

Harvest Partners, LP

Part 2A of Form ADV

The Brochure

280 Park Avenue, 26th Floor, New York, NY 10017
www.harvestpartners.com

March 2023

This brochure provides information about the qualifications and business practices of Harvest Partners, LP and other closely affiliated advisory entities and relying advisers are herein collectively referred to as “Harvest” or the “Firm”. If you have any questions about the contents of this brochure, please contact us at 212-599-6300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Any reference to Harvest as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

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

Material Changes

This annual amendment does not include material changes; however, it reflects updates to the description of potential conflicts of interest and the business practices of the registrant and supplements existing disclosures relating to the Firm’s practices and related potential conflicts of interest under “Advisory Business”, “Fees and Compensation”, “Performance Based Fees and Side-by-Side Management”, “Co-Investments”, “Types of Clients”, “Methods of Analysis, Investment Strategies, and Risk of Loss”, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”, and “Custody” Therefore, Harvest recommends that you read this brochure in its entirety to familiarize yourself regarding all the new disclosures.

Table of Contents

Material Changes	2
Table of Contents	2
Advisory Business	2
Fees and Compensation	4
Performance Based Fees and Side-by-Side Management	11
Co-Investments	13
Types of Clients	16
Methods of Analysis, Investment Strategies, and Risk of Loss	18
Disciplinary Information	44
Other Financial Industry Activities and Affiliations	44
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	45
Brokerage Practices	62
Review of Accounts	62
Client Referrals and Other Compensation	63
Custody	63
Investment Discretion	63
Voting Client Securities	63
Financial Information	63

Advisory Business

Harvest is principally owned by Thomas W. Arenz, Michael B. DeFlorio, Stephen Eisenstein and Ira D. Kleinman (collectively, the “Principals”). A predecessor entity to Harvest was formed in 1981 and, today, Harvest consists of a group of entities formed for the purpose of providing investment advice to pooled investment vehicles. References to Harvest herein includes Harvest and its relying advisers, Harvest Partners SCF, LP (“Harvest SCF”), which was created in 2014, Harvest Partners Credit, LP (“Harvest Credit”), which was created in 2022, Harvest Partners Ascend, LP (“Harvest Ascend”), which was created in 2022, and their respective affiliates, which are all operated as a single advisory business.

Harvest currently provides investment advisory services to a group of private pooled investment vehicles or funds, referred to in this brochure collectively as “Private Funds” (and each, a “Private Fund”), which include:¹

- Harvest Partners VI, L.P. and its related investment vehicles (collectively, “HP VI”);
- Harvest Partners VII, L.P. and its related investment vehicles (collectively, “HP VII”);
- Harvest Partners VIII, L.P. and its related investment vehicles (collectively, “HP VIII”);
- Harvest Partners IX, L.P. and its related investment vehicles; (collectively, “HP IX” and, together with HP V, HP VI, HP VII and HP VIII, the “HP PE Funds”);
- Harvest Partners Structured Capital Fund, L.P. and its related investment vehicles (collectively, the “HP SCF I Fund”);
- Harvest Partners Structured Capital Fund II, L.P. and its related investment vehicles (collectively, the “HP SCF II Fund”);
- Harvest Partners Structured Capital Fund III, L.P. and its related investment vehicles (collectively, the “HP SCF III Fund” and, together with the HP SCF I Fund and the HP SCF II Fund, the “HP SCF Funds”); and
- Harvest Partners Ascend, L.P. and its related investment vehicles (collectively, the “HP Ascend Funds”).

The HP PE Funds’ investments are generally focused on private equity and control investments between \$200 million and \$600 million in middle market buyouts and recapitalizations of companies based in North America with (i) annual revenues between \$100 million and \$3 billion and (ii) enterprise values between \$300 million and \$5 billion within the following industries (the “Target Industries”):

- Business & Industrial Services
- Consumer
- Healthcare
- Industrials
- Software

For the avoidance of doubt, and notwithstanding anything to the contrary in the applicable limited partnership agreement or similar organizational documents, confidential memoranda and other governing documents (together, the “Private Fund Governing Documents”) of the HP PE Funds, the HP PE Funds are permitted to invest in public or private loans, debt securities and/or other similar instruments (collectively, “Debt Investments”), provided that any such investment satisfies certain conditions specifically provided for in the applicable Fund Governing Documents of the HP PE Funds, including, in certain cases, expected returns comparable to those of equity or equity-related securities.

The HP SCF Funds’ investments are generally focused on senior equity or junior debt investments between \$50 million and \$300 million in middle market companies primarily based in North

¹ Harvest also manages PRO SPV, L.P. and NB SPV, L.P., private investment funds established in 2021. Each of PRO SPV, L.P. and NB SPV, L.P. was formed primarily to acquire ownership interests in a single portfolio company that was owned by HP VII.

America with (i) annual revenues between \$100 million and \$1 billion and (ii) enterprise values between \$100 million and \$1.5 billion within the Target Industries.

The HP Ascend Funds' investments are generally focused on private equity and control investment opportunities between \$50 million and \$75+ million and companies that are at the lower end of the middle market with annual EBITDA between \$10 million and less than \$30 million per year.

Harvest Credit provides advisory services to a single-investor Fund (the "HP Credit Fund") and certain managed accounts (each, an "HP Credit Account"), and Harvest Credit provides sub-advisory services to a third party adviser in respect of certain assets of a private CLO (together with the HP Credit Fund and the HP Credit Accounts, the "HP Credit Clients", and collectively with the Private Funds, the "Funds"). The HP Credit Clients principally pursue a credit investment strategy pursuant to their respective investment management agreements and Fund Governing Documents, as applicable (together with the Private Fund Governing Documents, the "Governing Documents").

As the investment adviser to the Funds, Harvest is responsible for evaluating and monitoring Fund investments and providing day-to-day managerial and administrative services to the Funds. Harvest sources, structures and negotiates potential investments, monitors the performance of portfolio companies and advises the Funds as to the disposition of investment holdings. The individual needs of the investors in the Funds are not the basis of investment decisions by Harvest. Investment advice is provided directly to the Funds by Harvest and not individually to the Funds' investors.

As of December 31, 2022, Harvest had regulatory assets under management of approximately \$21,534,200,000, including approximately \$20,886,700,000 on a discretionary basis and approximately \$647,500,000 on a non-discretionary basis.

Fees and Compensation

Management Fee

Harvest or an affiliated entity earns a management fee from certain Funds in accordance with their respective offering documents and limited partnership agreements. The HP PE Funds, generally, pay the Firm a per annum fee ranging up to 2.0%, tri-annually in advance, based on the aggregate capital commitments during a defined commitment period. Thereafter, the management fee may be reduced (a) as the basis for such fees shifts from aggregate capital commitments to invested capital and (b) as the rate for such fees decreases for certain Funds by 25 basis points (usually for two years from the end of the commitment period) and then by another 25 basis points. The reductions of the management fee may also vary with respect to certain series of limited partnership interests issued by a Fund.² Such management fees are payable on a pro rata basis for any period that is less than a full four-month period.

² For instance, the management fee for HP VIII is generally calculated as follows: (i) 1.75% per annum of aggregate commitments (or 0.875% per annum for Series B Interests, which bear a higher carried interest) during the commitment period, (ii) thereafter and until the second anniversary of the end of the commitment period, 1.75% per annum of invested capital (or 0.875% per annum for Series B Interests), and (iii) after the second anniversary of the end of the commitment period, 1.5% per annum of invested capital (or 0.75% per annum for Series B Interests).

The HP SCF Funds, generally, pay the Firm an annual management fee equal to the greater of (i) a defined minimum fee or (ii) a fee equal to 1.5% per annum based on cumulative capital contributions (without giving effect to any return or reinvestment of capital). Such management fee will be paid tri-annually in advance during the defined commitment period. Thereafter, the management fee paid by the HP SCF Funds will be reduced to a management fee equal to 1.5% per annum of invested capital. Such management fees are payable on a pro rata basis for any period that is less than a full four-month period.

The HP Credit Clients, generally, pay the Firm a per annum management fee ranging from 0.50% to 0.75%, based on the invested capital.

The HP Ascend Funds, generally, will pay the Firm a per annum fee of 2.0%, tri-annually in advance, based on the aggregate limited partner capital commitments during a defined commitment period. Thereafter, the management fee may be reduced (a) as the basis for such fees shifts from aggregate limited partner capital commitments to invested capital and (b) as the rate for such fees decreases for certain Funds by 25 basis points. Such management fees are payable on a pro rata basis for any period that is less than a full four-month period.

As is generally the case in private equity funds, the Governing Documents provide that a Fund's management fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the earlier of the end of the Fund's defined investment period and the date the relevant general partner (or an affiliate thereof) first begins receiving or, in some cases, accruing management fees from another Fund meeting certain criteria) (the "Stepdown Date"), management fees generally will be charged based on a formula tied to the amount of the relevant Fund's limited partners' aggregate commitments. Further, after the Stepdown Date, management fees generally will be charged and calculated based on a formula tied to the amount of capital invested (capital contributions by limited partners and Fund borrowings to fund portfolio investments) by the relevant Fund in portfolio investments to the extent they have not been realized or permanently written down.

As a result, the amount of management fees generally will not correspond with fluctuations in the Fund's net asset value, including following the investment period, and will not be reduced in connection with any write downs, except in the case of investments permanently written down. Further, management fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

Management fees may be subject to certain offsets as defined in each of the Funds' respective Governing Documents. All management fees were negotiated with the Funds' investors prior to their investment in the applicable Fund. Harvest can elect to waive all or a portion of any future management fees payable by certain Funds; any amounts so waived by such Funds will be applied against the capital commitments of the applicable general partner and other related persons of Harvest to the Funds. In addition, employees and certain other individuals that invest in the Funds may not pay fees or carry or vote their interest, as permitted by the terms of the applicable Fund's respective Governing Documents.

As discussed further below under “Co-Investments”, the general partner of a Fund reserves the right to negotiate, and has negotiated, with potential co-investors the management fees applicable to such co-investors, if any, on a case-by-case basis in its respective sole and absolute discretion. Such co-investors might not be subject to management fees or could be subject to different or differently calculated management fees in the sole discretion of the Fund’s general partner for the benefit of the general partner, Harvest or either of their respective affiliates, in any event, as compared to what investors are subject to under the Governing Documents of the relevant Fund. The management fees borne by co-investors, if any, are described in the Governing Documents of the relevant co-investment vehicles or accounts, as applicable.

Detailed information regarding the management fees borne by the Funds is contained in the relevant Fund’s Governing Documents. Investors should not consider an investment with Harvest without fully understanding the applicable management fee structure.

Portfolio Company Related Fees

As set forth in greater detail in the applicable Fund’s Governing Documents, Harvest and/or the general partner of the applicable Funds and their respective affiliates are generally authorized to and expect to earn certain fees in connection with portfolio investments and from such Fund’s unconsummated transactions, including, but not limited to, break-up and topping fees, monitoring and directors’ fees, organization fees, set-up fees, advisory fees, upfront fees, consulting fees, management fees (other than the management fees described above), closing and transaction fees (including with respect to M&A, debt and equity financings, refinancings and amendments for business diligence, legal document review and negotiation and transaction and financing structuring advice) and other similar fees (collectively, “Other Fees”). Other Fees for certain Funds also include arrangement fees, origination fees, structuring fees, commitment fees, consent fees, amendment fees, directors’ fees, investment banking fees, advisory fees, investment management fees, financing fees, and syndication fees. As noted above, management fees payable to Harvest by applicable Funds are generally subject to offset by certain expenses of such Funds, including placement fees, organizational expenses above certain caps and unreimbursed transaction expenses. In addition, to the extent Harvest, the general partner of a Fund or any of their respective affiliates receives Other Fees in connection with portfolio investments of a particular Fund, 100% of the portion of such Other Fees that is allocable to the management fee-bearing limited partners of a Fund is applied as an offset to the management fee payable by such Fund.³ Other Fees that are not allocable to the management fee-bearing limited partners of a Fund (e.g., Other Fees relating to a co-investor or other third party’s portion of any investment) generally will not be applied as an offset to the management fee payable to any Fund and will be for the benefit of the general partner of such Fund, the investment manager and their affiliates and not, for the avoidance of doubt, for the benefit of any limited partner. For the avoidance of doubt, Harvest, the general partner of a Fund and their affiliates will retain 100% of the Other Fees allocable to limited partners that do not bear management fees. If offsets resulting from certain net Other Fees received prior to any tri-annual payment date exceed the amount of the management fee due on such triannual payment date, then the amount of such excess will be carried over and applied to reduce the management fees due on subsequent tri-annual payment dates. If such excess is greater than the amount of management fees due for all future tri-annual payment dates, then such excess will, upon the liquidation of the

³ For HP VI, 80% of Other Fees are applied as an offset.

relevant Fund, be for the benefit of the general partner of such Fund, the investment manager and their affiliates and not, for the avoidance of doubt, for the benefit of any limited partner. Furthermore, no net Other Fees received in any given triannual period will be used to offset Management Fees paid in a prior period. For the avoidance of doubt, Harvest also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies (however, for the avoidance of doubt, compensation received from board seats of current Fund portfolio companies are generally not treated as “outside sources” for purposes of the foregoing). Other Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Other Fees paid prior or subsequent to the Fund’s acquisition of the relevant investment.

Monitoring fees received by Harvest typically consist of recurring fees received for certain monitoring services provided by Harvest to a portfolio investment of a Fund. The payment of any such monitoring fees to Harvest will cease from and after the termination of the related monitoring services, which typically occurs upon the complete (as opposed to upon a partial) disposition of a Fund’s investment in the applicable portfolio company.

In addition to the foregoing, the following generally do not constitute “Other Fees” for purposes of a Fund: (i) amounts paid or received by the investment manager, the general partner or any of their respective affiliates as a reimbursement for out-of-pocket fees, costs or expense (including, for this purpose, taxes) incurred in connection with providing services in respect of which any Other Fees were paid or received; (ii) Co-Investment Economics (as defined in the relevant partnership agreement); (iii) Operating Executive Compensation (as defined below); (iv) compensation and founders equity related to a Harvest-sponsored SPAC; and (v) fees received by a person or entity other than the investment manager, the general partner or any of their respective affiliates, including fees received, directly or indirectly, by a participating co-investor or other investor participating in the equity or other interests of any portfolio company who is not otherwise an affiliate of any of the foregoing, irrespective of whether (A) such person or entity participates directly or indirectly through a Fund, including any co-investment fund, (B) such person or entity is also a current or prospective limited partner, Operating Executive (as defined below) or other third party or an affiliate of any of the foregoing, (C) such person or entity is providing (or is not providing) services in consideration of its receipt of such fees to, for or otherwise with respect to such portfolio company and (D) the payment of such fees to (or the receipt of such fees by) such person or entity was arranged, organized, sponsored, negotiated by or for, permitted, consented to, approved or otherwise facilitated by the investment manager, the general partner or their respective affiliates. Accordingly, none of the foregoing will reduce the management fee and will not be for the benefit of any limited partner.

Other Fees charged to Fund portfolio companies are determined, in part, by the Principals and/or other investment professionals (the “Harvest Team”) and are likely to create a short-term incentive to complete transactions. Also, such Other Fees are not always based on an exit or sale of a Fund investment. Accordingly, from time to time, Harvest, the general partner of any Fund and members of the Harvest Team are expected to receive Other Fees when a Fund does not ultimately profit from an investment, or a Fund is expected to pay more to purchase an investment or receive less in selling an investment, in each case relative to other co-investors (e.g., sponsor co-investor), due to payment of Other Fees to Harvest that such other co-investors did not receive. In many cases, Other Fees are based on metrics relating to a portfolio company, and there can be no assurance that the amount of

Other Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Harvest, the general partner of any Fund and the members of the Harvest Team reserve the right to accrue, defer or forego payments of Other Fees. In such cases, in accordance with the Funds' Governing Documents, investors will not receive the benefit of management fee offsets with respect to such amounts until and unless they are actually received.

Detailed information regarding Other Fees and such management fee offsets for each Fund is contained in the relevant Fund's Governing Documents. Investors should not consider an investment in a Fund without fully understanding the Fund's Other Fee and management fee offset structure.

Fund Expenses

Detailed information regarding all the fees to be paid by each Fund is contained in the relevant Fund's Governing Documents. In addition to management fees and Carried Interest (as defined below), limited partners will bear indirectly the fees, costs and expenses charged to the Funds. Subject to the Funds' applicable Governing Documents, such fees, costs and expenses will vary but will generally include (among others): (i) fees, costs and expenses associated with the organization of the Fund; (ii) fees, costs and expenses resulting from the sale of interests (including private placement fees, which are then generally offset against management fees described below) or the negotiation of terms and conditions of investments from limited partners; (iii) fees, costs and expenses for tax advisors and preparers, accountants, custodians, attorneys, consultants, auditors, administrators, advisors and other professionals (including Operating Executive Compensation (as defined below)); (iv) fees, costs and expenses incurred in connection with the preparation and distribution of the Fund's financial statements, reports, tax returns and Schedule K-1s (or additional or similar tax-related schedules), including expenses incurred in connection with purchasing, implementing, maintaining and upgrading computer software and hardware for use in preparing and distributing the Fund's financial statements, reports, tax returns and Schedule K-1s (or additional or similar tax-related schedules) and expenses incurred in connection with providing the limited partners on-line or electronic access to information and reporting relating to the Fund (including any upgrades and customizations related thereto); (v) fees, costs and expenses incurred in connection with discovering, developing, negotiating, evaluating, acquiring, structuring and disposing of the Fund's investments, and the holding, carrying, hedging, monitoring and managing of the Fund's investments, including any financing, legal, accounting, due diligence, advisory, sourcing, consulting, administration and other professional fees, including Operating Executive Compensation; fees, costs and expenses incurred in connection with obtaining financing in connection with the Fund's investments, including commitment and similar fees; fees associated with portfolio accounting system licenses and support; custodial, trustee, and record keeping fees; investment banking, private placement, brokerage and appraisal fees; all premiums and fees, costs and expenses, including broker fees associated with representation and warranty insurance, escrow fees and seller's representative fees, sales and underwriting commissions and discounts; fees, costs and expenses associated with attending conferences in connection with the evaluation of a Fund's

investments or business sector opportunities (including the evaluation of potential investments of the Fund); fees, costs and expenses of any recruitment agents or similar finders of executives for a Fund's investments; travel and travel-related expenses (including any and all transportation, meal, entertainment and lodging fees, costs and expenses, which will include travel by way of private or non-commercial aircraft); mobile device and conference call service expenses; and taxes, in each case, to the extent the general partner or investment manager of the relevant Fund is not reimbursed for such fees, costs and expenses by portfolio companies or other third parties; fees, costs and expenses incurred in connection with any market data, relevant news or third-party research services (including the cost and expense of any related terminals for the delivery of such services or subscribing to data sites or periodicals) and fees paid to sector or industry-specific business intelligence (including "expert network") and information service providers and any fees, costs or expenses of the type described herein incurred by or on behalf of a Fund in connection with a prospective or potential portfolio investment that is not ultimately made, including any fees (including commitment, termination and break fees, as well as "reverse" termination and break fees), deposits or working capital payments, that are payable or forfeited by a Fund in connection with any prospective or potential portfolio investment that is not ultimately made ("Broken Deal Expenses") and fees, costs and expenses of the types described herein incurred in connection with offering interests in and the formation, organization, operation and administration of as well as any aggregator or similar vehicle formed to facilitate a co-investment by a Fund along-side one or more participating co-investors, including the fees, costs and expenses thereof that a Fund would otherwise not have borne but for the participation of such participating co-investor(s) (by way of example only and without limitation, the incremental aggregator-level auditing and reporting, accounting and other administrative expenses); (vi) fees, costs and expenses incurred in connection with distributions to the limited partners; (vii) fees, costs and expenses incurred in connection with any valuation of the assets of the Fund; (viii) principal, interest on and fees, costs and expenses arising out of all borrowings, guarantees and other extensions of credit made by the relevant Fund, including the arranging thereof; (ix) all premiums and fees, costs and expenses, including broker fees, associated with any litigation, D&O liability or other insurance coverage (including in respect of errors or omissions of each Fund's general partner or investment manager, the Principals and each of their respective affiliates, personnel and related entities, and for any other persons acting on behalf of the Fund) and indemnification or extraordinary expense or liability relating to the affairs of a Fund; (x) fees, costs and expenses incurred in connection with the maintenance, operation and administration of each Fund (including for purposes of maintaining the Fund in good standing with respect to state and similar registrations); (xi) fees, costs and expenses incurred in connection with dissolving, winding-up, liquidating and terminating a Fund; (xii) any taxes or fees, costs, expenses or other governmental charges levied against or payable by a Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund or any of its tax returns and Schedule K-1s (or additional or similar tax-related schedules) and fees, costs and expenses with respect to the representation by the tax matters partner or partnership representative or the designated individual, as applicable, of the Fund and the limited partners; (xiii) fees, costs and expenses (including legal fees and expenses) incurred to comply with any law or regulation related directly to the activities of a Fund including (A) regulatory expenses incurred in connection with the operation of a Fund, (B) expenses related to the preparation and filing of Form PF and similar U.S. and non-U.S. regulatory filings, (C) expenses related to the compliance with or filings under Foreign Account Tax Compliance Act, (D) expenses advisable or required to be incurred in order to cause or permit the Fund comply with terms and conditions of Alternative Investment Fund

Managers Directive and/or the law, rules or regulations implemented or promulgated in any applicable jurisdiction in relation thereto (including the fees, costs or expenses of any depositary required in connection therewith), (E) expenses related to compliance with anti-money laundering rules and regulations applicable to the operations or activities of the Fund, (F) expenses related to compliance with privacy laws, rules or regulations of any applicable jurisdiction, including the General Data Protection Regulation and (G) expenses incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith; (xii) fees, costs and expenses incurred in connection with any meeting of the board of advisors and meetings of or with one or more of the limited partners (which fees, costs and expenses will include any and all transportation, meal, entertainment and lodging fees, costs and expenses, which will include travel by way of private or non-commercial aircraft, incurred by representatives of Harvest and/or the portfolio companies and other attendants of any such meetings), including the annual limited partners' meeting or other meeting of the limited partners called by the Fund's general partner and the reasonable out-of-pocket expenses incurred by the members of the board of advisors in connection with the fulfillment of their duties (including the fees, costs and expenses of any independent legal counsel appointed to assist the board of advisors); (xiii) fees, costs and expenses incurred in connection with any communication with one or more of the limited partners, including fees, costs and expenses incurred in connection with responding to investor inquiries, investor-specific reporting requests or due diligence requests or questionnaires (including expenses incurred in obtaining industry or market data for purposes of benchmarking the investment performance history of each Fund's investment manager or one or more of its affiliates) (xiv) fees, costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of each Fund and related entities; (xv) fees, costs and expenses incurred in connection with negotiating and entering into, and compliance with, side letter provisions and any "most favored nations" provision election process, including expenses associated with compliance with environmental, social and governance standards imposed by any such side letter or otherwise applicable to a each Fund or its Investment Manager with respect to such Fund, investor-specific reporting and other requirements set forth in side letters; (xvi) fees, costs and expenses incurred in connection with transfers of interests by the limited partners (including, for the avoidance of doubt, any proposed assignment or transfer of an interest that is not ultimately consummated), including name changes, restructurings, involuntary transfers or transfers of interests by limited partners by operation of law or court order, in either case, that are not otherwise borne by the applicable transferor or transferee; (xvii) fees, costs and expenses incurred in connection with the formation, organization, operation and administration of an alternative vehicle (including fees, costs and expenses relating to entity-level taxes and any associated reduction in proceeds, and ERISA obligations, including any fees, costs and expenses of an ERISA bond); (xviii) fees, costs and expenses incurred in connection with the making of temporary investments; and (xix) fees, costs and expenses relating to defaults by limited partners in the payment of any capital contribution, direct payment or other payment required to be made by such limited partner.

To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby regardless of whether such interests are held by the Fund (directly or indirectly), and except

where prohibited by the Funds' Governing Documents, such interests are permitted to be issued to Harvest and its personnel.

Additionally, subject to the Funds' Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

To the extent a limited partner bears less than its pro rata share of any general or specific category of fees, costs or expenses of a Fund for any reason (including as a result of being excused from funding a portfolio investment), the excess will generally be re-allocated to, and will be borne by, the other partners; however, each limited partner will generally bear its pro rata share of any Broken Deal Expenses irrespective of whether such limited partner would have been excused from the applicable portfolio investment.

In addition to the foregoing, the fees, costs and expenses incurred in connection with the organization of a Fund and expenses related to the sale of its interests (other than placement fees), or the negotiation of terms and conditions of investments from limited partners, will generally reduce the management fees otherwise borne by the limited partners to the extent such costs and expenses exceed a certain dollar amount. Furthermore, placement fees will generally offset such management fees on a dollar-for-dollar basis, as described in the offering documents and limited partnership agreements for each Fund.

Detailed information regarding all of the fees, costs and expenses to be paid by each Fund is contained in the relevant Fund's Governing Documents. Investors should not consider an investment in a Fund without fully understanding the Fund's fees, cost and expense structure.

Performance Based Fees and Side-by-Side Management

Harvest or an affiliate of Harvest is also generally entitled to receive a distribution of a certain percentage (which will vary for the Funds and is set forth in detail in the Governing Documents, but generally up to 20% or, in the case of HP VII, HP VIII and HP IX, up to 30%) of the profits on distributions derived from the disposition of investments or securities (after taking into account certain expenses of the Fund, including management fees) ("Carried Interest"). Subject to the Funds' Governing Documents, investors in each such entity are generally entitled to receive an 8% preferred return prior to the imposition of the Carried Interest, after which, the Carried Interest "catches up" to the applicable rate (*i.e.*, up to 20% or, in the case of HP VII and HP VIII, up to 30%). Harvest reserves the right to negotiate for and establish varying terms for carried interest or other incentive economics (including amount, timing, waterfall conditions or other terms) with other Funds or investment vehicles, in which case, Harvest is subject to potential conflicts of interest, to the extent its personnel are involved in identifying investment opportunities as appropriate for Funds or investment vehicles from which they are entitled to receive a higher carried interest percentage or other incentive payment. Moreover, as discussed further below under "Co-Investments", Harvest reserves the right to negotiate, and has negotiated, different carried interest terms with co-investors (including none), and such co-investments could be subject to different or differently calculated carried interest for the benefit of the relevant general partner, Harvest or either of their respective affiliates, in any event, as compared to what investors are subject to under the Governing Documents of the relevant Fund.

Although Carried Interest is a method of compensation that is generally used to align Harvest's interests with those of its Funds' limited partners, it has the potential to create an incentive for Harvest to make more speculative investments, although Harvest generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals as discussed below. In addition, as a result of changes to U.S. federal income tax law in 2017, gain that is allocated to the general partner of a Fund with respect to Carried Interest will generally be treated as short-term capital gain (and subject to tax at substantially higher rates) unless the relevant investment is held for more than three years. In addition, the limited partnership agreements of certain Funds permit the relevant general partner to defer Carried Interest distributions. Compensation in the form of Carried Interest is therefore expected to incentivize Harvest to make different decisions regarding the timing and manner of the realization of its Funds' portfolio investments than would be the case if such Carried Interest were not part of its overall compensation structure. Harvest seeks to address these conflicts through careful vetting of investment opportunities by its investment professionals and disclosure of investments to limited partners through capital call notices and periodic reports. Additionally, the Principals and certain investment professionals will often invest in the Funds indirectly (*e.g.*, through general partner commitments) intended to align the interests of Harvest and those of the Funds. In addition, the limited partnership agreements of certain Funds provide "claw back" provisions that require the Principals and certain of its investment professionals to return to such Funds distributions of Carried Interest if and to the extent that, in the aggregate, such Principals and professionals have received such distributions in excess of a certain percentage (generally 20%, or, in the case of certain HP VII, HP VIII and HP IX investors, 30%) of the total profits of investors in such Fund (or, if greater, any such excess distributions of Carried Interest to the extent the 8% preferred return described above has not been achieved).

Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) has the potential to create an incentive to disproportionately allocate services, time, or functions to Funds paying Carried Interest at disproportionate rates. Generally, this conflict is mitigated by procedures established in the Funds' limited partnership agreements which include certain limitations on the ability of Harvest to establish new investment funds, contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or contractual provisions and procedures setting forth investment allocation requirements.

Detailed information regarding the Carried Interest (or otherwise called the "Incentive Fee" for certain Funds) to be borne by the investors in each of the Funds, including the HP SCF Funds and the HP Credit Funds, is contained in the relevant Fund's Governing Documents. Investors should not consider an investment in a Fund without fully understanding the Fund's Carried Interest or Incentive Fee structure, as applicable. The possibility exists that multiple Funds may have capital available for investment at the same time and that a prospective investment or a follow-on investment may fit within the investment mandate of more than one Fund. In such case, Harvest will allocate the opportunity, including any related co-investment opportunities, in accordance with methodology set forth in the applicable Funds' limited partnership agreements. In cases where the

Funds' Governing Documents do not specifically address allocations, Harvest may (but is not necessarily required to) discuss the allocation with the applicable Funds' board of advisors.

Co-Investments

When the general partner of a Fund deems it appropriate and consistent with the interests of the Fund, it is permitted, but will not be obligated, to provide the Fund's limited partners, prospective limited partners, Operating Executives (as defined below), third parties, or any of their respective affiliates, with co-investment opportunities. Except with respect to investments by the HP SCF Funds in the securities of (or other investments in) portfolio companies owned by one or more of the HP PE Funds, which would be subject to the satisfaction of certain conditions set forth in the limited partnership agreement of the HP SCF Funds, the general partner can allocate the available co-investment opportunities (which, for the avoidance of doubt, could include re-financing opportunities with respect to an existing portfolio company or an investment in a different part of a portfolio company's capital structure from that which the Fund offering the opportunity holds, subject to any limitations in the applicable Fund's Governing Documents) among the Fund, such person or entity, including any current limited partners, prospective limited partners, Operating Executives, service providers, and/or any other third party as the general partner may, in its sole discretion, determine. The general partner of a Fund will consider any factors it deems relevant in determining such allocations, including, without limitation: the prospective co-investor's size, sophistication, and tenure as an investor with Harvest generally; commitment to making co-investment funds available; ability to consummate co-investments within a specified time frame and with the same diligence as Harvest; interest in pursuing co-investment opportunities; prospective co-investor's strategic expertise or other benefits; whether the prospective co-investor has expressed interest in evaluating co-investment opportunities, and/or has previously been offered opportunities to co-invest and whether the prospective co-investor has taken up those opportunities (or conversely has passed on opportunities); the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investors; the prospective co-investor's financial and operational resources and other relevant wherewithal to evaluate and participate in the co-investment opportunity (including potential add-on acquisitions and other potential additional investments); the aggregate size of the co-investment opportunity; the size of a prospective co-investor's commitment to a Fund (if any); the maximum number of investors that can realistically participate in the transaction; the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; whether prospective co-investor has an interest in investing in the industry in which the proposed portfolio company participates; whether the prospective co-investor has any interests in any competitor of the underlying investment; whether the participation of a prospective co-investor in the acquisition group might improve Harvest's chances to win the deal in a competitive auction situation; geographic nexus between the prospective co-investor and the potential portfolio company; whether the proposed investment is of a financial nature attractive to a particular prospective co-investor; whether the participation of a prospective co-investor in the proposed investment could add value to the proposed portfolio company; existence of a formal or informal strategic relationship with the prospective co-investor; a prospective co-investor's willingness to invest in future Funds or upsize their capital commitment to a Fund; whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a Fund or Harvest certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or

monitoring the investment, the nature of the prospective co-investor's relationship with management, or whether Harvest believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Harvest; whether the prospective co-investor would be willing to defer to Harvest and assume a more passive role in governing the investment; whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); Harvest's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Harvest's ability to execute the relevant transaction in the desired time or on desired terms; confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; and other factors that Harvest considers important in connection with the specific transaction or investment, including, without limitation, expected holding investment period and services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment).

Harvest or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Harvest expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because: (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to management fees and/or performance-based compensation, co-investments generally reduce the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest.

As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than- fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

When and to the extent that employees and related persons of Harvest and its affiliates make capital investments in or alongside certain Funds, Harvest and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The terms of any such co-investment opportunity, including the management fees, the carried interest and the reimbursements for expenses applicable to such co-investment, if any, will be negotiated by the general partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion. Such co-investments might not be subject to management fees, carried interest or the reimbursement of expenses for the benefit of the relevant general partner, Harvest or either of their respective affiliates, or could be subject to different or differently calculated management fees, carried interest or reimbursements for expenses for the benefit of the relevant general partner, Harvest or either of their respective affiliates, in any event, as compared to what investors are subject to under the partnership agreement of the relevant Fund, and could be subject to commitment fees, transaction fees and other similar fees in the sole discretion of the Fund general partner for the benefit of general partner, Harvest or either of their respective affiliates. Such co-investment economics will be for the benefit of the relevant general partner, Harvest or such affiliate and not, for the avoidance of doubt, the benefit of any investor.

Harvest will in certain circumstances be incentivized to offer certain potential co-investors opportunities to co-invest on more favorable economic terms than other potential co-investors (or in comparison to limited partners) for a number of reasons, including, but not limited to, the co-investor's relationship with Harvest and its interest in investing in existing and future Funds. The management fees, carried interest and other fees received by Harvest from Funds and the amount of expenses charged to the Funds will likely be different than such amounts paid by or charged to co-investment vehicles pursuant to the terms of such vehicles' Governing Documents and other agreements with co-investors, and such variation in the amount of fees and expenses will create an economic incentive for Harvest to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investment vehicles could differ materially, and in some instances will be more favorable to Harvest, than the terms of the Funds, and such different terms can be expected to create an incentive for Harvest to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles, as the case may be. Such incentives will give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to the Funds or Fund investors through a co-investment will be made available.

Except as expressly set forth in the partnership agreement or advisory agreement of the relevant Fund, the economic terms of such co-investment at the investment level will be on terms substantially similar to (and, in the case of co-investment by Fund limited partners, no more favorable than) those of the underlying portfolio investment made by the Fund.

The Fund's general partner is permitted to form a vehicle to facilitate participation of one or more co-investors in one or more co-investment opportunities on a discretionary or non-discretionary basis, and the general partner or one of its affiliates is permitted to make a nominal investment in any such co-investment vehicle.

From time to time, the general partner of a Fund will elect to facilitate co-investment opportunities with respect to a particular investment within a certain period of time after such investment is consummated by the Fund through subsequent sales or dispositions of portions of such investment to co-investors. Proceeds received by the Fund in connection with any such sale or disposition are generally distributed on a pro rata basis to all partners of the Fund in proportion to their respective interests therein. In addition, the general partner reserves the ability to charge any co-investor participating in such co-investment opportunity a cost of carry based on the cost basis of the interest in the investment being acquired by such co-investor. Any cost of carry paid to the Fund by a co-investor is also generally distributed on a pro rata basis to all partners of the Fund and may be treated as part of cumulative distributions to such partners under the Partnership Agreement for purposes of computing the preferred return. If a Fund elects to facilitate a co-investment opportunity in this manner, it will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, among other things, such Fund may hold a larger than expected interest in such portfolio investment, may bear a greater amount of fees, costs and expenses associated with such portfolio investment, or may realize lower than expected returns from such portfolio investment. For the avoidance of doubt, subject to the applicable provisions in the Funds' or vehicle's Governing Documents, the general partner of the Fund, in its sole discretion, reserves the right to waive the cost of carry applicable to a co-investor.

To the extent a particular co-investor (including a prospective co-investor) does not pay (or does not agree to pay) its pro rata share of fees, costs and expenses related to its co-investments (or prospective co-investments), or a particular co-investor does not otherwise bear (or does not agree to bear) its pro rata share of any liability, obligation or other economic burden arising after its co-investment was originally consummated, then such fees, costs, expenses, liability, obligation or other economic burden will be borne entirely by the relevant Fund. The foregoing could also result if a Fund seeks but is unable to sell or dispose of a portion of its interest in a particular investment to co-investors. In addition, in the context of co-investments that are not consummated, the relevant Fund will bear any unreimbursed Broken Deal Expenses in their entirety.

Types of Clients

Harvest provides investment advisory services to privately-offered pooled investment vehicles, a single-investor fund and certain managed accounts, in addition to providing sub-advisory services to a third party adviser in respect of certain assets of a private CLO. For information on minimum commitment amounts, please see the related Fund's offering documents.

Investment in the Funds is limited to investors that meet certain financial sophistication requirements. Investors in the Funds must be (i) “accredited investors” within the meaning of Regulation D under the Securities Act of 1933, as amended, and/or, generally, (ii) “qualified purchasers” within the meaning of the Investment Company Act of 1940, as amended (the “1940 Act”). Certain Harvest employees who qualify as “knowledgeable employees” under Rule 3c-5 of the 1940 Act are also permitted to invest directly or indirectly in the Funds. Investors considering an investment in the Funds should consult with their own investment, tax and/or legal consultants prior to investing.

The partners of the Fund enter into separate agreements, commonly referred to as “side letters”, or other similar agreements with a particular investor in connection with its admission to a Fund without the approval of any other investor or advisory board. Certain side letter provisions have the effect of establishing rights, benefits or privileges under, or altering or supplementing, the terms of the relevant Fund’s partnership agreement that are more favorable than the terms given to other limited partners (including with respect to carried interest and management fees). As a result of such side letters, certain limited partners will receive additional benefits that other limited partners will not receive (or terms that are more favorable than the terms given to other limited partners) (none of which generally will be subject to the “most-favored nation” provisions of a Fund’s Governing Documents), including, without limitation, (i) “most favored nations” treatment with respect to terms granted in other side letters, (ii) the right to appoint a voting or non-voting member to the board of advisors, (iii) terms that relate to the tax, legal or regulatory situation, internal policies, structural attributes, operational or contractual requirements, principal place of business, jurisdiction of formation or domicile or organizational form of the applicable limited partner, (iv) waivers of the confidentiality obligation under the relevant Fund’s partnership agreement, (v) the right to be excused from the obligation to make a capital contribution with respect to a portfolio investment as a result of a legal, regulatory, policy-based or other similar restriction or limitation applicable to the limited partner, (vi) representations and covenants from the general partner or Fund addressing the payment of placement fees or similar payments made with respect to the admission (or continued investment) of the applicable limited partner, including provisions intended to address the requirements of anti- “pay-to-play” or similar regulations, (vii) consents to or rights with respect to the sale, exchange, assignment, mortgage, hypothecation, pledge or other transfer of the applicable limited partner’s interest in a Fund, (viii) rights with respect to reporting or notice of or access to information not otherwise contemplated by the relevant Fund’s partnership agreement, (ix) terms clarifying or limiting the scope of any power of attorney set forth in the relevant Fund’s partnership agreement or any subscription agreement, and (x) waivers, discounts or other reductions to the management fee, carried interest or other economic benefits, including limitations on the applicable limited partner’s pro rata share of any general or specific category of fees, costs or expenses of a Fund. Any rights established, or any terms of the relevant Fund’s partnership agreement altered or supplemented, in such side letters or other writings with a limited partner will govern with respect to such limited partner notwithstanding any other provision of the relevant Fund’s offering documents or partnership agreement. Such side letters will result in differential treatment among the limited partners. Other side letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. Except where required by Governing Documents, other investors will not receive copies of side

letters or related provisions. For the avoidance of doubt, agreements or writings entered into with a limited partner or any of its affiliates or related parties granting economic concessions or other benefits to such party in its capacity as a co-investor (including co-investment economics) will not constitute a “side letter” for purposes of the relevant Governing Documents.

Harvest is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (*e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Harvest, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Harvest, its affiliates and personnel, or the Funds). To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded from participation in investments, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating limited partners could be affected, and excuse rights requested or received by one or more limited partners representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. Similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment.

Methods of Analysis, Investment Strategies, and Risk of Loss

Harvest’s investment process involves a structured approach to the entire value chain of investing, from idea generation through exit. The investment process is designed to seek consistent returns while preserving capital. Having originally commenced investing in 1981, the main tenets of Harvest’s investment strategy have been consistent since Harvest Partners IV, L.P. and its related investment vehicles.

The critical elements of Harvest’s investment approach to achieve its mission for the HP PE funds are: (i) careful asset selection driven by a comprehensive and disciplined due diligence process; (ii) proactive targeting of industries; (iii) risk control and capital preservation; (iv) engagement of professionals across the Firm in discussion and review at appropriate stages of the investment cycle; (v) approval of the Fund’s Investment Committee on all investment transactions; and (vi) active portfolio company oversight and guidance of management to achieve a company’s full potential.

With respect to the HP PE Funds, Harvest employs a balanced risk-return approach that emphasizes capital preservation over “higher beta” transactions. The Firm employs a risk management framework that is grounded in its due diligence process, investment approval requirements and approach to the capital structures employed in portfolio companies.

Similarly, the HP SCF Funds utilize Harvest’s investment approach as well as its extensive network of contacts to identify, evaluate and execute potential investments in senior equity and junior debt securities. The main components of the HP SCF Funds’ investment strategy are to (i) leverage the resources and investment opportunities within Harvest, (ii) offer a compelling value proposition to

private equity investment and entrepreneurial business owners, and (iii) focus on middle market companies that fit the investment criteria Harvest applies to the HP PE Funds.

The HP SCF Funds also employ an investment approach that emphasizes capital preservation and will endeavor to achieve safety of principal by investing in the same type of North American-based high quality companies that meet the investment criteria applied by Harvest to the HP PE Funds. The HP SCF Funds structure investments to be senior in liquidation preference to a significant amount of underlying enterprise value. Any diminution in enterprise value will be borne first by the common equity securities and should not meaningfully impact the HP SCF Funds' investment in senior equity and junior debt securities until the common equity is fully impaired. In addition to having a substantial common equity "cushion," HP SCF Funds' investments are structured with rights, controls and protective covenants that the Harvest believes further enhance the safety of the principal invested.

With respect to HP Ascend Funds, Harvest takes a sector first approach to investing that combines proactive theme development, asset identification, a rigorous investment committee and underwriting process and the "Ascend Escalate Strategy," a post-closing value creation blueprint.

The HP Ascend Funds generally seek to identify companies that contain the following characteristics: (i) operate in large, fragmented markets with macro tailwinds; (ii) maintain a core value proposition delivering mission-critical solutions; (iii) demonstrate a competitively differentiated product or service offering within the market; (iv) maintain a highly visible revenue model across a diversified, tenured and entrenched client base; (v) offer the potential for business transformation across multiple growth areas supported by the Ascend Escalate Strategy; and (vi) led by a trusted, proven and scalable management team with opportunities to expand leadership.

As described above, Harvest Credit provides advisory services to HP Credit Clients principally based on a credit investment strategy.

Harvest adheres to an investment process that varies based on the investment type but generally includes: (i) proactive sourcing; (ii) a stringent due diligence and approval process; and (iii) active oversight and support. The Firm's team of investment professionals takes an active role in all phases of Harvest's investment process.

Acquiring an interest in a Fund involves a number of risks. An investment in a Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that the Funds will achieve the investment objective or that investors will receive a return of their capital.

An investment in the Funds involves a risk of loss. Risk factors below describing risks to a Fund are generally also applicable to any Fund managed by Harvest. Additional risks specific to a Fund's investment strategies can be found in the relevant Fund's Governing Documents.

A brief overview of some of the prominent risks related to Harvest's investment strategy is outlined below:

Reliance on the General Partner and the Harvest Team

The Funds are dependent on their respective general partners. Control over the operation of the Funds will be vested with the general partners, and the Funds' profitability will depend largely upon the availability and business and investment acumen of Harvest's investment and senior professionals (the "Harvest Team"). The loss or reduction of service of one or more of the Harvest Team's members could have an adverse effect on the Funds' ability to realize their investment objectives. In addition, the Harvest Team currently manages, and expects in the future to manage, multiple Funds and investment strategies, and at times certain members of the Harvest Team will need to devote substantial amounts of time across such investment activities of multiple Funds and investment strategies, which could pose conflicts of interest in the allocation of time of the Harvest Team. Limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of their respective general partners and the Harvest Team. In addition, certain changes in the general partners of the Funds or circumstances relating to the general partners have the potential to have an adverse effect on the Funds or one or more of their portfolio companies.

Portfolio Concentration

Although generally no more than 20% of the aggregate commitments to a Fund will be invested in any single portfolio company (excluding any bridge financings), diversification is not a requirement of any Fund. Accordingly, a Fund's portfolio investments will include a small number of large positions. While this portfolio concentration can enhance total returns to the limited partners, if any large position has a material loss, then returns to the limited partners will be lower than if they had invested in a more diversified portfolio.

Unspecified Investments

A Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. The success of a Fund will depend on the ability of its general partner and Harvest to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such investments. Furthermore, to the extent the investment strategy of a Fund relies upon the recovery, stabilization or improvement of market and economic conditions and such events do not occur for an extended period of time, a Fund may not be able to invest a significant portion of its committed capital during its commitment period.

Financial Leverage

The Funds expect that certain of their portfolio companies, or intermediate entities thereof, will maintain financial leverage, and the Funds could re-leverage a portfolio investment in order to achieve this goal. Such leverage could be substantial. Utilization of leverage will result in fees, costs and expenses, including interest expense, to a Fund or its portfolio companies. If the portfolio company is unable to refinance in order to maintain the desired amount of financial leverage, a Fund could realize lower than expected returns from the relevant portfolio investment and hold a larger than expected investment therein. Financial leverage significantly increases exposure to adverse economic factors, such as rising interest rates, downturns in the economy or deterioration in the condition of such portfolio companies or portfolio investments or their respective industries. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. If a portfolio company cannot generate adequate cash flow to meet

debt obligations, for example, a Fund could suffer a partial or total loss of capital invested in the portfolio company. Subject to the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with any parallel partnership, alternative investment vehicle ("AIV"), special purpose vehicle or portfolio company, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Use of Credit Facilities

Subject to certain restrictions set forth in the relevant partnership agreement, each general partner has the ability to cause a Fund to borrow money from any person, or to guarantee loans or other financings or enter into (as borrower, issuer or similar capacity) other extensions of credit, including causing such Fund to engage in any of the foregoing on a joint and several or cross-collateralized basis with any parallel partnership, AIV, special purpose vehicle or portfolio company, in each case, (i) for purposes of facilitating loans, other financings or other extensions of credit made to any current or prospective portfolio company (or to any subsidiary thereof) or any vehicle formed to effect the acquisition thereof; (ii) for the purpose of covering organization expenses, partnership expenses or the management fee; or (iii) to provide financing to the extent necessary or desirable to consummate the purchase of portfolio investments or any financing or refinancing of the purchase price thereof or investment therein (including any "back-leverage", asset-based or similar financing of or with respect to one or more portfolio investments) (as applicable). Each general partner will have the right at its option to pledge, grant a lien on, secure an interest in or make a collateral assignment of the obligations of one or more of the partners to make capital contributions or direct payments to a lender or other credit party of a Fund or any portfolio investment or other asset or property of such Fund (including equity interests of any entity that holds one or more portfolio investments, including a subsidiary vehicle). This will limit the limited partners' ability to use their interests in a Fund as collateral for other indebtedness (which in any case would be subject to the consent of the general partner in its sole discretion). In addition, the inability of a Fund to repay such borrowings could enable a lender to take action against any limited partner to the extent of its then unfunded commitment in a Fund.

If a Fund borrows money or obtains financings, then it is possible that such Fund's interim and longer term capital needs will be satisfied through such borrowings or financings, and drawdowns of capital contributions by such Fund, including those used to pay interest on borrowings or financings, could be "batched" together into larger, less frequent capital calls (although actual timing and amounts can vary). Furthermore, because a Fund intends to use such borrowings or financings to fund portfolio investments or organization expenses, partnership expenses or the management fee in advance of calling capital from limited partners, (i) net internal rate of return ("Net IRR") will differ from what it would have been had such borrowings or financings not been used and (ii) since Net IRR is calculated based on the actual dates of capital contributions from, and distributions to, the limited partners, the use of borrowing and financings in lieu of calling capital will cause the date of contribution to be later in time, resulting in a higher Net IRR than if such borrowings or financings had not been used. Accordingly, each general partner will have an incentive to fund the acquisition of portfolio investments and the ongoing capital needs of a Fund with the proceeds of borrowings or other financings in lieu of drawing down unfunded commitments.

If an investment appreciates in value and is disposed of prior to repayment of Fund borrowings, the relevant Fund generally will apply disposition proceeds to repay the borrowing and related interest and expenses, and the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant general partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant general partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates and increases the

likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant general partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant general partner may request certain financial information and other documentation from limited partners to share with lenders. The general partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Illiquid and Long-Term Investments

It is anticipated that there will be a significant period of time before a Fund will have completed its investments in portfolio companies. Such investments are likely to take several years from the date of initial portfolio investment to reach a state of maturity when realization of the investment can be achieved. Although portfolio investments of a Fund occasionally generate some current income, private investment transaction structures typically will not provide for liquidity of a Fund's investment prior to that time. The return of capital and the realization of gains, if any, from a portfolio investment will generally occur only upon the partial or complete disposition or refinancing of such portfolio investment. In light of the foregoing, it is likely that no significant return from the disposition of a Fund's portfolio investments will occur for a substantial period of time from the effective date of such Fund. It is unlikely that there will be a public market for the securities held by a Fund at the time of their acquisition. A Fund generally will not be able to sell securities held by it publicly unless the issuer has consummated a public offering of its securities and such offered securities are registered under applicable securities laws, unless an exemption from such registration requirements is available. In addition, in some cases, a Fund will be prohibited by contract from selling certain securities held by it for a period of time and, as a result, will not be permitted to sell a portfolio investment at a time it might otherwise desire to do so. Further, dispositions of publicly listed portfolio investments are likely to require a lengthy time period or could result in distributions in kind to investors. Additionally, the public market for emerging growth companies in the technology and data services market is extremely volatile. Such volatility

may adversely affect the development of portfolio companies, the ability of a Fund to dispose of portfolio investments, and the value of portfolio investments on the date of sale or distribution by a Fund.

Investments in Restructurings or Underperforming Companies

A Fund could acquire portfolio investments in portfolio companies that are experiencing or are expected to experience financial difficulties, from which such companies may never recover. Such portfolio investments could subject a Fund to additional potential liabilities exceeding the value of a Fund's original investment therein. Such portfolio investments of a Fund could also be subject to U.S. federal bankruptcy law and U.S. state fraudulent transfer laws, which vary from state to state.

Failure to Make Capital Contributions

If limited partners fail to pay when installments of their commitments to a Fund are due, a Fund may be unable to pay its obligations when such obligations are due. As a result, a Fund may be subjected to significant penalties that could limit opportunities, investment diversification and materially adversely affect the returns to all limited partners.

No Right to Control a Fund's Operations

Limited partners will have no opportunity to control the operations of a Fund, including, without limitation, its investment and disposition decisions and decisions regarding the selection of service providers and the operation of a portfolio company. The limited partners will also have no opportunity to evaluate any economic, financial, and other information that will be utilized by Harvest in its selection of portfolio investments. In addition, to the extent that a limited partner is not represented on the board of advisors, such limited partner will have no influence over matters submitted to the board of advisors for review or approval.

Middle Market Companies

A significant component of the Funds' investment objectives is to invest in middle or lower middle market companies. Although investments in middle or lower middle market companies can present greater opportunities for growth, such investments also entail larger risks than are customarily associated with investments in larger companies. Middle or lower middle market companies tend to have relatively limited product lines, markets, and financial and other resources. As a result, such companies tend to be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth could depend on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which tends to make realizations of investments in such companies more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle market companies, could make it difficult for a Fund to react quickly to negative economic or political developments.

Investments in Less Established Companies

A Fund is not restricted from investing a portion of its assets in the securities of less established companies or early stage companies. Investments in such early stage companies involve greater risks than those generally associated with investments in more established companies. Such companies also have shorter operating histories on which to judge future performance and, in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies

typically do not have significant or any operating revenues. In addition, less mature companies are more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by a Fund, securities of less established companies tend to be subject to more abrupt and erratic market price movements than those of larger, more established companies.

Investment Expenses and Broken Deal Expenses

Investments of the Funds will require extensive due diligence, legal, and other costs prior to their consummation and will result in a Fund bearing Broken Deal Expenses if they are not consummated. A Fund will pay any fees, costs, and expenses incurred in discovering, developing, negotiating, evaluating, acquiring and structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated, including investments pursued by Harvest prior to the initial closing of a Fund that are intended to become portfolio investments of such Fund. Additionally, a Fund is permitted to enter into agreements that involve payments, such as “reverse termination” or “reverse” break-up fees, by such Fund if it does not consummate the transaction. These expenses can be significant and are likely to be material to a Fund. A Fund could incur, either directly or pursuant to its obligation to reimburse Harvest for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses. As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among Fund investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. See also “Co-Investments” under “Performance Based Fees and Side-by-Side Management” above.

Nature of Structured Capital Securities

The HP SCF Funds expect to invest in senior equity, junior debt securities or other similar instruments. Although senior equity, junior debt securities and other similar instruments are typically senior to common stock or other equity securities, the senior equity, junior debt securities and other similar instruments in which the HP SCF Funds will invest will generally be unsecured and subordinated to substantial amounts of senior debt, all or a significant portion of which could be secured. In addition, these securities are unlikely to be protected by all of the financial covenants, such as limitations upon additional indebtedness, typically protecting such senior debt. Holders of subordinated debt generally are not entitled to receive any payments in bankruptcy or liquidation until senior creditors are paid in full. Holders of senior equity and junior debt securities are not entitled to payments until all creditors are paid. In addition, the remedies available to holders of subordinated debt are normally limited by restrictions benefitting senior creditors. In the event any portfolio company in which the HP SCF Funds invest cannot generate adequate cash flow to meet senior debt service, the HP SCF Funds could suffer a partial or total loss of capital invested.

Nature of Preferred Securities

The HP SCF Funds will invest in preferred securities that are rated in the lower rating categories by the various credit rating agencies or, more commonly, in comparable non-rated securities. Securities in the lower rating categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay

interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings and comparable non-rated securities in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower rated and comparable non-rated securities, the yields and prices of such securities are likely more volatile than those for higher rated and comparable non-rated securities. The market for lower rated and comparable non-rated securities is thinner, often less liquid and less active than that for higher rated and comparable non-rated securities, which can adversely affect the prices at which these securities can be sold and could even make it impracticable to sell such securities.

Subordination of Investments

The senior equity, junior debt securities or other similar investments of the HP SCF Funds will typically be subordinated to the senior obligations of an issuer, either contractually, in the case of debt securities, or because of the nature of the security, in the case of preferred stock, or structurally, in the case of an investment at the holding company level. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

Control Position Risk

Harvest intends to make certain investments that allow one or more of the HP PE Funds or HP Ascend Funds to acquire control or exercise influence over management and the strategic direction of a portfolio investment. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management and other types of liability in which the limited liability characteristic of business operations could be ignored. The exercise of control over a portfolio investment could expose the assets of a Fund to claims by portfolio companies underlying such investments, its security holders and its creditors. While Harvest intends to manage the HP PE Funds and HP Ascend Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Non-Control Position Risk

The HP SCF Funds will generally hold, and the HP PE Funds and HP Ascend Funds are permitted to hold, non-controlling interests in its portfolio investments. Although Harvest will negotiate negative covenants and other contractual restrictions applicable to the companies underlying such investments, it will primarily be the responsibility of the management teams and boards of directors of such companies to operate such companies on a day-to-day basis. Under such circumstances, there is the possibility that the entity in which a Fund's investments are made could have economic or business interests or goals that are inconsistent with those of a Fund, and such Fund may not be in a position to limit or otherwise protect the value of its investment in the entity. Although a Fund will generally seek board representation in connection with its investments, there is no assurance that such representation, if sought, will be obtained. Accordingly, Harvest will have a limited ability to protect a Fund's investments in such companies. Further, a Fund may have no right to appoint a director and a limited ability to influence such companies' management.

Debt Investments

Certain Funds invest in Debt Investments, subject to certain conditions set forth in their respective limited partnership agreements.

Such Debt Investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured. Moreover, such Debt Investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for Debt Investments. Other factors could materially and adversely affect the market price and yield of such Debt Investments, including investor demand, changes in the financial condition of the applicable issuer or borrower, government fiscal policy and domestic or worldwide economic conditions. Debt Investments will also entail normal credit risks (*i.e.*, the risk of non-payment of interest and principal). Moreover, a Debt Investment bearing a “paid-in-kind” interest feature will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. In addition, a Debt Investment could be subject to redemption or repayment at the option of the issuer or borrower. If a Debt Investment is called for redemption or repayment, the relevant Fund will be required to permit the issuer or borrower to redeem or repay such Debt Investment, which could have an adverse effect on the Fund’s ability to achieve its investment objective.

Credit Risks of Debt Investments

Credit investments are subject to credit risk, which is the likelihood that a company will default in the payment of principal and/or interest on its obligations, among other covenants and requirements. Financial strength and solvency of a company are key factors influencing credit risk. Portfolio companies may face intense competition, changing business and economic conditions or other developments that may adversely affect their performance and increase credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a Debt Investment may affect its credit risk. Credit risk may change over the life of an investment. In addition, portfolio companies may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce debt obligations. If any of the above occurred, a Fund’s ability to make anticipated distributions to limited partners could be delayed or otherwise adversely affected.

Portfolio companies are expected to present a high degree of business and credit risk. Portfolio investments could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or economic and financial market downturns and dislocations. As a result, portfolio companies that a Fund expected to be stable or improve could operate, or expect to operate, at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

General Risks of CDO and CLO Investments

Debt Investments could include interests in (including the equity securities of) collateral debt obligations (“CDOs”) or collateral loan obligations (“CLOs”)(“CDO/CLO Collateral”) which, in turn, could consist of high yield debt securities, loans, and other instruments that are unrated or rated below investment grade (or of equivalent credit quality). The value of the CDOs and CLOs that could be owned directly or indirectly by a Fund are expected to fluctuate with, among other

things, the financial condition of the obligors or issuers of the CDO/CLO Collateral, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both could impair the ability of the related issuer or obligor to make payments of principal or interest. If distributions from the CLO Collateral are insufficient to make payments on the CLO tranches, then no other assets will be available for payment of the deficiency and, following liquidation of the CLO tranches, the obligations of such issuer to pay such deficiency will be extinguished. In addition, the lack of an established, liquid secondary market for some CDOs and CLOs (CDO and CLO equity securities in particular) are likely to have an adverse effect on the market value of those CDOs or CLOs, as applicable, and will in most cases make it difficult to dispose of such CDOs or CLOs at market or near-market prices.

CDO/CLO Leverage Risk

Debt Investments in any CDO or CLO are expected to involve significant leverage. Leverage is embedded in all classes of a CDO and CLO, with the highest leverage applicable to an investment by a Fund in CDO or CLO equity securities. While the leverage presents opportunities for increasing a Fund's total returns with respect to the related Debt Investments, it also has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of a Debt Investment in a CDO or CLO would be magnified to the extent that the CDO or CLO security is leveraged. The cumulative effect of the use of leverage by a CDO or CLO in a market that moves adversely to the CDO or CLO's investments could result in a substantial loss to the investor in the CDO or CLO, with the greatest loss applicable to the equity securities issued by the CDO or CLO vehicle.

Interest Rate Mismatch

CDOs and CLOs are subject to interest rate risk. Some of the CDO/CLO Collateral of an issuer of a CDO or CLO could bear a floating rate with a "SOFR" (*i.e.*, standard overnight floating rate) floor (*i.e.*, a fixed rate until the floor is breached), while the CDO or CLO liability typically bears interest at a floating rate with no "SOFR" floor. As a result, there could be a floating/fixed rate mismatch between such various tranches of the CDO or CLO and the CDO/CLO Collateral. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of a CDO or CLO to make payments on such a CDO or CLO tranche.

CDO/CLO Illiquidity

Since and in the wake of the global financial crisis, the CDO (including CLO), leveraged finance and fixed income markets have at times contributed to severe liquidity crises in the global credit markets. Financial markets have experienced substantial fluctuations in prices for leveraged loans resulting in limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, a Fund's ability to acquire or dispose of CDOs or CLOs at a price and time that the Fund deems advantageous could be severely impaired. As a result, in periods of rising market prices, a Fund could be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and a Fund's inability to dispose fully and promptly of positions in declining markets will cause its net asset value to decline and could exacerbate losses suffered by the Fund when collateral obligations are sold.

Bankruptcy and Other Proceedings

When a company seeks relief under the U.S. Bankruptcy Code (or has a petition filed against it), with limited exceptions, an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against the company prior to the date of the bankruptcy filing must petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which the creditor has an interest will be “adequately protected” during the proceedings. If the bankruptcy court’s assessment of adequate protection is inaccurate, a creditor’s collateral may be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if a Fund holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the court. If relief from stay is not granted, a Fund may not realize a distribution on account of its secured claim until a plan of reorganization or liquidation for the debtor is confirmed. Bankruptcy proceedings can involve substantial legal, professional and administrative costs to the company and a Fund, and during the process the investee company’s competitive position may erode, key management personnel may depart and the company may not be able to invest adequately. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental value. Such investments can result in a total loss of principal. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes, and is subject to unpredictable and lengthy delays. The equitable power of bankruptcy judges (as more fully described below) also can result in uncertainty as to the ultimate resolution of claims. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that bankruptcy courts would decide favorably toward, or consistent with the interests of, a Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and/or functional operating control of a debtor.

Leveraged Portfolio Companies

The portfolio companies and/or holding entities in which a Fund makes a Debt Investment are likely to be leveraged, thereby increasing the degree of credit risk inherent in each Debt Investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service and could impair its ability to finance future operations and capital needs or to pay principal and interest on Debt Investments when due. The leveraged capital structure of portfolio companies will increase the exposure of any Debt Investments therein to any deterioration in a company’s condition or industry, competitive pressures, an adverse economic environment or rising interest rates. Furthermore, and as noted above, Debt Investments could be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bear floating interest rates. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund could suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund.

Unsecured Debt Investments and Collateral Impairment

In the event of a default by an issuer or borrower underlying a Debt Investment, a Fund might not receive payments to which it is entitled and thereby could experience a decline in the value of its

Debt Investments in the issuer or borrower. If a Fund invests in debt that is not secured by collateral, in the event of such default, such Fund will have only an unsecured claim against the issuer or borrower. In the case of loans or other Debt Investments that are secured by collateral, while a Fund generally expects the value of the collateral to be greater than the value of such loans or other instruments, the value of the collateral could actually be equal to or less than the value of such loans or other instruments or could decline below the outstanding amount of such loans or other instruments subsequent to the Fund's investment. The ability of a Fund to have access to the collateral could be limited by bankruptcy and other insolvency laws. Under certain circumstances, the collateral could be released with the consent of the lenders or other financing providers or pursuant to the terms of the underlying loan or other financing agreement with the borrower. There is no assurance that the liquidation of the collateral securing a loan or other instrument would satisfy the borrower's or issuer's obligation in the event of non-payment of scheduled interest or principal, or that the collateral could be readily liquidated. As a result, a Fund might not receive full payment on a secured Debt Investment to which it is entitled and thereby could experience a decline in the value of, or a loss on, the applicable Debt Investments.

Non-United States Investments

The Funds can invest in companies domiciled outside of the United States or United States companies with significant non-U.S. subsidiaries or operations. Non-U.S. securities involve certain risks including risks relating to: (i) currency exchange matters; (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, or social instability and the possibility of confiscatory taxation or expropriation; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; and (vi) less developed, different or inconsistent laws regarding, among other things, fiduciary duties and the protection of investors. To the extent a Fund invests in companies domiciled outside of the United States, Harvest will analyze risks in applicable countries before acquiring such portfolio investments, but no assurance can be given that a political or economic climate, or that particular legal or regulatory risks might not adversely affect a portfolio investment by a Fund.

Inflation

As inflation increases, the real value of the Funds' investments can decline. Deflation could have an adverse effect on the creditworthiness of portfolio companies and could make defaults more likely, which would result in a decline in the value of the Funds' investments.

Companies in which the Funds invest could be sensitive to general downward swings in the global economy, including periods of sustained elevated inflation. Inflation in the United States, Europe and other geographies has risen to levels not experienced in recent decades. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which the investment opportunities could exist. There can be no assurance that high rates of inflation would not have a material adverse effect on such portfolio investments of the Funds.

In addition, many world governments, as well as inter-governmental institutions, have undertaken and in some cases are still undertaking various and in some cases unprecedented forms of fiscal stimulus, including setting interest rates that are (and have been for extended periods) at historic lows. On the other hand, the U.S. Federal Reserve has indicated an intention to raise certain benchmark interest rates in an effort to combat inflation. It cannot be predicted with certainty when, or how, these policies will change, but actions by the U.S. Federal Reserve and other central bankers should be expected to have a significant effect on interest rates and on the U.S. and world economies generally, which in turn could affect the performance of the Funds' investments. Such stimuli, unless successfully managed and scaled back and wound down at the appropriate time and in the appropriate amounts, together with the passing of U.S. legislation calling for historically significant amounts of government spending, run a severe risk of being inflationary. In addition, there is significant concern in macroeconomic terms about the general levels of indebtedness carried by certain governments. While bringing with it a range of issues, one of the consequences of an extended period of a higher-than-desired level of inflation is often to erode in real terms the value of government debt in a manner that reduces the economic cost in real terms of their payment obligations on such debt. This element of debt erosion will create an incentive for governments to be less robust in seeking to deal with inflation than might otherwise have been the case had the government concerned not suffered from a high level of indebtedness. If such inflation occurs it would have the negative consequences for the Funds' investments set out above.

Further financial crises could result in additional governmental intervention in the markets the nature and substance of which are difficult to predict. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

Cybersecurity

Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the Internet and telecommunications technologies to conduct financial transactions; the ability and degree to which investment managers collect and maintain confidential, proprietary, sensitive, personal and other nonpublic information and data, as well as publicly available data that may be organized in a manner that is not publicly available; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. Harvest, the Funds and the portfolio companies will face cybersecurity threats to gain unauthorized access to confidential, proprietary, sensitive, personal and other information, including, without limitation, information regarding the limited partners and the Fund's investment activities, or to render data or systems unusable, which could result in significant losses. Harvest and its Funds', investors' and portfolio companies' information and technology systems could be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Such activities could also create liabilities in respect of Harvest and/or its portfolio companies to third parties. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Furthermore, Harvest and its portfolio companies could be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Although Harvest and the Funds seek to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Funds and/or their portfolio companies could incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could result in losses relating to: misappropriation of assets, intellectual property or confidential, proprietary, sensitive, personal and other information; corruption, deletion or destruction of information or data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Losses of sensitive information or capabilities essential to the operations of Harvest, the Funds and the portfolio companies could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, and could lead to financial losses from remedial actions, loss of business, regulatory penalties or investigations, legal claims, reputational damage or potential liability, or the disclosure of limited partners' personal information. Remediation costs could also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach. Similarly, the public perception that Harvest, the Funds or portfolio companies have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat. In addition, Harvest's, any Fund's and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates or counterparties for incurred liabilities.

Cybersecurity attacks are evolving and may be difficult to detect for long periods of time, and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, malware, ransomware, social engineering, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or service providers or other electronic security breaches or other similar events that could lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential, proprietary, sensitive, personal or other non-public or otherwise protected information, including personal information relating to the limited partners of the Funds (and the beneficial owners of such limited partners); or loss, destruction or corruption of information or data. Third parties, including activist, criminal, nation-state or terrorist actors, may also, among other things, attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to information, data, accounts, funds or other assets, or otherwise to inflict harm. Harvest or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in both Harvest's or a portfolio company's internally developed systems and the systems of third-party service providers, upon which Harvest or a portfolio company rely. Given the variety and potential severity of cybersecurity threats, Harvest, the portfolio companies and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Additionally, the adoption, interpretation and application of consumer and data protection laws or regulations in various jurisdictions are often uncertain and in flux, and in some cases, laws or regulations in one country may be inconsistent with, or contrary to, those of another country. Certain government bodies or agencies have in the past adopted, and may in the future adopt, laws

and regulations affecting data privacy. Industry organizations also regularly adopt and advocate for new standards in this area.

Privacy and Data Protection Law Compliance Risk

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention, safeguarding and other processing of personal data and current and planned business activities of Harvest, the general partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Harvest, the general partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

The U.S. and international legal and regulatory landscape governing data privacy and protection is in a period of considerable flux. In recent years, state legislatures have passed a number of important new laws, including the California Consumer Privacy Act (“CCPA”), as amended, which became effective on January 1, 2020, and the New York SHIELD Act, which took effect in part on October 23, 2019 and in other parts on March 21, 2020. Further, effective in most material respects starting on January 1, 2023, the California Privacy Rights Act (“CPRA”) (which was passed via a ballot initiative as part of the November 2020 election) significantly modified the CCPA, including by expanding consumers’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency which will be vested with authority to implement and enforce the CCPA and the CPRA. A number of other state legislatures (including Colorado, Virginia, Utah and Connecticut) also have passed or are considering passing comprehensive data privacy laws. In addition, laws in all 50 U.S. states require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach. Outside of the U.S., notable data protection regimes include the EU’s General Data Protection Regulation (EU 2016/679) (“GDPR”) and, following Brexit, the UK General Data Protection Regulation (i.e., a version of the GDPR as implemented into UK law). Each of these laws and regulations broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

The United States Congress is also considering various proposals for privacy, data protection and cybersecurity legislation, each of which could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations continue to evolve and do, and are expected to continue to, vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Harvest, the general partners, the Funds and/or their portfolio companies.

Joint Venture Partners

The general partner or investment manager of a Fund could cause such Fund to enter into joint ventures with third-party operators, joint venture partners, managers or other persons with respect to the management of specified portfolio investments or categories of portfolio investments and, in connection therewith, such third-party managers or other persons could receive management fees and/or performance-based compensation such as a carried interest in vehicles through which such joint ventures invest. A Fund could also hold certain portfolio investments through investment vehicles managed in whole or in part by such third-party operators, joint venture partners, managers or other persons where the general partner or investment manager of such Fund has determined this is necessary or appropriate due to regulatory or other comparable reasons.

To the extent such joint ventures represent bona fide investment arrangements with third-party operators, joint venture partners, managers or other persons with respect to the management of specified portfolio investments or categories of portfolio investments, such ventures will not constitute “blind pool” investment funds for purposes of the partnership agreement. As such, any compensation of such third-party operators, joint venture partners, managers or other persons, which will reduce a Fund’s returns from the relevant portfolio investments, will not offset carried interest or management fees paid to the general partner or the investment manager of such Fund and will increase the cost of the investors’ investment in such Fund. In addition, to the extent a dispute arises between the general partner or investment manager of a Fund and third-party operators, joint venture partners, managers or other persons, such Fund’s portfolio investments relating thereto would be affected adversely.

Co-Investments

See under “Performance Based Fees and Side-by-Side Management” and “Co-Investments” above.

SPAC Transactions

Except to the extent prohibited by the Funds’ Governing Documents, Harvest and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs and to receive compensation (including in the form of management fees, performance-based compensation, founders’ equity or similar interests) relating thereto.

Service Providers

Service providers or affiliates of service providers (including lenders, brokers, accountants, administrators, bankers, consultants, attorneys, and investment banking firms) of the Funds or one or more of their portfolio companies will be in a position to provide certain services to the general partner or investment manager of such Funds, Harvest, or Harvest’s personnel with respect to non-Fund matters. Harvest generally exercises discretion to recommend to a Fund or portfolio company (or an affiliate thereof) that it contract for services with such service providers, and from time to time such service providers are expected to include: (i) Harvest or a related person of Harvest (which could include a portfolio company (or an affiliate thereof) of a Fund or a minority investor in Harvest); (ii) an entity with which Harvest or its affiliates or current or former members of their personnel has a relationship or from which Harvest or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Harvest personnel are seconded, or from which Harvest receives secondees; or

(iii) certain limited partners or their affiliates. As such, the receipt of services with respect to non-Fund matters has the potential to influence or have the appearance of influencing Harvest's decision whether to select such service provider for Harvest or the Funds or whether to recommend such service provider to a portfolio company. Furthermore, to the extent such service provider relies or depends on Harvest for such recommendations or selection, such service provider may be conflicted in the course of work that otherwise requires independence or impartiality. For instance, if such service provider relies or depends on the referrals or direction of the general partner or investment manager of a Fund, Harvest, other Funds or Harvest personnel for work performed for a Fund, such service provider will be inclined to provide better or more resources to the work of Harvest, other Funds or Harvest personnel than to the work of such Fund. Harvest will also permit one or more of its service providers, or affiliates or personnel of its service providers, to invest in a Fund or portfolio company, which would provide further incentive for those service providers to provide better or more resources to the work of the general partner or investment manager of a Fund, Harvest, other Funds or Harvest personnel than to the work of such Fund. Harvest and the general partner or investment manager of the Funds address these conflicts of interest by using reasonable diligence to ascertain whether each service provider provides its service on a "best execution" basis, taking into account factors such as expertise, operational and regulatory controls, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers.

In addition, Harvest will from time to time enter into arrangements with service providers that provide fee discounts for certain services rendered to Harvest or to a Fund. Generally, Harvest will not permit any general partner, investment manager or Harvest to receive discounts with respect to services that are also provided to the Funds or portfolio companies unless such Funds or portfolio companies are charged similar rates. However, a portfolio company is unlikely to benefit from such discounts to the extent it engages such service provider on its own behalf and on independent terms. In certain cases, such arrangements will involve the sharing of risk.

Harvest has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. This discretion subjects Harvest to conflicts of interest, because, although Harvest selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Harvest has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest or because Harvest has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies. There is a possibility that Harvest, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Harvest), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Harvest will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Harvest generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. In certain circumstances where Harvest commits or has committed

to seek “market” or “arms-length” rates or terms, Harvest will make such assessments using its sole discretion and seek rates that it has determined in its sole discretion to be reflective of the range of “market” or “arms-length” rates in the applicable or related markets. Consequently, Harvest undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Harvest reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Harvest has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

From time to time, portfolio companies owned by the Funds are given the option to voluntarily participate in purchasing, vendor or similar arrangements with Harvest, its affiliates and other portfolio companies (or the affiliates thereof). Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Harvest believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market.

Minority Owner

Subject to any limitations imposed by the Funds’ Governing Documents and anti-“assignment” provisions of the Advisers Act, Harvest and its personnel are permitted to offer, restructure and monetize interests in Harvest. A minority interest in Harvest is owned by certain investment funds managed by the Alternative Investment and Manager Selection Group of Goldman Sachs Asset Management, L.P. (“AIMS GS”). Certain of such investment funds underwent an initial public offering in 2021, and therefore, certain Harvest affiliates are indirectly held by public shareholders. AIMS GS, or an affiliate of AIM GS, is expected to invest in other business areas of Harvest and, from time to time, has provided financing services to a Fund (See also “Service Providers.”) Neither AIMS GS nor any affiliated shareholder of an AIM GS fund has any authority over the day-to-day operations of investment decisions of Harvest as they relate to the Funds, although AIM GS has negotiated certain minority protection and consent rights in connection with its investment in Harvest. Although it intends to maintain operations, strategy and investment decisions separate from AIMS GS, Harvest generally may have incentives to conduct operations in a manner that benefits AIMS GS.

ESG Matters

Harvest maintains ESG Policies (“ESG Policies”) for certain Funds and intends to apply the relevant ESG Policy to such Funds’ investment activities, consistent with and subject to any applicable legal, regulatory, fiduciary or contractual duties. The ESG Policies have the potential to cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made it in the absence of the ESG

Policies. Additionally, ESG factors are only some of the many factors Harvest considers in making an investment, and there is no guarantee that Harvest will be able to successfully implement its ESG Policies or that consideration of ESG factors will enhance long-term value and financial returns for limited partners. Similarly, in evaluating a company, Harvest often depends upon information and data provided by the company or obtained via third-party reporting or advisors, which could be incomplete or inaccurate and could cause Harvest to incorrectly assess the company's ESG practices and/or related risks and opportunities. In addition, Harvest's ESG programs and policies likely will change over time.

ESG integration and responsible investing practices as a whole are evolving rapidly, and different frameworks, methodologies, and tracking tools are being implemented by other asset managers. Therefore, Harvest's approach to ESG integration may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic, as well as the interpretations of their scope and materiality. Harvest's interpretations and decisions are expected to differ from others' views and could also evolve over time. Harvest does not intend to independently verify certain of the ESG information reported by the portfolio companies. To the extent Harvest engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment.

Finally, there is also growing regulatory interest across jurisdictions in improving transparency around how asset managers, amongst others, define, measure and disclose ESG metrics and their impact on the performance of the Funds. The ESG Policies could become subject to additional regulation in the future, and Harvest cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs. ESG practices and the statements made by investment advisers with respect to those practices are also areas of increasing regulatory scrutiny, particularly in the United States, and Harvest faces regulatory risk with respect to perceived discrepancies between its published ESG policies (i.e., the policy provided to prospective Limited Partners) and its actual practices.

Outbreaks of Infectious or Contagious Diseases

A pandemic has caused ongoing market volatility and disruption, and future such pandemics or other widespread public health emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could cause a significant or total loss of the value of the Funds' investments.

In particular, the outbreak of diseases or similar public health threats, or even the fear of such an event, affects travel demand, travel behavior, and gives rise to travel restrictions, each of which could have a material adverse impact on the Funds, and the Funds' investments.

COVID-19 and the effects of the pandemic have the potential to constrain global economic production and activity of all kinds and have contributed to both volatility and, at times, the decline in financial markets. Among other things, these developments have, at various times, resulted in

the reductions in demand across certain categories of consumers and businesses, volatility in the credit and capital markets, labor force and operational disruptions, including office, business and school closures, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, political protests, discourse and turmoil over mitigation efforts, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment. Many of these issues are ongoing, and it is unknown whether those that appear to have been remediated will resurface.

The ultimate impact of any such health emergency — and the resulting decline in economic and commercial activity across nearly all of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and cause a significant or total loss of the value of the Funds' investments. The extent of any loss will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under Debt Investments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including partial or total loss of the value of the Funds' investments. With respect to any delayed draw or revolving loans made by a Fund to a portfolio company, a portfolio company may be incentivized for liquidity or other reasons to draw on most, if not all, of the unfunded portion of such loan and the Fund may not have the ability under the applicable credit agreement to refuse to fund such draw without such Fund being in default and suffering financial penalties.

In addition, the operations of the Funds, their portfolio investments and Harvest may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Climate Change-Related Risks

Harvest and the Funds may be exposed to potential physical risks from possible future changes in climate. Harvest and the Funds' portfolio companies may be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases due to climate change, Harvest and Funds' exposure to these events could increase. In addition, Harvest

and the Funds may be adversely impacted by regulatory changes related to climate change as a result of potential impacts of such changes on the supply chain or stricter energy efficiency standards for buildings. Harvest and the Funds cannot provide any assurance that any existing or future regulatory changes will not materially and adversely impact Harvest and the Funds' operations and business in the future.

Financial Institution Risk; Distress Events.

An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Harvest, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that the government will intervene in a Distress Event or, that if there is governmental intervention, will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Harvest to manage the Funds and their investments, and on the ability of Harvest, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant general partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Harvest expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Harvest and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the custodian, which heightens the risks associated with a Distress Event with respect to such custodian. Although Harvest seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Harvest is under no obligation to use a minimum number of custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's investments.

Proposed SEC Private Funds Regulation

The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Harvest and the Funds. In particular, the SEC has proposed a number of new rules and amendments to existing rules under the Advisers Act (the "Proposed Private Funds Rules") including new requirements related to quarterly statements, financial statement audits, prohibited activities and the preferential treatment of certain investors. The Proposed Private Funds Rules include a requirement for detailed quarterly disclosure to investors of private fund performance, fees and expenses (including disclosure of the compensation paid to the investment adviser and its affiliates) and additional portfolio investment-level disclosure. Advisers would also be prohibited from charging certain types of fees and expenses to private funds or their portfolio companies, seeking reimbursement, indemnification, exculpation, or limitation of liability related to certain actions of the adviser and allocating fees or expenses related to a portfolio investment on a non-pro rata basis among multiple private funds invested in the same portfolio investment. The Proposed Private Funds Rules would also prohibit granting certain types of preferential terms regarding redemption or information about portfolio holdings or exposures to only certain investors entirely (*e.g.*, through side letters) and prohibit granting other preferential terms to only certain investors unless disclosed in writing to current and prospective investors. The SEC has also proposed changes to Form PF ("the Proposed Form PF Amendments") which would require advisers to private equity funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single portfolio company's capital structure, and portfolio company restructurings or recapitalizations. The Form PF Amendments would also require that advisers report certain events to the SEC within one business day of their occurrence. A separate cybersecurity rule proposal (the "Proposed Cybersecurity Rules") would require advisers to adopt and implement formal cybersecurity policies, report significant cybersecurity incidents to the SEC and provide enhanced disclosure of cybersecurity risks and incidents to investors (for further discussion of risks related to cybersecurity, please see the sections entitled "Privacy and Data Protection Law Compliance Risk" and "Cybersecurity" above). A separate custody rule proposal (the "Custody Rule Proposal", and together with the Proposed Cybersecurity Rules, the Proposed Private Funds Rules and the Proposed Form PF Amendments, the "Proposed Rules") could increase costs for private fund advisers if adopted as proposed.

The final version of the Proposed Rules could (but is not expected to) differ significantly from the Proposed Rules. In any event, there can be no guarantee as to the content of the final versions of the Proposed Rules. If adopted as proposed, the Proposed Rules are expected to increase the cost of operating the Funds and the time and resources that Harvest, the general partners of the Funds, and their respective affiliates will be required to devote to reporting and compliance matters. The effect of the Proposed Rules on the Funds, Harvest, the general partners of the Funds or any of their respective affiliates' could be substantial and adverse.

Russia-Ukraine Conflict

There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

U.S. Taxation of Carried Interest

U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its general partner, or Harvest who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Harvest to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Discontinuation of LIBOR

To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other

benchmark or reference rates (each, a “Benchmark Rate”), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

CFIUS and National Security Clearance Considerations

Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund’s performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners’ ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow a Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

GP-Led Secondary Transactions

Over the life of one or more of certain Funds, the general partners of such Funds could seek to sponsor a transaction in which limited partners are provided the opportunity to sell all or a portion of their interests in such Fund (the “Transaction Assets”) and/or their indirect interests in one or more assets of the Fund to one or more secondary buyers (any such transaction, a “GP-Led Secondary Transaction”).

A GP-Led Secondary Transaction could be structured in a variety of different ways. One such structure is the sale of the Transaction Assets to a so-called “continuation vehicle” in which the Transaction Assets are sold to a newly formed entity (a “Continuation Vehicle”) capitalized by one or more secondary buyers, controlled by the relevant Fund’s general partner (or an affiliate) and for which the relevant Fund’s investment manager (or an affiliate) serves as investment manager. Another structure is a limited partner tender offer (an “LP Tender Offer”) in which the relevant general partner presents all or certain of the limited partners with an offer from one or more secondary buyers to purchase all or a portion of each such limited partner’s interests in the Fund (which purchase could be structured through a special-purpose vehicle controlled by the relevant

Fund's general partner (or one of its affiliates) and capitalized by secondary buyers). The structures of GP-Led Secondary Transactions are continuously evolving, and the relevant Fund's general partner could seek to sponsor a GP-Led Secondary Transaction with features similar to, or different from, those described above.

GP-Led Secondary Transactions also give rise to various conflicts of interest, some of which are described further (although the following discussion does not purport to enumerate all potential or actual conflicts of interests that arise in connection with GP-Led Secondary Transactions). The general partner and investment manager of the relevant Fund and one or more of their respective affiliates sponsoring any such GP-Led Secondary Transaction (collectively, the "Harvest Transaction Parties") will have interests that differ from, or that conflict directly or indirectly with the interests of, one or more (or all) of the limited partners, and such interests are likely to give rise to incentives for the Harvest Transaction Parties to recommend the applicable GP-Led Secondary Transaction in addition to other conflicts of interest for the Harvest Transaction Parties. By way of example only, consummation of a GP-Led Secondary Transaction will impact the management fees and carried interest received by Harvest Transaction Parties, typically resulting in the Harvest Transaction Parties receiving additional management fees and carried interest related to the Transaction Assets. If an LP Tender Offer is structured as a "stapled transaction" that requires secondary buyers to make contemporaneous capital commitments to another Fund, the price offered to the relevant Fund's limited partners could be adversely affected. There are also potential conflicts of interest among the selling Fund, Harvest, the relevant general partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. In the context of a Continuation Vehicle transaction, for example, the relevant Fund's general partner will be incentivized to seek the highest selling price for the Transaction Assets to de-risk and receive carried interest in respect of the Transaction Assets being sold to the Continuation Vehicle. However, this incentive will conflict with the general partner's desire to seek a lower price for the benefit of the Continuation Vehicle to increase the potential for more carried interest out of the Continuation Vehicle in the future (an incentive that itself will be exacerbated if the carried interest rate negotiated with the secondary buyers is higher than the carried interest rate of the relevant Fund). Such conflicts could be mitigated or exacerbated by the fact that the sale of the Transaction Assets will generally result in the current or future management fees chargeable by the relevant Fund to decrease as a result of the disposition of the Transaction Assets to the Continuation Vehicle – a conflict further complicated by the fact that Continuation Vehicles is likely to result in additional management fees for the relevant Fund's investment manager or one of its affiliates. In addition, in a Continuation Vehicle structure, the Harvest Transaction Parties could receive transaction fees upon sale of the Transaction Assets and during the life of the Continuation Vehicle which could incentivize them to act in favor of the Continuation Vehicle.

There can be no assurance that all parallel funds or limited partners of the relevant Fund will be offered the opportunity to participate in a GP-Led Secondary Transaction or that all such parallel funds or limited partners would receive (or have access to) the same amount of information about the GP-Led Secondary Transaction as other parallel funds or limited partners, or as the secondary buyers. Furthermore, if a GP-Led Secondary Transaction is not consummated for any reason, unless otherwise agreed to with the secondary buyers, the relevant Fund would bear 100% of the out-of-pocket Broken Deal Expenses incurred by the relevant general partner or its affiliates in connection with the GP-Led Secondary Transaction (which expenses are expected to be substantial). Further,

the relevant general partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a GP-Led Secondary Transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Harvest reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment.

Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant board of advisors prior to the closing of the transaction, there can be no assurance that Harvest will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of a Fund or any individual limited partner or group of limited partners. However, Harvest reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

Limited Access to Information

Limited partners' rights to information regarding the Funds will be specified, and strictly limited, in the relevant Funds' Governing Documents. In particular, it is anticipated that the Funds, the general partners of the Funds, and Harvest will obtain certain types of material information from portfolio investments that will not be disclosed to limited partners, including because such disclosure is prohibited for contractual, legal or similar obligations outside of the foregoing parties' control. Decisions by the Funds, the general partners of the Funds, and Harvest to withhold information could have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund could have difficulty in determining an appropriate price for such interest. Decisions to withhold information also could make it difficult for limited partners to monitor the Funds, the general partners, Harvest and their respective performance. Additionally, it is expected that limited partners who designate representatives to participate on a respective Fund's board of advisors will, by virtue of such participation, have more information about the Fund and portfolio investments in certain circumstances than other limited partners generally and will be disseminated information in advance of communication to other limited partners generally.

Disciplinary Information

Harvest and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of Harvest or its personnel.

Other Financial Industry Activities and Affiliations

Unless restricted by the Funds' Governing Documents, the Principals are permitted to serve on boards or act in other roles unaffiliated with Harvest, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Conflicts may arise as a result of such activities and in the allocation of management resources. Investors should be aware that receipt of material non-public information by Principals regarding these companies could preclude the Funds from effecting transactions in the securities of such companies (to the extent permitted under its limited partnership agreement). The possibility exists that the companies

with which one or more of the Principals is involved could engage in transactions which would be suitable for the Funds, but in which the Funds might be unable to invest.

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

Harvest has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires Harvest and its employees to act in clients' best interests, abide by all applicable regulations and avoid even the appearance of insider trading. In addition, among other requirements, employees must disclose to Harvest the existence of personal securities accounts, pre-clear personal trades of initial public offerings or limited offerings and report personal securities transactions. Harvest regularly reviews its compliance systems and procedures with outside counsel and compliance consultants. Should potential conflicts of interest arise, Harvest's investment professionals have an ongoing responsibility to report such conflicts to the chief compliance officer, who will address conflicts on a case-by-case basis.

A copy of Harvest's code of ethics is available upon request to any investor or prospective investor.

The investment professionals of Harvest invest in the Funds as indirect partners of the general partners of the Funds or as special limited partners of the Funds. As indirect partners of the Funds, the investment professionals of Harvest invest in transactions made by the Funds. While investments by related persons and investment professionals of Harvest are intended to align interests of Harvest and its related persons with those of the Funds, such investments may create conflicts (for example, in a diverse group of investors, including the investment professionals, with conflicting tax or other interests, decisions may be made that are more beneficial to one type of investor). Generally, investments and divestures are made on the same economic terms at the investment level for all partners of the Funds, including for Harvest's related persons. Each investment is made pro rata among the partners of each Fund and Harvest's related persons who are indirect partners so that Harvest's related persons may not receive favorable terms or greater exposure to certain investments.

As described below under "Passive Financing Vehicles", from time to time, the Principals and certain Harvest employees participate in an investment vehicle established to provide debt financing to certain of the Funds' portfolio companies. These transactions are carefully reviewed by Harvest's CCO or her designee and undertaken only to the extent that they are not otherwise prohibited by the limited partnership agreements of the applicable Funds.

Conflicts due to Investment Activities of Other Harvest Investment Funds

From the perspective of any of the Funds (the "Applicable Fund"), the Firm, the general partners of such Funds, the Principals and one or more of their respective affiliates (including, for this purpose, investment professionals and other personnel) currently, and expect in the future to, have ongoing interests, including economic interests, in other Harvest-managed investment vehicles (including, for the avoidance of doubt, other Funds) (the "Conflicting Fund") that are invested in one or more of the portfolio companies in which the Applicable Fund invests or in competitors of such portfolio companies. The performance and operation of such vehicles, their portfolio companies and competing businesses will potentially conflict with and adversely affect the performance and operation of the Applicable Fund or the portfolio companies in which either of the Funds invest and

have the potential to adversely affect the prices and availability of business opportunities or transactions available to the Applicable Fund or such portfolio companies. Accordingly, such entities and persons are likely to experience a variety of conflicts of interest to the extent that the interests of such Conflicting Funds would be adversely affected by investment decisions that would otherwise be in the best interest of the Applicable Fund or any of its portfolio companies. Similarly, if such entities or persons are faced with investment decisions for such Conflicting Fund that would be in the best interest of such Fund but would otherwise adversely impact the Applicable Fund or any of its portfolio companies, they will nevertheless be incentivized to make such decisions for the benefit of such Conflicting Fund to the detriment of the Applicable Fund or one or more of its portfolio companies if they are economically or otherwise incentivized to do so (e.g., due to the prospect of earning more carried interest, management fee or other fees). A member of the Harvest Team is expected to sit on the board of directors (or comparable governing body) of more than one portfolio company of the Applicable Fund and/or on the board of directors (or comparable governing body) of one or more portfolio companies of a Conflicting Fund. Such member of the Harvest Team could express inconsistent views on investments or market conditions to each such board (or comparable governing body). Such member of the Harvest Team will also have confidential information from each such portfolio company of the Applicable Fund and/or portfolio company of a Conflicting Fund, including information that would be useful to other portfolio companies of the Applicable Fund or portfolio companies of such Conflicting Funds. Receipt of such information could therefore create conflicts of interest for such member of the Harvest Team. For example, a portfolio company of the Applicable Fund and a portfolio company of a Conflicting Fund could pursue the same acquisition target and the plans of each such company will be known to a member of the Harvest Team who sits on the board of directors (or comparable governing body) of both companies. A conflict of interest that arises solely because a Harvest Team member holds multiple board (or comparable) positions will not be deemed material.

Such conflicts will be exacerbated when one or more of the Funds invest in (or are invested in) different or overlapping levels of the capital structure of the applicable portfolio company. The Applicable Fund could hold securities that are senior, junior or *pari passu* with the securities held by a Conflicting Fund in such portfolio company. Questions could arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. Decisions about what action should be taken in circumstances of financial distress, including whether or not to enforce claims, whether or not to provide additional liquidity and on what terms, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring all raise conflicts of interest (see more on financial distress below).

In the event that a Conflicting Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the members of the board of directors (or comparable governing body) of such portfolio company, thereby controlling its policies and operations, including the appointment of management, future issuances of securities, the payment of dividends, the incurrence of debt and the entering into of extraordinary transactions. In addition, the Conflicting Fund is likely to have the ability to determine or influence management and operational decisions that could, at times, be in direct conflict with the interest of the Applicable Fund that has invested in the same portfolio company without the same level of control or influence. The presence of such investments by Conflicting Funds could result in a general partner exercising

the Applicable Fund's position in such portfolio company (or electing not to exercise such position) in a manner that benefits such Conflicting Funds to the detriment of the Applicable Fund (or otherwise in a manner that is not otherwise in the Applicable Fund's best interest).

In addition, the involvement of different Funds at multiple levels of equity and debt could inhibit strategic information exchanges among fellow creditors. Because of the different legal rights associated with debt and equity of the same portfolio company, the general partner of such Fund, the Firm, the Principals or one or more of their respective affiliates (including, for this purpose, investment professionals and other personnel) will face a conflict of interest in respect of the advice they give to, and the actions they take on behalf of, a Conflicting Fund and the Applicable Fund (e.g., terms of debt instruments, enforcement of covenants, terms of recapitalizations and resolution of workouts or bankruptcies). Such persons or entities also could express inconsistent views on commonly held investments or of market conditions more generally.

In addition, any investment by a Conflicting Fund in an entity in which the Applicable Fund has a pre-existing investment could be viewed, particularly in hindsight, to have been made on the basis of a non-arms'-length valuation or could have an effect on the market price of the Applicable Fund's investments. Similarly, a Conflicting Fund could later invest in entities in which the Applicable Fund has invested, which could have an effect (either positive or negative) on the market price of the Applicable Fund's investments. In addition, one Fund could participate in re-leveraging or recapitalization transactions involving portfolio companies in which other Funds hold a pre-existing investment, raising conflicts of interest as to whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. In circumstances in which the Applicable Fund makes an investment in an entity in which a Conflicting Fund holds a pre-existing investment, it should be expected that such Conflicting Fund will make business decisions relating to such investment (such as, for example, financing or hedging interest rate, currency or credit risk) independently of the analogous decisions made with respect to such investment by the Applicable Fund. This could result in situations where the Applicable Fund chooses not to hedge certain risks that the Conflicting Fund elects to hedge (or *vice versa*), or the possibility that the Applicable Fund is exposed to risks of financing on an investment when the Conflicting Fund is not (or *vice versa*). Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions.

Furthermore, investments by more than one Fund in the same portfolio company also raise the risk of using assets of one Fund to support positions taken by other Funds, or that a Fund remains passive in a situation in which it is entitled to vote. For example, if additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, in a portfolio company, the other Funds invested in such portfolio company may or may not provide such additional capital in circumstances where a Fund elects or is otherwise compelled, or perhaps obligated, to make a follow-on investment (or *vice versa*). Conversely, if a Fund does not have sufficient funds, is otherwise limited in its ability to make or simply elects not to make a follow-on investment, the

Fund's general partner, Harvest, the Harvest Team or one more of their respective affiliates can organize another investment vehicle (including another Fund), or direct an existing Fund, to provide all or a portion of the necessary capital. Such Fund could have features substantially similar to or otherwise analogous to, and be effected on terms and conditions substantially similar to or otherwise analogous to, those of a co-investment along-side a Fund, including Co-Investment Economics (as defined in the relevant Fund's Governing Documents), and any and all fees, carried interest or reimbursements received by the Fund's general partner, Harvest, the Harvest Team or one more of their respective affiliates in connection with any such investment (or, to the extent such underlying investor does not bear any fees, costs, expenses, liabilities or other obligations in connection with its investment, or is the recipient of fees for the benefit thereof) will be deemed to constitute Co-Investment Economics for all purposes of the relevant Funds' Governing Documents. Furthermore, if additional capital is necessary for any of the reasons detailed above, a Fund could decide to provide such capital and such capital could also benefit another Fund that is also invested in such portfolio company. Such other Fund could hold securities in the portfolio company that are senior, junior or *pari passu* with the securities held by another Fund, and as such, could benefit from the capital provided by another Fund.

Such follow-on investments where there is differing participation as between multiple Funds, could give rise to, among other things, conflicts of interest in connection with valuing the securities or interests being issued or acquired in connection with such investment (to the extent that certain valuations are more likely than not to benefit a Fund over another Fund). There can also be differences in the timing of entry into, or exit from, a portfolio company for reasons, including differences in strategy, or existing portfolio or liquidity needs. These variations in timing could be detrimental to a Fund. In any event, the application of the Funds' Governing Documents and Harvest's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by multiple Funds in different parts of a portfolio company's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there is likely to be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed at any time and over time. Although Harvest will endeavor to resolve such conflicts of interest in a manner it determines to be fair and reasonable under the circumstances, and in the collective best interests of all of the relevant Funds under the circumstances, and over time, there can be no assurance that such conflicts will be resolved in a manner that is favorable to the Funds.

In the event a portfolio company experiences financial distress, it may be in the best interest of the Applicable Fund for it to aggressively pursue the company's assets to fully satisfy the company's obligations or indebtedness to the Applicable Fund. As a result, the Conflicting Fund holding more junior securities of the same company might not have access to sufficient assets of the company to completely satisfy its bankruptcy claim against the company and may suffer a loss. Because of the potential harm to the Conflicting Fund's holdings, however, the general partner of such Fund, the Firm, the Principals or one or more of their respective affiliates (including, for this purpose, investment professionals and other personnel) are expected to be disinclined to pursue the company's assets (or to pursue them as aggressively as might otherwise be the case). Because of their conflicting interests, however, there can be no assurance that such persons or entities will be so disinclined. Conversely, the foregoing entities or persons have the potential to be incentivized to make riskier or more speculative investment decisions on behalf of the applicable Conflicting

Fund with the hopes of extracting value from junior securities that are otherwise significantly impaired to the detriment of the holdings of the Applicable Fund.

Accordingly, conflicts are expected to arise when one Fund is investing in a portfolio company owned by one or more other Funds. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds, among other differences. This will likely result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Harvest and its affiliates have the potential from time to time express inconsistent views of commonly held investments or of market conditions more generally. There can also be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Moreover, in some instances, a Fund has the potential to invest in a portfolio company with respect to which another Fund has decided not to exercise its tag rights under the applicable Governing Documents in connection with the exit of a third-party co-investor from such portfolio company. In such instance, conflicts of interest exist in that the newly investing Fund would have an incentive to achieve the lowest purchase price, which could impact the mark for the existing Fund, the Funds could have different exit objectives with respect to the portfolio company, and a higher management fee basis could result for the existing Fund as a result of the valuation of the portfolio company increasing following the second Fund's new investment. Harvest and its affiliates reserve the right from time to time express to inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to all of the Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Given the nature of the relevant conflicts discussed above, there can be no assurance that any such conflict can be resolved in a manner that is beneficial to all of the Funds. In that regard, actions taken for one or more Funds could adversely affect other Funds.

With respect to these and any other conflicts of interest, the general partner of the applicable Fund and the Firm will endeavor to resolve them in a manner they determine to be fair and reasonable under the circumstances or in the collective best interests of all the relevant Funds under the circumstances, and over time. Nevertheless, there can be no assurance that any such conflicts will be resolved in a manner that is fair and reasonable to the each of the Funds or any of their portfolio companies. There can also be no assurance that similar conflicts will be resolved in a similar manner at any given point in time or over time.

Prospective investors should consult the relevant offering documents and limited partnership agreements for a more detailed understanding of risks and conflicts of interest that may arise in connection with an investment in the Funds.

Passive Financing Vehicles

If one or more third parties have committed or intend to acquire (or have otherwise underwritten) a portion or the entirety of the debt instruments of a portfolio company of a Fund, then, a partnership or other entity (the partners or other owners of which consist of one more principals or employees of Harvest) (a “Passive Financing Vehicle”) will be permitted to also acquire such debt instruments. Moreover, subject to the applicable provisions in the Funds’ Governing Documents, a Fund is permitted to invest in a portfolio company whose debt instruments are held by a Passive Financing Vehicle. It is anticipated that such investments will include “equity kickers” and other similar incentives. These transactions create conflicts of interest for the principals and other Harvest employees who participate in any such Passive Financing Vehicle because they could be disinclined to take certain actions that would otherwise be for the benefit of the relevant Fund out of a concern for the adverse impact such decision might have on the Passive Financing Vehicle and its investments. To manage conflicts that are expected to arise, Harvest generally requires (i) the Passive Financing Vehicle’s holdings in each portfolio company to be de minimis in value and (ii) the Passive Financing Vehicle to not be entitled to exercise any voting or similar indicia of control (subject to certain exceptions including with respect to customary “sacred rights”). Despite the foregoing, the ownership of interests in any such Passive Financing Vehicle could result in the receipt of benefits that could be perceived or construed as having resulted from conflicted behavior. By way of example only, to the extent a portfolio company is in distress, Harvest could agree to restructuring, refinancing or recapitalization transactions that benefit the lenders of the portfolio company (e.g., the satisfaction of all or a portion of outstanding debt obligations) at the expense of its equity holders. A Passive Financing Vehicle could be a beneficiary and recipient of proceeds from such transactions.

Passive Financing Vehicles have the potential to participate in follow-on financing opportunities in connection with the upsizing of the existing financing of, or implementation of additional financing for, the portfolio companies of the Funds. In allocating such follow-on financing opportunities, Harvest will use reasonable efforts to give equal consideration to third-party lenders and the Passive Financing Vehicle but ultimately will determine the allocations in its sole discretion. Should Harvest allocate a follow-on financing opportunity to the Passive Financing Vehicle, Harvest will seek to manage any potential conflicts of interest that arise from the Passive Financing Vehicle’s participation by ensuring that the Passive Financing Vehicle participates in the opportunity (i) at the same time and on the same terms as any other third party lender participating in such opportunity; (ii) as a passive lender with restricted voting rights, and (iii) based on a value that is de minimis relative to the value of the equity portfolio investment of the Funds in such portfolio company, measured at the time of the Passive Financing Vehicle’s investment.

Allocation of Investment Opportunities Between or Among Funds and Other Entities

Subject to the terms of the Funds’ Governing Documents and Harvest’s then-applicable allocation policy, Harvest and the general partners of the Funds have complete discretion in determining which investment opportunities to pursue or forego on behalf of the Funds and, with respect to those that they choose to pursue, and determining the amount of such investment opportunity to be allocated to the Funds. Harvest will, from time to time, be presented with investment opportunities that fall within the investment objectives of more than one Fund. Investment opportunities which are within such common objectives and guidelines will generally be allocated between or among such Funds on a basis that Harvest believes in good faith to be fair and reasonable (unless the limited partnership

agreements for such Funds require otherwise) in accordance with Harvest's allocation policy. Such allocation will typically take into account the sourcing of the transaction; the nature of the investment focus of each Fund; the relative amounts of aggregate commitments to each Fund and the capital available for investment; the nature and extent of the involvement in the transaction on the part of the respective teams of investment professionals; each Fund's investment strategy and investment objectives; each Fund's targeted rate of return; the size and nature of the investment (including the stage of development, operational maturity, type of security and anticipated holding period of the investment); the projected future capacity for investment in the Fund(s); the structural and operational differences between Funds; the minimum, maximum, or target investment size the Funds; the applicable investment limitations (including, without limitation, industry, asset class, and geographic exposure limits, hedging limits, leverage, concentration, and diversification considerations) of the Funds; the eligibility of the Funds to make such investment under applicable laws and regulations, and any other applicable tax, legal, regulatory, contractual compliance, operational, or administrative issues; lender covenants and other limitations; composition of each Fund's portfolio; suitability as a follow-on investment for a current investment of a Fund; the availability of other suitable investments for each Fund; risk considerations; cash flow considerations; with respect to Debt Investment opportunities, any alliance arrangements with third party credit strategy managers; and any other requirements, guidelines, or restrictions contained in the Governing Documents of the Funds and other considerations deemed relevant by Harvest and/or its affiliates in good faith. Such allocation could also take into account whether a Fund elects not to invest in such opportunity (whether because such Fund elected not to do so, due to insufficient capital or otherwise). There could also be circumstances when Harvest and/or its affiliates consider a potential portfolio investment on behalf of a Fund and determines not to pursue such investment for such Fund, but ultimately determine to pursue an investment in the same potential portfolio company (whether in the same securities considered by the former Fund or otherwise) through another Fund. Subject to the Funds' Governing Documents, neither notice to nor approval of the board of advisors would be required in such a circumstance. In other circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds.

Without limiting the scope of the applicable Funds' Governing Documents, as between an HP Ascend Fund and an HP PE Fund, the allocation of investment opportunities (involving companies in the Business and Technology Services market, as such term is defined in the applicable Funds' Governing Documents) will be generally governed by the annual EBITDA profile attributable to the companies underlying such opportunities. Specifically, an HP Ascend Fund expects to pursue private equity investment opportunities in companies with annual EBITDA between \$10 million and less than \$30 million per year (the "Threshold"). Currently, Harvest's most recent HP PE Fund pursues private equity investment opportunities in companies with annual EBITDA of at least \$30 million. Accordingly, all other things being equal, should an opportunity presented to Harvest falls below the lower end of the foregoing annual EBITDA threshold, Harvest anticipates allocating such opportunity to the HP Ascend Fund over such HP PE Fund.

Nevertheless, prospective investors should assume that conflicts in connection with the allocation of investment opportunities as between an HP Ascend Fund and any HP PE Fund will generally be resolved in favor of the HP PE Fund. As noted above, Harvest also anticipates allocating to an HP PE Fund investment opportunities in companies that fall within the annual EBITDA Threshold for

the HP Ascend Fund noted above if such companies operate in industries that are outside of the HP Ascend Fund's industry verticals. Harvest is also permitted to favor the portfolio companies of its HP PE Funds over the HP Ascend Fund in respect of investment opportunities that are potential follow-on investment candidates for such companies, even if such opportunities fall within the HP Ascend Fund's investment objectives (including the Threshold).

While limited partners of the HP Ascend Fund should expect that opportunities that fall outside the Threshold will be allocated to a HP PE Fund, HP Ascend Funds are permitted to invest in such opportunities if no HP PE Fund (or any of its portfolio companies) invests in the opportunity (whether because they elected not to do so or otherwise) or if there is sufficient capacity for both funds to invest (or for the HP Ascend Fund to invest alongside any HP PE Fund portfolio company). In addition, if an HP PE Fund or any of its portfolio companies pursues an investment opportunity with respect to a company within the HP Ascend Fund's industry verticals but that is above the aforementioned Threshold, then to the extent that the HP PE Fund (or such portfolio company) is unable to consummate the acquisition entirely on its own (due to the application of a single-investment, geographic or other relevant concentration limit, insufficient capital or otherwise), the HP Ascend Fund is permitted to co-invest in such company in accordance with the co-investment provisions set forth in the respective limited partnership agreement(s) of such HP PE Fund and the HP Ascend Fund (although such allocations to the HP Ascend Fund will not necessarily occur, whether on "priority" basis or otherwise, as compared to other co-investors of such HP PE Fund or its portfolio companies). In any event, in such circumstances, it should be anticipated that the HP Ascend Fund will hold a minority, non-controlling interest in such portfolio company.

In addition to the foregoing, as described further below under "Transactions Between and Amongst Funds and Portfolio Companies, Including Cross Trades Between Funds and Portfolio Companies", an HP Ascend Fund will be permitted to sell one or more investments, in whole or in part, to an HP PE Fund (or any of its portfolio companies). This is expected to occur if one or more portfolio companies develops or achieves attributes that bring it within the overall investment objective of such HP PE Fund, including, for instance, if such portfolio company begins to produce an annual EBITDA profile above the Threshold. However, there could be other reasons why such cross trade is pursued (including if such portfolio company constitutes a suitable follow-on investment candidate for a portfolio company of such HP PE Fund). Depending on the facts and circumstances, an HP Ascend Fund could sell a control position to such HP PE Fund or its portfolio company and retain a minority, non-controlling stake. Alternatively, an HP Ascend Fund could decide to retain a control position and sell the HP PE Fund or its portfolio company a minority, controlling stake. Prospective investors should expect any of these scenarios (and others) to occur.

At any rate, given the size of Harvest's most recent HP PE Fund and the longer history associated with Harvest's "flagship" private equity franchise, it should be assumed that the resolution of conflicts generally as between an HP Ascend Fund and any HP PE Fund – whether such conflicts pertain to the allocation of investment opportunities or otherwise – will favor the HP PE Fund more often than not.

In addition, Harvest pursues Debt Investment strategies by, including but not limited to, launching HP Credit Funds or other investment vehicles that target investments in Debt Investments or entering into joint ventures with third-party operators, joint venture partners, managers or other

persons with respect to the management of Debt Investments. Furthermore, Harvest has joined an alliance with third party credit strategy managers that seeks to present participating members in the alliance with financing opportunities, subject to certain exceptions and Harvest's fiduciary duty to its clients, including other Funds. Such collaboration is intended to facilitate Harvest's access to deal flow related to Debt Investments. In determining which Funds, investment vehicles or third parties should participate in Debt Investment opportunities, subject to the Governing Documents, Harvest and its affiliates, including the general partners, are subject to potential conflicts of interest among the investors in the various Funds, such investment vehicles and such third parties. Harvest will determine the allocation of Debt Investment opportunities among the Funds, investment vehicles and third parties in such manner as Harvest, in its sole discretion, determines in good faith to be fair and equitable, consistent with the relevant Governing Documents and Harvest's then-applicable allocation policies and procedures.

In any event, subject to the applicable Funds' Governing Documents, Debt Investment opportunities will generally fall within the investment objectives or guidelines of an HP Credit Client, in which case, such investment opportunities could be allocated between an HP Equity Fund (defined below) and such HP Credit Client on a basis that Harvest believes in good faith to be fair and reasonable and in accordance with its allocation policies. However, notwithstanding the fact that an HP Equity Fund is permitted to make Debt Investments, subject to the applicable Funds' Governing Documents, pursuit of such investments will generally not be deemed to be within the overall investment objective of an HP Equity Fund so as to require that any or all such opportunities be allocated to such HP Equity Fund (whether on a "priority" basis or otherwise). Accordingly, such opportunities could be allocated, in their entirety, to an HP Credit Client (and its co-investors), to the exclusion of an HP Equity Fund. This could occur while, at the same time, an HP Equity Fund invests in securities or investments that are more junior or more senior to the securities or investments of such other HP Credit Client in the applicable portfolio company's capital structure, as described further below.

While the HP Credit Clients currently are not expected to invest in the securities of portfolio companies of the HP PE Funds and the HP Ascend Funds (collectively for purposes of this section, "HP Equity Funds"), Harvest reserves the right to allow HP Credit Clients to invest in such portfolio companies (whether as an initial portfolio investment or a follow-on investment); in addition, HP Credit Clients have invested and could in the future invest in portfolio companies of HP SCF Funds (for purposes of this paragraph, collectively with HP Equity Funds, "Other HP Funds"), at the same or different times. In such instances, conflicts of interest will arise subsequently between Other HP Funds, in negotiating matters related to the relevant investment, including negotiations with unaffiliated, third-party investors acquiring at substantially the same time, in the aggregate, a majority-in-interest of the issuance of the class of debt securities in which such HP Credit Client is acquiring, as to the price of the debt securities or other instruments, the characterization of such debt securities or other instruments, the terms of inter-creditor agreements, the interest rate or stated dividend yield of such debt securities or other instruments, commitment fees, the nature of the covenants running in favor of lenders, and the other terms and conditions of investment or in addressing subsequent amendments or waivers. The relevant general partner of an Other HP Fund could have an incentive to favor potential investments in issuers that offer terms preferable to the Other HP Fund. Conflicts will arise to the extent that an Other HP Fund desires optimal flexibility to grow the portfolio company, while the unaffiliated, third-party investors holding interests in the

class of debt securities in which an HP Credit Client holds may want to place tighter restrictions on the type and the amounts of permitted investments and acquisitions. In any such situation, an Other HP Fund will not exert influence for the benefit of such HP Credit Client. Further, because of the different legal rights associated with debt and equity investments or investments in other capital structure of the same portfolio company, Harvest is expected to face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, each HP Credit Client versus an Other HP Fund. Questions have the potential to arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether Debt Investments should be refinanced or restructured. If additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the HP Credit Clients to provide such additional financing. If an Other HP Fund had the potential to incur a loss on its investment as a result of such difficulties, Harvest's ability to recommend actions in the best interests of the HP Credit Clients might be impaired.

Furthermore, if each HP Credit Client and an Other HP Fund invests in a common portfolio company, such HP Credit Client's ability to influence such portfolio company has the potential to be restricted by the involvement of Harvest's personnel at different levels of the capital structure of the same portfolio company, including because strategic information exchanges between Harvest and fellow investors in such portfolio company could be inhibited. Additionally, in certain circumstances, the HP Credit Clients and the Other HP Funds could be limited in their ability to exercise their respective rights in a portfolio company in which they are both invested due to their affiliation, conflicts provisions or other agreements.

Furthermore, Harvest could facilitate the participation of one or more co-investors in Debt Investments alongside a Fund, including through one or more co-investors. Such co-investments could be facilitated by way of a co-investment sell down with the applicable co-investor(s) being charged a cost of carry on the basis of the interest of the Debt Investments being acquired thereby (although Harvest is not required to charge any such cost of carry). By way of example only, should Harvest determine that interest or other similar payments received by a Fund on Debt Investments intended to be sold-down (or increases or accretions in value as a result of, for instance, interest paid-in-kind) constitutes sufficient compensation to the Fund for holding such investments prior to the date that they are sold-down, Harvest could determine not to charge such co-investor(s) any cost of carry. This could occur in circumstances where Harvest's agreement with such co-investor(s) not to charge such cost of carry pre-dates the date on which such sell-down actually occurs, at which point, the value of such Debt Investments could be different than its original cost. Similarly, there could be circumstances involving Debt Investments structured as commitments to underlying obligors. Should those commitments be subject to funding requests from a Fund and the co-investor(s), the inability of either party to satisfy such requests on a timely basis could result in either a Fund funding a disproportionate (or the entire) amount or *vice versa*. In such circumstances, a Fund would expect to be repaid for such co-investor(s) portion of such funding request on a basis similar to a co-investment sell down, with a cost of carry charged to the co-investor(s) if Harvest determines that charging such a cost of carry is warranted under the circumstances. Similarly, should such co-investor(s) fund prior to a Fund, a Fund could be required to compensate such co-investor(s) on a similar basis. There can be no assurance that any such cost of carry, if charged to such co-investor(s), or the retention of any previously received interest or other similar payments received by a Fund, constitutes appropriate or sufficient compensation to the Fund for the risk associated with holding or funding that portion of such Debt Investments for the benefit of such co-

investor(s). Conversely, there can be no assurance that any compensation paid to such co-investor(s) by a Fund as described above will not overcompensate such co-investor(s) for the risk associated with holding or funding that portion of such Debt Investments for the benefit of the Fund. During the investment period of a Fund, all appropriate investment opportunities will be pursued by the Principals through such Fund, subject to certain limited exceptions set forth in the Fund's Governing Documents. Without limitation, the Principals currently manage, and expect in the future to manage, other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments and/or the Funds advising or managing such investments. Harvest personnel also reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to these arrangements. The Principals and Harvest's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals expect from time to time to control or manage generally have the potential to do business and/or compete with companies acquired by a Fund. Following the investment period of a Fund, the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in Harvest's sole discretion, Harvest and its personnel, and their families, reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Harvest personnel and their families are permitted to serve on boards or act in other roles unaffiliated with Harvest, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees payable by the Funds.

Harvest officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for any due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Harvest's Code of Ethics.

Transactions Between and Amongst Funds and Portfolio Companies, Including Cross Trades Between Funds and Portfolio Companies

From time to time, one or more Funds will be permitted to acquire, sell or otherwise transact with investments or portfolio companies of other Funds. To the extent any such acquisition, sale or other transaction is not exposed to market forces, such transactions create conflicts of interest because there is no assurance that either Fund will receive the best price otherwise possible, or that the applicable general partner, investment manager or any of their respective affiliates will not have an incentive to improve the performance of one Fund even if at the expense of another Fund, including by selling underperforming assets to another Fund in order to, for example, avoid losses in the selling Fund or to increase the fees payable by the acquiring Fund.

Additionally, in connection with such transactions, Harvest and its affiliates and each of their respective officers, directors, managers, partners, members, shareholders, employees, agents,

advisors, and personnel will, from time to time, have significant investments, or intentions to invest, in a Fund that is selling and/or acquiring such investments or otherwise have a direct or indirect interest in any such investment (such as through certain other participations in the investment). Harvest or one or more of its affiliates could receive management fees or other fees in connection with their management of the relevant Funds involved in such transaction, and will also be entitled to share in the investment profits (i.e., carried interest) of the relevant Funds.

Accordingly, such transactions result in conflicts of interest for Harvest and its affiliates by giving rise to conflicting economic or other incentives or interests on different sides of the transaction. However, such transactions will generally be permitted where Harvest determines in good faith that their terms are arms'-length and in the best interest of all the relevant Funds involved. Such determination could be reached in a number of ways, including, but not limited to, (i) review and consultation with (but not necessarily in all cases, approval by) the relevant Funds' respective boards of advisors, (ii) the presence of or participation by unaffiliated third parties to help validate the terms thereof, (iii) employing separate investment teams, (iv) obtaining input from a third-party valuation firm or investment banker with respect to the terms and conditions of such transaction, including the price (whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Harvest), or (v) running an auction process. In certain circumstances, Harvest reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions.

For example, in connection with (or subsequent to) a transaction involving the sale of an investment by one or more Funds to one or more third-parties, one or more of the other Funds (including a newly-formed Fund) could acquire a portion of the investment being sold through a cross-trade. Such portion could represent a material portion of the investment being sold. Any acquisition by a Fund in such transaction would be based on terms, including price, that the Fund's general partner determines in good faith to be no less favorable than the arms'-length terms negotiated between the Fund selling the interest and the acquiring third-party or third-parties (assuming that the cross-trade does not otherwise occur on such terms). Similarly, any sale by a Fund to another Fund in such transaction would be based on terms, including price, that the relevant general partner determines in good faith to be no less favorable than the arms'-length terms negotiated between a Fund and the acquiring third-party or third-parties (again, assuming that the cross-trade does not otherwise occur on such terms).

In addition, all of the Funds participating in such transaction, including, for the avoidance of doubt, the Fund selling or acquiring the investment, could be required to disclose the terms of such transaction to (or in the case of certain Funds, obtain the consent from) their respective boards of advisors. For the avoidance of doubt, in light of the foregoing disclosure, generally, no such sale or acquisition by a Fund will require the vote, consent or approval of such Fund's board of advisors or any limited partner of the Fund, unless otherwise required by law. Furthermore, a Fund will be permitted to sell investments to another Fund or acquire investments from another Fund in transactions that do not involve a third-party buyer so long as such Fund's general partner determines in good faith that the terms are arms'-length and in the best interest of the Fund.

If a Fund invests in the portfolio company of any other Fund in a transaction that results in a disposition of all or any portion of such other Fund's interests in such portfolio company (by way

of example only, through a redemption or other similar transaction), or conversely, if all or any portion of Fund's interests in a portfolio company is disposed of as a result of an investment by another Fund in such portfolio company, then similar conflicts of interests as those described above in the context of a sale or acquisition between or amongst the Funds will also apply and will be resolved in an analogous manner (although the conflicts of interests present in the context of any such transaction that is effected on terms and conditions that were generally pre-determined in advance of the applicable subsequent investment by the other Fund will be deemed to have been sufficiently mitigated). Notwithstanding the foregoing, where such a transaction includes parties other than the Funds and funds flow between a non-Harvest Fund party and a Fund such that no funds actually flow directly or indirectly between two Funds, no actual cross-trade between the Funds will be deemed to have occurred.

Similar to the foregoing, it is possible that one or more portfolio companies of a given Fund could sell or acquire assets, securities, services or other property to or from, or otherwise transact with, other Funds or their portfolio companies or members of the Harvest Team (or that such Fund could sell or acquire assets, securities, services or other property to or from, or otherwise transact with, its own portfolio companies, other Funds or the portfolio companies of other Funds). Harvest expects that any such sales, acquisitions or other transactions will occur in the ordinary course of operations (or otherwise in connection with the good faith and reasonable operations) of such portfolio companies (including, as the case may be, in connection with the strategic or organic growth initiatives of such portfolio companies). Harvest further expects that such transactions will occur on arms'-length terms, but there will be instances in which any such determination will be subjective and reasonable minds will disagree, especially if Harvest is unable to collect sufficient evidence to support any such determination. Harvest will also recommend products or services of one Fund's portfolio company to a portfolio company of the same or a different Fund or vice versa. Provided that neither the relevant Funds and their general partners, Harvest, or any of their affiliates set the terms of any transaction that results from such recommendations, there will be deemed to be no conflict of interest. Accordingly, prospective investors should not expect any such transactions to be subject to the vote, consent or approval of the Board of Advisors or any Limited Partner.

In certain cases, Harvest has and may in the future determine that it would be in the best interest of a Fund to provide an opportunity for investors to obtain liquidity for all or a portion of their interests or their interests in particular investments prior to the end of such Fund's term. In such situations, Harvest is permitted to raise capital from third parties (including limited partners) who wish to directly or indirectly acquire interests in one or more portfolio companies from such Fund, including through the creation of a new investment fund or similar continuation vehicle that would be advised by Harvest, in which Harvest may invest, and from which Harvest could receive fees and/or carried interest (see also "GP-Led Secondary Transactions" above). Harvest may, but will not be obligated to, offer the selling limited partners the opportunity to reinvest in the relevant investment through the applicable continuation fund via roll-over equity. Harvest may seek to require the purchasers to make commitments to a successor fund and/or its parallel funds advised by Harvest or accept the terms of disposition offered by the new investors for the portfolio company interests which may or may not accurately reflect fair market value of such interests in circumstances where it has the right to receive such ongoing economics. Harvest or its affiliates may also invest in any such continuation vehicle, including, but not limited to, through a rollover of its existing ownership interest and/or carried interest entitlement. Because Harvest and/or its affiliates will have the opportunity to earn

additional management fees and/or receive additional carried interest and other economic benefits in respect of such transactions, because Harvest may also invest in any such vehicle, and because each purchaser's commitment to acquire interests in a successor fund and/or its parallel funds could be conditioned upon completion of the transaction, Harvest will have potential conflicts of interest with respect to any such transaction, including in determining the terms and participants in connection with such transaction. Such transactions may present other additional inherent conflicts of interest.

Enhanced Relationships with Certain Limited Partners

In some cases, current, past or prospective limited partners will also directly or indirectly (through an affiliate) provide financing, insurance, advisory or other services to Harvest, the Funds or one or more of their respective portfolio companies. To the extent Harvest, any such Fund or any such portfolio company is seeking a provider of such services, they will be incentivized to procure such services from a current, past or prospective limited partner (or one of its affiliates) on a basis other than best execution, best price or other similar basis. Such limited partners will also be aligned with Harvest, such Fund or one or more of their portfolio companies in manner that could give rise to conflicts of interest to the extent such limited partners are represented on the respective Fund's board of advisors. Certain limited partners of a Fund will have such enhanced relationships with Harvest, such Fund or one or more of its portfolio companies, and that such relationships will give rise to both known and unknown conflicts of interest for both Harvest and such limited partners. It is also possible that the family members of certain existing and prospective limited partners of a Fund may, from time to time, be employed by the general partner of the relevant Fund's general partner, the Funds and/or their respective portfolio companies.

Operating Executives

The general partner of each Fund is permitted, in its sole discretion, to retain (or cause the Fund to retain) the services of one or more business executives or other persons (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) who, in the good faith determination of the general partner, possess substantial, significant or otherwise relevant experience or expertise to serve as consultants to the general partner, Harvest, the applicable Fund or any portfolio company (each, an "Operating Executive"). Operating Executives can consist of former, existing or prospective executives of the portfolio companies of Funds, industry executives, subject matter, industry or regulatory experts or other persons acting in a similar capacity and the scope of their services can include existing or prospective investments. Operating Executives are expected from time to time to include former employees of Harvest or certain portfolio companies, and in some circumstances former Operating Executives are expected to become Harvest employees or employees of portfolio companies, and the use of Operating Executives is expected to fluctuate and/or expand over time. Consequently, the determination of whether individuals are Operating Executives is expected to vary and/or be revisited from time to time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Harvest otherwise would be required to bear. The general partner can also determine the nature, form and amount of compensation of any such Operating Executive, the nature of which can be performance-based or not performance-based, which, for any period, can be fixed or variable, and which forms of compensation can include salary, bonus, securities, options, profits interests or other forms of participation or equity interest in a portfolio company, one-time or periodic fees (including retainer fees, success-based fees or board fees), expense reimbursements, co-investment rights with respect

to one or more portfolio investments, employee benefits or other similar forms of compensation, whether paid in cash or in kind (collectively, “Operating Executive Compensation”). Operating Executive Compensation in the form of profits or equity interest in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund’s investment, and has the potential to result in economic effects greater than the original amount of compensation. Moreover, to the extent that Operating Executives are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operating Executives’ services at a time when fewer portfolio companies or Funds make use of such Operating Executives. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or written work product generated by the Operating Executive. Unless determined otherwise by the general partner in its sole discretion, any and all Operating Executive Compensation as well as the fees, costs and expenses of structuring Operating Executive arrangements will be borne or paid by the relevant Fund or the portfolio company (or portfolio companies) to which the applicable Operating Executive’s services relate and not the general partner, Harvest or any of their respective affiliates.

Because the fees, costs and expenses associated with the engagement, retainer or employment of an Operating Executive will generally not be borne by the general partner, Harvest or any of their respective affiliates, Harvest will have an incentive to engage a prospective Harvest employee as an Operating Executive, rather than as a Harvest employee. This incentive is heightened by the flexibility afforded to each general partner and Harvest in connection with how to structure any such engagement, retainer or employment, which will include permitting such executive to exhibit indicia similar or comparable to that of a Harvest employee (by way of example, but not limitation, allowing such Operating Executives to possess business cards containing Harvest’s name or logo, allowing them to possess and use computer hardware, a mobile telephone, a dedicated telephone number (or extension), or an electronic mail address similar to ones used by other Harvest employees; permitting them access to (and use of) Harvest’s office space and office files (including electronic files); and permitting them to attend Harvest’s investment committee meetings). Although each general partner and Harvest intend to make all Operating Executive engagement, retainer or employment decisions in good faith and only to the extent that any such Operating Executive possesses substantial, significant or otherwise relevant experience or expertise to serve as consultants to the applicable general partner, Harvest, the applicable Fund or any portfolio company, it will not always be readily apparent that such decisions were necessarily made in such fashion and reasonable minds will disagree.

Distributions in Kind

A Fund’s general partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the general partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the general partner (and its beneficial owners) and the relevant Fund’s limited partners. For example, the general partner and its beneficial owners may intend to hold the investment for a different time period than Harvest deems suitable for the Fund. Although the general partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund’s disposition thereof, neither

the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the general partner and its beneficial owners could exceed the value of the general partner's pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the general partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Benefit From Services to the Funds and Investments

In connection with its services to the Funds and their investments, Harvest, its affiliates and personnel expect to receive certain tangible and intangible benefits. For example, in the course of Harvest's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Harvest and its personnel expect to acquire and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Harvest Information"). In many cases, Harvest Information will include tools, procedures and resources developed by Harvest to organize or systematize Harvest Information for ongoing or future use. Although Harvest expects its Funds and their portfolio companies generally to benefit from Harvest's possession of Harvest Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Harvest and its personnel) and not by the Fund or portfolio company from which Harvest Information was originally obtained. Harvest Information will be the sole intellectual property of Harvest and solely for the use of Harvest. Harvest reserves the right to use, share, license, sell or monetize Harvest Information, without offset to management fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization.

Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program (or the general partner), rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset management fees.

Finally, from time to time, Harvest, its affiliates and their respective personnel, including their family members and related persons, will purchase goods or services from portfolio companies of the Funds. Generally, Harvest requires evidence that such goods or services were provided without a discount or otherwise on terms that Harvest believes in good faith reflect arms'-length terms; however, Harvest reserves the right to make such determinations in a manner it believes to be reasonable under each circumstance. As such, to the extent any such persons use the goods or services of a Fund's portfolio companies, there will be instances in which any such determination will be subjective and reasonable minds will disagree, especially if such Fund's general partner is unable to collect sufficient evidence to support any such determination.

Allocation of Expenses; Expense Reimbursements

Harvest, the general partners of the Funds and/or one or more of their respective affiliates will from time to time remit payment related to fees, costs and expenses on behalf of the Funds and other Harvest-related entities. Although attempts will be made to allocate such fees, costs and expenses on an equitable basis, such allocations will be determined by the general partners and/or Harvest and such matters will not necessarily be brought to limited partners for discussion or consultation. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Harvest. The Funds generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment. Further, Harvest reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, or vice versa, even if the two investments are in the same portfolio company.

To address the allocation of fees, costs and expenses, Harvest has adopted certain policies and procedures, which are periodically revised as appropriate, intended to allocate expenses in the manner prescribed by the Governing Documents of the Funds and Harvest's internal policies. However, there is no guarantee that such policies and procedures will identify any or all misallocations. To the extent misallocations are identified and the Funds had already paid or borne such expenses, any reimbursements of incorrectly applied expenses will necessarily be adjusted at a later date and therefore the Funds could bear incorrect allocations for an unspecified period of time. Reimbursement to the Funds of any misallocated expenses will generally not include any interest on the principal amount of any such misallocations. Although attempts will be made to allocate expenses on an equitable basis, such allocations will ultimately be based on the determinations of the general partners and/or Harvest. In some instances, such determinations will be subjective and reasonable minds will disagree.

Without limiting the foregoing, there could be circumstances when the relevant general partner and/or its affiliates consider a potential portfolio investment on behalf of an Applicable Fund and initially determines not to pursue such investment for the Applicable Fund, but eventually they determine to pursue an investment in the same potential portfolio investment through another Fund. In these circumstances, the other Fund will benefit from the due diligence conducted by the original investment team considering the investment and/or from fees, costs or expenses paid or borne by the Applicable Fund in pursuing the potential portfolio investment. Such other Fund, however, will not be required to reimburse the Applicable Fund for any such fees, costs or expenses. Conversely, if the investment team of another Fund conducts due diligence with respect to a potential portfolio investment of such Fund (and such fund pays or bears fees, costs or expenses in connection with its pursuit of such investment), but its general partner or its affiliates determine not to pursue that investment and the general partner determines to pursue such investment through the Applicable Fund instead, then the general partner will be authorized to cause the Applicable Fund to reimburse such other Fund in respect of all or a portion of such fees, costs or expenses.

Additionally, a portfolio company will typically reimburse the relevant general partner, Harvest, one or more of their respective affiliates, or service providers retained by one or more of the foregoing, for fees, costs and expenses incurred by any of them in connection with the performance of their services or duties in respect of such portfolio company. The portfolio company will determine the amount of these reimbursements for such services in its own discretion, subject to any of its own internal reimbursement policies and practices (although it should be understood that such determination will be influenced, if not controlled, by the relevant general partner, Harvest, or one or more of their respective affiliates in the context of portfolio companies where the Funds have a controlling interest or one or more board seats or other control rights). There can be no assurance, however, that the internal reimbursement policies and practices of such portfolio company will be substantially similar to those of Harvest itself. Accordingly, it is possible that the portfolio company will reimburse the relevant general partner or Harvest, or one of their respective affiliates, or service providers retained by one or more of the foregoing, for fees, costs and expenses that would not be reimbursable under Harvest's own reimbursement policies and procedures. In addition, the fees, costs and expenses incurred in connection with any portfolio investment by parties other than the Applicable Fund (including, but not limited to, co-investors) are also often borne or reimbursed by the applicable portfolio company. Such fees, costs and expenses include the legal, due diligence and other related fees, costs and expenses of co-investors that were incurred by them in connection with the investigation of the applicable co-investment opportunity, as well as their negotiation of their relevant co-investment arrangements, such as the terms and conditions applicable to any Harvest co-investment vehicle through which they participate alongside the Applicable Fund. In any event, there is generally no limit or restriction on the amount of reimbursements that could be sought by Harvest and its affiliates or by any of the foregoing on behalf of a co-investor or by a co-investor itself, from any portfolio company. The amount of such reimbursements could be substantial. Additionally, the Funds typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Funds invest.

Brokerage Practices

From time to time, the Funds may enter into currency transactions for the purposes of hedging non-U.S. investments. Neither Harvest nor any Fund typically participates in trading through broker-dealers, although Harvest reserves the right to engage broker-dealers. Although Harvest does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to engage broker-dealers in connection with such transactions. To the extent any Fund trades public securities or debt securities, Harvest will cause such Fund to follow applicable SEC guidelines to seek best execution when implementing such transactions.

Harvest does not have formal soft dollar arrangements. However, Harvest may receive access to research made available through brokerage firms or investment banks. Harvest believes this research is available to all managers of similar size. Harvest does not direct transactions in lieu of payments for research or other services that do not benefit the Funds.

Review of Accounts

Harvest maintains continuous and ongoing oversight and review of the Funds' portfolio holdings by its senior investment professionals, including the Principals. Harvest furnishes audited financial statements to the Funds' limited partners annually. In addition, on a quarterly basis the Firm provides limited partners with unaudited financial statements and descriptive information regarding

each portfolio company. The general partner of each Fund will furnish to each limited partner a Schedule K-1 (Internal Revenue Service Form 1065) or an equivalent report annually.

Client Referrals and Other Compensation

The Firm engages placement agents, pursuant to a written agreement, to solicit investors for the Funds. Harvest generally assumes full economic responsibility (through an offset to its management fees) for all fees payable to any placement agent in connection with the solicitation of new investors.

Custody

Harvest generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “Custody Rule”)) of assets held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance. The Funds’ cash, cash equivalents and, generally, certificated securities are held by unaffiliated, qualified custodians. Harvest is deemed to have custody of the Funds’ assets because Harvest’s affiliated entities, the general partners of the Funds, can access the Funds’ assets. In compliance with the Advisers Act, Harvest has arranged for an annual audit of the Funds which are performed in accordance with U.S. Generally Accepted Auditing Standards. A copy of the audited financial statements for each Fund, which are prepared in accordance with U.S. Generally Accepted Accounting Principles, is distributed to its limited partners within 120 days of the Fund’s fiscal year end.

Investment Discretion

The applicable Funds’ offering documents, limited partnership agreements and/or investment advisory agreements signed by each Fund’s general partner or investment manager provide Harvest with discretionary investment authority. Additionally, Harvest provides non-discretionary investment advisory services to certain HP Credit Clients and a co-invest vehicle that invests alongside certain Funds.

Voting Client Securities

The Funds’ limited partnership agreements permit the purchase of equity positions which may occasionally solicit shareholder votes. In the event a Fund holds such equity positions or other positions that may solicit proxies, it is Harvest’s policy to review the proxies to vote in a manner which it believes will increase shareholder value the most or decrease shareholder value the least. Harvest may abstain from voting if it deems that abstinence is in the Funds’ best interests.

Current investors may request a copy of Harvest’s full proxy voting policies and procedures and record. Please contact Harvest’s chief compliance officer at (212) 599-6300.

Financial Information

Harvest has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.