

Item 1. Cover Page

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**Part 2A of Form ADV
(The “Brochure”)**

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This Brochure provides information about the qualifications and business practices of Harkness Capital Management LLC (the “Adviser” or “Harkness”). If you have any questions about the contents of this Brochure, please contact William Rustum, General Counsel and Chief Compliance Officer, at wrustum@harknesscapital.com. Registration with the United States Securities and Exchange Commission (the “SEC”) does not imply a specific level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

Item 2. Material Changes

This item provides a summary of any material changes contained in this Brochure from the last annual updating brochure filed on March 29, 2023. The Adviser's current and potential investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety.

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Item 4. Advisory Business

The Adviser is a New York-based private equity management firm that provides investment advisory services to pooled investment vehicles which are exempt from registration under the Investment Company Act of 1940, as amended (“*Clients*”). The funds the Adviser manages presently are:

- HCP Fresh Investors LP, which closed on July 31, 2017 (“*HCP Fresh*”); HCP Fresh is the majority owner of a single underlying portfolio company;
- Harkness Capital Partners I LP, a pooled investment vehicle which had its initial closing on January 31, 2019 and its final closing on October 14, 2020 (“*HCP I*”); HCP I has made investments in three portfolio companies to date, one of which was sold on March 31, 2022, and a potential fourth platform investment remains pending;
- Harkness Cyclone Co-Investment LP, which closed on August 31, 2022 (“*Cyclone Co-Invest*”); Cyclone Co-Invest is a single purpose, co-investment vehicle formed in connection with an acquisition made principally by HCP I on August 31, 2022; and
- Harkness Capital Partners II LP, a pooled investment vehicle which had its initial closing on March 13, 2024 (“*HCP II*”),

(each a “*Fund*” and collectively, the “*Funds*”).

The Adviser was formed in 2014 and its majority owner is Edward V. Dardani, Jr. Harkness focuses on making investments in lower middle market service businesses, primarily operating in the United States.

The Adviser provides advisory services with respect to equity investments in private companies operating in the following sectors: (1) transportation, logistics and distribution; (2) rental and equipment services; (3) infrastructure and industrial services; (4) facility and field services; and (5) other outsourced services.

Interests in the Funds generally are privately offered to qualified limited partners and other qualified purchasers based largely in the United States, although the single largest investor in HCP I is based outside the United States. The Funds make direct equity investments into lower middle-market companies, typically those with annual EBITDA ranging from \$5 million to \$20 million. The Adviser’s investment advisory services consist of identifying and evaluating investment opportunities, conducting rigorous due diligence on those opportunities, negotiating the terms of purchase and sale agreements and the ancillary agreements for the investments, and thereafter providing day-to-day managerial support services to its portfolio companies. All investments to date have been made in privately held companies. From time to time, the senior principals of the Adviser or other individuals chosen by the Adviser may serve on portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds.

The Adviser tailors its advisory services to the individual needs of each of its Clients based on the specific characteristics of such Client, including but not limited to the stage in the investment period of each Client, and any other restrictions set forth in the private placement memorandum, limited partnership agreement, investment advisory agreement and other governing documents of the applicable Fund (individually and collectively, “*Governing Documents*”). The limited partnership agreements for each of HCP I and HCP II prohibit investments in certain industries, including real estate, oil and gas production properties, gambling, alcoholic beverages and meat processing. The Adviser does not tailor its investment advisory services to the individual needs of investors in the Clients. The Adviser does not participate in wrap fee programs.

The Adviser has approximately \$299,357,000 in regulatory assets under management, \$158,409,000 of which are managed on a discretionary basis (HCP I and HCP II) and \$140,948,000 of which are managed on a non-discretionary basis (HCP Fresh and Cyclone Co-Invest). The foregoing dollar amounts reflect valuations as of December 31, 2023 for HCP Fresh, HCP I and Cyclone Co-Invest, and as of March 13, 2024 for HCP II, the date of its initial closing.

Item 5. Fees and Compensation

(a) Harkness Capital Partners I LP:

Management Fee: The Adviser, in its capacity as the Manager of HCP I, is compensated by HCP I with a management fee (the “**HCP I Management Fee**”) calculated as 1.25% per annum of: (i) a limited partner’s commitment until the termination of the commitment period (which ended on January 31, 2024), and thereafter (ii) such limited partner’s pro rata share of the sum of (a) the aggregate capital contributions of the limited partners in respect of investments that have not been returned to the limited partners or written off and (b) the unfunded commitments of the limited partners that have been duly reserved for purposes of making specific follow-on investments, in each case calculated as of the last day of the immediately preceding quarter. The limited partnership agreement for HCP I provides for the general partner to charge the limited partners quarterly for the HCP I Management Fee through the issuance of capital calls.

Performance Fee: HCP I’s general partner is entitled to earn a performance fee (“**Carried Interest**”) based upon profits realized upon the disposition of an investment above certain enumerated thresholds. Generally, HCP I’s general partner receives Carried Interest of between 5% and 25% of the profits of HCP I, in excess of an 8% preferred return and 1.5x gross ROI on each investment. HCP I’s Governing Documents include further detail concerning the Carried Interest calculation. Any Carried Interest payment owing to the general partner is deducted from the proceeds otherwise distributable to the limited partners in connection with the disposition transaction. On March 31, 2022, an HCP I investment vehicle disposed of all of its interests in portfolio company, Harkness Logistics Holdings, Inc., and in connection therewith, the general partner was entitled to receive, and did receive, Carried Interest out of the proceeds distributable to the limited partners.

The general partner of HCP I has the authority under the HCP I Governing Documents to reduce the amount of Carried Interest or Management Fee borne or payable by a limited partner in HCP I, particularly with regard to employees or operating partners of the Adviser.

The fact that the general partner’s Carried Interest allocations are based on the performance of HCP I portfolio companies on a deal-by-deal basis may create incentive for the general partner to make investments that are more speculative than would be the case in the absence of such potential to earn Carried Interest. This incentive is mitigated, however, because any losses HCP I sustains on an investment will reduce or even eliminate the general partner’s Carried Interest distribution. The incentive is further mitigated by the fact that the Adviser’s ability to attract future investors is tied to the performance of its investments. These performance fee arrangements have been structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

(b) Harkness Capital Partners II LP:

Management Fee: The Adviser, in its capacity as the Manager of HCP II, is compensated by HCP II with a management fee (the “**HCP II Management Fee**”) calculated as 2.00% per annum of: (i) a limited partner’s commitment until the termination of the commitment period, and thereafter (ii) such

limited partner's pro rata share of the sum of (a) the aggregate capital contributions of the limited partners in respect of investments that have not been returned to the limited partners or written off and (b) the unfunded commitments of the limited partners that have been duly reserved for purposes of making specific follow-on investments, in each case calculated as of the last day of the immediately preceding quarter. The Management Fee may be reduced, on a quarterly basis, by up to 80% of HCP II's allocable share of any "Special Income" received by the HCP II general partner or manager, as defined in the HCP II limited partnership agreement. The limited partnership agreement for HCP II provides for the general partner to charge the limited partners quarterly for the HCP II Management Fee through the issuance of capital calls.

Performance Fee; General Partner Claw-back: HCP II's general partner is entitled to earn Carried Interest based upon profits realized upon the disposition of an investment above an enumerated threshold. Generally, HCP II's general partner receives Carried Interest of 20% of the profits realized on such HCP II investment in excess of an 8% preferred return to the limited partners. Any Carried Interest payment owing to the general partner will be deducted from the proceeds otherwise distributable to the limited partners in connection with the disposition transaction. Upon termination of the Fund, the general partner will be required to restore funds to HCP II if the general partner has received cumulative distributions of Carried Interest in respect of a limited partner (a) in excess of 20% of the difference between the aggregate amounts distributed to such limited partner and the aggregate capital contributions of such limited partner, or (b) if such limited partner has not received distributions equal to its aggregate capital contributions plus the 8.0% preferred return referred to above. These performance fee arrangements have been structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The general partner of HCP II has the authority under the HCP II Governing Documents to reduce the amount of Carried Interest or Management Fee borne or payable by a limited partner in HCP II, particularly with regard to employees or operating partners of the Adviser.

(c) HCP Fresh Investors LP:

Management Fee: The Adviser does not receive a management fee from HCP Fresh Investors LP.

Performance Fee: HCP Fresh's general partner is entitled to earn Carried Interest based upon profits realized upon the disposition of the underlying portfolio company above certain enumerated thresholds. Generally, the general partner is entitled to Carried Interest on a sliding scale, gross return-on-investment ("**ROI**")-based formula that entitles the general partner to receive 8.4% of the applicable distribution in an exit transaction with a gross ROI of 1.55%, and up to 20% of the applicable distributions with a gross ROI of 3.50x or better. Any Carried Interest owing to the general partner would be deducted from the proceeds otherwise distributable to the limited partners in HCP Fresh upon disposition.

(d) Harkness Cyclone Co-Investment LP:

Management Fee: In general, the Adviser does not receive a management fee from Cyclone Co-Invest; however, Adviser-affiliated personnel (the "**New Affiliated LPs**") who made their initial investments into Adviser-managed funds are charged a management fee equal 1.25% of their capital commitments. This management fee is charged quarterly to these four limited partners through capital calls, issued concurrently with the capital calls for the HCP I Management Fee.

Performance Fee: In general, the general partner of Cyclone Co-Invest is not entitled to receive performance compensation, whether in the form of Carried Interest or otherwise, from Cyclone Co-Invest; however, the general partner may be entitled to earn Carried Interest compensation out of the proceeds otherwise distributable to the New Affiliated LPs in connection with the disposition of the underlying portfolio company.

(e) Other Fees:

The Adviser receives monitoring, advisory and similar fees from each portfolio company of the Funds in respect of the applicable Fund's interest therein. These fees paid by portfolio companies generally include an annual monitoring fee, paid quarterly, by the portfolio company in respect of the Adviser's oversight and consulting services. Additionally, the Adviser may receive, and has received, fees for services rendered in connection with certain transactions, including upon the closing of an acquisition and the sale of a portfolio company.

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

As described in Item 5 above, the general partner of each of HCP I, HCP II and HCP Fresh is entitled to receive a Carried Interest payment upon the disposition of an investment that exceeds certain performance thresholds. As discussed above, the general partner of HCP I received a Carried Interest payment in connection with the disposition of Harkness Logistics Holdings, Inc. Also as discussed above, the limited partners in HCP I and HCP II bear the HCP I and HCP II Management Fee to the Adviser, respectively, and the New Affiliated LPs in Cyclone Co-Invest also bear a relatively small management fee to the Adviser. The Adviser is incentivized to maximize profitable returns for all of its underlying investments, given the fact that the disposition of each underlying portfolio company could potentially yield a Carried Interest payment to the applicable general partner. Given that all of its underlying investments could give rise to such performance payments to the applicable general partner, the Adviser believes that neither it nor its supervised persons face any conflicts of interest by managing the Adviser's Client accounts simultaneously.

Item 7. Types of Clients

As described in Item 4, two of the Adviser's Clients are pooled investment vehicles (HCP I and HCP II), and two are single-asset investment vehicles (HCP Fresh and Cyclone Co-Investment). The Adviser limits the investors in its Funds to persons who are "accredited investors" as defined in the Securities Act of 1933 and "qualified clients" as defined in the Investment Advisers Act of 1940. Investors in the Adviser's Clients include a broad range of U.S.-based and non-U.S. investors, including, among others, family offices, individuals, trusts and investment companies. In addition, employees, operating partners and other persons associated with the Adviser and/or its affiliates are investors in the Clients.

Determinations of whether a Client may invest in a target company are based on the provisions of the applicable Funds' Governing Documents and other factors the Adviser may consider in its sole discretion, including those that may be specified from time to time in its policies on investment allocation.

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

As discussed in Item 4, the Adviser retains broad flexibility to invest on behalf of its Clients, as set forth in the respective Governing Documents. Nonetheless, each Fund's goal is to drive superior investment returns by transforming service businesses. Each Fund has access to the Adviser's team of highly experienced investors and operators, many of whom have worked together for over a decade in building service businesses in a private equity environment. For each Fund, the Adviser and its core team of investment

management personnel and operating partners are focused on long-term equity value creation and managing downside risk by utilizing the team's collective knowledge and expertise. As noted in Item 4 above, the Adviser is focused on five core industry verticals within business services of which the Adviser's team has deep industry knowledge and relevant investment and operating experience. The Adviser's operating partners with deep industry expertise and experience with respect to a particular portfolio company will be highly engaged in the investment as a board member or board advisor, and otherwise will serve as a resource to the portfolio company's management team.

Key Elements in Strategy:

Invest in Known Industries

For investments by its Clients, the Adviser focuses on service businesses and industry segments that its team of investment professionals and operating partners know well. The service landscape is large and dynamic, and the Adviser targets sub-segments within five broader service categories. The Adviser's investment professionals will continue developing, with input from operating partners, "Investment Blueprints" outlining more specific industry sub-segments, including trends, leading executives and companies, and strategic developments and risks in these sub-areas.

Focus on Lower Middle Market Businesses at Inflection Points

Each applicable Fund will look for business services companies in the lower middle market in the U.S. that have \$5 million to \$20 million of annual EBITDA and established business models, preferably that are experiencing rapid growth. The Funds will look for inflection points at target companies, where the Adviser can use its investment knowledge and leverage its operating investors as resources to shape and guide these companies, to address operating risks, and to achieve growth above management's original expectations.

Active Involvement from the Adviser's Team of Operating Partners to Transform Businesses

A vital component in the Funds' approach is the expertise and involvement of the Adviser's operating partners in guiding and shaping a portfolio company. Typically, one or two operating partners will be involved with pursuing a target acquisition and assisting with due diligence, and after closing, such operating partners typically will serve as board members or board advisors to the portfolio company. Operating partners are available resources to the portfolio companies and not intended or expected to serve as replacement or day-to-day managers. An operating partner's involvement as a board member or board advisor at a portfolio company is expected to focus on key strategic activities, and may include working with managers to develop sales functions, expanding necessary financial reporting and operating metrics, leading strategic planning, hiring new managers, and offering ongoing perspectives to senior management. The expectation is that operating partners will be engaged on a monthly, if not weekly, basis with portfolio companies where they are board members or advisors. All operating partners are and will continue to be significant investors in a Fund and will participate through a Fund in all of a Fund's portfolio investments. The Adviser's team, including investment professionals and operating partners, are involved in weekly firm calls, monthly operating reviews and quarterly board meetings to review portfolio company work and progress.

Risk Factors

An investment in any private equity fund, such as the Funds, entails substantial risks, including, but not limited to, the possibility of a complete loss of the amount invested. There can be no assurance that the Funds' applicable investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly, or annual basis. There can also be no

assurance that a portfolio company will achieve its investment objective. Current and prospective investors should carefully consider the following factors, among others, in determining whether an investment in a Fund is suitable for them. Different or new risks not addressed below may arise in the future and, therefore, the following list is not intended to be exhaustive. There are many market-related and other factors – some of which cannot be anticipated – that could result in an investor losing a major portion or all of its investment in a Fund or prevent a Fund from generating profits. Any of these factors could make a Fund unable to execute its investment strategy.

An investor should only invest in a Fund if it is fully able, financially and otherwise, to bear such loss, and if the investor has the background and experience to thoroughly understand the risks of its investment. The Funds are a potentially suitable investment only for sophisticated investors (i) for whom an investment does not represent a complete investment program for the investor and (ii) who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks of an investment in the Funds.

The Funds and their limited partners bear the risk of loss that the Adviser's investment strategy entails. Although the following risk factors generally apply to all Funds, limited partners should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. The risks involved with the Adviser's investment strategy and an investment in the Funds include, but are not limited to, the following:

Illiquid and Long-Term Investments; Risks of Realization of Investments

Investments by a Fund are unlikely to generate current income for a Fund and its limited partners. Rather, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for between three and seven years after the investment is made, although the hold period could be longer or shorter. The Adviser does not believe that any of the Funds' current investments will become publicly traded through an initial public offering. Investments may consist of the most junior securities of a company with a complex capital structure, which are subject to the greatest risk of loss. The applicable Funds will generally not be able to sell securities publicly unless the sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available.

It is unlikely that there will be a public market for the securities held by the Funds at any particular time. Although believed to be unlikely for the current stable of investments, portfolio companies may become public through initial public offerings without permitting an immediate exit for the applicable Fund or its limited partners who may receive an in-kind distribution of such portfolio company's securities. No assurance can be given that, if a Fund desires to dispose of a particular investment, it will be able to dispose of such investment at a prevailing and favorable market price, or that a prevailing market price will exist for such an investment. There is a risk that disposition of investments may require a lengthy time period or may result in distributions-in-kind to limited partners, after which limited partners will bear the risk of holding the securities and must make their own disposition decisions. To the extent that a Fund is unable to dispose of certain investments prior to the expiration of the Fund's stated term, a Fund may take such amount of time to complete the winding up of its affairs as the general partner determines is reasonably necessary to liquidate such remaining investments, satisfy any Fund creditors, and make any distributions of liquidation proceeds.

Limited Number of Investments; Sector Concentration

The Adviser expects its Funds that are pooled investment vehicles (as opposed to single-asset co-investment vehicles) to participate in a limited number of investments; to date, HCP I has made investments in three portfolio companies and sold one of those, and a potential fourth platform company remains pending. As a consequence, the number of investments in which the limited partners of a Fund participate will accordingly be limited, and the aggregate return to the limited partners may be substantially adversely affected by the unfavorable performance of a single investment. If certain of the investments in HCP I or HCP II perform unfavorably, one or more of such fund's other investments must perform well in order for HCP I or HCP II, as applicable, to achieve above-average returns. There can be no assurance that this will be the case. In addition, other than as set forth in "*Summary of Principal Terms – Investment Limitations*," prospective investors have no assurance as to the degree of diversification of investments, either by geographic region, industry segment or asset type.

Each Fund's investments may be concentrated in a particular sector, industry or geographic region, with the result that the overall value of a Fund's investments will become more susceptible to adverse economic or business conditions affecting any such sector, industry or region.

Investing in Growth Businesses

The Adviser focuses on investments in growth companies for its Funds. These companies may be characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. A portfolio company may need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. The applicable Funds' returns will depend upon the general partner's ability to find and invest in companies that can successfully combine these strategies where products and markets are constantly evolving. There can be no assurance that the general partner will find and invest in a sufficient number of these companies to meet investor return expectations.

Investments in Less Established Companies

The Funds have invested, and likely will continue to invest, in the securities of less established companies. Investments in such early-stage companies may involve greater risks than generally are associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and may face intense competition, including from companies with greater financial resources, more extensive development, marketing and service capabilities, and a larger number of qualified managerial and technical personnel. Such companies are, therefore, often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance. Any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other portfolio companies.

Follow-On Investments

The Funds may make follow-on investments with respect to their portfolio companies or have the opportunity to increase their investments in such portfolio companies (whether for opportunistic reasons, to fund the needs of the business (including an acquisition), as an equity cure under applicable debt documents or for other reasons). There can be no assurance that a Fund will wish to make follow-on investments or that a Fund will have sufficient available capital to, or be permitted to, make such investments. Any decision not to make follow-on investments, or a Fund's inability to make them, may have a substantial negative effect on a portfolio company in need of such an investment (including an event

of default under applicable debt documents in the event an equity cure cannot be made), may result in missed opportunities for a Fund, may result in dilution of a Fund's investment and may diminish a Fund's ability to influence such portfolio company's future development.

Reliance on Portfolio Company Management

The applicable general partner of a Fund will monitor the performance of companies in which a Fund makes investments, generally through participation on, and interaction with, the board of directors (or equivalent body) of the company and by maintaining an ongoing dialogue with the company's management team. However, each portfolio company's management team will be primarily responsible for the operations of the company on a day-to-day basis. Although it is the intent of the Funds to invest in portfolio companies with strong operating management, there can be no assurance that the existing management team, or any new one, will be able to operate a portfolio company successfully. Additionally, portfolio companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of their respective management teams, and a Fund may be adversely affected as a result.

Debt Investments in Portfolio Companies

Although the Funds do not expect to make investments in debt or convertible debt securities of portfolio companies, in some circumstances, the Funds may do so. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of portfolio companies, government fiscal policy and domestic or worldwide economic conditions.

Limitations on Transfer and Withdrawal

Interests in the Funds represent highly illiquid investments and should only be acquired by investors able to commit capital and hold such interests for an indefinite period of time. Limited partners are not permitted to assign, sell, exchange, mortgage, pledge or transfer any interest, rights or obligation with respect to their interests without the prior written consent of the respective general partner, which may be granted or withheld in the general partner's discretion. Furthermore, limited partners will not be permitted to share confidential information regarding the Funds with prospective purchasers of interests without the prior written consent of the general partner, which may be granted or withheld in the general partner's discretion. The transferability of the interests are subject to certain restrictions contained in the respective Governing Documents and will be affected by restrictions on resale imposed under applicable securities and tax laws. The interests are not (and will not be) registered under any securities laws and may not be transferred unless, in addition to obtaining the general partner's prior written consent, exemptions are available under the Securities Act and all other applicable securities laws and regulations. A public market does not currently exist for the interests, and no such market is expected to develop. Limited partners may not withdraw from the Funds, except under certain very limited circumstances generally involving illegality. Consequently, a limited partner may not be able to liquidate its investment in the Funds prior to the end of a Fund's term.

Involuntary Sale of Interest

Pursuant to the applicable limited partnership agreement, a general partner may, upon written request, cause a limited partner to sell its interest if the general partner determines, in consultation with counsel, that the

continued participation of such limited partner in a Fund would have a material adverse effect on the general partner, the Fund, any portfolio company or any of their respective affiliates, and in certain other circumstances. A limited partner that is required to withdraw from a Fund may not realize certain economic benefits that such limited partner could have realized if it were not required to withdraw from the Fund.

Risk of Default or Bankruptcy of Third Parties

As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries, causing them to be placed into receivership. Because of the nature of the Funds, there is a risk that they will have exposure to midsized or regional banks that face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that the Adviser will not be able to manage this risk effectively.

Leverage

The general partner may leverage a Fund's investments. Leveraged investments will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, as has occurred during 2022 and the first part of 2023, or a severe downturn in the economy. The leverage provided will result in interest expense and other costs incurred in connection with such borrowings, which may not be covered by available cash flow of the applicable portfolio company. While leverage may enhance the total return to limited partners, if investment results fail to cover borrowing costs, returns to the limited partners will be lower than if there had been no borrowings.

Electronic Delivery of Certain Documents

Notices, communications and other information from the Adviser, the respective general partner or a Fund will generally be provided to limited partners by electronic delivery (including email, fax or posting on a Fund's web-based data site or other Internet service). The general partner cannot provide any assurance that these communication methods are secure and will not be responsible for any computer viruses, problems or malfunctions resulting from any computer viruses or related problems that may be associated with the use of an Internet-based system.

For information regarding the types of securities and portfolio companies in which the Funds invest, please see Item 4.B and Item 8.A, respectively, above.

Item 9. Disciplinary Information

The Adviser has no legal or disciplinary information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser has no other financial industry activities and/or affiliations to disclose.

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

Code of Ethics

The Adviser has adopted a Code of Ethics (the “*Code*”) that obligates the Adviser and its related persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. For additional information about the Code or to request a copy, please contact William Rustum, Chief Compliance Officer, at wrustum@harknesscapital.com. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Code contains a securities trading policy, which sets forth standards of conduct that are expected of supervised persons, and addresses conflicts that may arise from personal trading. The Code covers standards of business conduct, prohibited business practices, personal trading requirements, reporting of personal securities transactions, insider trading, restrictions on accepting and giving significant gifts, and reporting of certain gifts and business entertainment items, among other things.

The Code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated. Supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information (“*MNPI*”) regarding these securities or communicating MNPI to others. A restricted list is maintained regarding issuers about which the Adviser has MNPI. Pre-clearance is required for certain personal securities transactions, including initial public offerings and certain limited offerings such as private placements. In addition, supervised persons are required to submit annual reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest.

The Adviser expects there to be limited instances of its supervised persons having access to MNPI. Nonetheless, the Adviser’s Code requires supervised persons to report their personal securities transactions and comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, MNPI. Nonetheless, the Adviser, in the course of its investment management and other activities, may come into possession of confidential or MNPI about issuers of securities, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of a Client. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Clients. The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or MNPI that, if disclosed, might be material to a decision to buy, sell or hold a security. The Adviser and its personnel are prohibited from communicating such information with respect to the Clients or using such information for the Clients’ benefit.

Participation or Interest in Client Transactions

Supervised persons of the Adviser may directly or indirectly own an interest in the Funds. It is the Adviser’s policy that it will not affect any principal or agency cross-securities transactions for Client accounts. The Adviser also will not cause Clients to enter into securities trades with each other without the appropriate limited partner advisory committee or Client consent. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency

cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Neither of these circumstances applies to the Adviser at this time.

The Code requires supervised persons to place the interests of Clients first, and on an annual basis each supervised person must certify that he or she has read and understands the Code and has complied with its provisions. If any matter arises that the Adviser determines in good faith constitutes an actual conflict of interest, the Adviser may take such actions as may be necessary or appropriate within the context of the Governing Documents to address the conflict. The offering documents for each applicable Fund detail a complete description of what the Adviser believes to be the most significant conflicts of interest associated with an investment in the Fund. Investors should carefully consider the conflicts of interest herein as well as those outlined in the Adviser's offering documents prior to investing in a Fund.

At times, supervised persons will serve on the boards of applicable Fund portfolio companies. Serving in such capacity may give rise to conflicts to the extent that a supervised person's fiduciary duties to a portfolio company as a director may conflict with the interests of a Fund in general; however, as the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Each such supervised person may be entitled to compensation, at rates that the general partner and portfolio company board believe to be commensurate with the financial resources of the portfolio company and such person's role in respect of the applicable portfolio company.

Each of HCP I and HCP II has a limited partner advisory committee ("**LPAC**") which is established under the applicable limited partnership agreement, with membership available to those unaffiliated limited partners with commitments above a certain threshold in the case of HCP I, and in the case of HCP II, as selected from time to time by its general partner. The general partner may seek the consent or a waiver from the LPAC from time-to-time without soliciting the consent or waiver of other unaffiliated limited partners for such matters. Therefore, a conflict of interest may exist in that not all limited partners are entitled to be on the LPAC. Therefore, such limited partners that are not represented on the LPAC would not have a say in those matters for which LPAC approval suffices.

Each Fund's investors may have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by each Fund, the structuring of the acquisition of portfolio companies, and the timing of the disposition of investments. Such structuring of portfolio companies may result in different after-tax returns being realized by different limited partners and other investors. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser that may be more beneficial for one investor than another investor, especially with respect to investors' individual tax situations. The Adviser considers the investment and tax objectives of each Fund as a whole, and not the individual investment, tax or other objectives of any particular investor.

From time to time, the Adviser may be presented with investment opportunities that would be suitable for more than one Fund (although at present, only HCP II would have the ability to invest in a new platform company). In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors. The Adviser attempts to resolve these conflicts of interest in light of its obligations to investors and attempts to allocate investment opportunities among investors in a fair and equitable manner as described under Item 7 and in the Adviser's policies on investment allocation and co-investments.

The general partner of an applicable Fund will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Financial projections will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

None of the securities presently owned by the Funds are traded on public markets, and the Adviser does not anticipate that any securities purchased by its existing Funds or future funds in the foreseeable future will be traded on public markets. Valuations are subject to multiple levels of review or approval, and all Fund investments are fairly valued in accordance with the Adviser's valuation policy as in effect from time to time. However, the process of valuing securities for which reliable market quotations are not available – even if performed by a qualified third party – is based on inherent uncertainties. The resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Valuations of investments will be determined primarily by the respective general partner as described above, and generally will be final and conclusive. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations. General economic, political, regulatory and market conditions and the actual operations of the portfolio companies, which are not predictable, can have a material impact on the reliability and accuracy of such valuations.

Personal Trading

Principals and employees of the Adviser may carry on investment activities for their own account and for family members, friends, or others who do not invest in the Funds, and may give advice and recommend securities to vehicles, which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. The Adviser's supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of MNPI regarding these securities or communicating MNPI to others. Personal securities transactions by supervised persons who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Item 12. Brokerage Practices

There are no brokerage practices to disclose.

Item 13. Review of Accounts

Members of the Adviser's investment team closely monitor the operations of the Funds' portfolio companies and maintain ongoing oversight. These reviews include, but are not limited to: sales trends, margins, profitability, debt to equity ratios, management personnel, material business developments, competitive landscape and management oversight.

Under its limited partnership agreement, HCP I provides to its limited partners:

- (A) annually, using commercially reasonable efforts to produce within 120 days of fiscal year-end, (i) audited financial statements; (ii) summary information with respect to the Adviser's budget of revenues and expenses ("**Adviser Budget**") for such fiscal year, including an account of all monitoring and similar fees from each portfolio company in respect of HCP I's interest therein or other fees received by the respective general partner, the Adviser or their respective Affiliates in respect of investments or prospective investments during such fiscal year, and all amounts applied or to be applied to offset

management fees; (iii) summary information (including information relating to performance and material developments) with respect to each investment, including proposed investments that were reviewed and not vetoed by the LPAC prior to the expiration of the commitment period; (iv) a statement of changes in such limited partner's capital account for such fiscal year and a statement of such limited partner's unfunded capital commitment as of the end of the fiscal year; and (v) a management statement of the hypothetical balance in such limited partner's capital account at the end of such fiscal year assuming the disposal in full of all investments on such date at their respective carrying values reflected on the balance sheet as of such date;

(B) quarterly (other than the fourth quarter) (i) for the first and third fiscal quarters, within 60 days (or as soon as practicable thereafter) after the end of such quarter, a status report on the activities of the Fund, including descriptions of new investments (other than investments in cash equivalents), and such quarterly reports shall include an unaudited balance sheet and income statement; and (ii) within 60 days of the end of the second quarter, an update of material items with respect to the Adviser Budget (including an account of all fees required to be reflected in the Adviser Budget and all amounts applied or to be applied to offset management fees); and

(C) a Schedule K-1 for each limited partner within 120 days (or as soon as reasonably practicable thereafter) after the end of each taxable year.

Under its limited partnership agreement, HCP II provides to its limited partners:

(A) annually, using commercially reasonable efforts to produce within 120 days of fiscal year-end: (i) audited financial statements; (ii) summary information (including information relating to performance and material developments) with respect to each investment; (iii) the annual financial statements of the Manager for the preceding Fiscal Year; (iv) a statement of changes in such limited partner's capital account for such fiscal year and a statement of such limited partner's unfunded capital commitment as of the end of the fiscal year; and (v) a Schedule K-1; and

(B) within 60 days of the close of each quarter, other than the last quarter of the fiscal year, (i) an unaudited statement of net assets and a quarter- and year-to-date statement of operations and changes in net assets and cash flows; and (ii) a summary description of (a) each investment, and (b) general information regarding the business of HCP II (including material developments in investments made by HCP II).

Cyclone Co-Invest will provide similar financial information to its limited partners, the great majority of which also are limited partners in HCP I.

Under its limited partnership agreement, HCP Fresh provides to its limited partners:

(A) annually, as promptly as practicable after the general partner's receipt of all relevant information from the underlying portfolio company (but in any event not less than 30 days after such receipt), (i) a Schedule K-1 for each limited partner; (ii) year-end financial statements which, upon the request of the limited partners representing a majority in interest, shall be audited by a nationally recognized firm of independent public accountants (and such audited financial statements have been provided, and will continue to be provided, to the limited partners in the Fund); and (iii) a management report with respect to the underlying investment in the portfolio company; and

(B) quarterly, as promptly as practicable after the general partner's receipt of all relevant information from the underlying portfolio company (but in any event not less than 30 days after such receipt), a management report with respect to the underlying investment in the portfolio company.

Upon request, certain investors may receive additional information and reporting that other investors may not receive.

Fund investors receive reports from the Funds as described in their respective Funds' Governing Documents. Certain investors may negotiate or request to receive reports from a Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) through the use of side letters or otherwise.

Item 14. Client Referrals and Other Compensation

The Adviser does not receive any monetary compensation or any other economic benefit from a non-client for the Adviser's provision of investment advisory services to a Client.

Item 15. Custody

The Adviser complies, and will continue to comply, with the requirements of the Rule 206(4)-2 of the Advisers Act ("**Custody Rule**") with regards to custody of Client assets. The Custody Rule imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful). An investment adviser is deemed to have custody if it or its affiliate serves as a general partner to a limited partnership client of the Adviser.

If the Adviser has custody of client assets and securities, it is required to maintain such assets and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a "qualified custodian." Qualified custodians include banks, broker-dealers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients' funds or securities. Clients that receive account statements directly from a custodian should carefully review these account statements.

However, the Adviser need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners, within 120 days of its fiscal year end. The Adviser intends to rely upon this exception, and therefore will be exempt from the Rule 206(4)-2 reporting and examination requirements, with respect to the Funds.

Annually, upon completion of the Funds' year-end audits, the Adviser will distribute audited financial statements to the investors in each Fund within 120 days of the end of each fiscal year, in compliance with the Custody Rule.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to HCP I and HCP II and on a non-discretionary basis to HCP Fresh and Cyclone Co-Invest. Please see Item 4 for a description of any limitations the Clients may place on the Adviser's discretionary authority. The Adviser entered into an

investment management agreement with each of the Clients, which set forth the scope of the Adviser's discretion, prior to assuming full discretion in managing the Clients' assets.

Item 17. Voting Client Securities

By virtue of the Fund Governing Documents, the Adviser has the authority to vote Client securities on behalf of its Funds. The Adviser's security voting policy seeks to ensure that the Adviser votes Client securities in the best interest of the Funds, including where there may be material conflicts of interest in voting such securities. The Adviser generally believes its interests, and those of its supervised persons, are aligned with those of the Fund's investors through the principals' beneficial ownership of interests in the Funds, and therefore, will not seek investor approval or direction when voting Client securities. In the event that there is or may be a conflict of interest in voting client securities, the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of the LPAC or other similar body on the proposed client security vote, or through other alternatives set forth in the Adviser's Client security voting policy.

The Adviser does not consider service on portfolio company boards by Adviser personnel, or the receipt by certain of the Adviser's supervised persons of nominal board fees, to create a conflict of interest in voting Client securities with respect to such companies.

For additional information about the Adviser's securities voting policies and procedures and information about how the Adviser voted the Clients' securities, please contact William Rustum, Chief Compliance Officer, at wrustum@harknesscapital.com.

Item 18. Financial Information

The Adviser is not required to include a balance sheet herein because it does not require or solicit the payment of fees six months or more in advance. The Adviser has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.