

**SEMI-ANNUAL REPORT &  
Unaudited Consolidated Financial Statements**

**31 JULY 2015**



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**COMPANY OVERVIEW** HarbourVest Global Private Equity Limited ("HVPE" or the "Company") is a Guernsey-incorporated company listed on the London Stock Exchange and Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam, registered with the Netherlands Authority for the Financial Markets as a closed-end investment company pursuant to section 1:107 of the Dutch Financial Markets Supervision Act, 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 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.

# Key Highlights

At or during the financial period ended

	Six Months Ended 31 July 2015	Twelve Months Ended 31 January 2015
NAV Per Share	+6%	+10%
New Commitments	\$329m	\$351m
Invested in HarbourVest Funds	\$112m	\$162m
Investment Portfolio Growth	\$84m	\$128m
Cash Realisations	\$187m	\$356m
Realised Uplifts (from Carrying Values)	+37%	+42%
Share Price (in USD)	+7%	+18%
Gearing	0%	0%

## Main Market Listing

On 9 September 2015, HVPE's ordinary shares were successfully admitted to the Main Market of the London Stock Exchange. The shares began trading on the London Stock Exchange's flagship market under the symbol HVPE. The Board of HVPE expects that its transition from the Specialist Fund Market to the Main Market will:

- Broaden the appeal of the stock among key sections of the investment community
- Improve HVPE's appeal to retail investors
- Increase liquidity in the shares
- Facilitate eligibility for inclusion in the FTSE All Share index

The Company's market quote on the London Stock Exchange has been redenominated into Sterling. There has been no change to the legal form or nature of the shares as a result of the redenomination of the market quote and HVPE's listing on Euronext Amsterdam is not affected. The Company's functional currency remains the U.S. dollar.



During the six month financial period ended 31 July 2015, HVPE received \$187 million of realisations.

## 2015 Spotlight

### The Private Equity Cycle

- HVPE commits its capital to newly-formed HarbourVest funds (which can invest in primary funds, secondary investments, and direct co-investments across geographies and strategies).
- As the HarbourVest funds draw down capital, HVPE invests cash in the funds, continuing to build the portfolio for growth.
- The Company funds these investments using realisations received from the mature portion of its portfolio, the maturing HarbourVest funds.



### Realisations

Record Realisations During the Six-Month Period

**\$187 million**  
Realisations Received

89 M&A / 23 IPO Events  
Venture Portfolio  
106 M&A / 33 IPO Events  
Buyout / Other Portfolio

42  
Average Liquidity Events  
per Month



### Investment Portfolio Growth

6% NAV Growth During the Six-Month Period

\$1,208.3 million  
Investment Portfolio  
\$16.84  
NAV per Share

**6%**  
NAV Growth

37%  
Uplift on Carrying Value\*



### Commitments

New Commitments Generate Future Growth

**\$329 million**  
New Commitments

\$531 million  
Allocated Commitments

\$417 million  
Unallocated Commitments



### Investments

Positive Net Cashflows Result in Significant Cash Balance

\$112 million  
New Investments

13%  
Commitments Invested

**\$135.9 million**  
Cash Balance

\* Uplift represents weighted average return for the largest M&A and IPO realisations representing approximately 80% of total during the financial period.

### Share Price and Trading Volume

- HVPE's share price increased 7% during the six months ended 31 July 2015 to £8.72 and \$13.63 (£8.26 and \$12.54) at 28 September 2015.
- 5% of issued and outstanding shares traded during the six-month period.
- During the six months ended 31 July 2015, an average of 29,969 shares traded each day (compared to 45,700 during the same period in 2014).

Share Price at 28 September 2015

£8.26 (\$12.54)



### MISSION STATEMENT

“Deliver superior returns to shareholders by distinguishing HVPE as a **top performing, transparent, and easily accessible listed** private equity multi-manager fund.”

# Chairman's Letter

Dear Shareholder,

After a six-year run the S&P 500 reached an all-time high in May 2015 but since then stock markets across the world have entered a more volatile phase. In the six months to 31 July 2015 the Net Asset Value ("NAV") per share of your Company, HarbourVest Global Private Equity ("HVPE" or the "Company"), grew by 6.2% to \$16.84, which once again outpaced the growth in the MSCI All World Index of 4.0%.

The period saw a continuation of extraordinarily active private markets with private equity managers being able to sell or otherwise dispose of investments at, in many cases, material uplifts on recent carrying values and in addition realise substantial amounts of cash. During the period, HVPE's net cash nearly doubled to \$135.9 million and the average uplift within the underlying portfolios where companies were the subject of a corporate action was +37%. Full details of the Company's performance are reported in the Investment Manager's Review.

During the six months to 31 July 2015, the share price increased from \$12.73 to \$13.63, being an increase of 7.1%, and discount to NAV at which the shares traded narrowed marginally to 19.1%.

In order to ensure that shareholders' funds will be invested in sufficient growth opportunities in years to come the pace of new commitments has been stepped up in the six-month period and total unfunded commitments increased from \$734 million to \$948 million. The experience of the nearly eight years since the launch of the Company has yielded a wealth of data, which has given the Manager confidence to propose a higher level of unfunded commitments than in earlier years on the back of extensive modelling and with increased resources as described later in this letter.

It was after 31 July that the major events since my last letter in May took place and these are covered below, with further details set out in the body of the Semi-Annual Report.

## The Premium Listing on the Main Market of the London Stock Exchange

On 9 September the Company completed its journey to become Premium Listed on the Main Market of the London Stock Exchange. I began reporting on the possibility of such a move back in September 2013 and since then both the Board and Investment Manager have worked together to make it possible. Earlier Chairman's Letters have covered the journey in some detail so I will confine myself to outlining the principal consequences of the move to Main Market.

As was foreshadowed in my May letter, the Company published a Circular dated 24 July 2015, which set out in detail the steps to be taken to permit the listing on the Main Market. Those steps included the holding of an Extraordinary General Meeting of all shareholders on 27 August in Guernsey. Approximately 61% of all A shares were voted and all of the resolutions required to permit the Main Market Listing were passed with 100% of votes being cast in favour. The Board is very appreciative of the support shown by shareholders for the key resolutions.

Also included on the agenda for the EGM was a resolution to permit the Company to issue new shares for cash up to a maximum of 10% of the existing shares in issue. Chapter 15 of the FCA Listing Rules, to which the Company is now subject as a result of its Main Market listing, prohibit any such issuance being made at below Net Asset Value per share unless they are first offered pro rata to existing shareholders, or specifically authorised by a General Meeting of shareholders. However, the waiving of pre-emption rights is, I know, something that many institutional shareholders and their voting agencies do not approve lightly and indeed on this occasion the resolution failed to be passed with the requisite 75% majority of those voting. This failure did not in any way impact upon the Company's ability to list on the Main Market and does not have any material adverse consequences for the immediate future. Nevertheless, given that the Listing Rules prohibit issuance at below NAV per share without pre-emption, and thus there can be no dilution of existing shareholders' interests, the Board intends to consult with shareholders with a view to resubmitting this resolution at the Annual General Meeting in 2016.

As far as shareholders are concerned the principal consequences of the Main Market Listing are as follows. Firstly all shares are enfranchised with equal voting rights of one vote per share. Secondly the shares are now listed on a senior and more liquid market. That is not of itself a guarantee that substantial daily turnover in the shares will develop rapidly as many of the 79.9 million shares outstanding are held in large blocks by relatively long-term shareholders. However, the Company has been advised by its Corporate Brokers that the listing on the Main Market should engender materially increased interest in the Company leading to an expansion of the shareholder register.

Thirdly the shares are now quoted in Pounds Sterling rather than the U.S. Dollar which had previously been the case. This is a pre-requisite of being eligible to be included in the FTSE All-Share Index. In addition the Company may possibly also be eligible for inclusion in the FTSE 250 Index. The Board considers such inclusions to be desirable as they would bring in index funds as new shareholders and hopes that inclusion in the All-Share Index, at least, will take place in early 2016. However, that will only be permitted if the average turnover in the shares exceeds a minimum threshold in the weeks prior to the conclusion of the index assessment.

Shareholders should be aware that although the shares are now quoted in London in Pounds Sterling the functional currency of the Company continues to be, and will remain, the U.S. Dollar. The Board will continue to focus on performance in U.S. Dollar terms, report results in U.S. Dollars and undertake primary NAV calculations in U.S. Dollars. Inevitably, however, the Sterling quote will be impacted by changes in the U.S. Dollar/Sterling exchange rate and shareholders should be prepared for this impact.

### Credit Facility

At the inception of the Company in 2007 the net assets were \$830 million and a seven-year credit facility of \$500 million with the Bank of Scotland was in place. The Bank of Scotland was subsequently absorbed by Lloyds Bank and as I reported in September 2013, the facility was renegotiated with a new expiry date of April 2018 and at the same time, in order to cut back on the expense of payment of commitment fees on undrawn amounts, the Board decided to reduce the facility to \$300 million.

In September 2013 the Company had gross assets of \$1,203 million, net assets of \$1,079 million and unfunded commitments of \$541 million. By 31 August 2015 the Company had no debt outstanding, but rather was holding \$129 million in cash. Both gross and net assets were \$1,317 million and unfunded commitments had increased to \$933 million. Since the launch of the Company the Manager has prepared cash-flow forecasts taking account of a number of possible economic and market scenarios. With the benefit of over seven years of out-turns that can be compared with the earlier projections, including those made during the global financial crisis, the cashflow modelling has become increasingly sophisticated.

Under normal market conditions, current cashflow projections show no need for the Company to borrow any money at all in the current five-year plan period. However the net cash/net debt figure is a residual arising from two much larger figures, namely those of distributions and drawdowns. As was seen in the global financial crisis, external events entirely out of the control of the Company can cause significant disruptions to projected flows. In addition, as has been seen in recent months, listed equity markets, which influence in many ways the world of private equity, will always undergo periods of unpredictable turbulence. In the light of the substantial increase in the size of the Company's balance sheet and of the unfunded commitments, and despite the enlarged cash balance, earlier in the year the Board and Manager agreed to seek to restore the credit facility to \$500 million as a prudent precaution against the effects of unforeseeable future external events.

The Board is pleased that a new lender, Credit Suisse, has joined with Lloyds Bank to provide a joint facility of the full \$500 million sought. The principal terms of the joint facility are expiry in September 2019 with an annual option to extend for a further 12 months, a commitment fee on undrawn facilities of 90 basis points per annum and a drawn margin over LIBOR of between 265 basis points and 350 basis points. Further details are given on page 26 of this report. The Board is advised that these terms are competitive and is of the opinion that the facility provides desirable underpinning to allow the Company to continue to make commitments which will drive NAV growth in future years. If the facility remains unused, the additional expense to the Company will be \$1.8 million per annum. However, the Manager is confident that the presence of the facility will permit an otherwise higher level of investment in private equity assets and that the return on these additional assets will materially exceed the cost of the additional credit facility.

## Management and Board

In my May letter I outlined the management structure and advised that the Board and Manager would keep shareholders informed. Since May both the Board and Investment Manager have concentrated on implementing the Main Market Listing and arranging the increased credit facility. Meanwhile, the present arrangements whereby Billy Macaulay and Richard Hickman have responsibility for the day to day operations of the Company, with the strategy and investment policy being in the hands of directors Brooks Zug and Peter Wilson and my undertaking an active role as Chairman, are working well.

## Conclusion

After the very strong six-year run in equity markets in general and in listed private equity in particular, it is not surprising that markets have taken stock in recent weeks given the flow of more difficult news from several countries. Investment in equities, and particularly in private equity assets, should always be seen as a long-term strategy. Over time, both the Board and Investment Manager are confident that your Company will deliver NAV growth that will outpace public markets. In addition the shares of many listed private equity companies, including HVPE, continue to trade at a significant discount to NAV per share despite significant uplifts on realisations as detailed in the Investment Manager's Review. These circumstances should continue to provide the scope for future increases in the share price in the longer term. With the Main Market Listing in London now achieved, your Company intends to position itself at the forefront of the fund-of-funds category within the listed private equity sector.

I look forward to updating shareholders as and when there are any major developments, failing which in the Chairman's Letter with the Annual Report that will be published in May 2016.

Yours Sincerely,



Michael Bunbury  
Chairman  
29 September 2015

## Photos from the Main Market Listing 9 September 2015





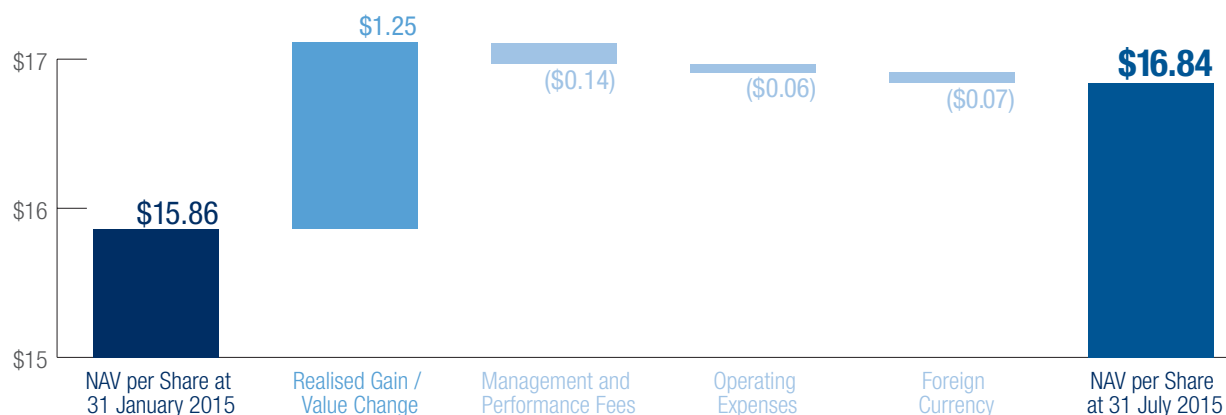
# Investment Manager's Review

HVPE provides a complete private equity solution for 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.



## Unaudited Results for the Six-Month Period Ended 31 July 2015

### CHANGES IN NAV PER SHARE



	31 July 2015	31 January 2015
<b>SUMMARY OF NET ASSET VALUE</b> (in millions except per share and % data)		
Investment Portfolio	\$1,208.3	\$1,198.9
Cash and Cash Equivalents	135.9	67.3
Debt	—	—
Net Other Assets (Liabilities)	0.4	0.1
NAV	\$1,344.6	\$1,266.3
NAV per Share (79.9m shares outstanding) (\$)	\$16.84	\$15.86
NAV per Share (79.9m shares outstanding) (£)	£10.78	£10.53
Cash + Remaining Available Credit Facility	\$435.9	\$367.3
<b>THE PRIVATE EQUITY CYCLE</b> Financial Period Ended		
<b>1 COMMITMENTS</b>		
Commitments to New HarbourVest Funds	\$329.3	\$350.5
<b>Investment Pipeline (Unfunded Commitments)</b>		
Allocated	\$530.5	\$557.3
Unallocated	417.0	176.8
<b>Total Investment Pipeline</b>	<b>\$947.5</b>	<b>\$734.1</b>
<b>2 CASH INVESTED</b>		
Invested in HarbourVest Funds	\$111.9	\$162.2
% of Investment Pipeline*	13.2%	12.8%
<b>3 GROWTH</b>		
<b>Investment Portfolio (beginning of financial period)</b>	<b>\$1,198.9</b>	<b>\$1,264.2</b>
Cash Invested	111.9	162.2
Investment Portfolio Growth	84.4	128.0
Realisations Received (including dividends)	(186.9)	(355.5)
<b>Investment Portfolio (end of financial period)</b>	<b>\$1,208.3</b>	<b>\$1,198.9</b>
<b>4 REALISATIONS RECEIVED</b>		
Cash Received from HarbourVest Funds and Co-Investments (including dividends)	\$186.9	\$355.5
% of Investment Portfolio†	15.6%	28.1%

\* Percent of Investment Pipeline at prior financial year end, adjusted for large commitments made during the year.

† Percent of Investment Portfolio at prior financial year end.



## The Six-Month Period to 31 July 2015

### 1 Commitments ▶ \$329m

HVPE commits capital to newly-formed HarbourVest funds and co-investments

- **HarbourVest X** (U.S. Fund-of-Funds)  
HarbourVest X Venture (\$118 million)  
HarbourVest X Buyout (\$100 million)
- **HIPEP VII** (International Fund-of-Funds)  
HIPEP VII Europe (\$26 million (€23 million))
- **HarbourVest 2015 Global Fund**  
(Global Fund-of Funds) \$60 million
- **HarbourVest Canada Growth Fund**  
(North American Venture Fund-of-Funds)  
\$25 million (C\$32 million)
- **Investment Pipeline**  
\$531 million allocated  
\$417 million unallocated

### 2 Investments ▶ \$112m

HVPE funds capital to HarbourVest funds, which create portfolios of primary, secondary, and direct co-investments

- **Dover VIII** (Global Secondary)  
\$29 million
- **HarbourVest 2014 Global Fund**  
(Global Fund-of-Funds) \$17 million
- **HarbourVest 2013 Direct**  
(Global Co-Investment) \$10 million
- **HarbourVest IX Venture**  
(U.S. Fund-of-Funds) \$8 million
- **HarbourVest IX Buyout**  
(U.S. Fund-of-Funds) \$8 million

### 3 Investment Portfolio Growth ▶ \$84m

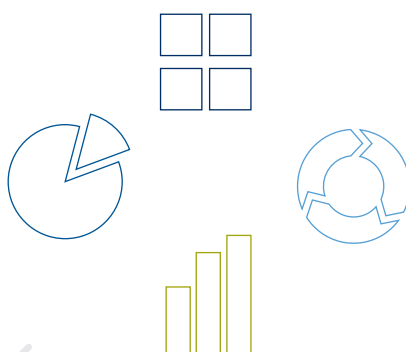
HarbourVest funds seek to create value through portfolio management

- **HarbourVest VIII Buyout**  
(U.S. Fund-of-Funds) \$17 million
- **Dover VIII**  
(Global Secondary) \$12 million
- **HIPEP VI Partnership**  
(International Fund-of-Funds) \$8 million
- **HarbourVest 2007 Direct**  
(Global Co-Investment) \$7 million
- **Conversus Capital** \$6 million

### 4 Realisations ▶ \$187m

HarbourVest funds and co-investments distribute cash to HVPE

- **HarbourVest VIII Buyout**  
(U.S. Fund-of-Funds) \$43 million
- **HarbourVest 2007 Direct**  
(Global Co-Investment) \$19 million
- **Dover VII**  
(Global Secondary) \$19 million
- **Conversus Capital** \$17 million
- **Dover VIII**  
(Global Secondary)  
\$13 million



# 1/ Commitments

## HVPE Commits Capital to New HarbourVest Funds

During the six months ended 31 July 2015, HVPE committed \$329 million to newly-formed HarbourVest funds. These commitments are complementary to HVPE's existing portfolio of HarbourVest funds and help to ensure continued access to compelling investment opportunities.

HarbourVest funds commit capital to managers over a period of typically four years and call down capital over a period of seven to nine years, creating an Investment Pipeline of allocated (to underlying partnerships and investments) and unallocated commitments.

HarbourVest Fund	Committed During Six Months Ended 31 July 2015 (\$m)
<b>HarbourVest X (2015-2018)</b> U.S. fund-of-funds focused on building a portfolio of private equity investments, including primary fund investments that are complemented by secondary and direct co-investments	<b>\$218*</b>
HarbourVest X Venture	\$118
HarbourVest X Buyout	\$100
<b>HIPEP VII Europe (2014-2017)</b> International fund-of-funds focused on building a portfolio of private equity investments in Europe, including primary fund investments that are complemented by secondary and direct co-investments <ul style="list-style-type: none"> <li>■ 9.5% called</li> </ul>	\$26 (€23)
<b>HarbourVest 2015 Global Fund (2015-2017)</b> Balanced fund focused on investments in a combination of primary fund, secondary, and direct co-investments in North America (70%), Europe (20%), and the rest of the world (10%) <ul style="list-style-type: none"> <li>■ 6.0% called</li> </ul>	\$60
<b>HarbourVest Canada Growth Fund (2015-2018)</b> North American fund focused on building a diversified portfolio of North American venture capital investments with a specific focus on the Canadian venture market <ul style="list-style-type: none"> <li>■ 8.0% called</li> </ul>	\$25 (C\$32)
<b>TOTAL COMMITTED TO HARBOURVEST FUNDS</b>	<b>\$329</b>

\* Total programme



HVPE makes commitments to HarbourVest funds, which in turn make new primary, secondary, and direct investments. Once funded during the Investment Phase, the capital becomes part of the Investment Portfolio.

### HVPE Structure Allows Unique Approach to Commitments

The Company can maintain a higher level of unfunded commitments than its peers based on timing, duration, and predictability.

#### Extended Investment Period

Most listed fund-of-funds vehicles make commitments directly to newly-formed third party partnerships, which are expected to invest most of their commitments over three to five years. In contrast:

- HVPE makes the vast majority of its commitments to newly-formed HarbourVest funds (which typically have a seven to nine-year investment period) or to HarbourVest-led co-investments.
- This extended investment period reflects the fact that HarbourVest funds commit capital to partnerships over a period of three to four years, which in turn build their portfolios and generally invest most capital over the next three to five years.
- This model allows an increase in the level of commitments that HVPE can support in contrast to some of its listed peers.

#### Allocated and Unallocated Investment Pipeline

In order to reflect the differences in expected drawdown periods appropriately, the Company divides its Investment Pipeline into “allocated” and “unallocated” segments. Of the Company’s total Investment Pipeline of \$948 million:

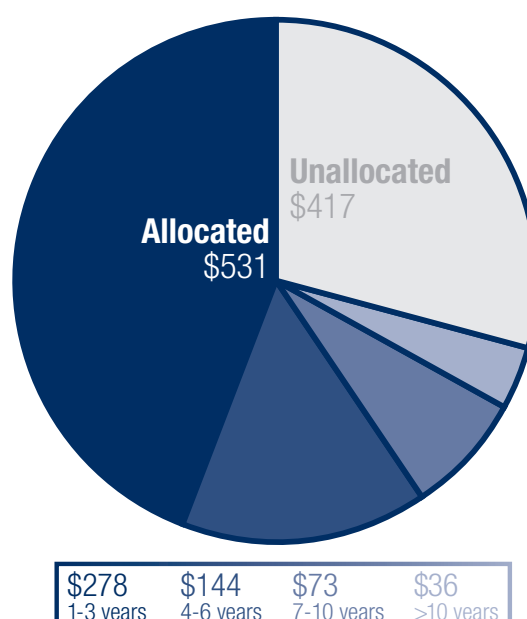
- 56% has been allocated by HarbourVest funds to underlying investments.
- 44% has not yet been allocated to underlying partnerships.

All of the Company’s commitments to HarbourVest direct and secondary funds are classified as “allocated” commitments because their drawdown profiles are closer to those of third party partnerships. The Investment Manager anticipates that the Company’s allocated commitments will be drawn down over a three to five-year period. In contrast, the commitments that have not been allocated are expected to be drawn over a longer period of up to seven to nine years.

#### Age of the Investment Pipeline

HVPE’s allocated commitments range across a number of vintage years. At 31 July 2015, approximately \$109 million of commitments (or 21% of the allocated total) are more than six years old and may be drawn at any time. Approximately \$144 million (27%) of allocated commitments are between four and six years old and likely to be drawn down in the near term. The remaining \$278 million (52%) of allocated commitments are one to three years old and are expected to be called in the near to medium term.

#### AGE OF THE INVESTMENT PIPELINE AT 31 JULY 2015



## 2 / Investment Phase

### HVPE Invests Cash In HarbourVest Funds as they Draw Down Capital

During the financial period ended 31 July 2015, HVPE invested \$112 million in multiple HarbourVest funds.

Invested (\$ Millions)	Six Months Ended 31 July 2015	Financial Year Ended 31 January 2015	Six Months Ended 31 July 2014
Fund-of-Funds	<b>\$72.4</b>	\$120.3	\$51.9
Direct Funds*	<b>\$10.2</b>	(\$0.5)*	(\$7.0)*
Secondary Funds	<b>\$29.3</b>	\$42.4	\$19.4
<b>TOTAL</b>	<b>\$111.9</b>	\$162.2	\$64.3

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

The largest individual HarbourVest fund investments included:

- \$29 million to global secondary fund Dover VIII to fund the purchases of venture and buyout assets in the U.S., Europe, Asia Pacific, and emerging markets
- \$17 million to global fund-of-funds HarbourVest 2014 Global Fund, which made new primary fund, secondary, and co-investments globally
- \$10 million to HarbourVest 2013 Direct to fund co-investments in North America, Europe, and Asia Pacific
- \$8 million to HarbourVest IX Venture to fund primary, secondary, and direct venture-focused investments
- \$8 million to HarbourVest IX Buyout to fund primary, secondary, and direct buyout-focused investments

### New Commitments Made by HVPE's HarbourVest Funds (\$210 million)

- 24 primary partnerships (\$111 million)
- 8 secondary investments (\$83 million)
- 6 direct co-investments (\$16 million)

### THE LARGEST NEW PRIMARY COMMITMENTS WERE MADE TO PARTNERSHIPS MANAGED BY:

Manager	Geography	Strategy
The Blackstone Group	U.S.	Large Buyouts
EQT Managers	Europe	Large Buyouts
Index Ventures	Europe	Venture/Growth Equity
Insight Venture Management	U.S.	Venture/Growth Equity
Pacific Equity Partners	Asia Pacific	Medium Buyouts
Redpoint Ventures	U.S.	Early Stage Venture
Silversmith Management	U.S.	Venture/Growth Equity
TA Associates	U.S.	Venture/Growth Equity
Vector Capital	U.S.	Small Buyouts
Waterland Private Equity	Europe	Medium Buyouts



Six of the top 25 new company investments are held at least in part by HarbourVest direct co-investment funds.

#### TOP 25 NEW INVESTMENTS

Company	Description	Increase in HVPE Holding (\$m)
<b>Riverbed Technology</b>	<b>Network management solutions</b>	<b>\$7.6</b>
Perstorp	Specialty chemicals	3.0
Kaufman & Broad	Home builder	1.9
<b>Saba Software</b>	<b>Talent management software</b>	<b>1.7</b>
<b>Eaton Towers</b>	<b>Telecom tower operator</b>	<b>1.6</b>
<b>Exxelia International</b>	<b>Electronic components</b>	<b>1.5</b>
<b>PnR Holdings</b>	<b>Financial services and technology</b>	<b>1.5</b>
<b>MedOptions</b>	<b>Behavioral health services</b>	<b>1.5</b>
Xella International	Specialty chemicals	1.3
Cerba European Lab	Clinical laboratory network	1.2
Alert Logic	Security and compliance software	1.1
NEW Asurion Corporation	Consumer product protection	1.0
Smile Brands	Dental support services	1.0
Service Repair Solutions	Automotive service solutions	1.0
Velvet Energy	Oil and gas exploration	1.0
Global Closure Systems	Beverage closure solutions	1.0
Swissport International	Cargo services	0.9
Legend Energy Services	Oil and gas equipment services	0.9
NSL Services Group	Outsourced business services	0.8
US Acute Care Solutions	Hospital services	0.8
Ozburn-Hessey Logistics	Contract logistics services	0.8
Canadian International Oil Corporation	Oil and gas exploration	0.7
Marcolin	Luxury glasses	0.7
Option Care Enterprises	Specialty pharmaceuticals	0.7
Evans Cycle	Bicycles and accessory retailer	0.7
<b>TOTAL</b>		<b>\$35.9</b>

Companies in **bold** are held at least in part by HarbourVest direct co-investment funds.

### Vintage Year Profile

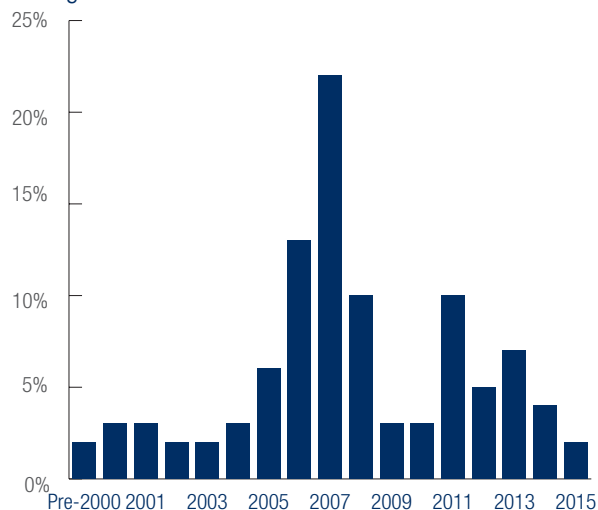
HVPE's HarbourVest funds provide access to primary fund, secondary, and direct co-investments that are diversified across a range of vintage years and years of investment. This diversification is continually evolving as more mature investments are realised and new investments enter the Investment Portfolio.

### Vintage Year and Year of Investment

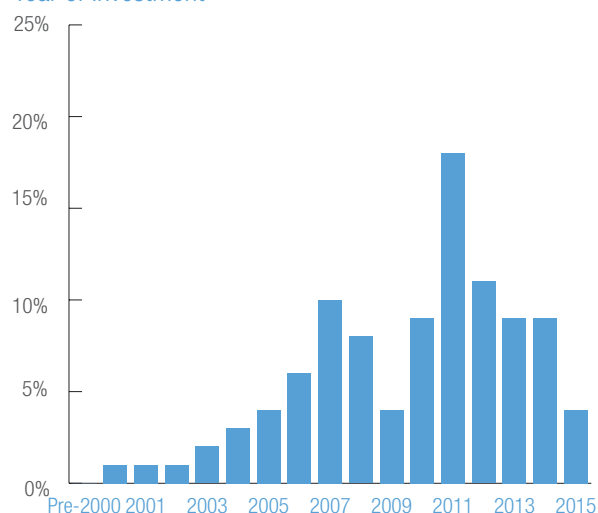
- HVPE's vintage year diversification is measured using the year of initial capital call for primary partnerships and direct funds and the year of formation for secondary investments.
- Year of investment diversification is based on the year the underlying portfolio company investment was made. This is more representative when judging the level of investment during the pre-crisis period of 2005 to 2007 when pricing in the market reached a short-term peak.

### INVESTMENT PHASE

#### Vintage Year



#### Year of Investment



Average age of portfolio is  
**5.1 years**  
 (Simple average based on year of investment for underlying companies)

Portfolio diversification is a key component of HVPE's strategy.

## 3 / Growth Phase

HVPE delivered Investment Portfolio growth of \$84 million (6%) during the six months ended 31 July 2015. This was driven primarily by funds in the Growth Phase (partnerships in years five to nine), which represents 51% of the Investment Portfolio NAV (target 50%). HVPE achieves this exposure using a policy of regular commitments to newly-formed HarbourVest funds. Growth during the financial year was led by U.S. buyout-focused fund-of-funds HarbourVest VIII Buyout (formed in 2006 with funds spanning vintage years 2006 to 2012), global secondary fund Dover VIII (formed in 2011 with a current portfolio of maturing secondary assets), and global direct co-investment fund HarbourVest 2007 Direct.

### Investment Portfolio Diversification

#### Diversification by Stage

- Venture investments (including Growth Equity) represent 35% of Investment Portfolio NAV at 31 July 2015.
  - Four of HVPE's top ten holdings are venture backed.
  - The largest underlying holding in the HVPE portfolio is venture-backed online home goods retailer *Wayfair* (W), which completed an IPO in October 2014.
- Buyout investments represent 61% of NAV and are further diversified with 16% in large buyout transactions (funds of greater than \$7 billion in size).
  - Six of HVPE's top ten holdings are buyouts, the largest of which is drug delivery systems provider *Capsugel*.

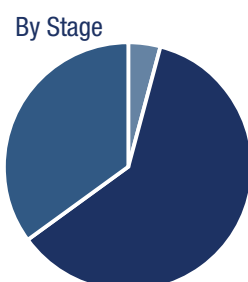
#### Diversification by Geography

- The underlying partnerships are located in 38 countries and denominated in nine different currencies.
- The underlying companies are located in 88 countries.
- Nine of HVPE's top ten holdings are in the U.S., including the six largest.
- HVPE's geographic diversification varies greatly across venture and buyout investments:
  - Within venture, 76% of NAV is in the U.S., 8% in Europe, and 16% in Asia Pacific and the rest of the world.
  - Within buyout, 58% of NAV is in the U.S., 27% in Europe, and 15% in Asia Pacific and the rest of the world.

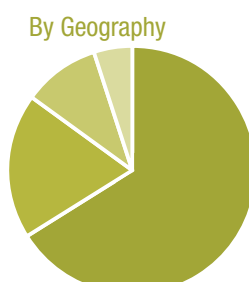
#### Diversification by Strategy

- Primary funds represent 49% of HVPE's Investment Portfolio NAV.
- The secondary and direct co-investment portfolios outperformed the primary fund portfolio during the financial period.
  - Nine of HVPE's top ten holdings are held at least in part in the direct co-investment portfolio.

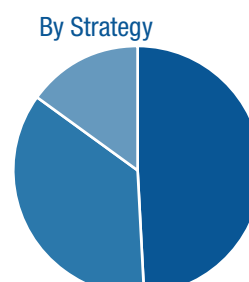
### INVESTMENT PORTFOLIO DIVERSIFICATION AT 31 JULY 2015



- 61% Buyout
- 35% Venture and Growth Equity
- 4% Other



- 66% U.S.
- 19% Europe
- 10% Asia Pacific
- 5% Rest of World



- 49% Primary
- 36% Secondary
- 15% Direct



## Investment Portfolio Review

HVPE's HarbourVest funds have built an Investment Portfolio of companies and managers that is diversified across vintage years, strategies, geographies, and industries and made up of 6,812 companies, of which the top 100 represent 32% of the value. At 31 July 2015, no single company represented more than 1.1% of the Investment Portfolio; and no external manager represents more than 2.2%.

### LARGEST UNDERLYING COMPANIES AT 31 JULY 2015

Company	Strategy	% of Investment Value at 31 July 2015	Location	Status	Description
<b>Wayfair (W)*</b>	<b>Venture</b>	<b>1.06%</b>	<b>U.S.</b>	<b>Public</b>	<b>Online home goods retailer</b>
<b>Capsugel</b>	<b>Buyout</b>	<b>1.01</b>	<b>U.S.</b>	<b>Private</b>	<b>Drug delivery systems</b>
<b>Zayo Group (ZAYO)</b>	<b>Venture</b>	<b>0.93</b>	<b>U.S.</b>	<b>Public</b>	<b>Telecommunications</b>
<b>Lightower Fiber Networks</b>	<b>Buyout</b>	<b>0.80</b>	<b>U.S.</b>	<b>Private</b>	<b>Metrofiber network and broadband service</b>
<b>Earth Networks</b>	<b>Venture</b>	<b>0.77</b>	<b>U.S.</b>	<b>Private</b>	<b>Localised convergent content</b>
Censeo Health	Venture	0.69	U.S.	Private	Home health care services
<b>Vistra (Viva Globe)*</b>	<b>Buyout</b>	<b>0.67</b>	<b>Hong Kong</b>	<b>Private</b>	<b>Offshore financial services</b>
<b>The Sun Products Corporation*</b>	<b>Buyout</b>	<b>0.64</b>	<b>U.S.</b>	<b>Private</b>	<b>Private-label household products</b>
<b>Riverbed Technology*</b>	<b>Buyout</b>	<b>0.63</b>	<b>U.S.</b>	<b>Private</b>	<b>Network management solutions</b>
<b>Securus Technologies*</b>	<b>Buyout</b>	<b>0.50%</b>	<b>U.S.</b>	<b>Private</b>	<b>Inmate telecommunications</b>

Companies in **bold** are held at least in part in HarbourVest direct co-investment funds.

\* Company not included in largest ten companies at 31 January 2015.

### LARGEST MANAGERS AT 31 JULY 2015

The largest private equity managers based on the Investment Portfolio are listed here in alphabetical order. As the investment manager of the HarbourVest direct funds, HarbourVest Partners, LLC is the largest manager held in HVPE, although not listed here.

Manager	Region	Stage
The Blackstone Group	U.S.	Buyout
DCM	U.S./Asia Pacific	Venture and Growth Equity
GTCR	U.S.	Buyout
Health Evolution Investments	U.S.	Venture and Growth Equity
Index Ventures	Europe	Venture and Growth Equity
Kohlberg Kravis Roberts	U.S.	Buyout
Silver Lake Management	U.S.	Buyout
Thoma Bravo	U.S.	Buyout and Venture and Growth Equity
TPG Capital	U.S.	Buyout
Welsh, Carson, Anderson & Stowe	U.S.	Buyout and Mezzanine

## Investment Portfolio Growth

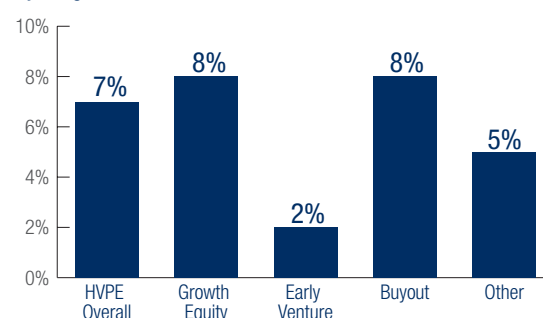
The overall portfolio generated a 7% gain during the six months ended 31 July 2015, driven by underlying growth and realisations within the HarbourVest fund-of-funds, secondary funds, and secondary and direct co-investments.

### Growth by Stage

- The growth equity portfolio (15% of Investment Portfolio NAV) outperformed the early stage/balanced venture portfolio, driven by an increasing price per share for *Wayfair* (W), which completed its IPO in October 2014 and is held in the direct co-investment and primary fund portfolios.
- The buyout portfolio (61% of Investment Portfolio NAV), performance was driven by increasing values for companies including *Adeptus Health* (ADPT, 2014 IPO), held in the primary fund portfolio and direct co-investments including *Polynt*, *Vistra* (*Viva Globe*), and *The Sun Products Corporation*.

### INVESTMENT PORTFOLIO GROWTH GAIN OVER 31 JANUARY 2015 VALUE

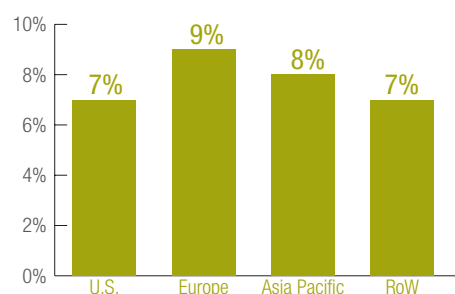
#### By Stage



### Growth by Geography

Europe (19% of Investment Portfolio NAV) outperformed the U.S., Asia Pacific, and the rest of the world. This was driven partly by increasing values for companies including *Funding Circle* and *Just-Eat* (JE) (held via Index Ventures), despite a depreciating euro during the period.

#### By Geography

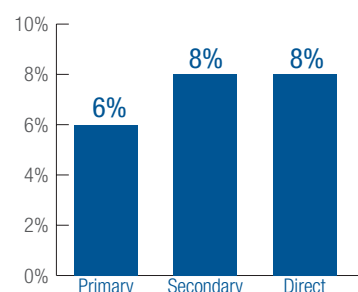


### Growth by Strategy

Secondary investments (36% of Investment Portfolio NAV) and direct co-investments (15% of Investment Portfolio NAV) outperformed the primary fund portfolio.

- Secondary performance was led by an increasing valuation for South African facilities management provider *Tsebo Outsourcing* (held via Rockwood Private Equity) and HVPE's co-investment in *Conversus Capital*.
- Direct co-investment performance was led by companies including *Wayfair*, *Polynt*, *Vistra* (*Viva Globe*), and *The Sun Products Corporation*.

#### By Strategy



## 4 / Mature Phase

### HVPE Receives Cash Realisations from HarbourVest Funds as Investments are Exited

HVPE received \$187 million of realisations from HarbourVest funds and co-investments during the six months ended 31 July 2015, on pace to equal the record \$356 million received during the financial year ended 31 January 2015.

Maturing U.S. and international fund-of-funds, direct funds, secondary funds, and secondary co-investments distributed proceeds from IPOs, the sale of publicly-traded shares, M&A events, and recapitalisations.

Realised (\$ Millions)	Six Months Ended 31 July 2015	Financial Year Ended 31 January 2015	Six Months Ended 31 July 2014
Fund-of-Funds	<b>\$111.7</b>	\$181.8	\$91.5
Direct Funds	<b>\$21.3</b>	\$54.8*	\$15.5*
Secondary Funds	<b>\$31.7</b>	\$37.7	\$16.6
Total Received from HarbourVest Funds	<b>\$164.7</b>	\$274.3	\$123.6
Co-Investments			
Absolute	<b>\$5.3</b>	\$47.1	\$9.2
Conversus	<b>\$16.8</b>	\$34.1	\$13.8
TOTAL	<b>\$186.8</b>	\$355.5	\$146.6

\* Direct fund realisations in 2014 include dividends from publicly-listed European senior loan fund HSLE.

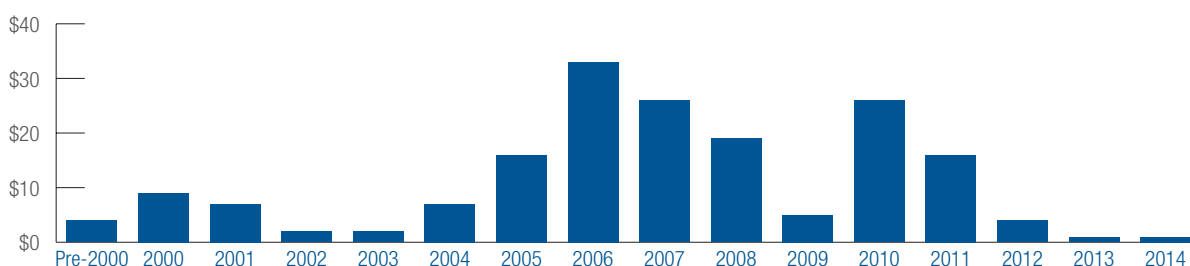
### Larger Sources of Realisations Received

- \$43 million / HarbourVest VIII Buyout (U.S. Fund-of-Funds)
- \$19 million / HarbourVest 2007 Direct (Global Co-Investment)

Developing global co-investment fund distributed proceeds from M&A events and the sale of publicly-traded shares. The largest sources of realisations were the March 2015 sale of *Omega Pharma* (HVPE's eighth largest underlying holding at 31 January 2015) to Perrigo Company for 3.2 times the fund's cost; and the May 2015 IPO of *MYOB Limited* (MYOB), which had completed an M&A event in 2011 and generated a total of 4.6 times the fund's cost.

- \$19 million / Dover VII (Global Secondary)
- \$17 million / Conversus Capital
- \$13 million / Dover VIII (Global Secondary)

### INVESTMENT PORTFOLIO REALISATIONS BY VINTAGE YEAR \$ Millions Realised During Six-Month Period Ended 31 July 2015





## Investment Portfolio Realisations and Liquidity

As companies within the Investment Portfolio achieve liquidity via IPOs, M&A events, and recapitalisations, managers return capital to the HarbourVest funds, creating realised value. HarbourVest funds then distribute cash to HVPE that may be used to fund its commitments to newer HarbourVest funds.

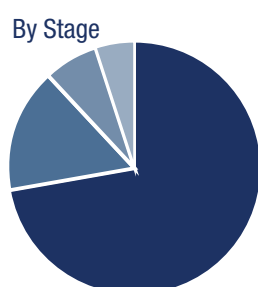
### TOP 25 REALISATIONS

Company	Description	HVPE Realised Value*
PODS Enterprises	Mobile storage solutions	\$8.5
<b>Perrigo Company (Omega Pharma)</b>	<b>OTC pharmaceuticals</b>	<b>7.9</b>
Genesee & Wyoming (Freightliner)	Rail containers	7.2
<b>MYOB Limited</b>	<b>Accounting software</b>	<b>5.5</b>
Cyber-Ark Software	Security software	4.4
<b>Protective Industries</b>	<b>Protection products for shipping and storage</b>	<b>4.1</b>
General Electric Company (Milestone Aviation)	Private aviation financing	4.0
<b>The J.M. Smucker Company (Big Heart Pet Brands)</b>	<b>Food and pet products</b>	<b>3.8</b>
<b>American Trailer Works</b>	<b>Heavy duty utility trailers</b>	<b>3.6</b>
Blue Coat Systems	Online security solutions	3.3
Eurofiber	Netherlands independent fiber network	3.3
SteriGenics International	Sterilisation and ionisation services	3.0
Zimmer Biomet Holdings	Orthopaedic medical devices	2.7
Belden	Electronic components	2.6
<b>Abertis Infraestructuras</b>	<b>Telecommunications infrastructure</b>	<b>2.3</b>
<b>DH Corporation (Fundtech)</b>	<b>Processing and payment solutions</b>	<b>2.3</b>
LendingClub	Peer-to-peer lending	1.9
<b>CDW Corporation</b>	<b>Multi-branded information technology services</b>	<b>1.9</b>
Merlin Entertainments Group	Leisure facilities	1.8
Sabre Holdings	Travel distribution services	1.8
<b>Skylark</b>	<b>Family restaurants</b>	<b>1.8</b>
Mirion Technologies	Radiation protection solutions	1.8
Zalando	Online fashion retailer	1.8
Shimtech Industries	Aerospace shims	1.7
<b>The Nielsen Company</b>	<b>Marketing and media information</b>	<b>1.7</b>
<b>TOTAL</b>		<b>\$84.7</b>

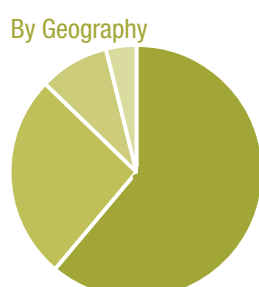
Companies in **bold** are held at least in part by HarbourVest direct co-investment funds.

\* HVPE realised value represents HVPE's share of primary, secondary, and direct realisations received during the financial year.

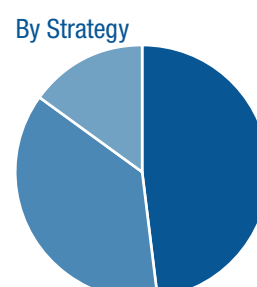
### SOURCES OF TOTAL REALISATIONS



- 72% Buyout
- 16% Venture
- 7% Growth Equity
- 5% Other



- 61% U.S.
- 26% Europe
- 9% Asia Pacific
- 4% Rest of World



- 48% Primary
- 37% Secondary
- 15% Direct

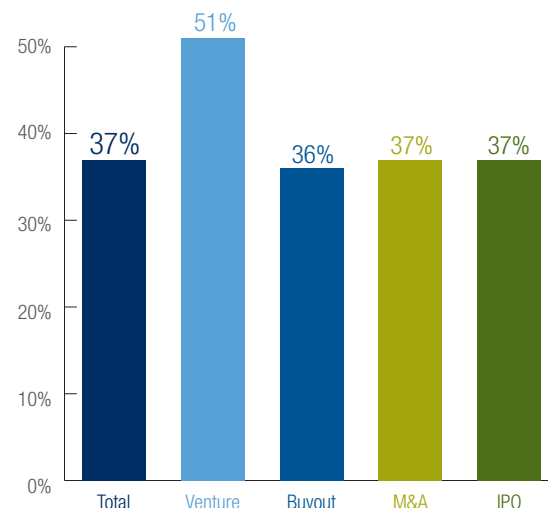
**37% Uplift on Carrying Value at Realisation**  
 HVPE received a total of \$187 million from HarbourVest funds and co-investments during the six months ended 31 July 2015. The largest 74 M&A and IPO transactions, which represent approximately 80% of total known transactions during the financial period, were achieved at an uplift to carrying value of 37% and at an average multiple of 2.8 times cost.

Within the largest transactions, the venture companies achieved a weighted average uplift of 51%, and the buyout companies achieved an uplift of 36%. Carrying value is defined as the value at the month end prior to the first announcement of a transaction.

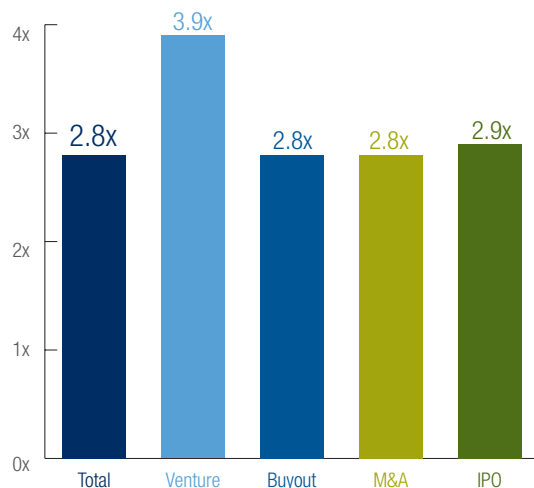
While private equity valuations are subjective based on observable inputs, the realisations experienced within the HVPE portfolio substantially exceed carrying value.

## UPLIFT FROM PREVIOUS CARRYING VALUE ON COMPANY REALISATIONS

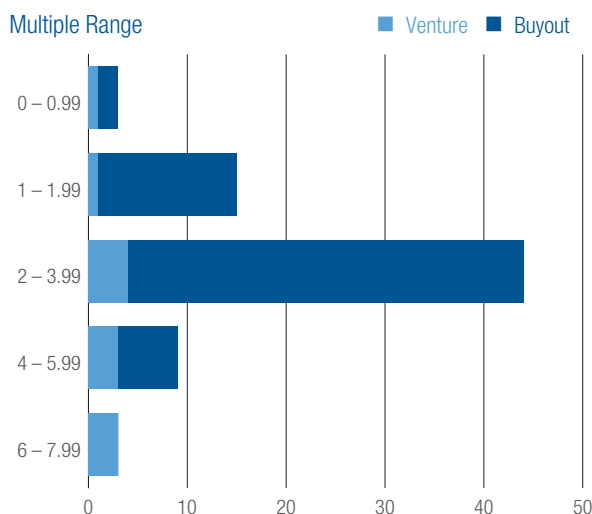
Weighted Average Uplift % on the Carrying Value\*



Weighted Average Multiple on the Cost of Analysed Transactions



Multiple Range



\* Uplift represents weighted average return for the 74 largest M&A and IPO transactions which represent 80% of the value of the known transactions during the financial period. This analysis reflects a subset of transactions and does not represent the portfolio as a whole. Additionally, this analysis does not reflect management fees, carried interests and other expenses of the HarbourVest funds or the underlying managers, which will reduce returns. Past performance is not a guarantee of future success.

## Investment Portfolio IPOs and M&amp;A Events

## Venture Portfolio

89 M&amp;A Events | 23 IPOs

## Buyout / Other Portfolio

106 M&amp;A Events | 33 IPOs

The positive trend for liquidity events continued during the six months ended 31 July 2015. An increasing number of exits, partial sales, and recapitalisations within the underlying portfolio have enabled ongoing cash realisations. Selected examples of liquidity events for underlying HVPE companies are highlighted on the following pages.

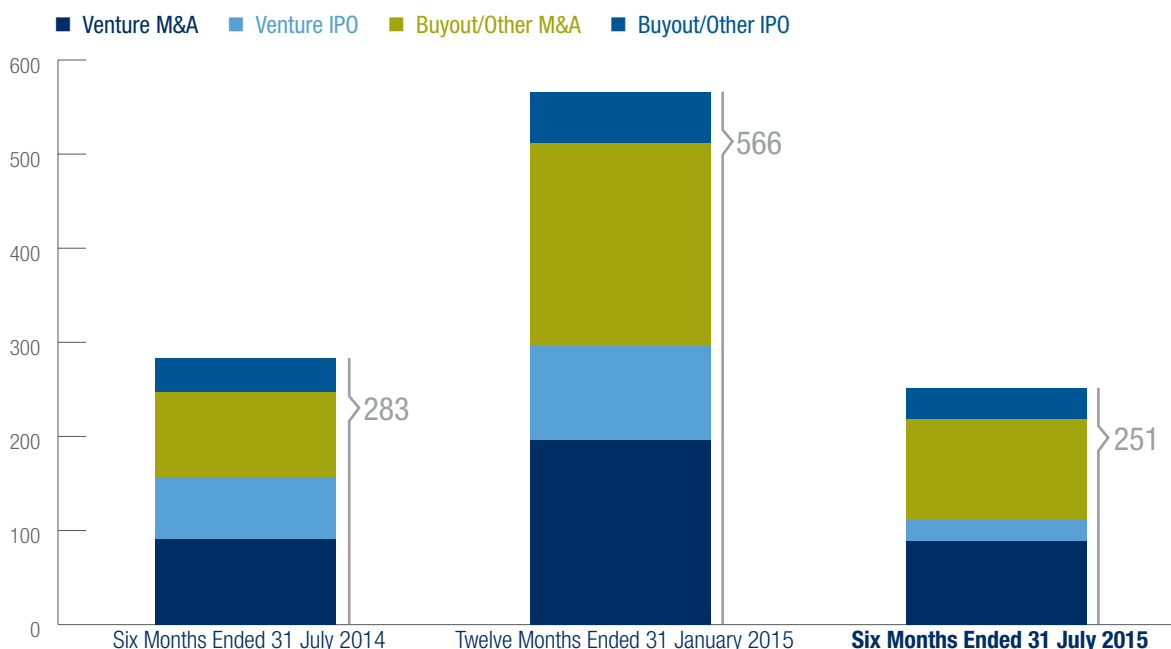
The number of venture and buyout-backed IPOs during the financial period was nearly equal, while buyout-backed M&A events outpaced venture M&A events during the period. The ongoing and consistent liquidity demonstrates that a well-diversified portfolio can continue to generate cash.

In total, there were 251 M&A and IPO events during the six months ended 31 July 2015, representing 9% of HVPE's NAV. During the six months ended 31 July 2015, there were an average of 42 liquidity events each month.

During the six months ended 31 July 2015, six of HVPE's top 25 underlying holdings at 31 January 2015 completed or announced their sales via M&A events or completed IPOs (*PODS Enterprises*, *Big Heart Pet Brands*, *Freightliner*, *Omega Pharma*, *Lighttower Fiber Networks* (merged with *Fibertech*), *MYOB Limited* (MYOB)).

The Company continued to receive realisations from the sale of shares of public companies and recapitalisations of private companies in the portfolio. Some of these events are profiled on the following pages.

## LIQUIDITY EVENTS









## Selected M&amp;A Events During Six Months Ended 31 July 2015

## Buyer | Enterprise Value


Venture

▽

 <b>Acclaris</b> Towers Watson   \$140m	 <b>fotolia</b> Adobe Systems   \$800m	 <b>Data Innovations Ltd</b> Roper Industries   \$230m
 <b>exelate</b> The Nielsen Company   \$200m	 <b>HealthcareSource</b> Quality Talent. Quality Care. <sup>SM</sup> Francisco Partners   \$339m	 <b>Industrial Safety Technologies</b> Applying Technology to Safety Tyco   \$330m
 <b>myfitnesspal</b> Under Armour   \$475m	 <b>OverDrive</b> Rakuten   \$410m	 <b>pentaho</b> Hitachi Data Systems   \$499m
 <b>research now</b> Court Square Capital	 <b>SoftWriters</b> Roper Industries   \$185m	 <b>virtustream</b> Enterprise Class Cloud <sup>SM</sup> EMC Corporation   \$1.2b

Buyout










▽

 <b>BIG HEART PET BRANDS</b> The J.M. Smucker Company   \$6.0b	 <b>BLUE COAT</b> Bain Capital   \$2.4b	 <b>CURO HEALTH SERVICES</b> Thomas H. Lee   \$730m
 <b>Freightliner</b> Genesee & Wyoming   £490m	 <b>FUNDtech</b> DH Corporation   \$1.3b	 <b>IKARIA</b> ADVANCING CRITICAL CARE Mallinckrodt   \$2.3b
 <b>OMEGA PHARMA</b> Perrigo   €3.8b	 <b>PODS</b> Ontario Teachers' Pension Plan   \$1.1b	 <b>PREMIUM CREDIT</b> Cinven   £462m
 <b>SafeNet</b> The Innovators of Information Security Gemalto   \$890m	 <b>thetrainline.com</b> KKR   £450m	 <b>Wood Mackenzie</b> Verisk Analytics   £1.9b








Selected IPOs During Six Months Ended 31 July 2015  
Size of Share Offering at IPO

▽ Venture

 <b>apigee</b> April 2015   \$87m Technology communications	 <b>blueprint</b> MEDICINES April 2015   \$147m Pharmaceutical research	 <b>Cerenis</b> <sup>TM</sup> THERAPEUTICS March 2015   €53m Biotechnology
 <b>Etsy</b> April 2015   \$267m Online marketplace	 <b>GLAUKOS</b> <sup>®</sup> Changing Perspectives June 2015   \$108m Glaucoma treatments	 <b>RAPID7</b> July 2015   \$103m Security and compliance software
 <b>shopify</b> May 2015   \$131m Online shopping application	 <b>solar edge</b> March 2015   \$126m Solar power harvesting systems	 <b>xactly</b> <sup>®</sup> Inspire Performance <sup>™</sup> June 2015   \$56m Sales performance software

▽ Buyout

 <b>AutoTrader</b> March 2015   £1.4b Online auto classified advertising	 <b>BLACK KNIGHT</b> <sup>™</sup> May 2015   \$441m Mortgage technology services	 <b>Dexerials</b> July 2015   ¥79.0b Chemical manufacturer
 <b>eclix</b> GROUP April 2015   A\$253m Vehicle fleet leasing	 <b>FOGO DE CHÃO</b> CHURROS E CACHORROS June 2015   \$102m Restaurant chain	 <b>GoDaddy</b> <sup>®</sup> March 2015   \$460m Software and services
 <b>MYOB</b> <sup>®</sup> May 2015   A\$833m Accounting software	 <b>PartyCity</b> <sup>®</sup> April 2015   \$372m Party supply retailer	 <b>TransUnion</b> <sup>tu</sup> June 2015   \$664m Credit information

# 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.

## Public Versus Private Equity Cycles

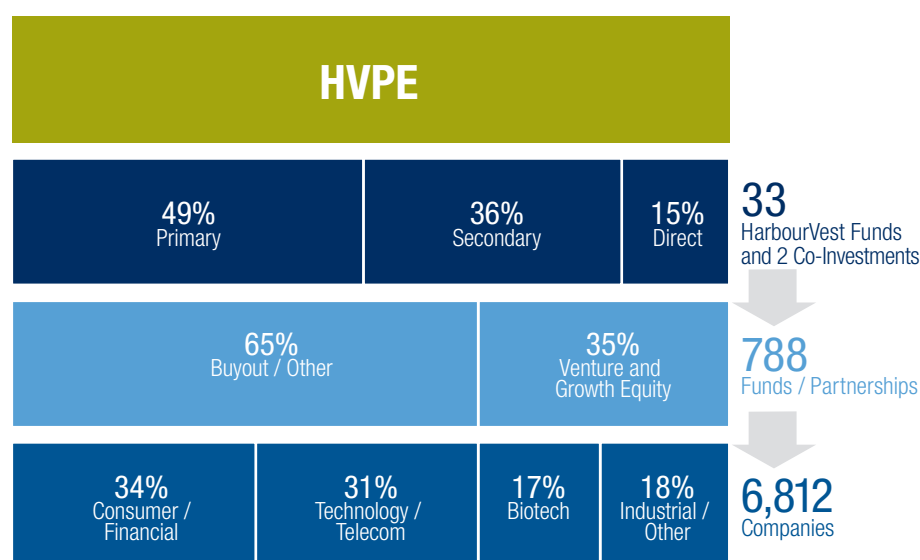
The timing mismatch between public and private equity cycles requires active management within a listed private equity company. HVPE's Board and the Investment Manager must carefully monitor the Balance Sheet to ensure that shareholder returns are maximised and that risks are minimised over the long term. The Board and Investment Manager believe that successful private equity management requires consistent investment through the cycle, which in turn calls for patient capital in order to deliver strong NAV growth.

## Fees

The fee structure and flow within a listed private equity fund-of-funds is very different from a single fund or a traditional limited partnership. As conditions across economic cycles vary, terms and fees reflect the current market situation. HVPE's Board of Directors seeks to ensure that shareholders' interests are safeguarded throughout the cycle of the portfolio and that net returns to shareholders are maximised.

## Capital Flows and Underlying Liquidity

Capital flows within the fund-of-funds structure differ from a single fund or a traditional limited partnership. HVPE makes commitments to funds that can take many years to draw down into the portfolio. An investment in the Company requires a firm understanding of the underlying cashflow and liquidity profile of the portfolio. The private equity portfolio is traditionally considered to be relatively illiquid (with respect to the timing of a sale) when compared to a listed stock. The liquidity events profiled within the Investment Manager's Review are an important element in analysing the portfolio alongside the traditional measures of maturity. The Board and the Investment Manager take all of these factors into consideration when making decisions about the timing of commitments to newly-formed funds.



Borrowing remains at zero at 31 July 2015.  
HVPE can use its debt facility to fund commitments on a short-term basis.

## Balance Sheet Management

The Investment Manager seeks to utilise the strength of HVPE's balance sheet to benefit shareholders. The strength of the balance sheet is reflected in the Company's ability to:

- Commit capital to new HarbourVest funds
- Invest in its ongoing HarbourVest fund commitments
- Purchase co-investments

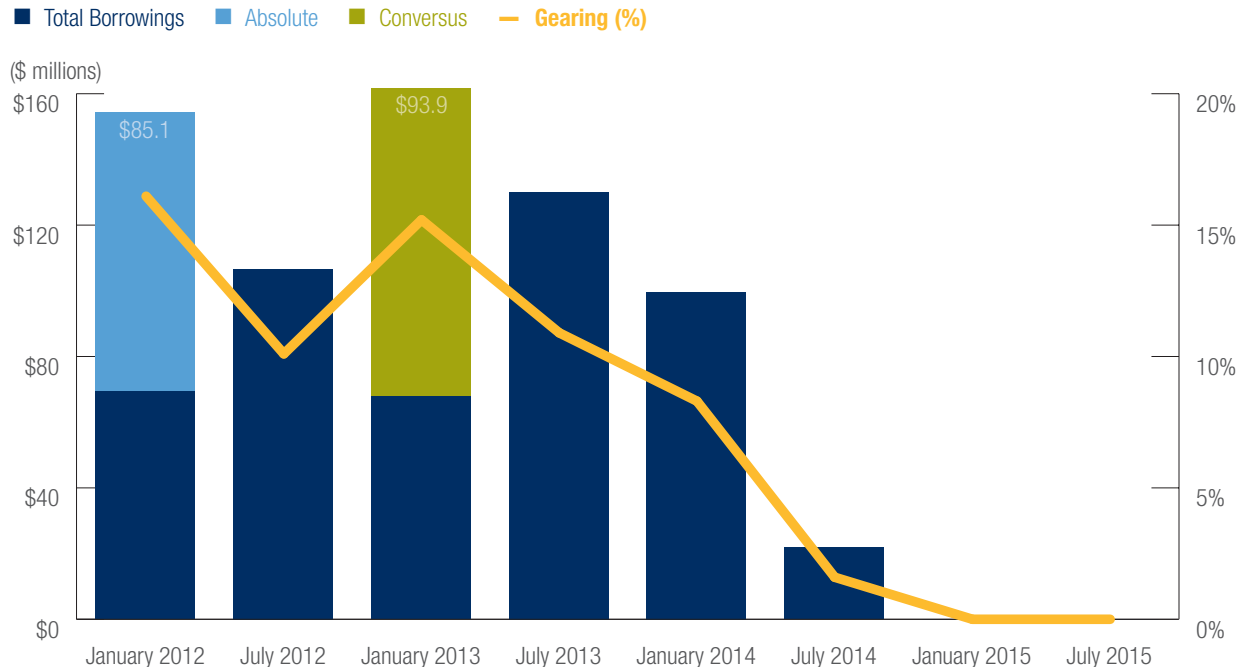
## The Private Equity Cycle

Stock market cycles typically run for five to seven years, punctuated by corrections of greater or lesser degrees. Conversely, private equity investment takes place over periods of a decade or more, with a typical HarbourVest fund-of-funds managed over 14 years. As a permanent capital vehicle, HVPE must take a long-term approach to the market cycle in order to maximise returns. The Company's use of debt enables it to make commitments on a regular and consistent basis, including periods when short-term cash flow from realisation activity is limited due to adverse movements in the public markets. By ensuring a regular flow of commitments, overall returns are expected to be enhanced over the cycle through consistent investment at times when market pricing is low and by avoiding over-commitment during short-term peaks.

## Borrowing

At 31 July 2015, HVPE has no drawings on its credit facility.

### BORROWING



## Credit Facility

HVPE's balance sheet strength and flexibility is supported by its multi-currency credit facility with Lloyds Bank plc. In September 2015, the Company restored the size of the credit facility to \$500 million, comprising the existing \$300 million commitment from Lloyds and an additional \$200 million from a new lender, Credit Suisse.

Under the terms of the agreement, HVPE may borrow, repay, and re-borrow to fund commitments and working capital requirements through to the facility's expiry date in September 2019. The Company has pledged substantially all of its assets as collateral for such borrowings. The applicable LIBOR margin is 265 basis points. In addition, a further 50 basis points will be payable on the total sum drawn if borrowings exceed \$150 million, together with a further 35 basis points on the total sum drawn if borrowings should be greater than \$300 million.

The credit facility contains financial covenants that limit the Company's indebtedness to 40% of assets (Asset Test Covenant), with the calculated value of the assets also subject to certain diversification tests. All financial covenants are tested and calculated on a quarterly basis. In addition, other covenants confer customary limitations that restrict HVPE's ability to make unduly concentrated commitments to funds, incur additional indebtedness or liens above the facility level, pay dividends above certain levels, or merge, consolidate, or substantially change its business without bank approval.

HVPE's balance sheet strength and flexibility is supported by its multi-currency credit facility.

## Management of Foreign Currency Exposure

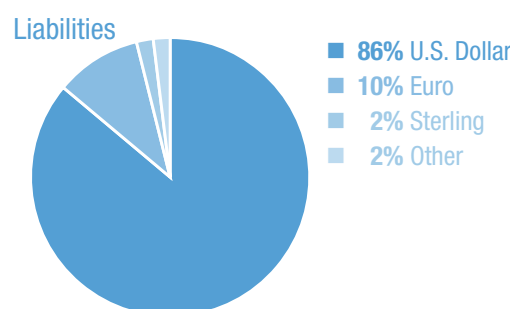
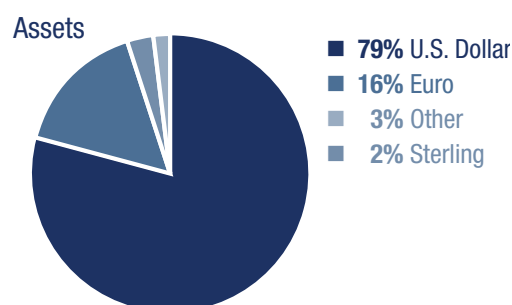
The Investment Portfolio includes three euro-denominated funds and a Canadian dollar-denominated fund.

- Approximately 16% of underlying holdings are denominated in euros
- The euro-denominated Investment Pipeline is €98.9 million

HVPE has exposure to foreign currency movements through foreign currency-denominated assets within the Investment Portfolio and through its Investment Pipeline of 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.

From an asset perspective, HVPE had exposure to the currencies shown via its partnership holdings at 31 July 2015 (approximate).

### EXPOSURE TO FOREIGN CURRENCIES





## Valuation Policy

*Valuations Represent Fair Value Under U.S. GAAP*

HVPE's 31 July 2015 NAV is based on the 30 June 2015 NAV of each HarbourVest fund, adjusted for changes in the value of public securities, foreign currency, known material events, cash flows, and operating expenses during July 2015. The valuation of each HarbourVest fund is presented on a fair value basis in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The investments in Absolute and Conversus are valued at underlying NAV at 30 June 2015, adjusted for foreign exchange movements, cashflows, changes in the value of public securities, and known events to 31 July 2015.

The Investment Manager attempts to obtain financial information from a minimum of 75% of the underlying investments for each of HVPE's HarbourVest funds to calculate NAV (in most cases it is over 90% or close to 100%). For each fund, the accounting team then reconciles investments, realisations, and unrealised / realised gains and losses to the financials. The team also reviews underlying partnership valuation policies.

## Management Fees and Performance Allocations

As an investor in HarbourVest funds, HVPE is charged the same management fees and is subject to the same performance allocations as other similarly large committed investors in such HarbourVest funds. In HVPE's Consolidated Financial Statements, these fees are included in the change in NAV for the HarbourVest funds. However, for the purposes of the NAV analysis, they have been reclassified as direct HVPE expenses in order to provide a comprehensive and transparent view of operating costs.

HVPE pays a management fee for any co-investments consistent with the fees charged by the HarbourVest fund alongside which the co-investment is made. The table below profiles the management fees and performance allocations of the HarbourVest funds and co-investments in which the Company is invested.

Please refer to the Consolidated Financial Statements and Notes to Consolidated Financial Statements for additional information on HVPE's valuation policy.

Strategy	Current Management Fee*	Performance Allocation	% of Portfolio
Primary Investments	0.49%	None	49%
Secondary Investments	1.09%	10% - 12.5%	24%
Direct Co-Investments	0.51%	10% - 20%	15%
Co-Investments	0.97%	11% - 12.5%	12%

\* Annualised

The management fee is the current average annual management fee charged by the HarbourVest funds as a percentage of committed capital. This amount will vary from year to year as the actual management fee charged by any given fund typically increases during the first few years of a fund's term and then decreases in the later years of the fund's term. These amounts do not reflect the management fees and carried interest paid to the managers of any underlying investments within the HarbourVest funds.

During the six months ended 31 July 2015, HVPE's share of fees charged within HarbourVest funds was \$6 million (\$0.08 per share), management fees paid for co-investments were \$0.9 million (\$0.01 per share), and HarbourVest-related entities were allocated \$4 million in carried interest (\$0.05 per share).

## Commitment Ratios

HVPE and many of its listed peers utilise the metric **Commitment Coverage Ratio** (calculated by dividing the sum of cash and available credit facility by unfunded commitments) as a measure of balance sheet risk. The Company's listed private equity peers typically have a shorter-term investment pipeline, and some have ceased to make new investments altogether. Therefore, HVPE's unfunded commitments may appear relatively high in comparison.

HVPE's Investment Manager has created a metric to provide greater insight into the Company's balance sheet position and a more relevant comparison to listed peers. The **Rolling Coverage Ratio** reflects the sum of cash, the available credit, and the realisations expected to be received during the current year, taken as a percentage of the expected cash investment 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.

### COMMITMENT LEVEL RATIO

Investment Portfolio + Investment Pipeline	\$2,156m		
<b>NAV</b>	<b>\$1,345m</b>	<b>=</b>	<b>160%</b> (153% at 31 January 2015)

### COMMITMENT COVERAGE RATIO

Cash + Available Credit Facility	\$436m		
<b>Total Commitments</b>	<b>\$948m</b>	<b>=</b>	<b>46%</b> (50% at 31 January 2015)

### ROLLING COVERAGE RATIO

Cash + Available Credit Facility (\$436m)+			
Current Year Estimated Realisations (\$252m)	\$688m		
<b>Next Three Years Estimated Investments</b>	<b>\$839m</b>	<b>=</b>	<b>82%</b> (72% at 31 January 2015)

HVPE has a large portfolio of mature assets that has delivered a steady and relatively predictable flow of realisations over time. Since inception, the Company's investments in HarbourVest funds have been funded almost entirely from current year realisations, with debt remaining low even during the financial crisis.

HVPE pursues a forward-looking commitment strategy, and at any given time, total unfunded commitments represent potential capital calls over the next three (or more) years.

## The Investment Manager

HarbourVest offers HVPE and other investors the opportunity to benefit from its experience, track record, organisational stability, consistent strategy, and proven process through primary funds, secondary funds, direct funds, and co-investments.

### About HarbourVest

HarbourVest is a leading global private markets investment firm with a long history of innovation and success. The HarbourVest team has been investing in the private markets for more than 32 years, gaining invaluable expertise and developing long-term relationships with sought-after partners along the way. The team strives to generate strong returns through investing in primary funds, in secondary investments, and directly in operating companies. A solid reputation throughout the industry gives HarbourVest access to a diverse range of high quality investment opportunities in the U.S., Latin America, Europe, Asia Pacific, and emerging markets.

### The Investment Committee

The Investment Committee leads HarbourVest's 80 investment professionals that source, evaluate, and close private equity investments around the world. The global investment team uses a focused, consistent, and comprehensive process to evaluate assets and allow access to the primary funds, secondary purchases, and direct co-investments that it believes offer the strongest potential for returns.

### Control Environment

In December 2014, HarbourVest issued its latest **Type II SOC 1 Report – Private Equity Fund Administration Report on Controls Placed in Operation and Tests of Operating Effectiveness** for the period from 1 October 2013 to 30 September 2014, which was conducted by an independent auditor and documents controls across the firm's operations, including investment policy, reporting to clients, capital calls, distributions, cash management, and financial records.

HarbourVest Partners, LLC acts as general partner of HarbourVest Partners L.P., a limited partnership organised under the laws of the State of Delaware, which terms shall, as the context requires, include affiliates and predecessors of HarbourVest Partners, LLC. HarbourVest and its affiliates have locations in Beijing, Bogotá, Boston, Hong Kong, London, Tokyo, and Toronto.

### THE INVESTMENT COMMITTEE MEMBERS



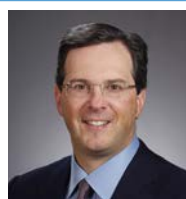
**Kathleen Bacon**  
Managing Director

- Joined HarbourVest in 1994 from First National Bank of Boston
- ADVISORY BOARDS: *Venture* — Amadeus, Sofinnova; *Europe* — Apax, Arle, Butler, Exponent, Quadriga, TDR, Towerbrook; *Emerging Markets* — Ethos, FIMI, Helios



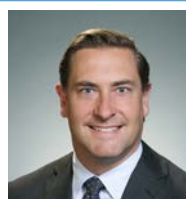
**Bill Johnston**  
Managing Director

- Joined HarbourVest in 1983 from John Hancock
- ADVISORY BOARD: GTS
- Prior Public Company Boards: Esprit Telecom, OneComm, VIA NET.WORKS



**Greg Stento**  
Managing Director

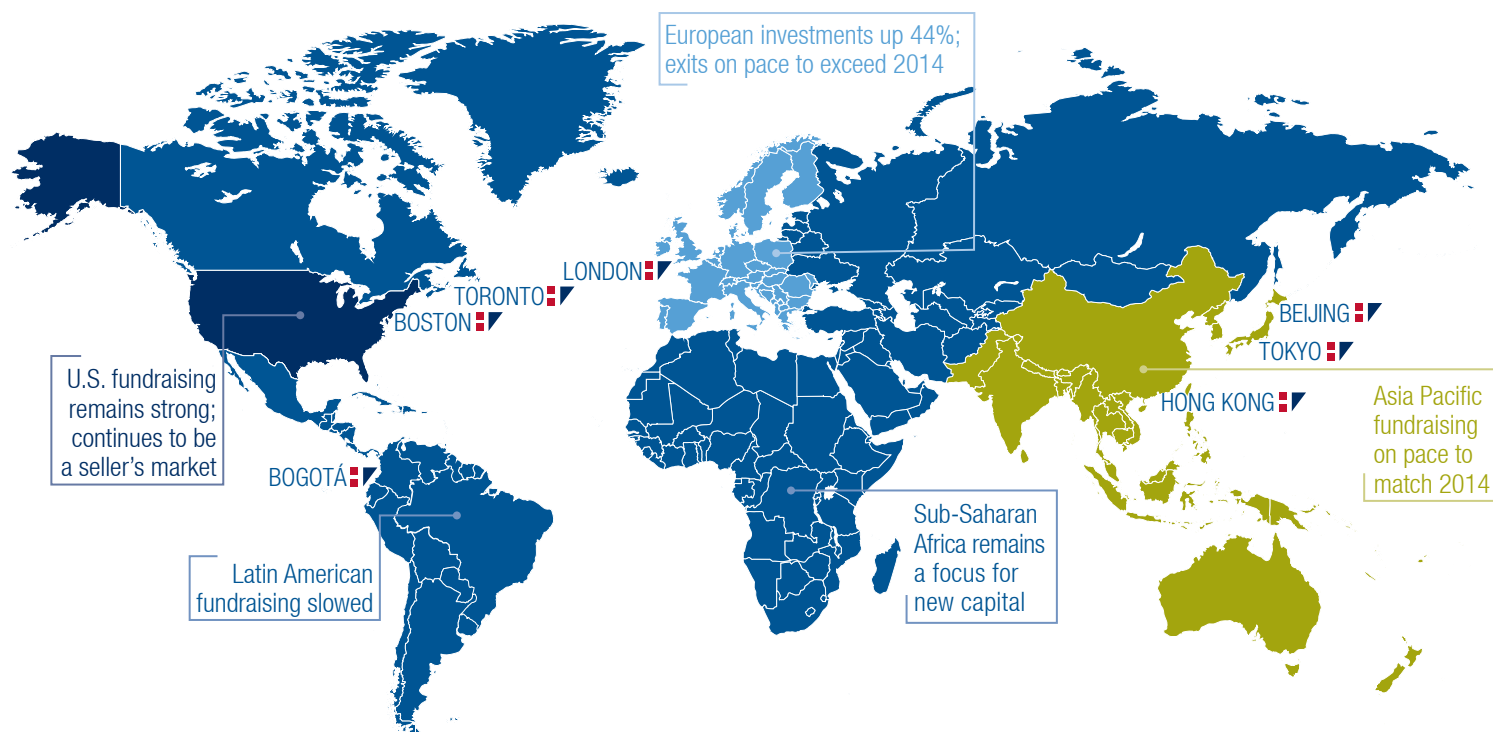
- Joined HarbourVest in 1998 from Comdisco Ventures and prior experience at Horsely Bridge
- ADVISORY BOARDS: Accel, August, Elevation, Garnett & Helfrich, Redpoint, Silver Lake Kraftwerk, Summit, TPG, WCAS



**John Toomey**  
Managing Director

- HVPE CFO from IPO through 2008
- Joined HarbourVest in 1997 from Smith Barney (rejoined in 2001 post-MBA)
- Chairman of Absolute Private Equity and HarbourVest Structured Solutions II (formed to acquire the assets of Conversus)

## Market Review



### A Choppy Global Economy

In July, the International Monetary Fund cut its projection of global economic growth in 2015 from 3.5 to 3.3%. The U.S. economy's slow-but-steady growth, as well as Europe's somewhat improved prognosis over the Greek debt crisis, are presently being overshadowed by the slowdown in economic growth in China and the broader emerging markets.

### Private Equity Rides a Wave of Capital

Following the last few years of record distributions, fundraising in the U.S. and Europe was especially strong in the first half of the year, while Asia stayed in line, and the rest of the world was more subdued. Investment activity in Europe and Asia rebounded in the first half of 2015 relative to the first half of 2014. However, investment activity in the U.S. and the rest of the world moderated, as the overall environment continued to be more conducive to selling than buying.

The first half of 2015 also saw entry multiples for U.S. and European buyout deals hitting 10x EBITDA,\* yet healthy “dry powder” levels for buyout funds of approximately \$460 billion† globally suggest general partners are exercising discipline. Finally, liquidity volumes for most regions trended down compared to the record setting pace in first half of 2014. Investors did benefit from liquidity options offered by the growing and dynamic secondary market in limited partner interests.

### HarbourVest Outlook

Going forward, the Investment Manager remains cautiously optimistic that the global private equity market can weather the major transitions underway, including rising interest rates in the U.S. and a shift to a more consumer-led economy in China. The short term could experience more volatile equity markets, which may dampen asset prices and make IPOs more challenging, but the fundraising pipeline should remain strong following four consecutive years of distributions outpacing capital calls.

\* S&P Capital IQ

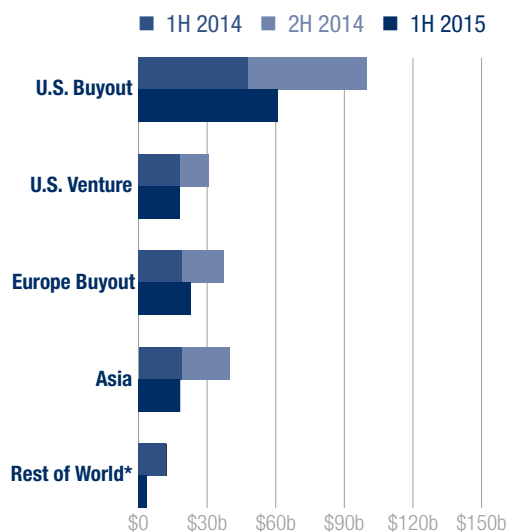
† Preqin

The overall environment continued to be more conducive to selling than buying.

## Global Private Markets Overview

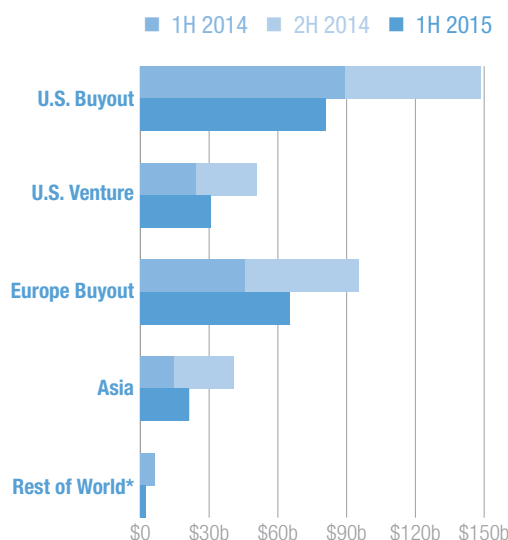
### FUNDRAISING

- **U.S. Buyout** Investor confidence remains strong as a result of healthy realisations and liquidity – fundraising is on pace to surpass the \$100 billion raised in 2014
- **U.S. Venture** Strong first half 2015 fundraising was on pace with first half 2014 level, but is expected to slow in the second half of the year as a number of the larger and more prominent general partners completed fundraising over the past two years
- **Europe** Fundraising was up 20% in the first half of 2015 compared to the prior year, with a number of larger buyout funds back in the market
- **Asia** Fundraising in the first half of 2015 was similar to the first half of 2014, with the full year expected to be in line with 2014
- **Rest of World** Fundraising slowed in the first half of 2015, hindered by weakening currencies, slowing growth in China, and falling commodity prices. Sub-Saharan Africa remains one of the strongest regions attracting new capital



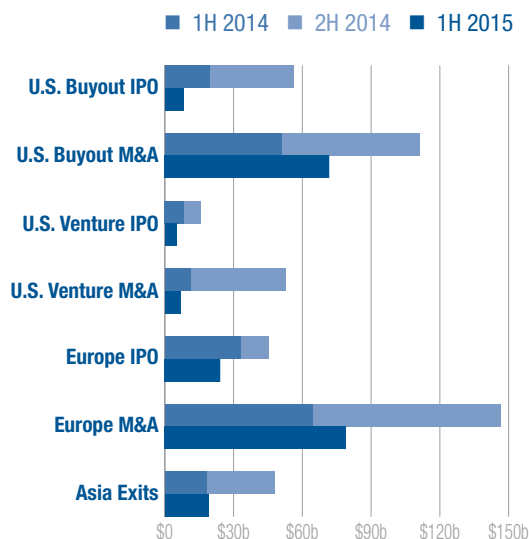
### INVESTMENTS

- **U.S. Buyout** Investment activity slowed in the first half of 2015 compared to the first half of 2014 – prices remained elevated (approximately 10x EBITDA) given the run up in public markets, availability of cheap credit, and competition from strategic acquirers – technology remained a hot sector
- **U.S. Venture** Investment activity continued to be robust and on pace to surpass the \$50 billion deployed in all of 2014
- **Europe** Investment activity grew 44% in the first half of 2015 compared to the first half of 2014, driven by an improving growth outlook in some European countries and continued strong liquidity and flexibility in European debt markets, which also contributed to high entry multiples
- **Asia** Investment levels saw a significant 44% jump from the prior year, with “New Economy” (technology, media, telecom) sectors experiencing rapid growth, especially in China and India
- **Rest of World** Investment activity slowed as economic growth across these markets diminished in first half of 2015



### LIQUIDITY

- **U.S. Buyout** IPO activity was down from the prior year, while M&A activity remained strong and secondary sales continued to generate meaningful liquidity
- **U.S. Venture** IPO activity fell slightly in the first half of 2015 from the prior year, with life sciences continuing to lead; M&A activity was also down slightly from 2014
- **Europe** Following a strong year for exits in 2014, liquidity remained strong in the first half of 2015, with M&A exit totals surpassing the first half of 2014
- **Asia** First half 2015 exits were slightly ahead of the first half of 2014, with some uncertainty about the second half of the year given the temporary shutdown of the IPO market in China, as well as growth deceleration in China and Australia
- **Rest of World** The exit environment remains challenging given faltering economic growth, falling commodity prices, and the continued strength of the U.S. dollar



Sources: Thomson Reuters, Buyouts Magazine, S&P Capital IQ, Unquote Data, MergerMarket, AVCJ, APER, EMPEA, supplemented by HarbourVest analysis of other activity in the market

\* Rest of World 2014 data represents a full year.



## Recent Events

### HVPE Publishes Estimated NAV at 31 August 2015

HVPE publishes its estimated NAV on a monthly basis. These reports are available at the Company's website, generally within 15 days after month end.

At 31 August 2015, HVPE's estimated NAV per share was \$16.49 (£10.75), a \$0.35 decrease from the NAV per share of \$16.84 (£10.78) at 31 July 2015. During August, HVPE invested \$16.7 million in HarbourVest funds, and received \$9.6 million in realisations.

The Investment Pipeline of unfunded commitments has decreased to \$933.0 million based on capital funded to HarbourVest funds during August. At the end of August, there are no drawings on the credit facility. The Company also has \$128.6 million in cash on its balance sheet. At 31 August 2015, liquid resources of \$428.6 million (cash and available credit facility) represent 82% of commitments allocated to underlying partnerships and 46% of total commitments.

### Main Market Listing

On 9 September 2015, HVPE's ordinary shares were successfully admitted to the Main Market of the London Stock Exchange. The shares began trading on the London Stock Exchange's flagship market under the symbol HVPE. The Board of HVPE expects that its transition from the Specialist Fund Market to the Main Market will:

- Broaden the appeal of the stock among key sections of the investment community
- Improve HVPE's appeal to retail investors
- Increase liquidity in the shares
- Facilitate eligibility for inclusion in the FTSE All Share index

The Company's market quote on the London Stock Exchange has been redenominated into Sterling. There has been no change to the legal form or nature of the shares as a result of the redenomination of the market quote and HVPE's listing on Euronext Amsterdam is not affected. The Company's functional currency remains the U.S. dollar.

### New HarbourVest Fund Commitment

In September 2015, HVPE committed \$25 million to HarbourVest Mezzanine Income Fund, which is focused on building a diversified portfolio of mezzanine investments primarily in U.S.-based small to mid-market companies (enterprise value of less than \$1 billion).

### Credit Facility

As of 28 September 2015, the debt facility was amended to include Credit Suisse as an additional lender to the Company's Facility Agreement with Lloyds Bank Plc. The total debt facility has been increased from \$300 million to \$500 million, with the Credit Suisse commitment being \$200 million. The whole facility has been extended to September 2019. The terms of the new credit facility are detailed on page 26 of the Investment Manager's Review.

# About the Board

## Board of Directors



**Sir Michael Bunbury**  
Chairman,  
Independent Director



**D. Brooks Zug**  
Director



**Peter G. Wilson**  
Director



**Jean-Bernard Schmidt**  
Independent Director



**Andrew W. Moore**  
Independent Director



**Keith B. Corbin**  
Independent Director



**Alan C. Hodson**  
Independent Director

Andrew Moore and Brooks Zug were appointed directors on incorporation on 18 October 2007. Sir Michael Bunbury, Jean-Bernard Schmidt, and Keith Corbin were appointed on 19 October 2007. Alan Hodson and Peter Wilson were appointed directors on 30 April 2013 and 31 May 2013, respectively.

# Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the gain or loss for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008 as amended, the requirements of NYSE Euronext and the London Stock Exchange, and the applicable regulations of the Financial Conduct Authority. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that in their opinion, the Semi-Annual Report and accompanying Unaudited Consolidated Financial Statements are fair, balanced, and understandable.

## Statement by Responsible Persons in Accordance with the FMSA Transparency Decree Implementation Directive Transparency Issuing Institution

The directors confirm:

1. The compliance of the accompanying Unaudited Consolidated Financial Statements with the requirements of U.S. generally-accepted accounting principles.
2. The fairness of the management review included in the Semi-Annual Report.

## Audit Committee


An Audit Committee consists of Mr. Keith Corbin (Chairman), Mr. Andrew Moore, Mr. Alan Hodson, and Mr. Jean-Bernard Schmidt. The Audit Committee examines the effectiveness of the Company's internal control systems, the annual and interim reports and financial statements, the auditor's remuneration and engagement, as well as the auditor's independence and any non-audit services provided by them. The Audit Committee ensures that the Company's contracts of engagement with the Investment Manager, Administrator, and other service providers are operating satisfactorily so as to ensure the safe and accurate management and administration of the Company's affairs and business and are competitive and reasonable for the shareholders. Additionally, the Audit Committee makes appropriate recommendations to the Board and ensures that the Company complies to the best of its ability with applicable laws and regulations and adheres to the tenet of generally-accepted codes of conduct.

The Audit Committee receives information from the Secretary's compliance department and the external auditor.

By Order of the Board



Michael Bunbury  
Chairman



Keith Corbin  
Chairman of the Audit Committee

29 September 2015

# Unaudited Consolidated Financial Statements

## Consolidated Financial Statements

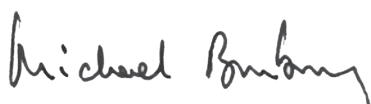
Consolidated Statement of Assets and Liabilities 31 July 2015 and 31 January 2015

In U.S. Dollars

	31 July 2015 (Unaudited)	31 January 2015 (Audited)
ASSETS		
Investments (Note 4)	1,208,271,860	1,198,939,130
Cash and equivalents	135,878,371	67,284,890
Other assets	3,092,926	3,429,216
Total assets	1,347,243,157	1,269,653,236
LIABILITIES		
Accounts payable and accrued expenses	2,342,534	3,159,385
Accounts payable to HarbourVest Advisers L.P. (Note 9)	282,505	205,503
Total liabilities	2,625,039	3,364,888
Commitments (Note 5)		
<b>NET ASSETS</b>	<b>\$1,344,618,118</b>	<b>\$1,266,288,348</b>
NET ASSETS CONSIST OF		
Class A shares, Unlimited shares authorised, 79,862,486 shares issued and outstanding at 31 July 2015 and 31 January 2015, no par value	1,344,618,017	1,266,288,247
Class B shares, 10,000 shares authorised, 101 shares issued and outstanding, no par value	101	101
<b>NET ASSETS</b>	<b>\$1,344,618,118</b>	<b>\$1,266,288,348</b>
<b>Net asset value per share for Class A shares</b>	<b>\$16.84</b>	<b>\$15.86</b>
<b>Net asset value per share for Class B shares</b>	<b>\$1.00</b>	<b>\$1.00</b>

The accompanying notes are an integral part of the consolidated financial statements.

The Unaudited Consolidated Financial Statements on pages 35 to 47 were approved by the Board on 29 September 2015 and were signed on its behalf by:



Michael Bunbury  
Chairman



Keith Corbin  
Chairman of the Audit Committee

Consolidated Statement of Operations  
For the Six Month Period Ended 31 July 2015 and Year Ended 31 January 2015

**In U.S. Dollars**

	<b>31 July 2015 (Unaudited)</b>	<b>31 January 2015 (Audited)</b>
REALISED AND UNREALISED GAINS (LOSSES) ON INVESTMENTS		
Net realised gain (loss) on investments	76,305,616	165,526,092
Net change in unrealised appreciation (depreciation) on:		
Investments	7,966,922	(35,682,083)
Translation of other assets and liabilities denominated in foreign currency	—	(890,549)
Net change in unrealised appreciation (depreciation)	7,966,922	(36,572,632)
<b>NET GAIN ON INVESTMENTS</b>	<b>84,272,538</b>	<b>128,953,460</b>
INVESTMENT INCOME		
Interest from cash and equivalents	53,119	60,138
Dividends	—	191,753
Total investment income	53,119	251,891
EXPENSES		
Non-utilisation fees <i>(Note 6)</i>	2,307,500	2,937,426
Professional fees	1,058,930	952,824
Management fees <i>(Note 3)</i>	881,404	1,683,074
Financing expenses	735,283	800,565
Investment services <i>(Note 3)</i>	470,751	1,097,412
Directors' fees and expenses <i>(Note 9)</i>	273,932	460,514
Interest expense	—	992,331
Other expenses	268,087	1,034,132
Total expenses	5,995,887	9,958,278
<b>NET INVESTMENT LOSS</b>	<b>(5,942,768)</b>	<b>(9,706,387)</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$78,329,770</b>	<b>\$119,247,073</b>

The accompanying notes are an integral part of the consolidated financial statements.



Consolidated Statement of Changes in Net Assets  
For the Six Month Period Ended 31 July 2015 and Year Ended 31 January 2015

In U.S. Dollars

	31 July 2015 (Unaudited)	31 January 2015 (Audited)
INCREASE IN NET ASSETS FROM OPERATIONS		
Net realised gain (loss) on investments	76,305,616	165,526,092
Net change in unrealised appreciation (depreciation)	7,966,922	(36,572,632)
Net investment loss	(5,942,768)	(9,706,387)
Net increase in net assets resulting from operations	78,329,770	119,247,073
Redemption of Class A shares	—	(19,984,162)
NET ASSETS AT BEGINNING OF PERIOD	1,266,288,348	1,167,025,437
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$1,344,618,118</b>	<b>\$1,266,288,348</b>

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows  
For the Six Month Period Ended 31 July 2015 and Year Ended 31 January 2015

In U.S. Dollars

	31 July 2015 (Unaudited)	31 January 2015 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets resulting from operations	78,329,770	119,247,073
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net realised (gain) loss on investments	(76,305,616)	(165,526,092)
Net change in unrealised (appreciation) depreciation	(7,966,922)	36,572,632
Contributions to private equity investments	(111,944,516)	(162,192,314)
Distributions from private equity investments	186,884,324	355,450,329
Other	(403,559)	(501,096)
Net cash provided by operating activities	68,593,481	183,050,532
<b>FINANCING ACTIVITIES</b>		
Debt facility drawings	—	21,000,000
Payments on debt facility	—	(119,685,232)
Redemption of Class A shares	—	(19,984,162)
Net cash used in financing activities	—	(118,669,394)
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	68,593,481	64,381,138
<b>CASH AND EQUIVALENTS AT BEGINNING OF PERIOD</b>	67,284,890	2,903,752
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b>	<b>\$135,878,371</b>	<b>\$67,284,890</b>
<b>SUPPLEMENTAL DISCLOSURE</b>		
Interest paid	\$ —	\$1,000,034

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Schedule of Investments  
at 31 July 2015 (Unaudited)

In U.S. Dollars

U.S. Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners V-Partnership Fund L.P.	2,220,000	46,709,079	44,721,734	2,589,121	0.2%
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	38,404,878	9,215,738	0.7
HarbourVest Partners VI-Partnership Fund L.P.	5,175,000	204,623,049	191,164,413	47,346,768	3.5
HarbourVest Partners VI-Buyout Partnership Fund L.P.	450,000	8,633,048	7,861,899	1,601,271	0.1
HarbourVest Partners VII-Venture Partnership Fund L.P.†	3,643,750	133,965,448	112,919,943	93,427,616	7.0
HarbourVest Partners VII-Buyout Partnership Fund L.P.†	3,850,000	74,417,291	67,200,042	33,470,999	2.5
HarbourVest Partners VIII-Cayman Mezzanine and Distressed Debt Fund L.P.	5,250,000	44,951,553	37,028,036	23,028,165	1.7
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	25,000,000	227,758,801	169,526,461	168,766,040	12.6
HarbourVest Partners VIII-Cayman Venture Fund L.P.	2,000,000	48,191,736	31,109,918	48,874,262	3.6
HarbourVest Partners 2007 Cayman Direct Fund L.P.	4,250,000	95,876,849	73,894,507	73,337,643	5.5
HarbourVest Partners 2013 Cayman Direct Fund L.P.	55,228,996	45,131,486	4,731,565	49,877,365	3.7
HarbourVest Partners IX-Cayman Buyout Fund L.P.	41,357,500	29,923,226	5,292,507	31,245,844	2.3
HarbourVest Partners IX-Cayman Credit Opportunities Fund L.P.	7,937,500	4,611,193	1,302,948	4,593,190	0.3
HarbourVest Partners IX-Cayman Venture Fund L.P.	26,950,000	43,375,714	7,581,859	51,703,456	3.8
HarbourVest Partners X Buyout Feeder Fund L.P.	100,000,000	—	—	4,491	0.0
HarbourVest Partners X Venture Feeder Fund L.P.	118,000,000	—	—	(137,920)	(0.0)
HarbourVest Partners Cayman Cleantech Fund II L.P.	15,200,000	4,855,952	126,588	3,964,800	0.3
<b>Total U.S. Funds</b>	<b>417,825,246</b>	<b>1,059,746,833</b>	<b>792,867,298</b>	<b>642,908,849</b>	<b>47.8</b>

<b>International / Global Funds</b>	<b>Unfunded Commitment</b>	<b>Amount Invested*</b>	<b>Distributions Received</b>	<b>Fair Value</b>	<b>Fair Value as a % of Net Assets</b>
HarbourVest International Private Equity Partners III-Partnership Fund L.P.	3,450,000	147,728,557	139,818,398	9,021,211	0.7%
HarbourVest International Private Equity Partners IV-Direct Fund L.P.	—	61,452,400	49,831,360	5,987,677	0.5
HarbourVest International Private Equity Partners IV-Partnership Fund L.P.	3,125,000	126,647,051	127,492,362	22,031,976	1.6
Dover Street VII Cayman L.P.‡	4,750,000	95,250,000	92,366,003	51,058,756	3.8
Dover Street VIII Cayman L.P.	72,000,000	108,124,389	31,629,693	119,137,426	8.9
HIPEP V - 2007 Cayman European Buyout Companion Fund L.P.§	3,127,144	62,288,213	29,235,934	42,939,745	3.2
HIPEP VI-Cayman Partnership Fund L.P.**	42,837,600	79,745,875	12,860,883	86,350,643	6.4
HIPEP VI-Cayman Asia Pacific Fund L.P.	14,875,000	35,312,431	6,703,617	39,334,465	2.9
HIPEP VI-Cayman Emerging Markets Fund L.P.	10,275,000	19,784,489	2,396,937	19,374,710	1.4
HIPEP VII Partnership Feeder Fund L.P.	114,375,000	10,625,000	—	11,222,194	0.8
HIPEP VII Asia Pacific Feeder Fund L.P.	25,650,000	4,350,000	—	4,510,324	0.4
HIPEP VII Emerging Markets Feeder Fund L.P.	18,900,000	1,100,000	—	994,935	0.1
HIPEP VII Europe Feeder Fund L.P.††	62,625,275	6,814,858	—	7,072,755	0.5
HarbourVest Global Annual Private Equity Fund L.P.	71,500,000	28,501,202	—	32,459,101	2.4
HarbourVest 2015 Global Fund L.P.	56,400,000	3,600,000	—	3,593,333	0.3
HarbourVest Canada Parallel Growth Fund L.P. ‡‡	24,156,870	306,488	—	288,826	0.0
HVPE Avalon Co-Investment L.P.	1,643,962	85,135,136	90,183,625	39,161,598	2.9
HVPE Charlotte Co-Investment L.P.	—	93,894,011	76,013,398	70,823,336	5.3
<b>Total International / Global Funds</b>	<b>529,690,851</b>	<b>970,660,100</b>	<b>658,532,210</b>	<b>565,363,011</b>	<b>42.1</b>
<b>TOTAL INVESTMENTS</b>	<b>\$947,516,097</b>	<b>\$2,030,406,933</b>	<b>\$1,451,399,508</b>	<b>\$1,208,271,860</b>	<b>89.9%</b>

\* Includes purchase of limited partner interests for shares and cash at the time of HVPE's IPO.

† Includes ownership interests in HarbourVest Partners VII-Cayman Partnership entities.

‡ Includes ownership interest in Dover Street VII (AIV 1) Cayman L.P.

§ Fund denominated in euros. Commitment amount is €47,450,000.

\*\* Fund denominated in euros. Commitment amount is €100,000,000.

†† Fund denominated in euros. Commitment amount is €63,000,000.

‡‡ Fund denominated in Canadian dollars. Commitment amount is C\$32,000,000.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Schedule of Investments  
at 31 January 2015 (Audited)

In U.S. Dollars

U.S. Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners V-Partnership Fund L.P.	2,220,000	46,709,079	44,721,734	2,470,702	0.2%
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	38,404,878	9,618,356	0.8
HarbourVest Partners VI-Partnership Fund L.P.	5,175,000	204,623,049	187,585,894	52,051,102	4.1
HarbourVest Partners VI-Buyout Partnership Fund L.P.	450,000	8,633,048	7,713,030	1,706,311	0.1
HarbourVest Partners VII-Venture Partnership Fund L.P.†	4,306,250	133,302,948	100,768,856	100,420,368	7.9
HarbourVest Partners VII-Buyout Partnership Fund L.P.†	4,550,000	73,717,291	60,723,111	37,048,650	2.9
HarbourVest Partners VIII- Cayman Mezzanine and Distressed Debt Fund L.P.	5,250,000	44,951,553	29,346,846	30,164,519	2.4
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	31,250,000	221,508,801	126,600,241	188,244,275	14.9
HarbourVest Partners VIII-Cayman Venture Fund L.P.	2,750,000	47,441,736	25,953,521	49,039,251	3.9
HarbourVest Partners 2007 Cayman Direct Fund L.P.	4,750,000	95,376,849	55,375,446	83,878,918	6.6
HarbourVest Partners 2013 Cayman Direct Fund L.P.	64,978,996	35,381,486	3,338,920	38,488,134	3.0
HarbourVest Partners IX-Cayman Buyout Fund L.P.	48,990,000	22,290,726	2,410,788	24,228,212	1.9
HarbourVest Partners IX- Cayman Credit Opportunities Fund L.P.	8,625,000	3,923,693	365,573	4,604,154	0.4
HarbourVest Partners IX-Cayman Venture Fund L.P.	34,650,000	35,675,714	4,906,200	41,786,405	3.3
HarbourVest Partners Cayman Cleantech Fund II L.P.	17,300,000	2,755,952	126,588	2,147,717	0.2
<b>Total U.S. Funds</b>	<b>236,557,746</b>	<b>1,023,014,333</b>	<b>688,341,626</b>	<b>665,897,074</b>	<b>52.6</b>



International / Global Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest International Private Equity Partners III- Partnership Fund L.P.	3,450,000	147,728,557	135,264,398	13,676,774	1.1%
HarbourVest International Private Equity Partners IV Direct Fund L.P.	—	61,452,400	48,413,961	6,834,138	0.6
HarbourVest International Private Equity Partners IV-Partnership Fund L.P.	3,125,000	126,647,051	118,570,189	28,409,301	2.2
Dover Street VII Cayman L.P.‡	5,250,000	94,750,000	73,463,746	67,310,736	5.3
Dover Street VIII Cayman L.P.	100,800,000	79,324,389	18,795,192	90,910,663	7.2
HIPEP V - 2007 Cayman European Buyout Companion Fund L.P.§	3,214,547	62,288,213	24,434,500	43,653,074	3.4
HIPEP VI-Cayman Partnership Fund L.P.**	49,398,125	74,326,125	7,441,134	78,638,905	6.2
HIPEP VI-Cayman Asia Pacific Fund L.P.	18,250,000	31,937,431	3,749,948	36,279,772	2.9
HIPEP VI-Cayman Emerging Markets Fund L.P.	11,925,000	18,134,489	1,973,515	17,656,593	1.4
HIPEP VII Partnership Feeder Fund L.P.	120,625,000	4,375,000	—	4,900,247	0.4
HIPEP VII Asia Pacific Feeder Fund L.P.	28,950,000	1,050,000	—	1,267,100	0.1
HIPEP VII Emerging Markets Feeder Fund L.P.	19,300,000	700,000	—	684,990	0.1
HIPEP VII Europe Feeder Fund L.P.††	43,583,260	1,704,080	—	1,682,784	0.1
HarbourVest Global Annual Private Equity Fund L.P.	88,000,000	12,001,202	—	13,930,568	1.1
HVPE Avalon Co-Investment L.P.	1,643,962	85,135,136	84,880,637	45,788,014	3.6
HVPE Charlotte Co-Investment L.P.	—	93,894,011	59,186,338	81,418,397	6.4
<b>Total International / Global Funds</b>	<b>497,514,894</b>	<b>895,448,084</b>	<b>576,173,558</b>	<b>533,042,056</b>	<b>42.1</b>
<b>TOTAL INVESTMENTS</b>	<b>\$734,072,640</b>	<b>\$1,918,462,417</b>	<b>\$1,264,515,184</b>	<b>\$1,198,939,130</b>	<b>94.7%</b>

\* Includes purchase of limited partner interests for shares and cash at the time of HVPE's IPO.

† Includes ownership interests in HarbourVest Partners VII-Cayman Partnership entities.

‡ Includes ownership interest in Dover Street VII (AIV 1) Cayman L.P.

§ Fund denominated in euros. Commitment amount is €47,450,000.

\*\* Fund denominated in euros. Commitment amount is €100,000,000.

†† Fund denominated in euros. Commitment amount is €40,000,000.

The accompanying notes are an integral part of the consolidated financial statements.

# Notes to Consolidated Financial Statements

## NOTE 1

### Company Organisation and Investment Objective

HarbourVest Global Private Equity Limited (the “Company” or “HVPE”) is a closed-end investment company registered with the Registrar of Companies in Guernsey under The Companies (Guernsey) Law, 2008 and the Netherlands Authority for the Financial Markets (AFM). The Company’s registered office is PO Box 156, Frances House, Sir William Place, St. Peter Port, Guernsey GY1 4EU. The Company was incorporated and registered in Guernsey on 18 October 2007. HVPE is designed to offer shareholders long-term capital appreciation by investing in a diversified portfolio of private equity investments. The Company invests in private equity through private equity funds and may make co-investments or other opportunistic investments. The Company is managed by HarbourVest Advisers L.P. (the “Investment Manager”), an affiliate of HarbourVest Partners, LLC (“HarbourVest”), a private equity fund-of-funds manager. The Company is intended to invest in and alongside existing and newly-formed HarbourVest funds. HarbourVest is a global private equity fund-of-funds manager and typically invests capital in primary partnerships, secondary investments, and direct investments across vintage years, geographies, industries, and strategies.

Operations of the Company commenced on 6 December 2007, following the initial global offering of the Class A ordinary shares.

### Share Capital

At 31 July 2015, the Company’s Class A shares were listed on the Specialist Fund Market (“SFM”) of the London Stock Exchange and Euronext Amsterdam by NYSE Euronext under the symbol “HVPE”. At 31 July 2015, there were 79,862,486 Class A ordinary shares issued and outstanding. The Class A shares are entitled to the income and increases and decreases in the net asset value (“NAV”) of the Company, and to any dividends declared and paid, but have limited voting rights. Dividends may be declared by the Board of Directors and paid from available assets subject to the directors being satisfied that the Company will, after payment of the dividend, satisfy a statutory solvency test. Dividends will be paid to shareholders pro rata to their shareholdings. Final dividends must be approved by the holders of the Class B shares.

The Class B shares were issued to HVGPE Holdings Limited, a Guernsey limited liability company, which is owned by affiliates of HarbourVest. The Class B shares have the right to elect all of the directors and make other decisions usually made by shareholders. As at 31 July 2015, 101 Class B shares of no par value have been issued. The Class B shares are not entitled to income or any increases and decreases in the net asset value of the Company or to any dividends declared and paid.

The Class A shareholders must approve any amendment to the memorandum and articles of incorporation except any changes that are administrative in nature, any material change from the investment strategy and/or investment objective of the Company, or the terms of the investment management agreement. These require the approval of 75% of each of the Class A and Class B shares.

There is no minimum statutory capital requirement under Guernsey law.

### Investment Manager, Company Secretary, and Administrator

The directors have delegated certain day-to-day operations of the Company to the Investment Manager and the Company Secretary and Fund Administrator, under advice to the directors, pursuant to service agreements with those parties. The Investment Manager is responsible for, among other things, selecting, acquiring, and disposing of the Company’s investments, carrying out financing, cash management, and risk management activities, providing investment advisory services, including with respect to HVPE’s investment policies and procedures, and arranging for personnel and support staff of the Investment Manager to assist in the administrative and executive functions of the Company.

### Directors

The directors are responsible for the determination of the investment policy of the Company on the advice of the Investment Manager and have overall responsibility for the Company’s activities. This includes the periodic review of the Investment Manager’s compliance with the Company’s investment policies and procedures and the approval of certain investments. A majority of directors must be independent directors and not affiliated with HarbourVest or any affiliate of HarbourVest.

## NOTE 2

### Summary of Significant Accounting Policies

Accounting policies have been applied consistently as presented in the latest audited accounts. Certain comparative amounts have been reclassified to conform to the current periods presentation.

## NOTE 3

### Material Agreements and Related Fees

#### Administrative Agreement

The Company has retained JTC Group ("JTC") as Company Secretary and Administrator. Fees for these services are paid as invoiced by JTC and include an administration fee of £12,871 per annum, a secretarial fee of £27,431 per annum, an additional value fee equal to 1/12 of 0.005% of the net asset value of the Company above \$200 million as at the last business day of each month, and reimbursable expenses. During the period ended 31 July 2015, fees of \$64,249 were incurred to JTC and are included as other expenses in the Consolidated Statement of Operations.

#### Registrar

The Company has retained Capita as share registrar. Fees for this service include an annual base fee of £8,505 per annum, corporate portal fee of £1,550 per annum, plus other miscellaneous expenses. During the period ended 31 July 2015, registrar fees of \$12,212 were incurred and are included as other expenses in the Consolidated Statement of Operations.

#### Independent Auditor's Fees

For the period 31 July 2015, \$57,200 has been accrued for auditor's fees and is included in professional fees in the Consolidated Statement of Operations. There were no non-audit fees paid to the independent auditor for the six months ended 31 July 2015.

#### Investment Management Agreement

The Company has retained HarbourVest Advisers L.P. as the Investment Manager. The Investment Manager is reimbursed for costs and expenses incurred on behalf of the Company in connection with the management and operation of the Company. The Investment Manager does not directly charge HVPE management fees or performance fees other than with respect to parallel investments. However, as an investor in the HarbourVest funds, HVPE is charged the same management fees and is subject to the same performance allocations as other investors in such HarbourVest funds. During the period ended 31 July 2015, reimbursements for services provided by the Investment Manager were \$470,751.

During the period ended 31 July 2015, HVPE has two parallel investments: HarbourVest Acquisition S.à.r.l. (via HVPE Avalon Co-Investment L.P.) and HarbourVest Structured Solutions II, L.P. (via HVPE Charlotte Co-Investment L.P.). Management fees paid for the parallel investments made by the Company were consistent with the fees charged by the funds alongside which the parallel investments were made. During the period ended 31 July 2015 and the year ended 31 January 2015, management fees included in the Consolidated Statement of Operations were as follows:

	31 July 2015 (Unaudited)	31 January 2015 (Audited)
HVPE Avalon Co-Investment L.P.	466,921	937,351
HVPE Charlotte Co-Investment L.P.	414,483	745,723
Total Management Fees	\$881,404	\$1,683,074

For the period ended 31 July 2015, management fees on the HVPE Avalon Co-Investment L.P. investment were calculated based on a weighted average effective annual rate of 1.08% on committed capital to the parallel investment. For the period ended 31 July 2015, management fees on the HVPE Charlotte Co-Investment L.P. investment were calculated based on a weighted average effective annual rate of 0.96% on capital originally committed (0.90% on committed capital net of management fee offsets) to the parallel investment.

## NOTE 4

### Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States, the Company discloses the fair value of its investments in a hierarchy that prioritises the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

*Level 2* – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

*Level 3* – Inputs that are unobservable. Generally, the majority of the Company's investments are valued utilising unobservable inputs, and are therefore classified within Level 3.

Level 3 partnership investments include limited partnership interests in other investment partnerships. For investments in limited partnerships and other pooled investment vehicles, the Company encourages all managers to apply fair value principles in their financial reports that are consistent with U.S. generally accepted accounting principles. Inputs used to determine fair value include financial statements provided by the investment partnerships which typically include fair market value capital account balances. In reviewing the underlying financial statements and capital account balances, the Company considers compliance with authoritative guidance on fair value measurements, the currency in which the investment is denominated, and other information deemed appropriate. If the Company shall in good faith determine that a manager is not reporting fair value consistent with U.S. generally accepted accounting principles, the Company shall use best efforts to undertake its own valuation analysis using fair market value principles and adjust such value so it is in accordance with the authoritative guidance. Income derived from investments in partnerships is recorded using the equity pick-up method.

Because of the inherent uncertainty of these valuations, the estimated fair value may differ significantly from the value that would have been used had a ready market for this security existed, and the difference could be material.

The following table summarises the Company's investments that were accounted for at fair value by level within the fair value hierarchy

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>Balance at 31 January 2014</b>	<b>\$5,876,942</b>	<b>—</b>	<b>\$1,258,367,826</b>	<b>\$1,264,244,768</b>
Contributions to investments	—	—	162,192,314	162,192,314
Net realised gain (loss) on investments	221,599	—	163,412,861	163,634,460
Net change in unrealised appreciation (depreciation) on investments	(171,205)	—	(35,510,878)	(35,682,083)
Distributions received from investments	(5,927,336)	—	(349,522,993)	(355,450,329)
Transfers in and/or (out) of Level	—	—	—	—
<b>Balance at 31 January 2015</b>	<b>\$ —</b>	<b>—</b>	<b>\$1,198,939,130</b>	<b>\$1,198,939,130</b>
Contributions to investments	—	—	111,944,516	111,944,516
Net realised gain (loss) on investments	—	—	76,305,616	76,305,616
Net change in unrealised appreciation (depreciation) on investments	—	—	7,966,922	7,966,922
Distributions received from investments	—	—	(186,884,324)	(186,884,324)
Transfers in and/or (out) of Level	—	—	—	—
<b>BALANCE AT 31 JULY 2015</b>	<b>\$ —</b>	<b>—</b>	<b>\$1,208,271,860</b>	<b>\$1,208,271,860</b>

Net change in unrealised gain (loss) on investments related to investments still held at 31 July 2015

\$7,966,922

The Company recognises transfers at the current value at the transfer date. There were no transfers during the period ended 31 July 2015. Investments include limited partnership interests in private equity partnerships, all of which carry restrictions on redemption. The investments are non-redeemable and the Investment Manager estimates an average remaining life of 9 years with a range of 1 to 18 years remaining.

As of 31 July 2015, the Company had invested \$2,087,131,987 or 68.8% of the Company's committed capital in investments and had received \$1,503,917,766 in cumulative distributions (including dividends from HarbourVest Senior Loans Europe).

There were no investment transactions during the period ended 31 July 2015 in which an investment was acquired and disposed of during the year.

## NOTE 5 Commitments

As of 31 July 2015, the Company has unfunded investment commitments to other limited partnerships of \$947,516,097 which are payable upon notice by the partnerships to which the commitments have been made. Unfunded investment commitments within this balance of \$108,590,019 are denominated in euros and \$24,156,870 are denominated in Canadian dollars.

## NOTE 6

### Debt Facility

On 4 December 2007 the Company entered into an agreement with Lloyds Bank plc regarding a multi-currency revolving credit facility ("Facility") for an aggregate amount up to \$500 million. In April 2013, HVPE refinanced the facility which would remain at \$500 million until December 2014 and would reduce to \$300 million thereafter. During October 2014, the Company voluntarily cancelled \$200 million of the facility with an effective date of 31 October 2014. The current facility was set to expire in April 2018. Amounts borrowed against the Facility accrue interest at an aggregate rate of the LIBOR/EURIBOR, a margin, and a mandatory cost, if any. The Facility was secured by the private equity investments and cash and equivalents of the Company, as defined in the agreement. Availability of funds under the Facility and interim repayments of amounts borrowed are subject to certain covenants and diversity tests applied to the investment portfolio of the Company. At 31 July 2015 and 31 January 2015, there was no debt outstanding against the Facility. Included in other assets at 31 July 2015 are deferred financing costs of \$2,270,304 related to refinancing the facility. The deferred financing costs are amortised on the terms of the facility. The Company is required to pay a non-utilisation fee calculated as 70 basis points per annum on the daily balance of the unused Facility amount for the period from 1 February 2014 to 31 December 2014 and 90 basis points per annum for the period from 1 January 2015 to 31 July 2015. For the period ended 31 July 2015, \$2,307,500 in non-utilisation fees have been incurred.

## NOTE 7

### Financial Highlights\*

For the Six Month Period Ended 31 July 2015 and Year Ended 31 January 2015

	31 July 2015 (Unaudited)	31 January 2015 (Audited)	
<b>Class A Shares</b>			
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of period	\$15.86	\$14.38	* The class B shares are not entitled to any income or increases and decreases in the net asset value of the Company.
Net realised and unrealised gains	1.05	1.60	
Net investment loss	(0.07)	(0.12)	† Does not include operating expenses of underlying investments.
Net decrease from redemption of Class A shares	(0.00)	(0.00)\$	
<b>Total from investment operations</b>	<b>0.98</b>	<b>1.48</b>	
Net asset value, end of period	\$16.84	\$15.86	‡ The turnover ratio has been calculated as the number of transactions divided by the average net assets.
Market value, end of period	\$13.63	\$12.73	
Total return at net asset value	6.2%††	10.3%	
Total return at market value	7.1%††	18.4%	
RATIOS TO AVERAGE NET ASSETS			
Expenses†	0.92%**	0.82%	\$ Represents less than \$.01.
Net investment loss	(0.92)%**	(0.80)%	** Annualised.
PORTFOLIO TURNOVER	0.0%‡	0.0%	†† Not annualised.

## NOTE 8

### Publication and Calculation of Net Asset Value

The NAV of the Company is equal to the value of its total assets less its total liabilities. The NAV per share of each class is calculated by dividing the net asset value of the relevant class account by the number of shares of the relevant class in issue on that day. The Company publishes the NAV per share of the Class A shares as calculated, monthly in arrears, at each month-end, generally within 15 days.

## NOTE 9

### Related Party Transactions

The shareholders of HVGPE Holdings Limited are members of HarbourVest Partners, LLC, and are the partners or members of the General Partner entities of each of the HarbourVest funds in which the Company owns an interest.



Other amounts payable to HarbourVest Advisers L.P. of \$282,505 represent expenses of the Company incurred in the ordinary course of business, which have been paid by and are reimbursable to HarbourVest Advisers L.P. at 31 July 2015.

HarbourVest fund-of-funds invest in partnerships managed by Sofinnova Partners, of which Director Jean-Bernard Schmidt is a former Managing Partner. Board-related expenses, primarily compensation, of \$273,932 were incurred during the period ended 31 July 2015. Two of the directors, Andrew Moore and Keith Corbin, are also directors of HarbourVest Structured Solutions II GP Limited, the general partner of HarbourVest Structured Solutions II L.P.

## NOTE 10 Indemnifications

### General Indemnifications

In the normal course of business, the Company may enter into contracts that contain a variety of representations and warranties and which provide for general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. Based on the prior experience of the Investment Manager, the Company expects the risk of loss under these indemnifications to be remote.

### Investment Manager Indemnifications

Consistent with standard business practices in the normal course of business, the Company has provided general indemnifications to the Investment Manager, any affiliate of the Investment Manager and any person acting on behalf of the Investment Manager or such affiliate when they act in good faith, in the best interest of the Company. The Company is unable to develop an estimate of the maximum potential amount of future payments that could potentially result from any hypothetical future claim, but expects the risk of having to make any payments under these general business indemnifications to be remote.

### Directors and Officers Indemnifications

The Company's articles of incorporation provide that the directors, managers or other officers of the Company shall be fully indemnified by the Company from and against all actions expenses and liabilities which they may incur by reason of any contract entered into or any act in or about the execution of their offices, except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively.

## NOTE 11 Subsequent Events

In the preparation of the financial statements, the Company has evaluated the effects, if any, of events occurring after 31 July 2015 through 29 September 2015, the date that the financial statements were issued.

On 9 September 2015, HVPE's ordinary shares were successfully admitted to the Main Market of the London Stock Exchange plc under the symbol HVPE. The Company's market quote on the London Stock Exchange has been redenominated into Sterling. There has been no change to the legal form or nature of the shares as a result of the redenomination of the market quote and the HVPE's listing on Euronext Amsterdam is not affected. The 101 Class B shares were repurchased and cancelled.

On 10 September 2015, the Company committed \$25 million to HarbourVest Partners Mezzanine Income Fund.

Two of HVPE's directors, Andrew Moore and Keith Corbin, plan to resign as directors of HarbourVest Structured Solutions II GP Ltd. ("HVSS"), the general partner of HarbourVest Structured Solutions II L.P. They will resign once HVSS has appointed a new director and received the relevant approvals.

As of 28 September 2015, the debt facility was amended to include Credit Suisse as an additional lender to the Company's Facility Agreement with Lloyds Bank Plc. The total debt facility has been increased from \$300 million to \$500 million, with the Credit Suisse Commitment being \$200 million. The whole facility has been extended to September 2019.

There were no other events or material transactions subsequent to 31 July 2015 that required recognition or disclosure in the financial statements.

# Disclosures

## Forward-Looking Statements

*This report contains certain forward-looking statements.*

Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, forward-looking statements can be identified by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “should,” “will,” and “would,” or the negative of those terms or other comparable terminology. The forward-looking statements are based on the Investment Manager’s beliefs, assumptions, and expectations of future performance and market developments, taking into account all information currently available. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known or are within the Investment Manager’s control. If a change occurs, the Company’s business, financial condition, liquidity, and results of operations may vary materially from those expressed in forward-looking statements.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Any forward-looking statements are only made as at the date of this document, and the Investment Manager neither intends nor assumes any obligation to update forward-looking statements set forth in this document whether as a result of new information, future events, or otherwise, except as required by law or other applicable regulation.

In light of these risks, uncertainties, and assumptions, the events described by any such forward-looking statements might not occur. The Investment Manager qualifies any and all of its forward-looking statements by these cautionary factors.

Please keep this cautionary note in mind while reading this report.

**Some of the factors that could cause actual results to vary from those expressed in forward-looking statements include, but are not limited to:**

- the factors described in this report;
- the rate at which HVPE deploys its capital in investments and achieves expected rates of return;
- HarbourVest’s ability to execute its investment strategy, including through the identification of a sufficient number of appropriate investments;
- the ability of third-party managers of funds in which the HarbourVest funds are invested and of funds in which the Company may invest through parallel investments to execute their own strategies and achieve intended returns;
- the continuation of the Investment Manager as manager of the Company’s investments, the continued affiliation with HarbourVest of its key investment professionals, and the continued willingness of HarbourVest to sponsor the formation of and capital raising by, and to manage, new private equity funds;
- HVPE’s financial condition and liquidity, including its ability to access or obtain new sources of financing at attractive rates in order to fund short-term liquidity needs in accordance with the investment strategy and commitment policy;
- changes in the values of, or returns on, investments that the Company makes;
- changes in financial markets, interest rates or industry, general economic or political conditions; and
- the general volatility of the capital markets and the market price of HVPE’s shares.

## Publication and Calculation of Net Asset Value

The NAV of the Company is equal to the value of its total assets less its total liabilities. The NAV per share of each class is calculated by dividing the net asset value of the relevant class account by the number of shares of the relevant class in issue on that day. The Company intends to publish the estimated NAV per share and the NAV per share for the Class A shares as calculated, monthly in arrears, as at each month-end, generally within 15 days.

## Certain Information

HVPE is subject to the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht, “FMSA”) and is registered with the Netherlands Authority for the Financial Markets as a closed-end investment company pursuant to section 1:107 of the FMSA. It is also authorised by the Guernsey Financial Services Commission as an authorised closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the “POI Law”). HVPE is subject to certain ongoing requirements under the FMSA and POI Law and certain rules promulgated thereunder relating to the disclosure of certain information to investors, including the publication of annual and semi-annual financial statements.

## Risk Factors

HVPE’s Board 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.

### NAV Risks

Despite positive trends, the economic and stock market recovery remains fragile with persistent levels of unemployment in many markets. HVPE makes venture capital and buyout investments in companies where operating performance is affected by the economy. While these companies are generally privately owned, their valuations are influenced by public market comparables. In addition, approximately 20% of the Company’s portfolio is made up of publicly-traded securities whose values increase or decrease alongside public markets. Should the global public markets decline, or the economic recovery falter, it is likely that HVPE’s NAV could be negatively affected. There is also a risk that leveraged buyout investments could breach debt covenants, resulting in writedowns in value.

Approximately 21% of the HVPE portfolio is denominated in non-U.S. dollar currencies, primarily euros. Foreign currency movement affects HVPE’s investments, borrowings on the credit facility, and unfunded commitments. HVPE has exposure to foreign currency movements through the foreign currency-denominated assets within the portfolio and through foreign currency-denominated unfunded commitments. The Company’s most significant currency exposure is to euros.

### Balance Sheet Risks

This document describes HVPE’s balance sheet strategy and a willingness to utilise leverage to finance new investments. The Company also continues to maintain its over-commitment strategy and may draw on its credit facility to bridge periods of negative cash flow when investments are greater than realisations. The level of potential borrowing available under the credit facility is negatively affected by declining NAVs. Therefore, in a period of declining NAVs, reduced realisations, and rapid substantial investments, the Company’s Net Leverage Ratio could increase beyond an appropriate level. In such a situation, the Company could undertake a series of actions, including an asset sale, which could result in further NAV declines.

### Reliance on HarbourVest

HVPE is dependent on its Investment Manager and HarbourVest’s investment professionals. With the exception of the 2011 Absolute investment and 2012 Conversus investment, nearly all of HVPE’s assets are invested in HarbourVest funds. Additionally, HarbourVest employees play key roles in the operation of the Company. The departure or reassignment of some or all of HarbourVest’s professionals could prevent HVPE from achieving its investment objectives.

### Trading Illiquidity and Price

While trading in HVPE shares has increased, the stock continues to experience periods of illiquidity. Without liquidity, it could be very difficult or impossible for a shareholder to sell shares without having a significant negative impact on the share price and possibly causing the shares to trade at an even greater discount to NAV.



## Key Information

Exchanges	<b>London Stock Exchange (Main Market) Euronext Amsterdam</b>
Ticker	<b>HVPE</b>
Listing Date	<b>6 December 2007 (Euronext) 12 May 2010 (LSE SFM) / 9 September 2015 (LSE MM)</b>
Fiscal Year End	<b>31 January</b>
Base Currency	<b>U.S. Dollars</b>
ISIN	<b>GG00BR30MJ80</b>
Bloomberg	<b>HVPE NA, HVPE LN</b>
Reuters	<b>HVPE.AS, HVPE.L</b>
Common Code	<b>032908187</b>
Amsterdam Security Code	<b>612956</b>
Investment Manager	<b>HarbourVest Advisers L.P. (affiliate of HarbourVest Partners, LLC)</b>
Registration	<b>Netherlands Authority for the Financial Markets</b>
Fund Consent	<b>Guernsey Financial Services Commission</b>
Outstanding Shares	<b>79,862,486 Class A Ordinary Shares</b>

## 2015-2016 Calendar

Monthly NAV Estimate  
Generally within 15 days of Month End

Interim Management Statement  
November 2015 / June 2016

Annual Report and Audited Consolidated Financial Statements  
May 2016

## Company Advisors

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\* J.P. Morgan Securities Ltd., which conducts its U.K. investment banking activities as J.P. Morgan Cazenove.



A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are reflected in each other's windows, creating a complex pattern of light and dark blue. The sky is a clear, pale blue with some wispy white clouds. The overall color palette is dominated by various shades of blue.

[www.hvgpe.com](http://www.hvgpe.com)