HarbourVest
GLOBAL PRIVATE EQUITY

2011 ANNUAL REPORT

AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

31 JANUARY 2011

Contents

COMPANY OVERVIEW

HarbourVest Global Private Equity Limited ("HVPE" or the "Company") 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, 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.

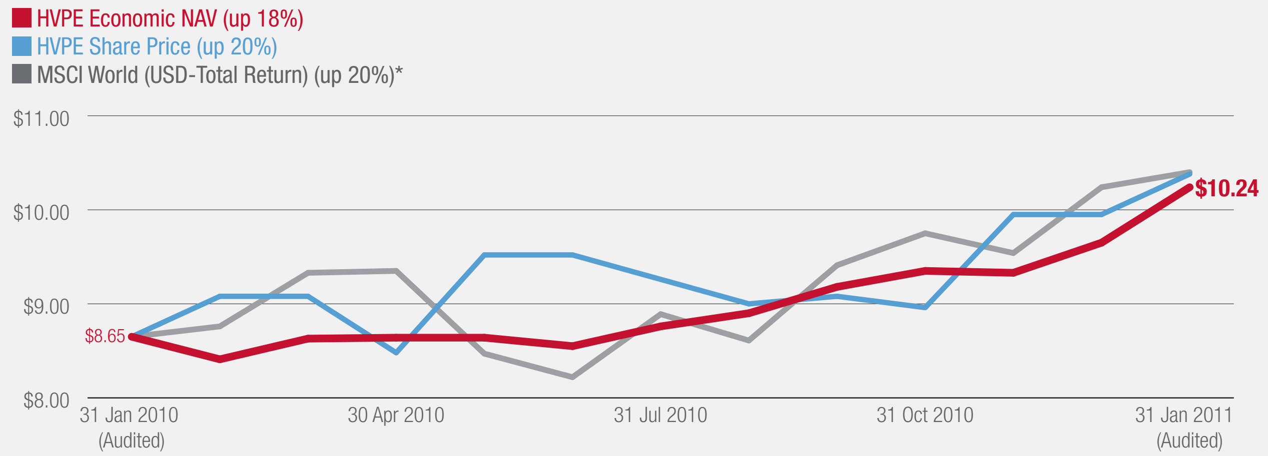
The Company issued 83,000,000 shares at $10.00 per share in December 2007.

Key Highlights and Investment Strategy

Key Highlights
For the Financial Year Ended 31 January 2011

$10.24 Economic NAV per Share	**18% increase** ($850 million Economic NAV)
$928m NAV of Investments	**Primary Partnership, Secondary, Direct Investments** **24 HarbourVest funds / 668 partnerships / 5,621 companies**
$11m Net Cash Flows	**$126.6 million Funded** (72% increase from prior financial year) **$137.2 million Distributed** (165% increase from prior financial year)
9.1% Net Leverage Ratio	**$91 million Total Outstanding Debt** ($14 million cash)
$544m Unfunded Commitments	**$387 million Allocated / $157 million Not Allocated** 110% Allocated Commitment Coverage Ratio 155% Allocated Commitment Level Ratio

HVPE Economic NAV Performance vs. MSCI World Index vs. HVPE Share Price
since 31 January 2010



All values indexed to $8.65 (HVPE Economic NAV per share at 31 January 2010).

* MSCI World (USD) data sourced from Bloomberg. Total Return data reflects re-investment of dividends.

Please refer to Key Definitions and Methodologies (beginning on page 74).

Financial Summary

	31 January 2011	31 January 2010	Change
SUMMARY OF ECONOMIC NET ASSET VALUE[1]			
(in millions except per share data)			
NAV of Investments	$928.2	$783.4	$144.8
Cash and Cash Equivalents	14.0	10.6	3.4
Outstanding Debt	(91.0)	(75.0)	(16.0)
Net Other Assets (Liabilities)	(1.5)	(0.8)	(0.7)
Economic NAV	**$849.7**	**$718.2**	**$131.5**
Economic NAV per Share (83.0 million shares outstanding)	$10.24	$8.65	$1.59
SUMMARY OF COMMITMENTS			
Unfunded Commitments (Allocated to Underlying Partnerships)	$386.4	$447.7	($61.3)
Unfunded Commitments (Not Allocated to Underlying Partnerships)	157.1	175.3	(18.2)
Total Unfunded Commitments	**$543.5**	**$623.0**	**($79.5)**
NAV of Investments + Total Unfunded Commitments	**$1,471.7**	**$1,406.4**	**$65.3**
% Invested	109%	109%	—
Commitment Level (Total Unfunded Commitments)[2]	173%	196%	(23%)
Commitment Level (Allocated to Underlying Partnerships)[3]	155%	171%	(16%)
Cash + Unused Committed Credit Facility	$423.0	$435.6	($12.6)
Cash + Remaining Available Credit Facility[4]	$423.0	$399.6	$23.4

1 The Company's Investment Manager believes that Economic NAV per share is the most appropriate measure of economic value for investors. Economic NAV excludes the "fair value" of liabilities, booked under U.S. GAAP, related to Put Rights the Company has issued in connection with its 2010 Liquidity Plan. Please refer to page 38 for additional information. As at 31 January 2011, HVPE's NAV per share reported under U.S. GAAP is $10.21.

2 Reflects the NAV of investments plus total unfunded commitments divided by Economic NAV.

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

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

Investment Strategy

HVPE seeks to provide a comprehensive private equity solution that delivers top-quartile performance over a multi-year investment cycle. This goal is best achieved through a vehicle with the following characteristics:

- Highly diversified portfolio of private equity assets
- Strong balance sheet
- Strategy of continuous new investments

Diversification

- **Geography** 65% U.S. I 28% Europe I 7% Asia Pacific and Rest of World
- **Strategy** 61% Buyout I 34% Venture I 5% Other
- **Vintage Year** 18 Vintage years back to 1993

Historical data demonstrates the benefits of a well-diversified portfolio. Long-term returns tend to be cyclical across various segments, and a comprehensive private equity portfolio should strive to be consistently exposed to the most successful managers in their areas of expertise.

Strong Balance Sheet

- **$500 million Credit Facility** committed through 2014
- **$423.0 million Total Liquid Resources** (cash and available credit facility) available to fund $387 million of allocated commitments and $544 million of total commitments

Based on the long-term and often uncertain timing of private equity commitments, listed private equity vehicles should maintain conservative balance sheets with adequate reserves to finance obligations.

Continuous New Investments

- **New commitments by HVPE**
  - $14.4 million (£10.0 million) invested in HarbourVest Senior Loans Europe (HSLE)
  - $50.0 million committed to HarbourVest IX Programme

- **Commitments made through existing investments in HarbourVest funds**
  - $158 million committed to 46 private equity managers in 77 partnership and direct investments (including secondary investments)

An efficient portfolio should be fully and consistently committed to the asset class, regardless of economic cycle. Many of the most successful vintage years for private equity investment have been during or just after recessionary periods when investments were more attractively priced.

Chairman's Letter

Dear Shareholder,

I am pleased to be able to report further good progress in the third full year of your Company's existence. Both private equity and listed markets have continued to recover from the traumas of the winter of 2008 to 2009. The world financial crisis will leave lasting scars for many years and caused private equity markets to seize up such that there was a virtual freeze in transactions in many areas for eighteen months. The thaw that I reported on a year ago has continued, and indeed significantly increased in pace in the last quarter of 2010 and the first months of 2011. It appears that the private equity market is showing signs of a return to more normal conditions after a period when many critics were convinced that the model was broken. The performance of your Company's portfolio demonstrates the merits of HarbourVest's long-term and disciplined approach to investing throughout the cycles.

Meanwhile, the world economic recovery continues to be sluggish in the over-indebted Western economies. In emerging economies, inflation has once again reared its ugly head as world commodity prices and some economic overheating have had their influence. Indeed the strength of commodity prices, particularly for oil and food, pose serious problems for the developed and developing world alike. In most major economies, official interest rates have been kept extremely low by historic standards. In light of the state of the various central governments' finances, there have been different policy responses, with some countries seeking to reduce government deficits more rapidly than others. The U.S. stands out as the major country least inclined, or politically able, to rein in its deficits. This therefore seems likely to result in relative weakness for the U.S. dollar – although other currencies, and particularly the euro, also have significant structural problems.

The Company and its Portfolio

Your Company made significant further progress in the year to 31 January 2011. Economic Net Asset Value ("Economic NAV") per share rose by 18.4% to $10.24. The estimate of Economic NAV released in February was $9.75, but final 31 December 2010 valuations received from underlying funds subsequent to 31 January resulted in that figure increasing 5.0% to $10.24.

The share price appreciated by 20% to $6.00 as at 31 January 2011. This represented a discount to NAV of 38.5% in relation to the estimated Economic NAV. Once the final figure of $10.24 was known in May, the apparent discount increased to 41.4%. It is disappointing that more progress was not made during the year on narrowing the discount to the degree that occurred in the case of some other companies in our peer group. I discuss later in this letter further action taken by the Company with the intention of reducing the discount to NAV at which the shares trade.

The Investment Manager's Review is a comprehensive account of your Company's activities during the year and includes commentary on the state of the private equity world today. It has been very encouraging to see a significant pick-up in activity and especially in cash realisations. Distributions exceeded calls by $10.6 million over the year and, in the second half of the year, were over double the receipts of the first half. The pattern of increased distributions has continued into the current year. During the difficult months in 2008 and 2009, the Company remained focused on its strategy of managing the balance sheet for the long term. No sales of assets at disadvantageous prices had to be made, and the investment programme continued uninterrupted in the belief that when markets began to normalise, distributions from the substantial mature elements of the portfolio would pick up. This has indeed happened.

Of course distributions alone are not a measure of success. They need to be sourced from profitable investments. The Investment Manager's Review gives details of some of the successes. Within the venture portfolio are a number of rapidly growing companies, such as *Facebook, Twitter,* and *Skype.* In May 2011, Microsoft announced its acquisition of Skype for $8.5 billion which, if completed, will value your Company's holding at approximately 2.3 times the year-end valuation. In the buyout portfolio, a number of successful transactions were concluded during the year. More recently, Takeda Pharmaceutical of Japan has announced its €9.6 billion acquisition of *Nycomed,* which at the year end was our largest individual company holding. When closed, this is expected to result in a NAV uplift from the holding value at 30 April 2011 of approximately 16 cents per share, dependent upon the U.S. dollar/euro exchange rate at the time.

Some commentators have suggested that the highly diversified nature of the Company's portfolio, with holdings in over 5,000 individual companies, means that it will not benefit sufficiently from "backing winners". Whilst a success in a highly diversified portfolio may not be as dramatic as it would be in a concentrated portfolio, the other side of the coin ensures that a failure will not be so expensive. However, there are only 24 companies in the top 20% by value of our underlying investments and another 88 in the next 20%. So although there is a long tail by numbers, success in any one of the larger holdings can feed through to a material uplift in NAV. It is worth noting that of HVPE's top 25 underlying company holdings at 31 January 2010, no less than ten have had some form of realisation. The Investment Manager has run diversified portfolios that have delivered top-quartile performance for over 25 years. That is the style of the Investment Manager, and an accumulation of successes, even if individually small percentages of the portfolio, build into steady growth in underlying NAV.

During the financial year, the Company continued to borrow at very low rates of interest from its $500 million facility with The Bank of Scotland plc. Net debt rose modestly from $64.4 million to $77.0 million; but owing to the rise in the value of the assets, the Net Leverage Ratio remained largely unchanged at approximately 9%. The Company's facility expires in December 2014 and whilst all modeling is undertaken on the basis that any borrowings can be fully repaid out of cash flow before that expiry, the Board and the Investment Manager are of the view that to borrow reasonable sums at very low rates to invest in assets returning many times that rate of interest is very much to the benefit of shareholders. Thus I do not expect net debt to be repaid fully in the near future, although the Board will keep a careful eye on the maturity of the facility and the need to plan beyond December 2014.

Liquidity and Share Price

I reported last year on the listing in May 2010 of the Company's shares on the Specialist Fund Market of the London Stock Exchange and the Secondary Placing that took place at the same time at $5.75 per share. Buyers both in the placing and in the aftermarket were entitled to register the right (the "Put Rights") to sell their shares back to the Company in November 2011 at the lower of $5.75 or the estimated Economic NAV per share at 31 October 2011. 6,851,486 Put Rights were issued. Although initially the share price did not respond positively, later in the year it picked up from its lows to end the year at $6.00. At the date of this letter, the latest trades have taken place at $7.00. With the estimated Economic NAV at 30 April 2011 at $10.48, it seems increasingly unlikely, barring unforeseen circumstances, that any Put Rights will be exercised in November 2011 and, if they are, the exercise will be significantly accretive to NAV for ongoing shareholders.

Although turnover in the Company's shares remains somewhat sporadic, during the financial year to 31 January 2011, approximately 11% of shares changed hands, including the 5.7% placed in the Secondary Placing in May 2010. Since 31 January, a further 5.1% have been traded. Some of the trades have been in substantial blocks and it does appear that an increase in trading liquidity is slowly beginning to emerge. The Board and the Investment Manager are continuing to explore ways to speed up this process.

Events since the Financial Year End

Share Buyback Programme

On 14 March 2011, the Company announced that it would seek consent to buy-back its own shares for cancellation and more detailed information was released on 5 May 2011. The Company now has the authority to buy-back up to 14.99% of the 83 million shares in issue. The possible repurchase of up to 6.9 million shares under the Put Rights in November 2011 is included within the 14.99%. Thus the maximum number that could be repurchased ahead of November would be 5.6 million.

As at the date of this letter, no shares have been repurchased. The authority will only be used opportunistically and then only to repurchase shares for which no other buyer has come forward. But if purchases are made at or around the present discount to NAV (estimated at 33%), they will be highly accretive to ongoing shareholder value. As the Company is deemed to have inside knowledge from time to time, arrangements have been entered into with our joint brokers, JPMorgan Cazenove and Oriel Securities, for those firms to operate the buyback programme at times that the Company cannot make such decisions.

I do not expect there to be a flurry of buybacks. Indeed if natural buyers exist to take up any shares on offer, there may be no buybacks at all over a prolonged period. But as long as it would be in continuing shareholders' interests, the Company is now prepared to be in the market to buy-back shares for cancellation on an opportunistic basis. Any purchases would be financed out of cash distributions from our investments or from The Bank of Scotland facility.

Proposed Parallel Investment in Absolute Private Equity alongside other HarbourVest-managed funds

On 26 April 2011, HarbourVest and the Company jointly announced a tender offer of $17.25 per share in cash for the shares of Absolute Private Equity, Ltd. ("Absolute"), which values the company at $752 million. The offer is contingent upon receiving a minimum acceptance by 50.01% of Absolute's shareholders by value. Absolute's NAV per share at 21 April 2011 was reported to be $24.16, and Absolute's Board of Directors supports the offer and intends to recommend that its shareholders accept.

It is intended that the Company's interest in this transaction would be 10%, with other HarbourVest funds, including Dover VII, in which the Company is an investor, taking a 90% interest. At the minimum acceptance level of 50.01%, HVPE's cash outlay would be $38 million. At 100% acceptance, the Company's cash outlay would be $75 million. The investment would be financed out of cash distributions from our investments or from The Bank of Scotland facility. The offer prospectus will be published in the near future and, if successful, the transaction is expected to be completed in the third quarter of 2011.

The Absolute offer is an opportunity for your Company to benefit from investing alongside other funds managed by HarbourVest. It represents a compelling and innovative transaction for the Company and one with which your Board is very comfortable. As soon as we are in a position to do so, we will update shareholders further by an announcement on our website at www.hvgpe.com.

Resignation of Steve Belgrad as Chief Financial Officer

On 11 May 2011, the Company announced the resignation of Steve Belgrad, our Chief Financial Officer who was appointed in September 2008 and has been a strong hand in leading the Company through the difficult times of 2008 and 2009 and into the improved environment of today. Steve is leaving us to take up a senior position in a large asset management business. The Board is very sorry to lose Steve who has been tireless in his dedication to the Company's business and its reputation in the marketplace. Steve leaves us at the end of May.

Our Investment Manager is, of course, the firm of HarbourVest. HarbourVest has considerable strength in depth and expects shortly to make an announcement regarding an interim manager and, in due course, and after consultation with the Board, of a permanent replacement for Steve.

On behalf of the shareholders, I would like to thank Steve for all he has done for the Company and to wish him well in his new appointment. Meanwhile I am confident that HarbourVest will ensure that the Company's business continues to be managed effectively without interruption.

Conclusion

It will be many years before the near collapse of the western world's financial system in 2008 and 2009 fades into distant memory and there are many risks ahead, both identifiable and as yet unknown. However, the private equity model has come through the test, contrary to some commentators' expectations. The stronger managers, as supported by HarbourVest, have focused on ensuring that their portfolio companies weathered the storm and came out of the recession in shape and ready to benefit from any upturn. Although growth in many developed economies is expected to be slow for some years to come, many good companies are prospering. Mergers and acquisitions and Initial Public Offerings have picked up and there are regular liquidity events in the mature end of your Company's portfolio. I have every expectation that HarbourVest will continue to deliver superior performance for your Company and I look forward to the time when that superior performance is fully recognised in the share price.

As always we would welcome comments about this Annual Report or suggestions for additional content. We also look forward to seeing shareholders in person or through the webcast at an informal meeting to be held in London. The date and venue for that meeting will be communicated to shareholders and posted on the Company's website.

Yours sincerely,

Michael Bunbury

Michael Bunbury
25 May 2011

Investment Manager's Review

Results for the Financial Period Ended 31 January 2011

Valuation gains across the portfolio driven by economic recovery and rising public markets

U.S. fund-of-funds represent greatest source of NAV appreciation

Change in Economic Net Asset Value

- Economic NAV increased 18.4% to $10.24 per share

As at 31 January 2011, HVPE's Economic Net Asset Value ("Economic NAV") was $849.7 million, or $10.24 per share. This represents an increase of $1.59 per share, or 18.4% over the financial period from 31 January 2010 ($8.65), and a significant milestone for HVPE as Economic NAV per share exceeded its December 2007 IPO level of $10.00. HVPE's Investment Manager believes that Economic NAV is the most appropriate measure of economic value to holders of its shares. Economic NAV excludes the fair value of the liability arising as a result of the issuance of Put Rights as part of the Company's 2010 Liquidity Plan and represents the most conservative outcome upon the maturity of the Put Rights in November 2011 (see Balance Sheet Management). As at 31 January 2011, HVPE's NAV per share reported under U.S. GAAP ("U.S. GAAP NAV") in the accompanying Audited Consolidated Financial Statements is $10.21, $0.03 below the Economic NAV.

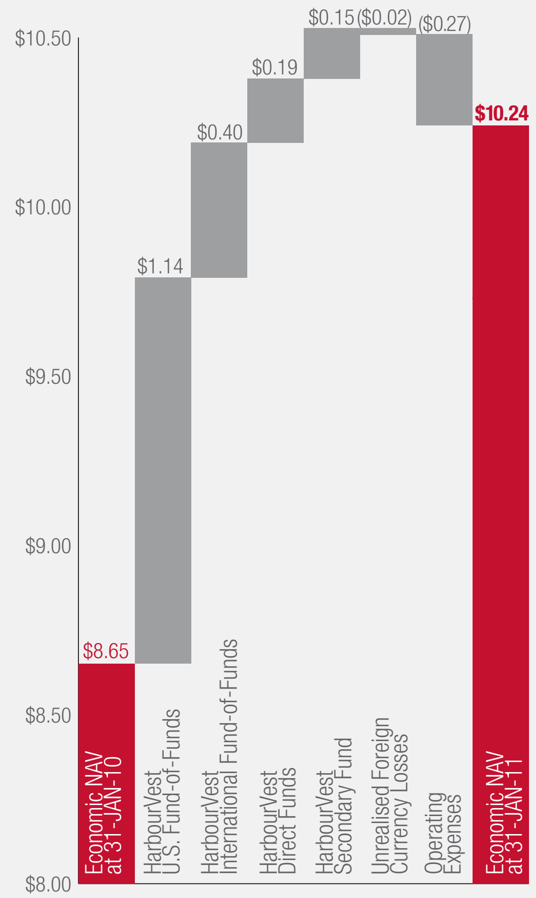
The increase in Economic NAV during the twelve months ended 31 January 2011 occurred alongside rising public markets, an improving economic environment, and a slightly depreciating euro. During the calendar year from 31 December 2009 to 31 December 2010, the valuation period for HVPE's underlying private investments, public markets (MSCI World Index (USD)) were up 10.4%. The 1.2% depreciation of the euro relative to the U.S. dollar from 31 January 2010 through 31 January 2011 had only a small negative effect on HVPE, since only 20% of the underlying portfolio is denominated in euros. During the 2010 calendar year, estimated U.S. GDP growth was 2.8%, and estimated Eurozone GDP growth was 1.8%.

The valuations of HarbourVest's U.S., international, and direct funds benefited from appreciating public markets and improving operating results for many underlying companies.

When analysing changes in Economic NAV per share, HVPE's Investment Manager reviews realised and unrealised gains and losses by HarbourVest fund category, as well as the impact of foreign currency movement and expenses. As shown in **Exhibit A**, of the $1.59 increase in Economic NAV per share in the financial year ended 31 January 2011, $1.14 resulted from HarbourVest U.S. fund-of-funds, $0.40 from HarbourVest international fund-of-funds, $0.19 from HarbourVest direct funds, and $0.15 from the global secondary fund. Unrealised foreign currency losses decreased NAV by $0.02 per share, and operating expenses (including $0.02 of expense related to the 2010 Liquidity Plan) reduced NAV by $0.27 per share.

The valuations of HarbourVest's U.S., international, and direct funds benefited from appreciating public markets and improving operating results for many underlying companies. Public market improvement in the second half of the financial year offset a generally negative market environment in the first half. Secondary investment activity increased during the year, particularly in the fourth calendar quarter of 2010, and Dover VII, HVPE's global secondary fund, made a number of new investments. Many portfolios that were purchased at discounts to NAV during the period and in prior periods experienced valuation increases at year end. The largest gains within the HVPE portfolio were generated by HarbourVest VI Partnership, a mature U.S. fund-of-funds that is currently harvesting its investments, and HarbourVest VIII Buyout, an actively investing U.S. fund-of-funds focused on buyouts.

A | **Changes in HVPE Economic NAV Per Share**
31 January 2010 to 31 January 2011



Value Changes by Strategy and Vintage Year

- Buyout and venture both generated strong returns
- Greatest sub-strategy gain was small buyout
- Recent vintage years outperformed, rising from an impaired base

In order to better understand the drivers of NAV growth, the Investment Manager analyses the relative performance of the Company by strategy and sub-strategy, and, within each strategy, by vintage year. The performance variations among these subsets of the portfolio illustrate the strategic benefit of maintaining a diverse portfolio by strategy and vintage year. HVPE was one of the few listed private equity vehicles to continue to invest in newly-formed partnerships during the 2009 recessionary vintage year.

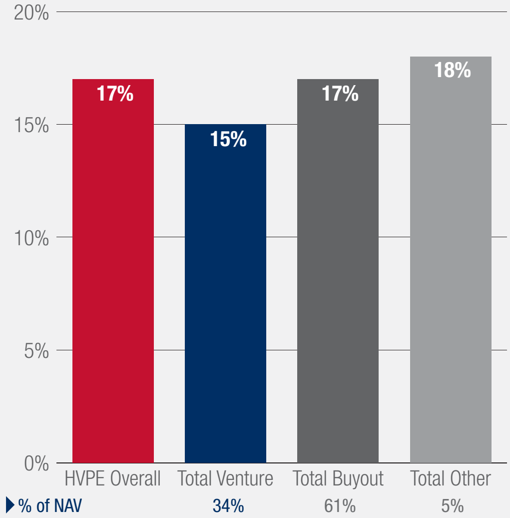
Exhibit B highlights the NAV performance of the entire portfolio, the venture portfolio (by sub-segments and vintage years), and the buyout portfolio (by sub-segments and vintage years). Each bar in the chart reflects the twelve-month performance gain in that segment, while the numbers at the bottom of the chart represent each segment's share of HVPE's NAV at 31 January 2011.

During the financial year ended 31 January 2011, buyout, which makes up 61% of the portfolio, increased in value by 17.3%, while venture, representing 34% of the portfolio, grew 15.3%. The Other category, which represents primarily mezzanine and distressed debt, experienced the largest gain at 17.8%, but represents only 5% of HVPE's NAV.

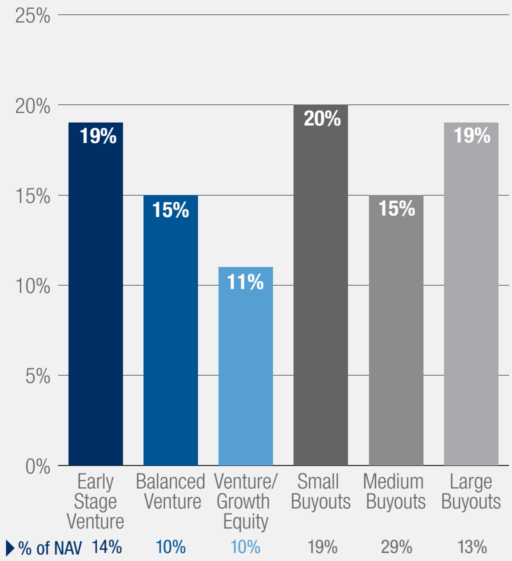
Buyout valuations, which are often benchmarked to public markets, showed improvement alongside rising public markets. The venture market, which has experienced a decade of disappointing returns, had its strongest year in 2010 since 2007, according to *Thomson Reuters*.

B | Performance by Strategy and Vintage Year
31 January 2010 to 31 January 2011

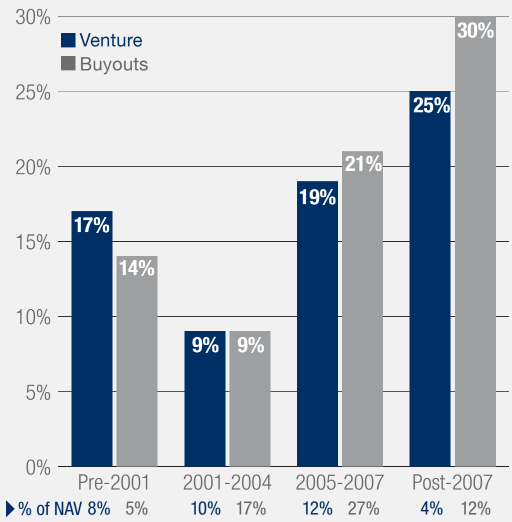
Performance by Strategy



Performance by Sub-Strategy



Performance by Vintage Year



Within the sub-segments of the buyout and venture portfolios, there was significant variation in performance. Within buyout, large buyouts (up 19.4%) and small buyouts (up 20.1%) outpaced medium buyouts (up 14.8%). Within venture, which is less correlated to public markets, early stage and balanced venture were up 19.4% and 14.5%, respectively, while growth equity was up 10.8%.

The Investment Manager has also analysed the portfolio by groups of vintage years within periods of similar economic activity. During the financial year to 31 January 2011, the post-2007 period was the strongest overall, rising from a reduced base, while the 2001 to 2004 period was the weakest. The data indicates that the most mature portion of the portfolio (pre-2001) continues to generate attractive growth.

Expenses

- $22.6 million ($0.27 per share) for the financial year
- Include management fees, fees related to the credit facility, and operating expenses (including non-recurring 2010 Liquidity Plan expenses)

Expenses represented $22.6 million, or a $0.27 per share impact on Economic NAV, during the financial year ended 31 January 2011. HVPE has three major categories of expenses: (i) management fees paid to HarbourVest funds; (ii) financing fees and expenses related to its $500 million credit facility; and (iii) operating expenses including compensation, travel, insurance, and directors' fees, as well as third party legal, administrative, accounting, and other expenses.

The $22.6 million of expenses exclude $2.5 million of non-cash expenses ($0.03 per share) related to the Put Rights issued in connection with HVPE's 2010 Liquidity Plan. This expense accounts for the difference between Economic NAV ($10.24 per share) and U.S. GAAP NAV ($10.21 per share).

As an investor in HarbourVest funds, HVPE is charged the same management fees on committed capital and is subject to the same performance allocations as other investors in those funds. In HVPE's Audited Consolidated Financial Statements, these fees are included in the change in NAV for the HarbourVest funds. However, for the purposes of this analysis, they have been reclassified as direct HVPE expenses in order to provide a comprehensive and transparent view of operating costs. For the financial year ended 31 January 2011, management fees totalled $14.6 million, or a rate of 101 basis points on average Private Equity Exposure (NAV of Investments plus Total Unfunded Commitments).

The multi-currency revolving credit facility, which expires in December 2014, bears variable interest at LIBOR plus 150 basis points on drawn amounts and carries an annual commitment fee of 40 basis points on the unused portion. During the financial year ended 31 January 2011, total facility-related expenses were $3.3 million. On average, HVPE had $90.4 million of borrowing outstanding over the financial year. During the financial year, the Company continued to benefit from historically low interest rates with total borrowing costs averaging 185 basis points over the twelve months to 31 January 2011.

HVPE's operating costs were approximately $4.7 million in the financial year ended 31 January 2011, compared to $3.2 million during the financial year ended 31 January 2010. The increase was driven primarily by expenses related to HVPE's Liquidity Plan, which was implemented in May 2010. Liquidity Plan expenses totaled $1.8 million, primarily related to financial advice and placement fees, as well as legal expenses. Excluding the one-time impact of the 2010 Liquidity Plan, operating costs for the financial year were lower by $0.3 million, or 9.4% compared to the financial year ended 31 January 2010.

Net Asset Value Methodology

- NAV based on 31 December 2010 valuations for private holdings and 31 January 2011 valuations for public securities
- Valuations represent Fair Market Value under U.S. GAAP

HVPE's 31 January 2011 Economic NAV is based on the 31 December 2010 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 January 2011. The valuation of each HarbourVest fund is presented on a fair market value basis in accordance with U.S. GAAP.

The 2008 adoption of ASC 820 (formerly FAS 157) in the U.S., which requires managers to present their portfolios on a fair market value basis in accordance with U.S. GAAP, has resulted in some private valuations, particularly buyouts, trending more closely alongside public markets. HVPE's NAV is influenced by public markets in two primary ways. First, the public securities in the portfolio (approximately 17%) are directly influenced by market movements. Second, the private companies in the portfolio whose values are benchmarked against public company comparables can be influenced by market movements in related sectors. In many cases, venture valuations tend to be less correlated to market movements than buyout valuations due to the smaller size of the companies and fewer comparable public companies.

HVPE's New Fund Commitments

- £10 Million investment in HarbourVest Senior Loans Europe Limited (HSLE)
- $50 Million Commitment to HarbourVest Partners IX Programme

£10 Million Investment in HSLE

In May 2010, HVPE made its first new commitment to a HarbourVest fund since July 2008. The Company invested £10.0 million ($14.4 million) in HarbourVest Senior Loans Europe Limited (HSLE), which is managed by an affiliate of HarbourVest Partners and listed on the London Stock Exchange. HSLE invests in existing and new senior secured loans to private equity-backed, mid-market companies in Europe, including the U.K. HVPE's Investment Manager believes that the HSLE investment provides an attractive opportunity to further diversify the HVPE portfolio with fixed income exposure while providing incremental opportunities for capital appreciation and current cash earnings. The HSLE investment was funded using sterling-denominated credit facility borrowings. As at 31 January 2011, HSLE was 69% committed or invested (84% committed or invested through 31 March 2011), has paid dividends of 3 pence per share, and has a net asset value of 97.07 pence. The holding is carried on HVPE's balance sheet at "fair value" based on its 31 January 2011 share price of 96.5 pence.

$50 Million Commitment to HarbourVest Partners IX Programme

In September 2010, HVPE committed a total of $50 million to the HarbourVest Partners IX programme (HarbourVest IX), a U.S.-focused fund-of-funds vehicle currently raising capital. HVPE allocated $25 million (50% of the commitment) to HarbourVest IX Buyout, $20 million (40%) to HarbourVest IX Venture, and $5 million (10%) to HarbourVest IX Credit Opportunities. The allocation mix reflects the attractive opportunities that the Investment Manager believes are available in these investment segments, particularly venture.

The size of the initial commitment reflects the Investment Manager's analysis of the appropriate investment capacity of the Company at the time, given the market environment and cash flows. The Investment Manager will consider an additional commitment to the Fund IX programme prior to its final round of subscriptions. Fund IX is expected to make its first capital call in the first half of calendar year 2011, and is targeted to be 50% called in 2014.

HVPE's Share of HarbourVest Funds' New Commitments

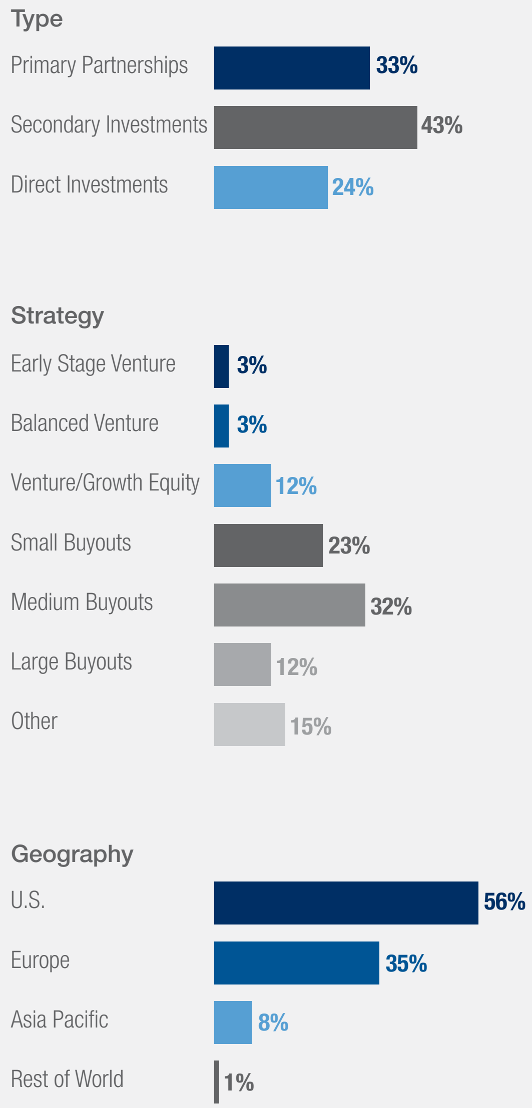
- HVPE's HarbourVest funds committed $158.0 million to primary, secondary, and direct investments during the financial year ended 31 January 2011

In addition to the HSLE investment and HarbourVest IX commitment, during the financial year to 31 January 2011, the Company also continued to benefit from the ongoing commitments made by eight of the actively-investing HarbourVest funds in the portfolio (including HarbourVest IX Venture and Buyout). In total, these funds made new commitments to 46 private equity managers and 77 partnerships and direct investments (including secondary investments, which can include transactions made up of multiple partnerships) during the financial year. Secondary investments often include managers and partnerships already held in the portfolio. The funds committed a total of approximately $52 million to primary investments, $68 million to secondary investments, and $38 million to direct investments (including HSLE) on HVPE's behalf (see **Exhibit C**).

The largest new primary commitments during the financial year were to partnerships with the following characteristics:

Manager	Geography	Strategy
ABRY Partners	U.S.	Mezzanine Debt
BC Partners	Europe	Large Buyouts
Centerbridge Partners	U.S.	Distressed Debt
Gilde Buy-Out Partners	Europe	Medium Buyouts
GTCR Golder Rauner	U.S.	Medium Buyouts
Index Venture	Europe	Growth Equity
Inflexion Managers	Europe	Small Buyouts
KKR Associates Asia	Asia Pacific	Growth Equity
Litorina Capital Management	Europe	Small Buyouts
Wellspring Capital Management	U.S.	Medium Buyouts

C | HVPE's Share of HarbourVest Funds' New Commitments
Financial Year Ended 31 January 2011



Portfolio Review

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

Portfolio Diversification

- Diversification by vintage year, strategy, geography, and industry are key to HVPE's ongoing success

The Company achieves its diversification by investing in a broad selection of HarbourVest funds, which in turn make primary, secondary, and direct investments and provide access to underlying investments that are further diversified in terms of:

- **Vintage Year/Year of Investment** providing exposure to investments made across many years and multiple investment environments via primary, secondary, and direct investment strategies
- **Strategy (Stage of Investment)** providing exposure to early stage, balanced, and growth equity venture capital; small and middle market leveraged buyouts, large capitalisation leveraged buyouts; mezzanine debt; and special situations, such as restructuring funds or distressed debt
- **Geography** providing exposure to private equity funds investing in the U.S., Europe, Asia, and other private equity markets
- **Industry** providing direct and indirect exposure to a large number of different companies across a broad array of industries

Because of this diversification, the Investment Manager believes that the risks associated with an investment in HVPE may be inherently lower than those of an investment in a single private equity fund or a listed fund managed by a single underlying manager.

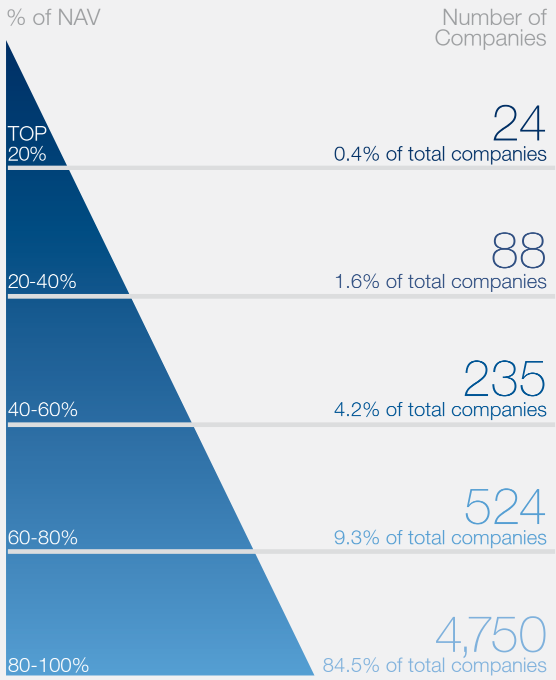
HVPE Portfolio Structure

- **24 HarbourVest funds**
- **668 underlying partnerships**
- **5,621 unique underlying portfolio companies**

At 31 January 2011, HVPE's portfolio includes commitments to 24 HarbourVest funds at various stages of development. These funds, in turn, were invested in 668 underlying partnerships that owned stakes in 5,621 underlying companies. At 31 January 2011, no single company represented more than 2.0% of NAV, and the top 25 companies represented approximately 19% of NAV. HVPE's largest exposure to a single manager (other than HarbourVest) is 2.7%. HVPE has 58% of NAV invested in primary partnerships, 23% of NAV in secondary investments, and 19% of NAV in direct investments.

At the underlying company level, 80% of the value of the portfolio is represented by 871 companies (15% of total companies by number) with a median portfolio value of approximately $0.5 million. **Exhibit D** illustrates the characteristics of each quintile of the portfolio by value. The 20% of the portfolio made up of the largest investments contains 24 companies that represent 2.0% to 0.46% of NAV, while the quintile with the smallest investments includes 4,750 companies (85% of total companies by number). These companies have a median position size of approximately $19,000 and in many cases reflect the early stage venture model where small investments are made in start-up companies.

D | Concentration of Portfolio by Number of Companies



Portfolio Listing

The Portfolio Listing illustrates HVPE's diversity and shows the major attributes of the 24 HarbourVest funds in which HVPE is invested.

Fund/Investment Name	Types of Investments			Primary Geographic Focus				Strategy		
	PRIMARY	SECONDARY	DIRECT	U.S.	EUROPE	ASIA	ROW	VENTURE	BUYOUT	MEZZ/DEBT
U.S. FUND-OF-FUNDS										
HarbourVest IV Partnership	•	•		•				•	•	
HarbourVest V Partnership	•	•		•				•	•	
HarbourVest VI Partnership	•	•		•				•	•	
HarbourVest VI Buyout Partnership	•	•		•					•	
HarbourVest VII Venture Partnership	•	•		•				•		
HarbourVest VII Buyout Partnership	•	•		•					•	
HarbourVest VIII Venture	•	•	•	•				•		
HarbourVest VIII Buyout	•	•	•	•					•	
HarbourVest VIII Mezzanine and Distressed Debt	•	•	•	•	•					•
HarbourVest IX Venture	•	•	•	•				•		
HarbourVest IX Buyout	•	•	•	•					•	
HarbourVest IX Credit Opportunities	•	•	•	•	•					•
INTERNATIONAL FUND-OF-FUNDS										
HIPEP II Partnership	•	•			•	•	•	•	•	
HIPEP III Partnership	•	•			•	•	•	•	•	
HIPEP IV Partnership	•	•			•	•	•	•	•	
HIPEP V 2007 European Buyout	•				•				•	
HIPEP VI Partnership	•				•	•	•	•	•	
DIRECT FUNDS										
HarbourVest V Direct			•	•				•	•	
HarbourVest VI Direct			•	•				•	•	
HIPEP II Direct			•		•	•	•	•	•	
HIPEP IV Direct			•		•	•	•	•	•	
2007 Direct Fund			•	•	•	•	•		•	
HarbourVest Senior Loans Europe		•	•		•					•
GLOBAL SECONDARY FUND										
Dover VII		•		•	•	•	•	•	•	•

Key Portfolio Facts at 31 January 2011

Diversification at a Glance

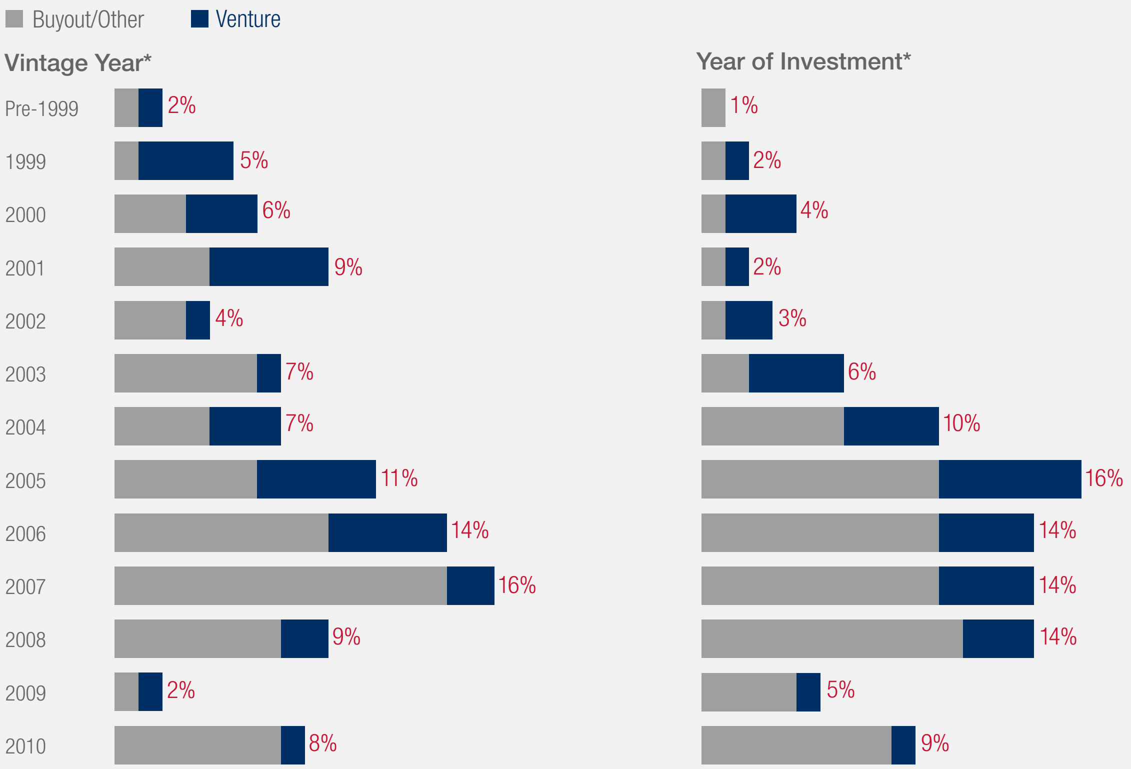
HVPE analyses its portfolio by vintage year, year of investment, strategy, geography, and industry and strives to be fully diversified across all of these metrics, as illustrated in **Exhibit E**. The investment objective is to create a comprehensive private equity portfolio that is well positioned across all market cycles.

Vintage year and year of investment are broken out between buyout and venture.

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 purchase for secondary investments. Year of investment diversification is based on the year the underlying portfolio company investment was made
- Investments spread over a range of 18 vintage years back to 1993, and 24 years of investment back to 1987
- By vintage year, 59% of NAV is in years prior to 2005 and post 2007
- By year of investment, 56% of NAV is in years prior to 2005 and post 2007
- Within the 2005 to 2007 year of investment, the portfolio remains well diversified by strategy with buyouts made during this period representing 28% of total NAV (large buyout investments made during this period represent 10% of NAV)

E | Portfolio Diversification by Investment Period
At 31 January 2011



Diversification charts add to 100% of NAV. Please refer to Key Definitions and Methodologies.

* Percentages reflect total Vintage Year / Year of Investment.

Strategy (Stage of Investment)

- Venture capital assets (early stage, balanced, and growth equity) make up 34% of NAV
- Buyout investments make up 61% of NAV, with 13% of the total portfolio in large buyout transactions

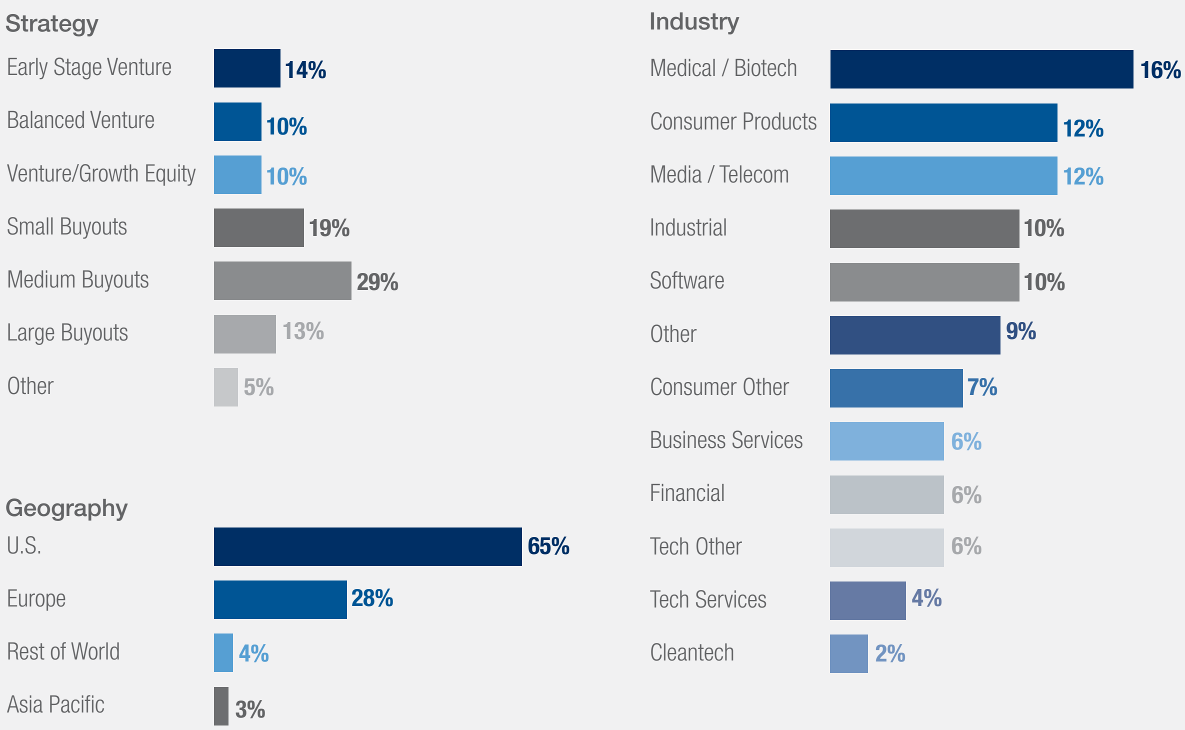
Geography

- The portfolio is invested 65% in the U.S., 28% in Europe, and 7% in the rest of the world with significant geographic variability between venture and buyout
- Within the venture portfolio (34% of NAV), approximately 79% is held in the U.S., with 16% in Europe and 5% in the rest of the world
- Within the buyout portfolio (61% of NAV), approximately 57% is held in the U.S., with 34% in Europe and 9% in the rest of the world
- Underlying partnerships are based in 27 countries and denominated in seven different currencies

Industry

- HVPE's broadly diversified industry allocation is positioned defensively in the current economic environment
- Diversification reflects HVPE's significant venture capital allocation with meaningful exposure to technology and software (including cleantech) (22%) and medical/biotech (16%)

E | **Portfolio Diversification by Strategy, Geography, and Industry**
At 31 January 2011



Fund Listing

All data shown in U.S. dollars (millions) at 31 January 2011

24 HarbourVest funds across 18 vintage years at different stages of development

All HarbourVest funds are denominated in U.S. dollars with the exceptions of HIPEP VI Partnership (€), HIPEP V 2007 European Buyout (€), and HSLE (£).

Fund/Investment Name	Vintage Year(s)	Original Commitment Amount ($)	% of Fund owned by HVPE	% Called
U.S. FUND-OF-FUNDS				
HarbourVest IV Partnership	1993 – 1996	$56.0	28.5%	95.0%
HarbourVest V Partnership	1996 – 1999	148.0	24.4	98.0
HarbourVest VI Partnership	1999 – 2005	258.8	9.2	96.0
HarbourVest VI Buyout Partnership	1999 – 2003	10.0	0.9	94.0
HarbourVest VII Venture Partnership	2003 – 2006	132.5	6.6	83.5
HarbourVest VII Buyout Partnership	2003 – 2007	70.0	3.5	82.0
HarbourVest VIII Venture	2006 – 2010	50.0	2.4	59.0
HarbourVest VIII Buyout	2006 – 2010	250.0	8.5	51.3
HarbourVest VIII Mezzanine and Distressed Debt	2006 – 2010	50.0	10.3	55.5
HarbourVest IX Venture*	2010 – 2014	20.0	4.6	0.0
HarbourVest IX Buyout*	2011 – 2014	25.0	6.7	0.0
HarbourVest IX Credit Opportunities*	2011 – 2014	5.0	5.8	0.0
Total U.S. Fund-of-Funds (12)				
INTERNATIONAL FUND-OF-FUNDS				
HIPEP II Partnership	1995 – 1998	$145.0	18.1%	98.1%
HIPEP III Partnership	1998 – 2001	230.0	13.8	97.0
HIPEP IV Partnership	2001 – 2005	125.0	5.8	94.0
HIPEP V 2007 European Buyout	2007 – 2008	66.9	24.9	62.0
HIPEP VI Partnership*	2008 – 2011	136.5	9.4	3.5
Total International Fund-of-Funds (5)				
DIRECT FUNDS				
HarbourVest V Direct	1997	$48.0	15.8%	100.0%
HarbourVest VI Direct	1999	87.5	17.3	98.5
HIPEP II Direct	1995	21.0	20.8	100.0
HIPEP IV Direct	2001	80.0	21.4	100.0
2007 Direct Fund	2007	100.0	13.6	50.3
HarbourVest Senior Loans Europe†	2010	14.4	9.9	100.0
Total Direct Funds (6)				
GLOBAL SECONDARY FUND				
Dover VII	2007 – 2010	$100.0	3.4%	47.5%
TOTAL				

* Fund has not held final close at 31 January 2011.

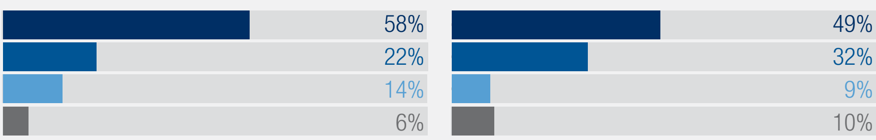
† Excludes dividend received in 2010.

$ Called during Year Ended 31 Jan 2011	$ Distributed during Year Ended 31 Jan 2011	Investment Value (NAV)	Investment Value as % of Total	Amount Unfunded	Amount Unfunded as % of Total	Total Exposure
$0.0	$2.9	$2.3	0%	$2.8	1%	$5.1
0.0	5.8	25.9	3	3.0	1	28.9
3.9	37.6	134.2	14	10.3	2	144.5
0.0	1.7	5.2	1	0.6	0	5.8
7.9	11.1	117.7	13	21.9	4	139.6
6.0	8.6	54.7	6	12.6	2	67.3
5.8	0.0	31.7	3	20.5	4	52.2
35.6	2.3	138.5	15	121.9	22	260.4
9.0	4.4	26.1	3	22.3	4	48.4
0.0	0.0	(0.1)	0	20.0	4	19.9
0.0	0.0	0.0	0	25.0	4	25.0
0.0	0.0	0.0	0	5.0	1	5.0
$68.2	**$74.4**	**$536.2**	**58%**	**$265.9**	**49%**	**$802.1**
$0.0	$1.1	$7.0	1%	$2.9	1%	$9.9
0.0	35.5	64.8	7	6.9	1	71.7
3.7	11.6	83.2	9	7.5	1	90.7
14.9	0.0	41.6	5	24.7	5	66.3
3.1	0.0	3.1	0	132.1	24	135.2
$21.7	**$48.2**	**$199.7**	**22%**	**$174.1**	**32%**	**$373.8**
$0.0	$3.8	$1.6	0%	$0.0	0%	$1.6
0.0	8.6	18.1	2	1.3	0	19.4
0.0	0.0	0.2	0	0.0	0	0.2
0.0	0.0	40.2	4	0.0	0	40.2
10.2	1.1	58.4	6	49.7	9	108.1
NA	0.0	15.5	2	0.0	0	15.5
$10.2	**$13. 5**	**$134.0**	**14%**	**$51.0**	**9%**	**$185.0**
$26.5	$1.1	$58.3	6%	$52.5	10%	$110.8
$126.6	**$137.2**	**$928.2**	**100%**	**$543.5**	**100%**	**$1,471.7**

F | **Portfolio Allocation**

Based on: Investment Value ($928.2 million) Amount Unfunded ($543.5 million)

U.S. Fund-of-Funds
International Fund-of-Funds
Direct Funds
Global Secondary Fund



Largest Managers at 31 January 2011

- No external manager represents more than 2.7% of NAV
- HVPE's investments provided exposure to 668 fund interests across multiple high-quality managers (compared to 630 at 31 January 2010)

For each strategy and region, the largest private equity managers based on HVPE's NAV at 31 January 2011 are listed here. The managers are grouped by percentage of investment value and shown 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.

Largest Managers by Strategy Based on Investment Value

Top 25 Venture Capital/Growth Equity	Top 25 Buyout	Top 10 Mezzanine and Other
– In aggregate, these managers represented 17.9% of investment value – The five largest managers represented 6.6% of investment value	– In aggregate, these managers represented 27.0% of investment value – The five largest managers represented 9.4% of investment value	– In aggregate, these managers represented 2.2% of investment value – The five largest managers represented 1.4% of investment value
1.5% to 2.0% of Investment Value	**2.0% to 3.0% of Investment Value**	**Up to 0.5% of Investment Value**
Oak Investment Partners	CVC Capital Partners	ABRY Partners
1.0% to 1.5% of Investment Value	**1.5% to 2.0% of Investment Value**	Clearwater Capital Partners
Accel Partners	Arcapita Bank†	Falcon Investment Advisors
New Enterprise Associates	Bain Capital	Hutton Collins Partners†
TA Associates	The Blackstone Group	Indigo Capital
0.5% to 1.0% of Investment Value	Silver Lake Management	Kreos Capital†
Austin Ventures	**1.0% to 1.5% of Investment Value**	Oaktree Capital Management
Battery Ventures	BC Partners	RBS Asset Management
Draper Fisher Jurvetson	Doughty Hanson & Co	Sun Capital Partners†
Foundation Capital	IK Investment Partners	Welsh, Carson, Anderson & Stowe
HealthCare Ventures	The Jordan Company	
Highland Capital Partners	Nordic Capital	
Holtzbrinck Ventures†	Providence Equity Partners	
InterWest Partners	**Up to 1.0% of Investment Value**	
Menlo Ventures	Accretive Exit Capital Partners	
Pitango Venture Capital	Alpha Group	
Polaris Venture Partners	American Capital	
Sanderling Venture Partners	Apax Partners	
Sequoia Capital	CHS Capital†	
Sofinnova Partners*	Clyde Blowers Capital	
Summit Partners	GTCR Golder Rauner	
Thoma Bravo	Hellman & Friedman	
Up to 0.5% of Investment Value	Investcorp Private Equity†	
DCM†	Kelso & Company	
Index Venture	KKR Associates Europe	
Jerusalem Venture Partners†	Leonard Green & Partners	
Tempo Capital Partners	Quadriga Capital†	
Tenaya Capital	TPG Capital†	

* Jean-Bernard Schmidt, an Independent Director of HVPE, is a former Managing Partner of Sofinnova Partners.

† Manager not included in largest managers at 31 January 2010.

Largest Managers by Region Based on Investment Value

Top 25 U.S.	Top 25 Europe	Top 10 Asia and Rest of World
– In aggregate, these managers represented 26.2% of investment value – The five largest managers represented 8.4% of investment value	– In aggregate, these managers represented 17.4% of investment value – The five largest managers represented 7.6% of investment value	– In aggregate, these managers represented 4.1% of investment value – The five largest managers represented 2.4% of investment value
1.5% to 2.0% of Investment Value	**1.5% to 3.0% of Investment Value**	**0.5% to 1.0% of Investment Value**
Arcapita Bank†	CVC Capital Partners	Brait Manager Mauritius Limited
Bain Capital	**1.0% to 1.5% of Investment Value**	Pitango Venture Capital
The Blackstone Group	BC Partners	**Up to 0.5%**
Oak Investment Partners	Doughty Hanson & Co	Advent International
Silver Lake Management	IK Investment Partners	Baring Vostok Capital Partners†
1.0% to 1.5% of Investment Value	Nordic Capital	CHAMP Private Equity
The Jordan Company	**0.5% to 1.0% of Investment Value**	Clearwater Capital Partners
New Enterprise Associates	Alpha Group	Gestion TechnoCap†
Providence Equity Partners	Apax Partners	Jerusalem Venture Partners
TA Associates	Clyde Blowers Capital	Mid Europa Partners
Thoma Bravo	EQT Managers	Unitas Capital
0.5% to 1.0% of Investment Value	Holtzbrinck Ventures†	
Accel Partners†	KKR Associates Europe	
Accretive Exit Capital Partners†	Quadriga Capital	
American Capital	Sofinnova Partners*	
CHS Capital†	**Up to 0.5% of Investment Value**	
Draper Fisher Jurvetson	Accel Partners	
GTCR Golder Rauner	Atlas Venture	
Hellman & Friedman	Bain Capital Europe†	
Kelso & Company	BS Investments	
Leonard Green & Partners	CapVis Limited	
Polaris Venture Partners	Cinven Limited	
Sanderling Venture Partners	Encore Ventures	
Sequoia Capital†	Exponent Private Equity	
Summit Partners	Index Venture	
TPG Capital†	Investcorp Private Equity†	
Welsh, Carson, Anderson & Stowe	Permira Advisers	
	Tempo Capital Partners	

* Jean-Bernard Schmidt, an Independent Director of HVPE, is a former Managing Partner of Sofinnova Partners.

† Manager not included in largest managers at 31 January 2010.

Largest Underlying Companies at 31 January 2011

- No single portfolio company represents more than 2.0% of NAV
- Five companies are greater than 1% of NAV

At 31 January 2011, the HVPE portfolio included interests in 5,621 company investments (held by the HarbourVest funds both directly and indirectly), compared to 5,529 at 31 January 2010. The 25 largest portfolio company investments based on NAV at 31 January 2011 are listed by percentage of investment value. Companies in bold below are held at least in part in HarbourVest direct funds and represent 16 of the top 25 holdings. In most cases, HarbourVest has access to more detailed financial and operating information on these companies, and in some cases, HarbourVest representatives sit on the companies' Board of Directors.

Among HVPE's top 25 companies at 31 January 2010, there were ten liquidity events through 30 April 2011. *Shenzhen Development Bank* was sold to Ping An Insurance Company of China, Ltd. for approximately 13 times cost; *The Hillman Group* was sold to Oak Hill Capital Partners for 2.9 times cost; *Unity Media SCA* was sold to Liberty Media; and *Invitel Holdings A/S* was sold to Turk Telecom. In addition, *Legrand Holdings S.A., Falcon Group,* and *PSI Holdings Inc. (Akibia)* had partial sales; and *Amadeus Technology Group SA, Brenntag Group,* and *TDC A/S* completed IPOs or a secondary offering.

Largest Underlying Companies based on Investment Value

– In aggregate, these investments represented 19.1% of investment value
– The five largest investments represented 7.1% of investment value

Company	Strategy	% of Investment Value at 31 Jan 2011	Location	Status	Description
Nycomed SCA-SICAR*	**Buyout**	**1.95%**	**Denmark**	**Private**	**Specialty pharmaceuticals**
MYOB Limited	**Buyout**	**1.63**	**Australia**	**Private**	**Accounting software**
The Sun Products Corporation	**Buyout**	**1.34**	**U.S.**	**Private**	**Private-label household products**
Acromas Holdings (Saga/AA)	**Buyout**	**1.12**	**U.K.**	**Private**	**Financial, insurance, and travel services**
Facebook, Inc.†	Venture	1.03	U.S.	Private	Online social network
CDW Corporation†	**Buyout**	**0.97**	**U.S.**	**Private**	**Multi-branded information technology services**
Avago Technologies, Inc.	Buyout	0.95	Singapore	Public	Semiconductor components
Earth Networks, Inc. (AWS Convergence Technologies, Inc.)	**Venture**	**0.92**	**U.S.**	**Private**	**Localised convergence content**
Legrand Holdings S.A.	Buyout	0.80	France	Public	Electrical products and systems
Flexera Software, Inc.	**Buyout**	**0.71**	**U.S.**	**Private**	**Enterprise software solutions**
Falcon Group (T-Mobile Czech Republic, Ceske Rakiokomunikace)	**Buyout**	**0.66**	**Czech Republic**	**Private**	**Telecommunications services**
Pepkor Holdings	Buyout	0.60	South Africa	Private	Clothing retailer
Radiation Therapy Services	**Buyout**	**0.58**	**U.S.**	**Private**	**Radiation therapy for cancer treatment**
Amadeus Technology Group SA	Buyout	0.57	Spain	Public	Global airline travel and logistics
York Risk Services Group, Inc.†	**Buyout**	**0.56**	**U.S.**	**Private**	**Insurance claims management services**
MobileAccess Networks, Inc.†,‡	**Venture**	**0.53**	**U.S.**	**Private**	**Wireless telecommunications transport**
PODS Enterprises, Inc.†	Buyout	0.52	U.S.	Private	Mobile storage, moving, and packing
Freightliner Group Limited†	Buyout	0.51	U.K.	Private	Railway container transportation
Transmode Holding AB	**Venture**	**0.50**	**Sweden**	**Private**	**Optical solutions for metro telecommunication networks**
Smurfit Kappa Group plc	**Buyout**	**0.49**	**Ireland**	**Public**	**Paper-based packaging products**
Mimeo.com, Inc.	**Venture**	**0.48**	**U.S.**	**Private**	**Online digital printing**
Green Dot Corporation†	Venture	0.46	U.S.	Public	General purpose reloadable debit cards
Qlik Technologies, Inc.†	Venture	0.46	U.S.	Public	Interactive data analysis software
Camstar Systems, Inc.†	**Venture**	**0.41**	**U.S.**	**Private**	**Global supply chain software**
FleetCor Technologies, Inc.†	**Buyout**	**0.39**	**U.S.**	**Public**	**Commercial fleet card programs**

* Nycomed SCA-SICAR announced sale to Takeda Pharmaceutical in May 2011.

† Company not included in top 25 at 31 January 2010.

‡ MobileAccess Networks, Inc. was sold in March 2011.

Largest Underlying Publicly-Listed Securities at 31 January 2011

- 17% of the portfolio represents publicly-listed securities
- No single public holding represents more than 1.0% of NAV

At 31 January 2011, approximately 17% of the HVPE investment portfolio was made up of publicly-listed securities compared to 13% at 31 January 2010. The increase in publicly-listed securities reflects the impact of improving public markets as well as IPOs, as eleven of the top 25 positions are a result of IPOs during the financial year. HVPE holds many of its publicly-listed securities indirectly through fund interests managed by third parties. In many cases, the shares are subject to lock-up provisions following an IPO. The liquidation of indirectly held publicly-listed securities is at the discretion of the third party manager, which can sell shares and distribute the proceeds to HarbourVest funds or distribute the shares to HarbourVest funds. When HarbourVest funds receive stock distributions, HarbourVest focuses on achieving liquidity for investors as soon as is practical, subject to market conditions.

Largest Underlying Publicly-Listed Securities based on Investment Value

- In aggregate, these investments represented 8.3% of investment value
- The five largest investments represented 3.3% of investment value

Company	% of Investment Value at 31 Jan 2011	Location	Description
Avago Technologies, Inc.	0.95%	Singapore	Semiconductor components
Legrand Holdings S.A.	0.80	France	Electrical products and systems
Amadeus Technology Group SA*,†	0.57	Spain	Global airline travel and logistics
Smurfit Kappa Group plc	0.49	Ireland	Paper-based packaging products
Green Dot Corporation*,†	0.46	U.S.	General purpose reloadable debit cards
Qlik Technologies, Inc. *,†	0.46	U.S.	Interactive data analysis software
FleetCor Technologies, Inc.*,†	0.39	U.S.	Commercial fleet card programs
TDC A/S*	0.34	Denmark	Telecommunications services
Sensata Technologies, Inc. *,†	0.33	U.S.	Auto sensors and controls
Abertis Infraestructuras SA*	0.32	Spain	Mobility and telecommunication infrastructure
Brenntag Group*,†	0.32	Germany	Industrial and specialty chemicals
NXP B.V.*,†	0.32	Netherlands	Semiconductor-based solutions
The Nielsen Company*,†	0.30	U.S.	Marketing and media information
KAR Auction Services (Adesa Inc.)	0.27	U.S.	Vehicle auctions
Rockwood Holdings, Inc.	0.26	U.S.	Specialty chemicals
Demand Media, Inc.*,†	0.19	U.S.	Web-based media and domain names
Talecris Biotherapeutics, Inc.	0.19	U.S.	Blood treatment products
TAL International Group*	0.18	U.S.	Maritime containers
Ablynx NV	0.17	Belgium	Antibody therapeutics and screening
Emeritus Corporation	0.17	U.S.	Assisted living communities
International Mining Machinery, Ltd. *,†	0.17	China	Coal mining equipment
Network Engines, Inc.	0.17	U.S.	Internet content servers
TRW Automotive Holdings	0.17	U.S.	Automotive systems
Kabel Deutschland GmbH*,†	0.16	Germany	Broadband service and cable operator
TeamHealth, Inc.	0.15	U.S.	Outsourced physician services

* Company not included in top 25 public companies at 31 January 2010.

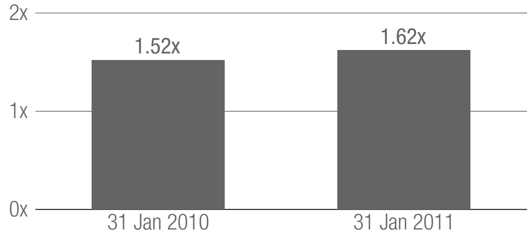
† Company completed IPO during the financial year to 31 January 2011.

Key Metrics for Buyout Portfolio

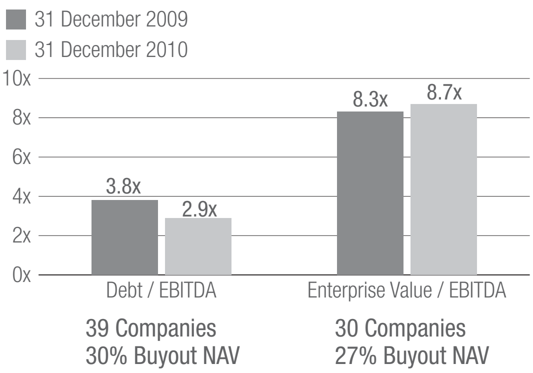
During the financial year ended 31 January 2011, the maturing portion of the buyout portfolio continued to grow in value. An analysis of the total value-to-funded multiples for all buyout partnerships in the 2000 to 2008 vintage years (85% of the total buyout portfolio) indicates an increase from 1.52 times cost to 1.62 times cost from 31 January 2010 to 31 January 2011 (see **Exhibit G**).

The Investment Manager has also reviewed underlying company data for the largest positions in the buyout portfolio to better understand operating performance and balance sheet trends. Of the top 50 buyout positions, the Investment Manager has underlying EBITDA data for 44 companies, representing 35% of total buyout value; leverage data for 39 companies, representing 30% of total buyout value; and enterprise value for 30 companies, representing 26% of total buyout value. This data indicates median EBITDA growth in the data set of 11% (in local currency) over the 2010 calendar year. From 31 December 2009 to 31 December 2010, median leverage as measured by the multiple of net debt to EBITDA declined from 3.8 times to 2.9 times, and the median valuation multiple measured by enterprise value to EBITDA increased slightly from 8.3 times to 8.7 times.

G | Total Value to Funded Multiple
Buyout Portfolio (2000-2008 Vintages)



Leverage and Valuation Metrics for Largest Buyout Positions



Spotlight on Venture Capital

With 34% of HVPE's NAV at 31 January 2011 in early stage venture, balanced venture, and growth equity investments, the Company has higher exposure to the asset class than many of its publicly-listed peers. HVPE's Investment Manager remains confident about the potential for strong venture returns and believes in the strength of the venture model. This is reinforced by the 15.3% appreciation of HVPE's venture portfolio in the financial year ended 31 January 2011. Of the largest 50 venture positions, the Investment Manager has revenue data for 40 companies representing 27.0% of venture NAV and 9.3% of total NAV. This data indicates a median increase in revenue of 20.7% (in local currency) for the year ended 31 December 2010.

Many venture-backed companies are making headlines around the world for their innovation, growth, and increasing use in consumers' daily lives. Each company profiled in Key Venture Holdings **(see Exhibit H)** is included in HVPE's top 50 venture positions.

H | Key Venture Holdings

Facebook, Inc.

Online social network
(1.03% of HVPE NAV)

USERS	500 million (worldwide)
2010 REVENUES	$2 billion (estimated)
HVPE MANAGERS	Accel Partners Andreesen Horowitz Elevation Management Index Venture Saints Capital Sequoia Capital Technology Crossover Ventures

Green Dot Corporation

General purpose reloadable debit cards
(2010 IPO)
(0.46% of HVPE NAV)

USERS	160 million (U.S.)
2010 REVENUES	$377 million (ttm)
HVPE MANAGERS	Sequoia Capital Technology Crossover Ventures Tenaya Capital

Twitter, Inc.

Instant social network and blog
(0.10% of HVPE NAV)

USERS	145 million (estimated)
2010 REVENUES	$150 million (estimated)
HVPE MANAGERS	Insight Venture Management Kleiner Perkins Caufield & Byers Spark Capital

Skype Technologies, S.A.*

Peer-to-peer VoIP technology
(0.10% of HVPE NAV)

USERS	663 million (estimated)
2010 REVENUES	$860 million (estimated)
HVPE MANAGERS	Andreesen Horowitz Silver Lake Management

Announced $8.5 billion acquisition by Microsoft Corporation in May 2011.

HomeAway, Inc.

Online vacation home rentals (2011 IPO Filing)
(0.14% of HVPE NAV)

USERS	10 million unique monthly
2010 REVENUES	$168 million (estimated)
HVPE MANAGERS	American Capital Austin Ventures Institutional Venture Partners Redpoint Ventures Technology Crossover Ventures

Groupon, Inc.

Deal-of-the-day website
(0.24% of HVPE NAV)

USERS	10 million unique monthly
2010 REVENUES	$760 million (estimated)
HVPE MANAGERS	Accel Partners Battery Ventures Holtzbrink Ventures New Enterprise Associates

Sources: TechCrunch (techcrunch.com); greendot.com; Seeking Alpha (seekingalpha.com); pcmag.com.

* Held in both venture and buyout portfolios.

Commitment Trends and Net Cash Flow

Commitments

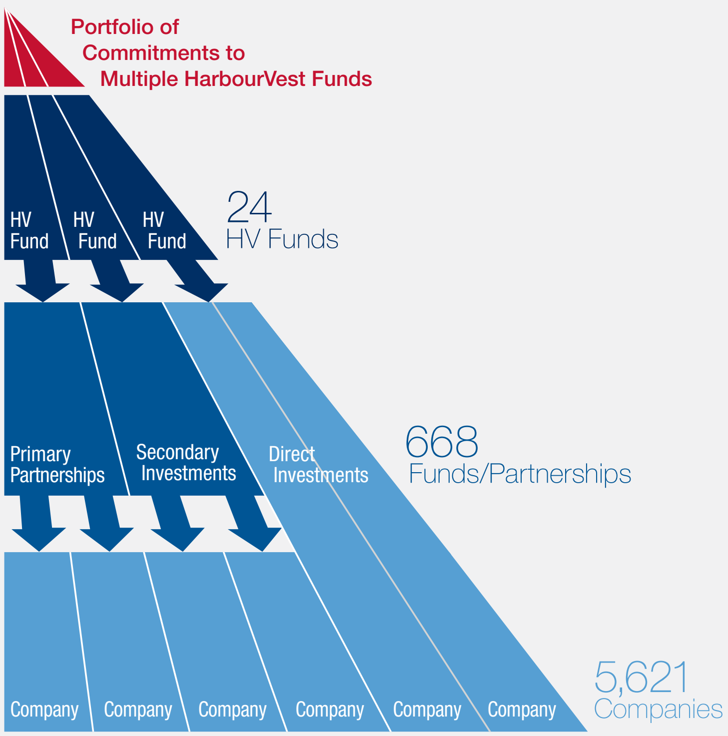
- Total unfunded commitments of $543.5 million
- Unfunded commitments reduced by $80 million net during the financial year

At 31 January 2011, HVPE had total outstanding unfunded commitments of $543.5 million (compared to $623.0 million at 31 January 2010). The Investment Manager's analysis of the appropriate level of commitments considers various factors, including HVPE's distinct three-tiered fund-of-funds structure, the anticipated pace of capital calls and distributions, the current economic environment, and the flexibility provided by HVPE's long-term credit facility.

Exhibit I illustrates the impact on commitments of HVPE's distinct three-tiered fund-of-funds structure. HVPE makes commitments to HarbourVest funds, which in turn commit capital to underlying partnerships and/or companies. As a result of this three-tiered investment structure, HVPE's expected drawdown schedule differs significantly from its listed peers.

Most listed fund-of-funds vehicles make commitments directly to newly-formed third party partnerships, which are expected to draw down most of their commitments over three to five years. In contrast, HVPE makes the majority of its commitments to newly-formed HarbourVest primary fund-of-funds, which typically have a seven to nine-year drawdown period. This extended drawdown period reflects the fact that HarbourVest primary fund-of-funds commit capital to partnerships over a period of three to four years, which in turn build their portfolios and generally draw down most capital over the next three to five years. This drawdown model could increase the level of commitments that HVPE can support in comparison to some of its listed peers.

I | HVPE Investment Structure



PRIVATE EQUITY EXPOSURE*

$157.1 million Unfunded Commitments
(Not Allocated To Underlying Partnerships)†

$386.4 million Unfunded Commitments
(Allocated to Underlying Partnerships)

$543.5 million
TOTAL UNFUNDED COMMITMENTS

$928.2 million
NAV OF INVESTMENTS

$1,471.7 million
Total Private Equity Exposure*

* Private Equity Exposure equals the sum of NAV of Investments plus total Unfunded Commitments

† At 31 January 2011, $157.1 million of HVPE's total unfunded commitments of $543.5 million represent commitments to HarbourVest funds that have not yet been committed to underlying partnerships.

In order to reflect the differences in expected drawdown periods appropriately, the Company divides its total commitments into "allocated" and "unallocated" segments. Of the Company's total outstanding unfunded commitments to HarbourVest funds of $543.5 million at 31 January 2011, approximately $386.4 million (71%) has been allocated by such HarbourVest funds to underlying investments, while $157.1 million (29%) 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 more similar to those of third party partnerships. The Company anticipates that its 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.

Exhibit J illustrates the change in HVPE's unfunded commitments in the financial year ended 31 January 2011 and the movement of those commitments from "not allocated" to "allocated" to drawn capital (and part of HVPE's NAV). During the financial year, total unfunded commitments decreased by $79.5 million. Capital calls of $126.6 million and a $2.9 million currency related decline in commitments were offset by new commitments to the HarbourVest IX programme of $50 million.

At the beginning of the period (31 January 2010), HVPE had $623.0 million of unfunded commitments to HarbourVest funds, of which $447.7 million was allocated to underlying partnerships and $175.3 million was not allocated to underlying partnerships.

- Over the financial year from 31 January 2010 to 31 January 2011, $66.4 million (net), or 37.9% of the unfunded commitments that were not allocated at the beginning of the period, were allocated to underlying partnerships as HarbourVest fund-of-funds made new partnership commitments.
- During the financial year, $126.6 million, or 28.3% of HVPE's allocated but unfunded commitments at the beginning of the period were drawn and became part of the Company's NAV.

J | Analysis of Commitments ($ millions)

31 January 2010 to 31 January 2011

Committed – Not Allocated (31 January 2010)	$175.3
New Commitments To HarbourVest Funds	50.0
Commitments Allocated (Net)*	(66.4)
FX Change†	(1.8)
Committed – Not Allocated (31 January 2011)	**$157.1**
Committed – Allocated (31 January 2010)	$447.7
Commitments Allocated (Net)*	66.4
Drawdowns	(126.6)
FX Change†	(1.1)
Committed – Allocated (31 January 2011)	**$386.4**
Total Commitments (31 January 2010)	$623.0
New Commitments To HarbourVest Funds	50.0
Drawdowns	(126.6)
FX Change†	(2.9)
Total Commitments (31 January 2011)	**$543.5**

* Commitments allocated during the period are net of (i) timing differences between underlying partnership capital calls and related HarbourVest fund capital calls, (ii) foreign currency changes for underlying partnerships, and (iii) changes in HVPE ownership levels of HarbourVest funds that have not yet held their final close.

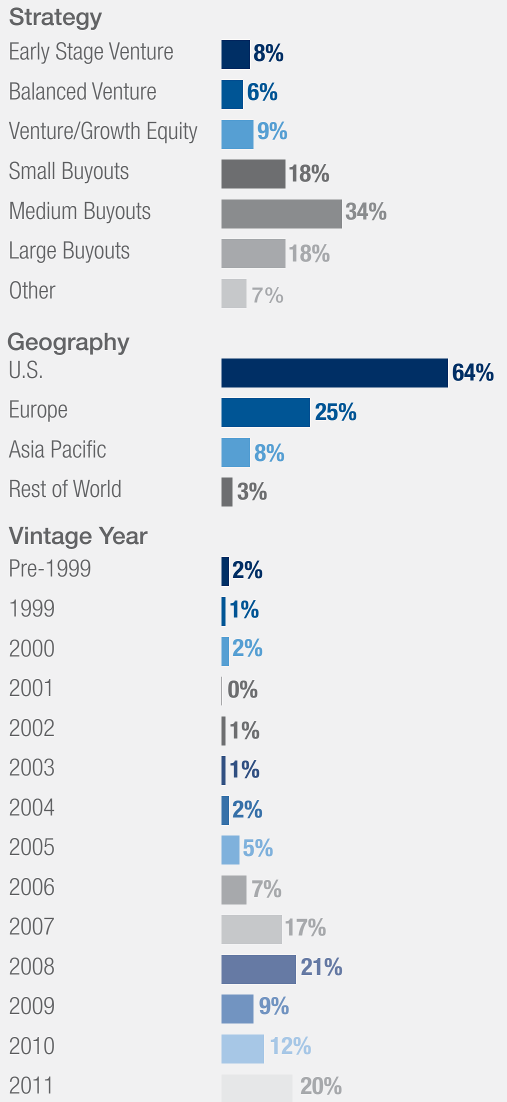
† Foreign Currency (FX) Change relates solely to non-U.S. dollar denominated HarbourVest funds.

Mix of Underlying Unfunded Commitments

- The mix of HVPE's unfunded underlying partnership commitments indicates the potential evolution of NAV over time

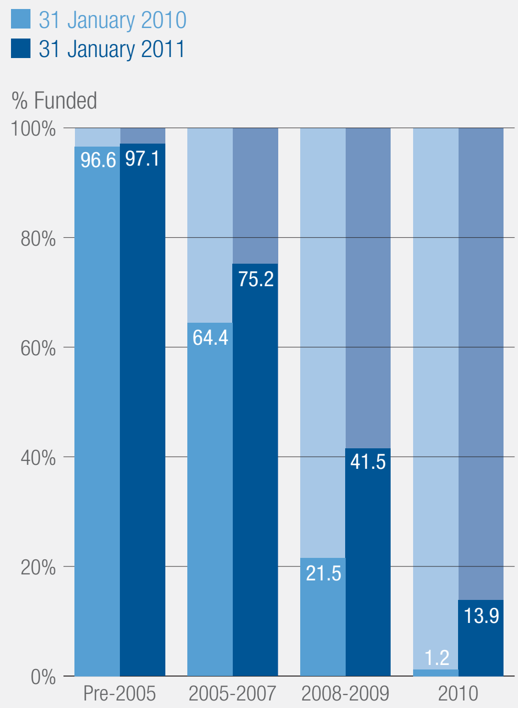
On a look-through basis to the underlying partnerships, HVPE's portion of unfunded commitments related to the fund-of-funds and secondary portfolios is shown in **Exhibit K**. As an indicator of future trends in the portfolio, the underlying commitments indicate that HVPE's strategy mix is likely to shift in the direction of buyouts, particularly medium and large buyouts, and away from venture as allocated commitments are funded. The geographic mix is likely to shift slightly towards Asia Pacific.

K | Diversification of Unfunded Commitments
At 31 January 2011 (Strategy, Geography, Vintage Year)*



* Strategy, Geography, and Vintage Year each add to 100%.

L | Funding of Underlying Primary Commitments by Vintage Year Period*



* Includes underlying primary commitments only.

Funding of Underlying Primary Commitments by Vintage Year

- The largest increases in funding occurred in the 2008 to 2009 vintage year partnerships

HVPE's underlying unfunded commitments span a range of partnerships across many vintage years. For each group of vintage years, **Exhibit L** illustrates the percentage of commitments funded at 31 January 2011 relative to 31 January 2010. The largest increases in commitments funded were in the 2008 to 2009 vintage years, where the partnerships are at the peak of their investment periods.

Top 25 Underlying Unfunded Commitments

Exhibit M profiles HVPE'S top 25 underlying unfunded commitments, the majority of which are held in the most recent U.S. and international fund-of-funds (HarbourVest VIII Venture, Buyout, and Mezzanine; HIPEP V 2007 European Buyout; and HIPEP VI Partnership). These unfunded commitments represent $114.2 million in total or 29.6% of HVPE's total allocated but unfunded commitments.

M | Top 25 Underlying Unfunded Commitments ($ millions)
At 31 January 2011

Partnership	Uncalled Capital	% HVPE Total Allocated Commitments	Vintage	Strategy	Region
Hellman & Friedman Capital Partners VII, L.P.	$10.6	2.7%	*	Large Buyouts	U.S.
GTCR Fund X/A LP	10.2	2.6	*	Medium Buyouts	U.S.
Blackstone Capital Partners VI L.P.	6.6	1.7	2011	Large Buyouts	U.S.
Madison Dearborn Capital Partners VI-A&B, L.P.	6.2	1.6	2008	Medium Buyouts	U.S.
The Resolute Fund II, L.P.	5.4	1.4	2007	Medium Buyouts	U.S.
TPG Partners VI, L.P.	5.3	1.4	2008	Large Buyouts	U.S.
Pfingsten Partners Fund IV, L.P.	5.0	1.3	2009	Small Buyouts	U.S.
CVC European Equity Partners V (A) L.P.	4.9	1.3	2008	Large Buyouts	Europe
Harbor Community Bank	4.2	1.1	2007	Medium Buyouts	U.S.
BC European Capital IX-1 LP	4.2	1.1	*	Large Buyouts	Europe
Centerbridge Capital Partners II, L.P.	4.1	1.1	*	Other	U.S.
Kelso Investment Associates VIII, L.P.	4.1	1.1	2007	Medium Buyouts	U.S.
Welsh, Carson, Anderson & Stowe XI, L.P.	4.1	1.0	2009	Medium Buyouts	U.S.
Bain Capital Fund X, L.P.	3.9	1.0	2008	Large Buyouts	U.S.
Inflexion 2010 Buyout Fund LP	3.6	0.9	2010	Small Buyouts	Europe
Mid Europa Fund III LP	3.4	0.9	2007	Medium Buyouts	RoW
Index Ventures Growth II (Jersey), L.P.	3.3	0.9	*	Venture/Growth Equity	Europe
Carlile Bancshares, Inc.	3.3	0.9	2007	Medium Buyouts	U.S.
Vector Capital IV, L.P.	3.3	0.8	2007	Medium Buyouts	U.S.
TowerBrook Investors III, L.P.	3.2	0.8	2008	Medium Buyouts	Europe
Bain Capital Europe Fund III, L.P.	3.2	0.8	2008	Medium Buyouts	Europe
CCP IX LP No. 2	3.1	0.8	2009	Medium Buyouts	Europe
GBOF IV CV Investors LP	3.0	0.8	2011	Medium Buyouts	Europe
Green Equity Investors V, L.P.	3.0	0.8	2007	Medium Buyouts	U.S.
Wellspring Capital Partners V, L.P.	3.0	0.8	*	Medium Buyouts	U.S.
TOTAL	**$114.2**	**29.6%**			

* Partnership has not called capital through 31 January 2011.

Cash Flows

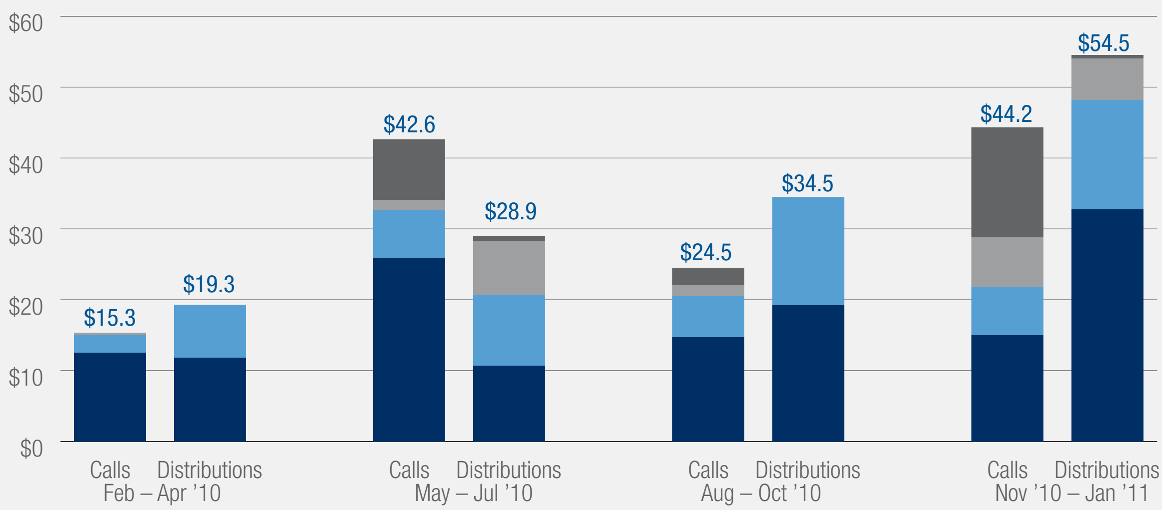
- Net positive cashflows of $11 million during financial year ended 31 January 2011
- Capital calls of $126.6 million are 1.7 times total called in financial year ended 31 January 2010
- Distributions of $137.2 million are 2.6 times total distributed in financial year ended 31 January 2010

From 1 February 2010 to 31 January 2011, HVPE funded $126.6 million of capital calls and received $137.2 million in distributions from HarbourVest funds, resulting in net positive cash flows of $10.6 million. increased significantly from the prior financial year, when HVPE funded $73.8 million of capital calls and received $51.8 million in distributions. In addition to capital calls from existing funds described above, HVPE chose to invest $14.4 million (£10.0 million) in HSLE during May 2010 (please refer to HVPE's New HarbourVest Fund Commitments). The cost of this discretionary investment is not included in the capital call and distribution information provided in this section. During the financial year, HarbourVest fund-of-funds were cash flow positive by $32.7 million, while the largest net investment was to Dover VII, the global secondary fund (net cash investment of $25.4 million).

Cash flow trends, shown in **Exhibit N**, varied significantly over the course of the financial year. The first financial quarter was $4.0 million cash flow positive, but during the second financial quarter, capital calls accelerated more quickly than distributions, and cash flows were negative $13.7 million. As distributions increased over the second half of the financial year, HVPE was $20.3 million cash flow positive. During this period, five of the six months were cash flow positive, as distributions increased significantly. December 2010 capital calls of $35 million and distributions of $32 million were the highest monthly totals since HVPE's inception in December 2007.

N | **Total Quarterly Capital Calls and Distributions ($ millions)**
1 February 2010 to 31 January 2011

Financial Year to 31 January 2011	Capital Calls	Distributions	Net Cash Flow
U.S. Fund-of-Funds	($68.2)	$74.4	$6.2
International Fund-of-Funds	(21.7)	48.2	26.5
Direct Funds	(10.2)	13.5	3.3
Secondary Funds	(26.5)	1.1	(25.4)
TOTAL	**($126.6)**	**$137.2**	**$10.6**



Net Cash Flow $4.0 ($13.7) $10.0 $10.3

Capital Calls

$127 million funded to 11 HarbourVest funds (excluding HSLE)

The 72% increase in capital calls over the course of the financial year was driven by activity in two funds (49% of total drawdowns).

- HarbourVest VIII Buyout (U.S. fund-of-funds) – $36 million funded (28% of total)
  - HVPE's largest currently investing commitment at $250 million called 14.3% of committed capital
- Dover VII (global secondary fund) – $27 million funded (21% of total)
  - $100 million commitment called 26.5% of committed capital

Within the HarbourVest funds, the 25 largest underlying investments made during the financial year ended 31 January 2011 were made in the companies profiled in Exhibit O.

O | HVPE Top 25 New Investments ($ millions)

Based on changes in HVPE Total Cost from 31 January 2010 to 31 January 2011

New Investment	Description	Increase in HVPE Total Cost
York Risk Services Group, Inc.	Insurance claims management services	$5.2
Abertis Infraestructuras SA	Infrastructure conglomerate	3.4
PODS Enterprises, Inc.	Mobile storage, moving, and packing	3.2
Compagnie Européenne de Prestations Logistiques SAS	Warehouse logistics	2.6
Freightliner Group Limited	Railway container transportation	2.5
PLATO Learning, Inc.	Educational software	2.5
Sidera Networks	Fiber-optic telecommunications	2.4
RCN Telecom Services, Inc.	Cable television and telecommunications	1.6
American Trailer Works	Heavy duty utility trailers	1.1
Protection One, Inc.	Residential security systems	1.0
Wittur Holding GmbH	Elevator components and systems	0.8
IMS Health, Inc.	Pharmaceutical intelligence	0.8
Windstream Corporation	Local telephone service	0.8
MultiPlan, Inc.	Healthcare networks	0.8
GlobalCollect B.V.	Online payments	0.8
HCA Inc.	Acute care hospitals	0.7
HD Supply, Inc.	Construction material distribution	0.7
Nabriva Therapeutics AG	Antibiotic development	0.7
Varel International Energy Services, Inc.	Drill bits	0.7
Chroma Therapeutics Ltd.	Anti-cancer drug development	0.7
Icopal A/S	Roofing products	0.6
Michaels Stores, Inc.	Arts and crafts retailer	0.6
Hilton Hotels Corporation	Global hotel chain	0.6
NXP B.V.	Semiconductor-based solutions	0.6
Munters AB	Air treatment and restoration	0.6
TOTAL		**$36.0**

Distributions

$137 million received from 15 HarbourVest funds
The 165% increase in distributions from HarbourVest funds over the course of the financial year was driven by liquidity in four fund-of-funds (70% of total distributions) that distributed proceeds from M&A events, IPOs, and the sale of publicly-traded shares received from primary and secondary partnership investments across markets and venture and buyout strategies.

- HarbourVest VI Partnership
  $38 million distributed (27% of total)
  - Formed in 1999 to make primary and secondary U.S.-based venture capital and buyout partnership investments; currently harvesting investments
  - Secondary investment *Tresser, L.P.*, the 2003 purchase of a portfolio of buyout assets from UBS AG, provided significant financial year 2010 proceeds

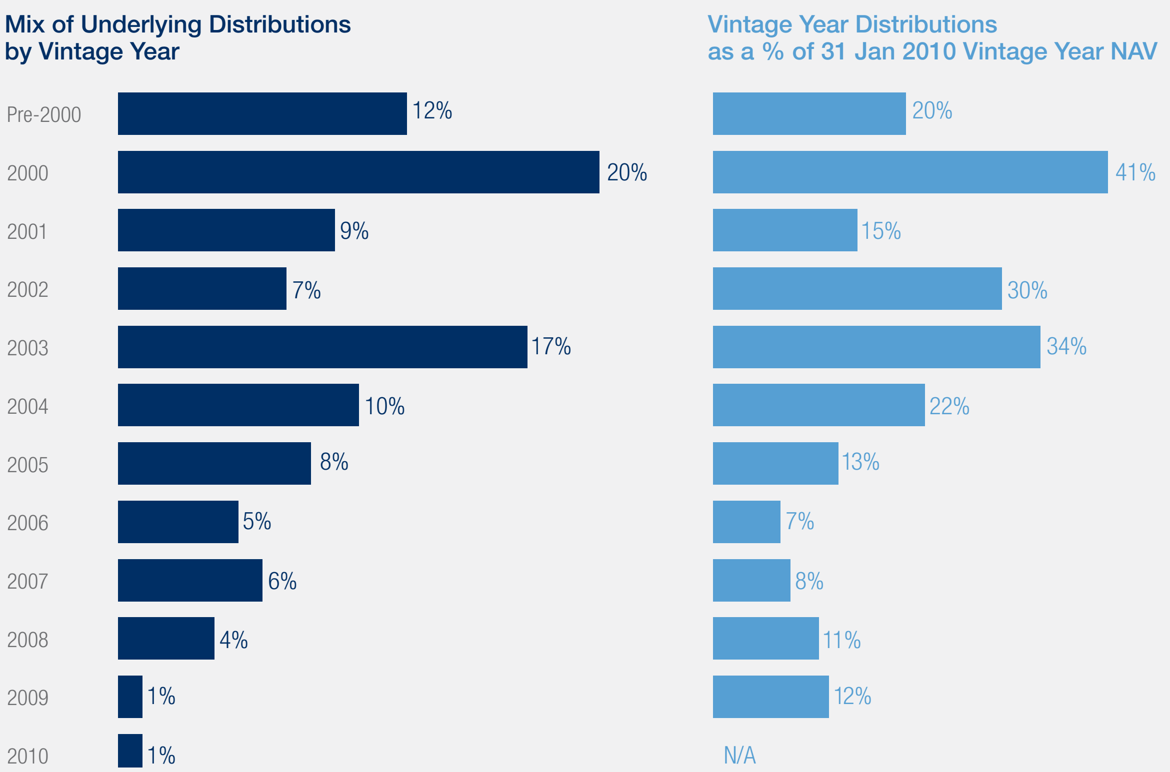
- HIPEP III Partnership
  $35 million distributed (26% of total)
  - Formed in 1998 to make primary and secondary European, Asian, and other venture and buyout partnership investments; currently harvesting investments
  - The partial sale of *Shenzhen Development Bank* to Ping An Insurance Company of China, Ltd. in May 2010 provided significant proceeds

- HIPEP IV Partnership
  $12 million distributed (8% of total)
  - Formed in 2001 to make primary and secondary European and other venture and buyout partnership investments
  - The December 2010 sale of *Isilon Systems, Inc.* to EMC Corporation provided significant proceeds

- HarbourVest VII Venture
  $11 million distributed (8% of total)
  - Formed in 2002 to make primary and secondary U.S.-based venture partnership investments
  - The sale of *SmartStream Technologies Group, Ltd.* to Dubai International Financial Centre provided significant proceeds

The total distributions received by the HarbourVest funds were sourced from partnerships across vintage years, shown in **Exhibit P**. Within each vintage year, the percentage of 31 January 2010 NAV distributed during the financial year ended 31 January 2011 is also indicated. The 2000 and 2003 vintage years distributed the most proceeds.

P | Distribution Analysis by Vintage Year
1 February 2010 to 31 January 2011



Adds to 100% of underlying distributions.

Within the HarbourVest funds, the 25 largest underlying realisations during the financial year ended 31 January 2011 resulted from the companies profiled in Exhibit Q.

Q | HVPE Top 25 Company Realisations ($ millions)

Based on changes in HVPE Realised Value from 31 January 2010 to 31 January 2011

Company	Description	Increase in HVPE Realised Value	Total Value to Total Cost
Shenzhen Development Bank Co., Ltd.	Banking institution	$11.4	11.4x
Isilon Systems, Inc.	Video network storage	7.8	20.1
The Hillman Group	Hardware products and services	7.7	3.0
PSI Holding Group, Inc.	Network integration services	3.9	2.8
Avago Technologies, Inc.	Semiconductor components	3.7	4.1
TeleColumbus	Cable television	2.9	8.2
Amadeus Technology Group SA	Global airline travel and logistics	2.8	12.5
Legrand Holdings S.A.	Electrical products and systems	2.8	4.2
Picard Surgelés	Frozen food retailer	2.7	2.4
3PAR, Inc.	Online storage environments	2.6	10.1
Blade Network Technologies, Inc.	Network infrastructure solutions	2.0	7.4
Harrington Holdings, Inc.	Healthcare products	1.9	2.7
Flexera Software, Inc.	Enterprise software solutions	1.9	5.4
Qlik Technologies, Inc.	Interactive data analysis software	1.9	34.8
Dufry AG	Duty-free retailer	1.9	7.4
Acclarent, Inc.	Surgical devices for ear, nose, and throat	1.8	6.9
Brenntag Group	Industrial and specialty chemicals	1.6	1.7
Impress Coöperatieve U.A.	Metal packaging solutions	1.5	2.8
Novexel SA	Antibiotics for bacterial infections	1.4	3.1
Bravo Health, Inc.	Medicare-focused health plans	1.2	3.0
American-Amicable Holding, Inc.	Life insurance for military and government employees	1.2	3.7
ApaTech Limited	Orthopedic technology	1.2	1.4
Ames True Temper, Inc.	Non-motorized garden tools	1.2	2.1
FRS Global Sarl	Regulatory reporting software	1.2	3.2
International Mining Machinery, Ltd.	Coal mining equipment	1.1	2.0
TOTAL		**$71.3**	

Liquidity Events: IPOs and M&A

- **Venture portfolio**
  204 M&A events and 41 IPOs

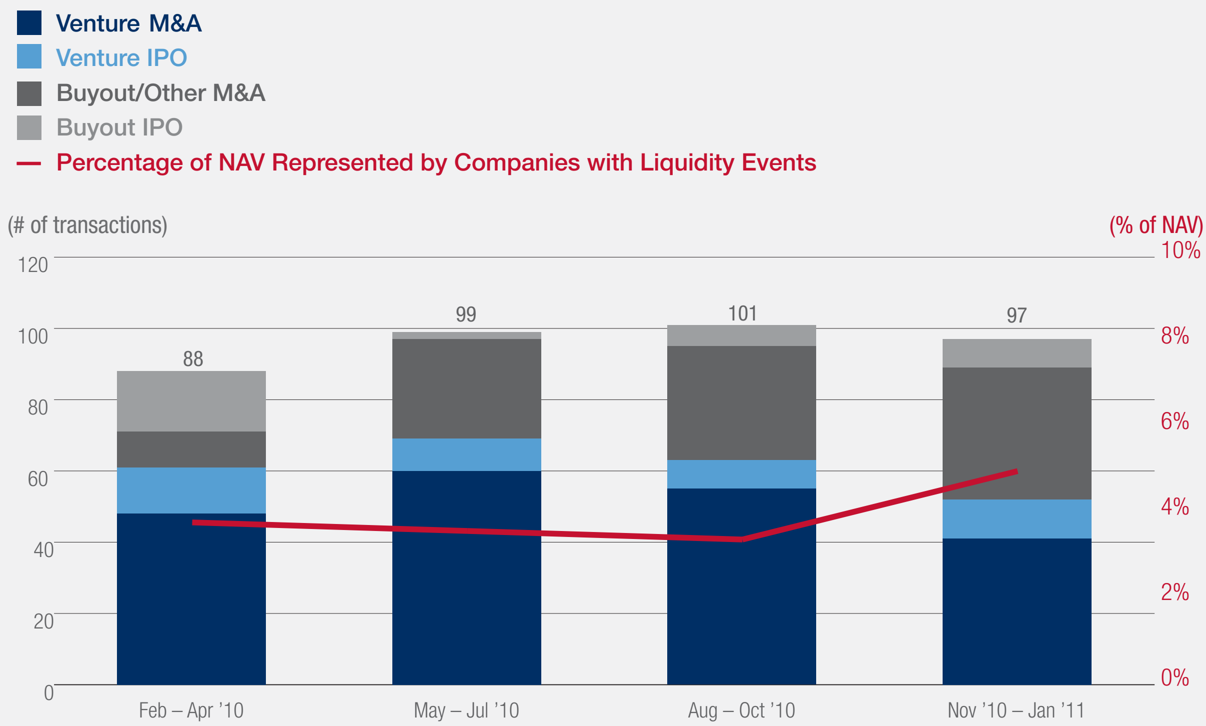
- **Buyout portfolio**
  107 M&A events and 33 IPOs

Exhibit R illustrates quarter by quarter liquidity events over the 12 months to 31 January 2011, segmented between venture and buyout and type of liquidity event (M&A or IPO). The bars reflect the number of liquidity events (based on closing date) while the line reflects the percentage of NAV represented by the companies affected by the liquidity events.

Overall, there has been a positive trend of liquidity events during the financial year, although IPO activity decreased slightly during the financial year, with 41 offerings in the first half and 33 in the second half. More than half of the M&A and IPO totals (66% and 55%, respectively, by number) represented liquidity events for venture-backed companies.

Through 31 January 2011, the $1.9 billion IPO of *The Nielsen Company* (NLSN) was the largest private-equity backed offering on a U.S. exchange in history. Subsequent to 31 January 2011, *Kinder Morgan, Inc.* (KMI) and *HCA Inc.* (HCA) both completed offerings at $2.9 billion and $3.8 billion, respectively, in February and March. HVPE holds all three companies via primary, secondary, and/or direct positions.

R | **HVPE Liquidity Events**
1 February 2010 to 31 January 2011



Balance Sheet Management

Balance sheet positioned as a strategic asset

HVPE is committed to maintaining a solid balance sheet that is clearly positioned to meet its financial obligations. In addition, in the current environment, the Investment Manager will seek to leverage the strength of HVPE's balance sheet to benefit shareholders opportunistically.

Amid the economic downturn during the period from September 2008 through to early 2010, the Investment Manager adopted a defensive approach to its balance sheet to ensure that capital calls could be met during a period of economic uncertainty, volatile NAV movement, and net cash outflows. In the second half of calendar year 2010, as public markets improved and HVPE's NAV, cash flow, and prospects became more positive, the Investment Manager began to view the balance sheet as a strategic asset to enhance shareholder value. This more proactive approach to balance sheet management is reflected in the Share Buyback Programme announced in March 2011 and the participation in the tender for Absolute Private Equity, Ltd. announced in April 2011 (detailed in Recent Events).

Credit Facility

- $500 million multi-currency credit facility in place through December 2014

HVPE's balance sheet strength and flexibility is supported by its $500 million multi-currency credit facility with The Bank of Scotland plc, now a subsidiary of Lloyds Banking Group plc. HVPE secured its facility on 4 December 2007. 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 December 2014. The Company has pledged substantially all of its assets as collateral for such borrowings. The revolving credit facility bears variable interest at LIBOR plus 150 basis points on drawn amounts and carries an annual commitment fee of 40 basis points on the unused portion of the facility.

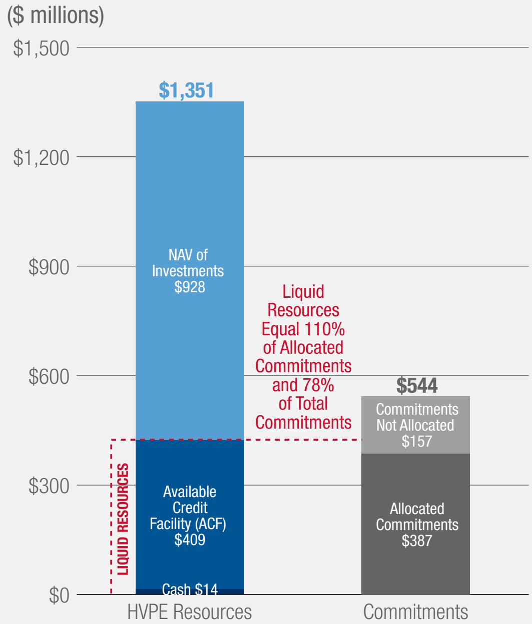
The credit facility contains financial covenants that limit the Company's indebtedness to 40% of assets (Asset Test Covenant), with the calculated value of the assets also subject to certain diversification tests. All financial covenants are tested and calculated on a quarterly basis. In addition, other 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.

During the financial year ended 31 January 2011, the Company drew down an additional $24.4 million of its loan facility, including £10.0 million to fund the HSLE investment, and repaid $10.0 million. At 31 January 2011, $91.0 million of borrowings were outstanding under the facility, and HVPE had $14.0 million in cash on its balance sheet. Based on the Asset Test Covenant, the remaining maximum amount available to be drawn at 31 January 2011 was $409.0 million, or the full remaining facility, compared to $389.0 million at 31 January 2010.

The $77 million of net debt indicates a Net Leverage Ratio (Net Debt divided by NAV) of 9.1%. Given the cash flow trends and expectations for the portfolio, the Investment Manager and HVPE's Board of Directors believe that the Company is able to support additional leverage on a temporary basis. For this reason, the Investment Manager has chosen to finance HVPE's Share Buyback Programme and the Absolute investment with the credit facility, which has an attractive cost of borrowing, rather than by selling existing assets. The Investment Manager believes that selling assets in the current environment would have a high opportunity cost even if the sale price reflects a relatively low discount to the asset's stated NAV. The Company's core objective and expectation is to repay the credit facility prior to its expiration through positive cash flows within the HVPE portfolio. HVPE's Investment Manager does not intend to maintain permanent leverage on the Company's balance sheet.

S | HVPE Resources Relative to Unfunded Commitments

Resources Total 248% of Commitments at 31 January 2011



Balance Sheet Resources and Commitment Ratios

- HVPE'S total resources represent 248% of commitments
- Total liquid resources represent 110% of allocated commitments

As illustrated in **Exhibit S**, at 31 January 2011, HVPE had total liquid resources, including cash and the remaining available credit facility, of $423.0 million (compared to $399.6 million at 31 January 2010); and total resources to meet its commitments, including NAV of Investments, of $1,351.2 million (compared to $1,183.0 million as at 31 January 2010). Total resources represent 248% of total commitments (compared to 190% as at 31 January 2010).

HVPE's Investment Manager considers two ratios to be most useful in analysing its balance sheet position and commitment levels:

- The Commitment Level Ratio measures the ratio of private equity exposure (NAV of Investments plus unfunded commitments) relative to NAV.
- The Commitment Coverage Ratio, calculated as the ratio of liquid resources (cash plus available credit facility) to commitments, measures the Company's ability to fund its obligations.

When analysing HVPE's commitment exposure, the Investment Manager believes that the most meaningful measure is allocated commitments, which includes only those commitments that have been allocated to underlying partnerships or HarbourVest secondary and direct funds. This measure is most consistent with the commitment levels disclosed by peers and reflects the commitments most likely to be called over the near to medium term.

T | Balance Sheet Information

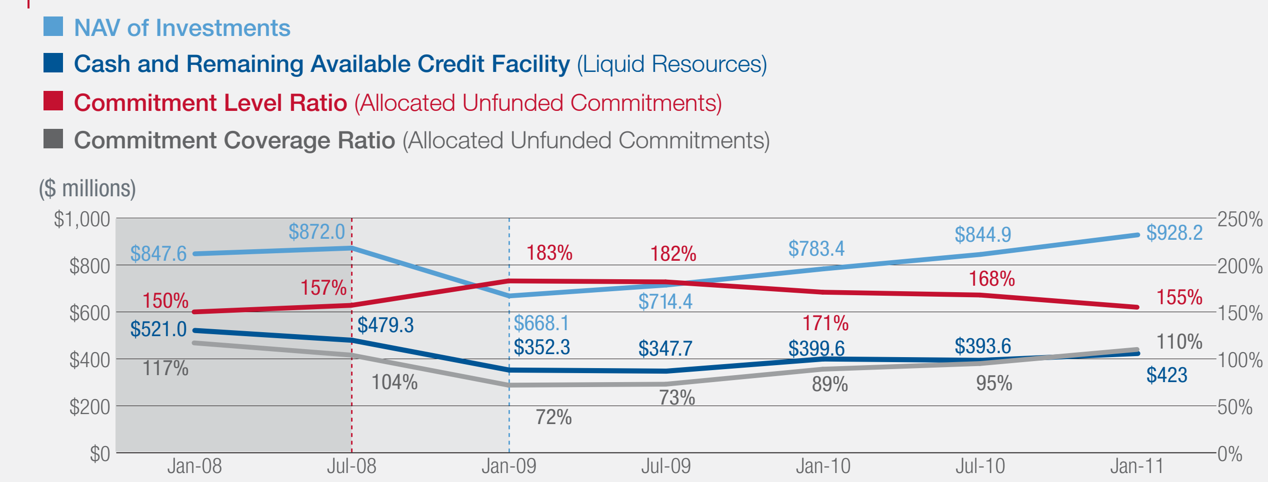


Exhibit T illustrates the trend of HVPE's Commitment Level Ratio (Allocated) and Commitment Coverage Ratio (Allocated) since 31 January 2008, as well as the Company's NAV of Investments and liquid resources. These metrics indicate a positive trend since 31 January 2009.

The trend in the commitment ratios reflects the deterioration during the second half 2008 financial crisis, followed by the gradual recovery and stabilisation of the last 24 months. The area between the red and blue dotted lines illustrates the significant NAV decline during the latter part of the financial year to 31 January 2009. As HVPE's NAV of Investments fell from $872.0 million at 31 July 2008 to $668.1 million at 31 January 2009, the denominator of the Commitment Level Ratio declined, causing this ratio to increase. Similarly, the declining NAV resulted in a reduction of liquid resources as borrowing capacity declined, causing the Commitment Coverage Ratio to decrease.

The area to the right of the blue dotted line reflects the recovery of HVPE's NAV in the prior and current financial years, as the NAV of Investments increased from $668.1 million at 31 January 2009 to $928.2 million at 31 January 2011. The increase in NAV of Investments, combined with an increase in distributions starting in the fourth quarter of the prior financial year, resulted in increased liquid resources and a higher Commitment Coverage Ratio. The decline in Allocated Unfunded Commitments and an increase in NAV resulted in a decline of the Allocated Commitment Level Ratio to 155% at 31 January 2011 from 171% in the prior year. At 31 January 2011, HVPE's Commitment Coverage Ratio (Allocated) and Commitment Level Ratio (Allocated) have nearly recovered to the 31 January 2008 levels experienced just after the Company's listing.

Management of Foreign Currency Exposure

- Two euro-denominated HarbourVest funds; one sterling-denominated HarbourVest fund
- Approximately 20% of underlying holdings denominated in euros (€135.6 million)
- Euro-denominated unfunded commitments of €114.5 million

Changes in foreign currency exchange rates impact HVPE in two primary ways. First, the value of non-U.S dollar investments will appreciate or depreciate with exchange rates, causing the NAV of investments to increase or decrease. For example, during the financial year to 31 January 2011, the 1.2% depreciation of the euro versus the U.S. dollar caused HVPE's NAV of Investments to decline by approximately 0.25%.

The second impact is on HVPE's level of unfunded commitments, which is stated in U.S. dollars. While unfunded commitments are not balance sheet liabilities and therefore do not affect NAV when they increase or decrease, they are legal obligations that are expected to be funded from distributions as investments are liquidated. A depreciating euro will cause the level of euro-denominated commitments to decrease in U.S. dollar terms. During the financial year to 31 January 2011, the depreciation of the euro resulted in a $2.9 million decline in the level of euro-denominated unfunded commitments, excluding capital calls.

At 31 January 2011, HVPE held interests in two euro-denominated funds: HIPEP V 2007 European Buyout and HIPEP VI Partnership; and one sterling-denominated fund: HSLE. A number of HarbourVest direct funds in the HVPE portfolio have also made investments in companies denominated in foreign currencies, and HarbourVest fund-of-funds have made investments in foreign currency-denominated partnerships.

From an asset perspective, HVPE had exposure to the following currencies at 31 January 2011 (approximate, based on NAV):

Euro*	20%
Sterling	4
Australian Dollar	2
Swedish Krona	1
Total Exposure to Foreign Currency	**27%**

* Euro-denominated asset exposure represents €135.6 million at 31 January 2011.

The unfunded commitments associated with HIPEP V 2007 European Buyout and HIPEP VI Partnership totalled €114.5 million at 31 January 2011. There are no unfunded commitments related to HSLE as it was fully funded at the time of the investment. Given the size of the euro-based asset exposure (€135.6 million) and the euro-based unfunded commitments, changes in the euro partially offset each other from an economic perspective. When the level of investments decreases, so do the unfunded commitments that those assets are ultimately expected to fund. Therefore, while NAV continues to be affected by currency movement, the Company's commitment ratios and other elements of exposure to currency are partially hedged.

It has been the Company's policy to take no further action to hedge euro exposure. However, the Investment Manager continues to monitor this exposure and could take action in the future.

With respect to the HSLE investment, the Company has effectively hedged the currency impact by borrowing in sterling to fund the investment. Since the £10 million investment is offset by a £10 million funding liability, changes in currency will not affect NAV and have only a limited impact on the Company's commitment ratios.

In addition to the direct currency exposure discussed above, HVPE's NAV is also affected by investments in U.S. dollar-denominated partnerships that have made investments in foreign companies or companies that have significant foreign currency-based business activities.

Put Rights Issued in Connection with the 2010 Liquidity Plan

- 6,851,486 Put Rights with a maximum exposure of $39.4 million expire 15 November 2011

In connection with the Company's 2010 Liquidity Plan, discussed in the Semi-Annual Report for the period ended 31 July 2010, the Company issued 6,851,486 Put Rights. The Put Rights allow holders to sell their shares back to HVPE on 15 November 2011 at the lower of $5.75 or estimated Economic NAV per share at 31 October 2011. The Company's maximum obligation under these Put Rights is to fund the repurchase of $39.4 million of shares. The Company's share price has not traded below the $5.75 level since 17 January 2011. Following the 18 May 2010 Secondary Placing through to 30 April 2011, 4.5 million shares have traded above $5.75. Assuming the continuation of the current share price, the Investment Manager believes that it is unlikely that the Put Rights will be exercised. As HVPE's most recent estimated Economic NAV per share was $10.48 at 30 April 2011, any shares bought back under the Put Right are likely to be accretive to the Company's NAV per share.

Recent Events

The following events occurred subsequent to the financial year ended 31 January 2011:

- Announcement of Share Buyback Programme
- Announcement of public tender for Absolute Private Equity, Ltd.
- Publication of estimated Economic NAV at 30 April 2011
- Resignation of HVPE CFO
- Pending sale of Nycomed SCA-SICAR

Share Buyback Programme

In March 2011, HVPE announced a Share Buyback Programme with the objective of decreasing the discount to NAV at which the Company's shares are currently trading. At current discounts to NAV, the programme represents an attractive opportunity to invest in the existing HVPE portfolio in a manner that is immediately accretive to NAV per share. Additionally, to the extent that pricing gaps exist between third party buyers and sellers, the buyback programme enables the Company to enhance liquidity by demonstrating pricing to the market within the parameters set out below.

The Company has appointed J.P. Morgan Cazenove and Oriel Securities Limited (the Joint Brokers) to effect on-market repurchases of class A ordinary shares (Shares) on behalf of the Company on the Specialist Fund Market (SFM) of the London Stock Exchange. The Joint Brokers may purchase shares from time to time on instruction from HVPE or, during closed periods when HVPE would otherwise be prohibited from purchasing its own shares, at their absolute discretion, provided that:

– The maximum aggregate number of Shares authorised to be purchased (including the 6,851,486 shares underlying the Company's Put Rights) shall be 12,441,700 or 14.99% of outstanding shares; and

– With respect to the shares purchased in the market under the Buyback Programme, the minimum price payable by the Company for each Share shall be $0.01 and the maximum price payable by the Company for each Share shall be not more than 105% of the average of the middle market quotations for the Shares for the five business days immediately preceding the day on which that Share is purchased. For clarification, the maximum price limit above shall not be applicable to any shares repurchased by the Company as a result of the exercise of the Put Rights.

Shares bought back under the Buyback Programme will be cancelled.

Participation in Public Tender for Absolute Private Equity, Ltd.

On 26 April 2011, HarbourVest announced that HarbourVest-managed secondary funds, together with HVPE, will, through an acquisition vehicle, make a public offer for all bearer shares of Absolute Private Equity, Ltd. Absolute is an investment company incorporated in Switzerland and listed on SIX Swiss Exchange. Absolute primarily invests across various sectors of the private equity market focusing on U.S., European and other international buyout and venture capital funds.

The tender offer is for $17.25 cash per Absolute share and is subject to a minimum acceptance level of 50.01% and other customary conditions. At a 100% acceptance level, the transaction values Absolute at $752 million. Absolute's Board of Directors supports the offer and intends in its formal report to recommend that its shareholders accept the offer.

As of 21 April 2011, the last trading day prior to the announcement, the NAV per share of Absolute was $24.16, and the 60 day volume weighted average share price on SIX Swiss Exchange was $16.25.

HVPE's direct commitment to the transaction is expected to be 10% of the purchase price, which would represent an HVPE investment of $38 million to $75 million, depending on the results of the tender offer. The Absolute transaction allows HVPE to be opportunistic in its investment approach and draw on its relationship with the Investment Manager to participate in the purchase of an attractive portfolio of private equity assets. HVPE intends to fund its commitment through the use of its existing $500 million credit facility. Given the maturity of the portfolio, the Board believes this is a positive and appropriate use of the Company's credit facility.

This transaction is not expected to affect HVPE's Share Buyback Programme or its ability to pay off its credit facility prior to its expiration in December 2014. If successful, the transaction is expected to be completed in the third calendar quarter of 2011.

Publication of Estimated Economic NAV at 30 April 2011

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

As at 30 April 2011, HVPE's estimated Economic NAV per share was $10.48, an increase of $0.24 (2.3%), over Economic NAV per share of $10.24 as at 31 January 2011. Economic NAV increased as a result of positive currency movement and public market appreciation, offset by ongoing operating expenses. Other than the commitment to participate in the tender for Absolute Private Equity, Ltd., described above, during the three months from 1 February 2011 to 30 April 2011 HVPE did not make any new commitments or purchase additional interests in HarbourVest funds. During this period, the Company funded $46.7 million of capital calls to U.S. and international HarbourVest fund-of-funds, direct funds, and the global secondary fund; and received distributions of $40.5 million, resulting in net negative cash flow of $6.2 million. Of HVPE's total unfunded commitments of $509.4 million at 30 April 2011, approximately $364.6 million has been committed by HarbourVest funds to underlying partnerships, while the remaining $144.8 million has not yet been committed.

During the three months from 1 February 2011 to 30 April 2011, the Company drew down and then repaid $5.0 million against its $500 million credit facility, and a total of $91.7 million has been drawn at 30 April. Based on the facility's most restrictive covenant, the remaining amount currently available is $408.3 million. The Company also has $5.7 million in cash on its balance sheet. At 30 April 2011, liquid resources (cash and available credit facility) represent 114% of commitments allocated to underlying partnerships and 81% of total commitments.

Resignation of HVPE CFO

On 11 May 2011, HVPE announced that CFO Steve Belgrad had resigned from the Investment Manager effective 31 May 2011 to take a senior position in the asset management sector. The Investment Manager and the Board of Directors are evaluating suitable candidates to replace Mr. Belgrad.

Pending Sale of *Nycomed SCA-SICAR*

On 19 May 2011, Takeda Pharmaceutical Company Limited announced its intention to acquire *Nycomed,* HVPE's largest underlying company at 31 January 2011, for €9.6 billion. The purchase excludes *Nycomed's* U.S. dermatology business. HVPE holds *Nycomed* directly via HIPEP IV Direct and indirectly through primary and secondary positions in lead investor Nordic Capital and other managers. The transaction, which is expected to close in September 2011, should result in an increase of $0.16 in HVPE's estimated Economic NAV per share from 30 April 2011 and distributions of more than $30 million. The Investment Manager will provide additional information as it becomes available.

Investment Manager's Market Overview

The Investment Manager reviews economic and private equity activity around the globe

All data refers to calendar years

U.S. Market

- Six consecutive quarters of U.S. GDP growth
- Venture and buyout fundraising remain challenging
- Venture-backed IPOs during 2010 six times greater than 2009; venture-backed M&A activity at record levels
- Buyout investment activity almost doubled in 2010
- Buyout-backed M&A and IPO activity improving
- Mezzanine and distressed debt fundraising healthy
- Liquidity momentum continued

Economy

The U.S. economy grew at an annual rate of 2.8% *(U.S. Department of Commerce)* in the fourth quarter of 2010. While this is a slowdown compared to the 5.0% growth experienced at the end of 2009, the fourth quarter marks the sixth straight quarter of growth. The real GDP increase of 2.8% in 2010 represents an improvement over 2009, which experienced a decrease of 2.6%. Although the economy is regaining strength, the GDP growth rate has been insufficient to significantly reduce unemployment rates. While economists are predicting that growth will continue, the recovery is expected to remain slow. The private equity fundraising environment remained challenging in 2010, although investment activity and liquidity across the industry showed signs of improvement, which has continued in the first quarter of 2011.

Venture Capital Activity

According to *Thomson Reuters*, U.S. venture fundraising continued to contract in 2010 following significant declines in 2009. Venture managers raised $12.4 billion in 2010, which is 24% below the $16.3 billion raised in 2009. Venture disbursements in 2010 increased after reaching a ten-year low in 2009, with a total of $21.8 billion invested, representing a 19% increase from 2009. This represents the first annual increase since 2007.

The liquidity environment for venture-backed companies showed signs of improvement during 2010. *Thomson Reuters* reports that 420 venture-backed companies completed M&A exits, with 120 deals generating $18.3 billion in disclosed value. This is the highest year total (by number) since *Thomson Reuters* began tracking in 1985 and represents a 34% increase in dollars over 2009.

During 2010, venture-backed IPO activity had its highest yearly total (by number) since 2004 and highest quarterly total since the third quarter of 2000. *Thomson Reuters* reported that 72 venture-backed companies completed IPOs in 2010, generating $7.0 billion, far surpassing the $1.6 billion generated by 12 venture-backed IPOs in 2009.

Buyout Activity

Following two consecutive years of declines, buyout fundraising remained weak during 2010. *Thomson Reuters* data shows that the total amount raised during 2010 declined by 1% compared to 2009, with $29.1 billion raised by 96 funds. While fundraising activity accelerated during the second half of the year, smaller fund sizes and the absence of mega funds in the market resulted in flat yearly fundraising figures.

As the economy stabilised and lending markets improved, buyout investment activity accelerated during 2010. *Thomson Reuters* reports that U.S. buyout managers closed 745 deals for a disclosed value of $77.3 billion, nearly double the $39.5 billion closed in 2009. M&A and IPO activity was up significantly compared to 2009 as some buyout managers sought liquidity before raising new funds. *Thomson Reuters* estimates that 166 buyout-backed companies completed M&A events in 2010, with a disclosed value of $20.9 billion. Buyout-backed IPO activity also improved, with 31 companies completing IPOs, compared to 21 during 2009. The amount raised during 2010 was $8.7 billion, approximately 25% higher than the $7.0 billion generated by buyout-backed IPOs in 2009. Although some companies priced below their original offering ranges, their post-IPO performance has been strong.

Dividend recapitalisations reappeared in 2010, bolstering liquidity for investors. The high yield market, which reached record level issuance in 2009, continued its upward trend, setting another record in 2010 as investors searched for higher returns. The robust high yield market also allowed some buyout managers to push out debt maturities for their portfolio companies, which provided additional relief.

Debt Activity

The mezzanine market remained attractive in 2010 as non-traditional credit sources were still largely inactive. Mezzanine managers were often able to achieve better pricing with stricter covenant terms, lower leverage ratios, and warrant coverage as a result of the favourable competitive environment. Mezzanine investment activity increased during 2010 as the economy began to stabilise and buyout investment activity picked up. High yield issuance reached record levels, allowing some companies to find relief by refinancing debt with near-term maturities. Mezzanine providers also remain well positioned as buyout investment activity continues to accelerate. A strong pipeline of opportunities for distressed managers remains as a number of companies are still in covenant default, distressed situations, or bankruptcy despite the recent market stabilisation.

Fundraising activity by turnaround, distressed debt, and mezzanine managers remained strong during 2010, although significantly lower than the record levels of 2008 (*Thomson Reuters*). Turnaround and distressed debt managers attracted $16.8 billion of new commitments in 2010, slightly above the $16.5 billion raised during 2009. Mezzanine managers experienced higher fundraising levels, attracting $8.7 billion during 2010, compared to $5.3 billion in 2009.

European Market

- Europe recovered from recession with 1.8% growth in 2010, 1.7% forecast in 2011
- Northern European export economies outperformed, while southern Europe continued to suffer sovereign debt issues and high unemployment
- Venture capital market remains weak
- 2010 buyout fundraising low by recent standards (€11.1 billion)
- Expect significant increase in fundraising in 2011 with several large buyout managers in the market
- Buyout investments up 169%, driven by increased supply of debt capital
- Significant increase in 2010 buyout liquidity: M&A exits up 2.5 times to €42 billion; IPOs up 10 times to €15 billion

Economy

Following a real GDP decline of 4.2% in 2009, the EU27 counties emerged from recession in 2010 with growth of 1.8% and further growth of 1.7% forecast in 2011 (*Economist Intelligence Unit*). As most EU countries reduce spending, deficits remain high in a number of markets, including Greece, Ireland, the U.K., and Spain. The average deficit for the eurozone rose from 2.0% of GDP in 2008, to 6.3% in 2009, and 6.2% in 2010. The *Economist Intelligence Unit* expects the average euro area deficit to fall to 4.6% of GDP in 2011 and 3.7% in 2012 based on measures designed to reduce deficits. Since May 2009, the European Central Bank (ECB) refinancing rate has remained at a record low of 1.0%, with the deposit rate at just 0.25%. Headline inflation in the eurozone has risen over the past 12 months to reach 2.4% in February 2011, driven by energy and food price inflation.

Venture Capital Activity

European venture capital funds raised a total of €4.1 billion in 2010, which is the same amount that was raised in 2009 (*Thomson Reuters*). In terms of investment activity, there were 193 venture capital investments with a combined value of €1 billion in 2010, representing a 30% decrease in volume and 10% decrease in value relative to 2009 (*Incisive Media*).

Buyout Activity

Given the limited investment activity in 2009, private equity fundraising in Europe remained slow in 2010. According to data from the *EVCA*, European buyout managers raised a total of €11.1 billion in 2010, up from the €9.8 billion raised in 2009, although still low by recent standards.

There was a significant increase in investment activity in the European buyout market during 2010. According to *Incisive Media*, a total of 367 deals with a combined value of €63.1 billion were completed, representing a 43% increase in volume and a 169% increase in value relative to 2009. Large European buyout deals drove investment activity, with 12 deals of more than €1.0 billion in enterprise value completed in 2010.

Liquidity from European private equity portfolios increased significantly in 2010. *Mergermarket* reports that there were €42 billion of buyout-backed M&A exits in 2010, up from €17 billion in 2009. The IPO markets also opened for buyout-backed issues in 2010 with 22 offerings raising a combined €15.3 billion in 2010, compared to seven IPOs raising just €1.6 billion in 2009.

Asia Pacific Market

- Asian economies showed strong growth in 2010; China, India, Malaysia, Singapore, and Thailand all raised interest rates during 2010 to contain inflation
- $33.6 billion raised for private equity in Asia, a 33% increase over 2009
- Investment activity increased by 51% in 2010, with $30.3 billion deployed, largely driven by China, Australia, and India
- Exit activity increased 35% in 2010, with $21.6 billion generated, driven by China and India
- China's 2010 IPO volume was more than the U.S. and Europe combined

Economy

Most Asia Pacific economies recovered and presented strong growth in 2010, largely driven by government stimulus packages and rising domestic consumption. In its latest economic report, the *World Bank* forecast strong 2010 GDP growth for Asia at 8.9% compared to earlier forecasts of 8.7%. For 2011, the *World Bank* anticipates GDP growth to moderate to 7.8%. Concerns about inflation in emerging Asia have become increasingly widespread. This has prompted interest rate hikes across many Asian markets, including China, India, Malaysia, Singapore, and Thailand. The impact of the March 2011 earthquake and tsunami in Japan continues to unfold, but experts estimate the losses will range between 15 and 20 trillion yen (3 to 4% of GDP) *(Goldman Sachs).*

Growth Equity and Buyout Activity

The 2010 Asia Pacific private equity fundraising environment improved significantly over 2009, as $33.6 billion was raised, representing an increase of 33% from 2009 (*Asia Private Equity Review*). Capital raised by growth and expansion funds dominated fundraising activity, accounting for $22 billion, or 66% of total capital raised during the year. By geography, China-focused funds led fundraising, accounting for 60% of the total.

The availability of leverage and an improved economic environment led to an increase in private equity investment activity in 2010, which totaled $30.3 billion, an increase of 51% over 2009 *(Asia Private Equity Review).* Growth and expansion investments significantly outpaced buyout activity, accounting for 56% and 39% of capital, respectively.

The Asian IPO market has grown in significance over the past decade. In 2010, China-based companies accounted for 39% of the global IPO market, which was more than the market share of the U.S. and Europe combined (*Dealogic*). During the year, exit transactions totaled $21.6 billion, a 35% increase compared to $16 billion in 2009. Trade sales re-emerged as an important exit route, representing 50% of the capital returned to investors. China and India contributed to more than half of the exit value, accounting for $8.7 billion and $3.8 billion, respectively.

Secondary Market

Because there is little accurate data available to track secondary dealflow generally, only HarbourVest secondary dealflow is described here.

- Dealflow up 7% over 2009; $74 billion of deals reviewed by HarbourVest in 2010
- Record year for completed secondary transactions; reversing prior year's lack of executed deals
- Financial institutions remained the largest category of seller, representing over $28 billion of deal flow
- Expect favourable market trends to continue through 2011 providing attractive investment opportunities

During 2010, the secondary market experienced a significant rise in transaction volume relative to 2009. While 2009 was marked by record deal flow, but few completed transactions, the secondary market was much more vibrant in 2010. HarbourVest evaluated $74 billion in original commitments for sale, up 7% from the $69 billion evaluated in 2009. The bid-ask spread for assets available on the secondary market narrowed in 2010, which resulted in a record year for the industry in terms of completed secondary transactions. Industry sources estimate that more than $20 billion of private equity assets were sold during the year.

The largest source of HarbourVest deal flow in 2010 again came from financial institutions, representing 38% of the transactions evaluated, or $28.2 billion. In the fourth quarter of 2009, banks began to explore secondary market sales as a way to generate balance sheet liquidity and reduce exposure to private equity. This trend continued throughout 2010. Furthermore, the Dodd-Frank Act in the U.S., along with Basel III and Solvency II initiatives in Europe, introduced new regulations with respect to the private equity holdings of banks and insurance companies. This regulatory overhang, while still being defined, has caused many banking institutions to begin to sell assets, which contributed to the increase in deal flow for the year. Other sellers included funds, public pensions, endowments, and family offices.

By asset type, buyout investments represented the vast majority of 2010 deal flow, accounting for 74% of the value of deals reviewed during the year. This marked a sharp contrast from 2009, when only 42% of deal flow came from buyout assets. Conversely, venture opportunities declined to 16% of 2010 deal flow compared to 51% of deal flow in 2009. The large percentage of buyout assets is consistent with the typical portfolio composition of the dominant sellers during 2010.

HVPE Outlook

The Investment Manager is confident about the outlook for private equity and HVPE

The improving private equity environment experienced in the second half of 2010 has remained positive into 2011. As the global economy expanded and public markets gained, private equity experienced the beginning of an upward cycle. HVPE's 165% increase in distributions and 72% pick up in capital calls year-over-year illustrates a sector returning to normal levels of activity. The private equity market and HVPE also benefited from a rising NAV environment. During the financial year ended 31 January 2011, HVPE's Economic NAV per share increased 18.4% to $10.24 to exceed its $10.00 per share listing price. Since 31 December 2007, just after its IPO, HVPE has generated one of the strongest records of NAV per share performance among its listed private equity peers, and since inception the NAV performance has outpaced the MSCI World Index (USD-Total Return) by 7.6 percentage points in total through 30 April 2011.

HVPE's Investment Manager believes that the $11 million of net positive cash flow experienced during the financial year ended 31 January 2011 represents the beginning of accelerating net inflows. Based on the Investment Manager's analysis of capital calls and distributions for each HarbourVest fund under a variety of economic scenarios, the existing portfolio is expected to become increasingly cash flow positive as the Company's mature funds distribute increasing amounts of cash and its 2007 and 2008 commitments to HarbourVest funds become more fully funded. The Investment Manager is therefore placing renewed emphasis on capital deployment and plans to repay outstanding debt as well as seek additional attractive investments. These potential investments include share repurchases under the Share Buyback Programme (to the extent that HVPE is trading at a meaningful discount to NAV) and commitments to newly-formed HarbourVest funds or parallel investments, such as the recently announced tender for Absolute Private Equity, Ltd. All investment decisions continue to be based on the potential impact on portfolio diversification, commitment levels and coverage, value creation for existing shareholders, and the Investment Manager's assessment of the economic outlook.

While HVPE's buyout portfolio improved over the last twelve months alongside recovering public markets, the Investment Manager also remains positive about the Company's venture portfolio. The Investment Manager's Review highlights a number of the attractive venture companies within the HVPE portfolio, including *Facebook, Groupon, Twitter,* and *Skype.* After ten years of disappointing venture performance, increasing venture-backed M&A and IPO activity supports the theory of a rebound. The HVPE portfolio is well positioned for a recovery with 34% in venture, one of the highest percentages among the listed private equity peers.

Liquidity and NAV Discount

Over the last twelve months, HVPE's Investment Manager and Board of Directors have dedicated significant resources to enhancing HVPE's liquidity and improving the trading discount to NAV. The May 2010 Liquidity Plan involved listing HVPE on the Specialist Fund Market of the London Stock Exchange; a Secondary Placing of 4.8 million existing shares at $5.75 per share; and the issuance of 6.9 million Put Rights to purchasers of the shares in the Secondary Placing (and thereafter in the market). While challenges remain, the Company has made significant progress in enhancing trading liquidity, with an annualised share turnover rate of over 10% for the period following the Secondary Placing through to 30 April 2011. This follows a period prior to the Liquidity Plan with very limited trading and is in line with many of the Company's listed peers. The Investment Manager continues to focus on introducing HVPE to new potential investors and enhancing the Company's profile to increase trading liquidity and reduce the discount.

The continued trading discount to NAV represents one of the largest challenges for HVPE and the listed private equity sector generally. While HVPE's Investment Manager is encouraged by the 52% increase in HVPE's share price to $7.00 from 31 December 2009 to 30 April 2011, this price still represents a 33% discount to 30 April 2011 estimated Economic NAV. Many of the market concerns about the private equity sector (over-commitments, NAV uncertainty, and others) have lessened; however the listed private equity challenge remains to demonstrate strong cash flows, consistent NAV growth, and effective capital management. Over the last year, the sector has seen additional investor interest from new sources of capital, including hedge funds. However, other traditional listed private equity investors have been slow to return to the market. To the extent that the environment for private equity remains positive, the Investment Manager expects increasing investor demand and reduction of discounts to NAV over time.

Overall, HVPE's Investment Manager remains very confident about both the near and long-term potential of private equity markets and the Company.

Note: Unless otherwise specified, all information is current at the time of issue. Unless otherwise noted, all data represents HarbourVest's own estimates. Any opinions expressed are those of HarbourVest and not a statement of fact. The opinions expressed do not constitute investment advice.

Investment Manager

Independent, Experienced, Consistent, Focused

Given the long-term nature of private equity investing, where committed capital is invested over multiple years, some of the most important indicators of a prospective investment manager's success are experience, track record, organisational stability, a consistent strategy, and a proven process. These attributes are embodied in HarbourVest. HarbourVest is a private equity firm whose history dates back to 1982. HarbourVest has committed more than $30 billion to investments. Over the past 29 years, HarbourVest has grown to 238 employees who are based in Boston and the Firm's international subsidiaries. During 2010, the Investment Manager continued to invest in its international business, establishing a Tokyo subsidiary to complement its longstanding presence in London and Hong Kong. More recently, HarbourVest announced its intention to establish a presence in Bogota, Columbia and expand its senior team in Hong Kong.

HarbourVest is independently owned by its senior investment professionals. The team of 24 managing directors averages 16 years with HarbourVest.

The HarbourVest team has a 29-year track record, investing successfully in private equity over numerous market cycles.

- In an era of acquisitions and management changes, the HarbourVest team is characterised by low turnover, which creates continuity of service and retention of expertise.
- The team relies on a consistent, time-tested investment process to source, evaluate, and select private equity opportunities with the strongest potential for returns across private equity markets, which has resulted in a long track record of success.
- The investment process is implemented within a controlled operational environment with a built-in system of checks and balances designed to monitor and minimise risk.

Independent Private Equity Manager

As an independent, privately-owned firm, HarbourVest is focused on its business and its clients and has control of its future. The benefits of HarbourVest's independent private structure have become particularly clear over recent years. Aligned with the success of its business and its investors, HarbourVest's employee partners have significant incentive to focus on long-term investment performance and continued value creation. During 2010, the Investment Manager completed an internal transfer of ownership, allowing younger, newer managing directors to increase their ownership in the firm.

Success Across Market Cycles and Extensive Experience in the Private Equity Asset Class

The HarbourVest team has invested in private equity since the late 1970s, managing assets through a variety of market cycles and experiencing the ups and downs of venture capital and leveraged buyout investments. Throughout its history, the team has learned to capitalise on opportunities and intends to do so in the future.

HarbourVest's expertise encompasses all areas of global private equity. Team members based in key investment regions throughout the world provide an important local perspective and enable HarbourVest to identify and evaluate a broad range of global investment opportunities.

Consistency is a central theme throughout HarbourVest. HarbourVest hires talented investment professionals, and most remain with the firm for the long term – years longer than the industry average. As a result, HVPE benefits from decades of teamwork and investing expertise. HarbourVest's leadership has remained stable, bringing a consistent, proven approach to investing in global private equity.

Consistent Strategy and Focused Investment Process has Resulted in Strong Track Record

The Investment Manager remains confident about the continued innovation and success of the private equity industry and intends to follow its consistent strategy of striving for top-quartile returns by partnering with high quality managers.

Within a focused due diligence process, the Investment Manager searches for exceptional investments, evaluates them carefully, and selects those opportunities that it believes offer the strongest potential for superior returns.

Throughout its history, the HarbourVest investment team has used a consistent, time-tested investment process, following the same rigorous approach to due diligence whether making a primary partnership, secondary, or direct investment and regardless of stage or location. The insights gained over years of primary, secondary, and direct investing enhance the comprehensive evaluation of potential investments. The investment team includes more than 70 professionals who can effectively cover the global private equity markets and are encouraged to communicate within an open and collaborative environment.

The HarbourVest team has one of the longest verifiable track records of investment performance in primary, secondary, and direct investments. This track record demonstrates HarbourVest's historic ability to outperform recognised private equity benchmarks, while also providing diversification. HarbourVest's continued ability to identify and gain access to the top-tier private equity players has been a key factor in establishing this track record. Of course, past performance is no assurance that such results will be achieved in the future, either by HarbourVest generally or by HVPE's Investment Manager.

Investment Process Implemented within Controlled Environment to Minimise Risk

HarbourVest operates within a strictly-controlled environment with multiple checks and balances in place. In December 2010, the firm issued its second Type II SAS 70 Report — Private Equity Fund Administration Report on Controls Placed in Operation and Tests of Operating Effectiveness for the period from 1 October 2009 to 30 September 2010.

HarbourVest's independent auditor conducted the SAS 70 review. The report documents controls across the firm's operations including investment policy, reporting to clients, capital calls, distributions, cash management, and financial records. HarbourVest is one of the first independent private equity managers to issue a SAS 70 report.

The compliance, treasury, finance, partnership performance, tax, reporting, and communications staff is among the largest and most developed in the private equity industry and includes approximately 150 professionals. Teams are focused on:

- **Compliance:** A dedicated compliance officer is responsible for the overall compliance of the Investment Manager and HarbourVest funds. Outside legal counsel also manages compliance issues.

- **Cash Management:** A treasury team of more than 15 dedicated professionals manages and monitors cash (including all incoming and outgoing wires) for all HarbourVest funds on a daily basis.

- **Finance/Accounting:** A finance team of over 25 professionals is responsible for preparing accounts for all HarbourVest funds and reconciling data continuously with the partnership performance group.

- **Partnership Performance:** A dedicated team of more than 20 professionals tracks all primary and secondary partnership investments, capital calls and distributions, performance, and underlying company investment data (currently more than 6,800 companies).

Directors' Report

Board of Directors

Sir Michael Bunbury
Chairman, Independent Director

D. Brooks Zug
Director

George R. Anson
Director

Jean-Bernard Schmidt
Independent Director

Andrew W. Moore
Independent Director

Keith B. Corbin
Independent Director

Paul R.P. Christopher
Independent Director

George Anson, Paul Christopher, 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.

Biographies

Sir Michael Bunbury
Chairman, Independent Director
Sir Michael Bunbury (age 64) is an experienced director of listed and private investment, property and financial services companies and trustee for high net worth families. He is currently the Chairman of JP Morgan Claverhouse Investment Trust plc, Director of Foreign & Colonial Investment Trust plc (which has been an investor in numerous HarbourVest funds, including five funds in which the Company is invested), Director of Invesco Perpetual Select Trust plc, and a consultant to Smith & Williamson. Sir Michael began his career in 1968 at Buckmaster & Moore, a member of The Stock Exchange, before joining Smith & Williamson, Investment Managers and Chartered Accountants, in 1974 as a Partner. He later served as Director and Chairman and remains a consultant to the firm. Sir Michael has his own business, Michael Bunbury Associates, giving high-level financial advice to families on their business and property assets.

Brooks Zug
Director
Brooks Zug (age 65) is a senior managing director of HarbourVest Partners, LLC and a founder of HarbourVest. He is responsible for overseeing primary, secondary, and direct investments. He joined the corporate finance department of John Hancock Mutual Life Insurance Company in 1977, and, in 1982, co-founded Hancock Venture Partners, which later became HarbourVest Partners. He serves as an advisory committee member for a number of U.S. and foreign private equity partnerships, including funds managed by Accel Partners, Advent International, Doughty Hanson, Permira, Silver Lake Partners, and TA Associates. Brooks is a past Trustee of Lehigh University and a current Overseer of the Boston Symphony Orchestra. He received a BS from Lehigh University in 1967 and an MBA from Harvard Business School in 1970. Brooks received his CFA designation in 1977.

George R. Anson
Director

George Anson (age 50) manages HarbourVest Partners (U.K.) Limited, which supports HarbourVest's investment and client service activities in Europe. George joined HarbourVest's London subsidiary in 1990 and serves on the advisory boards of a number of European private equity partnerships, including funds managed by BC Partners, Cinven, and IK Investment Partners. He is an inaugural member of the BVCA Limited Partner Advisory Board and an inaugural member of the EVCA LP Platform Council. George's previous experience includes seven years with Pantheon Ventures managing European private equity funds and companies. A U.K. citizen, he was born in Canada and educated in the U.S. George received a BA in Finance from the University of Iowa in 1982.

Jean-Bernard Schmidt
Independent Director

Jean-Bernard Schmidt (age 65) is a former Managing Partner of Sofinnova Partners, a leading European venture capital firm based in Paris. Jean-Bernard joined Sofinnova in 1973 as an investment manager. In 1981 he became President of Sofinnova Inc. in San Francisco, managing Sofinnova's U.S. venture capital funds until 1987, when he returned to Paris to head the Sofinnova group. He then began focusing on Sofinnova's investments in Europe on technology and early stage projects in information technologies and life sciences. In 1989, he launched the first Sofinnova Capital fund. He is a past and current board member of many technology companies in the U.S. and France. Between 1998 and 2001, he was a board member of AFIC, the French Venture Capital Association. From June 2003 to June 2004, he was Chairman of EVCA (the European Private Equity and Venture Capital Association). Jean-Bernard is a graduate of Essec Business School in Paris and holds an MBA from Columbia University in New York.

Andrew W. Moore
Independent Director

Andrew Moore (age 56) is Group Chairman of Cherry Godfrey Holdings Limited and Director of Adam & Company International Limited, Adam & Company International Trustees Limited, Adam & Company International Nominees Limited, CI Credit Insurance Limited, and Sumo Limited. Andrew joined Williams & Glyns Bank, which subsequently became The Royal Bank of Scotland, after obtaining a diploma in business studies. He moved to Guernsey to establish and act as Managing Director of a trust company for The Royal Bank of Scotland in 1985. During his career, Andrew held a range of senior management positions, including acting as head of corporate trust and fund administration businesses for The Royal Bank of Scotland in Guernsey, Jersey, and Isle of Man, which provided services to many offshore investment structures holding a wide variety of asset classes. Andrew has over 20 years of experience as both an executive and non-executive Director of companies including investment funds and banks.

Keith B. Corbin
Independent Director and Chairman of the Audit Committee

Keith Corbin (age 58) is an Associate of the Chartered Institute of Bankers (A.C.I.B.) (1976) and Member of the Society of Trust and Estate Practitioners (T.E.P.) (1990). He has been involved in the management of international financial services businesses in various international centres during the last 30 years. Currently the Group Executive Chairman of Nerine International Holdings Limited, which has operations in Guernsey, Hong Kong, British Virgin Islands, India, and Switzerland, he also serves as a non-executive Director on the boards of various regulated financial services businesses, including investment funds, insurance companies, and other companies, some of which are listed on recognised Stock Exchanges or subsidiaries of listed companies. Those assignments also include the chairmanship of audit and remuneration committees.

Paul R.P. Christopher
Independent Director

Paul Christopher (age 38) is an English Solicitor, Guernsey Advocate, and a partner in the offshore law firm Mourant Ozannes. He specialises in investment, finance, and corporate work. He regularly advises on the establishment of offshore investment funds of all kinds and on the regulatory and commercial issues in relation to them.

Directors' Report

The directors present their report and financial statements for the year ended 31 January 2011.

Principal Activity

The Company is a closed-ended investment company incorporated in Guernsey on 18 October 2007 with an unlimited life. The Company has two classes of shares in issue being Class A shares of Nil Par Value ("Class A shares") and Class B shares of Nil Par Value ("Class B shares"). On 6 December 2007 the Class A shares were admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. On 12 May 2010, the Class A shares were admitted to trading on the Specialist Fund Market of the London Stock Exchange.

Investment Objective and Investment Policy

The investment objective and investment policy of the Company is as stated on page 3.

Shareholder Information

In accordance with Dutch law, the Company announces the estimated net asset value of a Class A share on a monthly basis together with a commentary on the investment performance provided by the Investment Manager. These monthly statements are available on the Company's website.

In accordance with the EU Transparency Directive that came into force on 1 January 2009, the Company must publish two Interim Management Statements, once during the first and once during the second half of each financial year, which provide an overview of the important events and transactions that have taken place during the relevant period. The Company published its third Interim Management Statement on 17 June 2010 covering the period from 1 February 2010 to 16 June 2010, and its fourth Interim Management Statement on 30 November 2010 covering the period from 1 August 2010 to 29 November 2010. All Interim Management Statements are available on the Company's website.

The last traded price of Class A shares is available on Reuters, Bloomberg, the London Stock Exchange, and Euronext Amsterdam. A copy of the original Prospectus of the Company is available from the Company's registered office and on the website.

All Class A shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. The buying and selling of Class A shares may be settled through Euroclear or CREST.

Results

The results for the financial year ended 31 January 2011 are set out in the Consolidated Statement of Operations within the Audited Consolidated Financial Statements that begin on page 56. The directors do not propose a dividend for the financial year ended 31 January 2011.

Directors

The directors as shown beginning on page 49 all held office throughout the reporting period and at the date of signature of these financial statements. Brooks Zug is Senior Managing Director of HarbourVest Partners, LLC, an affiliate of the Investment Manager. George R. Anson is Managing Director of HarbourVest Partners (U.K.) Limited, a subsidiary of HarbourVest Partners, LLC. Paul Christopher is a Partner in the offshore law firm Mourant Ozannes, which provides counsel to HVPE in connection with matters of Guernsey law. Jean-Bernard Schmidt is a former Managing Partner of Sofinnova Partners, which manages partnerships in which HarbourVest fund-of-funds invest. Save as disclosed in these financial statements, the Company is not aware of any other potential conflicts of interest between any duty of any of the directors owed to it and their respective private interests. All directors, other than Mr. Zug and Mr. Anson, are considered to be independent.

Each director, with the exception of the Chairman, Keith Corbin, Mr. Zug, and Mr. Anson, is paid an annual fee of $50,000 per annum. The Chairman receives an annual fee of $100,000 plus $10,000 for expenses, and Mr. Corbin receives an annual fee of $60,000 in recognition of his additional responsibilities as chairman of the Audit Committee. Mr. Anson and Mr. Zug do not receive any fee from the Company.

Directors' Interests in Shares

Directors' Interests as at 31 January (invested directly or indirectly)	2011 (Class A Shares)	2010 (Class A Shares)
Sir Michael Bunbury	11,500	9,000
Jean-Bernard Schmidt	20,000	20,000
Keith Corbin	15,000	11,500
Paul Christopher	11,500	6,500
Andrew Moore	6,000	3,500

Substantial Shareholders

As at 31 January 2011, insofar as is known to HVPE, the following shareholders were interested, directly or indirectly, in 5% or more of the total issued Class A shares:

Shareholder	Number of Shares	% of Total Shares
State Teachers Retirement System of Ohio	15,327,677	18.47%
Washington State Investment Board	13,563,699	16.34
Oregon Public Employees Retirement Fund	9,573,190	11.53
Blackrock Investment Management UK Ltd.	8,478,700	10.22
Retirement Board of the Policemen's Annuity & Benefit Fund, City of Chicago	6,891,926	8.30
TOTAL	**53,835,192**	**64.86%**

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, the requirements of NYSE Euronext and the London Stock Exchange, and the applicable regulations under Dutch law. 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.

So far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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 Audited Consolidated Financial Statements with the requirements of U.S. generally accepted accounting principles.
2. The fairness of the management review included in the management report.

Corporate Governance

Statement of Compliance with the AIC Code

The directors place a high degree of importance on ensuring that high standards of corporate governance are maintained and have therefore chosen to comply with the provisions of the AIC Code of Corporate Governance for Investment Companies published October 2010 (AIC Code).

The Board of HarbourVest Global Private Equity Limited has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to HarbourVest Global Private Equity Limited.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions not relevant to the position of HarbourVest Global Private Equity Limited, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions. Other areas of non-compliance with the AIC Code by the Company, and the reasons therefore, are as follows:

- The Chairman is the senior independent director. This is not in accordance with recommendations of the AIC code but is felt to be appropriate for the size and nature of the Company.
- Each director is appointed for an initial term of three years and is subject to re-election by the holders of Class B shares every third year thereafter. This differs slightly from the requirement of the AIC Code where directors are subject to re-election at the first Annual General Meeting after their appointment.
- There is no separate nomination committee or remuneration committee, which is not in accordance with the AIC code. Given that the Board is wholly comprised of non-executive directors, the whole Board considers these matters.

Board Responsibilities

The Board meets at least four times a year and between these formal meetings there is regular contact with the Company Secretary. The directors are kept fully informed of investment and financial controls and other matters that are relevant to the business of the Company and should be brought to the attention of the directors. The directors also have access, where necessary in the furtherance of their duties, to professional advice at the expense of the Company.

Under the Investment Management Agreement, the Board has delegated to the Investment Manager substantial authority for carrying out the day-to-day management and operations of the Company, including making specific investment decisions. However, the Board can elect to direct the Investment Manager not to make a commitment to any particular investment that would otherwise be required pursuant to the Company's investment strategy. In addition to requiring regular approval by the Board, certain matters require the additional special approval of a majority of all of the HarbourVest-affiliated directors or a majority of the independent directors. Those matters requiring special approval are set out in the Company's Prospectus dated 2 November 2007.

In the financial year ended 31 January 2011, the Board met six times. All directors received notice of the meetings, the agenda, and supporting documents and were able to comment on the matters to be raised at the proposed meeting. Below is a summary of the director attendance at the Board meetings held in the financial year, compared against those for which they were eligible:

- Sir Michael Bunbury (6/6)
- Mr. Brooks Zug (6/6)
- Mr. George Anson (6/6)
- Mr. Jean-Bernard Schmidt (6/6)
- Mr. Andrew Moore (6/6)
- Mr. Keith Corbin (5/6)
- Mr. Paul Christopher (6/6)

The Board has a breadth of experience relevant to the Company, and the directors believe that any changes to the Board's composition can be managed without undue disruption. With any new director appointment to the Board, consideration will be given as to whether an induction process is appropriate.

Each director's performance is reviewed annually by the Chairman, and the performance of the Chairman is assessed by the remaining directors.

Committees of the Board

An Audit Committee has been established consisting of Mr. Keith Corbin (Chairman), Mr. Andrew Moore, 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 Company Secretary's compliance department and the external auditor.

In the financial year ended 31 January 2011, the Audit Committee met twice. Below is a summary of the director attendance at the committee meetings held in the financial year, compared against those for which they were eligible:

- Mr. Keith Corbin (1/2)
- Mr. Jean-Bernard Schmidt (2/2)
- Mr. Andrew Moore (2/2)

The terms of reference of the Audit Committee are available from the Company Secretary on request.

Internal Controls

The Board is responsible for the Company's systems of internal control, although the Audit Committee reviews the effectiveness of such systems and reports its findings to the Board. The Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Audited Consolidated Financial Statements, and is reviewed by the Board.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss. The Investment Manager has received a Type 1 SAS 70 Report (Report on Controls Placed In Operation) as of 30 April 2009 and its second Type II SAS 70 (Private Equity Fund Administration Report on Controls Placed in Operation and Tests of Operating Effectiveness) covering the period from 1 April 2010 to 30 September 2010 from its auditors.

The Company does not have an internal audit department. All of the Company's management and administration functions are delegated to independent third parties or the Investment Manager and it is therefore felt there is no need for the Company to have an internal audit facility. However, this matter will be reviewed annually.

Corporate Responsibility

The Company considers the ongoing interests of investors on the basis of open and regular dialogue with the Investment Manager. The Company keeps abreast of regulatory and statutory changes and responds as appropriate.

Going Concern

After making enquiries and given the nature of the Company and its investments, the directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the Audited Consolidated Financial Statements, and, after due consideration, the directors consider that the Company is able to continue in the foreseeable future.

Relations with Shareholders

The Board recognises the need to maintain sufficient contact with major shareholders to understand their issues and concerns. Members of the Board have had the opportunity to attend meetings with major shareholders, and the Board accesses major shareholders' views of HVPE via, among other things, direct face-to-face contact and analyst and broker briefings.

In addition, the Investment Manager maintains dialogue with institutional shareholders, the feedback from which is reported to the Board. The Company has also appointed Oriel Securities Limited and J.P. Morgan Cazenove as its joint corporate brokers to enhance communications with shareholders.

The Board monitors the Company's trading activity on a regular basis.

The Company reports formally to shareholders twice a year. In addition, current information is provided to shareholders on an ongoing basis through the Company's website and monthly newsletters. Shareholders may contact the directors through the Company Secretary.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditor. A resolution proposing their reappointment will be put to the shareholders at the Annual General Meeting.

By order of the Board

Michael Bunbury

Michael Bunbury
Chairman

Keith Corbin
Chairman of the Audit Committee

25 May 2011

Audited Consolidated Financial Statements

Independent Auditor's Report to the Members of Harbourvest Global Private Equity Limited

We have audited the consolidated financial statements of HarbourVest Global Private Equity Limited for the year ended 31 January 2011 which comprise the Consolidated Statement of Assets and Liabilities, Consolidated Schedule of Investments, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cash Flows, and the related Notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and accounting principles generally accepted in the United States (US GAAP).

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement Of Directors' Responsibilities set out on page 52, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Consolidated Financial Statements

In our opinion the consolidated financial statements:

- Give a true and fair view of the state of the company's affairs at 31 January 2011 and of its profit for the year then ended;
- Have been properly prepared in accordance with US GAAP; and
- Have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following:

- Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:
  - Proper accounting records have not been kept; or
  - The consolidated financial statements are not in agreement with the accounting records; or
  - We have not received all the information and explanations we require for our audit.

Andrew James Offen FCA
for and on behalf of Ernst & Young LLP
Guernsey
25 May 2011

Consolidated Statement of Assets and Liabilities
31 January 2011 and 2010

	31 JANUARY 2011	31 JANUARY 2010
ASSETS		
Investments *(Note 4)*	$928,236,161	$783,400,934
Cash and equivalents	13,951,887	10,602,303
Other assets	460,309	474,727
Total assets	**942,648,357**	**794,477,964**
LIABILITIES		
Notes payable *(Note 6)*	91,014,000	75,000,000
Put rights *(Note 10)*	2,458,009	—
Accounts payable and accrued expenses	1,781,506	1,117,242
Accounts payable to HarbourVest Advisers L.P. *(Note 9)*	217,510	127,518
Total liabilities	**95,471,025**	**76,244,760**
Commitments *(Note 5)*		
NET ASSETS	**847,177,332**	**718,233,204**
NET ASSETS CONSIST OF		
Class A shares, Unlimited shares authorised, 83,000,000 shares issued and outstanding, no par value	$847,177,231	$718,233,103
Class B shares, 10,000 shares authorised, 101 shares issued and outstanding, no par value	101	101
Net assets	**$847,177,332**	**$718,233,204**
Net asset value per share for Class A shares	**$10.21**	**$8.65**
Net asset value per share for Class B shares	**$1.00**	**$1.00**

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

The Audited Consolidated Financial Statements were approved by the Board on 25 May 2011 and were signed on its behalf by:

Michael Bunbury
Chairman

Keith Corbin
Chairman of the Audit Committee

Consolidated Schedule of Investments at 31 January 2011

U.S. FUNDS	Unfunded Commitment	Cumulative Amount Invested at or Since HVPE's Inception*	Cumulative Distributions Received at or Since HVPE's Inception*	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners IV-Partnership Fund L.P.	$2,800,000	$13,506,820	$9,263,413	$2,345,800	0.3%
HarbourVest Partners V-Direct Fund L.P.	—	4,365,345	3,801,600	1,602,193	0.2
HarbourVest Partners V-Partnership Fund L.P.	2,960,000	45,969,079	21,698,297	25,895,177	3.1
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	24,372,663	18,121,377	2.1
HarbourVest Partners VI-Partnership Fund L.P.	10,350,000	199,448,049	78,204,135	134,156,724	15.8
HarbourVest Partners VI-Buyout Partnership Fund L.P.	600,000	8,483,048	3,266,350	5,232,713	0.6
HarbourVest Partners VII-Venture Partnership Fund L.P. †	21,862,500	115,746,698	13,075,710	117,717,670	13.9
HarbourVest Partners VII-Buyout Partnership Fund L.P. †	12,600,000	65,667,291	13,759,462	54,697,872	6.5
HarbourVest Partners VIII-Cayman Mezzanine & Distressed Debt Fund L.P.	22,250,000	27,951,553	4,366,113	26,109,327	3.1
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	121,875,000	130,883,801	3,820,492	138,464,171	16.3
HarbourVest Partners VIII-Cayman Venture Fund L.P.	20,500,000	29,691,736	—	31,694,094	3.7
HarbourVest Partners 2007 Cayman Direct Fund L.P.	49,750,000	50,376,849	1,054,522	58,417,727	6.9
HarbourVest Partners IX-Cayman Buyout Fund L.P.	25,000,000	—	—	(6,828)	0.0
HarbourVest Partners IX-Cayman Credit Opportunities Fund L.P.	5,000,000	—	—	(1,274)	0.0
HarbourVest Partners IX-Cayman Venture Fund L.P.	20,000,000	—	—	(65,387)	0.0
TOTAL U.S. FUNDS	**316,860,000**	**738,812,677**	**176,682,757**	**614,381,356**	**72.5**

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

INTERNATIONAL/GLOBAL FUNDS	Unfunded Commitment	Cumulative Amount Invested at or Since HVPE's Inception*	Cumulative Distributions Received at or Since HVPE's Inception*	Fair Value	Fair Value as a % of Net Assets
HarbourVest International Private Equity Partners II-Direct Fund L.P.	—	980,279	669,967	241,341	0.0%
HarbourVest International Private Equity Partners II-Partnership Fund L.P.	2,900,000	23,463,610	14,033,639	7,035,873	0.8
HarbourVest International Private Equity Partners III-Partnership Fund L.P.	6,900,000	144,278,557	79,566,168	64,781,992	7.7
HarbourVest International Private Equity Partners IV-Direct Fund L.P.	—	61,452,400	—	40,212,541	4.8
HarbourVest International Private Equity Partners IV-Partnership Fund L.P.	7,500,000	122,272,051	47,238,606	83,172,426	9.8
Dover Street VII Cayman Fund L.P.	52,500,000	47,500,000	1,832,205	58,277,496	6.9
HIPEP V - 2007 Cayman European Buyout Companion Fund L.P. ‡	24,691,651	42,164,360	—	41,609,353	4.9
HIPEP VI-Cayman Partnership Fund L.P§	132,147,100	4,373,800	—	3,070,273	0.4
HarbourVest Senior Loans Europe**	—	14,409,000	158,090	15,453,510	1.8
TOTAL INTERNATIONAL/ GLOBAL FUNDS	**226,638,751**	**460,894,057**	**143,498,675**	**313,854,805**	**37.1**
TOTAL INVESTMENTS	**$543,498,751**	**$1,199,706,734**	**$320,181,432**	**$928,236,161**	**109.6%**

* 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.

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

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

** Fund denominated in British pounds. 10,000,000 shares held at 31 January 2011. Cumulative distributions include dividends received which are included as part of dividend income in the Consolidated Statement of Operations.

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

Consolidated Schedule of Investments at 31 January 2010

U.S. FUNDS	Unfunded Commitment	Cumulative Amount Invested at or Since HVPE's Inception*	Cumulative Distributions Received at or Since HVPE's Inception*	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners IV-Partnership Fund L.P.	$2,800,000	$13,506,820	$6,413,149	$3,502,988	0.5%
HarbourVest Partners V-Direct Fund L.P.	—	4,365,345	—	4,577,029	0.6
HarbourVest Partners V-Partnership Fund L.P.	2,960,000	45,969,079	15,876,869	27,314,394	3.8
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	15,757,664	22,978,848	3.2
HarbourVest Partners VI-Partnership Fund L.P.	14,231,250	195,566,799	40,613,777	145,335,668	20.2
HarbourVest Partners VI-Buyout Partnership Fund L.P.	600,000	8,483,048	1,590,594	5,675,554	0.8
HarbourVest Partners VII-Venture Partnership Fund L.P.†	29,812,500	107,796,698	1,963,198	103,489,782	14.4
HarbourVest Partners VII-Buyout Partnership Fund L.P.†	18,550,000	59,717,291	5,135,830	48,068,705	6.7
HarbourVest Partners VIII-Cayman Mezzanine & Distressed Debt Fund L.P.	31,250,000	18,951,553	—	17,228,979	2.4
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	157,500,000	95,258,801	1,486,488	83,621,111	11.7
HarbourVest Partners VIII-Cayman Venture Fund L.P.	26,250,000	23,941,736	—	22,540,812	3.1
HarbourVest Partners 2007 Cayman Direct Fund L.P.	60,000,000	40,126,849	—	40,709,098	5.7
TOTAL U.S. FUNDS	**345,266,250**	**660,406,427**	**88,837,569**	**525,042,968**	**73.1**

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

INTERNATIONAL/GLOBAL FUNDS	Unfunded Commitment	Cumulative Amount Invested at or Since HVPE's Inception*	Cumulative Distributions Received at or Since HVPE's Inception*	Fair Value	Fair Value as a % of Net Assets
HarbourVest International Private Equity Partners II-Direct Fund L.P.	—	980,279	669,967	256,310	0.1%
HarbourVest International Private Equity Partners II-Partnership Fund L.P.	2,900,000	23,463,610	12,937,387	8,361,550	1.2
HarbourVest International Private Equity Partners III-Partnership Fund L.P.	6,900,000	144,278,557	44,104,800	87,028,450	12.1
HarbourVest International Private Equity Partners IV-Direct Fund L.P.	—	61,452,400	—	39,086,151	5.4
HarbourVest International Private Equity Partners IV-Partnership Fund L.P.	11,250,000	118,522,051	35,618,477	79,286,973	11.0
Dover Street VII Cayman Fund L.P.	79,000,000	21,000,000	687,427	20,331,740	2.8
HIPEP V - 2007 Cayman European Buyout Companion Fund L.P.‡	40,454,660	27,262,450	—	23,551,389	3.3
HIPEP VI-Cayman Partnership Fund L.P.§	137,243,700	1,303,800	—	455,403	0.1
TOTAL INTERNATIONAL/ GLOBAL FUNDS	**277,748,360**	**398,263,147**	**94,018,058**	**258,357,966**	**36.0**
TOTAL INVESTMENTS	**$623,014,610**	**$1,058,669,574**	**$182,855,627**	**$783,400,934**	**109.1%**

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

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

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

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

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

Consolidated Statement of Operations
for the Years Ended 31 January 2011 and 2010

	2011	2010
INVESTMENT INCOME		
Dividends	$ 169,088	$ 69,386
Interest from cash and equivalents	200	311
Total investment income	**169,288**	**69,697**
EXPENSES		
Non-recurring liquidity plan expenses *(Note 10)*	1,809,203	—
Interest expense *(Note 6)*	1,667,996	1,435,691
Non-utilisation fees *(Note 6)*	1,662,313	1,719,333
Investment services *(Note 3)*	1,229,669	1,246,649
Professional fees	594,675	819,031
Directors' fees and expenses *(Note 9)*	364,069	336,942
Insurance expense	289,071	302,000
Administration fees *(Note 3)*	133,754	120,423
Marketing expenses	107,906	158,762
Other expenses	194,277	268,402
Total expenses	**8,052,933**	**6,407,233**
NET INVESTMENT LOSS	(7,883,645)	(6,337,536)
REALISED AND UNREALISED GAINS (LOSSES) ON INVESTMENTS AND PUT RIGHTS		
Net realised gain (loss) on investments	27,378,322	(27,232,274)
Net change in unrealised appreciation (depreciation) on:		
Investments	113,587,460	120,521,185
Put rights	(2,458,009)	—
Translation of other assets and liabilities denominated in foreign currency	(1,680,000)	—
Net change in unrealised appreciation (depreciation)	109,449,451	120,521,185
Net gain (loss) on investments and Put Rights	136,827,773	93,288,911
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$128,944,128	$86,951,375

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

Consolidated Statement of Changes in Net Assets for the Years Ended 31 January 2011 and 2010

	2011	2010
INCREASE IN NET ASSETS FROM OPERATIONS		
Net investment loss	$ (7,883,645)	$ (6,337,536)
Net realised gain (loss) on investments	27,378,322	(27,232,274)
Net change in unrealised appreciation (depreciation)	109,449,451	120,521,185
Net increase in net assets resulting from operations	128,944,128	86,951,375
NET ASSETS AT BEGINNING OF YEAR	718,233,204	631,281,829
NET ASSETS AT END OF YEAR	$847,177,332	$718,233,204

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

Consolidated Statement of Cash Flows for the Years Ended 31 January 2011 and 2010

CASH FLOWS FROM OPERATING ACTIVITIES	2011	2010
Net increase in net assets resulting from operations	$128,944,128	$86,951,375
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Net realised (gain) loss on investments	(27,378,322)	27,232,274
Net change in unrealised (appreciation) depreciation	(109,449,451)	(120,521,185)
Contributions to private equity investments	(126,628,160)	(73,811,721)
Purchase of private equity investment	(14,409,000)	—
Distributions from private equity investments	137,167,715	51,751,457
Change in other assets	14,418	(41,215)
Change in accounts payable to HarbourVest Advisers L.P.	89,992	(219,142)
Change in accounts payable and accrued expenses	664,264	(1,954,862)
Net cash used in operating activities	(10,984,416)	(30,613,019)
FINANCING ACTIVITIES		
Proceeds from notes payable	24,334,000	30,000,000
Payments on notes payable	(10,000,000)	(15,000,000)
Net cash provided by financing activities	14,334,000	15,000,000
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	3,349,584	(15,613,019)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	10,602,303	26,215,322
CASH AND EQUIVALENTS AT END OF YEAR	$ 13,951,887	$10,602,303
SUPPLEMENTAL DISCLOSURE		
Interest paid	$ 1,587,280	$ 1,339,638

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. The Company's registered office is Anson Place, Mill Court, La Charroterie St. Peter Port, Guernsey GY1 1EJ. 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 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 commenced on 6 December 2007, following the initial global offering of the Class A ordinary shares.

Share Capital

The Company's Class A shares are listed on the Specialist Fund Market ("SFM") of the London Stock Exchange and Euronext Amsterdam by NYSE Euronext under the symbol "HVPE". As of 31 January 2011 there are 83,000,000 issued Class A ordinary shares of no par value. The Class A shares are entitled to the income or increases and decreases in the net asset value 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 January 2011, 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 association 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

The directors have delegated the day-to-day operations of the Company to the Investment Manager pursuant to an investment management and services agreement. 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 to assist in the administrative functions of the Company.

Directors

The directors are responsible for the determination of the investment policy of the Company 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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's consolidated financial position.

Basis of Presentation

The consolidated financial statements include the accounts of HarbourVest Global Private Equity Limited and its five wholly owned subsidiaries, HVGPE - Domestic A L.P., HVGPE - Domestic B L.P., HVGPE - Domestic C L.P., HVGPE - International A L.P., and HVGPE - International B L.P. Each of the subsidiaries is a Cayman Islands limited partnership formed to facilitate the purchase of certain investments. All intercompany accounts and transactions have been eliminated in consolidation. Certain comparative amounts have been reclassified to conform to the current year's presentation.

Method of Accounting

The consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), The Companies (Guernsey) Law, 2008, and the Principal Documents. Under applicable rules of Dutch law implementing the EU Transparency Directive, the Company is allowed to prepare its financial statements in accordance with U.S. GAAP instead of IFRS or Dutch GAAP.

Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Investments

Investments are stated at fair value in accordance with the Company's investment valuation policy. The 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 ASC 820, the currency in which the investment is denominated, and other information deemed appropriate. The Company determines whether it is appropriate to value the investments based on the capital account balance provided by the investment partnerships or to adjust such value. This valuation does not necessarily reflect amounts that might ultimately be realised from the investment and the difference can be material. Securities for which a public market does exist are valued by the Company at quoted market prices at the balance sheet date. Generally, the partnership investments have a defined term and cannot be transferred without the consent of the General Partner of the limited partnership in which the investment has been made.

Foreign Currency Transactions

The currency in which the Company operates is U.S. dollars, which is also the presentation currency. Transactions denominated in foreign currencies are recorded in the local currency at the exchange rate in effect at the transaction dates. Foreign currency investments, investment commitments, cash and equivalents, and other assets and liabilities are translated at the rates in effect at the balance sheet date. Foreign currency translation gains and losses are included in realised and unrealised gains (losses) on investments as incurred. The Company does not segregate that portion of realised or unrealised gains and losses attributable to foreign currency translation on investments.

Cash and Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amount included in the balance sheet for cash and equivalents approximates the fair value. The Company maintains bank accounts denominated in U.S. dollars, in euros, and in pound sterling. The Company may invest excess cash balances in highly liquid instruments such as certificates of deposit, sovereign debt obligations, and commercial paper as well as money market funds that are highly rated by the credit rating agencies.

Investment Income

Investment income includes interest from cash and equivalents and dividends. Dividends are recorded when they are declared and interest is recorded when earned.

Operating Expenses

Operating expenses include amounts directly incurred by the Company as part of its operations, and do not include amounts incurred from the operations of the investment entities.

Net Realised Gains and Losses on Investments

For investments in private equity funds, the Company records its share of realised gains and losses as reported by the investment managers. For investments in publicly-traded securities, the Company records its share of realised gains and losses as the difference between the original cost of the securities and the related market price at the sale

Net Change in Unrealised Appreciation and Depreciation on Investments

Gains and losses arising from changes in investment values in private equity funds are recorded as an increase or decrease in the unrealised appreciation or depreciation of investments. For investments in publicly-traded securities, the differences between the original cost and the estimated fair value of investment securities owned at the end of the period represent unrealised appreciation or depreciation of investments.

Income Taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Company exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended) and the Company will be charged an annual exemption fee of £600.

Income may be subject to withholding taxes imposed by the U.S. or other countries which will impact the Company's effective tax rate.

Investments made in entities that generate U.S. source income may subject the Company to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30% may be applied on the distributive share of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that is received directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes. Furthermore, investments made in entities that generate income that is effectively connected with a U.S. trade or business may also subject the Company to certain U.S. federal and state income tax consequences. The U.S. requires withholding on effectively connected income at the highest U.S. rate (generally 35%). In addition, the Company may also be subject to a branch profits tax which can be imposed at a rate of up to 30% of any after-tax, effectively connected income associated with a U.S. trade or business. However, no amounts have been accrued.

The Company accounts for income taxes under the provisions of ASC 740, "Income Taxes." This standard establishes consistent thresholds as it relates to accounting for income taxes. It defines the threshold for recognising the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than fifty percent likely to be realised. For the year ended 31 January 2011, the Investment Manager has analysed the Company's inventory of tax positions taken with respect to all applicable income tax issues for all open tax years (in each respective jurisdiction), and has concluded that no provision for income tax is required in the Company's financial statements.

Shareholders in certain jurisdictions may have individual tax consequences from ownership of the Company's shares. The Company has not accounted for any such tax consequences in these consolidated financial statements.

Market and Other Risk Factors

The Company's investments are subject to various risk factors including market, credit, interest rate, and currency risk. Investments are based primarily in the U.S. and Europe and thus have concentrations in such regions. The Company's investments are also subject to the risks associated with investing in leveraged buyout and venture capital transactions that are illiquid and non-publicly traded. Such investments are inherently more sensitive to declines in revenues and to increases in expenses that may occur due to general downward swings in the world economy or other risk factors including increasingly intense competition, rapid changes in technology, changes in federal, state and foreign regulations, and limited capital investments.

Note 3. Material Agreements and Related Fees

Administration Agreement

The Company has retained Anson Fund Managers Limited ("AFML") as Company Secretary and Administrator. Fees for these services are paid as invoiced by AFML and include an administration fee of £22,000 per annum, a secretarial fee of £25,000 per annum, an additional value fee equal to 1/12 of 0.005% of the net asset value of the Company above $100 million as at the last business day of each month, and reimbursable expenses. During the year ended 31 January 2011, fees of $112,502 were incurred to AFML.

Registrar

As of 6 May 2010, the Company has retained Capita as share registrar. Fees for this service include an annual base fee of £7,500 per annum and a £5,000 put right registration fee over the 18-month life of the put rights. Anson Registrars Limited ("ARL") served as share registrar for the period ended 6 May 2010. During the year ended 31 January 2011, registrar fees of $21,252 were incurred.

Independent Auditor's Fees

For the year ended 31 January 2011, $100,000 has been accrued for auditor's fees and is included in professional fees in the Consolidated Statement of Operations.

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. During the year ended 31 January 2011, reimbursements for services provided by the Investment Manager were $1,229,669. The Investment Manager does not charge HVPE management fees or performance fees other than with respect to parallel investments (of which there are none at 31 January 2011). As an investor in the HarbourVest funds, HVPE is charged the same management fees and subject to the same performance allocations as other investors in such HarbourVest funds. A management fee will be paid for any parallel investments made by the Company consistent with the fees charged by the fund alongside which the parallel investment is made.

Note 4. Investments

Net gain includes the following activity related to the Company's investments:

FOR THE YEAR ENDED 31 JANUARY 2011

Net realised gain (loss) on investments	$ 27,378,322
Net change in unrealised appreciation (depreciation) on investments	113,587,460
Net gain (loss) on investments	**$140,965,782**

In accordance with the ASC 820, "Fair Value Measurements and Disclosures," the Company reports its investments at fair value.

The hierarchy established under the FASB Fair Value Topic gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). As required by the FASB Fair Value Topic, the partnership investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under the FASB Fair Value Topic, and its applicability to the Company's investments, are described below:

- **Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) on which they trade.

- **Level 2** – Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security.

- **Level 3** – Pricing inputs are unobservable for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Level 3 includes private investments that are supported by little or no market activity.

  Level 3 partnership investments include limited partnership interests in other investment partnerships. The inputs used by the Investment Manager in estimating the value of Level 3 investments 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 ASC 820, the currency in which the investment is denominated, and other information deemed appropriate. The Company determines whether it is appropriate to value the investments based on the capital account balance provided by the investment partnerships or to adjust such value. This valuation does not necessarily reflect amounts that might ultimately be realised from the investment.

The following table summarises the Company's investments that were accounted for at fair value by Level within the fair value hierarchy under FASB Fair Value Topic:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Balance at 31 January 2009			**$668,051,759**	**$668,051,759**
Contributions to investments			73,811,721	73,811,721
Net realised loss on investments	—	—	(27,232,274)	(27,232,274)
Net change in unrealised appreciation (depreciation) on investments related to investments still held	—	—	120,521,185	120,521,185
Distributions received from investments	—	—	(51,751,457)	(51,751,457)
Transfers in and/or (out) of Level	—	—	—	—
Balance at 31 January 2010	**—**	**—**	**$783,400,934**	**$783,400,934**
Purchase of investment	$14,409,000	—	—	14,409,000
Contributions to investments	—	—	126,628,160	126,628,160
Net realised gain (loss) on investments	—	—	27,378,322	27,378,322
Net change in unrealised appreciation (depreciation) on investments related to investments still held	1,044,510	—	112,542,950	113,587,460
Distributions received from investments	—	—	(137,167,715)	(137,167,715)
Transfers in and/or (out) of Level	—	—	—	—
Balance at 31 January 2011	**$15,453,510**	**—**	**$912,782,651**	**$928,236,161**
Net change in unrealised gain (loss) on investments related to investments still held at 31 January 2011				**$113,587,460**

Investments include limited partnership interests in private equity partnerships, all of which carry restrictions on redemption. The Company recognises transfers at the current value at the transfer date.

The investments are non-redeemable and the Investment Manager estimates an average remaining life of 9.1 years with 1 to 18 years remaining (excluding HarbourVest Senior Loans Europe Limited).

Note 5. Commitments

As of 31 January 2011, the Company has unfunded investment commitments to other limited partnerships of $543,498,751 which are payable upon notice by the partnerships to which the commitments have been made. Unfunded investment commitments of $156,838,751 within this balance are denominated in euros.

Note 6. Notes Payable

On 4 December 2007 the Company entered into an agreement with Bank of Scotland plc regarding a multi-currency revolving credit facility ("Facility") for an aggregate amount up to $500 million. Amounts borrowed against the Facility accrue interest at LIBOR/GBP LIBOR plus 1.5% per annum. At 31 January 2011, interest rates on the outstanding balance ranged from 1.76063% to 2.16264%. The Facility expires on 4 December 2014. The Facility is secured by the private equity investments and cash 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 January 2011, $91,014,000 was outstanding against the Facility. The Company is required to pay a non-utilisation fee calculated as 40 basis points per annum on the daily balance of the unused Facility amount. For the year ended 31 January 2011, $1,662,313 in non-utilisation fees and $1,667,996 in interest expense have been incurred.

Note 7. Financial Highlights*

For the years ended 31 January 2011 and 2010

CLASS A SHARES	2011	2010
PER SHARE OPERATING PERFORMANCE:		
Net Asset Value, beginning of year	$8.65	$7.61
Net investment loss	(.09)	(.08)
Net realised and unrealised gains (losses)	1.65	1.12
Total from investment operations	**1.56**	**1.04**
Net asset value, end of year	$10.21	$8.65
Total return:	**18.0%**	**13.7%**
RATIOS TO AVERAGE NET ASSETS		
Expenses†	1.03%	0.95%
Expenses-excluding non-recurring Liquidity Plan expenses†	0.80%	—
Net investment income (loss)	(1.01)%	(0.94)%
PORTFOLIO TURNOVER‡	0.0%	0.0%

* The class B shares are not entitled to any income or increases and decreases in the net asset value of the Company.

† Does not include operating expenses of underlying investments.

‡ The turnover ratio has been calculated as the number of transactions divided by the average net assets.

Note 8. Publication and Calculation of Net Asset Value

The Net Asset Value ("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 NAV per share or the Class A shares as calculated, monthly in arrears, as 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 $217,510 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 January 2011.

One of the directors, Paul Christopher, is a Partner of Mourant Ozannes, which acts as Guernsey counsel to the Company. HarbourVest fund-of-funds invest in partnerships managed by Sofinnova Partners, of which Director Jean-Bernard Schmidt is a former Managing Partner.

Each director, with the exception of the Chairman, Keith Corbin, D. Brooks Zug, and George R. Anson, is paid an annual fee of $50,000 per annum, paid quarterly. The Chairman of the Board receives an annual fee of $100,000 plus $10,000 for expenses. The Chairman of the Audit Committee receives an annual fee of $60,000. George R. Anson and D. Brooks Zug do not receive any fee from the Company. Board-related expenses, primarily compensation, of $364,069 were paid during the year ended 31 January 2011.

Note 10. Put Rights

On 12 May 2010, HVPE was admitted to the Specialist Fund Market of the London Stock Exchange. In conjunction with the listing, on 18 May 2010, HVPE's joint corporate brokers coordinated a secondary placing of 4.8 million shares of HVPE held by existing shareholders. HVPE provided a put right to purchasers of the shares for both shares purchased in the secondary placing and for shares purchased thereafter, in the public markets. The put right allows shareholders to sell their shares back to HVPE on 15 November 2011 at the lower of $5.75 or estimated Economic NAV per share as at 31 October 2011. 4,763,208 puts were issued in connection with the secondary placing, with 2,193,313 additional puts available to be issued to eligible purchasers of shares in the market. As of 31 January 2011, 6,851,486 put rights were issued and outstanding. On 6 October 2010, HVPE closed the market put right offer and the remaining 105,035 put rights remained unissued. The Investment Manager has used a binomial option pricing model to value the put liability. As of 31 January 2011, the fair value of the liability associated with the put rights was $2,458,009 and is included in the Consolidated Statement of Operations under net change in unrealised appreciation (depreciation) on investments and put rights. Non-recurring expenses associated with the liquidity plan totalled $1,809,203 and were expensed.

The Company's maximum obligation under the put offer is $39.4 million of stock buyback in November 2011, which would be funded through available resources, including HVPE's credit facility. Any share repurchase under the put right offer would be either neutral or accretive to HVPE's NAV per share.

Note 11. 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.

Note 12. Subsequent Events

In the preparation of the financial statements, the Company has evaluated the effects, if any, of events occurring after 31 January 2011 through the date that the financial statements were issued.

Share Buyback Programme

In March 2011, HVPE announced a share Buyback Programme. The Company has appointed J.P. Morgan Cazenove and Oriel Securities Limited (the Joint Brokers) to effect on-market repurchases of class A ordinary shares (Shares) on behalf of the Company on the Specialist Fund Market (SFM) of the London Stock Exchange. The Joint Brokers may purchase shares from time to time on instruction from HVPE or, during closed periods when HVPE would otherwise be prohibited from purchasing its own shares, at their absolute discretion, provided that:

(i) The maximum aggregate number of Shares authorised to be purchased (together with the 6,851,486 shares underlying the Company's put rights) shall be 12,441,700 or 14.99% of outstanding Shares; and

(ii) With respect to the shares purchased in the market under the Buyback Programme, the minimum price payable by the Company for each Share shall be $0.01 and the maximum price payable by the Company for each Share shall be not more than 105% of the average of the middle market quotations for the Shares for the five business days immediately preceding the day on which that Share is purchased. For clarification, the maximum price limit above shall not be applicable to any shares repurchased by the Company as a result of the exercise of the put rights.

Shares bought back under the buyback programme will be cancelled.

Pending Sale of *Nycomed SCA-SICAR*

On 19 May 2011, Takeda Pharmaceutical Company Limited announced its intention to acquire *Nycomed*, HVPE's largest underlying company at 31 January 2011, for €9.6 billion. HVPE holds *Nycomed* directly via HIPEP IV Direct and indirectly through primary and secondary positions. The transaction is expected to close in September 2011.

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 increase on a temporary basis, 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, 17% 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. Currency movements also affect the Company's NAV. Approximately 27% of the HVPE portfolio is denominated in non-U.S. dollar currencies, primarily euros, which results in NAV declines during periods of U.S. dollar appreciation.

Balance Sheet Risks

The Balance Sheet Management section of this document describes HVPE's balance sheet strategy and a willingness to temporarily increase leverage to finance the stock buyback programme and the potential investment in Absolute Private Equity, Ltd. The Company also continues to maintain its over-commitment strategy and may have to draw on its credit facility to bridge periods of negative cash flow when capital calls are greater than distributions. As part of its 2010 Liquidity Plan, the Company also has the potential obligation to fund up to $39 million of share repurchases in November 2011, should the Put Rights offered under the Liquidity Plan be exercised. The level of potential borrowing available under the credit facility is negatively affected by declining NAVs. Therefore, in a period of declining NAVs, reduced distributions, and rapid substantial capital calls, 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. All of HVPE's assets are invested in HarbourVest funds. Additionally, HarbourVest employees play key roles in the operation of the Company. The CFO of HVPE has recently announced his intention to leave HarbourVest, effective 31 May 2011. The departure or reassignment of some or all of HarbourVest's professionals could have a negative impact on HVPE.

Trading Illiquidity and Price

While trading in HVPE shares has increased over the last year as a result of the Company's 2010 Liquidity Plan, the stock continues to experience periods of illiquidity. Due to illiquidity concerns, HVPE may trade at a discount to its peer group and experience price volatility. 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. While HVPE's share price has increased 24% from 31 December 2010 to 30 April 2011, and its discount has narrowed to 33% as of 30 April, as HVPE's share price moves closer to NAV, it may encourage sellers to enter the market, causing the share price to become more volatile and subsequently decline.

Key References

HarbourVest

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 has its headquarters in Boston and three wholly-owned subsidiaries, HarbourVest Partners (U.K.) Limited, in London, HarbourVest Partners (Asia) Limited, in Hong Kong, and HarbourVest Partners (Japan) Limited, in Tokyo, established in 1990, 1996, and 2010, respectively.

The HarbourVest Team

The team originated in the late 1970s when D. Brooks Zug and Edward W. Kane began making primary investments on behalf of John Hancock, a Boston-based insurance company. In 1982, they founded Hancock Venture Partners, Inc. (HVP Inc.). On 29 January 1997, the management team of HVP Inc. formed a new management company known as HarbourVest Partners, LLC or HarbourVest, which assumed responsibility for all prior investment activities of HVP Inc. Concurrent with the formation of HarbourVest, all of the employees of HVP Inc. became owners and/or employees of HarbourVest.

Key Definitions and Methodologies

Asset Test Covenant

- Covenant in HVPE's credit facility that limits borrowings (and other liabilities) to 40% of the sum of HVPE's NAV of Investments and cash, subject to certain adjustments
- Key borrowing constraint that determines the maximum amount HVPE is able to borrow under its facility

Available Credit Facility

- Amount of HVPE's $500 million credit facility currently available to be drawn subject to the most restrictive covenant limit applicable

Commitment Coverage Ratio (Allocated)

- Sum of cash on the balance sheet and Available Credit Facility (together, "Liquid Resources") divided by Unfunded Commitments (Allocated to Underlying Partnerships)

Commitment Coverage Ratio (Total Unfunded)

- Sum of cash on the balance sheet and Available Credit Facility (together, "Liquid Resources") divided by Total Unfunded Commitments

Commitment Level Ratio (Allocated to Underlying Partnerships)

- Sum of the NAV of Investments and Unfunded Commitments (Allocated to Underlying Partnerships) divided by Economic NAV

Commitment Level Ratio (Total Unfunded)

- Sum of the NAV of Investments and Total Unfunded Commitments divided by Economic NAV

Direct Investment

- Acquisition of equity participation or debt in an operating business

Diversification

- The diversification analysis of HVPE's portfolio is based on the fair value of the underlying investments, as estimated by the Investment Manager.
  - **Strategy, vintage year, and geography diversification** are based on the net asset value of Primary and Secondary Investments within HVPE's fund-of-funds and Direct Investments within HVPE's direct funds.
  - **Industry and year of investment diversification** is based on the reported value of the underlying company investments.
  - 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.

Economic NAV
- NAV excluding the fair market value of liabilities associated with the Put Rights issued as part of the Company's 2010 Liquidity Plan

NAV
- The sum of the NAV of Investments and cash and other assets less the fair market value of HVPE's liabilities

NAV per Share
- NAV divided by number of shares outstanding

Net Leverage Ratio
- Measure of borrowing relative to NAV; Outstanding debt less cash, divided by Economic NAV

Net Asset Value (NAV) of Investments
- Total NAV (which represents fair market value) of all Underlying Investments

Parallel Investment
- Investment in a primary, secondary, or direct investment alongside a HarbourVest fund on the same terms at the same time

Primary Investment
- Investment in a private equity fund during its initial fund-raising

Secondary Investment
- Purchase of interests (either directly or indirectly) in private equity funds after their initial fund-raising and after some or all capital has already been invested by those funds in operating companies, as well as the purchase of a portfolio of interests in operating companies

Total Private Equity Exposure
- Sum of NAV of Investments and Total Unfunded Commitments

Total Unfunded Commitments
- Capital committed to a HarbourVest fund that has not yet been called
- Sum of Unfunded Commitments (Allocated to Underlying Partnerships) and Unfunded Commitments (Not Allocated to Underlying Partnerships)

Underlying Investments
- Investments in funds or companies in which HVPE has an interest through its investment in HarbourVest fund(s)

Unfunded Commitments (Allocated to Underlying Partnerships)
- Capital committed to a HarbourVest fund that has been allocated to an underlying partnership but has not yet been called
- Includes all capital committed to secondary and direct HarbourVest funds

Unfunded Commitments (Not Allocated to Underlying Partnerships)
- Capital committed to a HarbourVest fund that has not yet been allocated by such HarbourVest fund to an underlying partnership

Vintage Year
- Vintage year is generally the year in which an underlying private equity fund begins to invest capital. Although a private equity fund ultimately invests capital over several years, it has only one vintage year. For a fund-of-funds, vintage year is presented as the range of vintage years during which it made commitments to underlying partnerships. A fund's vintage year can provide a sense of the market environment during which it made investments. Additionally, grouping similar funds by vintage year allows for performance comparison among those funds. For HVPE's portfolio, vintage year is determined on the following basis:
  - **Primary Investments:** year of first capital call
  - **Secondary Investments:** year of purchase
  - **Direct Investments:** year of first capital call of HarbourVest direct fund

Year of Investment
- Year of partnership's initial investment in a company

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 Net Asset Value 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. Economic NAV excludes the "fair value" of liabilities, booked under U.S. GAAP, related to Put Rights the Company has issued in connection with its Liquidity Plan. The Company's Investment Manager believes that Economic NAV per share is the most appropriate measure of economic value for investors. The Company intends to publish the Economic 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.

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Key Information

Exchanges	**Euronext Amsterdam & London Stock Exchange**
Ticker	**HVPE**
Listing Date	**6 December 2007 (Euronext) 12 May 2010 (LSE)**
Fiscal Year End	**31 January**
Base Currency	**U.S. Dollars**
ISIN	**GG00B28XHD63**
Bloomberg	**HVPE NA, HVPE LN**
Reuters	**HVPE.AS, HVPE.L**
Common Code	**032908187**
Amsterdam Security Code	**612956**
Investment Manager	**HarbourVest Advisers L.P.** (affiliate of HarbourVest Partners, LLC)
Registration	**Netherlands Authority for the Financial Markets**
Fund Consent	**Guernsey Financial Services Commission**
Issued Shares	**83,000,000 Class A Ordinary Shares**

2011 Calendar

Monthly NAV Estimate
Generally within 15 days of Month End

Interim Management Statement
June 2011 / November 2011

Semi-Annual Report and Unaudited Consolidated Financial Statements
September 2011

Annual Information Document
June 2011

www.hvgpe.com