HARBOURVEST
GLOBAL PRIVATE EQUITY

# ANNUAL REPORT &

## Audited Consolidated Financial Statements

31 JANUARY 2015

# 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.

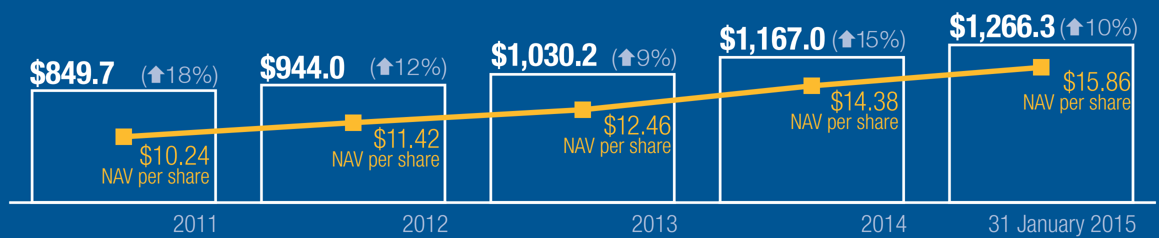
# Key Highlights /

## At or during the financial year ended

| | Twelve Months Ended 31 January 2015 | Twelve Months Ended 31 January 2014 |
|---|---|---|
| NAV Per Share | +10% | +15% |
| Invested in HarbourVest Funds | $162m | $163m |
| Investment Portfolio Growth | $128m | $169m |
| Cash Realisations | $356m | $257m |
| Realised Uplifts (from Carrying Values) | +42% | +50% |
| Share Price | +18% | +24% |
| Average Daily Trading Volume | 75k | 45k |
| Gearing | 0% | 8% |

10%
NAV Growth

HVPE NET ASSET VALUE GROWTH ($ millions except per share data)



During the financial year ended 31 January 2015, HVPE received a record $356 million of realisations (39% above the prior financial year and the highest level since inception) as the HarbourVest funds distributed proceeds from M&A transactions, IPOs, and recapitalisations.

2015 SPOTLIGHT

# Mature Phase (Realisations)

## The Private Equity Cycle

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

**$356 million**
Record Realisations Received

**9 Largest Holdings** at 31 January 2014
Completed or Announced Realisations

**196 M&A / 100 IPO Events**
Venture Portfolio

**215 M&A / 55 IPO Events**
Buyout / Other Portfolio

**47**
Average Liquidity Events per Month

**42%**
Uplift on Carrying Value*

wayfair

- $2 million†
- October 2014 IPO (W) and sale of shares
- Holding at 31 January 2014: 0.83%
- Uplift on carrying value: 8%‡
- Remaining value of $7m

YORK Risk Services Group

- $14 million†
- October 2014 sale to Onex Corporation
- HVPE holding at 31 January 2014: 0.60%
- Uplift on carrying value: 100%‡
- Fully realised

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

† Approximate HVPE proceeds received to date

‡ Carrying value is defined as the value at the month end prior to the first announcement of a transaction. The calculation excludes any impact from management fees and carried interest.

MISSION STATEMENT

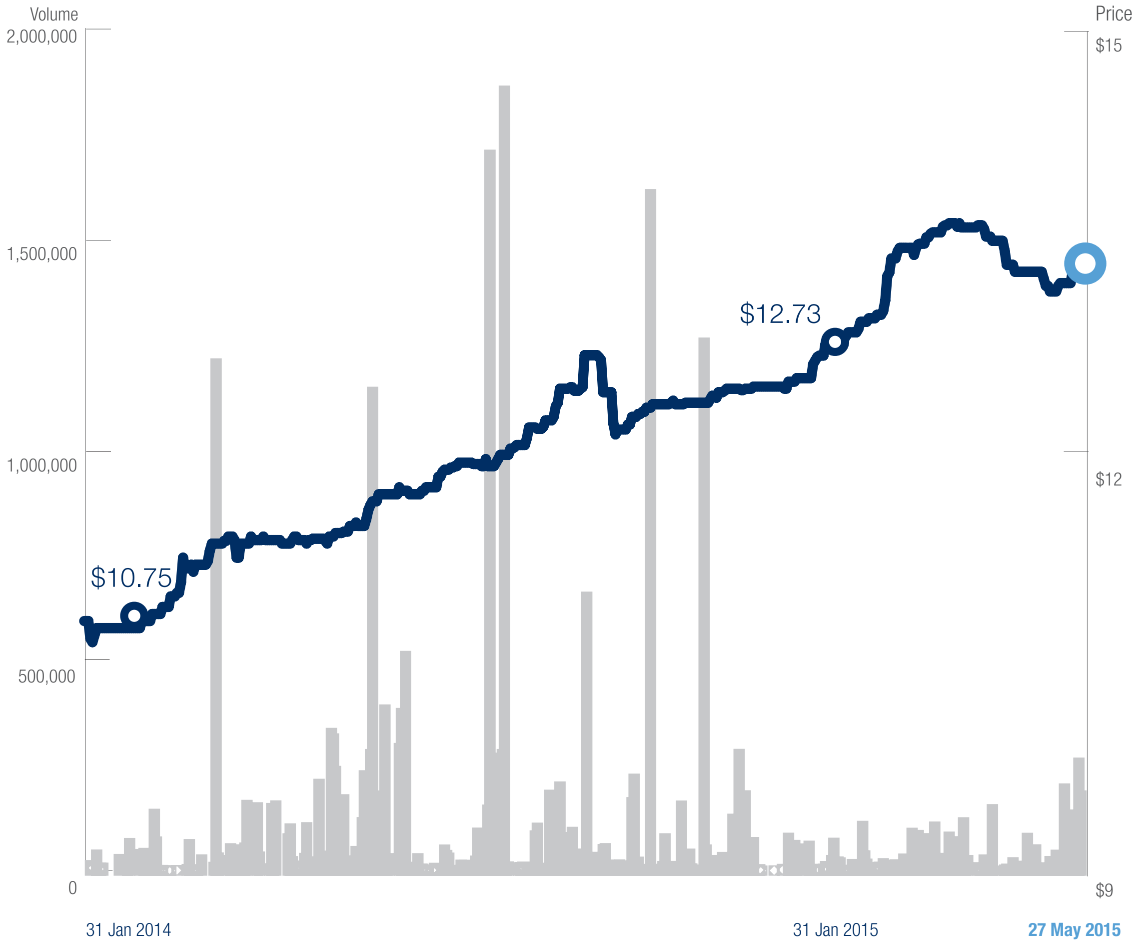
"Deliver superior returns to shareholders by distinguishing HVPE as a **top performing, transparent, and easily accessible listed** private equity multi-manager fund."

## Share Price and Trading Volume

- HVPE's share price increased 18% during the twelve months ended 31 January 2015 to $12.73 ($13.25 as at 27 May).
- Trading volume increased, and 24% of issued and outstanding shares traded during the financial year.
- During the twelve months ended 31 January 2015, an average of 74,650 shares traded each day (compared to 45,400 during the same period in 2014).
  - Improved liquidity helps to ensure that HVPE is tradeable for new and existing investors.

Share Price at 27 May 2015

# $13.25




## MAIN MARKET LISTING

In March 2015, HVPE's Chairman announced plans to list the Company on the Main Market of the London Stock Exchange in September 2015, providing the widest possible base of investors with access to high-performing private equity funds. This plan is detailed in the Chairman's Letter of the Annual Report.

# Chairman's Letter /

Dear Shareholder,

A year ago I wrote of significant progress for many public stock markets, of considerable activity in the private equity sphere and the opportunity for realisations at attractive prices. The year to 31 January 2015 has seen a repeat of the year before although in some areas that activity has become supercharged. The ready availability of credit and unprecedentedly low interest rates have been two factors in fuelling the extremely robust demand for trophy assets and for companies which are perceived to have strong growth potential. The opportunity for realisations at attractive prices has resulted in your Company generating strong returns and ending the year with substantial cash balances.

**Asset Values, Discounts and Share Trading**

The year to 31 January 2015 was a year of further progress for your Company, HarbourVest Global Private Equity ("HVPE" or the "Company") which recorded its sixth consecutive year both of growth in net asset value ("NAV") and continued narrowing of the discount to NAV at which the shares traded. NAV per share grew by 10.3% to $15.86 which once again outpaced the rise in the MSCI All World Index of 7.4%. Over the financial year HVPE's share price rose from $10.75 to $12.73, an increase of 18.4%, and the discount per share at which the shares traded narrowed from 25.2% to 19.7%.

For several years I have drawn attention to the scope for the discount to narrow from the 40%+ level at which the shares traded in the aftermath of the global financial crisis. The whole listed private equity sector was out of favour with concerns about valuations and ability of companies to continue with their stated strategies. As investors have become increasingly confident in those companies, such as HVPE, which have come through the crisis with their strategies intact, the scope for narrowing of discounts has turned into reality.

It is not always easy to track all of the trading in the Company's shares. However, it is estimated that approximately 19.4 million shares were traded during the year, being some 24.3% of the total outstanding. To the best of the Company's knowledge, the percentage of shares held by US Persons at 31 January 2015 was below 50% and continues to be as at the date of this letter.

**Timetable for and consequences of a move to become Premium Listed on the Main Market of the London Stock Exchange**

On 28 March 2015 I wrote to shareholders reporting on the progress towards a Main Market listing in London. Such a move has been the goal of your Company's Board and of the Investment Manager, HarbourVest Partners ("HarbourVest") since 2013. Both the Board and Investment Manager, together with the Company's corporate brokers, believe that such a move is desirable to enhance the reputation of the Company and to widen its appeal to include those prospective investors who are not permitted to buy shares unless they have full voting rights and are listed on a senior market. In addition, assuming that the Company is able in due course to enter the FTSE All Share Index, and possibly also the FTSE 350 Share Index, such a move would result in investment by index funds.

One of the pre-conditions for entry into the FTSE All Share Index is that the share quote is required to be denominated in the Pound Sterling rather than the US Dollar in which the Company's shares have hitherto been quoted. However, the functional currency of the Company, namely the US Dollar will remain unchanged, and the Board will report both monthly and at other reporting periods in US Dollars. The Board will also continue to monitor and measure the progress of the Company in US Dollars. Nevertheless as the quote will be in Pounds Sterling, shareholders should note that the price quoted will be affected, possibly significantly, by exchange rate movements between the Dollar and the Pound.

Progress towards that listing has been slower than I might have hoped, principally as US Persons continued to own in excess of 50% of the Company's shares. I was pleased to report in March that that issue has been resolved by certain US shareholders selling part of holdings such that the Company believes that the percentage owned by US Persons is now below 50%.

In connection with the Main Market listing, the Company will for technical reasons need to adopt revised articles of incorporation ("Articles"). The new Articles will, however, be unusual in two regards:

a) Whilst HarbourVest continues as Investment Manager of the Company it will have the right to nominate up to two non-independent directors for election or re-election to the Board at each annual general meeting of the Company. As I reported in March, the Board considers this to be an appropriate provision in the light of the specialist skills that HarbourVest will continue to deliver to ensure the success of the Company and its role as a flagship “shop window” for HarbourVest.

b) The independent directors will normally be subject to re-election every third year save that those who have served nine or more years will be subject to annual re-election. Four of the Company’s present independent directors, including myself, were appointed at launch in 2007 and so will have served for nine years in October 2016.

Other than these two points, the new Articles are largely in usual form for a Guernsey domiciled company and the independent directors, who will at all times continue to constitute a majority on the Board with an independent director as Chairman, will be recommending that all shareholders vote in favour of the adoption of those revised Articles. Once listed, all shares will have equal voting rights and, at the Board, normal corporate governance rules will apply to voting on any matter in which a director has a personal interest.

Preparation for the move to the Main Market has entailed the negotiation of an amended Investment Management Agreement between the Company and HarbourVest. Again in my March letter I set out the key changes which include provisions for a 12-month notice period, as opposed to the present 24 months, and for compensation to be paid to HarbourVest in the event of a “no fault” termination by either party. Full details will be contained in the Circular to shareholders expected to be posted in July as will the text of the Company’s updated Investment Policy which takes into account both of the constitutional changes outlined here and developments since the Company’s IPO in 2007. The independent directors have approved the key changes and will be recommending that shareholders vote in favour of the amended Investment Management Agreement and the Investment Policy.

The March letter set out a prospective timetable which remains largely unchanged save for the date of an informal shareholders’ meeting in London which has been brought forward from August, as I had originally indicated, to Monday 15 June. HarbourVest has recently issued invitations and details by email. However, any shareholder who has not received those details but would like to attend in person or by telephone/video link please contact Richard Hickman at rhickman@harbourvest.com.

As indicated, the Company expects to post the Circular and voting forms to shareholders in July. There will follow a General Meeting of the Company which is expected to be held on Thursday 27 August in Guernsey. The date will be confirmed in the Circular. In order to implement the necessary changes to permit the Main Market listing, the approval of shareholders holding at least 75% of the shares held by those shareholders voting at the meeting, whether in person or by proxy, will be required to pass the various resolutions. Assuming that the resolutions are passed the Company currently expects that the Main Market listing will take place in the week commencing 7 September.

The Company has appointed JPMorgan Cazenove and Jefferies International as joint Sponsors and Herbert Smith Freehills LLP as legal advisers. That team will be responsible for agreeing the appropriate documentation and permissions that will be necessary in order to permit the Main Market listing. All three firms have confirmed to the Board that, as at the date of this letter, they see no reason why consent for the listing should not be granted by the relevant authorities.

### The Company, its Portfolio and Balance Sheet, Cash Distribution and Fees

HVPE’s recent annual reports have consistently demonstrated that, when verified by transactions, valuations of private equity assets have tended to be conservative. In addition, the strength of HVPE’s balance sheet has permitted the Company to continue its strategy of making regular commitments through bad times and good. That strategy has continued throughout the year to 31 January 2015 and indeed the pace of commitment has been stepped up as the size of the Company has grown and its balance sheet has developed. At the year end the Company had total outstanding commitments of $734 million. New commitments made since the year end have raised that figure to nearly $1 billion and the strategic plans for the Company indicate that, in order to lay the ground for NAV growth in the future, the pace of new commitments is likely to continue at a relatively high level. As I have written in earlier letters, this will result in the Company’s financial ratios being significantly differentiated from most of its peers.

At the Board’s request, the Investment Manager has undertaken extensive modelling of various scenarios, including the possibility of a re-run of a financial crisis as severe as that of 2008/9. The Board believes that the projections for the balance sheet are reasonable under every scenario that has been modelled and that the strategy is appropriate to deliver superior value for shareholders in this particular company. Part of the modelling has included an extensive review of cash flows arising from individual fund-of-funds and the way those aggregate together to smooth and reduce any prospective net draw-down of cash to fund calls. On page 11 of this Report, the Investment Manager gives an example of the effect of the aggregation of just two funds. Taken across the Company’s entire portfolio, such smoothing effect is even more pronounced but for it to occur it is necessary to keep making regular new commitments. That is what the Company has done and intends to continue to do under normal circumstances.

The Investment Manager’s Report sets out the events of the year in detail. I would again highlight the exceptional environment for realisations of private equity assets at attractive prices. On page 25 the Investment Manager continues the practice of reporting on the uplift from previous carrying values which occurred as a result of a realisation event. This year the average uplift of the 150 largest transactions was 42%, being a further demonstration of the strength of uplifts which, for the last three financial years, have been 50%, 37% and 49% respectively. This year, though, those transactions have been at such a pace that the Company received a total of $356 million in distributions from its portfolio which permitted repayment of all of the Company's debt and at 31 January 2015 balance sheet date, the Company held $67 million of cash. Since the year end that figure has grown further.

As previously foreshadowed, in October 2014 the Company distributed to shareholders by way of a compulsory redemption pro rata to every shareholder's holding a second $20 million, being part of the gain arising on the investments in Absolute and Conversus. The Company has no present intention to make any further returns of cash to shareholders. The current cash balances derive from two much larger figures, namely distributions less calls. During the year distributions significantly exceeded calls. However, this pattern was exceptional and the holding of significant cash balances is considered wholly appropriate, indeed prudent, in the light of the very substantial commitments that the Company has outstanding.

During the year the weakness of the Euro relative to the US Dollar resulted in a negative foreign exchange impact amounting to some $0.43 per share. In earlier years the Company was, to some extent, shielded from such foreign exchange movements by denominating part of its borrowing in Euros. However, with all borrowings eliminated that hedge is no longer available. The relationships between foreign exchange movements and, albeit usually lagged, changes in valuations of private equity assets is complicated. It is not unreasonable to suppose that foreign exchange losses may in due course be reversed in part by changes in the valuations of such assets. However, the relationship is neither linear nor immediate and the Board will continue to monitor the effects of foreign exchange movements on the NAV per share expressed in the Company's functional currency, the US Dollar.

In earlier letters I have covered in detail the two opportunistic co-investments in Absolute and Conversus which the Company made in 2011 and 2012. The Company borrowed a total of $179 million from its Lloyds Bank facility to make these two co-investments and for a time the gearing ratio looked out of line with some of our peers. However, the decision to make these co-investments has been amply justified. Between them they have added $1.10 to NAV per share. At the year end they had already distributed $144 million of cash and the remaining holdings were valued at $127 million. Although these co-investments represented only a modest percentage of the Company's assets the two transactions have demonstrated HarbourVest's skills which drive the performance of all of the assets of the Company, the majority of which are held through HarbourVest fund-of-funds.

Some commentators disparage fund-of-funds on the grounds that they add an extra layer of fees which are thought to be excessive. In my view what is important are the returns to shareholders, net of all fees. Nevertheless it is important that the Board should monitor all of the Company's expenses and the fees paid indirectly or directly to HarbourVest for managing the Company's assets are the largest expense. They are made up of two parts, a management fee and, for certain assets, a performance fee, or "carry". Carry is only payable if the assets have performed well and thus is a variable sum. However, management fees are paid irrespective of performance and it is those fees, which HarbourVest has agreed will always be charged at the lowest rate applicable to any longstanding fund investor making an investment of comparable size, which have been the focus of the Board's attention. In recent years the trend of the impact of management fees as a percentage of NAV has been relentlessly downwards and for the last financial year amounted to approximately 1.1% of year-end NAV. That figure is less than half of what it was five years ago.

### Management and Board

HVPE's Investment Manager is an affiliate of HarbourVest. Since launch, HarbourVest has made available individuals to manage the day to day activities of the Company and many shareholders will have met with Stuart Howard who was appointed Chief Operating Officer in 2012 and led the operations team, supported by Billy Macaulay in Boston and Richard Hickman working alongside Stuart in London.

In October 2014 the Company announced that Stuart was leaving HarbourVest to take up a senior opportunity as Chief Executive of a private equity backed company which has no connection with HarbourVest. Although the announcement foreshadowed the appointment of a successor to Stuart, the Board and HarbourVest have agreed that such an appointment is unlikely to be made until after the Main Market listing has been successfully completed. In the meanwhile Billy Macaulay and Richard Hickman have responsibility for the day to day operations of the Company with the strategy and investment policy being in the hands of the two HarbourVest managing directors who are also directors of HVPE, Brooks Zug, the founder of HarbourVest and Peter Wilson. In addition, as Chairman I am playing an active role in all corporate governance matters including negotiating revised documentation and the other steps to enable the Main Market listing to proceed. The Board is confident that this arrangement is appropriate and will work well for the foreseeable future. However, the Board and HarbourVest acknowledge that it is unlikely to be an appropriate long term arrangement and will in due course update shareholders accordingly.

As the ninth year of the Company's existence approaches, and recognising best practice in corporate governance, following the Main Market listing the Board will be considering its future membership. In undertaking that process we will be mindful of the issue of diversity. Diversity is not only a matter of gender but also of background and experience and we will always strive to ensure that the skills represented on the Board are fully appropriate to direct successfully the affairs of the Company.

### Conclusion

HVPE has come a long way since launch in 2007 and particularly since the dark days of the subsequent global financial crisis. The Company's model has been validated through difficult markets and also in the present exuberant ones. The Investment Manager has a 32-year track record in successfully managing private equity assets and the Company is the most visible manifestation of those skills. Both Investment Manager and Board are well aware of the propensity of markets to over-react, hence the Company's strategy to continue to make new commitments throughout the private equity cycle.

There are certainly major uncertainties ahead as economies diverge and, for those firmly on the growth path, as authorities rein back on the exceptional measures implemented since the global financial crisis and the prospect of rising interest rates becomes reality after so many years. For other economies there is a way to go to see growth firmly re-established. Meanwhile there are a number of major geo-political issues any one of which could cause a major set-back.

HarbourVest's skills as demonstrated by its track record are the keys to the future of the Company and its success for shareholders. Once the Main Market listing is completed the Board intends that HVPE will be established as one of the premier fully listed companies offering a route for public shareholders to invest for the long term in private equity assets.

Yours Sincerely,

Michael Bunbury
Chairman
28 May 2015

## EIGHT-YEAR FINANCIAL RECORD

| At 31 January | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|
| NAV ($ million) | $862.1 | $631.3 | $718.2 | $849.7 | $944.0 | $1,030.2 | $1,167.0 | $1,266.3 |
| NAV per Share ($) | 10.39 | 7.61 | 8.65 | 10.24* | 11.42 | 12.46 | 14.38 | 15.86 |
| Share Price ($) | 9.50 | 9.25 | 5.00 | 6.18 | 6.37 | 8.66 | 10.75 | 12.73 |
| Discount (%) | -9% | 22% | -42% | -40% | -44% | -30% | -25% | -20% |
| Gearing (%) | 0% | 5% | 9% | 9% | 16% | 15% | 8% | 0% |
| Ongoing Charges ($ million) excluding management fees | $6.8 | $6.5 | $6.4 | $8.1 | $6.5 | $7.6 | $9.6 | $8.3 |

* Economic NAV per share.

# Investment Manager's Review /

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

## 1 Commitments

The Investment Manager and the Board consider a number of factors before new commitments are made:

- Current unfunded commitment levels (Investment Pipeline)
- Anticipated rate of investment
- Future expected realisations
- The economic environment
- The available credit facility
- Commitment and coverage ratios
- Existing portfolio and strategy

## 2 Investment Phase 21%

(TARGET 25% NAV)

The HarbourVest funds invest HVPE's commitments over a period of approximately four years, resulting in a target of 25% of NAV in this phase over the long term. It is critical to maintain a steady pipeline of new investments in order to:

- Support continued NAV growth
- Avoid "market timing" issues through dollar-cost averaging
- Ensure that HVPE has access to suitable opportunities
- Differentiate HVPE from its listed peers

## 3 Growth Phase 54%

(TARGET 50% NAV)

During years five to nine, most HarbourVest funds are fully invested, and managers are actively driving growth. The majority of NAV accretion takes place during this phase, during which HVPE targets approximately 50% of NAV over the long term in order to:

- Maximise NAV growth
- Maintain exposure to a diversified range of investments
- Outperform mainstream public equity markets

## 4 Mature Phase 25%

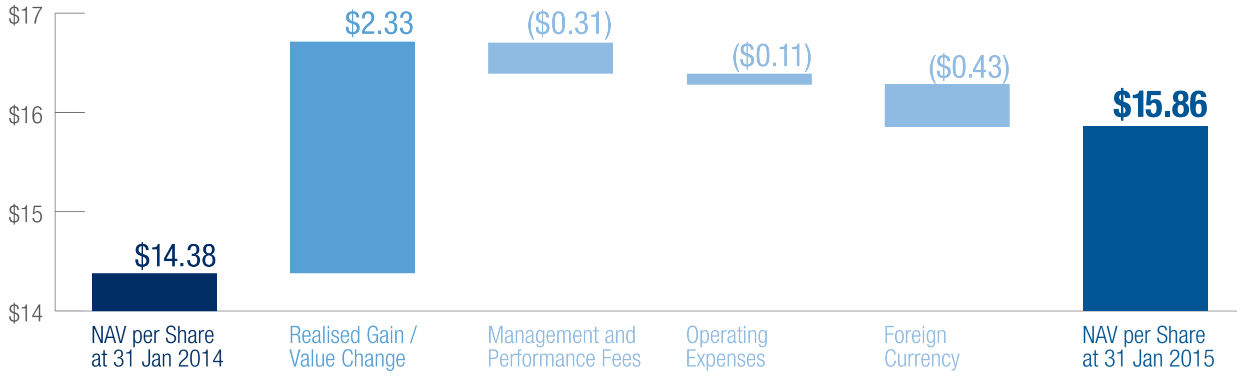
(TARGET 25% NAV)

After approximately ten years, managers are typically realising investments. As a permanent capital vehicle, HVPE targets approximately 25% of NAV in this phase in order to:

- Access a steady flow of realisations
- Provide cash to fund the Investment Pipeline

# Audited Results for the Financial Year Ended 31 January 2015

## CHANGES IN NAV PER SHARE




| | 31 January 2015 | 31 January 2014 |
|---|---|---|
| **SUMMARY OF NET ASSET VALUE** (in millions except per share and % data) | | |
| Investment Portfolio | $1,198.9 | $1,264.2 |
| Cash and Cash Equivalents | 67.3 | 2.9 |
| Debt | — | (99.7) |
| Net Other Assets (Liabilities) | 0.1 | (0.4) |
| NAV | $1,266.3 | $1,167.0 |
| NAV per Share (79.9m shares outstanding at 31 Jan 2015; 81.2m at 31 Jan 2014) | $15.86 | $14.38 |
| Cash + Remaining Available Credit Facility | $367.3 | $403.2 |

| **THE PRIVATE EQUITY CYCLE** Financial Year Ended | 31 January 2015 | 31 January 2014 |
|---|---|---|
| **1 COMMITMENTS** | | |
| Commitments to New HarbourVest Funds | $350.5 | $273.5 |
| **Investment Pipeline (Unfunded Commitments)** | | |
| Allocated | $557.3 | $504.3 |
| Unallocated | 176.8 | 62.7 |
| **Total Investment Pipeline** | **$734.1** | **$567.0** |
| **2 CASH INVESTED** | | |
| Invested in HarbourVest Funds | $162.2 | $163.4 |
| % of Investment Pipeline* | 12.8% | 22.3% |
| **3 GROWTH** | | |
| **Investment Portfolio (beginning of financial year)** | **$1,264.2** | **$1,187.8** |
| Cash Invested | 162.2 | 163.4 |
| Investment Portfolio Growth | 128.0 | 169.5 |
| Realisations Received (including dividends) | (355.5) | (256.5) |
| **Investment Portfolio (end of financial year)** | **$1,198.9** | **$1,264.2** |
| **4 REALISATIONS RECEIVED** | | |
| Cash Received from HarbourVest Funds and Co-Investments (including dividends) | $355.5 | $256.5 |
| % of Investment Portfolio† | 28.1% | 21.6% |

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

# The Financial Year to 31 January 2015

## 1 Commitments ▶ $351m

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

- **HIPEP VII (International Fund-of-Funds)**
  HIPEP VII Partnership ($125 million)
  HIPEP VII Europe ($56 million (€40 million))
  HIPEP VII Asia Pacific ($30 million)
  HIPEP VII Emerging Markets ($20 million)
- **HarbourVest Global Annual Fund 2014**
  (Global Fund-of-Funds)
  $100 million
- **HarbourVest Cleantech Fund II**
  (Global Fund-of-Funds)
  $20 million
- **Investment Pipeline**
  $557 million allocated
  $177 million unallocated

## 2 Investments ▶ $162m

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

- **Dover VIII**
  (Global Secondary)
  $41million
- **HIPEP VI Partnership**
  (International Fund-of-Funds)
  $25 million
- **HarbourVest VIII Buyout**
  (U.S. Fund-of-Funds)
  $20 million
- **HarbourVest IX Venture**
  (U.S. Fund-of-Funds)
  $16 million

## 3 Investment Portfolio Growth ▶ $128m

HarbourVest funds seek to create value through portfolio management

- **HarbourVest VIII Buyout**
  (U.S. Fund-of-Funds)
  $29 million
- **Dover VIII**
  (Global Secondary)
  $17 million
- **HarbourVest 2007 Direct**
  (Global Co-Investment)
  $12 million
- **HarbourVest VII Venture**
  (U.S. Fund-of-Funds)
  $12 million

## 4 Realisations ▶ $356m

HarbourVest funds and co-investments distribute cash to HVPE

- **HarbourVest VIII Buyout**
  (U.S. Fund-of-Funds)
  $54 million
- **Absolute Private Equity**
  $47 million
- **Conversus Capital**
  $34 million
- **HarbourVest 2007 Direct**
  (Global Co-Investment)
  $31 million
- **HarbourVest VII Venture**
  (U.S. Fund-of-Funds)
  $28 million

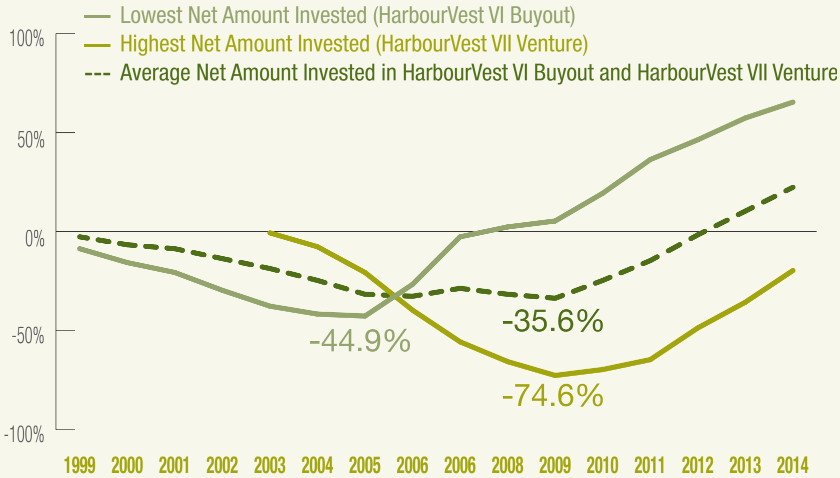
# The Power of the HVPE Model

**HVPE is differentiated from its peers by the power of its model. Diversified investment in multiple fund-of-funds across a range of vintage years ensures that capital calls from newer funds are offset by distributions from older funds. This enables consistent investment through the market cycle. The benefits of the HVPE model include attractive average entry prices for new investments and consistently strong uplifts on carrying values at realisation.**

## Cashflow Profile Enhances Returns

Investing in multiple fund-of-funds across many vintage years reduces the net investment amount required from HVPE to meet its commitments, as realisations from older funds offset capital calls for investments in newer funds.

SAMPLE NET AMOUNT INVESTED IN HARBOURVEST FUND-OF-FUNDS




An investor that commits equally to each of two HarbourVest funds experiences a cash flow profile as indicated by the dashed line. The maximum drawn capital as a percentage of total commitments is less than either fund on its own.

The combined interaction of all 29 HarbourVest funds within the HVPE Investment Portfolio has resulted in a maximum net drawn figure of 17.3% due to the offsetting effect of realisations.

Net amount invested reflects cumulative capital calls (negative) plus cumulative distributions, divided by total commitment.

## Consistent Investment Pace

HVPE has invested consistently in HarbourVest funds throughout its history, including a total of $329 million in the period from financial year 2009 through the end of financial year 2011, enabling it to benefit from the recovery in the valuations of private equity assets that began in mid-2009.

CASH INVESTED IN HARBOURVEST FUNDS (FINANCIAL YEAR)


Since 2010, the annual investment pace has increased and subsequently remained consistent in three of the last four years.

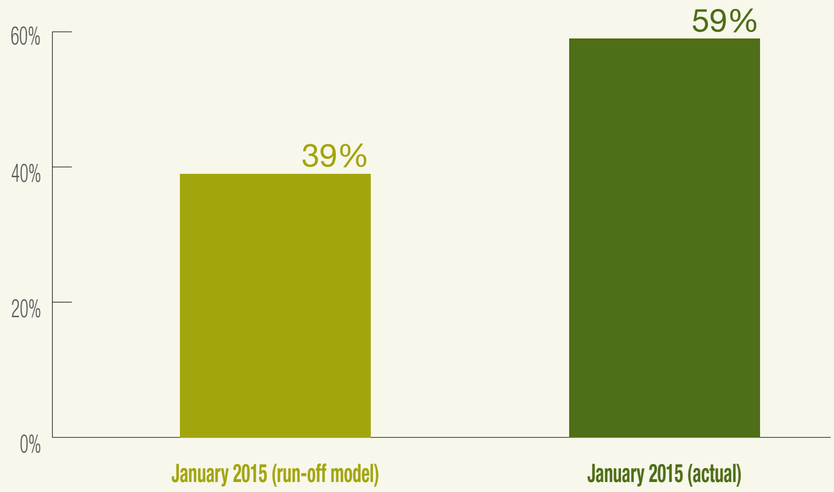
## ▶Benefit: Attractive Recent Entry Prices

The average valuation multiple in a large sample of the Investment Portfolio is 10.1x EBITDA, with an 8.8x average valuation multiple at entry. This compares favourably to comparable valuations in the quoted markets, for example 13.3x in the FTSE 250 (source: Bloomberg). Please refer to page 22 for additional information.

## ▶Benefit: Consistent Investment through Market Cycles

The first column below shows HVPE's total NAV growth had there been no new commitments to HarbourVest funds since the IPO in late 2007. The second column shows the actual position at 31 January 2015.

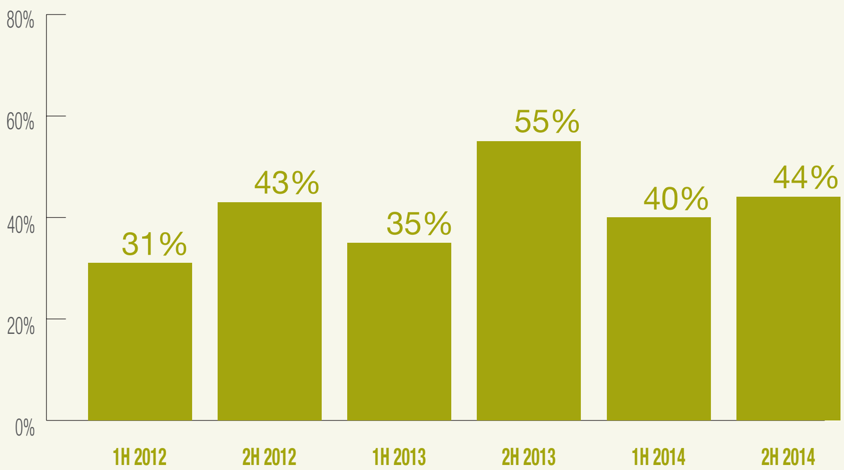
NAV PER SHARE GROWTH SINCE 31 JANUARY 2008




NAV has grown by an additional 20 percentage points ($171m) as a result of the commitments and investments made since 2008.

## ▶Benefit: Uplift on Realisations

WEIGHTED AVERAGE UPLIFT % ON CARRYING VALUE




The final component of NAV growth is the consistent premium achieved on portfolio realisations. The HVPE model enables a patient approach focused on maximising returns across the private equity cycle.

Carrying value is defined as the value at the month end prior to the first announcement of a transaction. The calculation excludes any impact from management fees and carried interest.
Please refer to page 25 for additional information.

# 1 / Commitments

## HVPE Commits Capital to New HarbourVest Funds

During the financial year ended 31 January 2015, HVPE committed $351 million to newly-formed HarbourVest funds. These commitments are complementary to HVPE's existing portfolio of HarbourVest funds and highlight the Company's consistent and ongoing commitments to compelling investment opportunities.

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

| HarbourVest Fund | Committed during financial year ended 31 January 2015 ($m) |
|---|---|
| **HIPEP VII PROGRAMME (2014-2017)**<br>International fund-of-funds focused on building a portfolio of private equity investments in Europe, Asia Pacific, and Emerging Markets, including primary fund investments that are complemented by secondary and direct co-investments<br>■ 3.5% called<br>■ Largest holding by current value: *CenseoHealth* | **$231***|
| **HIPEP VII Partnership**<br>Europe, Asia Pacific, Emerging Markets | $125 |
| **HIPEP VII Europe** | $56 (€40) |
| **HIPEP VII Asia Pacific** | $30 |
| **HIPEP VII Emerging Markets** | $20 |
| **HARBOURVEST GLOBAL ANNUAL FUND 2014 (2014-2016)**<br>Balanced fund focused on investments in a combination of primary fund (50%), secondary (35%), and direct co-investments (15%) in North America (70%), Europe (20%), and the rest of the world (10%)<br>■ 12.0% called<br>■ Largest holding by current value: *CenseoHealth* | $100 |
| **HARBOURVEST CLEANTECH FUND II (2012-2015)**<br>Global fund focused on cleantech investing with an emphasis on innovation around promoting global sustainability via primary fund, secondary, and direct co-investments<br>■ 13.5% called<br>■ 5.7% of contributed capital distributed<br>■ Largest holding by current value: *Ista International* | $20 |
| **TOTAL COMMITTED TO HARBOURVEST FUNDS** | **$351** |

* Total programme

Since 31 January 2015, HVPE has committed an additional approximately $300 million to U.S. fund programme HarbourVest X, global fund-of-funds HarbourVest 2015 Global Fund, and HarbourVest Canada Growth Fund.

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

## HVPE Structure Allows Unique Approach to Commitments

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

**Extended Investment Period**

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

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

**Allocated and Unallocated Investment Pipeline**

In order to reflect the differences in expected drawdown periods appropriately, the Company divides its Investment Pipeline into "allocated" and "unallocated" segments. Of the Company's total Investment Pipeline of $734 million:

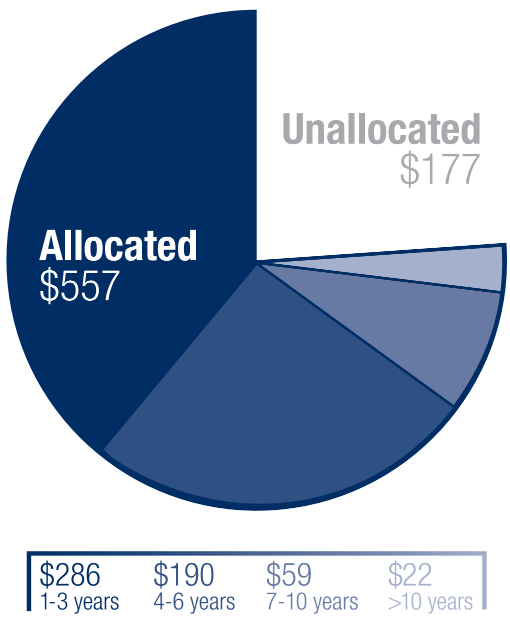
- 76% has been allocated by HarbourVest funds to underlying investments.
- 24% has not yet been allocated to underlying partnerships.

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

**Age of the Investment Pipeline**

HVPE's allocated commitments range across a number of vintage years. At 31 January 2015, approximately $81 million of commitments (or 15% of the allocated total) are more than six years old, and only a small portion of this total is likely to be drawn down by the underlying managers. The pace of these drawdowns has proven to be relatively predictable over time. Approximately $190 million (34%) of allocated commitments are between four and six years old and likely to be drawn down in the near term. The remaining $286 million (51%) of allocated commitments are one to three years old and are expected to be called in the near to medium term.

AGE OF THE INVESTMENT PIPELINE AT 31 JANUARY 2015



# 2 / Investment Phase

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

During the financial year ended 31 January 2015, HVPE invested $162 million in multiple HarbourVest funds. This total is net of a return of capital in the amount of $10 million from HarbourVest 2013 Direct, which could be recalled.

| Invested ($ Millions) | Twelve Months Ended 31 January 2015 | Twelve Months Ended 31 January 2014 |
|---|---|---|
| Fund-of-Funds | $120.3 | $89.7 |
| Direct Funds* | ($0.5) | $37.4 |
| Secondary Funds | $42.4 | $36.3 |
| **TOTAL** | **$162.2** | **$163.4** |

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

The largest individual HarbourVest fund investments included:

- $41 million to global secondary fund Dover VIII to fund the purchases of venture and buyout assets in the U.S., Europe, Asia Pacific, and emerging markets
- $25 million to international fund-of-funds HIPEP VI Partnership, which made new primary commitments to venture and buyout-focused partnerships in Europe, Asia Pacific, and the emerging markets
- $20 million to HarbourVest VIII Buyout to fund primary buyout-focused investments
- $16 million to HarbourVest IX Venture to fund venture-focused primary and secondary investments

## New Commitments Made by HVPE's HarbourVest Funds ($278 million)

- 45 primary partnerships ($149 million)
- 14 secondary investments ($103 million)
- 12 direct co-investments ($26 million)

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

| Manager | Geography | Strategy |
|---|---|---|
| Advent International | Rest of World (Latin America) | Medium Buyouts |
| Centerbridge Partners | U.S. | Medium Buyouts |
| ECI Partners | Europe (U.K.) | Small Buyouts |
| Helios Investment Partners | Rest of World (Africa) | Medium Buyouts |
| Hellman & Friedman | U.S. | Large Buyouts |
| HitecVision | Europe (Nordic) | Medium Buyouts |
| Holtzbrinck Ventures | Europe | Venture |
| Inflexion Managers | Europe (U.K.) | Medium Buyouts |
| SK Capital Partners | U.S. | Medium Buyouts |
| Thoma Bravo | U.S. | Medium Buyouts |

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

TOP 25 NEW INVESTMENTS

| Company | Description | Increase in HVPE Holding ($m) |
|---|---|---|
| **Catalina Marketing** | **Marketing services platform** | **$6.4** |
| **Korea Bulk Shipping** | **Bulk shipping operator** | **5.1** |
| **Appriss** | **Law enforcement data and analytics** | **4.4** |
| Freedom Innovations | Prosthetic devices | 3.8 |
| Mollen Immunization Clinics | Immunisation and health screening services | 3.5 |
| TMF Group | Outsourced business services | 3.5 |
| Optimal IMX | Radiology services | 2.7 |
| LM Windpower | Wind turbine blades and brake systems | 2.7 |
| **TriTech Software Systems** | **Public safety software** | **2.6** |
| American Optical Services | Optometry and ophthalmology practices | 2.4 |
| Censeo Health | Home health care services | 2.4 |
| Adaptive Insights | Business intelligence software | 1.8 |
| **TeamViewer** | **Remote access and desktop support software** | **1.8** |
| **Callcredit Information Group** | **Credit reporting information** | **1.6** |
| Kisimul Group | Special education facilities | 1.6 |
| Halcyon Home Health | Hospice services | 1.5 |
| **Lionbridge Capital** | **Chinese asset leasing** | **1.5** |
| Eurofiber | Independent fiber network | 1.5 |
| **Orange Valley Healthcare** | **Private nursing home operator** | **1.5** |
| **Siemens Audiology Solutions** | **Hearing aids** | **1.4** |
| **Sebia** | **Medical devices** | **1.4** |
| Asco Group | Oilfield waste management | 1.3 |
| Iberwind - Desenvolvimento e Projectos | Wind energy resources | 1.2 |
| Nuveen Investments (TIAA-CREF) | Institutional asset manager | 1.1 |
| Scout24 Holding | Online classified advertisements in Germany | 1.1 |
| **TOTAL** | | **$59.8** |

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

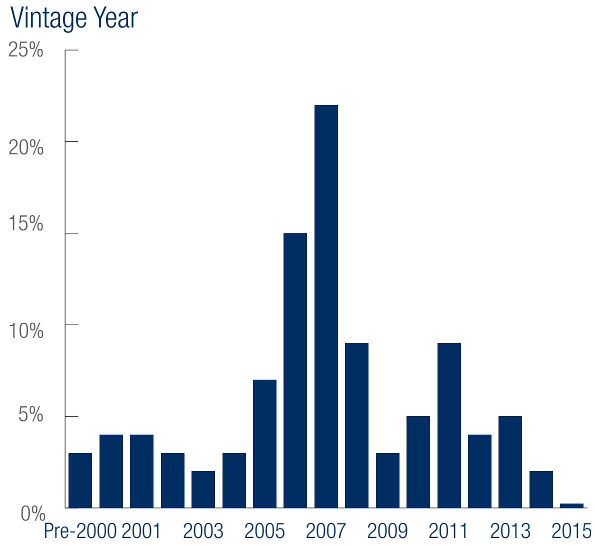
## Vintage Year Profile

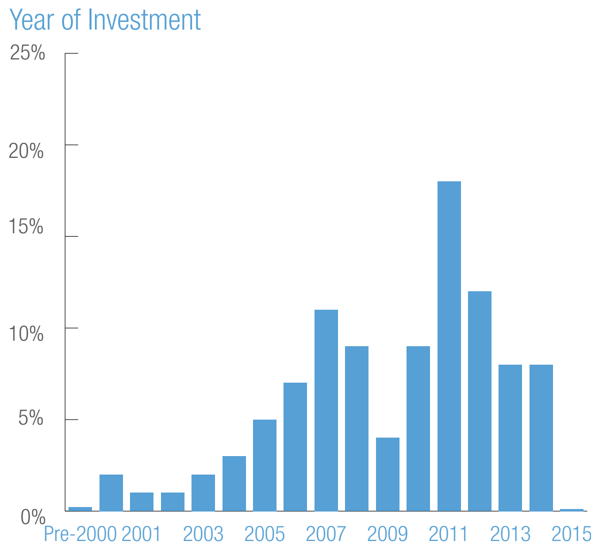
HVPE's HarbourVest funds provide access to primary fund, secondary, and direct co-investments that are diversified across a range of vintage years and years of investment. This diversification is continually evolving as more mature investments are realised and new investments enter the Investment Portfolio.

### Vintage Year and Year of Investment

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

## INVESTMENT PHASE




Average age of portfolio is

# 5.6 years

(Simple average based on year of investment for underlying companies)

# 3 / Growth Phase

HVPE delivered Investment Portfolio growth of $128 million (10%) during the financial year ended 31 January 2015. This was driven primarily by funds in the Growth Phase (partnerships in years five to nine), which represents 54% of the Investment Portfolio NAV (target 50%). HVPE achieves this exposure using a policy of regular commitments to newly-formed HarbourVest funds. Growth during the financial year was led by U.S. buyout-focused fund-of-funds HarbourVest VIII Buyout (formed in 2006 with funds spanning vintage years 2006 to 2012), global secondary fund Dover VIII (formed in 2011 with a current portfolio of maturing secondary assets), and global direct co-investment fund HarbourVest 2007 Direct.

## Investment Portfolio Diversification

### Diversification by Stage

- Venture investments (including Growth Equity) represent 34% of Investment Portfolio NAV at 31 January 2015.
  - Four of HVPE's top ten holdings are venture backed.
  - The largest underlying holding in the HVPE portfolio is venture-backed bandwidth infrastructure provider *Zayo Group* (ZAYO), which completed an IPO in October 2014.
- Buyout investments represent 62% of NAV and are further diversified with 17% in large buyout transactions (funds of greater than $7 billion in size).
  - Six of HVPE's top ten holdings are buyouts, the largest of which is drug delivery systems provider *Capsugel*.

### Diversification by Geography

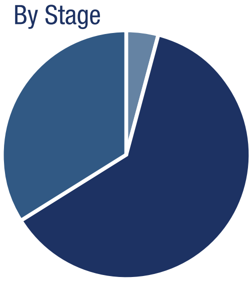
- The underlying partnerships are located in 38 countries and denominated in nine different currencies.
- The underlying companies are located in 86 countries.
- Seven of HVPE's top ten holdings are in the U.S., including the six largest.
- HVPE's geographic diversification varies greatly across venture and buyout investments:
  - Within venture, 76% of NAV is in the U.S., 9% in Europe, and 15% in Asia Pacific and the rest of the world.
  - Within buyout, 60% of NAV is in the U.S., 25% in Europe, and 15% in Asia Pacific and the rest of the world.

### Diversification by Strategy

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

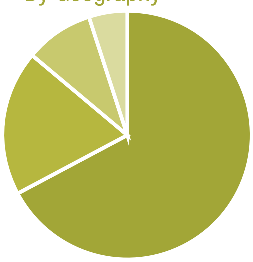
INVESTMENT PORTFOLIO DIVERSIFICATION AT 31 JANUARY 2015

By Stage



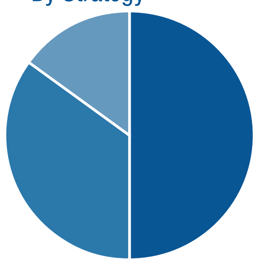
- **62%** Buyout
- **34%** Venture and Growth Equity
- **4%** Other

By Geography



- **67%** U.S.
- **19%** Europe
- **9%** Asia Pacific
- **5%** Rest of World

By Strategy



- **50%** Primary
- **35%** Secondary
- **15%** Direct

## Investment Portfolio Review

HVPE's HarbourVest funds have built an Investment Portfolio of companies and managers that is diversified across vintage years, strategies, geographies, and industries and made up of 6,778 companies, of which the top 100 represent 34% of the value. At 31 January 2015, no single company represented more than 1.1% of the Investment Portfolio; and no external manager represented more than 2.1%.

### LARGEST UNDERLYING COMPANIES AT 31 JANUARY 2015

| Company | Strategy | % of Investment Value at 31 January 2015 | Location | Status | Description |
|---|---|---|---|---|---|
| **Zayo Group (ZAYO)** | **Venture** | **1.08%** | **U.S.** | **Public** | **Telecommunications** |
| **Capsugel** | **Buyout** | **1.00** | **U.S.** | **Private** | **Drug delivery systems** |
| Censeo Health* | Venture | 0.90 | U.S. | Private | Home health care services |
| PODS Enterprises* (sold in February 2015) | Buyout | 0.80 | U.S. | Private | Mobile storage solutions |
| **Earth Networks** | **Venture** | **0.78** | **U.S.** | **Private** | **Localised convergence content** |
| **Big Heart Pet Brands (Del Monte Foods)** (sold in March 2015) | **Buyout** | **0.75** | **U.S.** | **Private** | **Food and pet products** |
| Freightliner (sold in March 2015) | Buyout | 0.68 | U.K. | Private | Rail containers |
| **Omega Pharma** (sold in March 2015) | **Buyout** | **0.67** | **Belgium** | **Private** | **OTC pharmaceuticals** |
| VIP Shop Information Technology (VIPS) | Venture | 0.67 | China | Public | Online flash sale retailer |
| **Lightower Fiber Networks** | **Buyout** | **0.66** | **U.S.** | **Private** | **Metrofiber network and broadband service** |

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

* Company not included in largest ten companies at 31 January 2014

### LARGEST MANAGERS AT 31 JANUARY 2015

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

| Manager | Region | Stage |
|---|---|---|
| Arcapita Bank | U.S. | Buyout |
| The Blackstone Group | U.S. | Buyout |
| DCM | U.S./Asia Pacific | Venture and Growth Equity |
| Doughty Hanson & Co. | Europe | Buyout |
| GTCR | U.S. | Buyout |
| Health Evolution Investments | U.S. | Venture and Growth Equity |
| Kohlberg Kravis Roberts | U.S. | Buyout |
| Silver Lake Management | U.S. | Buyout |
| Thoma Bravo | U.S. | Buyout |
| TPG Capital | U.S. | Buyout |

Please refer to **Supplemental Data** for HVPE's 25 largest managers by region and stage and largest 25 companies.

CASE STUDY SECONDARY INVESTMENT

# Project Arc

- 2010 secondary direct purchase of a portfolio of privately-held companies from Arcapita Bank
- 5 U.S. and European buyout investments
- HVPE exposure via global secondary fund Dover VII and HarbourVest VIII Buyout
- Total HVPE commitment of $11 million
- First quarter 2015 sales of *PODS* (to Ontario Teachers' Pension Plan) and *Freightliner* (to Genesee and Wyoming for £490 million) resulted in significant proceeds subsequent to financial year end

Bahrain-based Arcapita Bank had invested in a portfolio of privately-held U.S. and European buyout stage companies with the intention of syndicating the equity to its high net worth investors. Due to the global financial crisis, the manager was unable to fully syndicate the equity and ultimately decided to sell a portion of the assets in early 2010 as part of a single secondary direct transaction to raise cash.

The HarbourVest secondary team purchased 65% of the remaining equity in four businesses and 40% in a fifth. HarbourVest contracted the bank's existing private equity team to manage the assets acquired. Due to the subsequent reorganisation of Arcapita's business in 2013 after emerging from Chapter 11 bankruptcy protection, Arcapita's private equity team spun out of the bank and continued to manage the assets in conjunction with Arcapita on behalf of HarbourVest. HarbourVest also took more of an active role in the oversight of the assets, assuming board observer seats on several companies, including *PODS* and *Freightliner*.

| | PODS | Freightliner |
|---|---|---|
| % of HVPE Investment Value at 31 January 2015 | 0.80% | 0.68% |
| Business | Mobile storage solutions | Retail containers |
| Location | Clearwater, Florida | London |
| Sold to (transaction value) | Ontario Teachers' Pension Plan | Genesee & Wyoming (£490m) |
| Uplift on Carrying Value* | 81% | 14% |
| HVPE proceeds received through May 2015 | $9 million | $7 million |

Through 31 January 2015, Project Arc had generated proceeds of 0.3 times funded capital and had a total value of 2.1 times funded capital within the HarbourVest funds, a 24% increase from 31 July 2014. HVPE received a total of $16 million of realisations from the sales of *PODS* and *Freightliner* in early 2015. As of May 2015, HVPE's $11 million commitment to Project Arc had a total value of $21 million, 97% of which has been received as realised proceeds.

* Carrying value is defined as the value at the month end prior to the first announcement of a transaction.

## Investment Portfolio Growth

The overall portfolio generated a 13% gain during the financial year ended 31 January 2015, driven by underlying growth and realisations within the HarbourVest fund-of-funds, secondary funds, and secondary and direct co-investments.

### Growth by Stage

The growth equity portfolio (14% of Investment Portfolio NAV) outperformed the early stage/balanced venture and buyout portfolios, driven by the October 2014 IPO of direct holding *Wayfair* (W). The early stage venture portfolio (including balanced venture), which represents 20% of Investment Portfolio NAV, also outperformed, driven by holdings including *LendingClub* (LC) (December 2014 IPO) and on-demand transportation provider *Uber*.

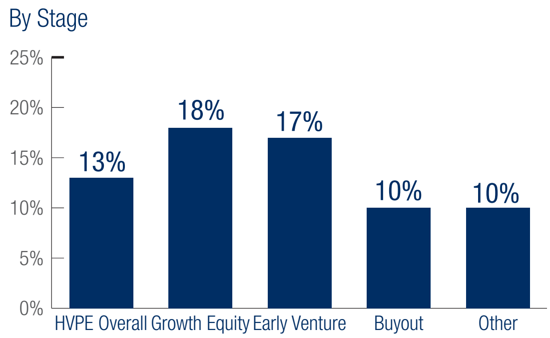
### Growth by Geography

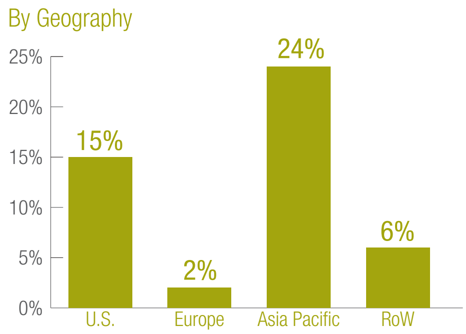
The Asia Pacific region (9% of Investment Portfolio NAV) outperformed the U.S., Europe, and the rest of the world. This was driven partly by an increasing price per share for Chinese online flash sale retailer *VIP Shop Information Technology* (VIPS), which is HVPE's second largest publicly-traded holding at 31 January 2015. HVPE has increased its exposure to Asia Pacific from 4% of Investment Portfolio NAV at 31 January 2012 to 9% at 31 January 2015 through commitments to HarbourVest's international fund-of-funds.

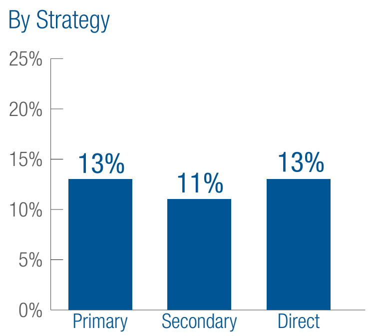
### Growth by Strategy

Primary fund investments (50% of Investment Portfolio NAV) and direct co-investments (15% of Investment Portfolio NAV) outperformed the secondary portfolio. Direct co-investment performance was led by companies including insurance claims manager *York Risk Services Group* (sold to Onex in October 2014), bandwidth infrastructure provider *Zayo* (October 2014 IPO), drug delivery systems provider *Capsugel*, as well as *Big Heart Pet Brands* (sold to The J.M. Smucker Company in March 2015).

INVESTMENT PORTFOLIO GROWTH
GAIN OVER 31 JANUARY 2014 VALUE



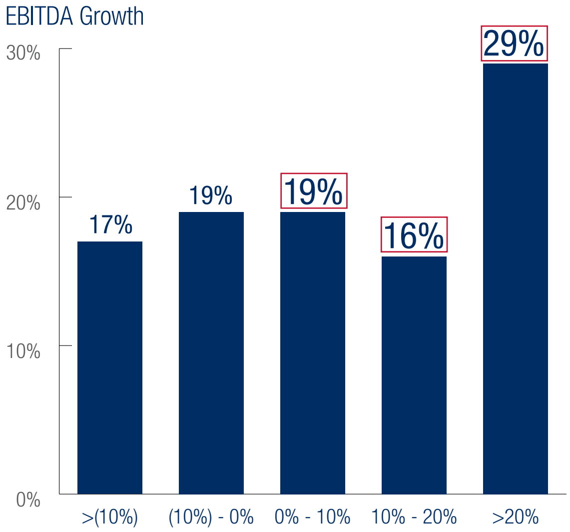



## Buyout Portfolio Metrics

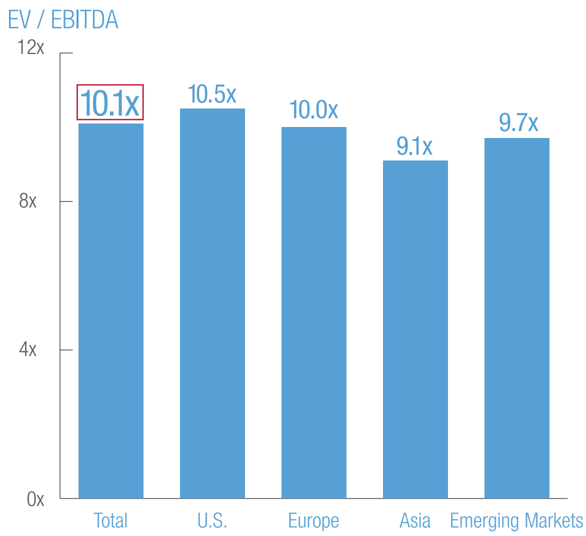
**64% of the underlying companies (by value) profiled here grew EBITDA during the financial year ended 31 January 2015**

**Approximately 45% of these companies are growing EBITDA at a rate greater than 10% per annum**




**The overall valuation multiple is 10.1x EBITDA (9.3x at prior year end)**

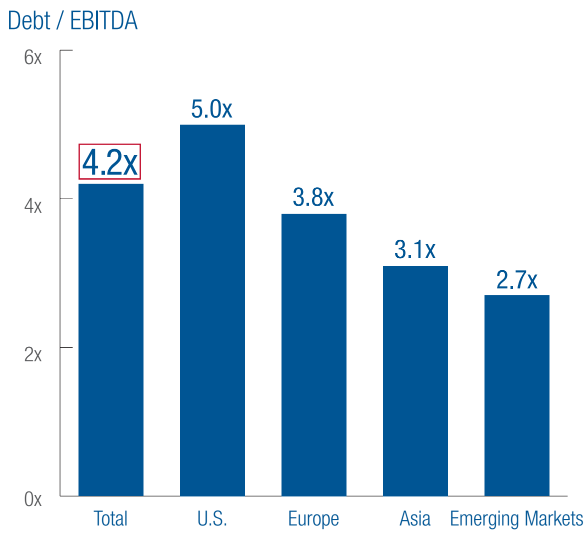
- 8.8x overall valuation multiple at entry




**The overall debt multiple is 4.2x EBITDA (4.1x at prior year end)**

- 3.8x overall debt multiple at entry

These portfolio metrics reflect an analysis of 1,116 buyout companies in U.S. and international HarbourVest funds where data is available. This represents 26% of the total buyout NAV (by value).



# 4 / Mature Phase

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

HVPE received $356 million of realisations (including dividends) from HarbourVest funds and co-investments during the financial year ended 31 January 2015, $99 million (39%) above the financial year ended 31 January 2014.

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

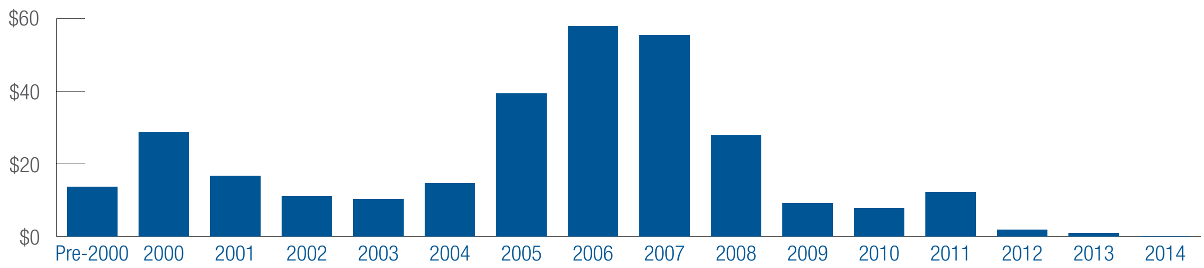
| **Realised ($ millions)** | **Financial Year 31 January 2015** | **Financial Year 31 January 2014** |
|---|---|---|
| Fund-of-Funds | $181.8 | $156.4 |
| Direct Funds* | $54.8 | $11.8 |
| Secondary Funds | $37.7 | $34.7 |
| **Total Received from HarbourVest funds** | **$274.3** | **$202.9** |
| | | |
| **Co-Investments** | | |
| Absolute | $47.1 | $28.4 |
| Conversus | $34.1 | $25.2 |
| | | |
| **TOTAL** | **$355.5** | **$256.5** |

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

## Larger Sources of Realisations Received

- $54 million / HarbourVest VIII Buyout (U.S. Fund-of-Funds)
- $47 million / Absolute Private Equity
- $34 million / Conversus Capital
- $31 million / HarbourVest 2007 Direct (Global Co-Investments)
  - Developing global co-investment fund distributed proceeds from M&A events, the sale of publicly-traded shares, and recapitalisations. The largest source of realisations was the October 2014 sale of *York Risk Services Group* (HVPE's largest underlying holding at 31 July 2014) to Onex Corporation for 2.3 times the fund's cost.
- $28 million / HarbourVest VII Venture (U.S. Fund-of-Funds)

INVESTMENT PORTFOLIO REALISATIONS BY VINTAGE YEAR
$ Millions Realised During Financial Year Ended 31 January 2015



## Investment Portfolio Realisations and Liquidity

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

### TOP 25 REALISATIONS

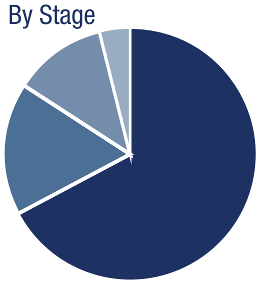
| Company | Description | HVPE Realised Value* |
|---|---|---|
| **York Risk Services Group** | **Insurance claims management** | **$13.7** |
| **NCR Corporation (Digital Insight)** | **Financial technology** | **7.8** |
| **Camstar Systems** | **Global supply chain software** | **7.0** |
| **CDW Corporation** | **Multi-branded information technology products** | **6.3** |
| Symrise | Specialty flavour and fragrances | 5.5 |
| **Nuveen Investments** | **Institutional asset manager** | **5.3** |
| VIP Shop Information Technology | Online flash sale retailer | 4.5 |
| Twitter | Online social network blog services | 3.7 |
| **Acromas Holdings (AA and Saga)** | **Financial, insurance, and travel services** | **3.7** |
| **BENESTRA (GTS / Deutsche Telekom)** | **Central and Eastern Europe telecommunications** | **3.4** |
| Jetro Cash & Carry | Restaurant and catering supplies | 3.3 |
| Wilton Reinsurance Holdings | Life reinsurance capacity | 3.3 |
| **Ingham Enterprises** | **Integrated poultry producer** | **3.1** |
| Kinaxis | Supply chain software | 2.9 |
| Tableau Software | Visual analysis and reporting software | 2.8 |
| Sensata Technologies | Auto sensors and controls | 2.8 |
| Pulsant | IT hosting and connectivity | 2.6 |
| **SafeNet** | **Information security** | **2.6** |
| HCA Holdings | Hospital operator | 2.5 |
| The ServiceMaster Company | Landscape maintenance services | 2.4 |
| **Falcon Group** | **Czech telecommunications conglomerate** | **2.3** |
| **The Nielsen Company** | **Marketing and media information** | **2.2** |
| UnitedHealth | Managed health care | 2.1 |
| HD Supply | Wholesale construction materials | 2.1 |
| Devon Energy Corporation | Oil exploration and production | 2.1 |
| **TOTAL** | | **$100.0** |

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

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

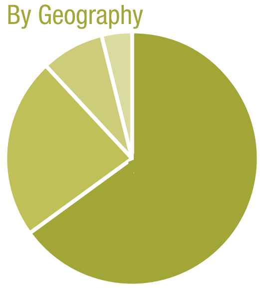
### SOURCES OF TOTAL REALISATIONS

By Stage



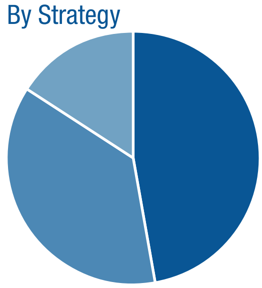
- **67%** Buyout
- **17%** Venture
- **12%** Growth Equity
- **4%** Other

By Geography



- **65%** U.S.
- **23%** Europe
- **8%** Asia Pacific
- **4%** Rest of World

By Strategy



- **47%** Primary
- **37%** Secondary
- **16%** Direct

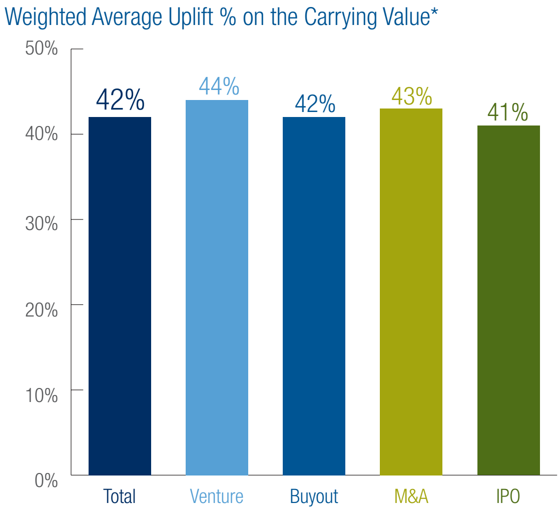
## 42% Uplift on Carrying Value at Realisation

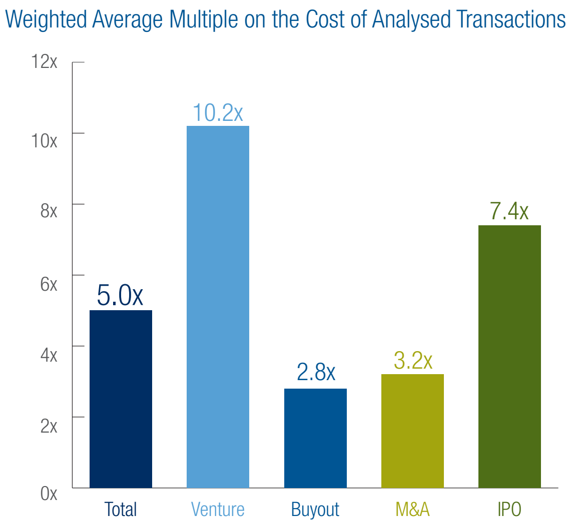
HVPE received a total of $356 million from HarbourVest funds and co-investments during the financial year ended 31 January 2015. The largest 150 M&A and IPO transactions, which represent approximately 81% of total known transactions during the financial year, were achieved at an uplift to carrying value of 42% and at an average multiple of 5.0 times cost.

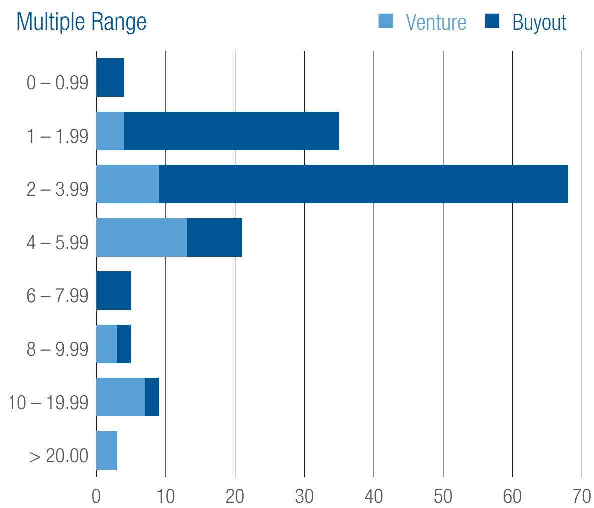
Within the largest transactions, the venture companies achieved a weighted average uplift of 44%, and the buyout companies achieved an uplift of 42%. Carrying value is defined as the value at the month end prior to the first announcement of a transaction.

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

## UPLIFT FROM PREVIOUS CARRYING VALUE ON COMPANY REALISATIONS




* Uplift represents weighted average return for the 150 largest M&A and IPO transactions which represent 81% of the value of the known transactions during the financial year. This analysis reflects a subset of transactions and does not represent the portfolio as a whole. Additionally, this analysis does not reflect management fees, carried interests and other expenses of the HarbourVest funds or the underlying managers, which will reduce returns. Past performance is not a guarantee of future success.

## Investment Portfolio IPOs and M&A Events

**Venture Portfolio**

# 196 M&A Events I 100 IPOs

**Buyout / Other Portfolio**

# 215 M&A Events I 55 IPOs

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

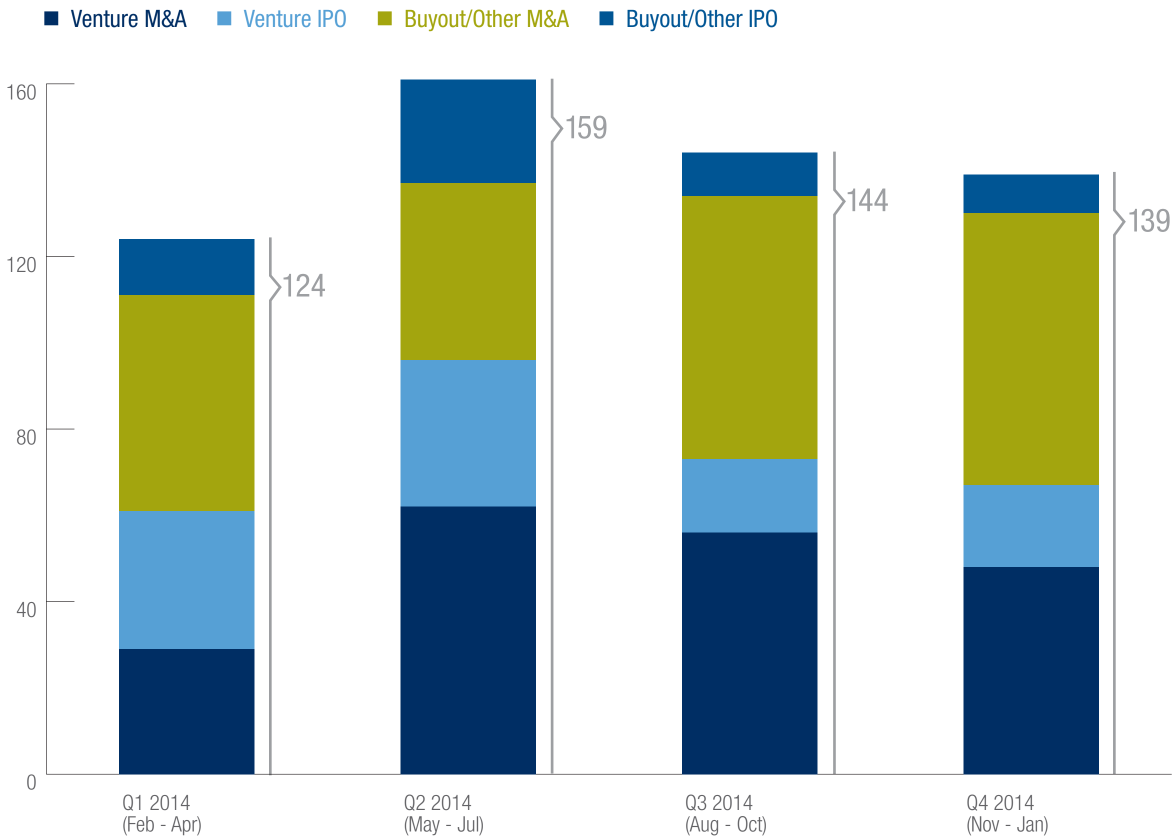
The number of venture-backed IPOs during the financial year was nearly double buyout-backed offerings, while M&A events were steady across both strategies during the financial year. The ongoing and consistent liquidity demonstrates that a well-diversified portfolio can continue to generate cash.

In total, there were 566 M&A and IPO events during the twelve months ended 31 January 2015, representing 20% of HVPE's NAV. This is well above the 471 events during the financial year ended 31 January 2014. During the twelve months ended 31 January 2015, there were an average of 47 liquidity events each month.

During the financial year ended 31 January 2015, nine of HVPE's top 25 underlying holdings at 31 January 2014 completed or announced their sales via M&A events or completed IPOs.

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

LIQUIDITY EVENTS BY QUARTER



VENTURE SPOTLIGHT

# 34% of HVPE Investment Portfolio

## Top Venture-Backed Exits of 2014

HVPE's HarbourVest venture-focused fund-of-funds hold stakes in seven of the ten largest venture-backed exits (both IPOs and M&A events) in 2014 *(CB Insights/Forbes)*

These companies are held in primary funds and secondary positions via multiple U.S. venture managers, highlighting HarbourVest's past and current access to the strongest venture investment opportunities available. At the end of February 2015, the total value of these positions within the HarbourVest venture funds is more than $400 million and approximately 15 times the total cost when aggregated across all positions.

**$400 million** total value

**15x** cost

**LendingClub (LC)**
**IPO | $5.4 billion**
- Canaan Partners
- Foundation Capital
- Kleiner, Perkins, Caufield & Byers (KPCB)

**Zayo Group (ZAYO)**
**IPO | $4.4 billion**
- Battery Ventures
- Centennial Ventures
- Columbia Capital
- Media Communications Partners
- Oak Investment Partners

**Nest Labs**
**M&A (Google) | $3.2 billion**
- KPCB
- Lightspeed Venture Partners

**GoPro (GPRO)**
**IPO | $3.1 billion**
- U.S. Venture Partners

**Arista Networks (ANET)**
**IPO | $2.7 billion**
- Accel Partners
- Redpoint Ventures
- Summit Partners

**GrubHub (GRUB)**
**IPO | $2.0 billion**
- Lightspeed Venture Partners
- J.P. Morgan
- Thomas H. Lee

**Oculus VR**
**M&A (Facebook) | $2.0 billion**
- Andreessen Horowitz
- Spark Capital

NOTES

Source: CB Insights/Forbes

Value is defined as the market cap price at acquisition or market cap at IPO.

The three additional largest exits were the acquisition of *WhatsApp* by Facebook, the IPO of *Juno Therapeutics* (JUNO), and the acquisition of *Alios Biopharma* by Johnson & Johnson.

For IPOs, the total value includes realisations and current value based on the stock price on February 27, 2015.

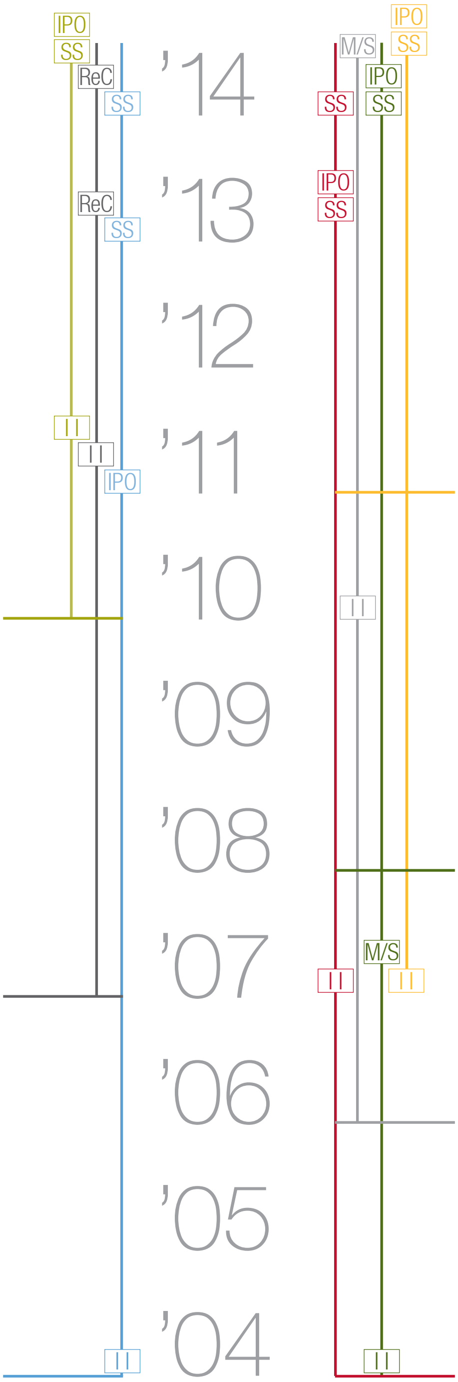
HarbourVest buyout-focused fund-of-funds also hold *Zayo Group* directly and via GTCR.

HarbourVest international and cleantech fund-of-funds also hold *Arista Networks* via Index Ventures.

HarbourVest buyout-focused fund-of-funds and secondary funds also hold *GrubHub* via J.P. Morgan, Thomas H. Lee, and Warburg Pincus.

## Realisations for Largest Underlying Companies at 31 January 2014

**II** = Initial Investment **IPO** = Initial Public Offering **SS** = Share Sale **ReC** = Recapitalisation **MS** = Merger / Sale




**wayfair**
0.83%*
$2m Proceeds†
8% Uplift‡
HarbourVest 2007 Direct
HarbourVest VIII Venture Direct
Battery Ventures
Spark Capital

**CAPSUGEL**
0.94%*
$4m Proceeds†
HarbourVest 2007 Direct
Kohlberg Kravis Roberts

**KOSMOS ENERGY**
1.12%*
$2m Proceeds†
The Blackstone Group
Warburg Pincus

**zayo**
0.56%*
60% Uplift‡
HarbourVest IX Buyout Direct
Battery Ventures
Centennial Ventures
Columbia Capital
GTCR
Media Communications Partners
Oak Investment Partners

**ACROMAS HOLDINGS LTD**
0.60%*
$22m Proceeds†
26% Uplift‡
HarbourVest IV Direct
Charterhouse
CVC Capital Partners
Permira

**YORK Risk Services Group**
0.60%*
$14m Proceeds†
100% Uplift‡
HarbourVest 2007 Direct
HarbourVest VIII Buyout Direct
ABRY Partners

**CDW**
0.82%*
$8m Proceeds†
HarbourVest 2007 Direct
HarbourVest VIII Buyout Direct
Madison Dearborn
Providence Equity Partners
Silver Lake Management

* % of HVPE Investment Value at 31 January 2014
† Approximate HVPE proceeds received to date.
‡ Uplift on carrying value, defined as the value at the month end prior to the first announcement of a transaction.

## Selected IPOs During Financial Year Ended 31 January 2015

Size of share offering at IPO

### Venture

| | | |
|---|---|---|
| **March 2014 \| $188m**<br>Network security solutions | **March 2014 \| $75m**<br>Wireless LAN solutions | **February 2014 \| $50m**<br>Protein-based therapeutics |
| **June 2014 \| $427m**<br>Wearable cameras and accessories | **May 2014 \| $1.8b**<br>Chinese online retailer | **April 2014 \| £360m**<br>Online meal delivery |
| **March 2014 \| $500m**<br>Online game developer | **April 2014 \| $116m**<br>Utility customer engagement | **June 2014 \| $52m**<br>Bone disease treatment |
| **September 2014 \| $55m**<br>Small molecule pharmaceuticals | **October 2014 \| $319m**<br>Online home goods | **October 2014 \| $75m**<br>Digital financial services platform |
| **June 2014 \| $96m**<br>Obesity therapeutics | **October 2014 \| $401m**<br>Bandwidth infrastructure | **May 2014 \| $100m**<br>Helpdesk systems |

### Buyout

| | | |
|---|---|---|
| **September 2014 \| $21.8b**<br>Chinese e-commerce | **June 2014 \| £1.4b**<br>Financial, insurance, and travel services | **December 2014 \| $273m**<br>Aircraft lease servicing |
| **March 2014 \| £240m**<br>Insurance and reinsurance protection | **July 2014 \| A$2.3b**<br>Hospital management | **April 2014 \| $1.3b**<br>Pharmaceutical intelligence |
| **March 2014 \| £375m**<br>Discount retailer | **April 2014 \| $627m**<br>Travel technology distribution services | **September 2014 \| ¥6.8b**<br>Japanese restaurant chain |

# Managing a Listed Private Equity Company

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

## Public Versus Private Equity Cycles

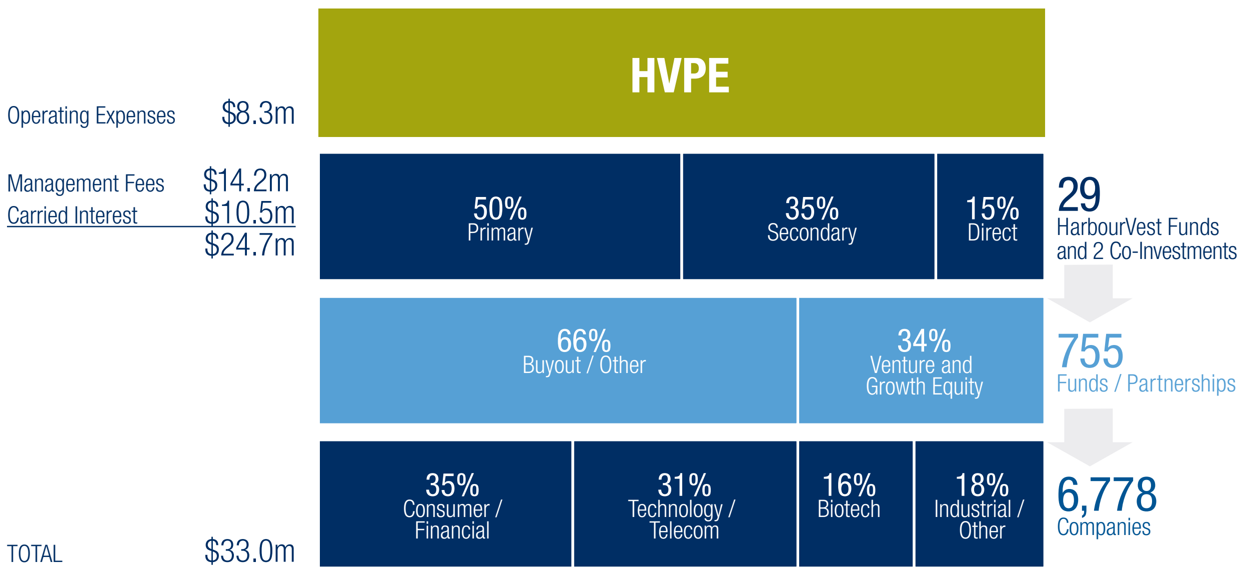
The timing mismatch between public and private equity cycles requires active management within a listed private equity company. HVPE's Board and the Investment Manager must carefully monitor the Balance Sheet to ensure that shareholder returns are maximised and that risks are minimised over the long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

## Fees

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

## Capital Flows and Underlying Liquidity

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



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

## Balance Sheet Management

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

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

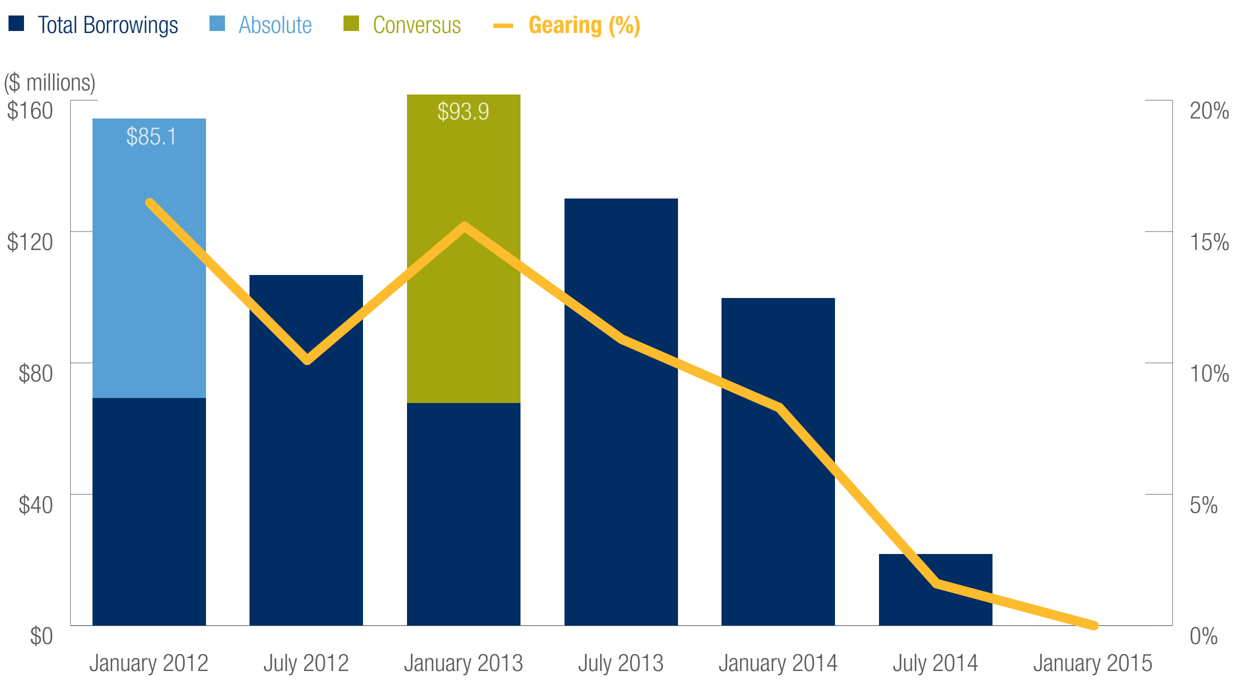
### The Private Equity Cycle

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

### Borrowing

In August 2014, HVPE repaid its debt to the credit facility in full, and gearing remains at zero at 31 January 2015.

BORROWING



## Credit Facility

HVPE's balance sheet strength and flexibility is supported by its $300 million multi-currency credit facility with Lloyds Bank plc. In October 2014, the Company voluntarily reduced the size of the credit facility from $500 million to $300 to save fees on the unutilised portion. This reduction was previously scheduled to occur on 1 January 2015 under the terms of the credit facility agreement.

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 April 2018. The Company has pledged substantially all of its assets as collateral for such borrowings. The applicable LIBOR margin scales up from 210 basis points over LIBOR in 2013 to 290 basis points in 2015 and beyond for borrowings of less than $100 million. In addition, a further 50 basis points will be payable on the total sum drawn if borrowings exceed $100 million, together with a further 25 basis points on the total sum drawn if borrowings should be greater than $200 million.

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

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

## Management of Foreign Currency Exposure

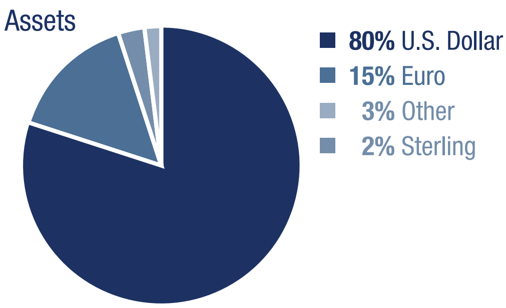
The Investment Portfolio includes three euro-denominated HarbourVest funds.

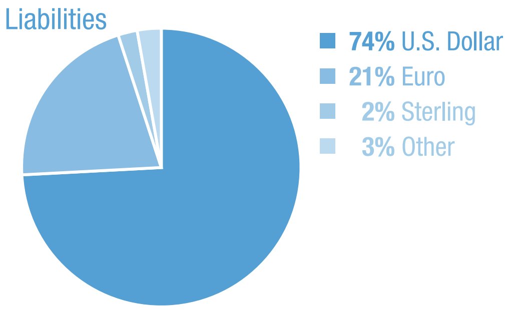
- Approximately 15% of underlying holdings are denominated in euros
- The euro-denominated Investment Pipeline is €85 million

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

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

### EXPOSURE TO FOREIGN CURRENCIES



## Valuation Policy

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

HVPE's 31 January 2015 NAV is based on the 31 December 2014 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 2015. The valuation of each HarbourVest fund is presented on a fair value basis in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The investments in Absolute and Conversus are valued at underlying NAV at 31 December 2014, adjusted for foreign exchange movements, cash-flows, changes in the value of public securities, and known events to 31 January 2015.

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

## Management Fees and Performance Allocations

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

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

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

| Strategy | Current Management Fee | Performance Allocation | % of Portfolio |
|---|---|---|---|
| Primary Investments | 0.54% | None | 50% |
| Secondary Investments | 0.92% | 10% - 12.5% | 21% |
| Direct Investments | 0.55% | 10% - 20% | 15% |
| Co-Investments | 0.94% | 11% - 12.5% | 14% |

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

During the twelve months ended 31 January 2015, HVPE's share of fees charged within HarbourVest funds was $13 million ($0.16 per share), management fees paid for co-investments were $1.7 million ($0.02 per share), and HarbourVest related entities were allocated $10 million in carried interest ($0.13 per share).

## Commitment Ratios

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

HVPE's Investment Manager has created a metric to provide greater insight into the Company's balance sheet position and a more relevant comparison to listed peers. The **Rolling Coverage Ratio** reflects the sum of cash, the available credit facility, and the realisations expected to be received during the current year over the expected cash investments in HarbourVest funds over the next three years. This calculation is designed to better align HVPE with its listed peers by excluding longer-term commitments that are likely to be drawn after the next three years, which is a differentiating feature of the Company's model.

COMMITMENT LEVEL RATIO

| | | | |
|---|---|---|---|
| Investment Portfolio + Investment Pipeline | $1,933m | | |
| **NAV** | **$1,266m** | = | **153%** (157% at 31 January 2014) |

COMMITMENT COVERAGE RATIO

| | | | |
|---|---|---|---|
| Cash + Available Credit Facility | $367m | | |
| **Total Commitments** | **$734m** | = | **50%** (71% at 31 January 2014) |

ROLLING COVERAGE RATIO

| | | | |
|---|---|---|---|
| Cash + Available Credit Facility ($367m)+ | | | |
| Current Year Estimated Realisations ($252m) | $619m | | |
| **Next Three Years Estimated Investments** | **$859m** | = | **72%** (84% at 31 January 2014) |

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

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

## The Investment Manager

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

### About HarbourVest

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

### The Investment Committee

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

### Control Environment

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

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

### THE INVESTMENT COMMITTEE MEMBERS

**D. Brooks Zug, CFA**
Senior Managing Director

- Co-founder of the firm
- HVPE Director
- Joined John Hancock in 1977 and co-founded Hancock Venture Partners (which later became HarbourVest) in 1982
- ADVISORY BOARDS: Advent, Doughty Hanson, Permira, Silver Lake, TA

**Kathleen Bacon**
Managing Director

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

**Bill Johnston**
Managing Director

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

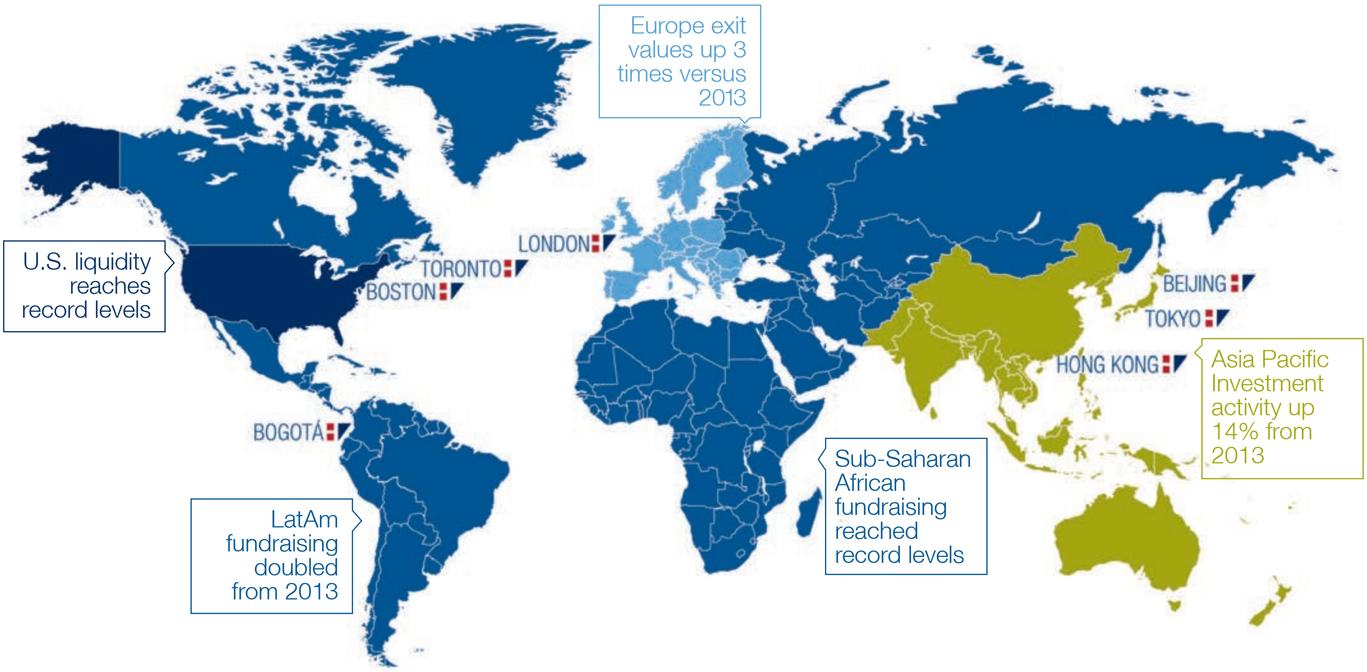
**Greg Stento**
Managing Director

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

**John Toomey**
Managing Director

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

# Market Review




Accommodative central banks continue to fuel asset prices on a near-global basis. In contrast to central banks across Asia and Europe that continue to loosen monetary policy to stimulate growth, the U.S. Federal Reserve is expected to tighten policy for the first time in nearly a decade in 2015. This has driven the U.S. dollar to multi-year highs against a range of currencies, and it is expected to maintain strength in the near term. Emerging markets currencies were particularly hard hit in 2014, with geopolitical factors, high unemployment, and corruption playing roles in many economies. Yields across the core of Europe are negative at the short end of the sovereign yield curves, while U.S. yields remain near record lows. Public and private equity markets remain buoyant as a result, as investors are forced to take greater risks in search of positive returns. Sliding prices for oil and other commodities have complicated the job of the central banks as inflation is forced lower. Private equity fundraising and investment activity was solid across most of the developed economies. Exit activity reached record levels across the globe, fueled by the availability of cheap credit and strong public markets.

**U.S.**

- The U.S. economy continued to grow moderately, with GDP increasing 2.4% in 2014, compared to 2.2% in 2013.
- Fundraising was strong in both the U.S. buyout and venture markets in 2014 as a result of robust distribution activity.
- Strong public equity valuations and an ample supply of credit have driven asset prices higher, causing managers to remain cautious regarding new investments and proactively seek attractive investment opportunities where they have a competitive advantage.
- Venture liquidity increased over 2013 with respect to both IPOs and M&A events; buyout liquidity remained strong and included partial realisations from dividend recapitalisations, IPOs, secondary share sales, and M&A events.

**Europe**

- European GDP marginally improved for the Eurozone as a whole, from 0.8% in 2013 to 0.9% in 2014, marking a turning point from five years of deleveraging and austerity to stronger growth prospects for many European economies.
- Private equity fundraising in 2014 was slightly below the 2013 total when a number of large buyout funds were in the market.
- Deal activity increased modestly from 2013; the U.K. continued to be the largest market for buyout deals in Europe, receiving approximately one quarter of total investments.
- Exit activity, including both IPOs and M&A events, was nearly three times the 2013 total, fuelled by strong public markets.

## Asia Pacific

- China, Asia Pacific's dominant economy, experienced slower growth of 7.4% in 2014 (compared to 7.7% in 2013), which had a ripple effect across the region.
- Fundraising increased nearly 100% from 2013, with high quality managers successfully raising some of the largest funds in their histories.
- Investment activity expanded, and China continued to attract the greatest amount of investments (over one third of total capital deployed).
- Liquidity increased over 2013, driven by M&A events and secondary sales of public shares.

## Rest of World

- Economic growth across global emerging markets slowed in 2014, and forecasts for 2015 have recently been revised downward; lower oil prices supported growth in non-oil producing states, while sluggish global demand, currency volatility, and geopolitical concerns continued to impact many regions.
- Fundraising in Latin America more than doubled from 2013 while deal sizes were smaller; exits increased nearly 25%.
- Sub-Saharan African funds raised $4 billion (the largest total on record), and median deal sizes more than doubled from 2012 and 2013.
- Russia experienced a sharp decline in capital raised and invested in 2014, primarily due to Western economic sanctions.

Sources: Thomson Reuters, U.S. Federal Reserve Board, S&P Capital IQ, Bloomberg, Asia Private Equity Review, EMPEA

# Recent Events

### HVPE Publishes Estimated NAV at 30 April 2015

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

At 30 April 2015, HVPE's estimated NAV per share was $16.14, a $0.28 increase from the NAV per share of $15.86 at 31 January 2015. During April, HVPE committed $93.5 million to HarbourVest funds, invested $1.2 million in HarbourVest funds, and received $8.0 million in realisations.
The Investment Pipeline of unfunded commitments has increased to $994.9 million based on the new HarbourVest fund commitments described below.

At the end of April, there was no debt outstanding against the credit facility, and gearing remained at zero. The Company also has $110.7 million in cash on its balance sheet. At 30 April 2015, liquid resources of $410.7 million (cash and available credit facility) represent 73% of commitments allocated to underlying partnerships and 41% of total commitments.

### HVPE Commits Capital to Newly-Formed HarbourVest Funds

Subsequent to 31 January, HVPE has closed several commitments to newly-formed HarbourVest funds.

| Date Committed | HarbourVest Fund | Commitment ($m) |
|---|---|---|
| March and April 2015 | HarbourVest X Venture | $118 |
| March 2015 | HarbourVest X Buyout | $100 |
| April 2015 | HarbourVest 2015 Global Fund | $50 |
| April 2015 | HarbourVest Canada Growth Fund | C$32.0 ($25.5) |

- HarbourVest X Venture is focused on building a portfolio of U.S. venture and growth equity funds, complemented by secondary investments and direct co-investments.
- HarbourVest X Buyout is focused on building a portfolio of U.S. buyout funds, complemented by secondary investments and direct co-investments.
- HarbourVest 2015 Global Fund is a balanced fund focused on investment in a combination of primary fund, secondary, and direct co-investments in North America (70%), Europe (20%), and the rest of the world (10%). The portfolio is expected to be broadly diversified by stage, geography, and strategy.
- HarbourVest Canada Growth Fund is focused on building a diversified portfolio of North American venture capital investments with a specific focus on the Canadian venture market. The Fund invests in venture funds focused on Canada with an opportunistic approach to venture capital funds in the U.S. and other geographies. The Fund can also invest in Canadian direct co-investments and in secondary investments in Canadian venture funds.

### Team Update

HVPE's Board of Directors has approved HarbourVest's appointment of Richard Hickman and Billy Macaulay to serve as executives of the Company and manage its day-to-day operations. Richard and Billy will be closely supported by the Chairman, Sir Michael Bunbury, the Company's London-based HarbourVest Director, Peter Wilson, and Boston-based Director Brooks Zug.
Please address any questions about HVPE and its operations to Richard Hickman (rhickman@harbourvest.com or +44-207-399-8847).

# Supplemental Data /

## Largest Managers at 31 January 2015

- No external manager represented more than 2.1% of the Investment Portfolio
- HVPE's investments provided exposure to 755 fund interests across multiple high quality managers (compared to 708 at 31 January 2014)

For each stage and region, the largest private equity managers based on HVPE's Investment Portfolio at 31 January 2015 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. In many cases, HarbourVest representatives participate in managers' advisory committees.

### Largest Managers by Stage Based on Investment Value

| TOP 25 VENTURE CAPITAL / GROWTH EQUITY | TOP 25 BUYOUT | TOP 10 MEZZANINE AND OTHER |
|---|---|---|
| – In total, these managers represented 17.3%<br>– The five largest managers represented 5.6% | – In total, these managers represented 26.5%<br>– The five largest managers represented 8.2% | – In total, these managers represented 2.2%<br>– The five largest managers represented 1.4% |
| **1.0% to 1.5% of Investment Value** | **1.5% to 2.5% of Investment Value** | **Up to 0.5% of Investment Value** |
| DCM | Arcapita Bank | ABRY Partners |
| Health Evolution Investments* | The Blackstone Group | Centerbridge Partners |
| Index Ventures | GTCR | Falcon Investment Advisors |
| Oak Investment Partners | Kohlberg Kravis Roberts | Hutton Collins Partners |
| **0.5% to 1.0% of Investment Value** | **1.0% to 1.5% of Investment Value** | Oaktree Capital Management |
| Accel Partners | Bain Capital | Summit Partners |
| Battery Ventures | Doughty Hanson & Co. | Sun Capital Partners |
| Canaan Partners* | Hellman & Friedman | TA Associates |
| Draper Fisher Jurvetson | Silver Lake Management | VCFA Group* |
| Holtzbrinck Ventures | Thoma Bravo | Welsh, Carson, Anderson & Stowe |
| Insight Venture Management | TPG Capital | |
| Lightspeed Venture Partners | Warburg Pincus | |
| Menlo Ventures | **Up to 1.0% of Investment Value** | |
| New Enterprise Associates | Apollo Management | |
| NewQuest Capital Advisors | Bridgepoint Development Capital | |
| Polaris Partners | CVC Capital Partners | |
| TA Associates | The Jordan Company | |
| Trustbridge Partners* | Leonard Green & Partners | |
| **Up to 0.5% of Investment Value** | Madison Dearborn Partners | |
| Columbia Capital* | Motion Equity Partners (Cognetas) | |
| Foundation Capital | Nordic Capital | |
| Information Venture Partners* | Pamlico Capital* | |
| Jerusalem Venture Partners* | Providence Equity Partners | |
| Pitango Venture Capital | Rockwood Private Equity (Absa)* | |
| Redpoint Ventures | Terra Firma Capital Partners | |
| Sanderling Venture Partners | Thomas H. Lee Company | |
| Summit Partners | TPG Asia* | |

* Manager not included in largest managers at 31 January 2014.

### Largest Managers by Region Based on Investment Value

| TOP 25 U.S. | TOP 25 EUROPE | TOP 10 ASIA AND REST OF WORLD |
|---|---|---|
| – In total, these managers represented 27.2%<br>– The five largest managers represented 8.2% | – In total, these managers represented 12.7%<br>– The five largest managers represented 5.0% | – In total, these managers represented 5.7%<br>– The five largest managers represented 3.5% |
| **1.5% to 2.5% of Investment Value** | **1.0% to 1.5% of Investment Value** | **Up to 1.0% of Investment Value** |
| Arcapita Bank | Doughty Hanson & Co. | Advent International (Argentina) |
| The Blackstone Group | Index Ventures | CHAMP Private Equity |
| GTCR | **0.5% to 1.0% of Investment Value** | DCM |
| Kohlberg Kravis Roberts | Bridgepoint Development Capital | Jerusalem Venture Partners* |
| **1.0% to 1.5% of Investment Value** | CVC Capital Partners | Legend Capital* |
| Bain Capital | Holtzbrinck Ventures | NewQuest Capital Advisors |
| Health Evolution Investments* | IK Investment Partners | Pitango Venture Capital |
| Hellman & Friedman | Magnum Capital Industrial Partners* | Rockwood Private Equity (Absa)* |
| Oak Investment Partners | Motion Equity Partners (Cognetas) | TPG Asia |
| Silver Lake Management | Nordic Capital | Trustbridge Partners* |
| Thoma Bravo | Terra Firma Capital Partners | |
| TPG Capital | **Up to 0.5% of Investment Value** | |
| Warburg Pincus | ABÉNEX Capital | |
| **Up to 1.0% Investment Value** | Accel Partners* | |
| Apollo Management | Advent International | |
| Battery Ventures* | Apax Partners Ltd. (UK) | |
| The Jordan Company | Bain Capital Europe | |
| Leonard Green & Partners | BC Partners | |
| Lightspeed Venture Partners* | Capvis Equity Partners | |
| Madison Dearborn Partners | EQT Managers | |
| Menlo Ventures* | Exponent Private Equity | |
| New Enterprise Associates | Parabellum Capital* | |
| Pamlico Capital* | Paragon Partners* | |
| Providence Equity Partners | Permira Advisers Limited | |
| TA Associates | Phase 4 Ventures | |
| Thomas H. Lee Company | TDR Capital | |
| Welsh, Carson, Anderson & Stowe | TowerBrook Capital Partners | |

* Manager not included in largest managers at 31 January 2014.

# Largest Underlying Companies at 31 January 2015

- No single portfolio company represented more than 1.1% of the Investment Portfolio
- In total, the top 25 companies represented 15.2% of investment value
- The five largest investments represented 4.6% of investment value

The 25 largest portfolio company investments based on Investment Portfolio value are listed by percentage of investment value. Companies in bold below are held at least in part in HarbourVest direct funds. 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.

| Company | Stage | % of Investment Value at 31 January 2015 | Location | Status | Description |
|---|---|---|---|---|---|
| **Zayo Group (ZAYO)** | **Venture** | **1.08%** | **U.S.** | **Public** | **Telecommunications** |
| **Capsugel** | **Buyout** | **1.00** | **U.S.** | **Private** | **Drug delivery systems** |
| Censeo Health* | Venture | 0.90 | U.S. | Private | Home health care services |
| PODS Enterprises* (sold in February 2015) | Buyout | 0.80 | U.S. | Private | Mobile storage solutions |
| **Earth Networks** | **Venture** | **0.78** | **U.S.** | **Private** | **Localised convergence content** |
| **Big Heart Pet Brands (Del Monte Foods)** (sold in March 2015) | **Buyout** | **0.75** | **U.S.** | **Private** | **Food and pet products** |
| Freightliner (sold in March 2015) | Buyout | 0.68 | U.K. | Private | Rail containers |
| **Omega Pharma** (sold in March 2015) | **Buyout** | **0.67** | **Belgium** | **Private** | **OTC pharmaceuticals** |
| VIP Shop Information Technology (VIPS) | Venture | 0.67 | China | Public | Online flash sale retailer |
| **Lightower Fiber Networks** | **Buyout** | **0.66** | **U.S.** | **Private** | **Metrofiber network and broadband service** |
| **Viva Globe (Vistra)** | **Buyout** | **0.58** | **Switzerland** | **Private** | **Offshore financial services** |
| **Wayfair (W)** | **Growth Equity** | **0.56** | **U.S.** | **Public** | **Online home goods retailer** |
| **CDW Corporation (CDW)** | **Buyout** | **0.56** | **U.S.** | **Public** | **Multi-branded information technology services** |
| Sabre Holdings (SABR)* | Buyout | 0.52 | U.S. | Public | Online travel distribution services |
| **The Sun Products Corporation** | **Buyout** | **0.52** | **U.S.** | **Private** | **Private-label household products** |
| LendingClub* (LC) | Venture | 0.50 | U.S. | Public | Peer-to-peer lending |
| **Abertis Infraestructuras (ABE)** | **Buyout** | **0.47** | **Spain** | **Public** | **Mobility and telecommunications infrastructure** |
| **CareCentrix*** | **Buyout** | **0.47** | **U.S.** | **Private** | **Home health benefit management services** |
| TMF Group* | Buyout | 0.46 | Netherlands | Private | Outsourced business services |
| Zalando (ZAL) | Venture | 0.45 | Germany | Public | Online fashion retailer |
| Uber Technologies* | Venture | 0.44 | U.S. | Private | On-demand personal transportation |
| **MYOB Limited** | **Buyout** | **0.43** | **Australia** | **Private** | **Accounting software** |
| Cyber-Ark Software (CYBR)* | Venture | 0.43 | U.S. | Public | Information security software |
| **Carlile Bancshares*** | **Buyout** | **0.43** | **U.S.** | **Private** | **Community bank platform** |
| **Korea Bulk Shipping (H-Line Shipping)*** | **Buyout** | **0.42** | **South Korea** | **Private** | **Marine bulk shipping** |

* Company not included in largest companies at 31 January 2014.

# Directors' Report /
at 31 January 2015

## Board of Directors

*From left: Keith Corbin, Jean-Bernard Schmidt, Peter Wilson, Sir Michael Bunbury, Brooks Zug, Alan Hodson, and Andrew Moore*

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

## Biographies

**Sir Michael Bunbury**
*Chairman, Independent Director*

Sir Michael Bunbury (age 68) is an experienced director of listed and private investment, property and financial services companies. He is currently the Chairman of BH Global Limited, a former Chairman of JP Morgan Claverhouse Investment Trust plc, a former Director of Foreign & Colonial Investment Trust plc (which has been an investor in numerous HarbourVest funds, including 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.

**D. Brooks Zug**
*Director*

Brooks Zug (age 69) is a senior managing director of HarbourVest Partners, LLC and a founder of HarbourVest. He is a member of HarbourVest's Investment Committee and Executive Management Committee and 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 European private equity partnerships, including funds managed by 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.

**Peter G. Wilson**
*Director*

Peter Wilson (age 52) joined HarbourVest's London-based subsidiary in 1996 and leads HarbourVest's secondary investment activity in Europe. He also serves on the firms' Executive Management Committee. He is a member of the advisory committees for partnerships managed by Baring Vostok Capital Partners, CVC Capital Partners, Holtzbrinck Ventures, Index Venture Management, Nordic Capital, and Paragon Partners. Prior to joining HarbourVest, he spent three years working for the European Bank for Reconstruction and Development, where he originated and managed two regional venture capital funds in Russia. He served as founding Chairman of the Board of Trustees of City Year London. Peter also spent two years at The Monitor Company, a strategy consulting firm based in Cambridge, Massachusetts. He received a BA (with honours) from McGill University in 1985 and an MBA from Harvard Business School in 1990.

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

Keith Corbin (age 62) 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 34 years. Currently the Group Executive Chairman of Nerine International Holdings Limited, Guernsey, which also has operations in the British Virgin Islands, Hong Kong, India, and Switzerland, he serves as a non-executive Director on the board of 3W Power S.A. and various regulated financial services businesses, investment funds, and other companies, including HarbourVest Structured Solutions II GP Limited. Those assignments also include the chairmanship of audit and other board committees.

## Alan C. Hodson

*Independent Director*

Alan Hodson (age 53) is a Director of JP Morgan Elect. He is also Chairman of Triodos New Horizons Limited and a trustee of Great Ormond Street Hospital Children's Charity. Alan joined Rowe and Pitman (subsequently SG Warburg, SBC and UBS) in 1984 and worked in a range of roles, all related to listed equity markets. He became Global Head of Equities in April 2001 and was a member of the Executive Committee of UBS Investment Bank and of the UBS AG Group Managing Board. He retired from UBS in June 2005 and has since held positions on a variety of commercial and charity boards.

## Andrew W. Moore

*Independent Director*

Andrew Moore (age 60) is Group Chairman of Cherry Godfrey Holdings Limited and Director of Adam & Company International Limited, CI Credit Insurance Limited, HarbourVest Structured Solutions II GP 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 25 years of experience as both an executive and non-executive Director of companies including investment funds and banks.

## Jean-Bernard Schmidt

*Independent Director*

Jean-Bernard Schmidt (age 69) 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 and 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.

# Directors' Report

The directors present their report and financial statements for the year ended 31 January 2015.

### 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 no par value ("Class A shares") and Class B shares of no 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. Please refer to Note 1 in the Audited Consolidated Financial Statements for information on voting rights.

### Investment Objective and Investment Policy

The investment objective and investment policy of the Company is as stated on the Company's website at www.hvgpe.com.

### 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 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 eleventh Interim Management Statement on 18 June 2014 covering the period from 1 February 2014 to 17 June 2014, and its twelfth Interim Management Statement on 26 November 2014 covering the period from 1 August 2014 to 25 November 2014. 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 Company's 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 2015 are set out in the Consolidated Statement of Operations within the Audited Consolidated Financial Statements that begin on page 55. The directors did not propose a dividend for the financial year ended 31 January 2015.

On 9 October 2014, the Company undertook a compulsory partial redemption of approximately $20 million of the Class A shares (1.3 million shares), being a Redemption Price of $15.3218 per Class A share redeemed.

### Directors

The directors as shown beginning on page 42 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. Peter Wilson is Managing Director of HarbourVest Partners (U.K.) Limited, a subsidiary of HarbourVest Partners, LLC. Jean-Bernard Schmidt is a former Managing Partner of Sofinnova Partners, which manages partnerships in which HarbourVest fund-of-funds invest. Keith Corbin and Andrew Moore are directors of HarbourVest Structured Solutions II GP Ltd., which acts as the general partner of a limited partnership managed by the Investment Manager. Mr. Corbin and Mr. Moore each receive $10,000 per annum in respect of their positions on the board of HarbourVest Structured Solutions II GP Ltd. The Board unanimously considers that there is no conflict of interest between Mr. Corbin's and Mr. Moore's directorships and the limited partnership. 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. Wilson, are considered to be independent. Mr. Corbin is the Senior Independent Director.

Mr. Hodson, Mr. Moore, and Mr. Schmidt are paid an annual fee of $60,500 per annum. The Chairman receives an annual fee of $120,000 plus $12,000 for expenses, and Mr. Corbin receives an annual fee of $66,000 in recognition of his additional responsibilities as chairman of the Audit Committee. The Chairman received an additional ad hoc fee of $25,000 for the year ended 31 January 2015 in recognition of his prolonged and in-depth involvement in all aspects of the upcoming move to the Main Market of the London Stock Exchange, including the detailed negotiations with the Investment Manager with respect to the required changes to the Articles and Investment Management Agreement. Mr. Wilson and Mr. Zug do not receive any fee from the Company.

## Directors' Interests as at 31 January (invested directly or indirectly)

| Class A Shares | 2015 | 2014 |
|---|---|---|
| Sir Michael Bunbury | 20,663 | 21,000 |
| Keith Corbin | 21,745 | 22,100 |
| Andrew Moore | 12,099 | 12,296 |
| Alan Hodson | 20,000 | 12,000 |
| Jean-Bernard Schmidt | 19,315 | 19,630 |

There has been no change in Directors' interests post 31 January 2015.

## Relations with Shareholders

The Board recognises that it is important to maintain appropriate 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 J.P. Morgan Cazenove and Jefferies Hoare Govett as its joint corporate brokers to enhance communications with shareholders. Scott Harris and Edison have both been engaged to both report on and to liaise with shareholders. Scott Harris also arrange shareholder meetings for the Investment Manager.

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 and Interim Management Statements. Shareholders may contact the directors through the Company Secretary.

## Substantial Shareholders

As of 19 May 2015, 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 May 2015 | % of Total Shares May 2014 |
|---|---|---|---|
| State Teachers Retirement System of Ohio | 10,840,319 | 13.57 | 18.53 |
| Washington State Investment Board | 9,325,009 | 11.68 | 14.13 |
| Blackrock Inc. | 8,925,813 | 11.18 | 9.93 |
| Red Rocks Capital LLC | 6,525,556 | 8.17 | 5.01 |
| Retirement Board of the Policemen's Annuity & Benefit Fund, City of Chicago | 4,919,650 | 6.16 | 8.33 |
| Lothian Pension Fund | 4,571,079 | 5.72 | 5.03 |
| Asset Value Investors Limited | 4,404,618 | 5.52 | 5.08 |
| Lazard Asset Management Company LLC | 4,225,267 | 5.29 | 5.61 |
| **TOTAL** | **53,737,311** | **67.29%** | **71.65%** |

## 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.

## Delegation of Responsibilities

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.

## Board Responsibilities

The Board meets at least four times a year, and between these scheduled meetings there is regular contact between directors, the Investment Manager and the Company Secretary, including a formal strategy meeting and scheduled Board update calls. As a result of the changes in the UK Finance Act 2014, the Company amended its Articles to permit the Board to meet in the UK. However, the Board continues to hold the majority of its meetings offshore.

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.

In the financial year ended 31 January 2015, the Board met each quarter to review the activities of the Company for that period and held a meeting devoted solely to strategic issues. An additional six meetings were held at short notice to consider limited objectives; these meetings were attended by those directors available in the jurisdiction to constitute a meeting at the relevant time on limited notification. 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. In addition to the formal quarterly, strategy, and ad-hoc meetings, the Board also receives detailed updates from the Investment Manager via update calls.

Below is a summary of the director attendance at the scheduled Board meetings held in the financial year:

### Scheduled and Strategic Board Meetings*

| | |
|---|---|
| Sir Michael Bunbury | 4/4 |
| Mr. Brooks Zug | 4/4 |
| Mr. Peter Wilson | 4/4 |
| Mr. Keith Corbin | 3/4 |
| Mr. Alan Hodson | 3/4 |
| Mr. Andrew Moore | 4/4 |
| Mr. Jean-Bernard Schmidt | 4/4 |

* The fourth quarter 2014 board meeting was held in February 2015 as a result of a shift of the meeting schedule, resulting in one less quarterly Board meeting during the financial year. The Board held an ad hoc meeting in December 2014 and also held a Board update call in January 2015.

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.

The Board undertakes a formal annual evaluation of its performance and the performance of the Investment Manager and the Secretary. Each director's performance is reviewed annually by the Chairman, and the performance of the Chairman is assessed by the remaining directors. As part of the review, succession planning is considered.

The Board has an ongoing process in place for identifying, evaluating, and managing the significant risks faced by the Company. A description of the principal risks and uncertainties facing the Company is given on page 71. As part of the process for evaluating risks, the Board undertook a quarterly review of its risk matrix. The risks the Board reviews are categorised into three categories: Financial Risks, Operating Risks, and Strategic and Investor Relations Risk. Risks are then assessed and classed according to their probability of occurring and the likely impact upon the Company. Based upon their position in the matrix, risks can then be classed as high, medium or low priority.

During the financial year, the Board focused on corporate governance and on the changes required to achieve a main market listing.
In addition the Board considered currency risk and how it might impact future returns; potential future liquidity requirements based on scenario analysis by the Investment Manager; and how to maintain the Company's NAV and share price growth. In general, the Board noted that those risks where the probability and impact remained high post-mitigants were outside of the Company's control and would affect the market as a whole.

### 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. In addition, the Board monitors and manages the ongoing commitments via the criteria set out on page 8. When considering the criteria, the Board reviews detailed reports from the Investment Manager detailing ongoing commitments and the investment pipeline. Furthermore, the Board, as part of its regular review of the Balance Sheet and debt position, considers model scenario outputs that are based on a look-through to the anticipated underlying fund and portfolio cashflows.

### 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.

The directors confirm that in their opinion the Annual Report and accompanying Audited Consolidated Financial Statements are fair, balanced, and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

### Disclosure of Information to the Auditors

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 Annual Report.

By order of the Board

Michael Bunbury

Michael Bunbury
Chairman

Keith Corbin
Chairman of the Audit Committee
28 May 2015

## 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 in February 2015 (AIC Code).

The Board of HVPE 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 HVPE.

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 HVPE, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. 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:

- Two of the independent directors are also directors of HarbourVest Structured Solutions II GP Ltd. (previously Conversus Capital prior to its acquisition by HarbourVest-managed funds including HVPE), which acts as the general partner of a limited partnership managed by the Investment Manager. This is not in accordance with the recommendations of the AIC Code but given that HVPE invests in the limited partnership, the Board unanimously considers that there is no conflict of interest between HVPE and the limited partnership. The Board nevertheless keeps the matter under review.
- 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 from the recommendation 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. Given that the Board is comprised of five independent directors and two directors affiliated with the Investment Manager, it is felt that it is appropriate for the whole Board to consider these matters.
- The Board has not formalised a policy on diversity. The Board has renewed its commitment to appointing the best applicant for any Board positions becoming open and will use external search consultants if required to ensure that there is a strong and varied pool of applicants. The Board's priority is to assure it is composed of directors with a broad balance of skills, experience and opinions.
- The Board has not formalised a policy on tenure, which is not in accordance with the AIC Code. The Board has agreed to keep the matter under review.

### Audit Committee Report

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

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

In the financial year ended 31 January 2015, 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:

**Audit Committee Meetings**

| | |
|---|---|
| Mr. Keith Corbin | 2/2 |
| Mr. Jean-Bernard Schmidt | 2/2 |
| Mr. Andrew Moore | 2/2 |
| Mr. Alan Hodson | 2/2 |

The terms of reference of the Audit Committee are available on the Company's website and 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 Audit Committee reviewed the Board's processes for evaluating risk to ensure that the systems covered all the potential risks facing the Company and confirmed to the Board that the risk review was both thorough and rigorous. 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 its sixth report on controls placed in operation, a Type II SOC I Report - Private Equity Fund Administration Report on Controls Placed in Operation and Tests of Operating Effectiveness for the period from 1 October 2013 to 30 September 2014 from its auditors. This report has been provided to the Audit Committee.

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.

### Auditors

The Company's auditors, Ernst & Young LLP, have been appointed to the Company since 2007. The Company's auditors performed an audit of the Company's financial statements in accordance with applicable law, U.S. Generally Accepted Auditing Standards, and International Standards on Auditing (UK and Ireland). The audit approach remained unchanged relative to the prior year and the Audit Committee was informed that a majority of the audit field work would be performed by Ernst & Young in Boston, United States, under the direction and supervision of Ernst & Young LLP.

### Terms of Engagement

The Audit Committee reviewed the audit scope and fee proposal set out by the auditors in their audit planning report dated 11 September 2014 and discussed the same with the auditors at an Audit Committee meeting on 18 September 2014. The Audit Committee considered the proposed fee of $114,400 for audit services related to the 31 January 2015 annual accounts. Having been satisfied by the scope of the engagement letter and fee proposal, the Committee recommended to the Board to approve the fee proposal and letter of engagement. No non-audit services were undertaken during the year.

### Financial Statements and Significant Reporting matters

As part of the 31 January 2015 year end audit, the Audit Committee reviewed and discussed the most relevant issues for the Company and received a report from the auditors.

The following sections discuss the assessments made by the Audit Committee during the year:

### Investment Valuations

The Audit Committee reviews the monthly NAV statements issued by the Company prior to release and, if appropriate, challenges the investment methodologies used by the Investment Manager when meeting with the operational teams as discussed below. The Audit Committee has satisfied itself that the valuation techniques are accurate and appropriate for the Company's investments and consistent with the requirements of U.S. GAAP.

### Fees and Expenses

The Audit Committee reviewed the calculation of fees and expenses paid by the Company to the Investment Manager and primary service providers as well as the auditors' processes for checking those calculations. Discussing the calculation and disclosure of fees paid to the Investment Manager, the Audit Committee noted the enhanced disclosures and presentation in the Annual Report and concluded that the information was in a clear and understandable format. The Audit Committee noted the discussions between the Board and the Investment Manager to ensure that fees charged to the Company are comparable with those charged to other significant investors in HarbourVest funds. The overall percentage rate of fees and expenses paid to the Investment Manager continues to be reduced from the levels of previous financial years, and the Audit Committee also reviewed the information regarding those fees contained in this Annual Report to ensure that it is presented in a clear and consistent manner.

### Investment Management Agreement

During the course of the financial year, the terms of the Investment Management Agreement were reviewed by the Board in preparation for the Main Market Listing.

### Risk Management

The Audit Committee reviewed the Board's policies and procedures regarding the identification, management, and monitoring of risks that could affect the Company and considers that the Board is engaged on an ongoing basis in the process of monitoring relevant risks.

### Corporate Governance

The Audit Committee continues to monitor the review by the Board of the Company's compliance with corporate governance standards in readiness for the Main Market listing later this year.

### Auditor Independence

The Audit Committee understands the importance of auditor independence and during the year, the Audit Committee reviewed the independence and objectivity of the Company's auditor, Ernst & Young LLP. The Audit Committee received a report from the external auditor describing its independence, controls and current practices to safeguard and maintain auditor independence. No non-audit services were undertaken during the year.

### Auditor Tender

The Audit Committee advised in last year's report that it would be formulating a policy in the next financial year with a view to being able to follow FRC guidance, which provides for an audit tender to be carried out every ten years. At the time of making that statement, the Audit Committee anticipated that the Main Market Listing of the Company would be completed earlier than the present projected timing of late 2015. The formulation of a tender policy is under active consideration as one of a number of corporate governance actions to be undertaken in the months leading up to the listing.

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

### Other Matters

The Board as a whole undertake annual visits to the Investment Manager's offices in either Boston or London. In May 2015, the Board visited the Investment Manager's London office. The Board receives presentations from various operational teams of the Investment Manager regarding investment strategy and other matters relating to the Company's affairs and also discusses these matters with the Investment Manager's managing directors. The directors also attend the Investment Manager's annual conference in order to keep fully apprised of all developments relating to the Investment Manager and the Company.

In presenting this report, I have set out for the Company's shareholders the key areas that the Audit Committee focuses on. However if any shareholders would like any further information about how the Audit Committee operates and its review process, I, or any of the other members of the Audit Committee would be pleased to meet with members to discuss this.

Keith Corbin
Chairman of the Audit Committee
28 May 2015

# Report of Independent Auditors /

## Opinion on Financial Statements

### In Our Opinion the Financial Statements:

- give a true and fair view of the state of the Group's affairs as at 31 January 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP"); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

### What We Have Audited

We have audited the consolidated financial statements of HarbourVest Global Private Equity Limited for the year ended 31 January 2015 which comprise the consolidated statement of assets and liabilities, the consolidated statement of operations, the consolidated statement of changes in net assets, the consolidated statement of cash flows and related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and accounting principles generally accepted in the United States.

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 Directors' Responsibilities Statement set out on page 48, the directors are responsible for the preparation of the 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 financial statements sufficient to give reasonable assurance that the 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 financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Our Assessment of Risks of Material Misstatement

We identified the following risk that we believed would have the greatest effect on the overall audit strategy; the allocation of resources and directing the efforts of the engagement team:

i) valuation of the Group's investments at 31 January 2015, which comprise 95% of net assets because quoted prices are not available. Valuations are based on the most recent audited financial statements of each investment adjusted to take account of changes between the date of those financial statements and 31 January 2015. These adjustments require management judgement.

This risk is also discussed in the Report of the Audit Committee. Our audit approach to this risk is set out in the overview of our audit scope below.

## Our Application of Materiality

We determined planning materiality for the Company to be US$25.3m (2014: US$23.3m), which is approximately 2% of net assets. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures. We used net assets as a basis for determining planning materiality because the Company's primary performance measures for internal and external reporting are based on net asset value.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% of materiality, namely US$19.0m (2014: US$17.5m). Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in the financial statements did not exceed our materiality level.

We agreed with the Audit Committee that we would report to them all audit differences in excess of US$1.27million, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluated any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

## An Overview of the Scope of Our Audit

We adopted a risk-based approach in determining our audit strategy. This approach focuses audit effort towards the risk areas, such as investment valuations.

The audit was led from Guernsey and utilised an audit team from the Boston office of Ernst & Young LLP in the US. We operated as an integrated audit team across the two jurisdictions and we performed audit procedures and responded to the risk identified as described below.

The Group comprises the Company and its four wholly owned subsidiaries as explained in note 2 to the financial statements. The Company, each subsidiary and the consolidation are subject to full scope audit procedures. The subsidiaries own the investments, which are set out in the consolidated schedule of investments, and on which we performed our work on valuation.

We addressed the risk of incorrect valuation of the Group's investments as set out below.

i) We obtained the most recent audited financial statements of each investment. For over 95% of investments these financial statements were for the year to 31 December 2014. We inspected the audited financial statements, in particular the audit opinion to ensure it was not qualified, and the valuation accounting policies, management's estimates and judgements and fair value disclosures, in order to satisfy ourselves that the financial statements were prepared on an appropriate fair value basis and we agreed the audited net asset value to the company's calculation of fair value at 31 December 2014;

ii) We tested the roll forward of valuations from 31 December 2014 to 31 January 2015 by agreeing changes in drawdowns and distributions to supporting documentation from underlying funds; reperforming management fee and foreign currency translation calculations and agreeing rates to independent sources; agreeing market price changes to independent publicly available sources and checking updated valuation calculations for directly held investments.

## Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Director's report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

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 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.

Michael Bane
For and on behalf of Ernst & Young LLP
Guernsey
28 May 2015

1) The maintenance and integrity of the Company's website is the sole responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

2) Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

# Independent Auditor's Report to the Directors of HarbourVest Global Private Equity Limited

We have audited the accompanying financial statements of HarbourVest Global Private Equity Limited, (the"Company"), which comprise the consolidated balance sheets as of 31 January 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of HarbourVest Global Private Equity Limited at 31 January 2015 and 2014, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP
Guernsey
28 May 2015

# Audited Consolidated Financial Statements /

## Consolidated Financial Statements

### Consolidated Statement of Assets and Liabilities 31 January 2015 and 2014

**In U.S. Dollars**

| | 2015 | 2014 |
|---|---|---|
| ASSETS | | |
| Investments (Note 4) | 1,198,939,130 | 1,264,244,768 |
| Cash and equivalents | 67,284,890 | 2,903,752 |
| Other assets | 3,429,216 | 4,365,560 |
| Total assets | 1,269,653,236 | 1,271,514,080 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | 3,159,385 | 4,157,610 |
| Accounts payable to HarbourVest Advisers L.P. (Note 9) | 205,503 | 644,718 |
| Debt facility payable (Note 6) | — | 99,686,315 |
| Total liabilities | 3,364,888 | 104,488,643 |
| Commitments *(Note 5)* | | |
| **NET ASSETS** | **$1,266,288,348** | **1,167,025,437** |
| NET ASSETS CONSIST OF | | |
| Class A shares, Unlimited shares authorised, 79,862,486 shares issued and outstanding at 31 January 2015 and 81,166,782 shares issued and outstanding at 31 January 2014, no par value | 1,266,288,247 | 1,167,025,336 |
| Class B shares, 10,000 shares authorised, 101 shares issued and outstanding, no par value | 101 | 101 |
| **NET ASSETS** | **$1,266,288,348** | **1,167,025,437** |
| **Net asset value per share for Class A shares** | **$15.86** | **$14.38** |
| **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 on pages 55 to 69 were approved by the Board on 28 May 2015 and were signed on its behalf by:

Michael Bunbury
Chairman

Keith Corbin
Chairman of the Audit Committee

## Consolidated Statement of Operations
## For the Years Ended 31 January 2015 and 2014

**In U.S. Dollars**

| | 2015 | 2014 |
|---|---|---|
| REALISED AND UNREALISED GAINS (LOSSES) ON INVESTMENTS | | |
| Net realised gain (loss) on investments | 165,526,092 | 60,006,150 |
| Net change in unrealised appreciation (depreciation) on: | | |
| Investments | (35,682,083) | 108,340,706 |
| Translation of other assets and liabilities denominated in foreign currency | (890,549) | (1,118,272) |
| Net change in unrealised appreciation (depreciation) | (36,572,632) | 107,222,434 |
| **NET GAIN ON INVESTMENTS** | **128,953,460** | **167,228,584** |
| INVESTMENT INCOME | | |
| Dividends | 191,753 | 426,659 |
| Interest from cash and equivalents | 60,138 | 37,158 |
| Total investment income | 251,891 | 463,817 |
| EXPENSES | | |
| Non-utilisation fees (Note 6) | 2,937,426 | 1,976,991 |
| Management fees (Note 3) | 1,683,074 | 1,459,687 |
| Investment services (Note 3) | 1,097,412 | 1,321,950 |
| Interest expense (Note 6) | 992,331 | 2,895,295 |
| Professional fees | 952,824 | 1,073,419 |
| Financing expenses | 800,565 | 669,174 |
| Directors' fees and expenses (Note 9) | 460,514 | 396,244 |
| Other expenses | 1,034,132 | 1,262,765 |
| Total expenses | 9,958,278 | 11,055,525 |
| **NET INVESTMENT LOSS** | **(9,706,387)** | **(10,591,708)** |
| **NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS** | **$119,247,073** | **$156,636,876** |

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 2015 and 2014

**In U.S. Dollars**

| | 2015 | 2014 |
|---|---|---|
| INCREASE IN NET ASSETS FROM OPERATIONS | | |
| Net realised gain (loss) on investments | 165,526,092 | 60,006,150 |
| Net change in unrealised appreciation (depreciation) | (36,572,632) | 107,222,434 |
| Net investment loss | (9,706,387) | (10,591,708) |
| Net increase in net assets resulting from operations | 119,247,073 | 156,636,876 |
| Redemption of Class A shares | (19,984,162) | (19,849,040) |
| NET ASSETS AT BEGINNING OF YEAR | 1,167,025,437 | 1,030,237,601 |
| **NET ASSETS AT END OF YEAR** | **$1,266,288,348** | **$1,167,025,437** |

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

# Consolidated Statement of Cash Flows
## For the Years Ended 31 January 2015 and 2014

**In U.S. Dollars**

| | 2015 | 2014 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net increase in net assets resulting from operations | 119,247,073 | 156,636,876 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: | | |
| Net realised (gain) loss on investments | (165,526,092) | (60,006,150) |
| Net change in unrealised (appreciation) depreciation | 36,572,632 | (107,222,434) |
| Contributions to private equity investments | (162,192,314) | (163,398,784) |
| Distributions from private equity investments | 355,450,329 | 256,038,709 |
| Other | (501,096) | (638,512) |
| Net cash provided by operating activities | 183,050,532 | 81,409,705 |
| FINANCING ACTIVITIES | | |
| Debt facility drawings | 21,000,000 | 10,300,000 |
| Payments on debt facility | (119,685,232) | (74,222,270) |
| Redemption of Class A shares | (19,984,162) | (19,849,040) |
| Net cash used in financing activities | (118,669,394) | (83,771,310) |
| NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS | 64,381,138 | (2,361,605) |
| CASH AND EQUIVALENTS AT BEGINNING OF YEAR | 2,903,752 | 5,265,357 |
| **CASH AND EQUIVALENTS AT END OF YEAR** | **$67,284,890** | **$2,903,752** |
| **SUPPLEMENTAL DISCLOSURE** | | |
| Interest paid | $1,000,034 | $2,895,302 |

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

## Consolidated Schedule of Investments
## at 31 January 2015

### In U.S. Dollars

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

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

* Includes purchase of limited partner interests for shares and cash at the time of HVPE's IPO.
† Includes ownership interests in HarbourVest Partners VII-Cayman Partnership entities.
‡ Includes ownership interest in Dover Street VII (AIV 1) Cayman L.P.
§ Fund denominated in euros. Commitment amount is €47,450,000.
** Fund denominated in euros. Commitment amount is €100,000,000.
††Fund denominated in euros. Commitment amount is €40,000,000.

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

## Consolidated Schedule of Investments
## at 31 January 2014

### In U.S. Dollars

| U.S. Funds | Unfunded Commitment | Amount Invested* | Distributions Received | Fair Value | Fair Value as a % of Net Assets |
|---|---|---|---|---|---|
| HarbourVest Partners V-Direct Fund L.P. | — | 4,365,345 | 4,638,206 | 543,892 | 0.1% |
| HarbourVest Partners V-Partnership Fund L.P. | 2,220,000 | 46,709,079 | 41,622,255 | 6,268,814 | 0.5 |
| HarbourVest Partners VI-Direct Fund L.P. | 1,312,500 | 46,722,408 | 29,395,895 | 15,622,096 | 1.3 |
| HarbourVest Partners VI-Partnership Fund L.P. | 5,175,000 | 204,623,049 | 162,846,598 | 74,398,648 | 6.4 |
| HarbourVest Partners VI-Buyout Partnership Fund L.P. | 450,000 | 8,633,048 | 6,858,071 | 2,439,263 | 0.2 |
| HarbourVest Partners VII-Venture Partnership Fund L.P.† | 6,293,750 | 131,315,448 | 72,565,515 | 114,627,377 | 9.8 |
| HarbourVest Partners VII-Buyout Partnership Fund L.P.† | 5,250,000 | 73,017,291 | 46,939,697 | 46,013,212 | 3.9 |
| HarbourVest Partners VIII-Cayman Mezzanine & Distressed Debt Fund L.P. | 7,250,000 | 42,951,553 | 20,852,970 | 33,871,241 | 2.9 |
| HarbourVest Partners VIII-Cayman Buyout Fund L.P. | 51,250,000 | 201,508,801 | 73,090,141 | 192,477,843 | 16.5 |
| HarbourVest Partners VIII-Cayman Venture Fund L.P. | 5,750,000 | 44,441,736 | 14,581,142 | 50,542,084 | 4.3 |
| HarbourVest Partners 2007 Cayman Direct Fund L.P. | 5,750,000 | 94,376,849 | 24,189,737 | 102,013,862 | 8.8 |
| HarbourVest Partners 2013 Cayman Direct Fund L.P. | 63,500,000 | 36,860,482 | — | 40,455,820 | 3.5 |
| HarbourVest Partners IX-Cayman Buyout Fund L.P. | 59,462,500 | 11,818,226 | 339,522 | 13,104,363 | 1.1 |
| HarbourVest Partners IX-Cayman Credit Opportunities Fund L.P. | 10,375,000 | 2,173,693 | 166,529 | 2,543,378 | 0.2 |
| HarbourVest Partners IX-Cayman Venture Fund L.P. | 51,100,000 | 19,225,714 | 770,049 | 21,713,995 | 1.9 |
| **Total U.S. Funds** | **275,138,750** | **968,742,722** | **498,856,327** | **716,635,888** | **61.4** |

| International / Global Funds | Unfunded Commitment | Amount Invested* | Distributions Received | Fair Value | Fair Value as a % of Net Assets |
|---|---|---|---|---|---|
| HarbourVest International Private Equity Partners III-Partnership Fund L.P. | 3,450,000 | 147,728,557 | 131,792,013 | 16,950,271 | 1.4% |
| HarbourVest International Private Equity Partners IV-Direct Fund L.P. | — | 61,452,400 | 43,623,932 | 16,140,520 | 1.4 |
| HarbourVest International Private Equity Partners IV-Partnership Fund L.P. | 3,125,000 | 126,647,051 | 105,723,081 | 42,887,753 | 3.7 |
| Dover Street VII Cayman L.P.†† | 6,250,000 | 93,750,000 | 48,341,467 | 84,320,694 | 7.2 |
| Dover Street VIII Cayman L.P. | 142,200,000 | 37,924,389 | 6,223,400 | 45,331,229 | 3.9 |
| HIPEP V - 2007 Cayman European Buyout Companion Fund L.P.‡ | 5,119,285 | 61,130,813 | 17,604,993 | 53,876,963 | 4.6 |
| HIPEP VI-Cayman Partnership Fund L.P.§ | 84,287,500 | 49,783,450 | 2,480,340 | 52,251,488 | 4.5 |
| HIPEP VI-Cayman Asia Pacific Fund L.P. | 28,250,000 | 21,937,431 | 1,043,225 | 23,476,595 | 2.0 |
| HIPEP VI-Cayman Emerging Markets Fund L.P. | 17,550,000 | 12,509,489 | 1,399,733 | 11,097,460 | 1.0 |
| HVPE Avalon Co-Investment L.P. | 1,643,962 | 85,135,136 | 37,795,576 | 89,939,379 | 7.7 |
| HVPE Charlotte Co-Investment L.P. | — | 93,894,011 | 25,136,080 | 105,459,586 | 9.0 |
| HarbourVest Senior Loans Europe** | — | 14,409,000 | 10,116,109 | 5,876,942 | 0.5 |
| **Total International / Global Funds** | **291,875,747** | **806,301,727** | **431,279,949** | **547,608,880** | **46.9** |
| **TOTAL INVESTMENTS** | **$567,014,497** | **$1,775,044,449** | **$930,136,276** | **$1,264,244,768** | **108.3%** |

* 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 2014. Cumulative distributions include dividends received which are included as part of dividend income in the Consolidated Statement of Operations.

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

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

# Notes to Consolidated Financial Statements

## Note 1 Company Organisation and Investment Objective

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

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

### Share Capital

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". At 31 January 2014, there were 81,166,782 issued Class A ordinary shares of no par value. On 15 October 2014, the Company redeemed 1,304,296 Class A ordinary shares at $15.322 which were cancelled. At 31 January 2015, there were 79,862,486 Class A ordinary shares issued and outstanding. The Class A shares are entitled to the income and increases and decreases in the net asset value ("NAV") of the Company, and to any dividends declared and paid, but have limited voting rights. Dividends may be declared by the Board of Directors and paid from available assets subject to the directors being satisfied that the Company will, after payment of the dividend, satisfy a statutory solvency test. Dividends will be paid to shareholders pro rata to their shareholdings. Final dividends must be approved by the holders of the Class B shares.

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

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

There is no minimum statutory capital requirement under Guernsey law.

### Investment Manager, Company Secretary, and Administrator

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

### Directors

The directors are responsible for the determination of the investment policy of the Company on the advice of the Investment Manager and have overall responsibility for the Company's activities. This includes the periodic review of the Investment Manager's compliance with the Company's invest-ment 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.

Two of the current independent directors, Andrew Moore and Keith Corbin, are also directors of HarbourVest Structured Solutions II GP Limited, the general partner of HarbourVest Structured Solutions II L.P., a Guernsey partnership managed by HarbourVest and set up to implement the Conversus transaction. The Board does not consider this arrangement to present a conflict of interest, and has concluded that Mr. Moore and Mr. Corbin shall continue to be considered independent directors of HVPE.

## 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 four wholly owned subsidiaries, HVGPE - Domestic A L.P., HVGPE - Domestic B 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 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.

The Partnership is an investment company following the accounting and reporting guidance of the Financial Accounting Standards Boards (FASB) Accounting Standards Codification ("ASC") Topic *946 Financial Services – Investment Companies.*

### 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 their fair value. The Company maintains bank accounts denominated in U.S. dollars, in euros, and in pounds sterling. The Company may invest excess cash balances in highly liquid instruments such as certificates of deposit, sovereign debt obligations of certain countries, and 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 Manager including fund level related expenses and management fees, and is net of any carry allocation. Realised gains and losses are calculated as the difference between proceeds received and the related cost of the investment. For investments in publicly-traded securities, the Company records its share of realised gains and losses as the difference between the remaining cost basis of the securities and the related proceeds received on the sale.

### Net Change in Unrealised Appreciation and Depreciation on Investments

For investments in private equity funds, the Company records its share of change in unrealised gains and losses as reported by the investment manager as an increase or decrease in unrealised appreciation or depreciation of investments and is net of any carry allocation. When an investment is realised, the related unrealised appreciation or depreciation is recognised as realised. 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 year represent unrealised appreciation or depreciation of investments.

### Income Taxes

The Company is registered in Guernsey as a tax 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 £1,200.

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 2015, 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

### Administrative Agreement

The Company has retained JTC Group ("JTC") as Company Secretary and Administrator. Fees for these services are paid as invoiced by JTC and include an administration fee of £12,718 per annum, a secretarial fee of £27,106 per annum, an additional value fee equal to 1/12 of 0.005% of the net asset value of the Company above $200 million as at the last business day of each month, and reimbursable expenses. During the year ended 31 January 2015, fees of $121,794 were incurred to JTC and are included as other expenses in the Consolidated Statement of Operations.

### Registrar

The Company has retained Capita as share registrar. Fees for this service include an annual base fee of £8,338 per annum, corporate portal fee of £1,500 per annum, plus other miscellaneous expenses. During the year ended 31 January 2015, registrar fees of $23,992 were incurred and are included as other expenses in the Consolidated Statement of Operations.

### Independent Auditor's Fees

For the year ended 31 January 2015, $114,400 has been accrued for auditor's fees and is included in professional fees in the Consolidated Statement of Operations. There were no non-audit fees paid to the independent auditor for the year ended 31 January 2015.

### Investment Management Agreement

The Company has retained HarbourVest Advisers L.P. as the Investment Manager. The Investment Manager is reimbursed for costs and expenses incurred on behalf of the Company in connection with the management and operation of the Company. The Investment Manager does not directly charge HVPE management fees or performance fees other than with respect to parallel investments. However, as an investor in the HarbourVest funds, HVPE is charged the same management fees and is subject to the same performance allocations as other investors in such HarbourVest funds. During the year ended 31 January 2015, reimbursements for services provided by the Investment Manager were $1,097,412.

During the year ended 31 January 2015, HVPE has two parallel investments: HarbourVest Acquisition S.à.r.l. (via HVPE Avalon Co-Investment L.P.) and HarbourVest Structured Solutions II, L.P. (via HVPE Charlotte Co-Investment L.P.). Management fees paid for the parallel investments made by the Company were consistent with the fees charged by the funds alongside which the parallel investments were made. During the years ended 31 January 2015 and 2014, management fees included in the Consolidated Statement of Operations were as follows:

| | 2015 | 2014 |
|---|---|---|
| HVPE Avalon Co-Investment L.P. | 937,351 | 937,351 |
| HVPE Charlotte Co-Investment L.P. | 745,723 | 522,336 |
| Total Management fees | $1,683,074 | $1,459,687 |

For the year ended 31 January 2015, management fees on the HVPE Avalon Co-Investment L.P. investment were calculated based on a weighted average effective annual rate of 1.08% on committed capital to the parallel investment. For the year ended 31 January 2015, management fees on the HVPE Charlotte Co-Investment L.P. investment were calculated based on a weighted average effective annual rate of 0.90% on capital originally committed (0.79% on committed capital net of management fee offsets) to the parallel investment.

## NOTE 4 Investments

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

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

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

**Level 3** – Inputs that are unobservable.

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

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

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

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

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Balance at 31 January 2013 | $12,645,957 | — | $1,175,127,778 | $1,187,773,735 |
| Contributions to investments | — | — | 163,398,784 | 163,398,784 |
| Net realised gain (loss) on investments | — | — | 60,770,252 | 60,770,252 |
| Net change in unrealised appreciation (depreciation) on investments | 366,220 | — | 107,974,486 | 108,340,706 |
| Distributions received from investments | (7,135,235) | — | (248,903,474) | (256,038,709) |
| Transfers in and/or (out) of Level | — | — | — | — |
| **Balance at 31 January 2014** | **$5,876,942** | **—** | **$1,258,367,826** | **$1,264,244,768** |
| Contributions to investments | — | — | 162,192,314 | 162,192,314 |
| Net realised gain (loss) on investments | 221,599 | — | 163,412,861 | 163,634,460 |
| Net change in unrealised appreciation (depreciation) on investments | (171,205) | — | (35,510,878) | (35,682,083) |
| Distributions received from investments | (5,927,336) | — | (349,522,993) | (355,450,329) |
| Transfers in and/or (out) of Level | — | — | — | — |
| **BALANCE AT 31 JANUARY 2015** | **$ –** | **—** | **$1,198,939,130** | **$1,198,939,130** |
| | | | | |
| Net change in unrealised gain (loss) on investments related to investments still held at 31 January 2015 | | | ($34,668,139) | |

The Company recognises transfers at the current value at the transfer date. There were no transfers during the year ended 31 January 2015. Investments include limited partnership interests in private equity partnerships, all of which carry restrictions on redemption. The investments are non-redeemable and the Investment Manager estimates an average remaining life of 9 years with a range of 1 to 17 years remaining.

As of 31 January 2015, the Company had invested $1,975,187,471 or 72.9% of the Company's committed capital in investments and had received $1,317,033,442 in cumulative distributions (including dividends from HarbourVest Senior Loans Europe).

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

## NOTE 5 Commitments

As of 31 January 2015, the Company has unfunded investment commitments to other limited partnerships of $734,072,640 which are payable upon notice by the partnerships to which the commitments have been made. Unfunded investment commitments of $96,195,932 within this balance are denominated in euros.

## NOTE 6 Debt Facility

On 4 December 2007 the Company entered into an agreement with Lloyds Bank plc regarding a multi-currency revolving credit facility ("Facility") for an aggregate amount up to $500 million. In April 2013, HVPE refinanced the facility which would remain at $500 million until December 2014 and would reduce to $300 million thereafter. During October 2014, the Company voluntarily cancelled $200 million of the facility with an effective date of 31 October 2014. The new facility is set to expire in April 2018. Amounts borrowed against the Facility accrue interest at an aggregate rate of the LIBOR/EURIBOR, a margin, and a mandatory cost, if any. A margin of 2.55% per annum was charged for the period from 1 February 2014 to 29 August 2014 which is the date the outstanding balance was paid. The Facility was secured by the private equity investments and cash and equivalents of the Company, as defined in the agreement. Availability of funds under the Facility and interim repayments of amounts borrowed are subject to certain covenants and diversity tests applied to the investment portfolio of the Company. At 31 January 2015 and 2014, $0 and $99,686,315 respectively was outstanding against the Facility. Included in other assets at 31 January 2015 are deferred financing costs of $2,683,087 related to refinancing the facility. The deferred financing costs are amortised on the terms of the facility. The Company is required to pay a non-utilisation fee calculated as 40 basis points per annum on the daily balance of the unused Facility amount for the period from 1 February 2013 to 22 April 2013 and 55 basis points per annum for the period from 23 April 2013 to 31 December 2013. For the period from 1 January 2014 to 31 December 2014, a fee of 70 basis points was charged and for the month of January 2015 90 basis points. For the year ended 31 January 2015, $992,331 in interest expense and $2,937,426 in non-utilisation fees have been incurred.

## NOTE 7 Financial Highlights*

For the Years Ended 31 January 2015 and 2014

| | 2015 | 2014 |
|---|---|---|
| **Class A Shares** | | |
| PER SHARE OPERATING PERFORMANCE: | | |
| Net asset value, beginning of year | $14.38 | $12.46 |
| Net realised and unrealised gains | 1.60 | 2.05 |
| Net investment loss | (0.12) | (0.13) |
| Net decrease from redemption of Class A shares | (0.00)§ | (0.00)§ |
| **Total from investment operations** | **1.48** | **1.92** |
| Net asset value, end of year | $15.86 | $14.38 |
| Market value, end of year | $12.73 | $10.75 |
| Total return at net asset value | 10.3% | 15.4% |
| Total return at market value | 18.4% | 24.1% |
| RATIOS TO AVERAGE NET ASSETS | | |
| Expenses† | 0.82% | 1.01% |
| Net investment loss | (0.80)% | (0.96)% |
| 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.

§ Represents less than $.01.

## NOTE 8 Publication and Calculation of Net Asset Value

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

## NOTE 9 Related Party Transactions

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

Other amounts payable to HarbourVest Advisers L.P. of $205,503 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 2015.

HarbourVest fund-of-funds invest in partnerships managed by Sofinnova Partners, of which Director Jean-Bernard Schmidt is a former Managing Partner. Board-related expenses, primarily compensation, of $460,514 were incurred during the year ended 31 January 2015. Two of the directors, Andrew Moore and Keith Corbin, are also directors of HarbourVest Structured Solutions II GP Limited, the general partner of HarbourVest Structured Solutions II L.P.

## NOTE 10 Indemnifications

### General Indemnifications

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

### Investment Manager Indemnifications

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

### Directors and Officers Indemnifications

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

## NOTE 11 Subsequent Events

In the preparation of the financial statements, the Company has evaluated the effects, if any, of events occurring after 31 January 2015 through 28 May 2015, the date that the financial statements were issued.

On 31 March 2015, the Company committed $100 million each to HarbourVest Partners X Buyout Fund L.P. and HarbourVest Partners X Venture Fund L.P. On 30 April 2015, the Company committed an additional $18 million to HarbourVest Partners X Venture Fund L.P.

On 2 April 2015, the Company committed C$32 million ($25.5 million) to HarbourVest Canada Growth Fund L.P.

On 30 April 2015, the Company committed $50 million to HarbourVest 2015 Global Fund L.P.

# Disclosures /

## Forward-Looking Statements

*This report contains certain forward-looking statements.*

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

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

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

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

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

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

## Publication and Calculation of Net Asset Value

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

# Certain Information

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

# Risk Factors

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

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

## NAV Risks

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

Approximately 20% of the HVPE portfolio is denominated in non-U.S. dollar currencies, primarily euros. Foreign currency movement affects HVPE's investments, borrowings on the credit facility, and unfunded commitments. HVPE has exposure to foreign currency movements through the foreign currency-denominated assets within the portfolio and through foreign currency-denominated unfunded commitments. The Company's most significant currency exposure is to euros.

## Balance Sheet Risks

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

## Reliance on HarbourVest

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

## Trading Illiquidity and Price

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

## Key Information

| | |
|---|---|
| Exchanges | **London Stock Exchange / Euronext Amsterdam (Specialist Fund Market)** |
| Ticker | **HVPE** |
| Listing Date | **6 December 2007 (Euronext)**<br>**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** |
| Outstanding Shares | **79,862,486 Class A Ordinary Shares** |

## 2015 Calendar

Monthly NAV Estimate
**Generally within 15 days of Month End**

Interim Management Statement
**June 2015 / November 2015**

Semi-Annual Report and Unaudited Consolidated Financial Statements
**September 2015**

## Company Advisors

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