

# Interim Management Statement

25 November 2009 / [www.hvgpe.com](http://www.hvgpe.com)



HarbourVest Global Private Equity Limited ("HVPE" or the "Company") is pleased to publish its second Interim Management Statement. This statement is made in accordance with article 5:25e of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the FMSA), which requirement stems from the EU Transparency Directive (2004/109/EC), and relates to the period from 1 August 2009 through to 25 November 2009 and the financial period from 1 August 2009 through to 31 October 2009 (the "interim period").

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

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

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

|  | 31 October 2009  | 31 July 2009     | Change          |
|--|------------------|------------------|-----------------|
| <b>SUMMARY OF NET ASSET VALUE</b>                                |                  |                  |                 |
| (in millions except per share and last traded price data)        |                  |                  |                 |
| Estimated NAV of Investments                                     | \$731.2          | \$714.4          | \$16.8          |
| Cash and Cash Equivalents  | 5.7              | 18.0             | (12.3)          |
| Net Other Assets (Liabilities)                                   | (80.5)           | (80.4)           | (0.1)           |
| <b>Estimated NAV</b>   | <b>\$656.4</b>   | <b>\$652.0</b>   | <b>\$4.4</b>    |
| Estimated NAV per Share (83.0 million shares outstanding)        | \$7.91           | \$7.86           | \$0.05          |
| Last Traded Price*   | \$4.75           | \$4.25           | \$0.50          |
| <b>SUMMARY OF COMMITMENTS</b>                                    |                  |                  |                 |
| Unfunded Commitments (Allocated to Underlying Partnerships)      | \$460.3          | \$474.6          | (\$14.3)        |
| Unfunded Commitments (Not Allocated to Underlying Partnerships)  | 187.0            | 185.2            | 1.8             |
| <b>Total Unfunded Commitments</b>                                | <b>\$647.3</b>   | <b>\$659.8</b>   | <b>(\$12.5)</b> |
| <b>Estimated NAV of Investments + Total Unfunded Commitments</b> | <b>\$1,378.5</b> | <b>\$1,374.2</b> | <b>\$4.3</b>    |
| % Invested   | 111%             | 110%             | 1%              |
| Commitment Level (Total Unfunded Commitments)†                   | 210%             | 211%             | (1%)            |
| Commitment Level (Allocated to Underlying Partnerships)‡         | 182%             | 182%             | —               |
| Cash + Unused Committed Credit Facility                          | \$425.7          | \$438.0          | (\$12.3)        |
| Cash + Remaining Available Credit Facility§                      | \$337.8          | \$347.7          | (\$9.9)         |

\* Last trade prior to 31 July 2009 occurred on 17 July 2009; last trade prior to 31 October 2009 occurred on 22 October 2009.

† Reflects the estimated NAV of investments plus total unfunded commitments divided by estimated NAV.

‡ Reflects the estimated NAV of investments plus unfunded commitments (allocated to underlying partnerships) divided by estimated NAV.

§ Available credit facility reflects amount available subject to most restrictive covenant limit applicable.

The Company issued 83,000,000 shares at \$10.00 per share in December 2007.

HVPE's primary investment objective is to offer shareholders long-term capital growth by investing in a private equity portfolio that is well diversified by vintage year, geography, industry, and strategy. The Company strives to achieve this objective through investment in a broad range of HarbourVest-managed private equity funds, which in turn make primary partnership, secondary, and direct investments primarily in unquoted companies. HVPE seeks to provide a comprehensive and balanced private equity solution for its shareholders.

On 13 November 2009, the Company published its estimated net asset value (NAV) as at 31 October 2009, which provides additional information about HVPE's recent performance and is available at the Company's website ([www.hvgpe.com](http://www.hvgpe.com)). The 31 October 2009 estimated NAV report may be read in conjunction with this statement.

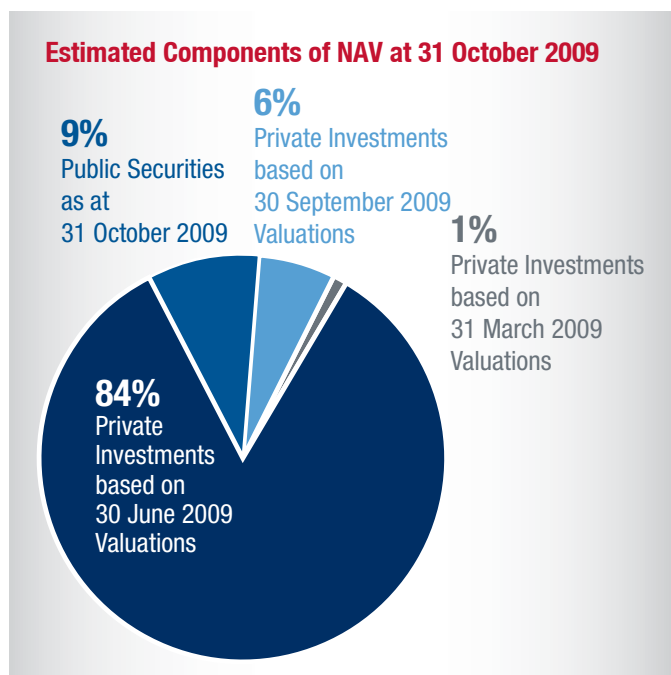
## Net Asset Value

### Increase of 0.6% during the interim period

As at 31 October 2009, HVPE's estimated NAV is \$656.4 million, or \$7.91 per share, a 0.6% increase from the 31 July 2009 unaudited NAV of \$652.0 million, or \$7.86 per share. This change of \$0.05 per share during the interim period resulted primarily from increases in the value of privately-held companies in HarbourVest direct funds as part of the portfolio was revalued to reflect 30 September 2009 results (approximately \$0.04 per share), the positive impact of foreign currency movement on non-U.S. dollar denominated holdings (\$0.06 per share), and increases in the value of publicly-traded holdings from 1 August 2009 through to 31 October 2009 (\$0.01 per share). These increases were partially offset by ongoing operating expenses (\$0.06 per share). Increasing values of privately-held companies partly reflect rising world stock indices from 1 July 2009 through to 30 September 2009 (the valuation date for several underlying direct investments), as well as improving operating performance for some companies.

During the period from 1 July 2009 through to 30 September 2009, the MSCI World Index (USD) increased by 17.3%, and, during the period from 1 August 2009 through to 31 October 2009 (the relevant period for HVPE's public security valuation), the MSCI World Index (USD) increased by 6.2%. Also during the interim period, the euro appreciated 3.2% against the U.S. dollar, increasing the value of the approximately 18% of the portfolio that is denominated in euros.

The 31 October 2009 estimated NAV is based on 30 September 2009 and 30 June 2009 results for HVPE's direct fund investments, 30 June 2009 results for HVPE's fund-of-fund investments, and 31 October 2009 values for publicly-listed securities. The pie chart illustrates the estimated components of NAV at 31 October (below).



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

## Balance Sheet and Commitments

During the interim period to 31 October 2009 and thereafter, HVPE did not make any new commitments or purchase additional interests in HarbourVest-managed funds. The Company continued to benefit from ongoing commitments made by the actively-investing HarbourVest funds in its portfolio, which made two new secondary and direct investments during the interim period. HVPE's HarbourVest-managed global secondary fund participated in the joint purchase of 3i's European venture assets, and the co-investment fund invested in a Czech Republic-based telecom

company. HVPE's HarbourVest funds continue to evaluate new opportunities, selecting those with the most attractive return potential.

HVPE's unfunded commitments of \$647.3 million decreased by \$12.5 million during the interim period, primarily as a result of funding capital calls, partially offset by a \$6.1 million currency-related increase in the value of non-U.S. dollar denominated commitments. Of the total unfunded commitments at 31 October 2009, approximately \$460.3 million has been committed by HarbourVest funds to underlying partnerships, while the remaining \$187.0 million has not yet been committed.

As at 31 October 2009, HVPE's Commitment Level Ratio based on total commitments was 210%, compared to 211% at 31 July 2009, and its Commitment Level Ratio based on allocated commitments was 182%, unchanged from 31 July 2009.

During the interim period, the Company funded \$18.6 million of capital calls to U.S. and non-U.S. fund-of-funds and direct funds and received distributions of \$7.3 million from U.S. and non-U.S. fund-of-funds, resulting in a net negative cash flow of \$11.3 million. This compares to a net negative cash flow of \$6.8 million during the three months to 31 July 2009 and a net negative cash flow of \$3.3 million during the three months to 31 October 2008. Given the level of HarbourVest fund capital calls during the interim period, the current pace of cash outflow could increase during the remaining three months of the fiscal year ended 31 January 2010.

With respect to liquidity, merger and acquisition (M&A) and initial public offering (IPO) activity have both increased since 1 August 2009, particularly in comparison to late 2008 and the first half of 2009. During the interim period, a total of 15 of HVPE's underlying portfolio companies completed IPOs, including *Avago Technologies, Inc.* (AVGO), which was one of HVPE's 25 largest holdings based on investment value at 31 July 2009. Additionally, the Company is positioned to benefit from the sales of approximately 30 companies during August, September, and October 2009, as well as additional announced acquisitions that have not yet closed. More recent events within the portfolio include the November IPOs of *Myer Pty Ltd.* (MYR) and *Ancestry.com* (ACOM), as well as the acquisition of *Zappos by Amazon.com, Inc.* (AMZN). While many public shares and proceeds remain under lockup or in escrow, HVPE could receive distributions from these exits in the medium term.

In November 2009, two of HVPE's 25 largest holdings based on investment value at 31 July 2009 announced sale transactions. *Datatel, Inc.* was sold to Hellman & Friedman and JMI Equity, and *Birds Eye Foods* was sold to Pinnacle Foods, both for approximately four times cost. Datatel and Birds Eye Foods are both held directly in Fund VI Direct and indirectly in HVPE's U.S. fund-of-funds. Based on the current value, the two sales are expected to result in an approximate \$0.03 increase in HVPE's NAV per share. These transactions, which will be reflected in the Company's estimated NAV as at 30 November 2009, are expected to close by the end of the first quarter of 2010.

During the interim period, the Company did not draw down additional capital against its \$500.0 million credit facility, which is committed until December 2014 and subject to certain covenants. As at 31 October 2009, a total of \$80.0 million has been drawn. Based on the facility's most restrictive covenant, the remaining amount currently available is \$332.1 million. The Company also has \$5.7 million in cash on its balance sheet. While HVPE has not drawn additional capital from its credit facility since May 2009, the Investment Manager expects to draw capital before year-end 2009 in order to fund anticipated capital calls to HarbourVest funds.

As at 31 October 2009, HVPE's cash and available credit facility (liquid resources) of \$337.8 million represent a decrease of \$9.9 million from the 31 July 2009 level of \$347.7 million. This decrease primarily reflects cash used to fund capital calls. As at 31 October 2009, HVPE's liquid resources represent 73% of commitments allocated to underlying partnerships and 52% of total commitments. These ratios are relatively unchanged from 31 July 2009 (73% of allocated commitments and 53% of total commitments).

## Material Events and Transactions

During the period from 1 August 2009 to the date of publication, HVPE did not experience any events or transactions that were material to its financial position.

## Other Corporate Events Website and Communications

In September 2009, HVPE relaunched its website at [www.hvgpe.com](http://www.hvgpe.com). The new site provides a central resource for communications and data for shareholders, analysts, and other interested parties. Additionally, the Company has retained Fishburn Hedges as its media relations advisor.

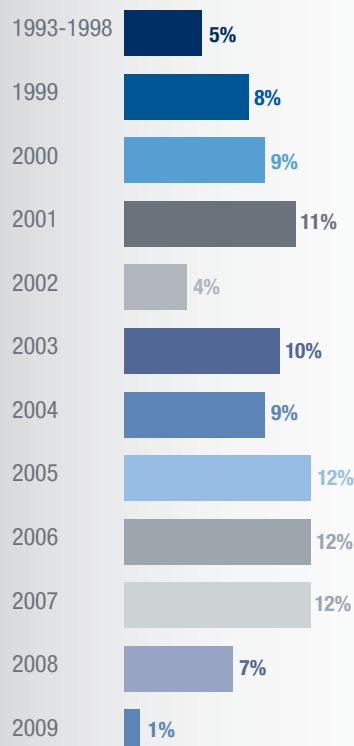
## Portfolio Diversification NAV

### Relatively unchanged during the interim period

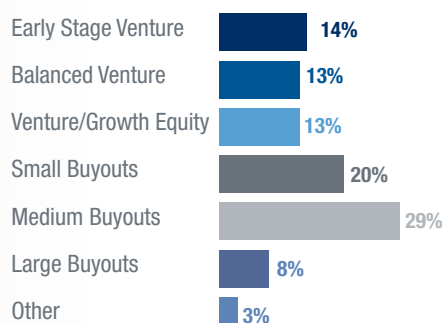
Consistent with HVPE's investment objective, the Investment Manager strives to manage risk through diversification within the portfolio. The charts below illustrate the breakdown of HVPE's investment portfolio based on NAV as at 31 October 2009. Relative to 31 July 2009, HVPE's buyout investments remained at 57% of the portfolio, and venture investments remained at 40%. U.S. investments remained at 65% of the portfolio, and European investments remained at 26%. The NAV is split approximately 64% in primary partnerships, 20% in secondary investments, and 16% in direct investments, in line with the split at 31 July 2009.

#### Portfolio Diversification at 31 October 2009

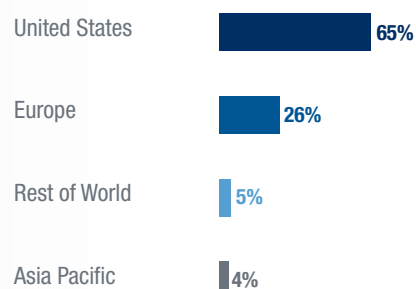
##### Vintage Year



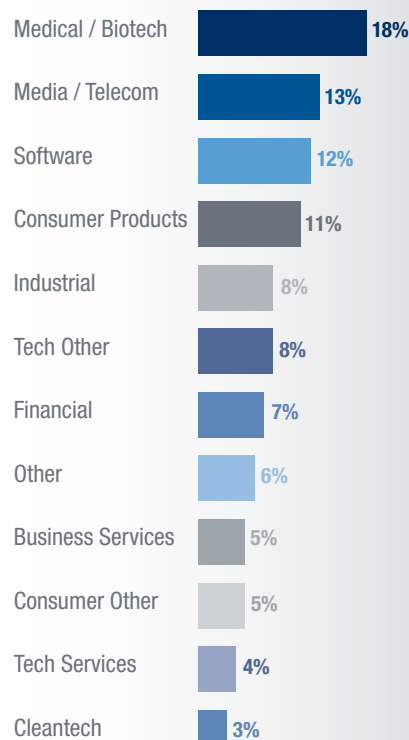
##### Strategy



##### Geography



##### Industry



Diversification charts add to 100%.

**Notes** The diversification by net asset value analysis is based on the fair value of the underlying investments, as estimated by the investment manager. Diversification by strategy, vintage, and geography is based on the estimated net asset value of partnership investments made by HVPE's fund-of-funds and company investments made by HVPE's direct funds. Industry diversification is based on the reported value of the underlying company investments for both fund-of-funds and direct funds. Some of the funds held in HVPE have not been fully invested. The composition of investments by strategy, vintage, industry, and geography may change as additional investments are made and existing investments are realised.

Large buyout includes funds of more than \$7 billion in size, medium buyout includes those between \$1 billion and \$7 billion in size, and small buyout includes those less than \$1 billion in size. Direct investments in operating companies are categorised by deal size.

## Market Commentary

### Environment remains challenging while showing signs of stabilising

In the challenging global macro-economic environment of the interim period, there were early signs of recovery in private equity activity. As stated previously, the MSCI World Index (USD) increased 6.2% in total over the period from 1 August 2009 through to 31 October 2009, and global stock indices regained some of the value lost over the prior six to twelve months. The weakness of the U.S. dollar during the period has also benefited HVPE's NAV. While only approximately 15% of 31 October 2009 NAV is based on underlying valuations as at 30 September 2009 or later, these early positive trends, particularly rising public markets, should provide support as HVPE's NAV is revalued to reflect 30 September 2009 results for additional private companies.

The improving but still uncertain economic environment continues to affect the level of new private equity investments. *Thomson Reuters* estimates that calendar third quarter 2009 global private equity disbursements increased to more than \$37 billion invested in approximately 640 deals (up from \$15.9 billion invested in 570 deals in the prior quarter), resulting in the most active quarter since the third quarter of 2008. It is important to note, however, that global private equity investment in the first three quarters of 2009 was approximately 67% lower than the corresponding period in 2008. As noted above, M&A and IPO activity across markets has increased during HVPE's fiscal third quarter and continued into the fourth quarter of 2009, providing some welcome liquidity for both venture and buyout investments.

## Risk Factors

HVPE's Investment Manager believes that there are five principal risks related to an investment in HVPE:

- The NAV is at risk of decline, particularly in the continued uncertain market environment.
- Commitments could be difficult to fund under certain circumstances.
- The Company is reliant on its credit facility to fund capital calls.
- HVPE depends on HarbourVest and its investment professionals for core services.
- HVPE shares are highly illiquid and are trading at a substantial discount to NAV.

These risks are further highlighted in the Company's Annual Report & Audited Consolidated Financial Statements, which can be found at HVPE's website at [www.hvgpe.com](http://www.hvgpe.com).

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### KEY INFORMATION

**Exchange** Euronext  
**Ticker** HVPE  
**Listing Date** 6 December 2007  
**Fiscal Year End** 31 January  
**Base Currency** U.S. Dollars  
**ISIN** GG00B28XHD63  
**Bloomberg** HVPE NA  
**Reuters** HVPE.AS  
**Common Code** 032908187  
**Amsterdam Security Code** 612956

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

Please refer to HVPE's website at [www.hvgpe.com](http://www.hvgpe.com) for estimated monthly NAV reports, as well as Annual and Semi-Annual Reports and Financial Statements.

**Valuation Methodology** HVPE carries its investments at fair value in accordance with U.S. generally-accepted accounting principles. HVPE's Investment Manager uses the best information it has available to estimate fair value. Fair value for private equity assets is based on the most recent financial information provided by the investment manager, adjusted for known investment operating expenses and subsequent transactions, including capital calls, distributions, changes in foreign currency exchange rates, and changes in value of public securities. Valuation adjustments are made for known significant events, if any, that affect the fair value of the investments. The 31 October 2009 estimated NAV is based on investment values at 30 June 2009 and 30 September 2009 for company investments within HVPE's direct funds and for partnerships within HVPE's fund-of-funds, adjusted for changes in value of public securities, foreign exchange movements, cashflows, and known events to 31 October 2009.

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