

# Interim Management Statement

31 MAY 2012

**HARBOURVEST**  
GLOBAL PRIVATE EQUITY

## Highlights

- HVPE's estimated NAV per share at 31 May 2012 is \$11.41, a \$0.01 per share decrease from 31 January 2012, mainly due to declining public markets, which offset increasing private company valuations during the first calendar quarter of 2012.
- The Company has experienced four consecutive months of positive cash flows, with realisations of \$59.1 million outpacing investments of \$16.1 million (\$43.0 million cash flow positive).
- Since 31 January 2012, HVPE has repaid \$29 million of its U.S. dollar-denominated borrowing, and foreign currency-denominated borrowings have declined by \$3 million, reducing gearing from 16% to 11%.
- There were a total of 129 M&A and IPO events within HVPE's portfolio during the interim period.
- HVPE's largest underlying company at 31 January 2012 (*Facebook*) completed an IPO on 18 May 2012, resulting in \$6.0 million of initial realisations received in May and a modest increase in the value of the remaining holdings based on the closing price at 31 May 2012.
- HVPE received its first cash distribution from Absolute Private Equity Ltd. in May 2012.
- Despite euro movement affecting HVPE's investment portfolio, the overall impact of currency exposure is broadly neutral.

HarbourVest Global Private Equity Limited ("HVPE" or the "Company") is pleased to publish its Interim Management Statement. This statement is made in accordance with article 5:25e of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht, the FMSA), which requirement stems from the EU Transparency Directive (2004/109/EC), and relates to the period from 1 February 2012 through 18 June 2012 and the financial period from 1 February 2012 through 31 May 2012 (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.

	31 May 2012 (Estimated)	31 January 2012 (Audited)	Change
<b>SUMMARY OF NET ASSET VALUE</b> (in millions except per share data)			
Investment Portfolio	\$1,052.4	\$1,096.2	(\$43.8)
Cash and Cash Equivalents	14.4	2.2	12.2
Debt	(122.7)	(154.4)	31.7
Net Other Assets (Liabilities)	(0.7)	—	(0.7)
<b>NAV</b>	<b>\$943.4</b>	<b>\$944.0</b>	<b>(\$0.6)</b>
NAV per Share (82.7 million shares outstanding)	\$11.41	\$11.42	(\$0.01)
<b>INVESTMENT PIPELINE</b> (Unfunded Commitments)			
Allocated	\$404.7	\$337.2	\$67.5
Unallocated	85.7	116.3	(30.6)
<b>Total Investment Pipeline</b>	<b>\$490.4</b>	<b>\$453.5</b>	<b>\$36.9</b>
<b>Investment Portfolio + Investment Pipeline</b>	<b>\$1,542.8</b>	<b>\$1,549.7</b>	<b>(\$6.9)</b>
% Invested	112%	116%	(4%)
Commitment Level (Total Investment Pipeline) <sup>1</sup>	164%	164%	—
Commitment Level (Allocated Investment Pipeline) <sup>2</sup>	154%	152%	2%
Cash + Remaining Available Credit Facility <sup>3</sup>	\$391.7	\$347.8	\$43.9

1 Reflects the Investment Portfolio plus total Investment Pipeline divided by estimated NAV.

2 Reflects the Investment Portfolio plus the allocated Investment Pipeline divided by estimated NAV.

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

## Results for the Interim Period

- \$0.01 per share decrease during the interim period driven mainly by declining public markets

At 31 May 2012, HVPE's estimated NAV is \$943.4 million, or \$11.41 per share, a \$0.01 per share decrease from the 31 January 2012 audited NAV of \$944.0 million, or \$11.42 per share. This nominal change during the interim period resulted from continued declining public markets and negative foreign currency movements, which offset increases in the value of privately-held companies in HarbourVest fund-of-funds and direct funds as they were re-valued to reflect 31 March 2012 results.

During the period from 1 February 2012 to 31 May 2012, the MSCI World Index (USD) decreased by 5.9%. During the interim period, the euro depreciated 5.5% against the U.S. dollar, decreasing the value of the approximately 15% of the portfolio that was denominated in euros at 31 January 2012.

The 31 May 2012 estimated NAV is based on 31 December 2011 and 31 March 2012 valuations for HVPE's direct fund and fund-of-funds investments, and 31 May 2012 values for publicly-listed securities.

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

## Investment Portfolio

- Four consecutive months of positive cashflows; largest underlying company at 31 January 2012 completed IPO

### INVESTMENT ACTIVITY

- **\$16.1 million invested in HarbourVest funds**  
The largest investments were made in U.S. and international fund-of-funds and a global secondary fund.
- **\$60 million commitment to new HarbourVest global secondary fund**  
In May 2012, HVPE made a commitment to HarbourVest's most recent global secondary fund, Dover VIII, which is designed to take advantage of HarbourVest's long-standing position as a leading secondary private equity investor. Targeted to reach \$3.0 billion in size, Dover VIII intends to invest in global secondary purchases of venture capital, leveraged buyout, and other private equity assets.

- **HarbourVest funds continue to make new commitments**

During the interim period, the Company continued to benefit from ongoing investments made by the actively-investing HarbourVest funds in its portfolio, which made primary buyout and venture partnership commitments in the U.S., Europe, China, Russia, South Africa, and India; secondary venture and buyout investments; and a direct U.S. buyout investments. HVPE's HarbourVest funds continue to evaluate new opportunities, selecting those with the most attractive risk/reward potential.

### REALISATION ACTIVITY

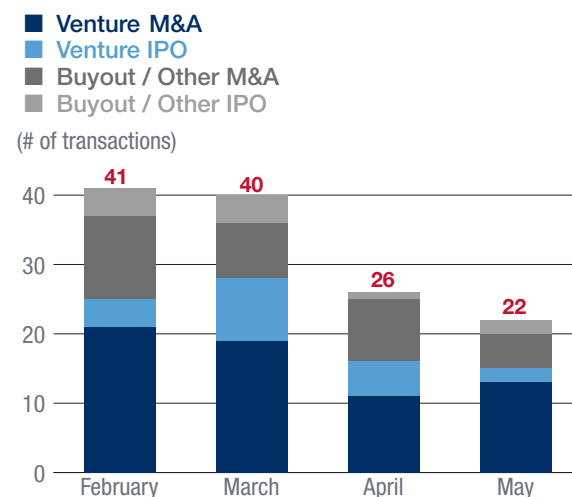
- \$59.1 million received from HarbourVest funds  
The largest realisations were received from:
  - U.S. venture fund-of-funds (resulting in part from the May 2012 IPO of *Facebook*)
  - Mature U.S. and international fund-of-funds currently harvesting their portfolios
  - Global secondary fund
  - Absolute Private Equity Ltd.
- 129 liquidity events within the underlying portfolio, including *Facebook* IPO (HVPE's largest underlying company at 31 January 2012)

VENTURE PORTFOLIO: 64 M&A EVENTS | 20 IPOs

BUYOUT PORTFOLIO: 34 M&A EVENTS | 11 IPOs

*Facebook* (NASDAQ: FB) completed an IPO on 18 May 2012 at \$38.00 per share, valuing the social networking company at more than \$104 billion. HVPE holds *Facebook*, its largest underlying company at 31 January 2012, via primary and secondary investments with general partners in the U.S. and Europe, illustrating HarbourVest's access to leading venture managers. HarbourVest funds' participation in *Facebook* is held via venture managers who invested in the company over its history at a range of entry valuations. These include early investors in the startup, general partners who acquired positions through *Facebook*'s acquisitions of their portfolio companies, and more recent investors who purchased private shares on the secondary market.

## 2012 Liquidity Events



Approximately 30% of HVPE's *Facebook* holdings were realised at the IPO price for a gain over the carrying value. The remaining *Facebook* holdings are carried at current market price, which is approximately equal to the pre-IPO carrying value at 31 March 2012 and slightly higher than the carrying value at 31 January 2012.

#### CASH FLOW TRENDS

- Net positive cashflows of \$43.0 million during the interim period

Net Cash Flows	February to May 2012
Fund-of-Funds	\$28.7m
Direct Funds	\$3.9m
Secondary Fund	\$4.6m
Absolute	\$5.8m
TOTAL	\$43.0m

#### INVESTMENT PIPELINE

- The investment pipeline of \$490.4 million of future commitments is a \$37 million (8%) increase from 31 January 2012 based on new commitments and foreign currency movement

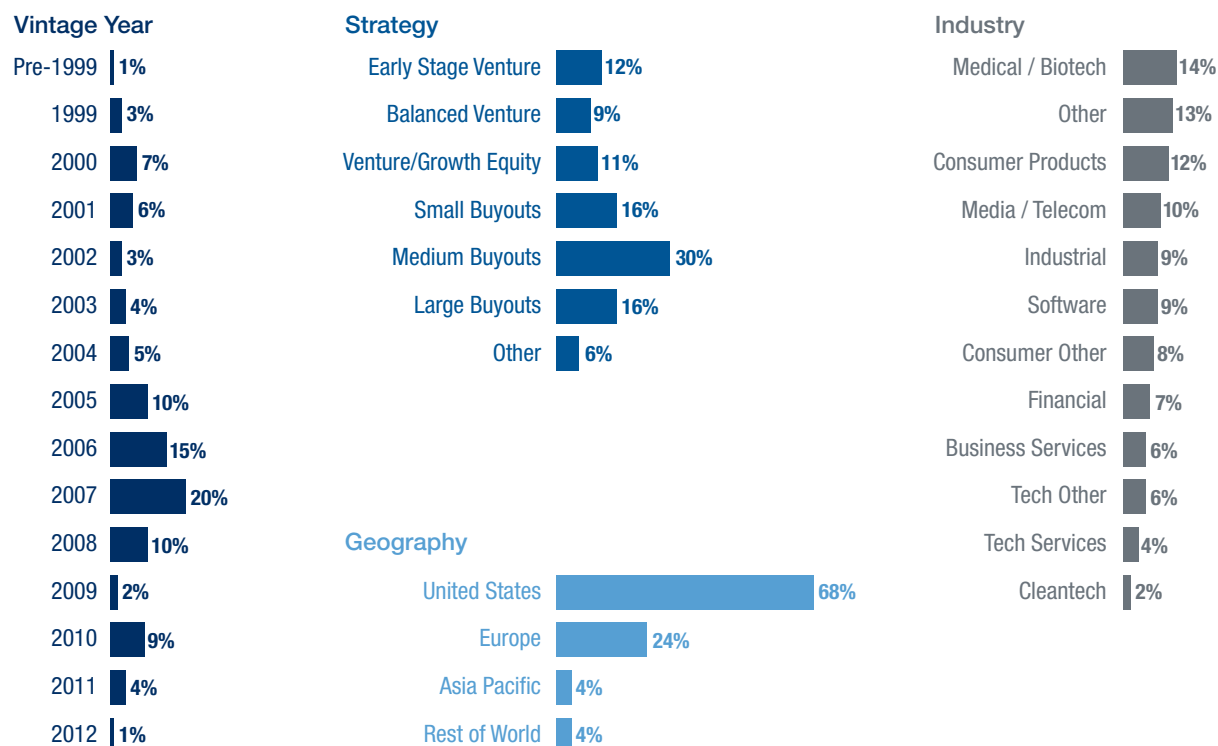
Of the total investment pipeline, approximately \$404.7 million (83%) has been committed by HarbourVest funds to underlying partnerships, while the remaining \$85.7 million (17%) has not yet been committed.

#### Portfolio Review

- Highly diversified portfolio of approximately 780 partnership and direct investments with 360 managers

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 at 31 May 2012. Relative to 31 January 2012, HVPE's buyout investments remained at 62% of the portfolio, and venture investments remained at 32%. U.S. investments increased to 68% of the portfolio at 31 May 2012 (from 67%), and European investments decreased to 24% of the portfolio (from 26%). The investment portfolio is split approximately 51% in primary partnerships, 33% in secondary investments, and 16% in direct investments.

### Portfolio Diversification at 31 May 2012



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 within HVPE's fund-of-funds and company investments within HVPE's direct funds. Industry diversification is based on the reported value of the underlying company investments for both fund-of-funds and direct funds. Some of the funds held in HVPE have not been fully invested. The composition of investments by 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.

From 30 September 2011 to 31 January 2012, HVPE's Absolute portfolio was categorised as a 2011 secondary U.S. buyout investment. From 29 February 2012 and going forward, the Absolute portfolio is categorised within the secondary portfolio by underlying partnership for vintage year, strategy, and geography.

## Balance Sheet and Foreign Currency Management

- Balance sheet positioned as a strategic asset
- The overall impact of foreign currency movement is broadly neutral

### CREDIT FACILITY

- \$500 facility with Lloyds TSB Bank plc (formerly the Bank of Scotland plc) committed through December 2014

During the interim period, the Company repaid \$29.0 million of borrowings against its \$500.0 million credit facility. The credit facility is committed until December 2014 and subject to certain covenants. At 31 May 2012, a total of \$122.7 million is outstanding, a \$31.7 million decrease from 31 January 2012 due to the repayments during the interim period and foreign currency movement. Since 30 September 2011, HVPE has decreased its outstanding borrowings by \$68.5 million.

At 31 May 2012, HVPE's cash (\$14.4 million) and remaining available credit facility (\$377.3 million) totals \$391.7 million (liquid resources), an increase of \$43.9 million from 31 January 2012 (\$347.8 million). This represents 97% of commitments allocated to underlying partnerships and 80% of total commitments.

### FOREIGN CURRENCY EXPOSURE MANAGEMENT

- Foreign currency movement affects HVPE's investments (assets), borrowings (liabilities) on the credit facility, and its investment pipeline

HVPE has exposure to foreign currency movements through the foreign currency-denominated assets within the portfolio and through foreign currency-denominated unfunded commitments, which are long term in nature. The Company's most significant

currency exposure is to euros. HVPE attempts to hedge its euro exposure by maintaining a portion of its drawn debt in euros so that this and the euro unfunded investment commitments are broadly equal to the euro denominated assets. The Company does not actively use derivative or other products to hedge the currency exposure.

During the interim period, foreign currency movement had a minimal effect when viewed across HVPE's borrowings, investments, and investment pipeline.

## Risk Factors

HVPE's Investment Manager 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.
- HVPE's Net Leverage is likely to fluctuate, and obligations could be difficult to fund under certain circumstances.
- HVPE depends on HarbourVest and its investment professionals for core services.
- HVPE could continue to experience periods of share illiquidity, ongoing price volatility, and discounts to NAV.

These risks are further highlighted in the Company's Annual Report & Audited Consolidated Financial Statements, which can be found at HVPE's website at: [http://hvgpe.com/download/pdf/HVPE\\_2012\\_Annual\\_Report.pdf](http://hvgpe.com/download/pdf/HVPE_2012_Annual_Report.pdf).

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 for Monthly Updates, as well as Annual and Semi-Annual Reports and Financial Statements.

## Company Overview

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

HVPE is managed by HarbourVest Advisers L.P. (the "Investment Manager"), an affiliate of HarbourVest Partners, LLC ("HarbourVest" or the "Firm"), 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 and cancelled 300,000 shares in May 2011 as part of its share buyback arrangement.

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, strategy, geography, and industry. 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 15 June 2012, the Company published its estimated NAV at 31 May 2012, which provides additional information about HVPE's recent performance and is available at the Company's website. The 31 May 2012 Monthly Update may be read in conjunction with this statement.

## Contacts

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## KEY INFORMATION

<b>Exchanges</b>	Euronext Amsterdam & London Stock Exchange
<b>Ticker</b>	HVPE
<b>Listing Date</b>	6 December 2007 (Euronext) 12 May 2010 (LSE)
<b>Financial Year End</b>	31 January
<b>Base Currency</b>	U.S. Dollars
<b>ISIN</b>	GG00B28XHD63
<b>SEDOL</b>	B447KB5
<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

**Valuation Methodology** HVPE carries its investments at fair value in accordance with U.S. generally-accepted accounting principles. HVPE's investment manager uses the best information it has available to estimate fair value. Fair value for private equity assets is based on the most recent financial information provided by the investment manager, adjusted for known investment operating expenses and subsequent transactions, including investments, realisations, changes in foreign currency exchange rates, and changes in value of public securities. Valuation adjustments are made for known significant events, if any, that affect the fair value of the investments. The 31 May 2012 estimated NAV is based on investment values at 31 December 2011 and 31 March 2012 for company investments within HVPE's direct funds and partnerships within HVPE's fund-of-funds, adjusted for foreign exchange movements, cashflows, and known events to 31 May 2012.

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

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