

Item 1 – Cover Page

HarbourVest Partners, LLC

One Financial Center

Boston, MA 02111

+1-617-348-3707

www.HarbourVest.com

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of HarbourVest Partners, LLC (“HarbourVest” which term shall, as the context requires, include affiliates of HarbourVest Partners, LLC, (collectively with HarbourVest Partners L.P. and its other affiliated management and general partner vehicles)). If you have any questions about the contents of this brochure, please contact us at Compliance@HarbourVest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

HarbourVest is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provides you with information in connection with your determination as to whether to hire or retain an adviser.

Additional information about HarbourVest is also available on the SEC's website at www.AdviserInfo.SEC.gov.

Item 2 – Material Changes

HarbourVest has made the following updates since the last brochure was submitted to the SEC on March 30, 2020:

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 charge, by contacting us at Compliance@HarbourVest.com.

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Item 4 – Advisory Business

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

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

(2018). HV Advisors was established in 2007. HarbourVest Partners (Europe) Limited was established in 2013; it later transitioned to HarbourVest Partners (Ireland) Limited in March 2019. In February 2016, HarbourVest acquired the Bank of America Merrill Lynch Capital Access Funds business from Bank of America including the business' six-person investment staff.

HarbourVest has an experienced team of more than 147 investment professionals and more than 592 professionals dedicated to finance, tax, compliance, legal, analytics, and communications.

The average tenure of its 56 Managing Directors is 13 years.

As of September 30, 2020, HarbourVest has \$79,115,827,049 in regulatory assets under management on a discretionary basis and \$11,751,259,390 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 investors in HarbourVest Funds. HarbourVest therefore charges different management fees to Clients that have substantially similar investment objectives.

The annual management fee rate charged to a Client in some cases will vary from year to year over the life of the Client. For example, 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 are 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 can be substantial and include:

- (i) legal, accounting, regulatory (including expenses incurred in connection with certain filings), compliance, administrator, consulting (including expert network and media consultants), valuation, custodial, depositary, auditing, banking, database subscriptions (including, without limitation, subscriptions used for the purposes of researching, monitoring, valuing, or obtaining market data in respect of potential or existing portfolio investments), software licensing, 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 could in the future include the cost of non-commercial air travel), record-keeping expenses, finder's fees, placement fees, consulting fees, brokerage fees and other fees, costs, and expenses;
- (iii) expenses associated with the preparation of a Client's financial statements and tax returns, and the representation of a Client or its 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 could 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.

HV Advisors acts as investment manager to HarbourVest Global Private Equity Limited ("HVPE"); a publicly traded closed-end investment company organized under the laws of Guernsey. HVPE invests in a diversified portfolio of private investments managed by HarbourVest. Shares of HVPE trade on the Main Market of the London Stock Exchange and are also a constituent of the FTSE 250 index. HVPE does not directly pay 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.

Allocation of Expenses

HarbourVest will determine, in its sole discretion, the appropriate allocation of investment and other expenses borne by each Client pursuant to their respective governing documents. Out-of-pocket expenses associated with a completed investment in which a Client participates will generally be borne by such Client and other participating Clients on a *pro rata* basis relative to the size of their investments. Expenses related more generally to an investment strategy, including broken deal expenses, fees and expenses of consultants and costs and expenses of research relating to a strategy, will generally be allocated to Clients on what HarbourVest determines is a fair and equitable basis. For example, HarbourVest has entered, and could in the future enter, into arrangements with certain persons to provide services to Clients and in particular has entered into a retainer arrangement with a consultant to provide due diligence services with respect to certain investments, including direct equity and credit investments across the HarbourVest platform. HarbourVest generally expects to allocate fees and expenses with respect to such retainer arrangement to each Client based on the aggregate amounts actually invested by each Client during the year in direct investments, regardless of whether or not the consultant provided services on a particular direct investment or provided services for a deal in which a Client invested. As another example, HarbourVest has engaged a consultant to provide credit monitoring and restructuring advice with respect to certain credit investments held by certain Clients, and generally expects to allocate fees and expenses with respect thereto among such Clients based on their respective participation in such credit investments. Expense allocation decisions by HarbourVest could result in a Client bearing more or less of certain fees

and expenses than other participants or potential participants in the same investments or strategies in which such Client invests. HarbourVest will make judgments with respect to allocation of expenses in its good faith discretion, notwithstanding its interest in the outcome, and can make corrective allocations after the fact should it determine that such corrections are necessary or advisable (any amounts payable to a Client in respect of any overpayment of expenses by a Client will not bear interest). Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular item or service will not necessarily reflect the relative benefit derived by such Client from that item or service in any particular instance.

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

Expenses to be borne by a Client will reduce the actual returns realized by investors on their investment in such Client (and could, in certain circumstances, reduce the amount of capital available to be deployed by such Client in investments). Client expenses include recurring and regular items, as well as extraordinary expenses for which it could be hard to budget or forecast. As a result, the amount of Client expenses ultimately called or called at any one time could exceed amounts expected or budgeted by the general partner of and/or investors in a Client. The general partner of each Client is typically empowered to withhold amounts otherwise distributable to its investors in order to address cash management and create appropriate reserves in respect of certain other near-term obligations of the Client (including potential tax obligations and required payments), which would reduce amounts that would otherwise be distributable to 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) will typically receive carried interest allocations and distributions (see below) and/or performance fees from a Client, calculated as a share of the profits of that Client, based on a percentage of such profits, which vary from Client to Client, and which are established in negotiations with the Client or the underlying investors of such Client. Such performance-related compensation is typically paid to the general partner of the relevant Client or another HarbourVest affiliate and is charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940.

The governing documents for each Client, as applicable, typically set forth the formula for the allocation of profits and losses of such Client between the capital accounts maintained within the Client for the benefit of its general partner or other relevant affiliated investor and for other investors; these allocations are a typical feature of private funds and these allocations and related amounts that are subsequently distributed by a Client to such general partner or other affiliated investor are commonly referred to as “carried interest.” Generally, the allocation formula for a Client includes the realized gains and losses and unrealized gains and losses of Client investments over any given period. The governing documents for a Client will typically describe the method by which the investments of a Client will be valued, with such valuations typically conducted by HarbourVest. Where carried interest allocations and distributions are dependent, at least in part, on the unrealized value of certain investments, this could provide an incentive for HarbourVest to use higher valuations.

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 certain Clients, in comparison to amounts received from other Clients with similar or substantially the same investment objectives. Such other Clients often will have economic terms that are different than those of such Clients and could incorporate economic and other terms that individually or in the aggregate are more favorable for their investors. HarbourVest has an incentive to favor the Clients from which it receives higher compensation including in particular, but not limited to, in respect of allocations of eligible investment opportunities. HarbourVest has in place policies and procedures reasonably designed to ensure allocation of investments to all Clients (individually and collectively) is on a fair and equitable basis.

Item 7 – Types of Clients

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

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

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

Methods of Analysis & Investment Strategies

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

Primary partnerships – The evaluation of primary partnership or primary fund investments, typically takes into consideration many factors, including the investment acumen, leadership ability, and investment performance track record of the fund manager; the merits and sustainability of the fund's investment focus and strategy; and the economic and other contractual terms governing the fund. Due diligence activities include evaluating the performance records of prior funds, meeting with the management of the fund, meeting with the management of fund 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 fund 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 investments in securities that will be held for several years. These include purchases of common stock, preferred stock, convertible preferred stock, debt with warrants, and convertible subordinated debentures generally held indirectly through special purpose vehicles organized by the lead sponsor of the investment. It is the intent of HarbourVest for a Client to hold these securities until HarbourVest determines the appropriate time to liquidate the position (to the extent HarbourVest has the ability under the applicable terms of the investment to liquidate the position prior to its liquidation by the relevant lead sponsor). Upon sale of the securities, cash will generally be distributed to the Client's 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, PIK 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 markets investing and the limited partnership structure is not suitable for all investors

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

Illiquidity can also result from the absence of an established market for certain investments. As a result, a Client could be unable to realize its investment objectives by sale or other disposition at attractive prices or could otherwise be unable to complete any exit strategy. There can be no assurance that a Client will be able to dispose of its investments or otherwise cause the disposal of investments in which it participates at the price and at the time it wishes to do so. Because of the risks involved, the lack of a public market for interests in a Client, and restrictions on transfers of interests, investment in a Client is only suitable for sophisticated investors who are willing to hold their interests for the term of a Client and who understand that they could lose all or a significant portion of their investment.

Investments longer than term

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

Investors will receive different information

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

Difficult market, economic 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 could affect the level and volatility of security prices and liquidity of the securities held by a Client or its underlying investments. Unexpected volatility or liquidity could impair a Client's profitability or result in losses to the Client. General levels of economic activity could affect the value and number of investments made or considered for prospective investment by the Client or its underlying portfolio funds. In addition, future disruptions in the global markets could affect the price of, as well as the ability to make, certain types of investments, and there can be no assurance that these disruptions will not occur. In particular, recent populist and anti-globalization movements could result in material changes in economic, trade, and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequences on the investments of a Client, including in particular on portfolio companies whose operations are directly or indirectly dependent on international trade, including in particular trade with the U.S.

In the event of a market downturn, each of the investments held by a Client could be adversely affected. Underlying portfolio funds invested in by a Client could face reduced opportunities to sell and realize value from their existing investments and there could be a lack of suitable new investments for the underlying portfolio funds and a Client to make. In addition, economic downturns could make it more difficult for companies to meet their debt service obligations and satisfy financial covenants, either of which could have a material adverse effect on their businesses. 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, could lead to a decline in the net asset value of a Client's investments.

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

Consideration of ESG factors could increase a Client's exposure to certain companies, sectors, regions, countries, or types of investments, which could negatively impact a Client's performance to the extent there is underperformance in such companies, sectors, regions, countries, or investments. Applying ESG goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria

utilized by HarbourVest or any judgment exercised by HarbourVest in making an investment decision on behalf of a Client will reflect the ESG-related beliefs or values of any particular investor or group of investors. In evaluating an investment, HarbourVest is dependent upon information and data obtained through voluntary or third-party reporting that could be incomplete, inaccurate, or unavailable, which could cause HarbourVest's assessment of an investment's ESG practices and/or related risks and opportunities to be incorrect. In addition, HarbourVest makes investment decisions based on circumstances as they exist at the time the investment is made. Developments within or otherwise impacting an investment that take place subsequent to a Client's investment, might not conform to HarbourVest's expectations regarding ESG (for example, but not by limitation, a portfolio company could pivot in its use of technology or change its business plan in a manner that is not consistent with and conflicts with, a Client's ESG objectives and expectations in respect of such Client's investment in the company). ESG-related investment practices and applicable regulatory regimes and considerations differ by region, sector, and issue and are continually evolving and accordingly, a portfolio company's ESG-related practices or HarbourVest's assessment of such practices are likely to change over time.

The general partner of a Client could be constrained in its ability to consider environmental, social, and governance factors in its investment decision-making process

The United States Department of Labor (the "DOL") recently finalized a regulation providing that fiduciaries managing Employee Retirement Income Security Act of 1974 ("ERISA") plan assets may not subordinate financial interests to other objectives in their investment decision-making process, and may not sacrifice investment return or take on additional investment risk to promote non-pecuniary benefits or goals. The regulation further provides that an ERISA fiduciary may only consider non-pecuniary factors when choosing between or among investment alternatives that the plan fiduciary is unable to distinguish on the basis of pecuniary factors alone. While HarbourVest believes that ESG factors can, and often do, constitute pecuniary factors in respect of its investment decision-making process, there could be instances where a general partner of a Client determines that consideration of ESG factors would be non-pecuniary. If a Client is deemed to hold plan assets subject to Title I of ERISA, the general partner of such Client's fiduciary duties under ERISA may preclude such general partner from applying non-pecuniary ESG goals to its investment decisions to the same extent it would apply such goals were it not acting as an ERISA fiduciary.

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

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

The Treaty does not cover the UK's future relationship with the EU on financial services. While some EU directives contemplate access to EU markets by financial services firms established in countries deemed to have equivalent standards, even if UK domestic law continues to be equivalent to EU law (which is not guaranteed), there is no certainty that the EU will facilitate equivalence decisions in a timely fashion. Where the EU makes such equivalence decisions, it could unilaterally revoke them at short notice. It is therefore expected that there will be disruption, at least initially, in all areas in which there is currently harmonizing EU legislation, because the current legal framework has ceased to apply to the UK with nothing to replace it unless and until the UK negotiates alternative arrangements with the EU and/or with individual member states. The EU and the UK have stated that they aim to agree a memorandum of understanding establishing a framework for regulatory cooperation in financial services by March 2021. The agreement of such a memorandum and its terms remain uncertain. Even if an agreement is reached, its scope could be limited, and it could only partially alleviate some of these issues.

The future application of EU-based legislation to the private fund industry in the UK will depend on the agreed future relationship and the actions of the UK government. Any re-negotiated terms or amended laws and regulations could have an adverse impact on a Client and its investments, including the ability of the Fund to achieve its investment objectives. Brexit could result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk, and increased legal, regulatory, or compliance burden for investors, HarbourVest, and/or a Client, each of which could have a negative impact on the operations, financial condition, returns, or prospects of a Client.

Brexit could have an adverse effect on the tax treatment of a Client and its investments, in particular where reliance might have been placed on a UK entity's status as being in an EU member state for the purposes of determining eligibility for benefits under a double tax treaty. There could also be an adverse effect on the tax treatment of a Client and its investments following the end of the transition period. In particular,

depending on the agreed future application of EU law to the UK, EU directives preventing withholding taxes being imposed on intra-group dividends, interest, and royalties could no longer apply to payments made into and out of the UK, meaning that instead the UK's double tax treaty network would need to be relied upon. Further, there could be changes to the operation of VAT.

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

New regulations could adversely affect a Client

U.S. and non-U.S. governments have enacted and could enact various regulations that could adversely impact a Client, its underlying portfolio funds and their investments. In the U.S., certain parts of Europe, and other jurisdictions, the private funds industry has, over the last few years, been subject to criticism by some politicians, regulators, and market commentators. The recent negative perception of this industry in certain countries could make it harder for funds sponsored by alternative management firms, such as the Clients and their underlying portfolio funds, to bid for and complete investments. U.S. regulatory agencies continue to focus on the implementation of extensive financial regulatory reform legislation adopted by the U.S. Congress following the 2008 global financial crisis. Such reforms require, among other things, increased registration and regulation of alternative management firms and disclosure with respect to such firms and the funds they sponsor that could impact a general partner's management of a Client and the management of underlying portfolio funds and direct investments by their managers and sponsors. Other jurisdictions, including the European Union, have passed and are in the process of implementing similar measures. Such increased regulatory burdens and reporting requirements could divert the attention of personnel and the management teams of portfolio companies and could furthermore place a Client or its underlying portfolio funds or direct investments at a competitive disadvantage to the extent that its general partner or managers of the underlying portfolio funds (or their portfolio companies) are required to disclose sensitive business information. Clients should note that the outcome of US and non-US elections creates uncertainty with respect to legal, tax, and regulatory regimes in which a Client and its underlying portfolio funds and portfolio companies, as well as HarbourVest and its affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement

programs during the term of a Client could have a material adverse impact on such Client and its investments.

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

The use of social networks such as Facebook, Twitter and Instagram, message boards such as Reddit and other internet channels has become widespread within the U.S. and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding HarbourVest, a Client, a Client's underlying portfolio funds and direct investments or their respective affiliates could result in material and adverse effects on any of the foregoing. For example, a publicly traded portfolio company held by several HarbourVest-managed funds or accounts was recently named in a widely circulated story that made various claims, which are widely understood to be unfounded, about the company's operations. In that instance, HarbourVest believes there has been no identified material adverse effect on the portfolio company, but it is possible that the spread of such information or misinformation could lead to a negative reputational and/or financial impact on HarbourVest, a Client, a Client's underlying portfolio funds or direct investments or their respective affiliates in the future. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites and other internet outlets have taken actions to ban, block, verify or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect HarbourVest, a Client, a Client's underlying portfolio funds or direct investments or their respective affiliates (e.g., if a portfolio company were to face public backlash or regulatory penalties for taking such actions, or if a portfolio company were itself the subject of such a ban).

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

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

Client, (ii) an existing or prospective relationship between the sellers or sponsors of a potential portfolio investment (or its officers or shareholders) and an ERISA plan invested in such other Client or (iii) a determination by HarbourVest that such investment or action otherwise could result in a conflict with another Client or HarbourVest or its affiliates. For example, where one or more Clients could participate in a potential transaction through an existing portfolio investment that is (or is considering) pursuing such transaction, HarbourVest could determine not to permit other Clients to pursue the same potential transaction. Furthermore, certain Clients permit one or more investors or related parties to source and present investment opportunities to HarbourVest, and therefore the actions of such investors or related parties (which are not within HarbourVest's control) could preclude a Client from making investments or taking actions where HarbourVest has determined it could result in a conflict of interest. In addition, certain transactions are expected to be precluded due to ERISA. The inability of a Client to pursue investments or take certain actions due to conflicts of interest arising with respect to other HarbourVest-managed funds or accounts could adversely impact such Client. CFIUS could adversely impact a Client's ability to make certain investments in the U.S.

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

HarbourVest does not expect a Client to be in a position to determine whether such a filing will be made in respect of any transaction in which it participates. If a filing is made, CFIUS review can take up to 90 days or more. Furthermore, as a condition of its approval, CFIUS could impose conditions on the parties to, or the U.S. business subject to, a transaction, certain of which could adversely affect a Client's or an underlying portfolio fund's ability to execute its investment strategy. CFIUS also can refer a transaction to the President of the United States for decision, including where it recommends that the transaction be suspended or prohibited. With respect to any particular investment in a U.S. business by a Client or underlying portfolio fund, there can be no assurance that CFIUS will approve a Client's or an underlying portfolio fund's investment.

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

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

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

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

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

Investors have limited control over a Client

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

Within private markets, particular investment strategies have specific risks

There are a number of significant risks within different strategies pursued or otherwise targeted by HarbourVest and its Clients, any one of which could cause 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.

Leveraged Buyout Transactions – HarbourVest Clients and certain of their underlying portfolio funds can invest in leveraged buyouts of companies; leveraged buyouts by their nature require companies to undertake a high ratio of leverage relative to available income. Such leveraged investments are inherently sensitive to declines in portfolio company revenues and increases in portfolio company expenses and to increases in interest rates.

Growth Equity and Venture Capital Investments – HarbourVest Clients and certain of their underlying portfolio funds can make growth equity and venture capital investments. Such investments 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.

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

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

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

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

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

Investments in Restructurings – A Client could be exposed, through the investments of underlying portfolio funds and direct investments, to portfolio companies that are experiencing or are expected to experience financial difficulties. If such financial difficulties are not overcome, any such portfolio company could become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject Clients or underlying portfolio funds to certain additional potential liabilities that exceed the value of the original investments. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor could have its claims subordinated or disallowed or could be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Client or an underlying portfolio fund and distributions by an underlying portfolio fund or direct investment to investors (including a Client) could be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws, which could result in a corresponding return of related distributions by a Client to investors. Furthermore, investments in companies undergoing restructuring could be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims.

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

occurrence of events related to the foregoing could have a material adverse effect on a Client and its investments.

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

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

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

unknown problems with the product or the manufacturer could result in restrictions or recalls. Each of these risks could have a material adverse effect on the direct and indirect investments of a Client.

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

Clients typically utilize leverage, allowing HarbourVest to more accurately match the contributions by Client 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. As a general matter, use of borrowings by a Client in lieu of drawing down commitments impacts internal rates of return (either negative or positive) to investors, including through the possible acceleration of distributions to investors. The use of leverage by a Client can, and likely would, delay the need for investors to make capital contributions to a Client, which would likely enhance a Client's performance figures and thereby benefit HarbourVest. A Client and its parallel funds (if any) may not have the necessary diversification of investors or sufficient aggregate capital commitments to qualify for borrowing under any credit facility and, therefore, the amount of leverage available to such Client and its parallel funds could differ, and in such case the investment results of such Client and its parallel funds could differ as well. In addition, HarbourVest's targeted leverage for a Client may not be available to such Client as a result of competition between such Client and other Clients for access to available leverage from banks and other lenders.

Borrowing by a Client could be structured so that a Client, a parallel fund of such Client, and any applicable alternative investment vehicles of such Client (and its parallel funds) are jointly and severally liable on a cross-collateralized basis for any repayment of indebtedness under any such credit facility and security could be granted by a Client or its general partner over the capital commitments of investors and other assets of a Client to secure indebtedness obtained for the benefit of, or indebtedness incurred by, a parallel fund or any applicable alternative investment vehicle. Therefore, if a parallel fund or any applicable alternative investment vehicle defaults on its obligations in respect of such indebtedness, the capital commitments of a Client's investors and other assets of a Client could be foreclosed upon in order to satisfy such defaulted obligations. Similarly, if a Client defaults on its obligations in respect of such indebtedness, the capital commitments of investors of its parallel fund and other assets of its parallel fund could be foreclosed upon in order to satisfy the Client's defaulted obligations. Each such Client and its parallel funds

(if any) will typically enter into reciprocal guarantees with regards to their respective obligations and liabilities under any joint credit agreements.

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

A Client could 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 can have a more pronounced effect on a company's profitability or survivability. Moreover, rising interest rates can significantly increase portfolio company interest expense, causing losses and/or the inability to service debt. In addition, cash flow from operations or investment that could otherwise be available to a leveraged portfolio company to fund growth could instead be diverted to repay the company's debt obligations. If a portfolio company cannot generate adequate cash flow to meet debt obligations, a Client could suffer a partial or total loss of its invested capital. Events of default could in some cases be triggered by events not related directly to the performance of the company itself. A decrease in the availability of financing from banks, debt capital markets, or other sources

or an increase in either interest rates or risk spreads demanded by finance providers, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk, could make it more expensive to acquire or maintain company financing on an ongoing basis. There could be times when a portfolio company might not be able to access those markets at attractive rates, or at all, which could have a material adverse impact on it. A portfolio company's obligations to its lenders (other than a Client) will likely be senior to a Client's investment in the company and could also be secured by the assets of the company. The junior status of a Client could result in a loss of investment by a Client in liquidations or sale transactions. It could also be necessary from time to time for a leveraged portfolio company to seek refinancing or restructuring of its debt financing, and there can be no assurance that any needed refinancing or restructuring could be available on terms that are favorable to the investment by a Client in the portfolio company.

The cumulative effect of the use of leverage by a Client and operating companies in which a Client invests, directly and indirectly, could cause greater losses than if they used no leverage. If a Client agreement contains a hurdle, HarbourVest could be incentivized to use leverage to reach the hurdle.

Reliance on third-party management; Non-control investments

The returns achieved by the primary partnership, secondary investments, or direct co-investments of a Client will depend in large part on the efforts and performance results obtained by the managers of the underlying portfolio funds in which a Client invests. Furthermore, a Client will not have an active role in the day-to-day management of the relevant underlying portfolio funds nor the ability to approve the specific investment or management decisions made by the managers of the underlying portfolio funds. As a result, the investment returns of a Client 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.

In addition, a Client or an underlying portfolio fund could make minority equity co-investments in portfolio companies where such Client or such underlying portfolio fund does not expect to be able to protect its portfolio investments or to control or influence effectively the business or affairs of such entities. In many cases, a Client or an underlying portfolio fund could invest in such companies through an investment vehicle controlled by the majority equity holder(s). In such investments, a Client or an underlying portfolio fund will rely significantly on the existing management and board of directors of such companies, which could include

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

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

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

Risks relating to due diligence of portfolio companies

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

Secondary investment risk

A Client could acquire interests in underlying portfolio funds and direct investments through secondary market transactions. The due diligence costs involved in such investments could be higher than those involved in direct subscriptions and primary investments by a Client. Secondary market transactions could also require a Client to assume related contingent liabilities associated with events occurring prior to the Client's investment and, in particular, could require a Client to "return" payments of distributions made by

an underlying portfolio fund or in respect of a direct investment to the seller of the underlying portfolio fund interest or direct investment. In certain circumstances, a Client could be able to recover such payments from the seller. Such ability cannot, however, be guaranteed. The overall performance of an underlying portfolio fund or direct investment acquired through a secondary transaction will depend in large part on the purchase price paid by a Client. Such price will be negotiated by the general partner of a Client on the basis of information regarding the relevant underlying portfolio fund or direct investment provided by the seller and such underlying portfolio fund or direct investment, which could be inaccurate or incomplete. In addition, a Client will generally not have any ability to negotiate terms with respect to interests in underlying portfolio funds or direct investments invested in through secondary market transactions.

Valuation risk

A Client will primarily hold or otherwise participate in investments in securities and other assets that will not have readily assessable market values. In such instances, the general partner of the Client will determine the fair value of such securities and assets in its reasonable judgment in accordance with HarbourVest's valuation policies based on various factors and can rely on internal pricing models. Such valuations might vary from similar valuations performed by independent third parties for similar types of securities or assets. The valuation of illiquid securities and other assets is inherently subjective and subject to increased risk that the information utilized to value such assets or to create the price models could be inaccurate or subject to other error. Generally, underlying portfolio funds will be valued at the valuations contained in the latest financial reports supplied by the manager or sponsor of such underlying portfolio funds, unless the general partner, in good faith, determines that the valuation of any underlying portfolio fund does not reflect the fair market value of such investment, in which case such underlying portfolio fund will be valued in good faith by the general partner in accordance with HarbourVest's valuation policies. In cases where a Client has purchased an interest in an underlying portfolio fund in a third-party transaction at a discount to the valuation contained in the financial reports of such underlying portfolio fund, HarbourVest expects Client general partners to value such interest at the higher valuation stated in such financial reports. Investments in direct investments and underlying portfolio funds will be difficult to value because it could be difficult for the general partner to obtain sufficient financial information with respect to direct investments and the portfolio investments held by such underlying portfolio funds. There is no guarantee that the value determined by a general partner (or the manager or sponsor of an underlying portfolio fund or a direct investment) will represent the value that will be realized by a Client from its investments on their eventual disposition or

liquidation by a Client or underlying portfolio fund, as applicable, or that would be realized upon an immediate disposition of the investment.

Interest rate risk

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

Inflation risk

If a portfolio company of a Client or underlying portfolio fund is unable to increase its revenue in times of higher inflation, its profitability might be adversely affected. The portfolio companies of an underlying portfolio fund or a Client could have long-term rights to income linked to some extent to inflation including, without limitation, by government regulations and contractual arrangements. Typically, as inflation rises, a portfolio company will earn more revenue but also will incur higher expenses; as inflation declines, a portfolio company might be unable to reduce expenses in line with any resulting reduction in revenue. A rise in real interest rates would likely result in higher financing costs for portfolio companies and could therefore result in a reduction in the amount of cash available for distribution to investors.

Natural disasters and other major events

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

to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients could be adversely affected.

Epidemics, Pandemics, and Other Health Risks

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

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

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

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

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

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

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

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

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

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

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

A Client or an underlying portfolio fund could be called upon to provide follow-on funding for their portfolio investments or have the opportunity to increase their investment in such portfolio investments (a "Follow-On Investment"). Certain Follow-On Investments could include an underlying portfolio fund restructuring or

reorganization transaction in which a Client could commit additional capital to an underlying portfolio fund or rollover all or a portion of its existing indirect interest in a portfolio investment to another vehicle. There can be no assurance that a Client or an underlying portfolio fund will wish to make Follow-On Investments or that it will have sufficient funds to do so (or will be permitted to make such Follow-On Investments under investment restrictions applicable to the Client or underlying portfolio fund). Any decision by a Client or an underlying portfolio fund not to make Follow-On Investments or its inability to make them could have a substantial negative impact on a portfolio investment in need of such an investment or could result in a lost opportunity for a Client or underlying portfolio fund to increase its participation in a successful investment, could result in a Client's or underlying portfolio fund's investments in the relevant portfolio investment becoming substantially diluted, particularly where such Follow-On Investment comprises a rescue financing transaction. In addition, in circumstances where the Follow-On Investment is offered at a discount to market value, any failure by a Client or underlying portfolio fund to participate could result in a loss of value for a Client or underlying portfolio fund.

Risks of control positions; managerial assistance

A Client and its underlying portfolio funds (alone, or together with other investors) could be deemed to have a control or management position with respect to one or more portfolio companies in which a direct investment is made as a result of holding a majority of the equity in such portfolio companies or being granted governance rights that effectively give a Client or an underlying portfolio fund material control over such portfolio companies. Pursuant to applicable law and regulation, depending on the circumstances, this in turn could expose the Client or its underlying portfolio funds to risk of liability for underfunded pensions, environmental damage, product defects, failure to supervise management, violation of governmental regulations, and other types of liability, including, in the case of debt investments, lender liability.

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

or securities laws, environmental laws or other legal principles; and could expose a Client or its underlying portfolio funds to claims that they have interfered in management to the detriment of a portfolio company.

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

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

A Client depends on the diligence, skill, and business contacts of HarbourVest's investment professionals, and the information and deal flow they generate during the normal course of their activities. The ability of a Client to achieve its objectives depends on the continued service of these individuals, who are not obligated to remain employed with HarbourVest. The market for experienced private market investment professionals is highly competitive. If HarbourVest fails to adequately compensate its investment professionals, in light of such market conditions, one or more of such individuals could cease to work for HarbourVest. HarbourVest has experienced departures of investment professionals in the past and could do so in the future, and it cannot predict the impact that any such departures will have on a Client's ability to achieve its investment objectives.

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

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

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

In connection with the disposition of an investment in a portfolio company, a Client and its underlying portfolio funds could be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or could be responsible for the contents of disclosure documents under applicable securities laws. The Client and its underlying portfolio funds could also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements could result in contingent liabilities, which might ultimately have to be funded by a Client's investors to the extent of their commitments. Also, the governing documents of a Client will typically contain provisions to the effect that if there is any such claim in respect of an investment, it will be funded by its investors, subject to certain limitations. The governing documents of a Client's underlying portfolio funds are generally expected to contain similar provisions.

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

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

Investors could be required to return distributions

The general partner of a Client could require each investor of a Client to return distributions made to such

investor for the purpose of meeting such investor's *pro rata* share of such Client's obligations (including any indemnification obligations and obligations to return distributions to underlying portfolio funds).

Client investors are subject to restrictions on transfer and withdrawal

Interests in a Client should be considered as long-term, illiquid investments, and investors must be willing to bear the economic risk of an investment in a Client for an indefinite period of time. The interests in a Client will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state or other securities laws and cannot be transferred unless registered under applicable U.S. federal and state securities laws or unless an exemption from such laws is available. There is no public market for the interests and none is expected to develop. Accordingly, there are no quoted prices for interests in the Clients. HarbourVest has no plans to, and is under no obligation to, register the interests in a Client under the Securities Act. Interests in a Client cannot be sold, assigned, participated, pledged, or otherwise transferred without the prior written consent of the general partner of a Client (which consent could be conditioned upon, among other things, the transferee subscribing for interests in other funds managed by HarbourVest), and interests are subject to the terms and conditions of the governing documents of a Client. Furthermore, investors cannot redeem their interests or withdraw capital from a Client. Consequently, investors cannot expect to be able to liquidate their investments prior to the end of a Client's term.

In addition, HarbourVest has a right of first refusal with respect to transfers of investments in certain Clients. Consequently, investors that wish to transfer their interests could be obligated to sell to HarbourVest rather than to their chosen transferee. A transferee will not be entitled to any special rights of transferors, including side letters or any special fee arrangements, and further, a transferor could lose a fee break it was otherwise entitled to due to such transfer.

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

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

could be subject to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investor). If an investor defaults, it could be subject to various remedies as provided in the governing documents of a Client including, without limitation, reductions in its capital account balance. Investors could also face acceleration of the payment of their commitments pursuant to capital calls in the event of a default by another investor. Pursuant to a Client's governing documents, any defaulted capital calls by an investor (and in the case of any obligations with respect to joint indebtedness of a Client, its related funds, or any alternative investment vehicles, any defaulted capital calls by an investor or limited partner of a related fund) could be funded through additional capital calls from non-defaulting investors in such Client, and the non-defaulting investors will be obligated to fund such calls (subject to the maximum aggregate commitment of such non-defaulting investors to such Client). To the extent that the default of an investor gives rise to a default by a Client with respect to an obligation to fund a capital contribution to any underlying portfolio fund or direct investment, the Client could be subject to significant penalties imposed by the general partner or sponsor of the underlying portfolio fund or direct investment, which penalties could materially adversely affect the returns to the investors.

Investors could be diluted by subsequent closings

Investors in a Client at subsequent closings will typically 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 and existing investors could therefore suffer significant dilution of value, which is not fully compensated by the subsequent investors.

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

A Client is generally denominated in U.S. dollars or Euros, depending on its investment focus. However, a Client could make investments denominated in currencies other than a Client's base currency. Distributions received by a Client in a local currency will be converted back to the Client's base currency for distribution to its investors. The partnerships and companies in which a Client invests could 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 could affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. Any returns on, and the value of, a Client and the partnerships and companies in which a Client invests could, therefore, be materially affected by these factors and by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors. Accordingly, a change in the value of the currencies in which investments are denominated against a Client's currency could 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 are not expected to significantly affect a Client's performance because capital calls (cash out-flows) and distributions (cash in-flows) by a Client will typically occur over an extended period of time. While HarbourVest has expertise in hedging and the use of forward currency contracts, the nature and timing of liquidity opportunities could not allow sufficient circumstances to protect against currency swings. While HarbourVest could occasionally hedge a Client's currency risks, it is typically not required to do so and, in any event, such hedging activities could not be successful. Client investors should understand that currency risk is inherent in long term, international private investing.

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

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

Hedging could negatively affect a Client

A Client could employ hedging techniques designed to reduce the risks of adverse movements in, among other things, interest rates, securities prices, and currency exchange rates. While such transactions can reduce these risks, such transactions themselves can entail certain other risks, including the possible bankruptcy, or insolvency of, or default by the counterparty to the transaction and the illiquidity of the hedging instrument acquired by a Client. Thus, while a Client could benefit from the use of these hedging

mechanisms, changes in interest rates, securities prices, or currency exchange rates could result in a Client foregoing investment returns they could have achieved if they had not entered into such hedging transactions. Furthermore, the costs associated with these arrangements could reduce the returns that a Client would have otherwise achieved if these transactions were not entered into by a Client. It is not possible to hedge fully or perfectly against any of the above portfolio risks, which are impacted by independent and variable factors that are outside of HarbourVest's control. A Client and its underlying portfolio funds could similarly employ such hedging techniques and be subject to such risks.

Risks associated with non-U.S. investments

A portion of the assets of a Client or its underlying portfolio funds could be invested in securities issued by issuers outside of the U.S. 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 non-US securities markets, including greater price volatility in and less liquidity of some non-US securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (ii) certain economic, social, and political risks, including potential exchange control regulations and restrictions on non-US investment and repatriation of capital, the risks of political, economic, or social instability and the possibility of expropriation or confiscatory taxation; (iii) the possible imposition of non-US taxes on income and gains recognized with respect to such securities; and (iv) the impact of changes in the value of non-U.S. currencies relative to the U.S. dollar and other currencies.

Risks associated with investments in developing countries

A portion of the assets of a Client or its underlying portfolio funds could be invested in developing countries. Investing in developing countries exposes a Client and its underlying portfolio funds to risks of a nature and degree not normally encountered in relation to more developed economies and additional to those inherent in any private investment. These risks include, but are not limited to: (i) the risk of adverse political developments such as nationalization, confiscation without fair compensation, confiscatory taxation, war, or construction of trade barriers or other protectionist measures in countries with which such target countries trade; (ii) the risk of fluctuations in currency exchange rates; (iii) greater price fluctuations and market volatility, less liquidity, and smaller capitalization of securities markets; (iv) higher rates of inflation; (v) greater governmental involvement in and control over the economies; (vi) the risk of governmental, market,

exchange and other restrictions on capital movements, which can make it difficult or impossible to exchange or repatriate non-U.S. currency; (vii) the risk of inadequate or immature legal systems in some countries reducing a Client's (or underlying portfolio fund's) ability to obtain satisfactory legal advice or recourse or protect its interest in investments; (viii) the risk of inadequate financial information and accounting and auditing standards and controls limiting the ability to assess investment opportunities and monitor investments; (ix) the risk of pollution-related liabilities arising out of historically poor environmental controls and inability to determine the extent of legal responsibility for, and size of, such potential liabilities; (x) limitations on obtaining and enforcing judgments against residents in developing countries; (xi) the risk that regulations might prevent portfolio companies from implementing strategies to pursue expansion, to reduce costs or to improve operations or otherwise to enhance the value of a Client's or underlying portfolio fund's investment in such portfolio companies; (xii) less extensive regulation of the securities markets; (xiii) operational clearance, settlement, and custody problems that could result in failed securities transactions or longer settlement periods for securities transactions; (xiv) differences in tax regimes and changes in tax treaties; (xv) less developed corporate laws regarding fiduciary duties and the protection of investors; and (xvi) the risk of encountering organized crime and/or corruption. The foregoing factors could increase transaction costs and adversely impact the value of a Client's or an underlying portfolio fund's investment in portfolio companies. In addition, laws and regulations of emerging countries could impose restrictions or approvals that do not exist in the U.S. and other more developed markets and could require financing and structuring alternatives that differ significantly from those customarily used in the U.S. and other more developed markets. Other countries could also impose taxes, including retroactively, on a Client (or underlying portfolio fund) or its investors.

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

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

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

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

In-Kind distributions could be made by a Client

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

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

A Client and its investors could be subject to tax return filing and other reporting obligations and income, franchise or other taxes in the jurisdictions in which a Client is organized, has activities, or invests. In addition, income or gains from investments held by a Client could be subject to withholding or other taxes in such jurisdictions. For any tax year, a Client investor's tax liability could exceed the cash distributions received by it in such tax year. The tax structuring of a Client or its investments will not necessarily be tax efficient for any particular Client investor. No undertaking is given that amounts distributed or allocated to a Client's investors will have any particular tax characteristics or that any specific tax treatment will be enjoyed. Legal, tax, and regulatory changes could occur during the term of a Client that could adversely affect a Client, its portfolio investments, or its investors. A Client's investors are urged to consult their own tax advisors prior to investing in a Client.

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

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

Compliance with the Alternative Investment Fund Managers Directive

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

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

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

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

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

Past performance does not guarantee future returns

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

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

The majority of a Clients' investments are in the form of investments for which market quotations are not readily available. The valuations of a Client's investments by HarbourVest and the underlying managers are drawn up on the basis of a good faith assessment of the fair value of the assets, or net asset value. In determining such values, HarbourVest is reliant on receiving financial data from the underlying manager of their underlying investments. Such information is generally provided on a quarterly basis. To the extent that the net asset value of any investment in an underlying fund or other partnership's portfolio changes without 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 could be derived. The types of factors that

could be considered when applying fair value pricing to an investment in a particular company or asset include historical and projected financial data, valuations given to comparable enterprises, the size and scope of an entity's operations, the strengths and weaknesses of an enterprise, expectations relating to investors' receptivity to an offering of ownership interests in the entity, the relative size of the holding in the investment and the control or lack of control stemming from that size, information with respect to transactions in respect of, or offers for, ownership interests in the entity (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realizable value of any collateral or credit support and other relevant factors. Fair values could be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues, or net asset value) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis. Since valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, could fluctuate over short periods of time and could be based on estimates, determinations of fair value could differ materially from the values that would have resulted if a liquid market for such investments had existed. Even if market quotations are available for any of a Client's investments, such quotations might not reflect the value that would actually be realizable owing to various factors, including the possible illiquidity arising from the holding of a majority ownership position by a third party, subsequent illiquidity in the market for an entity's securities or other ownership interests, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall and management performance. The value of an interest in a Client will be adversely affected if the amounts received on realizations of direct or indirect investments are lower than the values previously recorded for them.

Vintage year concentration risks

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

Risks associated with swaps

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

LIBOR risk

Many financial instruments use or could 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 could invest cannot yet be determined.

Geographic concentration could pose additional risks

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

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

A Client could be deemed an underwriter

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

No separate counsel

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

Item 9 – Disciplinary Information

HarbourVest has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

HarbourVest or a related person is a general partner or manager in Clients in which investors are solicited to invest.

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

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

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

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

HarbourVest Partners (Asia) Limited is registered with the Hong Kong Securities and Futures Commission (CE Reference BAD993) and licensed to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.

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

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

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

It is expected that a Client will, from time to time, acquire investments in the same portfolio company or underlying portfolio fund opportunity as another Client as part of a single transaction or otherwise. In connection with any such investment, the Clients each could have conflicting interests if they invest in the same portfolio company or underlying portfolio fund opportunity. Where a Client and such other HarbourVest-managed funds or accounts invest in the same securities, HarbourVest could give advice to

or otherwise take actions on their behalf in respect of such investments that could differ from advice given to or actions taken on behalf of the Client. For example, other HarbourVest-managed funds or accounts and a Client could have an investment in the same securities of a portfolio company or underlying portfolio fund but could buy or sell such securities at a different time, at a different price or otherwise on different terms or conditions. Such advice or actions on behalf of other HarbourVest-managed funds or accounts could adversely impact a Client or could otherwise result in such other HarbourVest-managed funds or accounts achieving returns on such investments that are better than the returns achieved by a Client.

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

Client holds debt securities of a portfolio company and another HarbourVest-managed fund or account acquires equity securities of the same company.

In circumstances where a Client and other HarbourVest-managed funds or accounts hold investments in different classes of a portfolio company's debt and/or equity (or, where applicable, different classes of securities issued by an underlying portfolio fund), HarbourVest intends, to the fullest extent permitted by applicable law, to take steps in respect of such investments to reduce the potential for adversity between a Client and the other HarbourVest-managed funds or accounts, including by causing a Client to take certain actions that, in the absence of such conflict, it would not take, such as, for example but without limitation (i) remaining passive in a portfolio company restructuring or similar situation (including by electing not to vote or voting *pro rata* with other security holders), (ii) divesting investments, (iii) appointing an independent decision-maker, or (iv) otherwise taking an action designed to reduce such adversity. Any such step could have the effect of benefiting other HarbourVest-managed funds or accounts and therefore could not be in the best interests of, and could be averse to, a Client. HarbourVest manages a number of funds and accounts that are deemed to be investing plan assets subject to ERISA and that target, in whole or in part, similar investments to those targeted by a Client. If HarbourVest is acting in any transaction on behalf of a fund deemed to be investing plan assets subject to ERISA, applicable law will require HarbourVest to act in the best interests of such fund when considering any actions regardless of any adverse effect that could result for other HarbourVest-managed funds or accounts. Similar considerations could apply if a Client and other HarbourVest-managed funds and accounts were to invest in different parts of the debt capital structure of the same portfolio company (for example if a Client holds debt securities that are junior to debt securities held by other HarbourVest-managed funds and accounts).

In addition to investing at the same time in the same portfolio company or underlying portfolio fund, including in different classes of securities issued thereby, a Client could pursue a transaction with an entity in which another HarbourVest-managed fund or account has a pre-existing investment, or another HarbourVest-managed account could pursue a transaction with an entity in which a Client has a pre-existing investment. For example, a Client could lead a recapitalization of a portfolio company in which another HarbourVest-managed fund or account has a pre-existing investment, or invest in a later-stage equity issuance by a portfolio company in which another HarbourVest-managed fund or account has a pre-existing investment in an earlier-stage equity issuance. Similarly, a Client could invest in a preferred equity issuance by an underlying portfolio fund in which another HarbourVest-managed fund or account has a pre-existing equity

investment. As discussed above, such investments could give rise to conflicts of interest to the extent that HarbourVest takes into account the interests of such other HarbourVest-managed funds and accounts in its consideration of certain actions by the Funds in respect of such investments, and in certain circumstances, the pre-existing interests of the other HarbourVest-managed funds or accounts in the relevant entity could preclude a Client from taking actions it would otherwise have taken or could otherwise be detrimental to such Client, or alternatively, such other HarbourVest-managed funds or accounts could benefit from actions taken on behalf of a Client. For example, if the valuation at which an investment by a Client is made into an existing portfolio company of another HarbourVest-managed fund or account is below or in excess of the valuation implied by the original investment, such investment by a Client could be dilutive or accretive to the existing investment held by such other HarbourVest-managed funds or accounts. If any such other HarbourVest fund or account is no longer making investments or does not have sufficient capital to participate (in full or in part) in such new investment in the portfolio company, such HarbourVest fund or account will be unable to protect itself against any such dilution resulting from a later issuance at a lower valuation. Conversely, if a Client makes an investment in an existing portfolio company of another HarbourVest fund or account at a valuation higher than that implied by the original investment, the investment by such Client will indirectly benefit such other HarbourVest fund or account. In addition, if another HarbourVest-managed fund or account makes a preferred equity investment in an underlying portfolio fund in which a Client has a pre-existing equity interest, the interest of the Client is likely to be very significantly diluted and could in effect be eliminated if the portfolio of the underlying portfolio fund is distressed. Alternatively, if a Client makes such an investment in an underlying portfolio fund in which another HarbourVest-managed fund or account has a pre-existing investment, such other HarbourVest-managed fund or account could materially benefit from the investment of the Client which could enable the underlying portfolio fund to make defensive follow-on investments in its portfolio that would not otherwise have been possible, thereby protecting the remaining value of portfolio. It is possible that a Client could be precluded from making certain investments or taking certain actions by reason of an existing relationship of another HarbourVest-managed fund or account in a potential or actual portfolio investment. For example, as discussed further below, if another HarbourVest-managed fund or account holds an investment in a public company with respect to which it has received material non-public information, a Client could be prohibited or otherwise limited in their ability to make an investment in the same company under applicable law. Likewise, regulatory “cross-attribution” rules could be implicated to the extent a Client was to invest directly or indirectly in a company in which another HarbourVest-managed fund or account holds an investment, which could result in such Client being unable to make such investment, being required to

invest less than it would otherwise invest, or being subject to legal or regulatory requirements to which it would not otherwise be subject.

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

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

Conflicts of Interest will arise in the event a Client and other HarbourVest-managed funds or accounts participate in competing bids for the same portfolio company

In connection with many direct investment opportunities two or more lead sponsors will bid against each other in an auction process for the opportunity to acquire the same portfolio company. A Client and other HarbourVest-managed funds or accounts could participate in competing bids alongside two or more lead sponsors, which could ultimately result in a higher purchase price for the lead sponsor that ultimately secures the investment opportunity, and therefore could result in a higher transaction cost for such Client. Alternatively, one or more lead sponsors may decline to grant an opportunity to invest in a portfolio company to a Client if such Client or other HarbourVest-managed funds or accounts are already in negotiation to invest with another lead sponsor in the same portfolio company.

Transactions between a Client and other HarbourVest-managed funds and accounts or HarbourVest and its affiliates

As required pursuant to a Client's governing documents, advisory committee consent will be sought in connection with any transaction in which a Client is the lead seller of securities directly to, or the lead purchaser of securities directly from, another HarbourVest-managed fund or account. However, in accordance with the governing documents and to the extent not otherwise prohibited by law, the general partner could cause a Client (without the consent of the applicable advisory committee) to sell securities to, or purchase securities from, another HarbourVest-managed fund or account either (i) in an arm's-length transaction so long as such Client (or such other HarbourVest-managed fund or account) is not the lead seller or purchaser, as applicable, or (ii) as soon as reasonably practicable following, but in no event later than 90 days after, the acquisition of such securities by such Client or such other HarbourVest-managed fund or account, as applicable, at such Client's or such other HarbourVest-managed fund's or account's cost, as applicable (which cost shall include cost of funds and, without duplication, any interest, fees, and other charges incurred by such Client or such other HarbourVest-managed fund or account, as applicable, in connection with its acquisition of such securities). For these purposes, the recapitalization of a portfolio investment in which cash invested in a portfolio company (or an underlying portfolio fund) by a Client is used in whole or in part to redeem debt or equity interests in such portfolio company owned by another HarbourVest-managed fund or account (or enable an underlying portfolio fund to make distributions to another HarbourVest-managed fund or account) (or vice versa) will not be treated as a transaction in which the Client is the seller (or purchaser) of securities to (or from) another HarbourVest-managed fund or account.

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

Transactions between a Client and investors or prospective investors of a Client or other HarbourVest-managed funds and accounts

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

give rise to conflicts of interest to the extent that HarbourVest is incentivized to facilitate such transactions on terms acceptable to the relevant investors or prospective investors to facilitate such commitments to a Client or other HarbourVest-managed funds or accounts.

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

A Client could invest in an underlying portfolio fund whose general partner or manager is partially owned by another HarbourVest-managed fund or account, entitling such other HarbourVest-managed fund or account (and indirectly HarbourVest itself) to receive a portion of the carried interest and/or management fees borne by a Client with respect to such underlying portfolio fund. Such transactions could give rise to a conflict of interests between a Client and such other HarbourVest-managed fund or account or HarbourVest to the extent that such investment by a Client increases the amount of such carried interest and/or management fees received by such other HarbourVest-managed fund or account or by HarbourVest.

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

Transactions between portfolio companies of a Client and other HarbourVest-managed funds and accounts

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

Allocation and Classification of Investment Opportunities

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

HarbourVest adheres to an investment allocation policy that is designed to ensure all Clients are treated in a fair and equitable manner and that takes into account a variety of factors, including, but not limited to: (i) capital available for investment by each Client; (ii) the size and characteristics of the investment; (iii) risk / return profile of the Client; (iv) contractual obligations, including any priority rights with respect to investment allocations; (v) principles of diversification; (vi) the tactical plan of each Client, including its targeted strategies, pacing, and level of portfolio concentration, including the investment guidelines and limitations of the Clients; (vii) other investment opportunities that are expected to be available in the near term (viii) restrictions imposed by the underlying manager, portfolio company, or lead sponsor of the investment opportunity (e.g., restrictions relating to ERISA concerns); (ix) structural, tax, or legal issues of a transaction that could make an investment not appropriate for a particular Client; (x) whether the specific characteristics of the investment opportunity are consistent with one or more investment strategies; (xi) a determination by HarbourVest that the investment is inappropriate, in whole or in part, for one or more of the Clients; (xii) whether a Client has a narrow or specific objective or focus; (xiii) whether a Client has discretion and the necessary timeframe for the approval and funding process; (xiv) whether a conflict waiver could be required and the necessary timeframe for obtaining such waiver; (xv) applicable transfer or assignment provisions; (xvi) the investment period of a Client, including the proximity of a fund to the end of its investment period or specified term, if any; or (xvii) such other factors as HarbourVest reasonably deems relevant. Among others, the above factors provide substantial discretion to HarbourVest in allocating any individual investment opportunity. The outcome of any allocation decision could result in a Client receiving all or none of an investment opportunity or a non-pro rata interest in the opportunity. In situations where there is insufficient investment supply relative to demand, HarbourVest, in its sole discretion, will make subjective judgments using some or all of the above factors.

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

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

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

Furthermore, the classification of a potential portfolio investment as a primary investment, direct investment, or a secondary investment frequently will be subjective in nature and will be made by HarbourVest in good faith based on its view of what is appropriate in the relevant circumstances at the time of investment. For example, a Client could acquire a portfolio investment consisting of a single asset and HarbourVest could determine to treat such investment as a direct investment or a secondary investment depending on the specific structure and terms of the proposed transaction, the timing of such Client's investment and other relevant considerations. As a further example, while a portfolio investment comprising a subscription for a new interest issued by an underlying portfolio fund that has not made or committed to make portfolio investments will typically be treated as a primary investment, HarbourVest could in the relevant circumstances determine that a subscription for a new interest issued by an underlying portfolio fund that

has made and/or committed to make material portfolio investments is more appropriate to be treated as a secondary investment. In addition to impacting the basis upon which a potential portfolio investment is allocated among HarbourVest managed funds and accounts, the classification of a potential portfolio investment will have economic consequences for HarbourVest. HarbourVest is typically not entitled to carried interest in connection with primary investments by HarbourVest-managed funds and accounts, whereas it is expected to receive carried interest in connection with secondary investments and direct investments. Such varied economic consequences will give rise to an additional conflict of interest for HarbourVest in determining the appropriate classification of a potential portfolio investment.

Notwithstanding the foregoing, any Clients for which the investors source investment opportunities or which result from relationships of such HarbourVest-managed fund's or account's limited partners or underlying clients will be entitled to investment priority with respect to such investor-sourced deals.

HarbourVest can receive different amounts of compensation from one Client, in comparison to that of another Client, each having similar or substantially the same investment objectives. Such other Clients often will have economic terms that are different than those of another Client and could incorporate terms that individually or in the aggregate are more favorable for their investors. HarbourVest could 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 employees, including their family members, and Clients can own investments in the same securities, and such jointly held investments can lead to conflict of interests. HarbourVest seeks to mitigate these conflicts through its code of ethics and other applicable policies and procedures.

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

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

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

The costs borne by a Fund will not be identical to those of its related parallel Fund. In particular, a related Alternative Investment Fund (“AIFMD-regulated Fund”) will bear certain additional costs in relation to compliance with the AIFMD. Accordingly, the performance of an AIFMD-regulated Fund is likely to differ from that of its related non-AIFMD regulated parallel Fund.

Leverage available to a Client could be limited as a result of allocations of available leverage to other HarbourVest-managed funds

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

Warehousing, etc.

In certain circumstances, subject to applicable law, a Client could initially acquire or agree to acquire an investment with the expectation of selling or reallocating a portion of such investment to other HarbourVest-managed funds or accounts or third-party co-investors. In such circumstance, a Client can (but is not required to) charge interest for the time period the investment was held by such Client or any other related expenses to such other HarbourVest-managed fund or account or third-party co-investor, as applicable. Furthermore, after entering into an agreement to acquire an investment, but prior to closing such

transaction, HarbourVest could reallocate such investment either by allocating an additional amount to a Client with respect to such investment or allocating amounts to other HarbourVest-managed funds or accounts or third-party co-investors. Any such reallocation prior to the closing of the purchase of the underlying investment will not constitute a purchase or sale of a security by a Client from or to another HarbourVest-managed fund or account for purposes of the governing documents.

There can be no assurance that a Client that has initially acquired or agreed to acquire an investment with the expectation of selling or reallocating a portion of such investment to other HarbourVest-managed funds or accounts or third-party co-investors will be successful in subsequently selling or reallocating such portion of such investment and such Client could consequently hold a greater concentration and have more exposure to such investment (and its related expenses) than was initially intended, which could reduce such Client's overall investment returns. In such a case, HarbourVest could also be deemed to have control with respect to such investment, and therefore could be exposed to additional risks as set forth above in "Risk of control positions; Risk arising from provision of managerial assistance". Furthermore, if such investment is not consummated, such Client could bear all of the related broken-deal expenses, including expenses related to the portion of the proposed investment it had expected to sell.

Similarly, in certain circumstances, subject to applicable laws and applicable partnership agreements, a Client could acquire an investment from other HarbourVest-managed funds or accounts or third-party co-investors that have warehoused such investment for such Client. In such circumstances, a Client could be required to pay interest (and related expenses) to such other HarbourVest-managed funds or accounts or third-party co-investors.

A Client could make strategic primary partnership investments that do not result in investment opportunities for the fund and/or that do not perform as well as primary partnership investments made by other HarbourVest-managed funds and accounts

A Client could make strategic primary partnership investments or other investments as determined by HarbourVest that have the potential for generating future investment opportunities for such Client and/or other HarbourVest-managed funds and accounts, and HarbourVest expects to primarily consider the potential for such future investment opportunities in its evaluation of, and decision to cause such Client to make, such primary partnership investments or other investments. Such investments could, for example, adversely impact such Client's ability to participate in other investments that would have been more advantageous to such Client and may not perform as well as primary partnership investments made by

other HarbourVest-managed funds and accounts. Strategic primary partnership investments will be selected primarily because such investments are expected to increase the likelihood of generating investment opportunities. Future investment opportunities attributable to such strategic primary and other investments will be allocated among such Client and other HarbourVest-managed funds and accounts in accordance with HarbourVest's allocation policies and procedures, and such Client will not have any investment priority over any other HarbourVest-managed funds or accounts with respect to any such investment opportunities. Furthermore, a Client could choose not to participate in such opportunities, if and when they arise, and, to the extent such opportunities arise after the end of a Client's investment period or would cause such Client to be in breach of its investment restrictions or would require an investment in excess of such Client's available capital, such opportunities could be allocated in full to other HarbourVest-managed funds or accounts. As such, a Client ultimately might not participate in such future investment opportunities if and when they arise.

A Client could pay finders fees in connection with deal sourcing

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

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

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

securities, such Client is not likely to be able to initiate a purchase or sale transaction involving such securities other than in very limited circumstances, which could adversely impact such Client. A Client could also be subject to contractual “stand-still” obligations and/or confidentiality obligations that restrict its ability to trade in such securities. In certain circumstances, HarbourVest could engage an independent agent to dispose of securities of issuers in which HarbourVest is deemed to have material non-public information on behalf of a Client. Such independent agent could dispose of the relevant securities for a price that could be lower than a Client’s valuation of such securities.

HarbourVest could outsource services it has historically performed in-house

Services that HarbourVest has historically performed inhouse for other Clients could be outsourced in whole or in part to third parties in the sole discretion of HarbourVest or a general partner in connection with the operation of a Client. Such outsourced services could include, without limitation, accounting, tax, compliance, research, investment and operational due diligence, trade settlement, information technology, or legal services. Outsourcing could not occur uniformly for all Clients and, accordingly, certain costs could be incurred by a Client through the use of third-party service providers that are not incurred for comparable services used by other Clients. The decision by HarbourVest to initially perform particular services inhouse 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 (and potentially portfolio companies or proposed portfolio companies) will be charged amounts in connection with the provision of services by in-house personnel. The amount of such expenses borne by such Clients will not exceed 85% of the amount that would be charged by third-party service providers in connection with the provision of comparable services, as determined by HarbourVest. HarbourVest will make the foregoing determination in its discretion taking into account factors that it reasonably believes to be appropriate in the circumstances. For example, HarbourVest currently expects to obtain one or more quotes from third-party service providers on an annual or other periodic basis for the provision of the types of services to be performed by in-house personnel. The quotes sought will be based on services provided to a fund with specified characteristics relevant to the quotes or estimates (e.g., a specified number (or range) of investors and aggregate commitments). These quotes or estimates will

then be used to determine the baseline from which HarbourVest will determine the amount that would be charged by third-party service providers in connection with the provision of comparable services to a specific fund or account based on its relevant characteristics. This determination therefore will be based on an estimate of what a third-party service provider would have charged with respect to a specific fund or account, rather than being based on an actual quote or quotes to provide services to the specific fund or account. The baseline quote (or other quotes) that HarbourVest obtains could be received from one or more third-party service providers that provide other services to HarbourVest and/or its funds and accounts, which could result in an actual or apparent conflict of interest in connection with the preparation of requested quotes or estimates. In addition, since the amount charged to a Client for services provided by in-house personnel will be based on a percentage of the estimated amount that would be charged by third-party service providers, the amount charged for such services could be more or less than the actual amount of allocable overhead costs and expenses borne by HarbourVest with respect to the employees providing the relevant services.

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

HarbourVest could, from time to time, receive cash and non-cash transaction fees, consulting fees, directors' fees, break-up fees, advisory fees, monitoring fees, or other similar fees in connection with the purchase, monitoring, or disposition of investments or in connection with unconsummated transactions. Non-cash compensation could include securities, warrants, options, derivatives, and other rights in respect of securities owned by a Client. The potential to receive such fees could create an incentive for HarbourVest to engage in transactions when it might not otherwise be in the best interest of a Client to do so. Management fees otherwise payable to HarbourVest will be reduced by a Client's pro rata share (based on capital invested or proposed to be invested by a Client and any other investment entities managed by HarbourVest) of the amount of such fees (net of applicable taxes to the extent such fees are paid to any such persons other than HarbourVest), excluding any fees received directly or indirectly from a portfolio company, proposed portfolio company, or any other person in respect of any investor or potential investor in such portfolio company or proposed portfolio company other than a Client and any other investment entities managed by HarbourVest. Investors will not receive the benefit of an offset of the portion of fees received by HarbourVest apportioned to any other entity investing alongside a Client (including, without limitation, any other investment entities managed by HarbourVest) in the relevant portfolio company, and

fee income received by HarbourVest in respect of such entities will be retained by HarbourVest to the extent permitted in accordance with the relevant organizational agreements of the applicable co-investing entities. In addition, for the avoidance of doubt, the management fee will not be reduced by any amounts received directly or indirectly from a portfolio company, proposed portfolio company or any other person to the extent such amounts constitute Fund expenses, including, but not limited to Administrative Expenses (as described above).

Potential conflicts with respect to service providers

Certain advisors and other service providers (including, without limitation, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and certain other advisors and agents) to a Client, HarbourVest and/or certain entities in which a Client has an investment, or affiliates of such advisors or service providers, could also provide goods or services to or have business, personal, financial, or other relationships with HarbourVest, its affiliates, other HarbourVest-managed funds or accounts or their respective portfolio companies. Additionally, certain HarbourVest employees could have family members or relatives employed by advisors and service providers. These service providers and their affiliates could contract or enter into any custodial, financial, banking, 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 or underlying portfolio fund in which a Client has made an investment. These relationships could 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).

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

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

respective affiliates, a Client and such other parties could enter into different arrangements or pay different amounts or rates with the same advisors or service providers for the same services.

A Client could bear certain organizational expenses of its related fund

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

In the event that any related feeder fund does not close on any third party commitments, a Client 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 such Client and the commitments of the investors of its related parallel fund (unless the general partner determines in good faith that a different share is appropriate). Certain Clients pay more than their proportionate share of expenses

The appropriate allocation between Clients of deal sourcing expenses and expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorneys' fees, and the fees of other professionals, will be determined by HarbourVest in its good faith discretion. Certain Clients will not bear sourcing or broken deal expenses, and in such event 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 could result in cost efficiencies for other Clients when such other funds or accounts evaluate similar or related investments.

Stapled secondary transactions could give rise to conflicts

A Client could be required to subscribe for a new interest issued by an underlying portfolio fund by the sponsor of such underlying portfolio fund in order to obtain the consent of such sponsor to proceed with a secondary investment in a related underlying portfolio fund managed by such sponsor (a “Stapled Secondary”). While subscribing for a new interest issued by an underlying portfolio fund that has not made and/or committed to make material portfolio investments at the time of subscription would typically be considered a “Primary Partnership Investment” for purposes of a Client’s partnership agreement, the general partner of a Client will deem any such investment made in connection with a Stapled Secondary to be a “Secondary Partnership Investment,” including for purposes of complying with a Client’s investment guidelines and for purposes of calculating carried interest payable to the general partner of a Client. The general partner of a Client is generally not entitled to carried interest with respect to Primary Partnership Investments; however, the general partner of a Client expects to receive carried interest with respect to Secondary Partnership Investments including any Stapled Secondary and any related subscription for a new interest issued by a related underlying portfolio fund made in connection with the Stapled Secondary. While the general partner of a Client does not generally expect that such subscriptions for new interests in related underlying portfolio funds will materially increase the carried interest payable to the general partner of a Client and based on their expected return profiles, such investments are generally expected to more likely be dilutive to such general partner’s carried interest, the actual economic impact of such investments cannot be predicted and such investments could result in increased carried interest for such general partner. Accordingly, conflicts of interest will arise in connection with a determination by the general partner of a Client to invest in a Stapled Secondary.

Carried interest and valuation can create conflicts of interest

The entitlement to carried interest with respect to a Client can create incentives for the general partner to make Client investments that are riskier or more speculative than would be the case in the absence of carried interest although this incentive could be tempered in that losses will reduce the relevant Client’s performance and thus the general partner’s carried interest. Similar concerns apply with respect to underlying portfolio funds and direct investments and carried interest or other profit participations payable to their respective sponsors. Also, carried interest is based on realized and unrealized appreciation of a

Client and the general partner could receive carried interest with respect to unrealized as well as realized appreciation, which could create incentives for the general partner to value investments more highly than their ultimate realization price. The investment performance for a Client will be generally measured on a cumulative basis over the entire term of a fund. However, interim gains and losses (realized and unrealized) and any carried interest with respect thereto will be allocated periodically throughout the term of a fund. The Client's governing documents allow for distributions of carried interest to be made to the general partner prior to the termination of a fund.

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

Finally, the manner in which the general partner's entitlement to carried interest is determined could result in a conflict between the general partner and the investors with respect to the timing of disposals of direct investments. For example, HarbourVest personnel and associated persons that will ultimately participate in any carried interest distributions by a Client will generally be subject to U.S. federal and local income tax. This could result in the general partner being incentivized to structure, hold and/or sell direct investments in a manner that takes into account the U.S. tax treatment of any carried interest distributions by a Client, which could adversely impact investors that are not similarly subject to U.S. tax laws. Recently enacted U.S. tax reform legislation relating to the taxation of carried interest provides for a lower capital gains tax rate in respect of investments held for more than three years, whereas certain investors will be eligible for such treatment after a shorter holding period. In many cases the general partner will not dictate how or when a direct investment is realized. In circumstances where the general partner has this discretion however, it could be incentivized to hold direct investments for a longer period than would be the case if such holding period requirement did not exist.

HarbourVest professionals can engage in other activities unrelated to a Client

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

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

The general partner and/or a Client can and do enter into Side Letters with one or more investors. These Side Letters can entitle an investor to make an investment in a Client on terms other than those described in its governing documents. Any such terms, including with respect to (i) reporting obligations of, or the provision of further information in relation to, a Client, (ii) transfer of interests in a Client, (iii) jurisdiction or venue, (iv) consent rights to certain governing document amendments, (v) advisory committee representation (or participation as an observer), (vi) ability to disclose certain confidential information, (vii) power to opt out of direct co-investments, (viii) limitations on the exercise of the general partner's discretions under the governing documents, (ix) limitations on powers to execute documents for the investors under the powers of attorney contained in the governing documents, (x) confirmations of the way in which the general partner will carry out certain of its duties, (xi) additional warranties relating to a Client or its operation, (xii) confirmation that the general partner will use commercially reasonable efforts to facilitate the sale of securities distributed in kind to an investor, (xiii) confidentiality obligations in relation to information about an investor, (xiv) access to information and audit rights, (xv) confirmation that the general partner will use commercially reasonable efforts to encourage portfolio entities to follow relevant ethical or governance guidelines, (xvi) grants of most favored nation provisions, (xvii) special economic arrangements including reduced management fee and carried interest percentages, (xviii) rights to co-invest with a Client, or (xix) classification of an investor or recognition of an investor's internal policies or applicable laws or regulations, including reducing or eliminating the obligation to make capital contributions or other payments under circumstances where an investor is required by its internal policies or applicable laws or regulations, (xx) look-through default rights and/or voting rights for certain feeder funds or other conduit entities established to facilitate investment in a Client, or (xxi) any other matters described therein, can be more favorable than those offered to any other investors. If the general partner and/or a Client enter into a Side

Letter entitling an investor to opt out of making certain direct investments, any election to opt out by such investor could increase any other investor's *pro rata* interest in that particular investment. In addition, such election could as a practical matter result in a Client not being able to participate in a direct investment opportunity, which could adversely impact such Client. For example, a Client could have insufficient capital available to make a direct investment without the participation of an investor holding a relatively large interest in such Client. While the general partner will seek to take such consequences into account in agreeing any such rights, they could be more material than the general partner anticipates at the time the relevant Side Letter is entered into. The other investor will have no recourse against a Client or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters. Side Letters could be available to an investor only after such investor has consummated its investment with HarbourVest and will not be disclosed to investors unless specifically requested.

Certain investors have relationships with HarbourVest outside of a Client

Certain investors make investments in multiple Clients and HarbourVest provides services to certain investors other than in their respective capacities (and/or in addition to their respective capacities) as limited partners of a particular Client. These arrangements could take into account the scope of the broader relationship of such investor's (or of their affiliates or other related or associated persons) with HarbourVest, including the investor's (or such affiliates' or other related persons') investment in a Client, and, in certain circumstances, provide more favorable economic, governance, or other terms to such investors as a whole or with respect to some or all investments in 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.

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

Client investors can have conflicting investment, tax, and other interests with respect to their investments in a Client. The conflicting interests of individual investors can relate or arise from, among other things, the nature of investments made by a Client, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest could arise in connection with the decisions made by the general partner, including with respect to the nature or structuring of investments

that could be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In 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.

Risks associated with co-investments

HarbourVest general partner can and do 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 (if any) 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 can, 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 could be offered fewer co-investment opportunities than investors with the same, greater, or smaller capital commitments in a Client. Investors are not required to participate in co-investments offered by 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 can charge management fees, one-time funding fees, monitoring fees, administrative fees and/or carried interest in respect of co-investments, subject to the terms of any applicable agreements with investors. The allocation of any co-investment opportunities can directly or indirectly benefit the general partner or its affiliates as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to a Client and to other 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 (i.e., broken-deal expenses) or with respect to other potential investments that could be offered to the Client, and in such event the Client will bear all such expenses. In certain circumstances, co-

investors could acquire an interest in an investment after a Client has made such investment.

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

Resolution of Conflicts

HarbourVest deals with all conflicts of interest using its good faith judgment, but in its sole discretion. In resolving conflicts that arise among Clients, HarbourVest, or 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 could be resolved by investment guidelines set forth in the governing documents of a Client. In the case of all conflicts involving Clients, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of HarbourVest, except as required by law (e.g., ERISA), or the governing documents of the relevant Clients.

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

Conflicting Client Objectives

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

A Client could have tax-exempt, taxable, foreign, or other investors, whereas most members of the HarbourVest general partners and other Clients are taxable at individual U.S. rates. Conflicts could exist with respect to various structuring, investment, and other decisions because of divergent tax, economic, or

other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions could be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

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

HarbourVest or a Client could 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 could invest in such Client or another Client, HarbourVest could have an incentive to provide such entity with favorable terms in order to encourage it to invest in that Client. HarbourVest seeks to deal with such entities on an arm's length basis in such transactions.

Hedge Clauses

Certain of the governing documents of the Clients could 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 could 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 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 and its investment portfolio. Emphasis is placed on new investments, deal flow, investment pace, and the development of a Fund's portfolio, cash flow activity, a review of HarbourVest, and the state of the private equity industry. Performance metrics, including internal rates of return, are also reviewed. While an investor usually establishes the time for reviews, if dramatic changes occur which could impact the portfolio, an ad hoc review can 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. HarbourVest compensates these placement agents, generally based on a percentage of the amount committed to a Client by these investors.

Item 15 – Custody

HarbourVest will be deemed to have custody of the assets of certain Funds because we serve as the general partner and HVPE because a related person has custody of its assets.

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

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

Item 16 – Investment Discretion

As described in Item 4, HarbourVest generally manages the Funds on a discretionary basis and provides discretionary and nondiscretionary advice to the Separate Accounts Clients depending on the terms thereof. 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 could be material conflicts of interest in voting proxies. A Client may obtain a copy of HarbourVest's Proxy Voting policies and procedures, and information about how HarbourVest voted proxies by sending an e-mail to ClientService@HarbourVest.com.

Item 18 – Financial Information

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