

# Interim Management Statement

25 NOVEMBER 2015

## Interim Period Highlights

- HVPE's estimated NAV per share at 31 October 2015 was \$16.65, a 1% per share decrease from 31 July 2015 (\$16.84) and a 5% increase from 31 January 2015 (\$15.86).
- Gearing remains at zero, and the Company holds \$168 million of cash on its balance sheet. On 28 September 2015, the Company's credit facility was increased to \$500 million.
- In September and October 2015, HVPE committed a total of \$65 million to newly-formed HarbourVest funds HarbourVest Mezzanine Income Fund (\$25 million) and HarbourVest 2015 Global Fund (\$40 million). The Investment Pipeline of unfunded commitments is \$973 million at 31 October, reflecting HVPE's forward commitment strategy.
- During the three months ended 31 October 2015, HVPE invested \$40 million in HarbourVest funds and received \$77 million in realisations from HarbourVest funds and co-investments.

HarbourVest Global Private Equity Limited ("HVPE" or the "Company") is pleased to publish its Interim Management Statement. This statement is made in accordance with article 5:25e of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht, the FMSA), which requirement stems from the EU Transparency Directive (2004/109/EC), and relates to the period from 1 August 2015 through 24 November 2015 and the financial period from 1 August 2015 through 31 October 2015 (the "interim period").

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the EU Transparency Directive. This statement has not been audited.

| <b>SUMMARY OF NET ASSET VALUE<br/>(in millions except per share data)</b> | <b>31 October 2015<br/>(Estimated)</b> | <b>31 July 2015<br/>(Actual)</b> | <b>Change</b>   |
|---|--|----------------------------------|-----------------|
| Investment Portfolio  | \$1,157.9                              | \$1,208.3                        | (\$50.4)        |
| Cash and Cash Equivalents   | \$167.9                                | \$135.9                          | \$32.0          |
| Debt  | —                                      | —                                | —               |
| Net Other Assets (Liabilities)  | \$3.8                                  | \$0.4                            | \$3.4           |
| <b>NAV</b>  | <b>\$1,329.6</b>                       | <b>\$1,344.6</b>                 | <b>(\$15.0)</b> |
| Cash + Remaining Available Credit Facility*                               | \$667.9                                | \$435.9                          | \$232.0         |
| <b>NAV per Share (\$) (79.9 million shares outstanding)</b>               | <b>\$16.65</b>                         | <b>\$16.84</b>                   | <b>(\$0.19)</b> |
| Foreign Exchange Rate   | 0.6481                                 | 0.6401                           | 0.008           |
| NAV per Share (£) (79.9 million shares outstanding)                       | £10.79                                 | £10.78                           | £0.01           |
| % Invested  | 87%                                    | 90%                              | 3%              |
| Commitment Level (Allocated Investment Pipeline)†                         | 128%                                   | 129%                             | (1%)            |
| Rolling Coverage Ratio‡   | 102%                                   | 82%                              | 20%             |





\* Available credit facility reflects amount available subject to most restrictive covenant limited applicable. Credit facility increased from \$300.0 million to \$500.0 million in September 2015.

† Reflects the Investment Portfolio plus the allocated Investment Pipeline divided by NAV.

‡ Reflects cash plus Available Credit Facility plus projected full year realisations divided by forecast cash investments over the next three years.

# The Private Equity Cycle

HVPE provides a complete private equity solution for public investors by managing the portfolio through four phases of the private equity cycle to create value: Commitments, Investment, Growth, and Realisation. This comprehensive solution is designed to deliver shareholders strong returns over a multi-year investment cycle.

| The Private Equity Cycle   | Interim Period Ended<br>31 October 2015 | Six Months Ended<br>31 July 2015 |
|--|---|----------------------------------|
|  <b>1 / Commitments</b>                                   |   |                                  |
| New Commitments to HarbourVest Funds   | \$65.0                                  | \$329.3                          |
| INVESTMENT PIPELINE (UNFUNDED COMMITMENTS)   |   |                                  |
| Allocated  | \$544.1                                 | \$530.5                          |
| Unallocated  | 428.7                                   | 417.0                            |
| <b>TOTAL INVESTMENT PIPELINE</b>   | <b>\$972.8</b>                          | <b>\$947.5</b>                   |
|  <b>2 / Cash Invested in HarbourVest Funds</b>            | \$40.4                                  | \$111.9                          |
|  <b>3 / NAV Growth (Change in Estimated / Actual NAV)</b> | (\$15.0)                                | \$78.3                           |
|  <b>4 / Realisations Received from HarbourVest Funds</b>  | \$76.8                                  | \$186.9                          |

## Commitments and Investment Pipeline

During the interim period, HVPE committed a total of \$65.0 million to newly-formed HarbourVest funds:

- An additional \$40.0 million to **HarbourVest 2015 Global Fund**, focused on investment in a combination of primary fund, secondary, and direct co-investments in North America (70%), Europe (20%), and the rest of the world (10%). The portfolio is expected to be broadly diversified by stage, geography, and strategy. The October 2015 commitment brought HVPE's total commitment to \$100.0 million.
- \$25.0 million to **HarbourVest Mezzanine Income Fund**, focused on building a diversified portfolio of mezzanine investments in primarily U.S.-based small to mid-market companies (enterprise value of less than \$1 billion).

HVPE's Investment Pipeline (unfunded commitments) of \$972.8 million increased on a net basis by \$25.3 million during the interim period based on the new HarbourVest fund commitments, capital funded, and foreign currency movement. Of the total Investment Pipeline, approximately \$544.1 million (56%) has been committed by HarbourVest funds to underlying partnerships.

## Cash Invested

During the interim period, HVPE invested \$40.4 million in HarbourVest fund-of-funds and direct co-investment funds. During the first nine months of the financial year, HVPE has invested \$152.3 million, 94% of the total invested during the prior financial year.

The largest investments during the interim period were made to:

- **\$11 million** | HarbourVest 2013 Direct (Global Co-Investment Fund)
- **\$9 million** | HIPEP VI Partnership (International Fund-of-Funds)
- **\$4 million** | HIPEP VII Partnership (International Fund-of-Funds)

| Invested (\$ millions) | Interim Period Ended<br>31 October 2015 | Six Months Ended<br>31 July 2015 | Financial Year Ended<br>31 January 2015 |
|------------------------|---|----------------------------------|---|
| Fund-of-Funds          | <b>\$28.6</b>                           | \$72.4                           | \$120.3                                 |
| Direct Funds           | <b>\$11.8</b>                           | \$10.2                           | (\$0.5)*                                |
| Secondary Funds        | —                                       | \$29.3                           | \$42.4                                  |
| <b>TOTAL</b>           | <b>\$40.4</b>                           | \$111.9                          | \$162.2                                 |

\* HVPE invested \$8.0 million in HarbourVest 2013 Direct, which was netted out by a return of capital.

## NAV Growth

At 31 October 2015, HVPE's estimated Net Asset Value ("NAV") per share is \$16.65, a \$0.19 per share decrease from the 31 July 2015 actual NAV of \$16.84 and a \$0.79 per share increase from the 31 January 2015 audited NAV per share of \$15.86. This decrease of 1.1% during the interim period compares to the MSCI All Country World Index (USD) decrease of 3.6% during the same period. This change resulted from increasing valuations for private holdings as a portion of the portfolio was revalued to reflect 30 September 2015 results, which were offset by decreasing values for publicly-traded holdings, foreign currency movement, and operating expenses. The euro appreciated 0.2% against the U.S. dollar during the period, increasing the value of the approximately 16% of the portfolio that was denominated in euros at 31 July 2015.

The 31 October 2015 estimated NAV is based on 30 June 2015 and 30 September 2015 valuations for HVPE's direct fund and fund-of-funds investments, and 31 October 2015 values for publicly-listed securities.

HVPE carries its investments at fair value in accordance with U.S. generally-accepted accounting principles (U.S. GAAP). The Company's Investment Manager uses the best information it has available to estimate fair value. Fair value for private equity assets is based on the most recent financial information provided to the Investment Manager by underlying managers, adjusted for known investment operating expenses and subsequent transactions, including investments, realisations, changes in foreign currency exchange rates, and changes in value of public securities. Valuation adjustments are made for known significant events, if any, that affect the fair value of the investments.

## Realisations Received

During the interim period, HVPE received \$76.8 million of realisations from fund-of-funds, secondary funds, direct co-investment funds, and its co-investments in Absolute Private Equity and Conversus Capital. During the first nine months of the financial year, HVPE has received \$263.6 million in realisations, 74% of the total received during the prior financial year.

The largest realisations were received from:

- **\$16 million** | HarbourVest VIII Buyout (U.S. Fund-of-Funds)
- **\$7 million** | Conversus Capital (Global Secondary Co-Investment)
- **\$6 million** | HarbourVest VI Partnership (U.S. Fund-of-Funds)
- **\$6 million** | HIPEP VI Partnership (International Fund-of-Funds)

| Realised (\$ millions)  | Interim Period Ended<br>31 October 2015 | Six Months Ended<br>31 July 2015 | Financial Year Ended<br>31 January 2015 |
|-------------------------|---|----------------------------------|---|
| Fund-of-Funds           | \$56.3                                  | \$111.7                          | \$181.8                                 |
| Direct Funds            | \$4.4                                   | \$21.3                           | \$54.8*                                 |
| Secondary Funds         | \$5.9                                   | \$31.7                           | \$37.7                                  |
| <b>Co-Investments</b>   |   |                                  |   |
| Absolute Private Equity | \$2.8                                   | \$5.3                            | \$47.1                                  |
| Conversus Capital       | \$7.4                                   | \$16.8                           | \$34.1                                  |
| <b>TOTAL</b>            | <b>\$76.8</b>                           | <b>\$186.8</b>                   | <b>\$355.5</b>                          |

\* Financial year 2015 direct fund realisations include distributions and dividends from publicly-listed European senior loan fund HSLE.

## Liquidity Events

During the interim period, there were 127 liquidity events within the underlying portfolio (compared to 251 during the six months ended 31 July 2015 and 566 during the financial year ended 31 January 2015). There were an average of 42 liquidity events per month during the interim period, and the last 12-month average is 44.

## Venture Portfolio

45 M&A Events | 9 IPOs

## Buyout / Other Portfolio

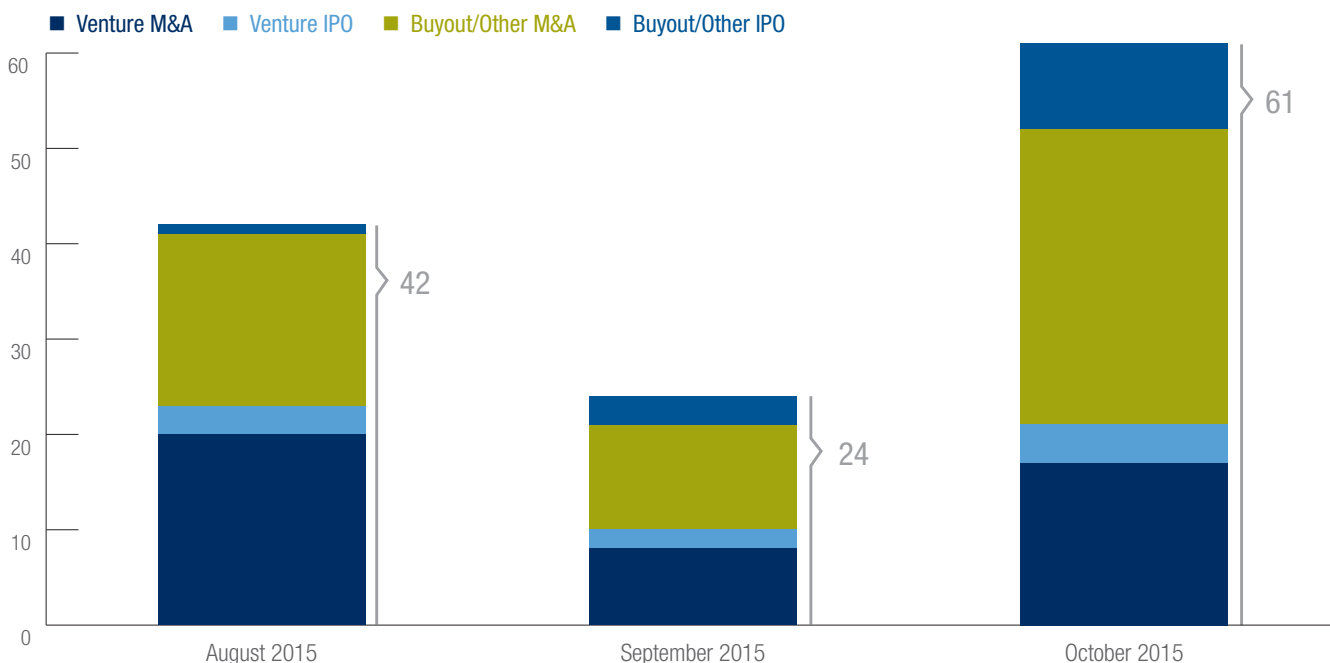
60 M&A Events | 13 IPOs

Continuing liquidity events enable ongoing cash realisations. The consistent liquidity demonstrates that a well-diversified portfolio can continue to generate cash to fund new investments.



In October 2015, *Vistra Group* (HVPE's seventh largest holding at 31 July 2015) was sold to Baring Private Equity Asia for 2.0 times the HarbourVest fund's cost. HVPE holds *Vistra* directly in HarbourVest 2007 Direct and in the primary portfolio via IK Investment Partners. HVPE received proceeds from the sale in November 2015.

#### INTERIM PERIOD LIQUIDITY EVENTS



## Managing a Listed Private Equity Company

Throughout HVPE's ongoing cycle of Commitments, Investment, Growth, and Realisation, the Board (along with the Investment Manager) employs tools and policies to manage the risk and reward for the benefit of the Company's shareholders.

### Credit Facility

On 28 September 2015, HVPE's debt facility was restored to \$500.0 million, including the existing \$300.0 million commitment from Lloyds and an additional \$200.0 million from Credit Suisse, a new lender. The entire facility has been extended to September 2019.

HVPE currently has no drawings on its credit facility. At 31 October 2015, HVPE's cash (\$167.9 million) and available credit (\$500.0 million) total \$667.9 million. This represents 123% of commitments allocated to underlying partnerships and 69% of total commitments.

The Rolling Coverage Ratio at 31 October 2015 is 102%. This reflects the sum of cash, available credit, and realisations expected to be received during the current financial year, taken as a percentage of the expected cash investments in HarbourVest funds over the current year plus the next two years. In considering forecast investments over a three-year period rather than total unfunded commitments, this calculation enables a more useful comparison of HVPE's coverage ratio relative to its peers.

### Management of Foreign Currency Exposure

HVPE has exposure to foreign currency movements through foreign currency-denominated assets within the portfolio and through its unfunded commitments, which are long term in nature. The Company's most significant currency exposure is to euros. The Company does not actively use derivatives or other products to hedge the currency exposure.

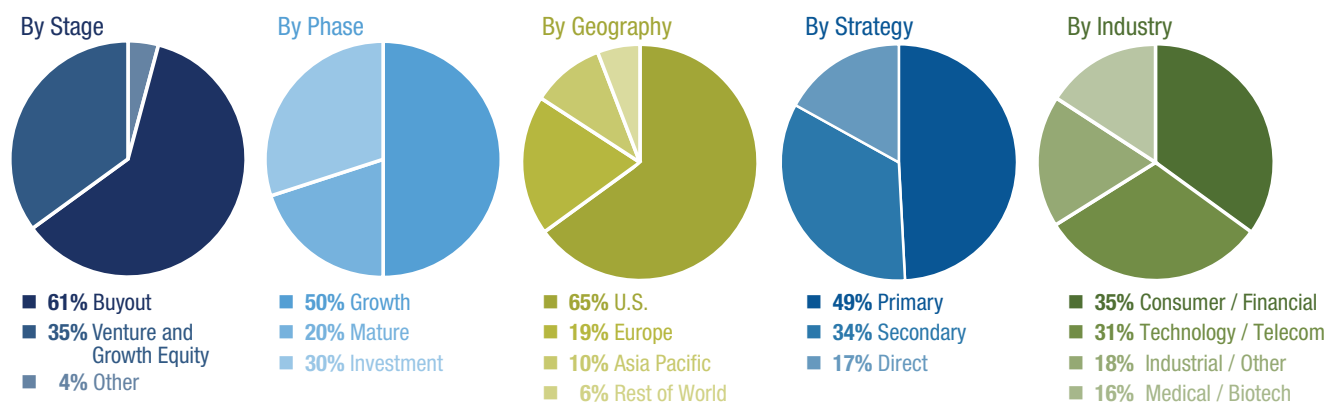
# Portfolio Review

HVPE's highly diversified portfolio includes approximately 758 partnership and direct investments in 6,822 underlying companies.

## Investment Portfolio Diversification

Consistent with HVPE's investment objective, the Investment Manager strives to manage risk through diversification within the portfolio. The charts illustrate the breakdown of HVPE's investment portfolio at 31 October 2015.

### PORTFOLIO DIVERSIFICATION AT 31 OCTOBER 2015



## Largest Underlying Companies

The largest portfolio company investments based on the estimated Investment Portfolio at 31 October 2015 are listed here. Eight of the ten largest companies (in **bold** below) are held at least in part in HarbourVest direct funds.

- **Lightower Fiber Networks**  
(merged with Fibertech in August 2015)
- **Wayfair (W)**
- **Capsugel**
- **Zayo Group (ZAYO)**
- **Earth Networks**
- Censeo Health
- **Vistra Group**  
(sold to Baring Private Equity Asia in October 2015)
- **The Sun Products Corporation**
- **Riverbed Technology**
- TMF Group

## Risk Factors

HVPE's Board of Directors believes that there are four principal risks related to an investment in HVPE:

- The NAV is at risk of decline, particularly if the economic recovery or equity markets falter.
- Although the Company currently has no borrowings, it may be necessary to utilise the Credit Facility at some stage in the future, and obligations could be difficult to fund under certain circumstances.
- HVPE depends on HarbourVest and its investment professionals for core services.
- HVPE could continue to experience periods of share illiquidity, ongoing price volatility, and discounts to NAV.

These risks are further highlighted in the Company's 2015 Semi-Annual Report & Unaudited Consolidated Financial Statements, which can be found at HVPE's website in the [Semi-Annual Report – Six Months Ending 31 July 2015](#).

## Company Overview

HVPE is a Guernsey-incorporated company listed on the London Stock Exchange and Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam, and authorised as a closed-ended investment scheme in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Scheme Rules 2008. HVPE is registered as an investment institution with the Netherlands Authority for the Financial Markets (AFM).

HVPE is managed by HarbourVest Advisers L.P. (the “Investment Manager”), an affiliate of HarbourVest Partners, LLC (“HarbourVest”), a private equity firm whose history dates back to 1982. HarbourVest is headquartered in Boston and has committed more than \$30 billion to investments.

The Company issued 83,000,000 shares at \$10.00 per share in December 2007, canceled 300,000 shares in May 2011 as part of its share buyback arrangement, and canceled 1,533,218 in October 2013 and 1,304,296 in October 2014 as part of compulsory share redemptions.

On 17 November 2015, the Company published its estimated NAV at 31 October 2015, which provides additional information about HVPE’s recent performance and is available in the Monthly Update for 31 October 2015. The 31 October 2015 Monthly Factsheet may be read in conjunction with this statement.

This Interim Management Statement comprises “regulated information” within the meaning of the FMSA which must be made publicly available and filed with the AFM pursuant to sections 5:25e and 5:25m of the FMSA.

Please refer to [www.hvgpe.com](http://www.hvgpe.com) for Monthly Factsheets, as well as Annual and Semi-Annual Reports and Financial Statements.

## Contacts

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### KEY INFORMATION

|                           |   |
|---------------------------|---|
| <b>Exchanges</b>          | London Stock Exchange & Euronext Amsterdam              |
| <b>Ticker</b>             | HVPE  |
| <b>Listing Date</b>       | 6 December 2007 (Euronext)<br>9 September 2015 (LSE MM) |
| <b>Financial Year End</b> | 31 January  |
| <b>Base Currency</b>      | U.S. Dollars  |
| <b>ISIN</b>               | GG00BR30MJ80  |
| <b>SEDOL (Euronext)</b>   | BR30MK9   |
| <b>SEDOL (SFM)</b>        | BR30MJ8   |
| <b>Bloomberg</b>          | HVPE NA, HVPE LN  |
| <b>Reuters</b>            | HVPE.AS, HVPE.L   |
| <b>Common Code</b>        | 032908187   |
| <b>Amsterdam</b>          | 612956  |
| <b>Security Code</b>      |   |

**Notes** The diversification by net asset value analysis is based on the fair value of the underlying investments, as estimated by the Investment Manager. Diversification by stage, phase, and geography is based on the estimated net asset value of partnership investments within HVPE’s fund-of-funds and company investments within HVPE’s direct funds. Industry diversification is based on the reported value of the underlying company investments for both fund-of-funds and direct funds. Some of the funds held in HVPE have not been fully invested. The composition of investments by phase, stage, geography, strategy, and industry may change as additional investments are made and existing investments are realised. By phase, growth includes vintage years 2006 to 2010, mature includes vintage years pre-2006, and investment includes vintage years 2011 to 2015.

**Valuation Methodology** HVPE carries its investments at fair value in accordance with U.S. generally-accepted accounting principles. HVPE’s Investment Manager uses the best information it has available to estimate fair value. Fair value for private equity assets is based on the most recent financial information provided by the Investment Manager, adjusted for known investment operating expenses and subsequent transactions, including investments, realisations, changes in foreign currency exchange rates, and changes in value of public securities. Valuation adjustments are made for known significant events, if any, that affect the fair value of the investments. The 31 October 2015 estimated NAV is based on investment values at 30 June and 30 September 2015 for company investments within HVPE’s direct funds and for partnerships within HVPE’s fund-of-funds, adjusted for changes in value of public securities, foreign exchange movements, cashflows, and known events to 31 October 2015.

HVPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax, and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the securities described herein. This report was prepared using financial information contained in HVPE’s books and records as of the reporting date. This information is believed to be accurate but has not been audited by a third party. This report describes past performance, which may not be indicative of future results. HVPE does not accept liability for actions taken on the basis of the information provided.