

Item 1 – Cover Page

HarbourVest Partners, LLC

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Form ADV Part 2A

March 30, 2020

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 opened the HarbourVest Partners (Ireland) Limited (“HVPI”) office on March 29, 2019. HVPI is authorized by the Central Bank of Ireland as an EU Alternative Investment Fund Manager (“AIFM”) to conduct regulated activities within the European Union on behalf of Harbourvest.

HarbourVest has made the following updates since the last brochure was submitted to the SEC on March 31, 2019¹:

Descriptions were expanded upon, regarding the advisory business (Item 4), fees and expenses (Item 5), performance-based fees (Item 6), certain risks (Item 8), conflicts of interest (Item 11) and brokerage disclosures (Item 12).

Our brochure may be requested at any time without charge² by contacting us at Compliance@HarbourVest.com.

¹ HarbourVest submitted an ‘Other than Annual Amendment’ to the ADV on June 10, 2019 to identify the change in Chief Compliance Officer, and on February 03, 2020 to address changes to the Fee and Expense description. The Fee and Expense update remains identified as a material change in this annual amendment.

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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. Our primary advisory business is managing private funds (“Funds”) and customized separately managed accounts (“Separate Accounts”). HarbourVest acts as the sole general partner of HarbourVest Partners L.P. and as the ultimate general partner of the respective Funds, absent individually negotiated restrictions imposed by some Funds or Separate Accounts. HarbourVest (or HarbourVest Partners (Ireland) Limited formed under the Alternative Investment Fund Managers Directive) generally has ultimate responsibility and authority for the selection of investments for, and the management of European Funds and Separate Accounts that are alternative investment funds for the purposes of the Directive.

An affiliate of HarbourVest acts as investment manager to HarbourVest Global Private Equity Limited (“HVPE”; collectively with the Funds, and the Separate Accounts, referred to herein as “Clients”), 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 HarbourVest’s affiliate separate management fees with respect to assets that are invested in Funds managed by HarbourVest, however, the Funds in which HVPE invests will pay fees with respect to such assets. The affiliate, or its designee, will be paid certain fees with respect to co-investments that HVPE makes alongside the Clients. The fee schedule for such co-investments mirrors the fee schedule paid by the Client along with which HVPE invests.

HarbourVest’s Clients invest in venture and growth equity investments, buyout transactions, mezzanine and distressed debt, credit investments in first lien, unitranche, and second lien credit securities, and real asset markets 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. HarbourVest has established comprehensive private fund investment programs with broad coverage of the asset class, as well as focused private fund investment programs with more concentrated exposure to a particular market or strategy. HarbourVest’s Clients are designed to provide investors with comprehensive private market solutions or specialized solutions, depending on its needs.

HarbourVest’s history dates back to 1982. In 1982, the HarbourVest team formed its first Client, with \$148.0 million in committed capital. This Client was one of the first private fund of funds ever formed. The team also has a long track record of secondary and direct co-investing; the first secondary and direct investments were made in 1986 and 1983, respectively. Beginning in the mid-1980s, the HarbourVest team broadened its investment scope and began investing in Europe and Asia Pacific. In 1991, the team began offering dedicated secondary investment programs. To support its global investment focus, subsidiaries were established in London (1990), Hong Kong (1994), HV Advisers (2007), Tokyo (2010), Bogota (2011), Beijing (2012), Canada (2014), Seoul (2015), Tel Aviv (2015), Dublin (2018), and Mexico (2018). An Alternative Investment Fund Manager, 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 group’s six-person investment staff.

As of September 30, 2019, HarbourVest Clients have committed more than \$39.6 billion to primary partnerships, \$22.6 billion to secondary investments, \$2.0 billion to real asset investments, \$8 billion to credit investments, and \$13.9 billion to direct co-investments.

HarbourVest has an experienced team of more than 140 investment professionals and more than 250 professionals dedicated to finance, tax, compliance, legal, analytics, and communications.

The average tenure of its 52 managing directors is 12 years. The HarbourVest team was originally part of Hancock Venture Partners, a subsidiary of John Hancock Mutual Life Insurance Company. In 1997, the management team became independent through a management buyout and HarbourVest has been independently owned since that time.

As of September 30, 2019, HarbourVest has \$59,556,131,882 in regulatory assets under management on a discretionary basis and \$8,987,798,323 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 the Funds, the investors in the 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, the management fee rate charged to a Client in some cases 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. 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. At the end of each fiscal year, any overpayments are refunded to the Client. 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.

HarbourVest enters into, from time to time, 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. The Clients will bear their portion of such fees and expenses to the extent such consultant provides services for a deal in which the Clients invest. 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 may be borne by such investors.

Subject to the terms of the governing document of a Client, HarbourVest will bear ordinary administrative costs and expenses relating to its operations but excluding Administrative Expenses (defined below). The Client will typically bear all the 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 may 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, depositary, auditing, secondment, banking, database subscriptions, 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 staff members to source investments, attendance at industry conferences and trade association memberships, and, in the case of unconsummated investments, break-up fees), and of making, monitoring, holding, or selling portfolio investments 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 may 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 partners in tax matters and the preparation of tax forms and a Client's FATCA 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 and reporting to the Client and its investors, 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 the Client's investors, staff members 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) fees and expenses paid to intermediaries, distributors and third party service providers in connection with the administration of a Client;
- (xiv) expenses incurred in connection with complying with provisions in other written agreements that the general partner and/or a Client have or may in the future enter into ("Side Letters") with one or more investors in a Client;
- (xv) 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; and
- (xvi) costs of winding-up and liquidating a Client.

"Administrative Expenses," means amounts charged to a Client for administrative services provided by staff members 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 staff members can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the 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 the Clients nor will otherwise be shared with the Clients and/or portfolio companies.

Allocation of Expenses

HarbourVest has adopted a policy that seeks to allocate applicable fees and expenses among the Clients in a fair and equitable manner. HarbourVest seeks to make judgments with respect to allocation of expenses in its good faith discretion, notwithstanding its interest in the outcome, and make corrective allocations after the fact should it determine that such corrections are necessary or advisable. A Client generally shall only bear its *pro rata* share of any such expenses incurred in connection with any portfolio investment to the extent the same portfolio investment is being made by other HarbourVest managed investment vehicles. However, HarbourVest can and does, in its sole discretion, allocate certain expenses among Clients differently if it determines any such expenses are solely or disproportionately attributable to certain Clients. Client-specific expenses will generally be allocated to the Clients incurring such expenses, however certain other Clients can and do indirectly benefit from products or services paid for by another Client and the portion of an expense allocated to a Client for a particular item or service may not reflect the relative benefit derived by such Client from that item or service in any particular instance. The appropriate allocation between a Client and other Clients managed by HarbourVest of expenses and fees generated in the course of sourcing, evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorneys' fees and the fees of other professionals, will be determined

by the general partner generally based on expected or actual participation. However, HarbourVest can and does, in its sole discretion, allocate certain expenses among Clients differently if it determines any such expenses are solely or disproportionately attributable to certain Clients.

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

Organizational expenses of a Fund and its related parallel Fund, as applicable, (including organizational expenses of any related feeder funds and the respective general partners or managers of the Fund, the parallel Fund and any related feeder funds), will be aggregated and allocated between a Fund and its related parallel Fund, as applicable, based on the relative commitments of the investors of a Fund and the capital commitments of the investors of its parallel Fund (unless the general partner determines in good faith that a different share is appropriate). Accordingly, a Fund can and will bear certain organizational expenses of its related parallel Fund, and a related parallel Fund can and will bear certain organizational expenses of its related Fund. In the event that the related parallel Fund does not close on any third party commitments, a Fund will bear all the organizational expenses of the related parallel Fund (unless the general partner determines in good faith that a different share is appropriate). In the event that any related feeder fund does not close on any third party commitments, a Fund and its related parallel Fund will bear the organizational costs of such related feeder fund *pro rata* based on the relative commitments of the partners of a Fund and the commitments of the investors of its related parallel Fund (unless the general partner determines in good faith that a different share is appropriate). A Fund will engage the services of a third party to carry out certain Fund-related services, including, but not limited to, due diligence, accounting, tax, reporting, valuation and compliance. The costs, fees and expenses of such third-party service providers will be treated as a Fund expense and will be borne by the respective Fund.

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

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

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

With respect to a Fund, the performance fee is allocated to the capital account of the general partner of a Fund.

The governing documents for a Client set forth the formula for the allocation of profits and losses of such Client; this performance fee is a typical feature of private funds and is commonly referred to as “carried interest.” Generally, the allocation formula for a Client includes the realized gains and losses, and unrealized gains and losses of securities over any given period. The governing documents for a Client describe the method by which the assets of a Client will be valued. Allocations to HarbourVest in connection with carried interest are dependent, in part, on the unrealized value of certain investments, which could provide an incentive for HarbourVest to use higher valuations.

The allocation of carried interest 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 one Client, in comparison to that of another Client, each having similar or substantially the same investment objectives. Such other Clients often will have economic terms that are different than those of another Client, and may incorporate terms that individually or in the aggregate are more favorable for their investors. HarbourVest has an incentive to favor the Client from which it receives higher compensation. HarbourVest has in place policies and procedures reasonably designed to ensure allocation of investments to all Clients (individually and collectively) is on a fair and equitable basis.

Item 7 – Types of Clients

HarbourVest provides investment advice and portfolio management services to Clients, any subsequent limited partnerships formed by HarbourVest, Separate Accounts, and HVPE. The Clients may have minimum investment amounts, as set forth in the relevant governing documents relating to the applicable Client. HarbourVest can, in its discretion, waive the applicable minimum investment amount.

The following types of institutions have historically invested in Funds or established Separate Accounts: sophisticated institutional investors, including corporate pension and profit sharing plans, other pooled investment vehicles, public employee retirement and deferred compensation plans, municipalities, private investment funds, sovereign funds, insurance companies, investment companies, charitable organizations, endowment funds, foundations, and other U.S. and international institutions. In addition, certain brokers, high net worth individuals, banks, trust companies, and investment advisers are 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 typically takes into consideration many factors, including the investment acumen, leadership ability, and investment performance track record of the fund manager; the merits and sustainability of the fund’s investment focus and strategy; and the economic and other contractual terms governing the fund. Due diligence activities include evaluating the performance records of previous limited partnerships, meeting with the management of the partnership, meeting with the management of portfolio companies, and holding discussions with investors in the relevant funds. In addition, personal and business references are checked and evaluated, and normal due

diligence undertaken. On an ongoing basis, HarbourVest reviews annual reports and financial statements, attends partnership annual and advisory board meetings, and has face-to-face ad hoc visits with the fund manager.

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

Direct co-investments – HarbourVest employs a number of methods of analysis in the direct co-investment decision-making process. Generally, face-to-face meetings with management, visits to major facilities, review of marketing strategies, analysis of products, discussions with suppliers, customers, competitors and prior investors, and review of financial statements and financial projections are and will continue to be made before any decision to invest. An appropriate evaluation of the industry in which the company operates is undertaken including an analysis of industry trends, impact of the present stage of the business cycle, and/or the interpretation of the political, economic, social and market trends. The membership of the investor group participating in a particular investment is also an important determinant. Direct private investments usually consist of securities which will be held for several years. These include purchases of common stock, preferred stock, convertible preferred stock, debt with warrants, and convertible subordinated debentures 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. Upon sale of the securities, cash will generally be distributed to the Client's investors. HarbourVest can and will also make distributions in kind to Client investors.

Credit investments – HarbourVest's private credit investments include purchases of junior credit securities (such as second lien, subordinated debt, or mezzanine), and senior credit securities (such as first lien or unitranche), complemented in some cases by equity exposure through common stock, preferred stock, or convertible preferred stock. 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.

Real Asset investments – HarbourVest employs a number of methods of analysis in the real assets investment decision-making process. The real assets team invests across primaries, secondaries, and direct investments into assets and operating companies. Depending on the sector and transaction type, due diligence activities 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 manager(s) and/or portfolio company management team(s). 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 perform 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 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 investing and the limited partnership structure may not be suitable for all investors

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

Nature of the investments of a Client and the underlying portfolio funds

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

A Client might not obtain suitable investments, and, even if it does, there is a risk that a Client's investment objectives will not be achieved

The business of identifying and structuring investments of the types contemplated by a Client is competitive and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions and competition from other groups as well as, in some cases, the prevailing regulatory or political climate. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Client or considered for prospective investment.

Purchasers of Client interests do not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments being made by a Client and, accordingly, will be dependent upon the judgment and ability of the general partner and HarbourVest in investing and managing the capital of a Client. No assurance can be given that a Client will be

successful in obtaining suitable investments, or if such investments are made, that the objectives of a Client will be achieved. Accordingly, there can be no assurance that a Client will be able to identify and complete attractive investments in the future or that they will be able to invest fully its commitments.

Competition for access to investment funds and other investments

HarbourVest seeks to maintain excellent relationships with the general partners and managers of investment funds in which they have previously made investments, and the sponsors of investments that might provide the opportunity for co-investments. However, due to the number of investors seeking to gain access to underlying funds and co-investment opportunities managed or sponsored by the top performing managers, there can be no assurance that HarbourVest will be able to secure the opportunity to invest its Clients in all of the investments it selects, or that the size of the investments available to HarbourVest Clients will be as large as desired. Access to opportunities to make secondary investments is also highly competitive, and is often controlled by a limited number of general partners and intermediaries. A Client may make strategic investments that do not result in investment opportunities

A Client may make strategic investments that may generate future investment opportunities, and HarbourVest may, among other things, consider the opportunity for future investments in its evaluation of, and decision to make, such strategic investments as well as the benefit it has received resulting from similar strategic investments made by other Clients. Future investment opportunities attributable to strategic investments will be allocated among multiple Clients, and one Client will not have any investment priority over any other Client with respect to any such opportunity. Furthermore, a Client may 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, such opportunities may be allocated to another Client. As such, a Client ultimately may not participate in such future opportunities if and when they arise, and such opportunities may be allocated to another Client in accordance with HarbourVest's investment allocation policy.

Private investments are generally illiquid

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

Within private markets, particular investment strategies have specific risks

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

Venture Capital and Growth Equity Investments – HarbourVest Clients and certain of the underlying partnerships may make venture capital and growth equity investments. Such investments involve a high degree of business and financial risk that can result in substantial losses. The most significant risks include the risks associated with investments in (i) companies in an early stage of development or with little or no operating history; (ii) companies operating at a loss or with substantial fluctuations in operating results from period to period and; (iii) companies with the need for substantial additional capital to support or to achieve a competitive position. Such companies may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Such companies also may have a lower capitalization and fewer resources (including cash) and be more vulnerable to failure, which could

result in the loss of the entire investment. The directors of such companies may lack managerial experience, particularly of cash-flow management and budgeting. Such companies may face strong competition or need substantial additional capital to support or to achieve a competitive position. The availability of capital is generally a function of capital market conditions that are beyond our control or the control of the underlying private funds or portfolio companies in which our Clients, directly or indirectly, will invest. There can be no assurance that any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. There can be no assurance that any such losses will be offset by gains (if any) realized on a Client's other investments.

Buyout Transactions – HarbourVest Clients and certain of the underlying partnerships may invest in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of leverage to available income. Leveraged investments are inherently more sensitive to declines in revenues and cash flows and to increases in interest rates and expenses than non-leveraged transactions. Increases in interest rates could also make it more difficult for private funds to access and consummate acquisitions because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher relative price due to a lower overall cost of capital or because the minimum targeted return on investment of such private fund is unachievable on such acquisition given the cost of the leverage that would be required. Recent constrictions in the availability of certain types of capital in the credit markets could also have a similarly adverse effect on the ability of funds to invest in leveraged buyouts, or to invest in such buyouts on attractive terms.

Investments in Special Situation, Recapitalization, and Distressed Debt Transactions – HarbourVest Clients and certain of the underlying partnerships may invest in securities of financially troubled companies or companies involved in work-outs, liquidations, reorganizations, recapitalizations, bankruptcies, and similar transactions and securities of highly leveraged companies. While these investments may offer the potential for high returns, they also bring with them correspondingly greater risks. Such investments involve companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject Clients or the underlying partnerships to certain additional potential liabilities. For example, under certain circumstances, a payment by such a company could be required to be returned if such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Investments in Natural Resources and Energy Investments (Real Asset Investments) – Investments in the natural resource (inclusive of energy) sector may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks may include but are not limited to: (i) the risk that the technology employed in a project will not be effective or efficient; (ii) risks of equipment failures, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in energy, power or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, and catastrophic events; (iii) risks that regulations affecting the industry will change in a manner detrimental to the industry; (iv) environmental liability risks related to properties, and projects; (v) uncertainty about the extent, quality, and availability of mineral, oil, gas, and coal reserves; and (vi) the risk of changes in values of companies in the natural resources sector whose operations are affected by changes in prices, and supplies of fuels (prices, and supplies of fuels can fluctuate significantly over a short period of time due to changes in international politics, conservation, the success of exploration projects, the tax, and other regulatory policies of various governments, and the economic growth of countries that are large consumers of resources, as well as other factors). The occurrence of events related to the foregoing may have a material adverse effect on a Client and its investments.

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

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

Certain of the Clients may make mezzanine investments. Although mezzanine securities are typically senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and in the U.S. are usually unsecured. Should an issuer trigger an event of default, depending on the capital structure and the issuer's financial situation, the Client could lose the entire value of its investment. The ability of the subordinated debt holders to influence a company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under the terms of subordination agreements, senior creditors are typically able to block the acceleration of the subordinated debt or other exercises by the subordinated creditors of their rights. Accordingly, the Client may not be able to take the steps necessary to protect its investments in a timely manner or at all.

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

Investors in private funds generally do not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments to be made by a fund and, accordingly, will be dependent upon the judgment and ability of the general partner and HarbourVest. No assurance can be given that a Client will be successful in obtaining suitable investments, or if such investments are made, that the objectives of a Client will be achieved.

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

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

Similarly, in certain circumstances, subject to applicable laws and applicable partnership agreements, a Client may acquire an investment from other Clients or third-party co-investors. Furthermore, after a Client enters into an agreement to acquire an investment opportunity, but prior to closing such transaction, HarbourVest may reallocate such investment opportunity either causing a Client to subscribe for additional amounts, or allocating amounts to other Clients. Any such reallocation prior to the closing with the purchase of the underlying investment will not constitute a purchase or sale of a security by one Client to another Client. Any such reallocation will occur in accordance with the investment allocation policy described in Item 11.

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

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

A Client may pay finders fees in connection with deal sourcing

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

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

Clients typically utilize leverage, allowing HarbourVest to more accurately match the contributions by the investors to the capital needs of a Client, and also to enhance returns. Although leverage will increase investment returns if a Client earns a greater return on the investments purchased with borrowed funds than it pays for the use of those funds, the use of leverage will decrease the returns of a Client if it fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds. In addition, a Client may directly or indirectly utilize leverage in its investment strategy, including potentially for transactions involving the recapitalization of a Client's portfolio investments. The use of leverage will magnify the volatility of changes in the value of portfolio investments. Any gain in the value of assets in excess of the cost of the amount borrowed to acquire such assets would cause the borrower's net asset value to increase more than if the assets had been

bought without utilizing leverage. Conversely, any decline in the value of its assets to below the cost of the borrowing utilized to fund their purchase would cause the net asset value to decline more sharply than would be the case if debt had not been used to purchase such assets. Accordingly, while the use of leverage may increase a borrower's returns, it will also increase its exposure to risk. This risk is more concentrated in Clients that focus on making leveraged buyout investments. As a general matter, use of borrowings in lieu of drawing down commitments impacts internal rates of return (either negative or positive) to the limited partners, including through the possible acceleration of distributions to the limited partners. The use of leverage may, and likely would, delay the need for limited partners to make capital contributions to a Client, which would likely enhance a Client's performance figures and thereby benefit HarbourVest.

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

The extent to which a Client uses borrowed funds may have important consequences to the limited partners, including, but not limited to, the following: (i) greater fluctuations in the net asset value of a Client, (ii) use of cash flow for debt service, rather than for additional investments, distributions, or other purposes, (iii) to the extent that a Client's revenues are required to meet principal payments, the partners may be allocated income (and therefore tax liability) in excess of cash available by distribution, (iv) to the extent that a Client's revenues are insufficient to service their debt obligations, the partners may be required to contribute capital to service such debt obligations, and (v) in certain circumstances a Client may be required to prematurely divest investments to service their debt obligations (although HarbourVest shall be under no obligation to provide for such divestments). All of these risks are magnified by the use of long-term leverage in excess of unfunded commitments.

Borrowing by a Client may be structured so that a Client, a parallel Fund, and any applicable alternative investment vehicles are jointly and severally liable on a cross-collateralized basis for any repayment of indebtedness under any Client-related credit facility and security may be granted by a Client over the capital commitments of the limited partners and other assets of a Client to secure indebtedness obtained for the benefit of, or indebtedness incurred by, the parallel Funds. Therefore, if one or more limited partners of a Client or a parallel Fund fails to satisfy a drawdown notice or otherwise default on their contribution obligations pursuant to the credit support, such amount would be drawn from non-defaulting limited partners of a Client or a parallel Fund up to the remaining amount of their respective unfunded capital commitments. A Client and a parallel Fund may enter into reciprocal guarantees with regard to their respective obligations and liabilities under any joint credit agreements.

A Client will be subject to the risks normally associated with debt financing, including the insufficiency of cash flow to meet principal and interest payments. Leveraging the capital structure will mean that third parties, such as banks, may be entitled to the cash flow generated by such investments prior to a Client receiving a return. There are also financing costs associated with leverage, including interest costs, related facility fees, commitment expenses, and other costs, and such costs will be borne by a Client and therefore may adversely affect the rate of returns obtained by a Client. In addition, each leveraged investment will involve interest rate risk to the extent that financing charges for such leveraged investment are based on a predetermined interest rate. A Client's assets, including any investment made by a Client and any capital held by a Client, are available to satisfy all liabilities and other obligations of a Client. If a Client defaults on secured indebtedness, the lender may foreclose and a Client could lose its entire investment in the collateral for such loan. If a Client become subject to a liability, parties seeking to have the liability satisfied may have recourse to a Client's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. No assurance can be given that financing for a Client's investments will be obtained by a Client, or obtained on favorable or acceptable terms, including terms which reflect the financing provided by a Client. In addition, once initial financing is obtained by a Client, no assurance can be given that such

financing will subsequently be available throughout the life of a Client or any individual investment, or that long-term replacement financing can be obtained as intended by HarbourVest.

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

A Client may hold a portion of its investments through one or more holding vehicles (each, an "SPV"). Each SPV will typically be funded with an amount equal to the sum of the purchase price of any investment the SPV acquires plus any unfunded capital commitments with respect to such investment. Such SPVs are expected to incur indebtedness, and such SPV-level indebtedness will not be treated as indebtedness of a Client for purposes of the respective limited partnership agreement unless it is unconditionally guaranteed by a Client. For the avoidance of doubt, any performance obligations, performance guarantees, and other similar arrangements entered into by a Client will not be treated as guarantees of indebtedness for purposes of the limited partnership agreement and the leverage limitations thereunder.

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

Risk arising from provision of managerial assistance

A Client may directly or alongside a lead sponsor designate directors to serve on the boards of directors of portfolio companies. The designation of directors could expose the assets of a Client to claims by a portfolio company, its security holders, and its creditors, including claims that a Client is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against a Client if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose a Client to claims that it has interfered in management to the detriment of a portfolio company.

Clients are heavily reliant on third-party management

The returns achieved by the primary partnerships or secondary investments will depend in large part on the efforts and performance results obtained by the managers of the underlying portfolio partnership funds in which a Client invests. Furthermore, a Client will not have an active role in the

day-to-day management of the underlying partnerships nor the ability to approve the specific investment or management decisions made by the managers of the underlying partnerships. As a result, the investment returns of a Client that makes primary partnership investments, secondary investments or direct co-investments, will primarily depend on the performance of unrelated investment managers and other management personnel. The failure of such investment managers or management personnel to make profitable investments would have a negative impact on a Client's ability to achieve its investment goals.

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

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

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

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

Although key personnel of HarbourVest have had extensive experience managing investments in the private market, many of the funds, their general partners, and the underlying partnerships in which our Clients expect to invest will be newly or recently formed entities with no significant operating history upon which to evaluate their likely performance or the likely effectiveness of their investment strategy. An investment in a fund, their general partners, or an underlying partnership is therefore subject to all of the risks and uncertainties associated with any new business, including the risk that the fund will not achieve its investment objectives and that the value of an investment could decline substantially.

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

HarbourVest conducts due diligence to an extent deemed reasonable and appropriate based on the facts and circumstances applicable to each investment, before committing a Client to any particular investment. The objective of the due diligence process is to identify attractive investment opportunities based upon the facts and circumstances surrounding an investment. When conducting due diligence, the HarbourVest team expects to evaluate a number of important issues in determining whether or not to proceed with an investment. These issues will vary depending on the kind of investment opportunity presented, but may include business, financial, tax, accounting,

environmental, and legal issues. Outside consultants, legal advisers, accountants, and investment banks are generally involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, HarbourVest will be required to rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective with respect to newly organized funds or companies for which only limited information is available. In light of the foregoing, there can be no assurance that the due diligence investigations undertaken by HarbourVest will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful.

Past performance does not guarantee future returns

There is no assurance that the performance of any Client will equal or exceed the past investment performance of 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 our 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 partnership's portfolio changes without our knowledge, the reported value of a Client's investment will not immediately reflect such a change.

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

A Client may experience fluctuations in results

A Client may experience fluctuations in results from period to period due to a number of factors, including changes in the values of a Client's underlying investments, changes in the level of drawdowns on capital commitments, changes in the amount of distributions, dividends or interest paid in respect of investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which Clients encounter competition in the making of investments or the underlying investments encounter competition in their businesses and general economic and market conditions. As an asset class, private markets exhibited volatility in returns over different periods and it is likely that this will continue to be the case in the future. Such variability may cause results for a particular period not to be indicative of performance in a future period.

Vintage year concentration risks

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

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

The 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 laws, and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the securities held by a Client or its underlying investments. Unexpected volatility or liquidity could impair a Client's profitability or result in losses to the Client. General levels of economic activity may affect the value and number of investments made or considered for prospective investment by the Client or its underlying investments. In addition, future disruptions in the global markets may 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, recent populist and anti-globalization movements may 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 U.S.

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

market dislocation or rise in the general level of interest rates, may lead to a decline in the net asset value of a Client's investments. In addition, U.S. and Non-U.S. governments have enacted and may enact various regulations that may impact a Client and its investments. New regulations, changing regulatory schemes, and the burdens of regulatory compliance may have a material negative impact on the performance of a Client and its investments.

Brexit

The United Kingdom ("UK") left the European Union on January 31, 2020 ("Brexit"). Under the terms of the withdrawal agreement concluded between the UK and the European Union, a transition period will run until December 31, 2020, during which time the UK continues to benefit from and be bound by many European Union laws. An extension to the transition period currently appears unlikely. The terms of the UK's future relationship with the European Union are uncertain and will depend on how the UK and the European Union re-negotiate their relationship during the remainder of 2020. The UK's departure from the European Union may have an adverse impact on a Client and its investments, including significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased legal, regulatory or compliance burden.

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

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

CFIUS may adversely impact a Client's ability to make certain investments in the U.S.

Review by the Committee on Foreign Investment in the U.S. ("CFIUS"), an inter-agency committee of the U.S. Government, of foreign persons' control of or investments in certain types of U.S. businesses that may raise national security concerns may adversely affect the timing of a Client entering into such transactions, or their ability to do so. Even where a Client's acquisition of an interest is not controlling, CFIUS may have jurisdiction to review the transaction if the investor is accorded certain rights. The underlying portfolio fund may seek to limit a Client's access to certain types of information about the U.S. business or otherwise curtail rights to board seats, advisory committee seats or involvement in substantive decision making. In most circumstances, review by CFIUS is triggered by a voluntary filing by the parties to a transaction; a Client may not be in a position to determine whether such a filing will be made. If a filing is made, CFIUS review can take up to 90 days, or more. Furthermore, as a condition of its approval, CFIUS may impose conditions on the parties to, or the U.S. business subject to, a transaction, certain of which could adversely affect a Client's ability to execute its investment strategy. CFIUS also can refer a transaction to the President of the U.S. for decision, including where it recommends that the transaction be suspended or prohibited. With respect to any particular investment in a U.S. business by a Client, there can be no assurance that CFIUS will approve a Client's investment.

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 a 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 may result in cost efficiencies for other Clients when such other funds or accounts evaluate similar or related investments.

Risks associated with investments in developing countries

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

Hedging could negatively affect a Client

Clients may employ hedging strategies designed to reduce the risks of adverse movements in, among other things, interest rates, securities prices, and currency exchange rates. While such transactions may reduce certain risks, among other things, such transactions themselves may not always result in better nominal performance. For example, while a Client may benefit from the use of these hedging strategies by having downside risk protection, the hedging strategy may also limit the upside and therefore may result in a poorer overall performance for a Client than if such hedging transactions had not been entered into.

Risks associated with swaps

Swaps, like other financial transactions, may involve risks with varying levels of significance. The significance of the risks presented by a particular swap necessarily depend upon the terms of the transaction and the 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 may often be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Therefore, it may not be possible for the general partner of such 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.

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

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

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

Short-term currency fluctuations should not significantly affect a Client's performance because capital calls (cash out-flows) and distributions (capital in-flows) will occur over an extended period of time. While HarbourVest has expertise in hedging and the use of forward contracts, the nature and timing of liquidity opportunities do not allow sufficient circumstances to protect against the potentially adverse effect of movements in currency exchange rates. A Client may occasionally hedge, but investors should understand that currency risk is inherent in long term, international private investing.

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

The returns to investors whose local currency is not U.S. dollars may be increased or decreased as a result of currency fluctuation between their local currency and the U.S. dollar.

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 riskier than secured or unsecured subordinated loans.

LIBOR risk

Many financial instruments use or may use a floating rate based on the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on a Client or the financial instruments in which a Client may invest cannot yet be determined.

Clients rely on information provided by the borrower, 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 may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of a Client to perfect or effectuate a lien, if any, on the collateral securing the loan. Clients will rely upon the accuracy and completeness of representations made by borrowers and related equity investors to the extent reasonable when they make their investments, but cannot guarantee such accuracy or completeness.

Geographic concentration may pose additional risks

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

Natural disasters and major other events could adversely affect a Client

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

Epidemics, Pandemics and Other Health Risks

Many countries have experienced infectious illnesses in recent decades, including swine flu, avian influenza, SARS and 2019-nCoV (the "Coronavirus"). In December 2019, an initial outbreak of the Coronavirus was reported in Hubei, China. Since then, a large and growing number of cases have been confirmed around the world. The Coronavirus outbreak has resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures,

border closures and other travel restrictions causing social unrest and commercial disruption on a global scale. The World Health Organization has declared the Coronavirus outbreak a pandemic.

The ongoing spread of the Coronavirus has had and will continue to have a material adverse impact on local economies in the affected jurisdictions and also on the global economy as 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 having potentially adverse consequences for underlying portfolio investments of a Client and the value of a Client's 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. Any of the foregoing events could materially and adversely affect a Client's ability to source, manage and divest a Client's investments and its ability to fulfill its investment objectives. Similar consequences could arise with respect to other comparable infectious diseases.

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

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

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

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 the Clients will

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.

Investment Adviser Risks

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

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

A Client depends on the diligence, skill, and business contacts of HarbourVest's investment professionals, and the information and deal flow they generate during the normal course of their activities. The ability of a Client to achieve its objectives depends on the continued service of these individuals, who are not obligated to remain employed with HarbourVest. 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 may do so in the future, and it cannot predict the impact that any such departures will have on a Client's ability to achieve its investment objectives.

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

In addition, the governing documents of a Client may contain "key man" provisions which require certain groups of individuals to remain active in the management of those Clients. The departure of a significant number of those individuals could trigger certain consequences under those provisions, including possibly the cessation of further investing activity by a Client, which could materially harm its value.

HarbourVest professionals may engage in other activities unrelated to a Client

The 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.

Risks Related to Client Structure and Other Risks

Investors have limited control over a Client

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

Side letter agreements

The general partner and/or a Client can and do enter into Side Letters with one or more investors. These Side Letters entitle an investor to make an investment in a Client on terms other than those described in its governing documents. Any such terms, including with respect to (i) reporting obligations of, or the provision of further information in relation to, a Client, (ii) transfer, (iii) jurisdiction or venue, (iv) consent rights to certain governing document amendments, (v) advisory committee representation (or participation as an observer), (vi) ability to disclose certain confidential information, (vii) power to opt out of direct co-investments, (viii) limitations on the exercise of the general partner's discretions under the governing documents, (ix) limitations on powers to execute documents for the investors under the powers of attorney contained in the governing documents, (x) confirmations of the way in which the general partner will carry out certain of its duties, (xi) additional warranties relating to a Client or its operation, (xii) confirmation that the general partner will use commercially reasonable efforts to facilitate the sale of securities distributed in kind to an investor, (xiii) confidentiality obligations in relation to information about an investor, (xiv) access to information and audit 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 and carried interest percentages, (xviii) rights to co-invest with a Client, or (xix) rights granted or classification given to an investor based on such investor's internal policies, tax status, or applicable laws or regulations, including reducing or eliminating the obligation to make capital contributions or other payments under circumstances required by an investor's internal policies or applicable laws and regulations, (xx) payment of costs in connection with the formation or operation of investment vehicles established to facilitate the investment in a Client by certain investors, (xxi) modification of representations made by an investor in connection with its investment in a Client, or (xxii) any other matters described therein, may be more favorable than those offered to any other investors. If the general partner and/or a Client enter into a Side Letter entitling an investor to opt out of making certain investments, any election to opt out by such investor may increase any other investor's *pro rata* interest in that particular investment. The other investor will have no recourse against a Client or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters. Side Letters may be available to an investor only after such investor has consummated its investment with HarbourVest and will not be disclosed to investors unless specifically requested.

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 limited partners of a particular Client. These arrangements may 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 HarbourVest funds and accounts (including a Client). These arrangements do not constitute Side Letters and will not be specifically disclosed to other investors or otherwise be made available to other investors under most favored nation provisions granted with respect to a Client.

Client investors are subject to restrictions on transfer and withdrawal

Interests in a Client should be considered as long-term, illiquid investments, and investors must be willing to bear the economic risk of an investment in a Client for an indefinite period of time. The interests in a Client will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state or other securities laws and may not be transferred unless registered under applicable U.S. federal and state securities laws or unless an exemption from such laws is

available. 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 may not be sold, assigned, participated, pledged, or otherwise transferred without the prior written consent of the general partner of a Client (which consent may be conditioned upon, among other things, the transferee subscribing for interests in other funds managed by HarbourVest), and interests are subject to the terms and conditions of the governing documents of a Client. Furthermore, investors may not withdraw capital from a Client. In addition, HarbourVest has a right of first refusal with respect to transfers of investments in certain Clients. Consequently, investors that wish to transfer their interests may be obligated to sell to HarbourVest rather than to their chosen transferee. A transferee will not be entitled to any special rights of transferors, including side letters or any special fee arrangements, and further, a transferor may lose a fee break it was otherwise entitled to due to such transfer. Investors in a Client could be diluted from subsequent closings

Investors in a Client at subsequent closings will participate in existing investments of a Client, diluting the interest of existing investors therein. Although such 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. A Client's interest in an aggregating partnership or entity will similarly be diluted by closings of other funds comprising the program.

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

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

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

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

Compliance with the AIFM Directive

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

The AIFMD could have an adverse effect on any Client by, among other things, increasing the regulatory burden and costs of doing business in EEA Member States, imposing extensive disclosure

obligations on companies located in EEA Member States in which a Client may acquire investments and potentially disadvantaging a Client as an investor in private companies located in EEA Member States when compared to competitors which may not be subject to the requirements of the AIFMD, thereby potentially restricting a Client's ability to make investments in such company. The AIFMD could also limit a Client's operating flexibility and investment opportunities, as well as expose a Client to conflicting regulatory requirements in the U.S. and the European Union. Clients subject to the AIFMD may incur higher costs, such as fees and other expenses in relation to mandatory use of depositaries.

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

It is intended that Funds investing in parallel Funds will when appropriate be given the opportunity to invest *pro rata* to their respective commitments. However, there may be legal, structural, tax, regulatory, or portfolio construction reasons why such investment is not practicable or appropriate; or HarbourVest may 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 may not invest alongside its respective related parallel Fund. Accordingly, the portfolio of a Fund may 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 be higher than its related non-AIFMD regulated parallel Fund.

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

Investors in a private fund are generally required to indemnify its general partner, the affiliates of its general partner, and their respective managers, members, partners, agents, and employees, and all of their respective successors, heirs, and assigns and its advisory committee for liabilities incurred in connection with the affairs of such fund and otherwise as provided in the partnership agreement of such fund. Such liabilities may be material and have an adverse effect on the returns to a Client and its investors. The indemnification obligation of a Client will be payable from its assets, including the unfunded capital commitments of its investors. If the assets of a Client are insufficient, the general partner may recall distributions previously made to the investors (subject to certain limitations set forth in a Client's governing documents). The governing documents of the underlying portfolio partnership funds are expected to contain similar provisions. Subject to the terms of the governing document of a Client, the general partner may require including, among other things, any indemnification obligations and other Client operating expenses.

Liability of limited partners that invest in a Client

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

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

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

the governing documents of a Client contain provisions to the effect that if there is any such claim in respect of an investment, it will be funded by its investors, subject to certain limitations. A Client's underlying portfolio partnership funds governing documents are expected to contain similar provisions. A Client's direct and indirect investments in operating companies could be deemed to be control positions which could expose a Client or their underlying partnerships to risk of liability

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

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

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

HarbourVest may outsource services it has historically performed in-house

Services that HarbourVest has historically performed in-house for other Clients may be outsourced in whole or in part to third parties in the discretion of HarbourVest or a general partner in connection with the operation of a Client. Such outsourced services may include, without limitation, accounting, tax, compliance, research, investment and operational due diligence, trade settlement, information technology or legal services. Outsourcing may not occur uniformly for all Clients and, accordingly, certain costs may be incurred by a Client through the use of third-party service providers that are not incurred for comparable services used by other Clients. The decision by HarbourVest to initially perform particular services in-house for a Client will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties. The costs, fees or expenses of any such third-party service providers will be treated as Client expenses borne by such Client.

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

It is expected that certain Clients will be charged amounts in connection with the provision of services by in-house personnel as provided in the legal agreements governing the relationship between HarbourVest and the Client. Unless otherwise stated in such legal agreements. The amount charged for such services may be more or less than the actual amount of allocable overhead costs and expenses borne by HarbourVest with respect to the staff members providing the relevant services.

Advisors and service providers often 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 may vary based on the

complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by a Client are different from those used by other Clients, their portfolio companies or their respective affiliates, any of the foregoing may pay different amounts or rates than those paid by a Client with respect to any particular advisor or service provider. 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 of such other parties may enter into different arrangements or pay different amounts or rates with the same advisors or service providers for the same services.

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

The U.S. Investment Company Act of 1940 (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 may be considered similar in some ways to investment companies, it is not required, and does not intend, to register as such under the Investment Company Act and, accordingly, limited partners are not accorded the protections of the Investment Company Act.

No separate counsel

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

A Client could be deemed an underwriter

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

The taxation related to Clients is extremely complex, and investors may be subject to taxes in various jurisdictions

The U.S. federal, state, and local income taxation of partnerships and partners is extremely complex, involving, among other things, significant issues as to the character, timing of realization, and sourcing of gains and losses. Client investors may be allocated a portion of taxable income of a Client without regard to actual cash distributions. Accordingly, any 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 may 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 may not be tax efficient for any particular investor. No undertaking is given that amounts distributed or allocated to 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 may adversely affect a Client, its portfolio investments, or its investors.

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

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

A Client may be subject to various information reporting and withholding regimes, including the regimes commonly referred to as FATCA and the Common Reporting Standard (CRS). An 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 it, and a Client will be required to report information to the applicable government authority, which may be shared with other jurisdictions. The failure to comply by an investor may result in adverse consequences to such investor.

A Client may 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 (referred to as Base Erosion and Profit Shifting (BEPS)), and to prevent criminal tax evasion and associated corporate criminal offences. Such laws may have a material impact on how returns to investors are taxed, may give rise to additional reporting and disclosure obligations, and may also give rise to unlimited financial penalties which may impact a Client and its investments.

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

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

Investors may receive different information

Due in part to the fact that prospective investors may ask different questions and request different information, HarbourVest may provide certain information to one or more prospective investors in connection with their investment decision or during the term of a Fund that it does not provide to all investors. In addition, certain investors may have access to information regarding a Fund's investments, including access to HarbourVest's investment committee materials, which is not available to other investors. None of such additional information is or will be integrated into the Private Placement Memorandum of a Fund or otherwise provided to the investors.

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

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

Item 9 – Disciplinary Information

HarbourVest has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

HarbourVest or a related person is a general partner 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 Clients formed.

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

HarbourVest Partners (Ireland) Limited is registered in Ireland (No. 634468) and is authorized and regulated by the Central Bank of Ireland.

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

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

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

HarbourVest Partners Korea Ltd a wholly owned subsidiary of HarbourVest Partners L.P which 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 (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 may arise with respect to HarbourVest's business and a summary of how HarbourVest addresses such conflicts of interest are described below. This discussion does not describe all conflicts that may arise, certain of which may be disclosed throughout this document and the governing documents of the relevant Client, each of which should be read in its entirety.

Resolution of Conflicts

HarbourVest deals with all conflicts of interest using its good faith judgment, but in its sole discretion. In resolving conflicts that arise among Clients, HarbourVest, or a general partner, HarbourVest considers various factors, including the immediate and/or longer term interests of the Clients and/or other parties involved. Certain conflicts of interest may be resolved by investment guidelines set forth in the governing documents of a Client. In the case of all conflicts involving Clients, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of HarbourVest, except as required by law (e.g., ERISA), or the governing documents of the relevant Clients.

In mitigating or resolving conflicts, HarbourVest seeks to treat all Clients fairly and equitably over time. HarbourVest 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.

Allocation of Investment Opportunities

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

HarbourVest may receive different amounts of compensation from one Client, in comparison to that of another Client, each having similar or substantially the same investment objectives. Such other Clients often will have economic terms that are different than those of another Client, and may incorporate terms that individually or in the aggregate are more favorable for their investors. HarbourVest may have an incentive to favor the Client from which it receives higher compensation. HarbourVest has in place policies and procedures reasonably designed to ensure allocation of

investments to all Clients (individually and collectively) is on a fair and equitable basis. HarbourVest adheres to an investment allocation policy that is designed to ensure all Clients are treated in a fair and equitable manner and that takes into account a variety of factors, including, but not limited to: (i) the size, nature and type of investment or sale opportunity; (ii) contractual obligations, including any priority rights with respect to investment allocations; (iii) principles of diversification of assets; (iv) the tactical plan of each Client, including its targeted strategies and level of portfolio concentration, including the investment guidelines and limitations of a Client; (v) restrictions imposed by the underlying manager (e.g. FOIA); (vi) structural, tax or legal issues of a transaction that may make an investment not appropriate for a particular Client; (vii) cash availability, including cash that becomes available through leverage; (viii) a determination by HarbourVest that the investment or sale opportunity is inappropriate, in whole or in part, for one or more of the Clients; (ix) applicable transfer or assignment provisions; (x) proximity of a Client to the end of its investment period or specified term, if any; or (xi) such other factors as HarbourVest may reasonably deem relevant. In situations where there is insufficient capacity, HarbourVest, in its sole discretion, will make subjective judgments using some or all of the above factors. Certain Clients may be allocated investment opportunities due to the relationships that one or more beneficial owners thereof may have with other sponsors and, accordingly, such investment opportunities may not be allocated to another Client. Such investment opportunities may be allocated solely or disproportionately to such Client.

Because the investment focus of certain Clients 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 Client. In addition to the other relevant factors considered under the Allocation Policy as described above, there may also be commercial, structural, regulatory, legal (including ERISA) or other reasons that may cause HarbourVest to determine that a prospective investment is not appropriate for a Client. In addition, there is no assurance that future developments will not create additional potential conflicts of interest. In the event that a situation arises in the future where the interests of a Client with respect to a particular investment conflict with the interests of one or more other Clients, HarbourVest will in good faith seek to manage such conflicts of interest consistent with its policies, subject to the terms of the partnership agreement. It is not possible to anticipate or describe all conflicts that may arise in the management of a Client's account. By way of example, however, conflicts may arise when a Client makes investments in conjunction with an investment being made by another Client, or in a transaction in which another Client has already made an investment. Investment opportunities may be appropriate for a Client and another Client at the same time. Conflicts may also arise in determining the terms of investments. For example, investments by a Client in transactions controlled by another Client may be subject to investment terms, including with respect to liquidity or governance, that may be more restrictive than those preferable for such a Client if it were investing without another Client.

Conflicts related to allocation of fees and expenses

As more fully described in Items 5 and 8, while HarbourVest seeks to allocate expenses in a fair and equitable manner there may be instances where a certain Client is allocated more than its fair share of fees and expenses.

Conflicts relating to existing investments

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

It is expected that a Client will, from time to time, acquire investments in the same company or opportunity as another Client as part of a single transaction or otherwise. In connection with any such

investment, the Clients each may have conflicting interests, if they invest in the same security at different times, at different prices, and on different terms and conditions, particularly to the extent that they invest in different classes of securities of a particular portfolio company. For example, if a Client invests in the equity securities of a company and another Client invests in the debt of the same company, the various economic and other terms of the debt and equity securities may raise conflicts of interest between the two Clients, including the interest rates to be paid on the debt, the characterization of the securities as preferred stock or subordinated debt, and the nature of the covenants. Questions may arise whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether to enforce claims, whether to advocate or initiate restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interests.

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

A similar standard generally will apply if a Client makes an investment in a company or asset in which another Client holds an investment in a different class of such company's debt or equity securities or asset. However, if HarbourVest is acting in any transaction on behalf of a Client deemed to be investing plan assets subject to ERISA, applicable law may require it to act in the best interests of such Client regardless of any adverse effect that may result for other Clients.

If the assets of a Client are treated as "plan assets," a Client may be precluded from making certain investments or taking certain actions by reason of (i) an existing relationship of another Client in a potential or actual portfolio investment or (ii) an existing relationship between the sellers or sponsors of a potential portfolio investment (or its officers or shareholders) and an investing ERISA plan.

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

Follow-on investments involving multiple Clients present conflicts of interest, including determining the equity and other terms of the new financing. In addition, a Client may participate in re-leveraging and recapitalization transactions involving portfolio companies in which other Clients have invested, or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing

securities with terms that are more or less favorable than the prevailing market terms. HarbourVest will resolve all such conflicts using its good faith judgment, but in its sole discretion.

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

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

A Client may pursue a transaction with an entity in which another Client has a pre-existing investment. Such transactions (including, for example a recapitalization led by one Client in a fund in which another Client has a pre-existing investment or an investment by one Client in a later-stage equity issuance by an operating company in which another Client has a pre-existing investment in an earlier-stage equity issuance) may give rise to conflicts of interest as HarbourVest may take into account the interests of such other Client, and in certain circumstances, such transaction may preclude a Client from taking actions it would otherwise have taken. or may otherwise be detrimental to such Client. For example, depending on the valuation at which an investment by a Client is made into an existing portfolio company of another Client, the investment could be dilutive or accretive to the existing investment. If a Client is no longer making investments or does not have sufficient capital to participate (in full or in part) in a new investment in an existing portfolio company, such Client will be unable to protect itself against 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.

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

Investors and prospective investors of a Client or other HarbourVest-managed funds or accounts may sell or buy portfolio investments to or form a Client and, in the case of such a sale, may use the proceeds to make commitments to a Client or other HarbourVest-managed funds or accounts. Such transactions may give rise to conflicts of interest.

A Client may invest in a third-party partnership in which another Client owns an investment in the general partner or management company of such third-party partnership, entitling such other Client to receive carried interest and/or management fees and, accordingly, such other Client (and HarbourVest itself) would benefit from such investment.

A Client may buy securities from partnerships in which another Client is a limited partner. The other Clients invested in such selling partnership may indirectly benefit from such transaction. A Client may also buy securities of a company that is owned, in whole or in part, by other Clients or partnerships in

which other Clients are limited partners and the transaction may allow such other Client or such other partnership to increase its holding value of such securities.

The investments and activities of a Client may be affected by the investments and activities of other Clients, and it is possible that a Client may 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, if a Client holds an investment in a public company with respect to which it has received material non-public information, another Client may be prohibited or otherwise limited in making an investment in the same company under applicable law. Likewise, regulatory “cross-attribution” rules may be implicated to the extent a Client were to invest directly or indirectly in a company in which another Client holds a control position in the equity (as determined by HarbourVest in its discretion) of an investment, which could result in a 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.

Further, the activities of the portfolio companies of certain Clients may conflict with the activities of portfolio companies of other Clients. A Client may 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 may preclude HarbourVest from taking actions it may otherwise have taken to the extent HarbourVest determines such action would be detrimental to one or more of the funds and accounts it manages, including a Client.

A Client may be required to acquire a new partnership investment directly from the sponsor of such partnership investment in order to obtain consent of such sponsor to proceed with a secondary partnership investment (a “Stapled Secondary”). While acquiring a new partnership investment directly from the sponsor of such partnership would typically be considered a “Primary Partnership Investment” for purposes of the limited partnership agreement, the general partner of a Client will deem any partnership 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 the 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 may receive carried interest with respect to Secondary Partnership Investments, and therefore conflicts of interest may arise in connection with a determination by the general partner of a Client to invest in a Stapled Secondary.

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

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

Allocation of Co-Investment Opportunities

With regard to co-investments, a HarbourVest general partner can and does agree to offer Client investors, or other third parties, opportunities to co-invest alongside a Client. The general partner allocates any such opportunities among interested parties in its sole discretion, including, for example, on the basis of the size of investor commitments to a Client as well as a broad range of other considerations, including commercial considerations for the applicable investment, an investor’s

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

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

Conflicting Client Objectives

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

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

HarbourVest or a Client may purchase investments, or otherwise engage in business transactions with investors, prospective investors, or their affiliates. In particular, if a Client buys an investment from an entity that may invest in such Client or another Client, HarbourVest may have an incentive to provide such entity with favorable terms in order to encourage it to invest in that Client. HarbourVest seeks to deal with such entities on an arm's length basis in such transactions.

Client investors may have conflicting investment, tax, and other interests with respect to their investments in a Client. The conflicting interests of individual investors may relate or arise from,

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

HarbourVest or a Client may purchase investments, or otherwise engage in business transactions with investors, prospective investors, or their affiliates. In particular, if a Client buys an investment from an entity that may invest in such Client or another Client, HarbourVest may have an incentive to provide such entity with favorable terms in order to encourage it to invest in that Client. HarbourVest seeks to deal with such entities on an arm's length basis in such transactions.

Potential conflicts with respect to service providers, etc.

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

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

Hedge Clauses

Certain of the governing documents of the Clients may include one or more clauses that purport to limit an advisor's 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 may create a conflict of interest with the 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 Fund, Fund 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 equity industry. Performance metrics, including internal rates of return, are also reviewed. While an investor usually establishes the time for reviews, if dramatic changes occur which could impact the portfolio, an ad hoc review may be arranged.

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

Additionally, HVPE produces monthly statements, together with explanatory notes, setting out the estimated net asset value of the investments, the composition of the investments, and the number of issued shares as at the relevant date of such statement. These statements, as well as the annual audited financial statements and semi-annual financial statements, are available on the investment company's website (www.HVPE.com).

Item 14 – Client Referrals and Other Compensation

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

Item 15 – Custody

HarbourVest will be deemed to have custody of the assets of the Funds because we serve as the general partner and HVPE because a related person has custody of its assets. HarbourVest will also have custody of the assets of Separate Accounts structured as dedicated limited partnerships where we serve as the general partner. HarbourVest does not have custody of the assets of other Separate Accounts Clients.

HarbourVest retains the custodial services of Merrill Lynch and Carta 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 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 distributed to each investor within 120 or 180 days of each Fund's or each Separate Accounts fiscal year end.

Item 16 – Investment Discretion

As described in Item 4, HarbourVest generally manages the Funds on a discretionary basis and provides nondiscretionary advice to the Separate Accounts Clients. The governing documents for each Client set forth the investment guidelines. Investments that HarbourVest makes are generally purchased in private placements and do not involve brokers. When selling securities HarbourVest generally sells through brokers.

Item 17 – Voting Client Securities

In accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, HarbourVest has adopted Proxy Voting policies and procedures to address how HarbourVest will vote proxies on behalf of a Client. The policy is designed to ensure that proxies are voted in the best interest of a Client and their investors, including when there may be material conflicts of interest in voting proxies. A Client may obtain a copy of HarbourVest's Proxy Voting policies and procedures, and information about how HarbourVest voted proxies by sending an e-mail to 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.