate the claim of a lending institution against a borrower to claims of other creditors of the borrower when the lending institution is found to have engaged in unfair, inequitable, or fraudulent conduct.

Clients rely on information provided by borrowers, related equity investors, and other third party service providers – Of concern in investments in loans is the possibility of material misrepresentation or omission on the part of the borrower and related equity investor. Such inaccuracy or incompleteness could adversely affect the valuation of the collateral underlying the loans or could adversely affect the ability of a Client to perfect or effectuate a lien, if any, on the collateral securing the loan. A Client will rely upon the accuracy and completeness of representations made by borrowers and related equity investors to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness.

A Client’s minority investments in portfolio companies will subject such Client to actions taken by the majority holders of the securities of such companies that could not be aligned with the Client’s investment profile and goals – A Client could make minority investments in debt securities of portfolio companies and could not be able to protect its minority portfolio investments or to control or influence effectively the business or affairs of such portfolio companies. In such cases, the Client will rely significantly on the existing management and board of directors of such companies, which could include representatives of other financial investors with whom such Client is not affiliated and whose interests could at times conflict with such Client’s interests. There can be no assurance that meaningful minority rights will be available to the Client or that any rights received will provide full protection of the Client’s interests.

Loans may be converted to equity – In connection with the reorganization of a financially troubled company, a Client may receive equity in exchange for its debt securities. Equity securities are more volatile and risky than secured or unsecured subordinated loans.

Investments in Real Assets – A Client's investments in real assets will entail certain specific risks, including fluctuations of commodity prices, uncertainty of reserves, exploration and development risks, uncertainty in the developing alternative energy markets and technology, and governmental support and regulations.

A Client and its underlying portfolio funds could invest in companies involved in oil, gas, alternative energy, and other real asset-related industries. Such industries are typically regulated to varying degrees. In addition to restrictions imposed by environmental regulators, statutory and regulatory requirements also include those imposed by energy, zoning, land use, safety, labor and other regulatory or political authorities. It is possible that changes to applicable regulations or regulatory practice could have adverse consequences for an investment of a Client or its underlying portfolio fund. Ordinary operation or the occurrence of an accident with respect to such investments could cause major environmental damage, which could result in significant financial distress to the relevant company if not covered by insurance. Applicable laws and regulations could impose liability on owners of such companies without regard to whether the owners knew of, or were responsible for, the relevant issue. Continuing dislocation in the energy markets could restrict the ability of a Client or its underlying portfolio fund to sell or liquidate investments in the energy sector at favorable times or for favorable prices. There can be no assurance as to the duration of any perceived current energy market dislocation. Such investments are also typically subject to commodity price risk. The operation and cash flows of any company in which a Client or its underlying portfolio fund invests could depend, in some cases to a significant extent, upon prevailing market prices of commodities including, for example, commodities such as oil, gas, coal, electricity, steel, or concrete. Commodity prices fluctuate depending on a variety of factors that are outside the control of a Client and its underlying portfolio funds including, without limitation, weather conditions, foreign and domestic supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative commodities, international political conditions and overall economic conditions.

Nature of natural resource and energy industry investments – Investments in the natural resource (inclusive of energy) sector could be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks could 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 could 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 could 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.

Uncertainty of reserves – Certain Clients and their underlying portfolio funds' portfolio investments could be subject to the risks inherent in acquiring or developing recoverable oil, natural gas, coal, or other mineral reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completing of wells and the conduct of development, production, and mining operations. The presence of unanticipated pressures or irregularities in formations, miscalculations or accidents could cause such activity to be unsuccessful, which could result in losses. Furthermore, successful investments generally require an assessment of (i) recoverable reserves; (ii) operating and capital costs; (iii) future oil, natural gas, coal, or other mineral prices; (iv) potential environmental and other liabilities; and (v) other factors. Such assessments are inexact and uncertain. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and future exploration and development costs and engineering and geological interpretations and judgments. Different reserve engineers could make different estimates of reserve quantities and related revenue based on the same data. Actual commodity prices, development expenditures and operating expenses will vary from those assumed in reserve estimates, and these variances could be significant. Any significant variance from the assumptions used could result in the actual

quantity of reserves and future net cash flow being materially different from those estimated in reserve reports. In addition, results from drilling, testing and production and changes in prices after the date of reserve estimates could result in downward revisions to such reserve estimates. Substantial downward adjustments in reserve estimates could have a material adverse effect on a given portfolio investment's financial position and results of operations and could result in acceleration of reserve-based loans or defaults thereunder. In addition, due to natural declines in reserves and production, certain portfolio investments may need to find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions.

Fluctuation in commodity prices – The revenues and profitability of a Client and its underlying portfolio funds investing in the energy sector are likely to be significantly affected by the future prices of and the demand for oil, natural gas, coal, and other commodities, which are inherently uncertain. Investments could have significant shortfalls in projected cash flow if prices decline from levels projected at the time the investment is made. Various factors beyond the control of a Client will affect prices, including worldwide supplies, political instability or armed conflicts in producing regions, the price of foreign imports, the level of consumer demand, the price and availability of alternative minerals and fuels, capacity constraints and changes in existing government regulation, taxation and price controls. Commodity prices have fluctuated greatly during the past, and markets continue to be volatile.

Oil and natural gas exploration and development risks – A Client and its underlying portfolio funds could invest in businesses that engage in oil and natural gas exploration, production and development, a speculative enterprise involving a high degree of risk. Oil and natural gas drilling could involve unprofitable efforts, not only from dry holes, but also from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Acquiring, developing, and exploring for oil and natural gas involve many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents in completing wells and otherwise, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills, and other environmental risks.

Alternative energy market uncertainty – The market for alternative energy is emerging and rapidly evolving; further, the long-term feasibility of particular alternative energy products is uncertain. If alternative energy technology proves unsuitable for widespread commercial deployment and consumption, or if demand for certain alternative energy products fails to materialize, a Client and its underlying portfolio funds' investments in alternative energy opportunities employing such technology or generating such products could never achieve

sustained profitability. In addition, demand for alternative energy in the markets and geographic regions a Client and its underlying portfolio funds target could never develop. Many factors, none of which can be accurately predicted, will influence the widespread adoption of and demand for alternative energy technology and products, including cost-effectiveness, performance and reliability and availability of government subsidies and incentives.

Alternative energy capital costs – Alternative energy projects typically involve relatively high levels of initial capital investment. Such investments are inherently subject to a greater risk of loss of capital. Similarly, the return on investment in alternative energy companies with comparably high capital costs could not be achieved as quickly as with traditional energy companies.

Reduction in governmental support for alternative energy investment – Investors in alternative energy can currently enjoy the support of Government Agencies and regulatory agencies in the form of subsidies and credits. These programs are intended to subsidize the development, ownership and operation of alternative energy projects, especially in an environment where low-cost fossil fuel would otherwise make the cost of alternative energy uncompetitive. Any reduction in or elimination of these programs could have an adverse effect on development of alternative energy resources.

Interdependency of certain types of energy investments – The performance of certain Clients and their underlying portfolio funds' investments could depend substantially upon prevailing oil and natural gas prices. As the cost of energy products derived from fossil fuels and other non-renewable sources rises, the value of alternative energy technology and products could also be expected to increase. However, if non-renewable sources are discovered, or if the cost of producing energy from such non-renewable sources decreases significantly for other reasons, the attractiveness of alternative energy sources could decrease. Accordingly, the profitability of a Client and its underlying portfolio funds' investments in traditional energy assets or portfolio companies owning or dependent upon such assets could be inversely correlated to that of a Client and its underlying portfolio funds' alternative energy investments, and vice versa.

Midstream investment risks – Investments in midstream assets, including oil and gas pipelines and terminals, or portfolio companies owning, controlling, or investing in such assets, are subject to a variety of risks not necessarily associated with other types of energy investments. In addition to the regulatory risks generally faced by regulated entities, midstream energy assets are subject to: (i) the risk that the market for the oil, refined products and gas gathered by, transported on and stored in the midstream assets in which a Client and its underlying portfolio funds invest could decline due to a reduction in downstream customer base or end-user demand; (ii) the risk that

the land on which midstream assets in which a Client and its underlying portfolio funds invest are located will not be owned by such Client, its underlying portfolio funds or their affiliates, and therefore will be subject to risks associated with obtaining and maintaining necessary land use rights, contracts and permits from unrelated third parties; (iii) the risk that the FERC or another US or non-US Governmental Agency could regulate tariff rates for movements of oil, refined products and gas on the pipeline systems, or the tariff rates for storage of gas in the storage facilities, in which a Client and its underlying portfolio funds invest in a manner that adversely affects the profitability of such Client and its underlying portfolio funds' investments in such assets; (iv) the risk that, even if FERC or another US or non-US Governmental Agency permits an increase in tariff rates charged by the pipeline systems or storage facilities in which a Client and its underlying portfolio funds invest, competition from other pipeline systems or storage facilities could prevent such Client or its affiliates from doing so; (v) the risk that any reduction in the capacity of interconnecting, third-party pipelines due to testing, line repair, reduced operating pressures or other causes could result in a reduction of oil and gas volumes transported on pipelines or stored in terminals in which a Client and its underlying portfolio funds invest, thereby potentially adversely affecting the profitability of such Client and its underlying portfolio funds' investments in such assets; (vi) the risk that oil and gas, refined products and other hydrocarbons transported on and stored in the midstream assets in which a Client and its underlying portfolio funds invest could be released into the environment, which could cause such Client, its underlying portfolio funds or their affiliates to be required to make substantial expenditures for responsive action or government-imposed penalties, to be liable to Government Agencies or private parties for natural resources damages, personal injury or property damages, and to be subjected to significant business interruption; and (vii) the risk that, as a result of their ownership or control of or investment in regulated assets such as pipelines, a Client, its underlying portfolio funds or their affiliates could be subject to unfavorable rulings imposed by Government Agencies.

Midstream assets can have a narrow customer base. Should any of the customers or counterparties fail to perform their contractual obligations, or should a government appropriate the underlying assets, an investment of a Client or one of its underlying portfolio funds could lose significant revenue streams, which could be irreplaceable. This loss would affect the profitability of these assets and the value of any securities or other instruments issued in connection with such assets. In addition, midstream portfolio investments are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate midstream investments. The loss of an operator of an investment of a Client or one of its underlying portfolio funds could significantly impair the financial

viability of the portfolio investment and result in a material adverse effect on a Client's portfolio. The insolvency of a contractor, a subcontractor or an equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an investment and result in a material adverse effect on a Client's portfolio.

Regulatory approvals – A Client and its underlying portfolio funds investing in the energy sector could make investments that require federal, state, local or non-US approvals to acquire and operate their facilities. In addition, a Client and its underlying portfolio funds could require the consent or approval of applicable Government Agency in order to acquire or hold particular investments. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on that company. Moreover, additional regulatory approvals, including renewals, extensions, transfers, assignments, reissuances, or similar actions, could become applicable in the future due to a change in laws and regulations, a change in the companies' customers or for other reasons. A portfolio company of a Client or an underlying portfolio fund could not be able (i) to obtain all required regulatory approvals that it does not yet have or that it can require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of the facility or sales to third parties or could result in additional costs to such portfolio company.

Infrastructure risks – A Client and its underlying portfolio funds' investments could rely heavily on infrastructure assets for the storage and transportation of energy or other commodity outputs and could run the risk that existing infrastructure could be inefficiently managed, damaged or destroyed, causing a delay in or termination of the investment's business operations. Potential causes of infrastructure damage or destruction include, but are not limited to, traffic accidents, natural disasters, man-made disasters, train derailments, defective design and construction, slope failure, bridge and tunnel collapse, road subsistence, toll rates, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected infrastructure in the past, and the inability of a Client and its underlying portfolio funds' investments to use such infrastructure could have a material adverse effect on a Client and its underlying portfolio funds' investments.

Operating risks – A Client and its underlying portfolio funds could invest in operating facilities. Operation of such facilities involves certain operational risks, which include, without limitation: the

possibility of performing below expected levels of output, availability or efficiency; interruptions in fuel or other necessary supplies; increases in the cost of fuel or other necessary supplies; pipeline disruptions; disruptions in the offtake of steam or electrical energy; power shutdowns; breakdown or failure of equipment or internal processes; accidental discharges of hazardous materials; labor disputes; human error; changes in law; failure to obtain or maintain necessary governmental permits; or catastrophic events such as fires, earthquakes, lightning, explosions, hurricanes, tornados, floods or similar occurrences affecting a facility owned by a Client or an underlying portfolio fund or its power purchasers, steam purchasers, fuel suppliers or fuel transporters.

Investments in the infrastructure industry could also be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations.

Development construction risks – A Client and its underlying portfolio funds could invest in new development (i.e., a “greenfield” project), expansion of a facility or acquisition of a facility in late-stage development, each of which faces construction risks, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages; (ii) slower-than-projected construction progress and the unavailability or late delivery of necessary equipment; (iii) less-than-optimal coordination with public utilities in the relocation of their facilities; (iv) adverse weather conditions and unexpected construction conditions; (v) regulatory, environmental or other approvals or permits; (vi) a failure to obtain or substantial delays in obtaining financing; (vii) unfavorable terms in equipment supply, operating and maintenance, and offtake contracts; (viii) accidents or the breakdown or failure of construction equipment or processes; and (ix) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond a Client’s or its underlying portfolio funds’ control. These projects also involve additional uncertainties, including, without limitation, the possibility that the projects could not be completed, operating licenses could not be obtained, and construction and/or permanent financing could be unavailable. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on a Client. Construction costs could exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Projects under development or projects acquired to be developed could generate little or no cash flow from the date of acquisition through the date of completion of development and could experience operating deficits after the date of completion. As a result, there is also no assurance that these projects will be profitable or generate cash flow sufficient to service their debt (if any) or provide a return

on or recovery of amounts invested therein. In addition, there are risks inherent in the construction work that could give rise to claims or demands against a portfolio investment from time to time.

Concentration and lack of diversification – Certain Client's and their underlying portfolio funds' investments will be concentrated in the real assets industry and will be subject to numerous risks that affect the industry as a whole or specific sectors within that industry. Because of the concentration of a Client's investments in this industry, an investment in a Client could be subject to greater risk than an investment in a portfolio of investments representing a broader range of industries. Changes in the industry could affect the availability or desirability of investments and could adversely affect the returns realized by investors.

In addition to being concentrated in the industry, a Client and its underlying portfolio funds' investments could not be fully diversified by geographic region, asset type or number, and there is no assurance as to the degree of diversification that will actually be achieved in a Client and its underlying portfolio funds' investments. Since a Client may only make a limited number of investments and since many of the investments could involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors.

New technology risks – Historically, technology changes in the natural resources sector (inclusive of energy) have resulted in gradual incremental improvements with minimal disruptive technology impacts. However, there are currently a number of scientific research institutions (including those supported by major venture capital firms and corporations) seeking to develop technologies designed to reduce dependence upon large scale fossil fuel generation. In the event that a technology in the energy industry is successfully developed and implemented, a Client and its underlying portfolio funds' investments might be adversely affected. While a Client and its underlying portfolio funds' investments could benefit from such technologies, there can be no assurance that technology innovation will not favor investments of a type not held by a Client, which would place a Client at a competitive disadvantage and drive down the value of its assets.

Regulation of the natural resources industry – The natural resources industry is affected from time to time in varying degrees by political developments and a wide range of statutes, rules, orders, and regulations. Regulatory statutes, rules, orders, and regulations typically address (i) upstream assets and facilities used to gather, process, treat, transport, and store refined products; (ii) the rates to be charged by those facilities; (iii) the safety and reliability of those facilities; and (iv) the transfer of interests in regulated assets and the entities owning such assets. Government Agencies typically have authority to enforce their requirements by levying monetary penalties. Regulatory actions and changes in regulations could increase the costs of a Client

and its underlying portfolio funds' investments, limit those investments' ability to collect revenues sufficient to recover their costs, and delay or prevent the acquisition, construction, or divestment of regulated facilities.

Evolving market for renewable energy assets – Diverse factors, including the cost-effectiveness, performance and reliability of renewable energy technology, changes in weather and climate and availability of government subsidies and incentives, as well as the potential for unforeseeable disruptive technology and innovations, present potential challenges to investments in renewable assets. Renewable resources (e.g., wind, solar, hydro, geothermal) are inherently variable. Variability can arise from site-specific factors, daily and seasonal trends, long-term impact of climatic factors, or other changes to the surrounding environment. Variations in renewable resource levels impact the amount of electricity generated, and therefore cash flow generated, by renewable energy investments. Renewable power generation sources currently benefit from various incentives in the form of feed-in tariffs, rebates, tax credits, renewable portfolio standard regulations and other incentives. The reduction, elimination or expiration of government subsidies and economic incentives could adversely affect the cash flows and value of a particular portfolio company, the flow of potential future investment opportunities and the value of any platform in the sector. In addition, the development and operation of renewable assets might at times be subject to public opposition. For example, with respect to the development and operation of wind projects, public concerns and objections often center around the noise generated by wind turbines and the impact such turbines have on wildlife. While public opposition is usually of greatest concern during the development stage of renewable assets, continued opposition could have an impact on ongoing operations.

Climate change – While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea levels and the severity and frequency of storms and other severe weather events.

Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy-related assets that depend on the capture of waterflow, wind or sunlight to derive revenues. If such reductions are significant, any such assets could be rendered inoperable. Conversely, significant increases in precipitation or wind velocity could cause damage to such assets or create periods when such assets are not able to function. In the event that climate change causes sea levels to rise, certain portfolio companies might be forced to incur expenses to prevent infrastructure assets from being damaged or rendered unusable by such rising sea levels. Moreover, if the evidence supporting climate change continues to grow, various Government Agencies might enact more restrictive environmental regulations. These

more restrictive regulations could materially impact the revenues and expenses of a portfolio company.

Risks of terrorism – Future terrorist attacks or regional hostilities could have adverse effects on the natural resources industry in general and on a Client and its underlying portfolio funds' portfolio investments in particular. Uncertainty surrounding such attacks or a sustained military campaign could affect the operations of portfolio investments in unpredictable ways, including disruptions of fuel supplies and markets and the possibility that infrastructure facilities, including pipelines, production facilities, processing plants and refineries, could be direct targets of, or indirect casualties of, an act of terror or war. Moreover, portfolio investments could be required to incur significant costs to safeguard certain of their assets against such attacks.

Political and societal challenges – Natural resources and related projects could be subject to siting requirements. Siting of projects is also frequently subject to regulation by applicable state, county, and local authorities. For example, proposals to engage in drilling activities in a particular location could be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, including the common “not in my backyard” phenomenon. The failure of any portfolio investment or project to receive, renew or maintain any required permits or approvals or any inability to satisfy any requirement of any permits or approvals could result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations.

Sovereign risks – To the extent relevant to a Client, concessions for certain investments can be granted by Government Agencies. Concessions from Government Agencies are subject to special risks, including the risk that such Governmental Agencies will exercise sovereign rights and take actions or impose conditions contrary to the investment's rights under the relevant concession agreement. There can be no assurance that a particular Government Agency will not legislate, impose regulations, change applicable laws, or act contrary to the law in a way that would materially adversely affect any such investment. Additionally, Government Agencies could possess sovereign immunity, similar to that of individual states and the United States federal government, and can only be sued if such governmental counterparty has effectively waived its sovereign immunity with respect to the matter in dispute. Without an effective waiver of sovereign immunity, a Client could be precluded from judicially enforcing any of its rights or remedies.

General environmental matters – Environmental laws, regulations, and regulatory initiatives play a significant role in the natural resource industry and can have a substantial effect on

investments in the industry. Environmental laws, regulations, and regulatory initiatives could (i) restrict the types, quantities and concentration of various substances that can be released into the environment; (ii) require reporting of or precautions relating to the storage, use or release of certain chemicals and hazardous substances; (iii) require removal or cleanup of contamination under certain circumstances, which could require the expenditure of material amounts over a significant period of time; (iv) require the acquisition of various permits to conduct regulated activities; (v) limit or prohibit activities in sensitive areas, such as wetlands, coastal regions or areas inhabited by endangered or threatened species, or require monitoring or other mitigation measures in these areas; and (vi) impose substantial civil liabilities or criminal penalties for failures to comply with such laws and regulations. Moreover, there has been a trend in recent years toward stricter standards in environmental, health and safety legislation and regulation, which could affect the success of companies in which a Client and its underlying portfolio funds invest. Required expenditures for environmental compliance, including remediation of contamination and restoration of affected areas, have adversely affected investment returns in many segments of the industry. Compliance with current or future environmental requirements does not ensure that the operations of portfolio investments will not cause injury to the environment or to people under all circumstances or that the portfolio investments will not be required to incur additional, unforeseen environmental expenditures. Moreover, failure to comply with environmental requirements could have a material adverse effect on a portfolio investment. Past practices or future operations of portfolio investments could also result in material personal injury or property damage claims. In addition, owners of contaminated properties could be required to expend substantial sums to clean up contaminations that could have been caused by previous owners or operations. Under certain circumstances, environmental authorities and other parties could seek to impose personal liability on the investors of a Client for environmental liabilities that cannot be resolved by the Client.

Risks of investments in precious metals – Precious metals investments is a speculative activity. Prices of precious metals are affected by factors such as global supply and demand, investors' expectations with respect to the rate of inflation, currency exchange rates, interest rates, investment and trading activities of hedge funds and commodity funds, and global or regional political, economic, or financial events and situations. Markets can be volatile at times, and there could be sharp fluctuations in prices even during periods of rising prices.

Geological risk – The estimated resources reported by the portfolio companies in which a Client and its underlying portfolio funds invest are estimates and are not necessarily a statement of the commercial viability, potential or profitability of any future operations. There can be no certainty

that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserve or resource and mineralized potential can be extracted or processed profitably. Actual reserves, resources or mineralized potential could not conform to geological, metallurgical or other expectations, and the volume and grade of ore or product recovered could be below the estimated levels. Lower market prices, increased production costs, reduced recovery rates and other factors could render these reserves, resources or mineralized potential uneconomic to exploit and could result in revision of its reserve estimates from time to time. Any such changes could materially and adversely impact the viability of the project's development and its value.

Agriculture and timber general risks – The investments of a Client and its underlying portfolio funds in agriculture and timber will be subject to the risks incident to the ownership and operation of agribusiness-related assets and agricultural-related real estate, including risks associated with the general economic climate, local real estate conditions, geographic or market concentration, competition from other space, the ability of a Client or its underlying portfolio funds to manage the agricultural properties, government regulations, and fluctuations in interest rates. Since agricultural real estate and projects, like many other types of long-term investments, historically have experienced significant fluctuations and cycles in value, specific market conditions could result in occasional or permanent reductions in the value of real property interests. The marketability and value of the agricultural properties and projects will depend on many factors beyond the control of a Client, including, without limitation: (i) changes in general or local economic conditions; (ii) changes in supply of or demand for competing properties in an area; (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (v) the availability of mortgage funds; (vi) the financial condition of operators, buyers and sellers of farming related properties; (vii) changes in real estate tax rates and other operating expenses; (viii) energy and supply shortages; (ix) various uninsured or uninsurable risks; and (x) natural disasters and uninsurable losses. Since investments in agricultural properties and projects generally are illiquid, there is no assurance that there will be a ready market for real property or equity interests in projects held by a Client.

Agriculture is a significantly weather-dependent investment sector and extreme climate variability carries multi-dimensional impacts. Rain-fed farming remains a risky business with natural disasters and fluctuations in weather patterns potentially having a devastating effect on agricultural production. Failure of rains and occurrence of natural disasters such as floods and droughts could lead to crop failures, famine, loss of property and life, mass migration, and

negative national economic growth. Weather related risks are difficult to control.

Nature of investments in the power industry – For much of its history, the power sector, and particularly the utility industry within this broader sector, was characterized by institutional stability and predictability of financial performance. The advent of deregulation, privatization, technological change and market volatility has created a much less stable sector with substantially greater variability of company performance. There can be no assurance that the pace or direction of the change will be in accord with the expectations of the general partner, nor that the industry changes will benefit investments made by a Client. Investing in power facilities and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks. There is no assurance that a Client or its underlying portfolio funds' investments will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

The operation of power facilities and certain other types of energy-related infrastructure or facilities involves many risks, including higher than anticipated operating and maintenance costs, loss of sale and supply contracts or fuel contracts, bankruptcy of key customers or suppliers, the breakdown or failure of pipelines, transmission lines, power generation equipment or other equipment or processes and performance below expected levels of output or efficiency. Although each project typically contains certain redundancies and back-up mechanisms and insurance is maintained to protect against the effects of certain operating risks, such redundancies and back-up mechanisms could not cover every operating contingency, and the proceeds of such insurance could not be inadequate to cover lost revenues or increased expenses. Actual cash flow generating ability of a Client or its underlying portfolio funds' portfolio companies will be influenced by (among other things) (i) the technology employed in the power generation plants or other assets; (ii) demand/pricing considerations; (iii) changes of regulations affecting the power industry; and (iv) competition from other power generation plants that could have lower production costs and operating and maintenance costs.

Ongoing changes in the utility industry – A Client and its underlying portfolio funds could make investments in electric power generation or transmission or related businesses in the United States or abroad. In many jurisdictions, including portions of the United States, the electric utility industry is experiencing increasing competitive pressures, as a result of deregulation, competition for customers and new products, technological advances, greater availability of natural gas and other factors. In response, for example, the US Federal Energy Regulatory Commission ("FERC") has adopted an open-access transmission regulatory framework to ensure that transmission service is provided on a nondiscriminatory and just and reasonable basis, as well as provide for

more effective regulation and transparency in the operation of the transmission grid. Similar actions are being taken or contemplated by Government Agencies in other countries. A number of countries, including the United States, are considering or implementing methods to introduce and promote retail competition. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation or transmission projects into which a Client and the underlying portfolio funds can invest could come under increasing pressure. Deregulation is fueling the current trend toward consolidation among domestic utilities, as well as the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry. In addition, independent power producers could find it increasingly difficult to negotiate long-term power sales agreements with solvent utilities, which could affect the profitability and financial stability of independent power projects. There can be no assurance that (i) existing regulations applicable to electric utility portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to electric utility companies; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other Government Agencies.

Investments in Restructurings – A Client could be exposed, through the investments of underlying portfolio funds and direct investments, to portfolio companies that are experiencing or are expected to experience financial difficulties. If such financial difficulties are not overcome, any such portfolio company could become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject Clients or underlying portfolio funds to certain additional potential liabilities that exceed the value of the original investments. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor could have its claims subordinated or disallowed or could be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Client or an underlying portfolio fund and distributions by an underlying portfolio fund or direct investment to investors (including a Client) could be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws, which could result in a

corresponding return of related distributions by a Client to investors. Furthermore, investments in companies undergoing restructuring could be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims.

Investments in Technology Industries – A Client could, through an underlying portfolio fund or direct investment, make investments in portfolio companies involved in the technology industry. The technology industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences, short product life cycles, services and/or improvements in existing products or services. Portfolio companies in the technology sector will compete in this volatile environment. There is no assurance that products or services sold by such portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that such portfolio companies will not be adversely affected by other challenges. New products and services can be distributed broadly and quickly at relatively low cost. Moreover, competition in this sector can result in significant downward pressure on pricing.

Investments in the Health Care Sector – A Client could, through an underlying portfolio fund or direct investment, make investments in the health care sector. Investing in health care companies may involve substantial risks, including, but not limited to, the following: limited operating histories and limited experience instituting compliance policies, rapidly changing technologies and the obsolescence of products, change in government policies, regulations and governmental investigations, potential litigation alleging negligence, products liability torts, breaches of warranty, intellectual property infringement and other legal theories, disappointing results from preclinical testing, indications of safety concerns, insufficient clinical trial data to support the safety or efficacy of the product candidate, difficulty in obtaining all necessary regulatory approvals in each proposed jurisdiction, inability to manufacture sufficient quantities of the product candidate for development or commercialization in a timely or cost-effective manner, and the fact that, even after regulatory approval has been obtained, the product and its manufacturer are subject to continual regulatory review, and any discovery of previously unknown problems with the product or the manufacturer could result in restrictions or recalls. Each of these risks could have a material adverse effect on the direct and indirect investments of a Client.

A Client, and certain entities in which a Client invests, could utilize leverage in their investment strategies which can involve material risks

Clients, their portfolio companies, and certain of their underlying portfolio funds will directly or indirectly utilize leverage, in their investment strategies, including potentially for transactions involving the recapitalization of their portfolio investments. 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. As a general matter, use of borrowings by a Client in lieu of drawing down commitments impacts internal rates of return (either negative or positive) to investors, including through the possible acceleration of distributions to investors. A Client could not have the necessary diversification of investors or sufficient aggregate capital commitments to qualify for borrowing under any credit facility and, therefore, the amount of leverage available to such Client and its parallel funds could differ, and in such case the investment results of such Client and its parallel funds could differ as well. In addition, it is possible that HarbourVest's targeted leverage for a Client will not be available to such Client as a result of competition between such Client and other Clients for access to available leverage from banks and other lenders. In addition, the use of facilities based on a floating rate of interest could involve risks described under "Risks Relating to LIBOR and Other Benchmark Rates" below.

The use of leverage by a Client can, and likely would, delay the need for investors to make capital contributions to a Client, which would likely enhance a Client's performance figures and thereby benefit HarbourVest. Borrowing by a Client could be structured so that a Client, a parallel fund of such Client, and any applicable alternative investment vehicles of such Client (and its parallel funds) are jointly and severally liable on a cross-collateralized basis for any repayment of indebtedness under any such credit facility and security could be granted by a Client or its general partner over the capital commitments of investors and other assets of a Client to secure indebtedness obtained for the benefit of, or indebtedness incurred by, a parallel fund or any applicable alternative investment vehicle. Therefore, if a parallel fund or any applicable alternative investment vehicle defaults on its obligations in respect of such indebtedness, the capital commitments of a Client's investors and other assets of a Client could be foreclosed upon in order to satisfy such defaulted obligations. Similarly, if a Client defaults on its obligations in respect of such indebtedness, the capital commitments of investors of its parallel fund and other assets of its parallel fund could be foreclosed upon in order to satisfy the Client's defaulted obligations. Each such Client and its parallel funds (if any) will typically enter into reciprocal guarantees with

regards to their respective obligations and liabilities under any joint credit agreements.

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

Borrowing by a Client, an underlying portfolio fund or a subsidiary of a Client will expose it to some or all of the risks described above. The interest expense and other costs incurred in connection with such leverage might not be recovered by the appreciation in any investment purchased or carried by such amounts. The consequences of borrowing could include (i) greater fluctuations in the net asset value of a Client; (ii) use of cash flow (including capital contributions) for debt service, distributions, or other purposes; (iii) to the extent that a Client's revenues are required to meet principal payments, investors could be allocated income (and therefore could incur tax liabilities) in excess of cash available for distribution; (iv) in certain circumstances, a Client could be required to prematurely realize investments to service its debt obligations; and (v) limitation on the flexibility of a Client to make distributions to its investors or sell assets that are pledged to secure indebtedness. A Client's assets, including any investment made by a Client and any capital held by a Client, will generally be available to satisfy all liabilities and other obligations of a Client. If a leveraged Client defaults on secured indebtedness, the lender could foreclose, and a Client could lose its entire investment in the security for such loan. If a Client itself becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to its assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. In addition, borrowing of a Client could be secured by assignment of the obligations of its investors (including a Client) to make capital contributions to a Client.

A Client could 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 can have a more pronounced effect on a company's profitability or survivability. Moreover, rising interest rates can 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 could 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 could suffer a partial or total loss of its invested capital. Events of default could in some cases be triggered by events not related directly to the performance of the company itself. A decrease in the availability of financing from banks, debt capital markets, or other sources

or an increase in either interest rates or risk spreads demanded by finance providers, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk, could make it more expensive to acquire or maintain company financing on an ongoing basis. There could be times when a portfolio company might not be able to access those markets at attractive rates, or at all, which could have a material adverse impact on it. A portfolio company's obligations to its lenders (other than a Client) will likely be senior to a Client's investment in the company and could also be secured by the assets of the company. The junior status of a Client could result in a loss of investment by a Client in liquidations or sale transactions. It could 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 could be available on terms that are favorable to the investment by a Client in the portfolio company.

A Client could forego investment opportunities due to insufficient borrowing capacity under the Client's credit facility

For Clients that have credit facilities, HarbourVest generally expects to use amounts borrowed under a credit facility in order to make portfolio investments rather than requiring investors to make capital contributions, which could result in a Client foregoing investment opportunities that would be otherwise suitable for it solely because there is insufficient capacity under such credit facility. Any borrowing by a Client will be subject to the limitations on fund-level indebtedness set forth in the governing documents of such Client and the risks relating to the use of leverage described herein, including, but not limited to, the risk that a Client will not qualify for, or otherwise will not be able to obtain, HarbourVest's targeted amount of indebtedness for a Client. The general partner of a Client could, in its sole discretion, determine not to cause a Client to participate in any portfolio investment (or any portion thereof) that would otherwise be appropriate for such Client solely because the Client does not have sufficient available capacity to make such portfolio investment using borrowing under its credit facility even though the Client could have otherwise called sufficient capital under the governing documents of the Client to make such investment. As a result, HarbourVest could determine to allocate such investment opportunities to other Clients, and such a determination could adversely impact a Client or could otherwise result in such other Clients pursuing similar investments achieving returns that are better than the returns achieved by the Client.

Reliance on third-party management; Non-control investments

The returns achieved by the primary partnership, secondary investments, or direct co-investments

of a Client will depend in large part on the efforts and performance results obtained by the managers of the underlying portfolio funds in which a Client invests. Furthermore, a Client will not have an active role in the day-to-day management of the relevant underlying portfolio funds or in the tax structuring of investments made by the underlying portfolio funds, the ability to approve the specific investment or management decisions made by the managers of the underlying portfolio funds. As a result, the investment returns of a Client will primarily depend on the performance of unrelated investment managers and other management personnel.

In addition, a Client or an underlying portfolio fund could make minority equity co-investments in portfolio companies where such Client or such underlying portfolio fund does not expect to be able to protect its portfolio investments or to control or influence effectively the business or affairs of such entities. In many cases, a Client or an underlying portfolio fund could invest in such companies through an investment vehicle controlled by the majority equity holders. In such investments, a Client or an underlying portfolio fund will rely significantly on the existing management and board of directors of such companies, which could include representatives of other financial investors with whom a Client or an underlying portfolio fund is not affiliated and whose interests could at times conflict with a Client's or an underlying portfolio fund's interests. Such investments involve additional risks not present in investments where a Client or an underlying portfolio fund has control, including the possibility that such other investors have financial difficulties resulting in a negative impact on such investments or take actions contrary to the investment objectives of a Client or an underlying portfolio fund. In addition, a Client or an underlying portfolio fund could in certain circumstances be liable for the actions of third-party co-investors. Furthermore, in such investments, the majority or control investors will in many cases control the form and timing of the sale of such investments by a Client or an underlying portfolio fund. In addition, the ability to sell any related publicly traded stock held by a Client or its underlying portfolio funds could be controlled by the lead investor, not a Client. A Client or an underlying portfolio fund could therefore be adversely affected by actions taken by the majority equity holders 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 an underlying portfolio fund or that any rights received will provide full protection of a Client's or an underlying portfolio fund's interests.

Business and financial risks of underlying portfolio company managers; Risk of fraud

HarbourVest on behalf of its Clients will conduct due diligence reviews of managers and sponsors of underlying portfolio funds and direct investments that it believes is sufficient to select such investments. However, due diligence is not a perfect process and it is possible that problems

associated with a particular manager or sponsor will not be uncovered. Such managers and sponsors could be operating at a loss or have significant variations in operating results, be engaged in a rapidly changing business, require additional capital to support their operations or maintain their competitive position or otherwise have a weak financial condition that could ultimately adversely impact a Client. The potential that any such manager or sponsor engages in improper conduct or fraud cannot be eliminated. Clients are expected to rely on representations with respect to the managers and sponsors of underlying portfolio funds and direct investments made by such managers and sponsors, their accounts, attorneys, and other associated investment professionals or service providers. If any such representations are misleading, incomplete, or false, underlying portfolio funds and direct investments could be selected for investment by the funds that might otherwise have been eliminated from consideration.

Risks relating to due diligence of portfolio companies

Before making direct investments on behalf of any Clients, HarbourVest, the managers of underlying portfolio funds, and, if different, the sponsors of such direct investments, as applicable, will typically or would otherwise be expected to conduct such due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence might entail evaluation of important and complex business, financial, tax, accounting, environmental, and legal issues. Outside consultants, legal advisors, accountants, investment banks, and other third parties might be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants can present a number of risks primarily relating to the reduced control of the functions that are outsourced. The due diligence investigation carried out with respect to any investment opportunity might not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at portfolio companies, even activities that occurred prior to the investment by a Client or underlying portfolio fund, could have an adverse impact on a Client. HarbourVest does not expect to be the lead sponsor with respect to many direct investments or to be granted access to all of the due diligence materials with respect to such investments. In addition, HarbourVest does not generally engage directly with the sellers or management of prospective portfolio companies during the due diligence process. Where HarbourVest is not the lead sponsor, it will rely on the due diligence, efforts, and conclusions of lead sponsors in deciding to make such investments, which could be inconsistent with the conclusions HarbourVest would have reached if it had independently conducted such due diligence. Furthermore, in connection with direct investment due diligence that is not conducted

directly by HarbourVest and to which HarbourVest is granted access, HarbourVest will customarily execute non-reliance letters and accordingly will not have recourse against the professionals or the lead sponsor who prepared the due diligence materials.

Secondary investment risk

A Client could acquire interests in underlying portfolio funds and direct investments through secondary market transactions. The due diligence costs involved in such investments could be higher than those involved in direct subscriptions and primary investments by a Client. Secondary market transactions could also require a Client to assume related contingent liabilities associated with events occurring prior to the Client's investment and, in particular, could require a Client to "return" payments of distributions made by an underlying portfolio fund or in respect of a direct investment to the seller of the underlying portfolio fund interest or direct investment. In certain circumstances, a Client could be able to recover such payments from the seller. Such ability cannot, however, be guaranteed. The overall performance of an underlying portfolio fund or direct investment acquired through a secondary transaction will depend in large part on the purchase price paid by a Client. Such price will be negotiated by the general partner of a Client on the basis of information regarding the relevant underlying portfolio fund or direct investment provided by the seller and such underlying portfolio fund or direct investment, which could be inaccurate or incomplete. In addition, a Client will generally not have any ability to negotiate terms with respect to interests in underlying portfolio funds or direct investments invested in through secondary market transactions.

Valuation risk

A Client will primarily hold or otherwise participate in investments in securities and other assets that will not have readily assessable market values. In such instances, the general partner of the Client will determine the fair value of such securities and assets in its reasonable judgment in accordance with HarbourVest's valuation policies based on various factors and can rely on internal pricing models. Such valuations might vary from similar valuations performed by independent third parties for similar types of securities or assets. The valuation of illiquid securities and other assets is inherently subjective and subject to increased risk that the information utilized to value such assets or to create the price models could be inaccurate or subject to other error. Generally, underlying portfolio funds will be valued at the valuations contained in the latest financial reports supplied by the manager or sponsor of such underlying portfolio funds, unless the general partner, in good faith, determines that the valuation of any underlying portfolio fund

does not reflect the fair market value of such investment, in which case such underlying portfolio fund will be valued in good faith by the general partner in accordance with HarbourVest's valuation policies. In cases where a Client has purchased an interest in an underlying portfolio fund in a third-party transaction at a discount to the valuation contained in the financial reports of such underlying portfolio fund, HarbourVest expects Client general partners to value such interest at the higher valuation stated in such financial reports. Investments in direct investments and underlying portfolio funds will be difficult to value because it could be difficult for the general partner to obtain sufficient financial information with respect to direct investments and the portfolio investments held by such underlying portfolio funds. There is no guarantee that the value determined by a general partner (or the manager or sponsor of an underlying portfolio fund or a direct investment) will represent the value that will be realized by a Client from its investments on their eventual disposition or liquidation by a Client or underlying portfolio fund, as applicable, or that would be realized upon an immediate disposition of the investment. In addition, any valuation formula or methodology involving the use of LIBOR could involve risks described under "Risks relating to LIBOR and other Benchmark Rates" below.

Interest rate risk

Certain investments of a Client and its underlying portfolio funds are expected to expose it to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that can affect market interest rates include, without limitation, inflation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in domestic and foreign financial markets. Client will typically be permitted to, but is not required to (and will typically not be expected to), hedge interest rate risk of investments. Similarly, such risks might not be hedged by any underlying portfolio fund or sponsor of a direct investment. In addition, investments involving floating interest rates could involve risks described under "Risks relating to LIBOR and other Benchmark Rates" below.

Inflation risk

If a portfolio company of a Client or underlying portfolio fund is unable to increase its revenue in times of higher inflation, its profitability might be adversely affected. The portfolio companies of an underlying portfolio fund or a Client could have long-term rights to income linked to some extent to inflation including, without limitation, by government regulations and contractual arrangements. Typically, as inflation rises, a portfolio company will earn more revenue but also will incur higher expenses; as inflation declines, a portfolio company might be unable to reduce expenses in line

with any resulting reduction in revenue. A rise in real interest rates would likely result in higher financing costs for portfolio companies and could therefore result in a reduction in the amount of cash available for distribution to investors.

Natural disasters and other major events could adversely affect a Client

HarbourVest's, its Clients', its Clients' underlying portfolio funds and their portfolio companies' business operations could be vulnerable to disruption in the case of catastrophic events such as fires, natural disasters (e.g., tornadoes, floods, hurricanes, volcanic eruptions, and earthquakes), epidemics, pandemics, terrorist attacks, public unrest, war and other armed conflicts and related cyber-attacks, or other circumstances resulting in, among other things, property damage, network interruption, and/or prolonged power outages, disruptions in markets or supply chains and/or prolonged office closures. Although HarbourVest has, and portfolio companies and the managers of its underlying portfolio funds are expected to have, 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, its Clients could be adversely affected.

Dependence on Patents, Trademarks and Other Intellectual Property

Certain of a Client's investments could depend heavily on intellectual property rights, including patents, trademarks, trade secret protection, non-disclosure agreements and service marks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject an issuer to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties could lead to the termination of the research and development of an issuer's particular product.

Source Code Protection

Source code is often critical to portfolio companies of a Client or its portfolio fund in the technology sector. If an unauthorized disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. This could make it easier for third parties to compete with such portfolio company products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., viruses, worms, and other malicious software programs that may attack portfolio company products and services).

Costs for remediating the unauthorized disclosure of source code and other cybersecurity breaches, may include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

Epidemics, pandemics, and other health risks

The ongoing 2019-nCoV (together with any variants, “Covid-19”) pandemic has resulted in significant disruption in global public and private markets and supply chains, and government restrictions put in place include the institution of quarantines, border closures, travel restrictions and closures of businesses, schools, courts and other public venues. These events have had, and will continue to have, a material adverse effect on the economic environment as a whole, and in particular on businesses in the transportation, hospitality, tourism, entertainment and other similar industries. Moreover, even as restrictions have been lifted in certain jurisdictions, they have been reimposed in others, and this pattern could continue for the foreseeable future. With the continued spread of Covid-19, governments and businesses in certain jurisdictions are likely to take aggressive measures to help slow its spread. For this reason, among others, as Covid-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), remain uncertain and difficult to assess. The extent and duration of such negative impact with respect to HarbourVest and its Clients and global markets as a whole is unknown.

The ongoing spread of Covid-19 has had and will continue to have a material adverse impact on portfolio companies, local economies in the affected jurisdictions and also on the global economy as supply chains are disrupted and cross-border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. In addition to these developments potentially having adverse consequences for underlying portfolio investments of a Client its underlying portfolio funds and the value of a Client’s and the underlying portfolio funds’ investments therein, the operations of HarbourVest and a Client have been, and could continue to be, adversely impacted, including through quarantine measures and travel restrictions imposed on HarbourVest personnel or service providers based around the world, and any related health issues of such personnel or service providers. In addition, HarbourVest expects the managers of underlying portfolio funds to be experiencing similar impacts. A Client’s or an underlying portfolio funds’ operations could be disrupted if any of HarbourVest’s key personnel contracts Covid-19 and/or any other infectious disease. Any of the

foregoing events could materially and adversely affect a Client's or an underlying portfolio fund's ability to source, manage and divest investments and its ability to fulfill its investment objectives. Similar consequences could arise with respect to other comparable infectious diseases.

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

Cybersecurity 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, could be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons, 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. In particular, ransomware attacks are evolving and are frequently carried out via a form of malicious software designed to encrypt the files on and/or block access to an information system until the demanded ransom is paid, resulting in significant business disruption, financial losses (including potentially ransom payments and/or costs and expenses associated with engaging decryption specialists), reputational costs, and loss of data. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they could 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 could implement, various measures to manage risks relating to these types of events, such measures could 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 could 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 could 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 entities and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance. Similar considerations apply to underlying portfolio funds, their managers, portfolio companies, and service providers.

In addition, on May 25, 2018, the EU's General Data Protection Regulation ("GDPR") came into effect. The GDPR modernized the legal framework of data protection and privacy in Europe with the aim of ensuring the consistent protection of personal data by making businesses more accountable for compliance with applicable requirements. Accordingly, onerous penalties will be imposed for breaches of the GDPR, including a failure to report cyber security breaches or to implement or maintain appropriate cyber security systems and protocols and while HarbourVest and its Clients will (and underlying portfolio funds could) endeavor to maintain systems to avoid such breaches and penalties, there can be no assurance that these systems will always be effective in doing so.

In connection with secondary investments, a Client could make certain investments in underlying portfolio funds that own a limited number of assets or only a single asset

While underlying portfolio funds are generally expected to invest in diversified portfolios, in connection with secondary investments, a Client could make investments in underlying portfolio funds that hold a limited number of assets or only a single asset. Accordingly, the performance of any one asset could significantly impact the performance of any such underlying portfolio fund.

The fund-of-funds structure results in multiple expenses being borne by the investor

Each underlying portfolio fund of a Client will impose carried interest payments as well as management fees and other expenses on the interests held by each Client in such underlying portfolio fund. Certain lead sponsors of direct investments by Clients could also impose carried interest payments as well as due diligence or management costs and other administrative expenses on such investments. In addition, Clients will incur management costs and other administrative costs and due diligence costs and, with respect to secondary and direct investments, carried interest payments which will be imposed on investors (including Clients). This fund-of-funds structure will result in greater expenses for Client investors than if investors invested directly in the underlying portfolio funds or the direct investments.

A Client's investment in operating companies could require, or present an opportunity to make, follow-on investments

A Client or an underlying portfolio fund could be called upon to provide follow-on funding for their portfolio investments or have the opportunity to increase their investment in such portfolio investments (a "Follow-On Investment"). Certain Follow-On Investments could include an underlying portfolio fund restructuring or reorganization transaction in which a Client could (i) commit additional capital to an underlying portfolio fund (or to a new limited partnership or other entity established for the purposes of acquiring one or more assets from an existing underlying portfolio fund) or (ii) rollover all or a portion of its existing indirect interest in a portfolio investment to another vehicle. There can be no assurance that a Client or an underlying portfolio fund will wish to make Follow-On Investments or that it will have sufficient funds to do so (or will be permitted to make such Follow-On Investments under investment restrictions applicable to the Client or underlying portfolio fund). Any decision by a Client or an underlying portfolio fund not to make Follow-On Investments or its inability to make them could have a substantial negative impact on a portfolio investment in need of such an investment or could result in a lost opportunity for a Client or underlying portfolio fund to increase its participation in a successful investment, and could result in a Client's or underlying portfolio fund's investments in the relevant portfolio investment becoming substantially diluted, particularly where such Follow-On Investment comprises a rescue financing transaction. In addition, in circumstances where the Follow-On Investment is offered at a discount to market value, any failure by a Client or underlying portfolio fund to participate could result in a loss of value for a Client or underlying portfolio fund.

Risks of control positions; managerial assistance

A Client and its underlying portfolio funds (alone, or together with other investors) could be deemed to have a control or management position with respect to one or more portfolio companies in which a direct investment is made as a result of holding a majority of the equity in such portfolio companies or being granted governance rights that effectively give a Client or an underlying portfolio fund material control over such portfolio companies. Pursuant to applicable law and regulation, depending on the circumstances, this in turn could expose the Client or its underlying portfolio funds to risk of liability for underfunded pensions, 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 or its underlying portfolio funds could 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 or its underlying portfolio funds to claims by a portfolio company, its security holders and its creditors, including claims that the Client or its underlying portfolio funds are a controlling person and thus are 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 or an underlying portfolio fund 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 or its underlying portfolio funds to claims that they have interfered in management to the detriment of a portfolio company.

Force majeure risk

Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, terrorism and labor strikes. Disease outbreaks have occurred in certain countries in the past and are currently occurring (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu, COVID-19 and other coronaviruses) and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters in any country in which a Client targets investments could have a material adverse effect on the macro economy and/or the business operations of portfolio companies in which a Client invests. Some force majeure events can adversely affect a party's ability to perform its obligations until it is able to remedy the force majeure event. In some cases, project agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more investments or its assets, could result in a loss to a Client, including if its investment in such investment or asset is canceled, unwound or acquired (which could be without what a Client considers to be adequate compensation). Any of the foregoing can therefore adversely affect the performance of the Client and its investments.

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. The market for experienced private market 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 could 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 could 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.

A Client could be subject to additional risks upon the disposition of an equity investment

In connection with the disposition of an investment in a portfolio company, a Client and its underlying portfolio funds could be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or could be responsible for the contents of disclosure documents under applicable securities laws. The Client and its underlying portfolio funds could also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or

disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements could 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 will typically 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. The governing documents of a Client's underlying portfolio funds are generally expected to contain similar provisions.

Investors in Clients are subject to certain indemnification obligations that could result in a recall of distributions

Investors in each Client are generally required to indemnify its general partner, the affiliates of its general partner (including HarbourVest), 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 Client and otherwise as provided in the governing documents of such Client. Such liabilities could 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. Such obligations will survive the dissolution of a Client. If the assets of a Client are insufficient, the general partner of such Client could recall distributions previously made to the investors (subject to certain limitations set forth in the Client's governing documents). The governing documents of the underlying portfolio funds of a Client are expected to contain similar provisions. Subject to the terms of the governing document of a Client, its general partner could require including, among other things, any indemnification obligations and other Client operating expenses.

Investors could be required to return distributions

The general partner of a Client could require each investor of a Client to return distributions made to such investor for the purpose of meeting such investor's *pro rata* share of such Client's obligations (including any indemnification obligations and obligations to return distributions to underlying portfolio funds).

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 U.S. Securities Act of 1933, as amended

(the “Securities Act”), or any state or other securities laws and cannot be transferred unless registered under applicable US federal and state securities laws or unless an exemption from such laws is available. There is generally no public market for interests in any Client and none is expected to develop. Accordingly, there are generally no quoted prices for interests in the Clients. HarbourVest has no plans to, and is under no obligation to, register the interests in a Client under the Securities Act. Interests in a Client generally cannot be sold, assigned, participated, pledged, or otherwise transferred without the prior written consent of the general partner of the Client (which consent could 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 the Client. In connection with any such transfer of interests in a Client, the general partner of a Client is generally permitted to require one or more of the transferring parties to bear all or a portion of the costs, fees and expenses incurred in connection with such transfer or to treat all or a portion of such amounts as expenses borne by the Client. Furthermore, investors generally cannot redeem their interests or withdraw capital from a Client. Consequently, investors generally cannot expect to be able to liquidate their investments prior to the end of a Client’s term or where redemptions or withdrawals are permitted, within a short period of time.

In addition, HarbourVest has a right of first refusal with respect to transfers of investments in certain Clients. Consequently, investors that wish to transfer their interests could be obligated to sell to HarbourVest rather than to their chosen transferee.

Effect of substantial redemptions

For Clients that are HarbourVest Funds that have liquidity terms permitting withdrawals and redemptions of their investors’ interests, substantial redemptions could be triggered by a number of events, including, without limitation, unsatisfactory performance, events in the markets, significant change in personnel or management of the general partner of a Client or HarbourVest, removal or replacement of HarbourVest as the investment manager of a Client, legal or regulatory issues that investors perceive to have a bearing on a Client or HarbourVest, or other events. Actions taken to meet substantial redemption requests from investors (as well as similar actions taken simultaneously by investors of any other Clients) could result in prices of securities and other assets held by a Client decreasing and in a Client’s expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of a Client also could decrease because the liquidation value of certain assets could be materially less than their cost or mark-to-market value. A Client could sell its more liquid investments, which could cause an imbalance in the portfolio that could have a material adverse effect on the remaining investors. Substantial

redemptions could also significantly restrict a Client's ability to obtain financing or transact with derivatives counterparties needed for its investment strategies, which would have a further material adverse effect on such Client's performance. If a Client experiences significant redemptions, it could not be able to accomplish its objectives and could dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in investors not having their capital invested and/or deployed in the manner originally contemplated or investments being sold at a loss). There can be no certainty regarding a Client's ability to consummate investment, restructuring or exit opportunities after substantial redemptions. Furthermore, there can be no certainty regarding a Client's ability to maintain certain rights and privileges tied to its investment size in underlying portfolio funds after substantial redemptions. Substantial redemptions could alternatively or in addition trigger the exercise by such Clients or by HarbourVest in respect of such Clients, where applicable, of any rights provided under the terms of the relevant HarbourVest Funds to suspend or materially limit the amount of requested redemptions that are satisfied by such Clients (i.e., a redemption gate limiting redemptions above a certain amount or a full suspension of redemptions could be imposed). Notwithstanding that any such action may be taken in the best interests of such Clients, any such limitation or suspension of redemptions by such Clients could have materially adverse consequences for investors depending on their liquidity and other financial needs.

HarbourVest Clients are not regulated as an investment company under the US Investment Company Act and related rules

The US Investment Company Act of 1940 (the "Investment Company Act") and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. While a Client could 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, investors are not accorded the protections of the Investment Company Act.

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

If an investor fails to pay when due installments of its commitment to a Client (including any amounts due in connection with joint indebtedness of a Client, its related funds, or any alternative investment vehicles), and the contributions made by non-defaulting investors and borrowings by a Client are inadequate to cover the defaulted capital contribution, a Client could be unable to pay its obligations when due including its capital contribution obligations to underlying portfolio funds

and direct investments. As a result, a Client could be subject to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investor). If an investor in a Client defaults, it could be subject to various remedies as provided in the governing documents of a Client including, without limitation, reductions in its capital account balance.

Investors could also face acceleration of the payment of their commitments pursuant to capital calls in the event of a default by another investor. Pursuant to a Client's governing documents, any defaulted capital calls by an investor in a Fund (and in the case of any obligations with respect to joint indebtedness of a Client, its related funds (if applicable), or any alternative investment vehicles, any defaulted capital calls by an investor or limited partner of a related fund) could be funded through additional capital calls from non-defaulting investors in such Client, and the non-defaulting investors will be obligated to fund such calls (subject to the maximum aggregate commitment of such non-defaulting investors to such Client). To the extent that the default of an investor gives rise to a default by a Client with respect to an obligation to fund a capital contribution to any underlying portfolio fund or direct investment, the Client could be subject to significant penalties imposed by the general partner or sponsor of the underlying portfolio fund or direct investment, which penalties could materially adversely affect the returns to the investors.

Investors could be diluted by subsequent closings

Investors in a Client at subsequent closings (as applicable) will typically participate in existing investments of the Client, diluting the interest of existing investors therein. There could be no limitation on when the general partner of the Client can schedule such subsequent closings and the Client's investments can have significantly increased in value on the date of any such subsequent closing. Although such new 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 and existing investors could therefore suffer significant dilution of value, which is not fully compensated by the subsequent investors.

Movements in currency exchange rates could negatively affect a Client or its investors

A Client is generally denominated in US dollars or Euros, depending on its investment focus. However, a Client could make investments denominated in currencies other than a Client's base currency. Distributions received by a Client in a local currency will be converted back to the

Client's base currency for distribution to its investors.

Short-term currency fluctuations are not expected to significantly affect a Client's performance because capital calls (cash out-flows) and distributions (cash in-flows) by a Client will typically occur over an extended period of time. However, changes in currency exchange rates could result in a Client becoming over- or under- concentrated in one or more particular strategies, underlying portfolio funds or direct investments, or having unfunded obligations that exceed its remaining capital commitments allocated thereto (or its remaining capital commitments in the aggregate), which could adversely affect the performance of a Client. While HarbourVest has expertise in hedging and the use of forward currency contracts, the nature and timing of liquidity opportunities could not allow sufficient circumstances to protect against currency swings. While HarbourVest could occasionally hedge a Client's currency risks, it is typically not required to do so and, in any event, such hedging activities could not be successful. Client investors should understand that currency risk is inherent in long term, international private investing.

The returns to investors whose local currency is not the same as the base currency of the relevant Client could be increased or decreased as a result of currency fluctuations between their local currency and such base currency

A Client's underlying portfolio funds and direct investments and their underlying portfolio companies could in many cases be subject to risks relating to changes in currency values which could indirectly adversely affect a Client. Among the factors that could 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 could, 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.

Hedging could negatively affect a Client

A Client could employ hedging techniques designed to reduce the risks of adverse movements in, among other things, interest rates, securities prices, and currency exchange rates (including exchange rates with respect to cryptocurrencies or tokens as well as traditional currencies). While such transactions can reduce these risks, such transactions themselves can entail certain other risks, including the possible bankruptcy, or insolvency of, or default by the counterparty to the transaction and the illiquidity of the hedging instrument acquired by a Client. In addition, hedging

that involves floating-rate interest could involve risks described under "Risks relating to LIBOR and other Benchmark Rates" below. Thus, while a Client could benefit from the use of these hedging mechanisms, changes in interest rates, securities prices, or currency exchange rates (including exchange rates with respect to cryptocurrencies or tokens as well as traditional currencies) could result in the Client foregoing investment returns they could have achieved if they had not entered into such hedging transactions. Furthermore, the costs associated with these arrangements could reduce the returns that a Client would have otherwise achieved if these transactions were not entered into by a Client. It is not possible to hedge fully or perfectly against any of the above portfolio risks, which are impacted by independent and variable factors that are outside of HarbourVest's control. A Client and its underlying portfolio funds could similarly employ such hedging techniques and be subject to such risks.

Counterparty risk

Counterparty risk refers to the risk of loss for a Client resulting from the fact that the counterparty to a transaction entered into by a Client could default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to a Client. This risk may arise at any time the assets of such Client are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

For instance, counterparty risk may arise when a Client has deposited cash with a financial institution or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Client enters into financial derivative instruments obtained via exchange traded products, over-the-counter and buy-sell back transactions.

Risks related to special purpose acquisition companies

A Client or its underlying portfolio funds could form or sponsor one or more special purpose acquisition companies (each, a "SPAC") that will seek to conduct an initial public offering and seek to merge with or acquire a private company in order to take such target company public. There can be no guarantee that any such SPAC will be able to identify a suitable acquisition target, or that a proposed acquisition will be approved by the shareholders of the relevant SPAC, and a Client or its underlying portfolio funds could incur significant expenses in connection with a SPAC without the relevant SPAC ever successfully merging with a target company. If a SPAC

successfully merges with or acquires a target company, a Client or such underlying portfolio funds could be prohibited from selling its shares for twelve months or longer to comply with applicable regulations and as could be agreed in connection with such acquisition. The risks related to companies held by a Client or its underlying portfolio funds set forth elsewhere herein will also apply with respect to any company held by a SPAC and such risks could result in losses for the applicable underlying portfolio funds and Client. In addition, existing or new regulations enacted with respect to SPACs and enforcement thereof by regulators could hinder the execution of any SPAC's business plan or otherwise result in losses for the applicable underlying portfolio funds and Client.

Risks associated with digital assets

A Client and its underlying portfolio funds could invest in cryptocurrencies, decentralized application tokens and protocol tokens, blockchain-based assets and other cryptofinance and digital assets, or instruments for the purchase of such ("Digital Assets"), which represent speculative investments and involve a high degree of risk. As relatively new products and technologies, Digital Assets have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for Digital Assets is generated by speculators and investors seeking to profit from the short- or long-term holding of Digital Assets. In their brief history, Digital Assets have experienced extreme price volatility that could continue, or worsen, in the future. Historical price increases in Digital Assets provide no assurance of future results. The value of Digital Assets also will be affected by the worldwide acceptance or rejection of Digital Assets. In particular, problems with the supply of Digital Assets, security flaws (or perceived security flaws), supply and demand, the effects of and investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, prices of correlated assets or future regulatory measures, difficulties with converting Digital Assets to fiat currencies, and concerns that Digital Assets could disproportionately facilitate criminal activities could negatively affect the acceptance, growth and development of Digital Assets. For example, the exchange rate of Bitcoin into US dollars has been very volatile, including dropping by more than 50% in a single day. To the extent a Client or any of its underlying portfolio funds holds specific investments in Digital Assets, the value of those investments could be volatile and subject to impairment, and such investments could lose their entire value.

Many Digital Assets will derive their speculative value from the perceived usefulness of the blockchain networks they are attached to as many are designed to be consumed in transactions that record data or provide access to certain functionality on these networks. The ability of many Digital Assets to be used for transactions is contingent on persons continuing to "mine" such

Digital Assets, and so a material reduction in the mining of any Digital Asset could make such Digital Asset very cumbersome or even unusable for transactions, which could result in the loss of some or all of the value of such Digital Assets held by a Client or any of its underlying portfolio funds. The relative lack of acceptance of Digital Assets beyond their own blockchain networks in retail and commercial marketplaces limits the ability of end-users to pay for other goods and services with Digital Assets. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants, commercial businesses and regulators will become more widespread. Certain promoters of Digital Assets, including for example, Confido, LoopX and Yfdex, have taken the money raised from their investors and disappeared, resulting in a total loss for such investors. Some blockchain networks are further interdependent on other blockchain networks whose attached Digital Asset could have limited to no interoperability but where changes to the protocol could adversely affect some or all interdependent blockchain networks. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by a Client or any of its underlying portfolio funds. There could also be network scale attacks against these protocols which result in the loss of some or all of the Digital Assets held by a Client or any underlying portfolio fund. Some Digital Assets held by a Client or any of its underlying portfolio funds could be created, issued or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by a Client or any of its underlying portfolio funds. The developers and/or stakeholders of a blockchain network or open source software project could alter the network protocol in a manner adverse to Digital Asset holders or a Client or any of its underlying portfolio funds. Any of the foregoing could result in the loss of some or all of the value of Digital Assets held by a Client or any of its underlying portfolio funds. A Client can make no guarantees about the reliability of the cryptography used to create, issue, or transmit Digital Assets held by a Client or any of its underlying portfolio funds.

Digital Assets are often controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access Digital Assets could be irreversible, and any such private key would not be capable of being restored by a Client or its relevant underlying portfolio funds. Any loss of private keys relating to digital wallets used to store a Client's or any of its underlying portfolio fund's Digital Assets could result in the loss of such Digital Assets, and its underlying portfolio funds and the Client could incur substantial, or even total, loss of capital.

Digital Assets are not legal tender in the United States, and federal, state, local or foreign

governments could restrict the use and exchange of Digital Assets at any time, including by treating Digital Assets as securities for purposes of existing securities laws. Digital Assets have attracted the attention of various national and international regulatory agencies, and future regulation is likely. Various jurisdictions have or could, in the near future, adopt laws, regulations or directives that affect Digital Assets and parties that come into contact with such assets. Such laws, regulations or directives could negatively impact a Client or its underlying portfolio funds in a variety of ways, including increasing the compliance burden of a Client or of its underlying portfolio funds and their respective related parties or diminishing or eliminating the value of a Client's or its underlying portfolio funds' investments in Digital Assets or increasing the tax rate on Digital Assets. To the extent that new regulations are imposed, regulatory authorities find ways to apply existing regulations to Digital Assets in unanticipated ways or governments develop their own competing Digital Assets, a Client's or its underlying portfolio funds' investments could be materially adversely affected. Further, the taxation of Digital Assets is uncertain in many jurisdictions, and those jurisdictions that have formulated a position have reached varying (and continuously evolving) conclusions.

Uncertainty surrounding Digital Assets has led to the promotion of so-called "stablecoins" that purport to define their value relative to an external marker, such as the US dollar or gold. However, any "stablecoin" could be subject to any of the risks mentioned above regarding any other type of Digital Asset. Furthermore, it is possible that a given Digital Asset (including any "stablecoin") could be used to manipulate the value of another Digital Asset, which could result in the loss of some or all of the value of Digital Assets held by a Client or any of its underlying portfolio funds.

Risks associated with non-US investments

A portion of the assets of a Client or its underlying portfolio funds could be invested in securities issued by issuers outside of the US. Non-US securities involve certain factors not typically associated with investing in US securities, including risks relating to: (i) differences between the US and non-US securities markets, including greater price volatility in and less liquidity of some non-US 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 non-US 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 non-US taxes on income and gains recognized with respect to such securities; and (iv) the impact of changes in the value of non-US currencies relative to the US dollar and other currencies.

There could be risks associated with investments in developing countries

A portion of the assets of a Client or its underlying portfolio funds could be invested in developing countries. Investing in developing countries exposes a Client and its underlying portfolio funds to risks of a nature and degree not normally encountered in relation to more developed economies and additional to those inherent in any private 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 can 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 (or underlying portfolio fund'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 or underlying portfolio fund's investment in such portfolio companies; (xii) less extensive regulation of the securities markets; (xiii) operational clearance, settlement, and custody problems that could 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 could increase transaction costs and adversely impact the value of a Client's or an underlying portfolio fund's investment in portfolio companies. In addition, laws and regulations of emerging countries could impose restrictions or approvals that do not exist in the US and other more developed markets and could require financing and structuring alternatives that differ significantly from those customarily used in the US and other more developed markets. Other countries could also impose taxes, including retroactively, on a Client (or underlying portfolio fund) or its investors.

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

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

Certain actions could be taken without the consent of a majority of the investors of a Client

The governing documents of Clients that are HarbourVest Funds typically require the consent of a majority in interest of a Client and its related fund for certain decisions, for these purposes calculated in the aggregate as a single partnership. Such decisions include the removal of the general partner or reinstatement of the investment period after the departure of certain senior investment professionals of HarbourVest. Investor consent to these decisions could be granted despite the objection of a majority in interest of a Client or a majority in interest of its related fund so long as in the aggregate a majority in interest of such Client and its related fund consent.

In-Kind distributions could be made by a Client

A Client's governing documents could permit such Client to distribute securities and other assets to such Client's investors that are not marketable or are otherwise illiquid. The risk of loss and delay in liquidating such assets will be borne by such Client's investors (as applicable), with the result that such Client's investors could receive less cash than was reflected in the fair value of such assets as determined by the general partner of such Client pursuant to the governing documents of such Client. In addition, when investments are distributed to a Client's investors in kind, such investors could then become minority shareholders in, or lenders to, underlying portfolio companies and might be unable to protect their interests effectively.

There are tax risks associated with an investment in a Client and a Client's investments

A Client and its investors could be subject to tax return filing and other reporting obligations and income, franchise or other taxes in the jurisdictions in which a Client is organized, has activities, or invests. In addition, income or gains from investments held by a Client could be subject to withholding or other taxes in such jurisdictions. For any tax year, a Client investor's tax liability

could exceed the cash distributions received by it in such tax year. The tax structuring of a Client or its investments will not necessarily be tax efficient for any particular Client investor. No undertaking is given that amounts distributed or allocated to a Client's investors will have any particular tax characteristics or that any specific tax treatment will be enjoyed. Legal, tax, and regulatory changes could occur during the term of a Client that could adversely affect a Client, its portfolio investments, or its investors. A Client's investors are urged to consult their own tax advisors prior to investing in a Client.

A Client could be subject to various information reporting and withholding regimes, including the regimes commonly referred to as FATCA, CRS and DAC 6. A Client investor will be required to provide any tax documentation or other information (including information about itself and certain persons that indirectly hold or control an interest in a Client) and comply with such procedures as are required for a Client to comply with any such regimes applicable to a Client, and a Client will be required to report information to the applicable government authority, which could be shared with other jurisdictions. The failure to comply by a Client investor could result in adverse consequences to a Client and/or such Client investor. There remains considerable uncertainty regarding the interpretation of DAC 6, and it is not clear how such rules will apply to a Client, its investments, or its investors. The failure to timely and properly report transactions that are required to be reported could result in penalties for a Client or its investors.

A Client could be subject to laws (whether existing, proposed, or in the process of implementation) in various jurisdictions which intend to reduce perceived abusive global tax avoidance (including those implemented as part of Base Erosion and Profit Shifting ("BEPS") or the Anti-Tax Avoidance Directives ("ATAD") and to prevent criminal tax evasion and associated corporate criminal offenses. Such laws could have material negative impacts on a Client and its investors, including additional taxable income or additional tax expenses due to the disallowance of tax deductions, could give rise to additional reporting and disclosure obligations (and a Client could require additional information from its investors), and could also give rise to unlimited financial penalties which could impact a Client and its investments.

Compliance with the Alternative Investment Fund Managers Directive

Depending on the jurisdiction of a Client, the general partner and/or HarbourVest could be subject to the AIFMD. Additionally, they could 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 could acquire investments and potentially disadvantaging a Client as an investor in private companies located in EEA Member States when compared to competitors which might 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 US and the European Union. Clients subject to the AIFMD could incur higher costs, such as fees and other expenses in relation to mandatory use of depositaries.

A Client and the underlying partnerships in which a Client could invest have no significant operating history

Although key personnel of HarbourVest have had extensive experience managing investments in the private markets, many of its Clients, their general partners, and the underlying partnerships in which Clients 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 Client (and its underlying portfolio funds) can therefore be subject to all of the risks and uncertainties associated with any new business, including the risk that the Client or portfolio fund will not achieve its investment objectives and that the value of an investment could decline substantially. The past performance of other Clients is not a reliable indicator of the future results that will be achieved by a Client. There can be no assurance that a Client will be able to achieve its investment objectives or that the investors of a Client will receive a return on their capital and investors of a Client could lose all or part of their capital commitment to such Client.

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 any 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 a Clients' 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 fund or other partnership's portfolio changes without HarbourVest's 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 could be derived. The types of factors that could 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 could 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, could fluctuate over short periods of time and could be based on estimates, determinations of fair value could 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 might 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.

Risks associated with swaps

Swaps, like other financial transactions, could involve risks with varying levels of significance. The significance of the risks presented by a particular swap necessarily depends upon the terms of the transaction and a Client's circumstances. In general, however, all swaps involve some combination of market risk, credit risk, counterparty credit risk, funding risk, liquidity risk, and operational risk. In evaluating the risks and contractual obligations associated with a particular swap, it is important to consider that swaps could often be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Therefore, it might not be possible for the general partner of such a Client to modify, terminate, or offset the Client's obligations or exposures to the risks associated with a transaction prior to its scheduled termination date.

Risks Relating to LIBOR and Other Benchmark Rates

London inter-bank offered rates ("LIBOR") and other interest rate indices (collectively, "Benchmark Rates") are the subject of ongoing regulatory guidance and proposals for reform. LIBOR, in particular, has been in the process of being discontinued since 2017, and, on March 5, 2021, applicable regulators announced that all LIBOR settings either would cease to be provided by any administrator or will no longer be representative (i) immediately after December 31, 2021, for all non-US dollar LIBOR settings and one-week and two-month USD LIBOR settings and (ii) immediately after June 30, 2023 for the remaining USD LIBOR settings. The transition away from the use of LIBOR to various alternative Benchmark Rates to is expected to continue in 2023 and possibly over the course of the next few years. Although many legacy LIBOR contracts provide for an alternative reference rate or otherwise address a permanent cessation of LIBOR, such language could not be robust. Other contracts could not make adequate provision for such a "fallback" rate at all, and, in any event, because no replacement is a perfect match for LIBOR, the value of LIBOR-linked securities—and consequently their potential returns—could experience material changes upon LIBOR's discontinuance.

Although there has been considerable progress to date as to the identification and implementation of replacement rates, at this time, there is a lack of certainty as to which alternative reference rates will attain market acceptance as replacements for LIBOR, what methods of calculating a replacement benchmark will be established or adopted generally, or whether different industry bodies, such as the loan market and the derivatives market, will adopt the same methodologies. Among other things, transition away from LIBOR has introduced operational complexities that

could require market participants to make, or to continue to make, significant changes to IT systems or operational processes. Such processes could include evaluating, hedging or otherwise mitigating risk, determining valuations, and, particularly for Benchmark Rates where the interest rate will not be known at the same point in an investment period as LIBOR would have been, managing accruals and payment calculations. In addition, as part of the transition to a replacement benchmark, parties could seek to adjust the spreads relative to such benchmarks in underlying contractual arrangements. It is not possible to predict the effect of any such changes, any establishment of alternative reference rates, the relevance or application of any LIBOR published following the June 30, 2023 cessation in the USD LIBOR market, or other reforms to the Benchmark Rates that could be enacted in the United States or elsewhere.

Investors in relevant HarbourVest Clients should be aware that: (i) the discontinuance of LIBOR and any other changes to other Benchmark Rates could affect the level of the relevant published rate, including to cause it to be lower and/or more volatile than it would otherwise be; (ii) if the applicable rate of interest on any floating-rate debt investment is calculated with reference to a tenor or currency which is discontinued, such rate of interest could then be determined by the provisions of the affected investment, which could include determination by the relevant calculation agent based on market convention that could or could not be developed at that time, or the investment could otherwise be subject to a certain degree of contractual uncertainty; (iii) the administrators of Benchmark Rates will not have any involvement in the direct or indirect debt investments and could take any actions in respect of Benchmark Rates without regard to the effect of such actions on such investments; (iv) any uncertainty in the value of a Benchmark Rate or any uncertainty in the prominence of a Benchmark Rate as a benchmark interest rate due to the recent regulatory reform could adversely affect liquidity of debt investments in the secondary market and their market value; (v) an increase in alternative types of financing in place of Benchmark Rate- based investments (resulting, for example, from a decrease in the confidence of borrowers in such rates) could make it more difficult to source debt investments or reinvest proceeds in such investments; (vi) for entities investing in floating-rate debt strategies, margins could be adversely affected if Benchmark Rates used in any debt incurred by such an entity are higher than those used in that entity's underlying direct or indirect credit investments; (vii) there may remain a significant volume of USD LIBOR contracts to be replaced in the market before June 30, 2023, leading to delays or other complications in transition to alternative Benchmarks; and (viii) contracts that have not timely replaced a discontinued Benchmark Rate may be subject to disputes over the proper application of contractual or statutory replacement provisions.

Conventions relating to Benchmark Rates that are replacing LIBOR are continuing to develop. As

LIBOR proceeds to be discontinued, and if any other Benchmark Rate is discontinued, it is uncertain whether broad and consistent replacement conventions and methodologies will be developed in the lending market and, if conventions develop, what those conventions will be and whether they will create adverse consequences for an issuer of debt obligations, or the holders of any such debt obligations. If no such conventions develop, it is uncertain what effect broadly divergent interest rate calculation methodologies in the markets will have on the price and liquidity of the lending market and the ability of HarbourVest to effectively mitigate interest rate risks. Though most newly-originated debt obligations are likely to provide mechanisms to amend the reference rate for their applicable interest rates, there can be no assurance that any such amendment (i) will be entered into, (ii) that is entered into will effectively mitigate interest rate risks or result in an equivalent methodology for determining such interest rates, (iii) will be entered into prior to any date on which the relevant debtholders suffer adverse consequences from the elimination or modification or potential elimination or modification of the applicable Benchmark Rate or (iv) will not have a material adverse effect on a debtholder and the liquidity of such floating rate investments.

Any of the above or any other significant change to the setting of a Benchmark Rate could have a material adverse effect on the value of, and the amount payable under any debt instrument which pays interest linked to a Benchmark Rate.

Geographic concentration could pose additional risks

A Client (or underlying portfolio fund) could 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 Client or portfolio fund could invest will typically be 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 Client or portfolio fund could invest. The performance of a geographically focused Client or portfolio fund could be worse than the performance of other Clients or portfolio funds that invest more broadly geographically.

A Client could be deemed an underwriter

When restricted securities are sold to the public, a Client could 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.

Pursuit of Other Business Activities and Provision of Services to Competitors

HarbourVest or the HarbourVest accounts will likely hold investments in entities or vehicles that are engaged in or pursue similar businesses to those of a Client. HarbourVest continues to seek to develop or maintain relationships and enter into transactions with numerous domestic and international entities, both operating companies and financial firms. A Client could invest, or may wish to invest in entities or investments with which HarbourVest has a relationship and HarbourVest, on the one hand, and a Client, on the other hand, could simultaneously pursue separate transactions with the same entity. As a result, any of the foregoing entities may compete with a Client for investment opportunities.

HarbourVest will be able to pursue other business activities and provide services to third parties that compete directly or indirectly with a Client, including third-parties that sponsor or manage or advise a private equity fund, hedge fund or fund of funds that makes investments that are similar to the types of investments that such Client intends to make. In addition, HarbourVest has established, sponsors or advises, and will continue to establish, sponsor or advise, other investment entities that rely 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 requirements of these entities will be substantial and may cause HarbourVest to divert some or a material amount of the resources and professionals that would otherwise be made available to a Client. Some of these entities will also have investment objectives that overlap with or are substantially similar or identical to a Client's investment objectives and HarbourVest may have greater financial or other incentives to assist those other entities over a Client. To the extent that HarbourVest engages in activities for itself or others, those activities can be detrimental to a Client's business and adverse to the interests of the investors in a Client and could, in some cases, lead to the allocation of investment opportunities to others.

Nothing herein precludes, restricts or in any way limits the activities of HarbourVest, including its ability to buy or sell interests in, or provide financing to, underlying funds or portfolio companies, for its own account or for the account of other investment funds or investors in a Client.

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.

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 or manager in Clients 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 Client entities.

HarbourVest Partners (U.K.) Limited is registered in England and Wales (No. 02512083) and is authorized and regulated by the United Kingdom's Financial Conduct Authority (FCA Reference Number 147086).

HarbourVest Partners (Ireland) Limited is registered in Ireland (No. 634468) and is authorized and regulated by the Central Bank of Ireland and is responsible for ensuring compliance with the rules of the Alternative Investment Fund Managers Directive.

HarbourVest Partners (Ireland) Limited, Zweigniederlassung Deutschland is a branch of HarbourVest Partners (Ireland) Limited. HarbourVest Partners (Ireland) Limited has passported its services into Germany on a branch basis under the AIFMD passport.

HarbourVest Partners (Switzerland) GmbH is a representative office of HarbourVest Partners L.P. (a foreign collective investment manager) within the meaning of Art. 58 para. 1 of the Swiss Financial Institutions Act.

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) and licensed to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.

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

HarbourVest Partners Korea Ltd is a wholly owned subsidiary of HarbourVest Partners L.P. HarbourVest Partners L.P. is 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 (Singapore) PTE. LTD. is a wholly owned subsidiary of HarbourVest Partners L.P. which is registered with the Monetary Authority of Singapore (MAS license number: CMS101079) as a Capital Markets Services Licensee. HarbourVest Partners (Singapore) PTE. LTD. is also licensed as an Australian Financial Services Licensee (License number: 540514).

HarbourVest Partners (Australia) Pty LTD is a wholly owned subsidiary of HarbourVest Partners L.P. and is a corporate authorized representative of HarbourVest Partners (Singapore) PTE. LTD. which is licensed under Australian Financial Services License No. 540514, in connection with the provision of financial services to wholesale clients in Australia.

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.

HarbourVest Partners Mexico, S. de R.L. de C.V. – a wholly-owned subsidiary of HarbourVest Partners, LLC and HarbourVest Partners L.P., that serves as manager of Mexican investment vehicles.

HarbourVest Advisers L.P. – a subsidiary controlled by HarbourVest Partners, LLC that serves as the investment manager of HarbourVest Global Private Equity 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 Staff Members and addresses certain other matters including the misuse of nonpublic information, insider trading, outside business activities, gifts and entertainment, and political contributions. Staff Members are also required to provide information concerning their personal securities investment activities. This information is reviewed by HarbourVest to determine if a Staff Member's personal trading activity is inconsistent with the Staff Member's duties to HarbourVest, or the interest of Client investors. The Code of Ethics reminds Staff Members of their obligations to the Clients and their obligations to comply with federal securities laws. Each Staff Member 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 could 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 could arise, certain of which could be disclosed throughout this document and the governing documents of the relevant Client, each of which should be read in its entirety.

Conflicts of interest will arise in respect of portfolio companies and other issuers invested in by a Client

It is expected that a Client will, from time to time, acquire investments in the same portfolio company or underlying portfolio fund opportunity as another Client as part of a single transaction or otherwise. In connection with any such investment, the Clients each could have conflicting interests if they invest in the same portfolio company or underlying portfolio fund opportunity. Where one or more other Clients invest in the same securities, HarbourVest could give advice to or otherwise take actions on their behalf of each such Client in respect of such investments that could differ from advice given to or actions taken on behalf of the other Clients. For example, multiple Clients could have an investment in the same securities of a portfolio company or underlying portfolio fund but could buy or sell such investments at a different time, at a different price or otherwise on different terms or conditions. Such advice or actions on behalf of other

Clients could adversely impact a Client or could otherwise result in such Clients achieving returns on such investments that are better than the returns achieved by a Client.

Such conflicts of interest could be more material where two or more Clients invest in different securities issued by the same portfolio companies or underlying portfolio funds. For example, if a Client invests in the equity securities of a portfolio company and another Client invests in the debt securities of the same company, the various economic and other terms of the debt and equity securities, including the interest rates to be paid on the debt securities, any security granted in respect thereof, the characterization of the debt securities as preferred equity or subordinated debt, and the nature of the covenants running in favor of the other Client as a debt holder, could raise conflicts of interest between such Client, on the one hand, and such other Client, on the other hand. Questions could arise as to whether payment obligations and covenants of the debt securities should be enforced, modified, or waived by the holders of the debt securities or whether the debt securities should be refinanced by the portfolio company, which decisions could be influenced by the other Client holding the debt securities. Such conflicts of interests will be particularly heightened where the portfolio company is in financial difficulty as, in such situations, the interests of debt and equity holders typically will not be aligned. Decisions about what action should be taken by a Client as an equity holder or by the other Client as a debt holder in a troubled situation, including whether to enforce creditor claims, whether to advocate or initiate a portfolio company restructuring or liquidation inside or outside of bankruptcy proceedings, and the terms of any work-out or restructuring of a portfolio company or its debt, will raise material conflicts of interest. In such circumstances, the other Client might be best served by a liquidation of the portfolio company that would result in its debt being paid but leave nothing with respect to a Client's interest in the company's equity. It is possible in distressed situations that actions taken by the Client as a debt holder could materially adversely impact, if not in effect eliminate, any remaining value attaching to equity securities held by a Client. The reverse would be the case where a Client holds debt securities of a portfolio company and another Client acquires equity securities of the same company.

In circumstances where two or more Clients hold investments in different classes of a portfolio company's debt and/or equity (or, where applicable, different classes of securities issued by an underlying portfolio fund), HarbourVest intends, to the fullest extent permitted by applicable law, to take steps in respect of such investments to reduce the potential for adversity between such Clients, including by causing a Client to take certain actions that, in the absence of such conflict, it would not take, such as, for example but without limitation (i) remaining passive in a portfolio company restructuring or similar situation (including by electing not to vote or voting *pro rata* with

other security holders), (ii) divesting investments, (iii) appointing an independent decision-maker, or (iv) otherwise taking an action designed to reduce such adversity. Any such step could have the effect of benefiting certain Clients more than others and therefore could not be in the best interests of, and could be averse to, a participating Client. HarbourVest manages a number of Clients comprising Funds and Separate Accounts that are deemed to be investing plan assets subject to ERISA and that target, in whole or in part, similar investments to those targeted by a Client. If HarbourVest is acting in any transaction on behalf of a Client deemed to be investing plan assets subject to ERISA, applicable law will require HarbourVest to act in the best interests of such Client when considering any actions regardless of any adverse effect that could result for other Clients. Similar considerations could apply if two or more Clients were to invest in different parts of the debt capital structure of the same portfolio company (for example if a Client holds debt securities that are junior to debt securities held by other Clients).

In addition to investing at the same time in the same portfolio company or underlying portfolio fund, including in different classes of securities issued thereby, a Client could pursue a transaction with an entity in which another Client has a pre-existing investment, or another Client could pursue a transaction with an entity in which a Client has a pre-existing investment. For example, a Client could lead a recapitalization of a portfolio company in which another Client has a pre-existing investment, or invest in a later-stage equity issuance by a portfolio company in which another Client has a pre-existing investment in an earlier-stage equity issuance. Similarly, a Client could invest in a preferred equity issuance by an underlying portfolio fund in which another Client has a pre-existing equity investment. As discussed above, such investments could give rise to conflicts of interest to the extent that HarbourVest takes into account the interests of such other Clients in its consideration of certain actions by a Client in respect of such investments, and in certain circumstances, the pre-existing interests of the other clients in the relevant entity could preclude a Client from taking actions it would otherwise have taken or could otherwise be detrimental to such Client, or alternatively, such other Clients could benefit from actions taken on behalf of a Client. For example, if the valuation at which an investment by a Client is made into an existing portfolio company of another Client is below or in excess of the valuation implied by the original investment, such investment by a Client could be dilutive or accretive to the existing investment held by such other Clients. If any such other Client is no longer making investments or does not have sufficient capital to participate (in full or in part) in such new investment in the portfolio company, such Client will be unable to protect itself against any such dilution resulting from a later issuance at a lower valuation. Conversely, if a Client makes an investment in an existing portfolio company of another Client at a valuation higher than that implied by the original investment, the investment by such Client will indirectly benefit such other Client. In addition, if another Client

makes a preferred equity investment in an underlying portfolio fund in which a Client has a pre-existing equity interest, the interest of such Client is likely to be very significantly diluted and could in effect be eliminated if the portfolio of the underlying portfolio fund is distressed. Alternatively, if a Client makes such an investment in an underlying portfolio fund in which another Client has a pre-existing investment, such other Client could materially benefit from the investment of the Client which could enable the underlying portfolio fund to make defensive follow-on investments in its portfolio that would not otherwise have been possible, thereby protecting the remaining value of portfolio. It is possible that a Client could be precluded from making certain investments or taking certain actions by reason of an existing relationship of another Client in a potential or actual portfolio investment. For example, as discussed further below, if another Client holds an investment in a public company with respect to which it has received material non-public information, a Client could be prohibited or otherwise limited in its ability to make an investment in the same company under applicable law. Likewise, regulatory “cross-attribution” rules could be implicated to the extent a Client was to invest directly or indirectly in a company in which another Client holds an investment, which could result in such Client being unable to make such investment, being required to invest less than it would otherwise invest, or being subject to legal or regulatory requirements to which it would not otherwise be subject.

A Client could pursue a transaction with an entity in which another Client anticipates investing. For example, a Client could participate in the warehouse of an investment for an underlying portfolio fund in which another Client anticipates investing. Such transactions could give rise to conflicts of interest as HarbourVest could take into account the interests of such other Client in determining whether or not to cause the Client to participate in such transactions, which transactions could incur costs and otherwise be detrimental to the Client or be beneficial solely to the other Client.

Where a Client and other Clients target or otherwise co-invest in the same portfolio companies or underlying portfolio funds, such other Clients are not necessarily required to share in expenses in respect thereto that are paid by such Client, either with respect to a co-investment opportunity that is not consummated (i.e., a broken deal) or with respect to other potential investments that are offered to such Client. In such event, Client could bear more than its *pro rata* share of such expenses.

Conflicts of Interest will arise in the event a Client and other Clients participate in competing bids for the same portfolio company

In connection with many direct investment opportunities two or more lead sponsors will bid against

each other in an auction process for the opportunity to acquire the same portfolio company. A Client and other Clients could participate in competing bids alongside two or more lead sponsors, which could ultimately result in a higher purchase price for the lead sponsor that ultimately secures the investment opportunity, and therefore could result in a higher transaction cost for such Client. Alternatively, one or more lead sponsors could decline to grant an opportunity to invest in a portfolio company to a Client if such Client or other Clients are already in negotiation to invest with another lead sponsor in the same portfolio company.

Transactions between a Client and other Clients or HarbourVest and its affiliates

The governing documents of each Client will typically require the consent of a Client's advisory committee or other appropriate consent of the Client's underlying owners in connection with any transaction in which a Client is the lead seller of securities directly to, or the lead purchaser of securities directly from, another Client. However, such governing documents typically do not otherwise prohibit HarbourVest from causing a Client to sell securities to, or purchase securities from, another Client. Such transactions generally are required, to be pursuant to (i) an arm's-length transaction where participating Clients are not the lead seller or purchaser, as applicable, or (ii) a transaction occurring as soon as reasonably practicable following, but in no event later than 90 days after, the acquisition of such securities by such Client or such other Client, as applicable, at such Client's or such other Client's cost, as applicable (which cost shall include cost of funds and, without duplication, any interest, fees, and other charges incurred by such Client or such other Client, as applicable, in connection with its acquisition of such securities). For these purposes, the recapitalization of a portfolio investment in which cash invested in a portfolio company (or an underlying portfolio fund) by a Client is used in whole or in part to redeem debt or equity interests in such portfolio company owned by another Client (or enable an underlying portfolio fund to make distributions to another Client) (or vice versa) will generally not be treated as a transaction in which the Client is the seller (or purchaser) of securities to (or from) another Client.

Except as otherwise disclosed in a Client's governing documents, a Client generally cannot sell any security to or purchase any security from the general partner, HarbourVest, or HarbourVest-owned affiliates without the approval of the applicable advisory committee or other investor representative in respect of the relevant Client.

Potential conflicts with respect to advisory committee members of the Fund's portfolio entities

In certain circumstances, an investor in a Client could have a pre-existing relationship with the sponsor of a primary partnership investment in which such Client participates alongside one or more other Clients. In connection with such investment, the sponsor of such primary partnership investment could decide to offer an advisory committee seat directly to such investor (and not to HarbourVest) or, where such investor invests in a Client established solely for its benefit, the sponsor could offer an advisory committee seat to HarbourVest in its capacity as the manager of Client acting solely for the benefit of such investor, and not in its capacity as the manager of all participating HarbourVest-Clients. In such circumstances, the advisory committee seat would be made available to HarbourVest solely to serve the interests of the investor with the pre-existing relationship with the sponsor. While HarbourVest could be offered an additional advisory committee seat to be exercised for the benefit of any other Clients participating in the relevant primary investment, there can be no assurance of this and in many if not all instances, this could not be the case. Conflicts of interest will arise where HarbourVest is offered advisory committee seats in such circumstances. The interests of the investor with the pre-existing relationship with the sponsor of the primary partnership investment on the one hand, and other Clients participating in such investment on the other hand, may not be aligned in all circumstances in which HarbourVest is called on to take any action as the holder of an advisory committee seat made available to HarbourVest solely for the benefit of such investor. Any action taken by HarbourVest for the benefit of such investor could adversely impact another Client participating in the investment.

Potential conflicts with respect to advisory committee members

Investors of a Client and their advisory committee representatives (if any) do not owe fiduciary duties to such Client or any other investors of such Client and can be expected to solely take their own interests into account in taking any actions as members of the advisory committee. Investors of a Client with advisory committee representatives in particular could have interests that are not aligned with those of such Client and other investors of such Client and the actions of their advisory committee representatives may have adverse consequences for such Client. Such interests could include, but are not limited to, interests in other Clients that are the subject of conflict waivers or other approvals or consents sought by such Client's general partner from the advisory committee. For example, the Client's general partner could seek to cause the Client to enter into a transaction involving one or more other Client, the interests of which may conflict with those of such Client. An investor of such Client with a representative on the advisory committee may also have an interest in such other Clients and may exercise its vote as an advisory committee member in a manner that primarily benefits such other Clients and not the relevant

Client. The investor will not be required to recuse itself from any related advisory committee vote or take other action in such circumstances.

Transactions between a Client and investors or prospective investors of a Client or other Clients

Investors and prospective investors of a Client or other Clients (e.g., HarbourVest Funds) can sell or buy portfolio investments to or from a Client and, in the case of such a sale, can use the proceeds to make commitments to a Client or other Clients. Such transactions can give rise to conflicts of interest to the extent that HarbourVest is incentivized to facilitate such transactions on terms acceptable to the relevant investors or prospective investors to facilitate such commitments to a Client or other Clients.

Transactions involving underlying portfolio funds and other third-party funds in which other Clients or HarbourVest have an interest

A Client could invest in an underlying portfolio fund whose general partner or manager is partially owned by another Client, entitling such affiliates or such other Clients (and indirectly HarbourVest itself) to receive a portion of the carried interest and/or management fees borne by a Client with respect to such underlying portfolio fund. Further, a Client could invest in an underlying portfolio fund whose general partner, manager or sponsor (or the individual owners or principals thereof) is an investor or prospective investor in a Client or other Clients. In such circumstances, conflicts of interest will arise as HarbourVest could be incentivized to take such actual or prospective investments by such general partners, manager or sponsor (or the individual owners or principals thereof) and the potential carried interest, management fees and/or other economic benefits to HarbourVest and its affiliates from such investments, into consideration in determining to invest the Client in such underlying portfolio fund.

Furthermore, a Client could buy securities from a third-party fund in which other Clients are limited partners and/or have an investment in the general partner or manager of such third-party fund. The other Clients invested in such selling fund could indirectly benefit from such transaction. A Client could also buy securities of a company that is owned, in whole or in part, by other Clients or third-party funds in which other Clients are limited partners, and the transaction could allow such other Clients or such third-party funds to increase their holding value of such securities, which could benefit such Clients and HarbourVest.

Transactions between portfolio companies of a Client and other Clients

Further, the activities of the portfolio companies of certain Clients could conflict with the activities of portfolio companies of other Clients. A Client could, for example, invest in a portfolio company that competes with a different portfolio company held by that Client or another Client or that becomes involved in a legal dispute with such portfolio company. Conflicts among portfolio companies could preclude HarbourVest from taking actions it could otherwise have taken to the extent HarbourVest determines such action would be detrimental to one or more of the Clients.

Allocation and classification of investment opportunities and related conflicts of interest

A Client and certain other Clients could target the same investments in underlying portfolio funds and direct investments. HarbourVest has sole discretion to determine the manner in which investment opportunities are allocated between a Client and such other Clients in such circumstances. Such allocation decisions present inherent conflicts of interest where demand exceeds available supply. As a result, a Client's share of investment opportunities could be materially affected by competition from another Client. Such conflicts will not always be resolved to the advantage of a Client.

HarbourVest adheres to an investment allocation policy that is designed to ensure all Clients are treated in a fair and equitable manner and that takes into account a variety of factors, including, but not limited to: (i) capital available for investment by each Client; (ii) the size and characteristics of the investment; (iii) risk / return profile of the Client; (iv) contractual obligations, including any priority rights with respect to investment allocations; (v) principles of diversification; (vi) the tactical plan of each Client, including without limitation its targeted strategies, pacing, investment minimums and maximums, level of portfolio concentration, and investment guidelines ; (vii) other investment opportunities that are expected to be available in the near term (viii) restrictions imposed by the underlying manager, portfolio company, or lead sponsor of the investment opportunity (e.g., restrictions relating to ERISA concerns); (ix) structural, tax, or legal issues of a transaction that could make an investment not appropriate for a particular Client; (x) whether the specific characteristics of the investment opportunity are consistent with one or more investment strategies; (xi) a determination by HarbourVest that the investment is inappropriate, in whole or in part, for one or more Clients; (xii) whether a Client has a narrow or specific objective or focus; (xiii) whether a Client has discretion and the necessary timeframe for the approval and funding process; (xiv) whether a conflict waiver could be required and the necessary timeframe for obtaining such waiver; (xv) applicable transfer or assignment provisions; (xvi) the investment period of a Client, including the proximity of a Client to the end of its investment period or specified term, if any; (xvii) ability to borrow and available borrowing capacity on any applicable subscription

line or other credit facility; (xviii) excessive transaction costs relative to the size of a Client's participation; (xix) whether a Client has an existing interest in the investment; (xx) whether a Client has an existing interest in an investment managed by the same manager; or (xxi) such other factors as HarbourVest reasonably deems relevant. Among others, the above factors provide substantial discretion to HarbourVest in allocating any individual investment opportunity. The outcome of any allocation decision could result in a Client receiving all or none of an investment opportunity or a non-pro rata interest in the opportunity. In situations where there is insufficient investment supply relative to demand, HarbourVest, in its sole discretion, will make subjective judgments using some or all of the above factors.

Notwithstanding the above, certain Clients could be allocated investment opportunities sourced by one or more beneficial owners, or due to the relationships that one or more beneficial owners thereof has with other sponsors and, accordingly, such investment opportunities would not be allocated to Clients. Such investment opportunities could be allocated solely or disproportionately to such Clients. In addition, from time to time sponsors of a Client's potential portfolio investments could determine which Client could participate in HarbourVest-sourced investment opportunities, and any such determination could differ from the allocation HarbourVest would have made under its allocation policy.

Because the investment focus of certain Clients overlaps with the investment focus of other Clients, not all investment opportunities suitable for a Client will be allocated to such Client, and in some instances a Client will be allocated less of an investment opportunity than would otherwise be the case absent such other Clients. In addition to the other relevant factors considered under the allocation policy as described above, there could also be commercial, structural, regulatory, legal (including ERISA), or other reasons that could cause HarbourVest to determine that a prospective investment is not appropriate for a Client. A Client can invest in opportunities that other Clients have declined or could decline to invest in opportunities in which other Clients have invested or will invest.

The classification of an investment opportunity as appropriate or inappropriate for a Client or any other Client will be made by HarbourVest, in good faith, at the time of purchase and will govern in this regard. This determination frequently will be subjective in nature. Consequently, HarbourVest could determine that an investment opportunity is more appropriate for another Client and such investment could be allocated to such other Client.

Furthermore, the classification of a potential portfolio investment as a primary investment, direct investment, credit investment, real asset investment or a secondary investment frequently will be

subjective in nature and will be made by HarbourVest in good faith based on its view of what is appropriate in the relevant circumstances at the time of investment. For example, a Client could acquire a portfolio investment consisting of a single asset and HarbourVest could determine to treat such investment as a direct investment or a secondary investment depending on the specific structure and terms of the proposed transaction, the timing of such Client's investment and other relevant considerations. As a further example, while a portfolio investment comprising a subscription for a new interest issued by an underlying portfolio fund that has not made or committed to make portfolio investments will typically be treated as a primary investment, HarbourVest could in the relevant circumstances determine that a subscription for a new interest issued by an underlying portfolio fund that has made and/or committed to make material portfolio investments is more appropriately treated as a secondary investment. HarbourVest could classify the Client's interest in a portfolio investment differently than HarbourVest classifies the interest of another Client in the same or a similar portfolio investment (for example, if two or more Funds each have an existing investment in an underlying portfolio fund, HarbourVest could cause each such Fund to make a follow-on investment in such underlying portfolio fund at the same time, with such follow-on investment being classified as a primary investment with respect to one Fund and as a secondary investment with respect to the other Fund, as determined by HarbourVest in accordance with the specific investment guidelines governing each such Fund.) In addition to impacting the basis upon which a potential portfolio investment is allocated among Clients, the classification of a potential portfolio investment will have economic consequences for HarbourVest. HarbourVest is typically not entitled to carried interest in connection with primary investments by Clients, whereas it is expected to receive carried interest in connection with secondary investments and direct investments. This is the case with the Client where, pursuant to the governing documents, the general partner of a Client is entitled to receive carried interest in connection with secondary partnership investments and direct investments but is not entitled to receive carried interest in connection with primary partnership investments. Such varied economic consequences will give rise to an additional conflict of interest for HarbourVest in determining the appropriate classification of a potential portfolio investment. Similar considerations apply with respect to classification of potential portfolio investments as credit or real assets investments. For example, HarbourVest could, depending on the specific circumstances, determine to classify a portfolio investment by the Client in preferred equity securities as a direct equity investment or as a credit investment, and could classify the Client's interest in such portfolio investment differently than it classifies another Client's interest in the same or a similar portfolio investment. Such classification decisions by HarbourVest will also impact allocation of potential portfolio investments among Clients.

Notwithstanding the foregoing, any Clients for which the investors source investment opportunities or which result from relationships of such Clients' underlying investors will be entitled to investment priority with respect to such investor-sourced deals. HarbourVest can receive different amounts of compensation from one Client, in comparison to that of another Client, each having similar or substantially the same investment objectives. HarbourVest could have an incentive to favor the Client from which it receives higher compensation. HarbourVest has in place policies and procedures to address these conflicts, including policies and procedures designed to ensure allocation of investments to all Clients (individually and collectively) is on a fair and equitable basis.

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

Leverage available to a Client could be limited as a result of allocations of available leverage to other Clients

To access more favorable leverage terms or otherwise for operational efficiency purposes, HarbourVest could cause a Client to join an umbrella credit facility with other Clients pursuant to which the total amount of leverage available to the Clients that are party to such umbrella credit facility, including the Client, will be limited. In addition, many banks limit their exposure to all funds under management by a single manager and accordingly a Client and other Clients could be limited in the amount they can borrow from a particular bank. HarbourVest has sole discretion to determine the appropriate amount of leverage to make available to a Client and any such other Clients under any such umbrella credit facility or separate credit line. As a result, HarbourVest could ultimately determine to allocate less (or no) leverage to a Client relative to other Clients. Such a determination could adversely impact a Client or could otherwise result in such other Clients achieving returns that are better than the returns achieved by such Client.

The portfolio and performance of parallel funds could differ from those of any respective related AIFMD-regulated fund

It is intended that Funds comprising parallel Funds will when appropriate be given the opportunity to do so *pro rata* to their respective commitments. However, there could be legal, structural, tax, regulatory, or portfolio construction reasons why such investment is not practicable or appropriate; or HarbourVest could determine that a particular investment or level of investment is not appropriate for a particular Fund. Further, during the marketing period of a Fund, it might not

necessarily invest *pro rata* alongside its respective related parallel fund. Accordingly, the portfolio of a Fund will not be identical to that of its related parallel Fund.

The costs borne by a Fund will not be identical to those of its related parallel Fund. In particular, a related Alternative Investment Fund (“AIFMD-regulated Fund”) will bear certain additional costs in relation to compliance with the AIFMD. Accordingly, the performance of an AIFMD-regulated Fund is likely to differ from that of its related non-AIFMD regulated parallel Fund. HarbourVest could, in its sole discretion, make one or more short-term interest-free loans to a Client

HarbourVest could, in its sole discretion, make one or more short-term loans to a Client in certain circumstances, including, but not limited to, prior to a Client entering into a credit facility (or before borrowing proceeds become available under any such credit facility) or prior to capital calls by a Client. Such loans could be made for various purposes, such as to fund capital calls by, or other obligations related to, underlying portfolio funds and direct investments, including to address any shortfall in available capital in circumstances where a Client has capital needs prior to the date on which capital calls from one or more investors are due. Any such loans by HarbourVest will be subject to the affiliate transaction provisions. Such loans are expected to be interest-free for a Client, in the sole discretion of HarbourVest. HarbourVest has no obligation to make any such loans and, consequently, investors should not have any expectation that such loans will be available to a Client. A Client will be obligated to repay such loans on the terms set by HarbourVest and, similar to the typical treatment of debt obtained from a third party, such loans will be repayable in priority to distributions to investors regardless of whether the borrowed capital is used in a manner that results in a loss for a Client, such as to fund a poorly-performing investment.

Warehousing, etc.

Depending on its governing documents and subject to applicable law, in certain circumstances a Client could initially acquire or agree to acquire an investment with the expectation of selling or reallocating a portion of such investment to other Clients or third-party co-investors. In such circumstance, such Client can (but is not required to) charge interest for the time period the investment was held by such Client or any other related expenses to such other Client or third-party co-investor, as applicable. Furthermore, after entering into an agreement to acquire an investment, but prior to closing such transaction, HarbourVest could reallocate such investment either by allocating an additional amount to a Client with respect to such investment or allocating amounts to other Clients or third-party co-investors. Any such reallocation prior to the closing of the purchase of the underlying investment will not constitute a purchase or sale of a security by a Client from or to another Client for purposes of the relevant governing documents.

There is typically no restriction pursuant to a Client's governing documents on HarbourVest managing additional funds or accounts to invest in specific regions and/or sectors of, or in the overall markets addressed by a Client. In light of the application of the Allocation Policy and factors described therein (see "*Allocation and classification of investment opportunities related to conflicts of interest*"), not all investment opportunities suitable for a Client will be allocated to the Client, and in some instances a Client will be allocated less of an investment opportunity than would otherwise be the case absent existing and future Clients that have an investment focus that overlaps with the Client. HarbourVest may receive different amounts of compensation from a Client and other Clients with substantially similar investment objectives as the Client. HarbourVest may have an incentive to favor those Clients from which it receives higher compensation. HarbourVest has in place policies and procedures to address these conflicts, including policies and procedures designed to ensure allocation of investments to Clients on a fair and equitable basis.

There can be no assurance that a Client that has initially acquired or agreed to acquire an investment with the expectation of selling or reallocating a portion of such investment to other Clients or third-party co-investors will be successful in subsequently selling or reallocating such portion of such investment and such Client could consequently hold a greater concentration and have more exposure to such investment (and its related expenses) than was initially intended, which could reduce such Client's overall investment returns. In such a case, HarbourVest could also be deemed to have control with respect to such investment, and therefore could be exposed to additional risks. Furthermore, if such investment is not consummated, such Client could 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 governing documents, a Client could acquire an investment from other Clients or third-party co-investors that have warehoused such investment for such Client. In such circumstances, a Client could be required to pay interest (and related expenses) to such other Clients or third-party co-investors.

A Client could make strategic primary partnership investments that do not result in investment opportunities for the Client and/or that do not perform as well as primary partnership investments made by other Clients

A Client could make strategic primary partnership investments or other investments as determined by HarbourVest that have the potential for generating future investment opportunities for such

Client and/or other Clients, and HarbourVest expects to primarily consider the potential for such future investment opportunities in its evaluation of, and decision to cause such Client to make, such primary partnership investments or other investments. Such investments could, for example, adversely impact such Client's ability to participate in other investments that would have been more advantageous to such Client and could not perform as well as primary partnership investments made by other Clients. Strategic primary partnership investments will be selected primarily because such investments are expected to increase the likelihood of generating investment opportunities. Future investment opportunities attributable to such strategic primary and other investments will generally be allocated among such Client and other Clients in accordance with HarbourVest's allocation policies and procedures, and such Client will not have any investment priority over any Clients with respect to any such investment opportunities. Furthermore, a Client could choose not to participate in such opportunities, if and when they arise, and, to the extent such opportunities arise after the end of a Client's investment period or would cause such Client to be in breach of its investment restrictions or would require an investment in excess of such Client's available capital, such opportunities could be allocated in full to other Clients. As such, a Client ultimately might not participate in such future investment opportunities if and when they arise.

A Client could pay finders fees in connection with deal sourcing

Any finders, placement, brokerage, and other similar fees (or an allocable portion thereof) incurred in connection with sourcing portfolio investments for a Client will be payable by a Client. One possible source of portfolio investments is limited or prospective partners of a Client or other funds or Clients and such persons could, to the extent permitted by law, be paid finders or other similar fees.

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

In connection with the management of a Client, HarbourVest could come into possession of material, non-public information in respect of certain portfolio companies or could otherwise become an "insider" with respect to such companies. HarbourVest has not established information barriers between its internal investment teams. Trading by HarbourVest on the basis of such information, or improperly disclosing such information, or trading while HarbourVest has such "insider" status can be restricted pursuant to applicable law and/or internal policies and procedures adopted by HarbourVest to promote compliance with applicable law. Accordingly, the possession of such "inside information" or "insider" status with respect to such portfolio companies

will likely significantly constrain a Client's investment activities with respect to such portfolio companies. In particular, due to possession by HarbourVest of such information or status in respect of companies in respect of which a Client holds publicly traded securities or are targeting investment in such securities, such Client is not likely to be able to initiate a purchase or sale transaction involving such securities other than in very limited circumstances, which could adversely impact such Client. A Client could also be subject to contractual "stand-still" obligations and/or confidentiality obligations that restrict its ability to trade in such securities. In certain circumstances, HarbourVest could engage an independent agent to dispose of securities of issuers in which HarbourVest is deemed to have material non-public information on behalf of a Client. Such independent agent could dispose of the relevant securities for a price that could be lower than a Client's valuation of such securities.

HarbourVest could outsource services it has historically performed in-house

Services that HarbourVest has historically performed in-house for other Clients could be outsourced in whole or in part to third parties in the sole discretion of HarbourVest or a general partner in connection with the operation of a Client. Such outsourced services could include, without limitation, accounting, tax, compliance, research, investment and operational due diligence, trade settlement, information technology, or legal services. Outsourcing could not occur uniformly for all Clients and, accordingly, certain costs could 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 general partner of a Client is permitted to treat the costs, fees or expenses of any such third-party service providers will be treated as expenses borne by such Client or, in certain circumstances where the general partner of a Client deems it appropriate (e.g. in connection with the transfer of any interests in a Client), as costs, fees, and expenses borne in whole or in part by one or more investors in such Client.

HarbourVest expects to charge for certain services performed by in-house personnel

It is expected that certain Clients (and potentially portfolio companies or proposed portfolio companies) will be charged amounts in connection with the provision of services by in-house personnel subject to such limitations as are set forth in the governing documents of the relevant Client, which limitations are typically based on the amount of such expenses that would be charged by third-party service providers in connection with the provision of comparable services, as determined by HarbourVest. HarbourVest will make the foregoing determination, as applicable,

in its discretion taking into account factors that it reasonably believes to be appropriate in the circumstances. For example, HarbourVest currently expects to obtain one or more quotes from third-party service providers on an annual or other periodic basis for the provision of the types of services to be performed by in-house personnel. The quotes sought will be based on services provided to a fund with specified characteristics relevant to the quotes or estimates (e.g., a specified number (or range) of investors and aggregate commitments). These quotes or estimates will then be used to determine the baseline from which HarbourVest will determine the amount that would be charged by third-party service providers in connection with the provision of comparable services to a specific Client based on its relevant characteristics. This determination therefore will be based on an estimate of what a third-party service provider would have charged with respect to a specific Client, rather than being based on an actual quote or quotes to provide services to the specific Client. The baseline quote (or other quotes) that HarbourVest obtains could be received from one or more third-party service providers that provide other services to HarbourVest and/or its Clients, which could result in an actual or apparent conflict of interest in connection with the preparation of requested quotes or estimates. In addition, since the amount charged to a Client for services provided by in-house personnel will be based on a percentage of the estimated amount that would be charged by third-party service providers, the amount charged for such services could be more or less than the actual amount of allocable overhead costs and expenses borne by HarbourVest with respect to the employees providing the relevant services.

HarbourVest could receive certain fees from portfolio companies or proposed portfolio companies

HarbourVest could, from time to time, receive cash and non-cash transaction fees, consulting fees, directors' fees, break-up fees, advisory fees, monitoring fees, or other similar fees in connection with the purchase, monitoring, or disposition of investments or in connection with unconsummated transactions. Non-cash compensation could include securities, warrants, options, derivatives, and other rights in respect of securities owned by a Client. The potential to receive such fees could create an incentive for HarbourVest to engage in transactions when it might not otherwise be in the best interest of a Client to do so. Management fees otherwise payable to HarbourVest will be reduced by a Client's pro rata share (based on capital invested or proposed to be invested by a Client and any other investment entities managed by HarbourVest) of the amount of such fees (net of applicable taxes to the extent such fees are paid to any such persons other than HarbourVest), excluding any fees received directly or indirectly from a portfolio company, proposed portfolio company, or any other person in respect of any investor or potential investor in such portfolio company or proposed portfolio company other than a Client and any

other investment entities managed by HarbourVest. Investors will not receive the benefit of an offset of the portion of fees received by HarbourVest apportioned to any other entity investing alongside a Client (including, without limitation, any other investment entities managed by HarbourVest) in the relevant portfolio company, and fee income received by HarbourVest in respect of such entities will be retained by HarbourVest to the extent permitted in accordance with

the relevant organizational agreements of the applicable co-investing entities. In addition, for the avoidance of doubt, the management fee received by HarbourVest will not be reduced by any amounts received directly or indirectly from a portfolio company, proposed portfolio company or any other person to the extent such amounts constitute Client expenses.

Potential conflicts with respect to service providers

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 or HarbourVest (or affiliates of such advisors and service providers). Alternatively, a client may invest in advisors or service providers to other Clients or could otherwise have other business, personal, financial, or other relationships with HarbourVest, its affiliates, other Clients or their respective portfolio companies. Such advisors and service providers could also be investors in a Client or its portfolio companies, affiliates of the general partner of a Client or HarbourVest, sources of investment opportunities or co-investors, or counterparties therewith. Additionally, certain HarbourVest employees could have family members or relatives employed by advisors and service providers. These service providers and their affiliates could contract or enter into any custodial, financial, banking, administration, valuation, advising or brokerage, placement agency or other arrangement or transaction with a Client, the general partner of a Client, HarbourVest, any investor in a Client or any portfolio company in which a Client has made an investment. These relationships could influence the general partner of a Client or HarbourVest in deciding whether to select or recommend such a service provider to perform services for a Client or a portfolio company. If a client invests in a company which provides services to a Client or any of its portfolio companies, (i) the cost of such services will generally be borne directly or indirectly by such Client, and (ii) any fees paid to such service providers in connection therewith (for the avoidance of doubt, which will not include fees paid to a placement agent in connection with the placement of the interests) will not offset management fees borne by a Client. To the extent a Client makes a portfolio investment in any such company, it is possible that actions taken by a Client in a distressed situation as a debt holder could adversely impact such company and a Client or its portfolio companies that such company provides services to (and vice versa, where other Clients hold equity or debt investments in such companies that provide services to a Client or its portfolio companies). These relationships could also preclude HarbourVest from taking actions it would otherwise have taken on behalf of a Client to the extent HarbourVest determines such action would be detrimental to one or more of the other HarbourVest funds and accounts it manages or their portfolio companies.

Advisors and service providers could charge different rates or have different arrangements

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 can 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 HarbourVest, other Clients, their portfolio companies or their respective affiliates, any of the foregoing could pay different amounts or rates than those paid by a Client with respect to any particular advisor or service provider. Even if the type of service used by a Client is the same as those services used by HarbourVest, other Clients, their portfolio companies or their respective affiliates, a Client and such other parties could enter into different arrangements or pay different amounts or rates with the same advisors or service providers for the same services.

A Fund could bear certain organizational expenses of its related fund entities

Organizational expenses of certain Clients comprising HarbourVest Clients (including organizational expenses of any related feeder funds and the respective general partners or managers of such feeder funds, any related parallel funds and any related feeder funds), will be aggregated and allocated between such Funds and their related parallel funds, as applicable, based on the relative commitments of the investors of such Funds and the capital commitments of the investors of their related parallel funds (unless the general partner determines in good faith that a different share is appropriate). Accordingly, a Fund could bear certain organizational expenses of its related parallel fund, and a related parallel fund could bear certain organizational expenses of such Fund.

In the event that a Fund's parallel fund does not close on any third-party commitments, such Fund will bear all the organizational costs of the parallel fund and any related feeder funds. In the event that the related parallel fund has a closing with third-party commitments, but any related feeder fund does not close on any third party commitments, a Fund and its related parallel fund will bear the organizational costs of such related feeder fund pro rata based on the relative commitments of the investors of such Fund and the commitments of the investors of its related parallel fund (unless the general partner determines in good faith that a different share is appropriate).

Certain Clients pay more than their proportionate share of expenses

The appropriate allocation between Clients of deal sourcing expenses and expenses and fees

generated in the course of 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 HarbourVest in its good faith discretion. Certain Clients will not bear sourcing or broken deal expenses, and in such event another Client will bear more than its share of expenses. Expenses related to consummated investments will generally be allocated by invested capital among Clients. Client-specific expenses will generally be allocated to the Client incurring such expenses, however certain Clients will indirectly benefit from products or services paid for by another Client. For example, the cost of a Client's review of a prospective investment, structuring a vehicle in a novel jurisdiction, or other organizational costs will generally be borne by the Client, which could result in cost efficiencies for other Clients when such other funds or accounts evaluate similar or related investments.

Stapled secondary transactions could give rise to conflicts

A Client could be required to subscribe for a new interest issued by an underlying portfolio fund by the sponsor of such underlying portfolio fund in order to obtain the consent of such sponsor to proceed with a secondary investment in a related underlying portfolio fund managed by such sponsor or could subscribe for such interests alongside a seller of secondary partnership investments or its affiliates, including through a co-investment or aggregating vehicle or otherwise operated by such seller or by HarbourVest in order to purchase such secondary partnership interests (any such subscription alongside a secondary partnership investment, a "Stapled Secondary"). While subscribing for a new interest issued by an underlying portfolio fund that has not made and/or committed to make material portfolio investments at the time of subscription would typically be considered a "Primary Partnership Investment" for purposes of a Client's governing documents, the general partner of a Client will deem any such investment made in connection with a Stapled Secondary to be a "Secondary Partnership Investment," including for purposes of complying with a Client's investment guidelines and for purposes of calculating carried interest payable to the general partner of a Client. The general partner of a Client is generally not entitled to carried interest with respect to Primary Partnership Investments; however, the general partner of a Client expects to receive carried interest with respect to Secondary Partnership Investments including any Stapled Secondary and any related subscription for a new interest issued by a related underlying portfolio fund made in connection with the Stapled Secondary. While the general partner of a Client does not generally expect that such subscriptions for new interests in related underlying portfolio funds will materially increase the carried interest payable to the general partner of a Client and based on their expected return profiles, such investments are generally expected to more likely be dilutive to such general partner's carried

interest, the actual economic impact of such investments cannot be predicted and such investments could result in increased carried interest for such general partner. Accordingly, conflicts of interest will arise in connection with a determination by the general partner of a Client to invest in a Stapled Secondary.

Carried interest and/or performance or incentive fees and valuation can create conflicts of interest

The entitlement to carried interest and/or performance or incentive fees with respect to a Client can create incentives for the general partner to make Client investments that are riskier or more speculative than would be the case in the absence of carried interest or such fees although this incentive could be tempered in that losses will reduce the relevant Client's performance and thus the general partner's carried interest and/or performance or incentive fees. Similar concerns apply with respect to underlying portfolio funds and direct investments and carried interest or other profit participations payable to their respective sponsors. Also, carried interest and performance or incentive fees are based on realized and unrealized appreciation of a Client and the general partner of any such Client or HarbourVest could receive carried interest or performance or incentive fees with respect to unrealized as well as realized appreciation, which could create incentives for the general partner or HarbourVest to value investments more highly than their ultimate realization price. The investment performance for a Client will be generally measured on a cumulative basis over the entire term of the Client arrangement. However, interim gains and losses (realized and unrealized) and any carried interest or performance fees with respect thereto will be allocated periodically throughout the term of the Client arrangement. A Client's governing documents will typically allow for distributions of carried interest to be made to the general partner of the Client prior to the termination of the Client.

The value of a Client's investments will be determined by the general partner of such Client in accordance with HarbourVest's valuation policies. Accordingly, the carrying value of an investment might not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of investments will affect the amount and timing of the general partner's carried interest or performance or incentive fees. The valuation of investments could also affect the ability of HarbourVest to raise successor funds to a Client comprising a HarbourVest-managed fund or account because prospective investors are likely to consider performance of such HarbourVest-managed fund or account in making any investment decisions with respect to a successor fund. As a result, there could be circumstances where the general partner of such HarbourVest-

managed fund or account is incentivized to determine valuations that are higher than the actual fair value of investments.

Finally, HarbourVest personnel and associated persons that will ultimately participate in any carried interest distributions will generally be subject to US federal and local income tax (that certain investors in a Client may not be subject to), including special US federal income tax rules, that investors in a Client are generally not subject to which could result in a conflict between the general partner of a Client and the investors in a Client with respect to the timing of disposals of portfolio investments. This could result in the general partner of a Client being incentivized to structure, hold and/or sell investments in a manner that takes into account the US tax treatment of any carried interest, which could adversely impact investors in a Client that are not similarly subject to such US tax laws. In many cases the general partner of a Client will not dictate how or when a portfolio investment is realized, however, similar conflicts could apply with respect to portfolio investments and carried interest or other profit participations payable to their respective sponsors. In circumstances where the general partner of a Client has this discretion however, it could be incentivized to hold investments for a longer period than would be the case if such holding period requirement did not exist.

HarbourVest professionals can engage in other activities unrelated to a Client

The investment professionals and other personnel 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.

A Client can enter into side letters with investors that can contain more favorable terms

The general partner of a Client comprising a Fund and/or such Clients can and typically do enter into side letters with one or more investors. These side letters can 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 of interests in a Client, (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 rights, (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) special economic arrangements including reduced management fee, carried interest, and/or performance or incentive fee percentages, (xviii) rights to co-invest with a Client, or (xix) classification of an investor or recognition of an investor's internal policies or applicable laws or regulations, including deferring, reducing or eliminating the obligation to make capital contributions or other payments under circumstances where an investor is required by its internal policies or applicable laws or regulations, (xx) look-through default rights and/or voting rights for certain feeder funds or other conduit entities established to facilitate investment in a Client, or (xxi) any other matters described therein, can 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 direct investments, any election to opt out by such investor could increase any other investor's *pro rata* interest in that particular investment. In addition, such election could as a practical matter result in a Client not being able to participate in a direct investment opportunity, which could adversely impact such Client. For example, a Client could have insufficient capital available to make a direct investment without the participation of an investor holding a relatively large interest in such Client or alternatively the general partner could view it as operationally challenging to structure such an investment in a manner that accommodates such opt-out election. While the general partner will seek to take such consequences into account in agreeing upon any such rights, they could be more material than the general partner anticipates at the time the relevant side letter is entered into. 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 could 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.

Certain investors have relationships with HarbourVest outside of a Client

Certain investors make investments in multiple Clients and HarbourVest provides services to certain investors other than in their respective capacities (and/or in addition to their respective capacities) as investors of a particular Client. These arrangements could take into account the

scope of the broader relationship of such investor's (or of their affiliates or other related or associated persons) with HarbourVest, including the investor's (or such affiliates' or other related persons') investment in a Client, and, in certain circumstances, provide more favorable economic, governance, or other terms to such investors as a whole or with respect to some or all investments in Clients. These arrangements do not constitute side letters in respect of any Funds and will not be specifically disclosed to other investors or otherwise be made available to other investors in a Fund under most favored nation provisions granted with respect to a such Fund.

Investors in a Client can have conflicting investment, tax, and other interests with respect to their investments in the Client

Investors in a Client can have conflicting investment, tax, and other interests with respect to their investments in a Client. The conflicting interests of individual investors can 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. It is also possible that a Client or a Client's portfolio companies will be counterparties or participants in agreements, transactions or other arrangements with an investor of a client or an affiliate of such investor. As a consequence, conflicts of interest could arise in connection with the decisions made by the general partner of a Client, including with respect to the nature or structuring of investments that could be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, a Client could make investments that could positively or negatively impact other investments made by an investor or an affiliate of such investor. Likewise, other investments by an investor and their affiliates could positively or negatively impact investments by a Client. In selecting and structuring investments appropriate for a Client, its general partner will consider the investment and tax objectives of the Client and its investors as a whole, not the investment, tax, or other objectives of any investor individually.

Risks associated with co-investments; strategic co-investors

Client general partners can and do agree to offer investors in Clients, or other third parties, opportunities to co-invest alongside Clients. Any such general partner will allocate 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. Investing in a Client does not entitle any investor to allocations of co-investment opportunities and such opportunities can, and typically will, be offered to some but not other investors, or to third parties who are not investors in such Client. In addition, an investor could be offered fewer co-investment opportunities than investors with the same, greater, or smaller capital commitments in a Client. Investors are not required to participate in co-investments offered by a general partner of a Client. 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 can charge management fees, one-time funding fees, monitoring fees, administrative fees and/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 can 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 Clients. 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 (i.e., broken-deal expenses) or with respect to other potential investments that could be offered to the Client, and in such event the Client will bear all such expenses. In certain circumstances, co-investors could acquire an interest in an investment after a Client has made such investment. Without limiting the above, HarbourVest may enter into partnership or other arrangements with potential co-investors to pursue certain investment opportunities where HarbourVest has determined that such joint pursuit of such investments could provide strategic benefits to a Client participating in such investments, for example by increasing the likelihood of a Client securing the investment opportunity or securing a greater allocation of the investment opportunity by virtue of the existing relationships, profile and/or geographic, sector or other specific expertise of the relevant co-investor. Such relationships, profile and/or expertise could also be beneficial to HarbourVest's ability to assess and/or execute such investment opportunities. These strategic co-investors could include investors in a Client giving rise to the potential direct and indirect benefits described above. There is no guarantee that such co-investment arrangements will achieve their objective or will not otherwise have an adverse impact on a Client. For example, where HarbourVest views the participation of a strategic investor as potentially beneficial to securing an investment opportunity, there is no guarantee that this will be the case (or that such participation will not in fact adversely affect its ability to do so). In addition, these arrangements could include minimum allocation rights on the part of the strategic co-investor that apply regardless of how much of the relevant investment opportunity HarbourVest would otherwise view as available for third party co-investment pursuant to its internal allocation policies. If HarbourVest does not succeed in achieving its target allocation of

any given opportunity notwithstanding the participation of the strategic co-investor, any minimum allocation rights agreed with the strategic co-investor (or the need to allocate any amount of the opportunity to the strategic co-investor) could result in a Client being allocated an amount of the opportunity that is materially less than the amount HarbourVest views as in its best interests. Depending on the performance of the relevant investment, such reduced allocation could have an adverse impact on the performance of a Client.

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.

Resolution of Conflicts

HarbourVest deals with all conflicts of interest using its good faith judgment, but in its sole discretion. In resolving conflicts that arise among Clients, HarbourVest, or general partners of its Clients, HarbourVest considers various factors, including the immediate and/or longer term interests of the Clients and/or other parties involved. Certain conflicts of interest could 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 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 with respect to a Client will not have an adverse effect on the investments made by that Client or another 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 Clients, such as in a work-out or other distressed situation, separate representation could become desirable, in which case HarbourVest could hire separate counsel in its sole discretion, and in litigation and other circumstances, separate representation could be required.

A Client could have tax-exempt, taxable, foreign, or other investors, whereas most members of the HarbourVest general partners are taxable at individual US rates. Conflicts could 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 in a Client, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions could be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

HarbourVest or a Client could purchase investments, or otherwise engage in business transactions with Client investors, prospective investors, or their affiliates. In particular, if a Client buys an investment from an entity that could invest in such Client or another Client, HarbourVest could 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 arm's length basis in such transactions.

Hedge Clauses

Certain of the governing documents of a Client could include one or more clauses that purport to limit HarbourVest's or its affiliates' liability under such documents to the extent permitted by law (so-called "hedge clauses"). Hedge clauses are limited by, among other things, Section 206 of the Investment Advisers Act of 1940, which the SEC has interpreted to impose certain duties on investment advisers that are not waivable. The interpretation of hedge clauses by HarbourVest could create a conflict of interest with its Clients. However, notwithstanding this conflict of interest, HarbourVest will make any such determination in good faith.

Item 12 - Brokerage Practices

Investments that HarbourVest makes are generally investments in private companies or purchases in private placements and generally 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. In addition, the Firm uses brokers to sell interests in private funds. When selling securities, HarbourVest generally sells through a diversified group of brokers. Brokers are selected on the basis of best price and execution. Soft dollar arrangements are not utilized for this purpose.

Item 13 - Review of Accounts

HarbourVest generally reviews the investment portfolio with the Separate Account investors, or with respect to a Client, with Client investors on no less than a semi-annual basis with a written report.

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 markets industry. Performance metrics, including internal rates of return, are also reviewed.

In general, 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 Clients. HarbourVest compensates these placement agents, generally based on a percentage of the amount committed to a Client by these investors.

Item 15 - Custody

HarbourVest will be deemed to have custody of the assets of certain Funds because it serves as the general partner of such Funds and of HVPE because a related person has custody of its assets. HarbourVest will also have custody of the assets of Separate Accounts structured as dedicated limited partnerships where it serves as the general partner. HarbourVest does not have custody of the assets of other Separate Account Clients. HarbourVest retains the custodial services of Merrill Lynch for direct co-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 relevant Funds, HVPE, and relevant Separate Accounts 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 are generally distributed to each investor within 120 or 180 days of each Fund's or each Separate Account's fiscal year end.

Item 16 - Investment Discretion

As described in Item 4, HarbourVest generally manages the Clients on a discretionary basis and provides discretionary and nondiscretionary advice to the Separate Accounts Clients depending on the terms thereof. The governing document for each Client set forth the investment guidelines and limitations applicable to HarbourVest's discretionary investment authority with respect to each Client.

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 of a Client and their investors, including when there could 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 ClientService@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.