2008

HarbourVest Global Private Equity Limited

Annual Report & Audited Consolidated Financial Statements

31 January 2008 | For the period from 18 October 2007 (date of incorporation) to 31 January 2008

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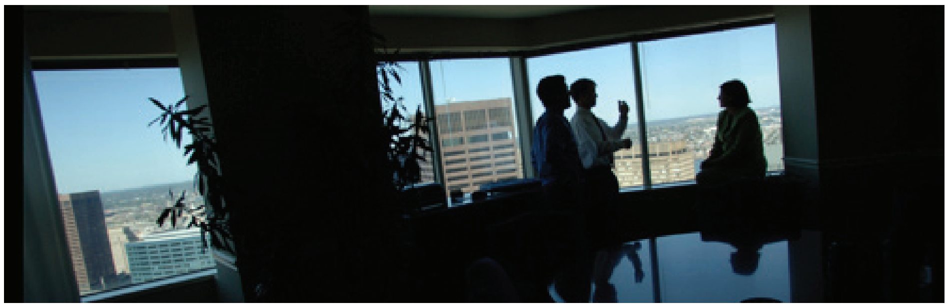
Company Overview and Financial Highlights



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Company Overview

HarbourVest Global Private Equity Limited ("HVPE" or the "Company") is a Guernsey-registered closed-end investment company listed on Euronext Amsterdam by NYSE Euronext. HVPE is managed by HarbourVest Advisers L.P. (the "Investment Manager"), an affiliate of HarbourVest Partners, LLC ("HarbourVest" or the "Firm").

Investment Objective:
Long-Term Capital Appreciation

The Company is designed to offer shareholders superior, long-term capital appreciation while avoiding undue risk by investing in a diversified portfolio of private equity investments. The majority of the Company's investments will be in HarbourVest-managed private equity funds. HarbourVest's funds typically invest their capital in primary partnerships, secondary investments, and direct investments across vintage years, geographies, industries, and stages of investment.

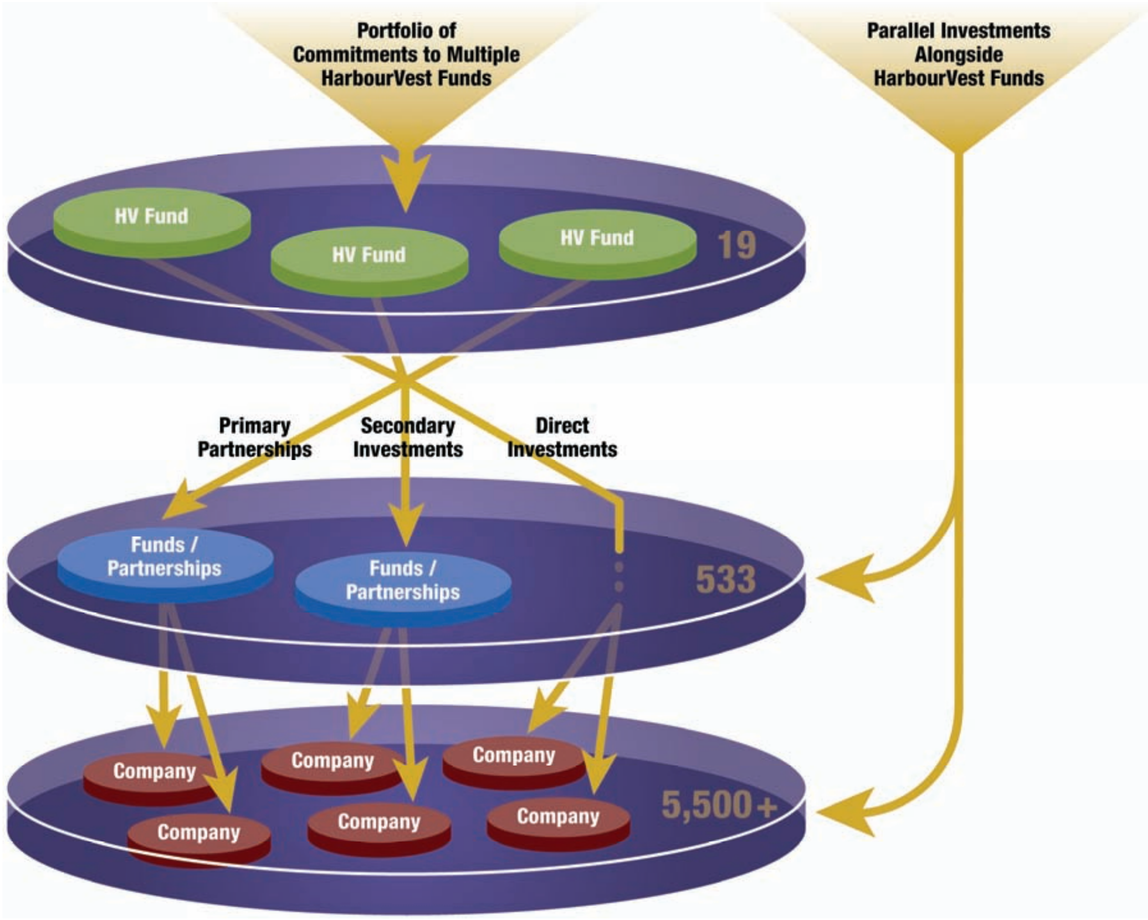
The Company:
HarbourVest Global Private Equity Limited (HVPE)

- Seasoned portfolio of private equity fund interests provides strong platform for net asset value ("NAV") growth
- Diversification across stages of investment, geography, industry, and vintage year enhances the Company's ability to withstand market volatility
- High quality investments offer access to leading private equity sponsors
- Fully invested portfolio with a 98% investment level at 31 January 2008
- Publicly-traded vehicle provides sole means for public market investors to access HarbourVest's comprehensive investment strategy

The Investment Manager:
HarbourVest Advisers L.P. (an affiliate of HarbourVest Partners, LLC)

- Largest private equity fund-of-funds manager with access to leading private equity partners
- 25-year track record achieved by the same professionals that manage the portfolio today
- Demonstrated ability to build top-quartile portfolios
- Experienced and stable team – 17 managing directors average 18 years with HarbourVest
- Independently owned and controlled by HarbourVest's investment professionals with no corporate parent or joint venture structure
- Established investment teams located in Boston, London, and Hong Kong

HVPE makes investments in HarbourVest-managed private equity funds (including U.S. and non-U.S. fund-of-funds and direct funds). In turn, the HarbourVest funds invest capital in primary partnerships, secondary investments, and direct company investments – providing diversified exposure across stages of investment, geographies, vintage years, and industries. At 31 January 2008, the HVPE portfolio included interests in 19 HarbourVest funds, which provided exposure to 533 fund interests and 5,560 companies.



Financial Highlights

In $ millions except per share data

	31 January 2008	At Listing*	Change
Investments, at value	$847.6	$754.8	$92.8
Cash and Cash Equivalents	21.0	75.2	(54.2)
Other Assets (Liabilities)	(6.5)	0.0	(6.5)
NAV	$862.1	$830.0	$32.1
Shares Issued – Class A (millions)	83.0	83.0	--
NAV per Share – Class A	$10.39	$10.00	$0.39
Fund Investments	$847.6	$754.8	$92.8
Unfunded Commitments	689.6	668.5	21.1
Total Private Equity Exposure	$1,537.2	$1,423.3	$113.9
Investment Level (%)	98%	91%	7%
Commitment Level (%)	178%	171%	7%

**Unconditional listing on 11 December 2007. Initial purchase based on 30 June 2007 NAV of the relevant HarbourVest fund interests, adjusted for contributions and distributions prior to listing.*

Chairman's Letter

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Chairman's Letter

Dear Shareholder,

I have pleasure in presenting the first Annual Report of the Directors of HarbourVest Global Private Equity Limited ("HVPE" or the "Company") for the initial period of operations from 18 October 2007 (date of incorporation) to 31 January 2008. On behalf of the Board of Directors, I welcome all HVPE shareholders, both those who have been investors with HarbourVest for many years and those high quality and knowledgeable new investors who have purchased new shares. You have become shareholders in a company whose private equity assets are widely diversified by strategy and vintage year.

Company Overview

Our Investment Manager is an affiliate of HarbourVest Partners, LLC ("HarbourVest"), an overview of which begins on page 7 of this Report. For over 25 years, HarbourVest has been managing private equity fund-of-funds on behalf of some of the highest quality institutional investors in the world. HarbourVest has delivered an enviable track record of success over that period.

For many years, there have been a number of private equity companies listed on stock markets in the U.S. and in Europe. In recent years, the numbers have increased and different company models have been listed. During 2006 and 2007, HarbourVest monitored the various listings and considered how best to design a listed investment vehicle that would resolve the problems associated with some of the other newly-listed vehicles and would allow its shareholders access to the HarbourVest investment team's expertise. Thus the concept of HVPE was born.

The Company was listed on Euronext Amsterdam by NYSE Euronext in December 2007 with a net asset value (NAV) of $830 million, of which $300 million was in cash and $530 million was in existing HarbourVest funds held by institutional investors, which were exchanged for shares. $225 million of the newly-subscribed cash was used to purchase additional HarbourVest-managed funds. The shares issued to existing investors are subject to "lock-ups", which expire between December 2008 and December 2009. The successful fundraising was undertaken in the very difficult environment of late 2007, and the resultant balance sheet of the Company fully achieved the Board's and HarbourVest's objectives. To achieve this in such difficult market conditions was testimony to the quality of the Company's investments, details of which are given later in this report. At listing, the Company was 91% invested in private equity assets, and, within six weeks of listing, this level had risen to 98%, thus avoiding the "cash-drag" which has so affected the asset performance of some other newly-listed vehicles.

All of the substantial costs associated with the listing were paid by HarbourVest and none fell to the account of your Company. This resulted in all of the assets being introduced into the Company and the cash raised being reflected in HVPE's balance sheet, which was very much to the benefit of shareholders.

The Board

Many investors will know that new closed-end companies like HVPE are usually conceived by an investment manager, with the Board being appointed some time after the original concept has been developed. This was the case with HVPE. The Board of Directors is made up of seven experienced professionals whose responsibilities include the determination of HVPE's investment policy and oversight of the Company's activities.

On the formation of the Company in October 2007, HarbourVest (who through an associate have the right to appoint the directors) asked me to become Chairman of the Board. I was very supportive of the concept of a listed vehicle that would permit public market investors to benefit from HarbourVest's expertise in the management of private equity fund-of-funds. I was pleased to accept as I had developed a high regard for HarbourVest over the previous five years as a director of a U.K.-listed investment trust that has invested in HarbourVest funds, including five funds that are represented in your Company's portfolio. That company participates in those funds on the same terms as does HVPE and has the same objectives as does the Board of HVPE – to see the maximisation of net asset value growth for shareholders.

Two of HarbourVest's partners are members of the Board. Brooks Zug is a senior managing director based in Boston. Together with Ed Kane, Brooks founded the HarbourVest team more than 25 years ago. The second HarbourVest director is George Anson, a managing director who heads up the London office. Both Brooks and George, and indeed all of the partners of HarbourVest, are totally committed to the success of HVPE, which is the public expression of HarbourVest's investment expertise. However, for tax purposes, it is not beneficial for U.S.-based individuals to invest directly in HVPE. Therefore, no HarbourVest partner or employee is currently a shareholder. Nevertheless, those partners and some key employees have very substantial personal interests in all of the fund-of-funds and direct funds in which HVPE is invested.

The Board is completed by four other Independent Directors. Jean-Bernard Schmidt is Managing Partner of Sofinnova Partners, a leading Paris-based venture capital firm, and a former Chairman of the European Private Equity and Venture Capital Association. HVPE is incorporated in Guernsey, and we have three experienced Guernsey resident Directors, Keith Corbin (also Chairman of the Audit Committee), Andrew Moore, and Paul Christopher. Full details of the Directors are given beginning on page 38 of the Report. All of the Independent Directors are shareholders in the Company.

The Company and its Portfolio

With limited exceptions, the Company's investment management is contractually delegated to our Investment Manager, which is an affiliate of HarbourVest. The Investment Manager's Review, commencing on page 7, details the operations of the Company during the financial period to 31 January 2008. At the period end, the Company's net asset value per share had increased from $10.00 at launch to $10.39.

In a challenging market environment for both public and private equity investors, I am pleased to see an increase in net asset value at the period end. Details of your Company's portfolio are given in the Investment Manager's Review, and you will note the substantial diversification by strategy, by vintage year, and the spread of investments held. HVPE will not be immune to a serious further downturn either in the world economy or in credit markets. However, your Board is confident that HarbourVest's techniques, tried and tested over a long period and in both good and bad markets, will deliver growth in net asset value per share significantly in excess of that delivered by conventional equities.

Shares, Liquidity, and Discounts

In a closed-end vehicle such as HVPE, shareholders do not directly own any part of the underlying net asset value of the Company's assets. The Company's shares can trade at a premium or a discount to the net asset value per share. HVPE listed at a particularly difficult time for private equity vehicles, and since then, many have traded at very substantial discounts to net asset value.

Discounts to net asset value are always of concern, and particularly so for a new vehicle such as HVPE, which started life with no discount. I have been involved with London-listed vehicles for over 15 years and have had to consider this issue many times. The most satisfactory long-term resolution to the challenge of discounts is for there to be superior investment performance such that growth in net asset value of the Company's assets moves ahead strongly year after year. I am confident that the HarbourVest team's experience and expertise has the potential to deliver this performance for the Company. Time will tell. Meanwhile, your Board will explore ways in which any discount can be minimised. However, on account of the nature of the Company's assets, and its investment strategy, I do not anticipate "buy-backs" being a suitable route for HVPE to follow in the foreseeable future.

Trading in your Company's shares, which are very tightly held, has been modest and sporadic. As such, a very small transaction can move the share price materially. Nevertheless, to 31 January 2008, the maximum discount to net asset value at which HVPE's shares have traded has been 8.7% and at the time of writing, it is 4.2%. These discounts are very materially less than those at which similar vehicles trade or have traded.

Your Board is focussed on the relative illiquidity of the Company's shares. We have recently appointed UBS Limited in London as our Corporate Broker with the brief to advise on all matters relating to shareholders and particularly the liquidity in the Company's shares and the discounts at which they may trade. I cannot promise an immediate solution but hope to be able to report a significant improvement in liquidity by the time of HVPE's Semi-Annual Report. Shareholders who exchanged HarbourVest fund holdings for HVPE shares are experienced private equity investors and hold additional illiquid private equity investments. The lock-up period on those shares will begin to expire in late 2008. The Board and HarbourVest have already begun to work with UBS to address and manage those shareholders' intentions, including the possibility that some of them may wish to realise all or part of their holdings.

Shareholder Meetings and Liaison

The formal Annual General Meeting, which only Class B shareholders are legally entitled to attend, will be held in Guernsey. However, we are planning a meeting for all shareholders in London, which is tentatively scheduled for the fourth quarter of 2008. The Investment Manager will give an update on the state of the Company and the private equity market. We will provide shareholders with more information on the date and location of the meeting later in the year.

Monthly updates of estimated net asset value are released on approximately the 15th day of the following month and are placed on the Company's Web site at www.hvgpe.com.

In the autumn of 2008, I anticipate issuing a Semi-Annual Report on the affairs of the Company as at 31 July 2008. Meanwhile, if any shareholder wishes to contact me, or to seek dialogue with the Board or the Investment Manager, please contact us through the Company Secretary at reception@anson-group.com.

I hope you will feel that the Company has made a good start in its short life and will look forward with me to benefiting from the continuing fruits of HarbourVest's expertise in delivering further net asset value growth in the years to come. The Directors and I thank you for the confidence you have shown in HVPE.

Yours Sincerely

Michael Bunbury

Michael Bunbury
Chairman
28 May 2008

Investment Manager's Review

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Overview of the Investment Manager

HVPE is managed by HarbourVest Advisers L.P. (the "Investment Manager"), an affiliate of HarbourVest Partners, LLC ("HarbourVest" or the "Firm"). HarbourVest is one of the longest-established and most experienced private equity fund-of-funds managers in the industry.

Independent Investment Firm

HarbourVest is an independent investment firm that provides comprehensive private equity solutions to institutional clients worldwide. For 25 years, the Firm has remained focused on private equity, striving for top-quartile returns, refining its industry expertise, and cultivating relationships with leading global partners. As one of the first private equity fund-of-funds, HarbourVest has a long and distinguished history of investing in venture, buyout, and mezzanine and distressed debt markets in the U.S., Europe, Asia Pacific, and emerging markets through primary partnerships, secondary purchases, and direct investments.

Experienced Private Equity Manager

Over the last 25 years, private equity investors from around the world have committed more than $30 billion to HarbourVest-managed funds. HarbourVest has a demonstrated ability to build top-quartile portfolios by selecting top-tier managers and actively allocating assets across private equity strategies. At 31 January 2008, HarbourVest employed 186 professionals across its Boston headquarters and London and Hong Kong-based subsidiaries. As one of the largest private equity fund-of-funds managers, the Firm's professional staff includes 69 investment professionals and 117 administrative, finance, communications, and information technology professionals.

Key Strengths

HarbourVest's key strengths are its:

- Independence and Focus
- Experienced and Stable Team
- Demonstrated Track Record
- Established Global Presence
- Access to Leading Private Equity Sponsors

Independence and Focus

- Owned and controlled by HarbourVest investment professionals
- 25-year history with a focus on private equity

➢ HarbourVest believes that its independent ownership and focus allow the Firm to select the best private equity investments free of conflicts arising from third party ownership

Experienced and Stable Team

- 17 managing directors have worked together for an average of 18 years
- 26 managing directors and principals have almost 500 years of collective experience

➢ HarbourVest believes that the investment team's decades of experience working together result in a consistent and proven approach

Demonstrated Track Record

- One of the longest verifiable track records in the industry
- Demonstrated ability to select private equity funds that outperform recognised benchmarks
- ➢ HarbourVest believes that its continued ability to successfully identify and gain access to top-tier managers is key to its track record

Established Global Presence

- Active teams in markets in which its funds invest
- Headquartered in Boston with subsidiaries in London (since 1990) and Hong Kong (since 1996)
- ➢ HarbourVest believes that the investment team has gained global and local expertise and developed long-term relationships with sought-after managers

Access to Leading Private Equity Sponsors

- Based on the key strengths outlined above – independence, track record, experience, and established global presence – HarbourVest has built strong relationships with leading private equity sponsors, many of which can be difficult to access
- ➢ HarbourVest believes that access to leading sponsors, sought-after managers, and the best private equity investments is key to achieving strong, long-term returns

Demonstrated Performance

Verifiable Track Record

The ultimate test of any investment manager is its ability to demonstrate the effectiveness of its team and investment strategy through its investment performance. The HarbourVest team has one of the longest verifiable track records of investment performance in primary, secondary, and direct investments.

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

Comparison to Benchmarks

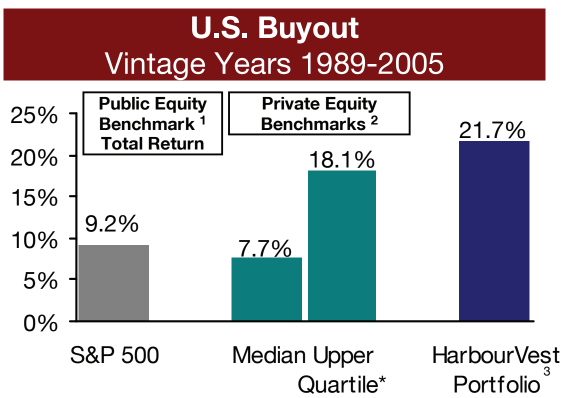
HarbourVest's private equity investment performance is compared in the charts below with that of certain public equity index benchmarks. A comparison of public equity returns with HarbourVest's private equity returns may not be meaningful due to the fact that public equity returns represent an unmanaged index that replicates sector, industry, and market capitalisation weightings of public companies meeting the index criteria. The comparison to public equity benchmarks is provided as one indication of the relevant performance of the two asset classes over the respective period.

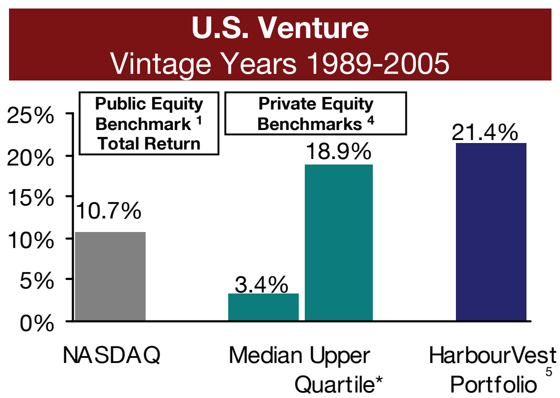
Compared to public equity markets, private equity is characterised by relative information inefficiency and a greater focus on long-term incentives, but also by its focus on greater capital efficiency. HarbourVest believes that top-tier private equity managers should be expected to generate superior returns above the average returns on the asset class. In identifying and selecting these top-tier managers, HarbourVest relies on its experienced management teams and follows a disciplined and rigorous selection process. Where relevant benchmarks exist, HarbourVest has regularly achieved top quartile performance in all private equity strategies.

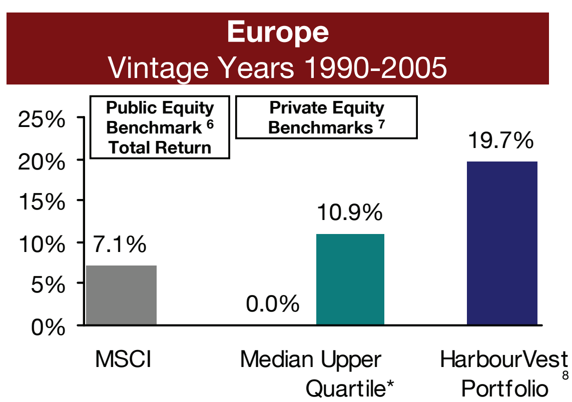
HarbourVest's Partnership Investment Performance

The charts below summarise the returns per annum of U.S. buyout-focussed, U.S. venture-focussed, and Europe-focussed primary partnership investments and secondary investments made by HarbourVest. These returns represent HarbourVest's experience in selecting top-tier private equity managers over the long term. An investor's return in a specific fund would have been different and would have been reduced by the management fees, expenses, and performance allocations of the HarbourVest funds. For example, the difference between the net internal rate of return to Limited Partners (net L.P. IRR) and the gross IRR for HarbourVest Partners VI-Partnership Fund L.P. is 3.3%; for HarbourVest Partners VI-Buyout Partnership Fund L.P. is 3.5%; and for HarbourVest International Private Equity Partners III-Partnership Fund L.P. is 2.9%.

Partnership Investment Performance







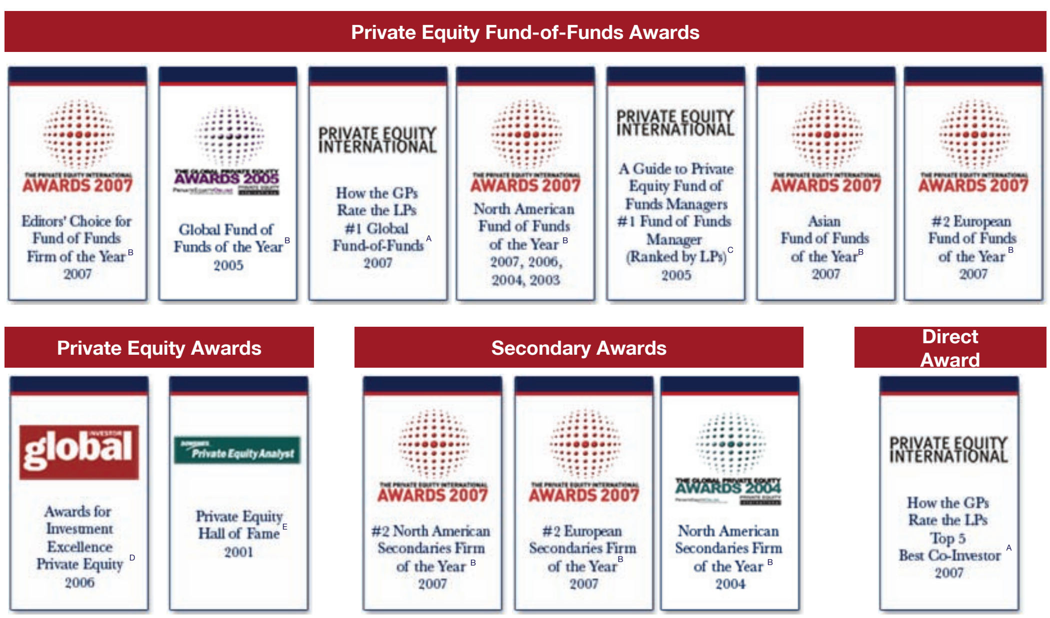
Note: Comparison of public equity returns with private equity returns may not be meaningful.
See Notes 1 through 8.
(*): Minimum performance of funds in upper quartile.
As of 31 December 2007. U.S. figures are calculated in U.S. dollars, Europe figures are calculated in euros.

Recent Awards

HarbourVest's long and distinguished history of global private equity investing has earned it a reputation as an industry leader. Over the years, the Firm has earned many awards and honourable mentions, including awards presented by *Private Equity International*, *Global Investor*, and *The Private Equity Analyst*.

In March 2008, *Private Equity International's Annual Review 2007* recognised HarbourVest for a "landmark" year in 2007, not only for its experience and 25-year history, but for its ability to continue as a market leader and raise new and innovative funds. HarbourVest won *Private Equity International's* **Editors' Choice Award for Fund-of-Funds Firm of the Year**. HVPE's Investment Manager is very pleased that *Private Equity International* has chosen HarbourVest as the Best Fund-of-Funds in 2007. This award echoes the decision of the 2007 Private Equity International Award voters and highlights HarbourVest's impact on global private equity and its contributions across the industry. HarbourVest is described as "one of the longest established and most respected games in town", and the editors also cited the Firm's tradition of innovation, highlighted by the 2007 formation of HVPE.

In addition to the Editor's Choice Award, the readers of *Private Equity International* and *Private Equity Online.com* voted HarbourVest one of the best Fund-of-Funds firms in North America, Europe, and Asia. HarbourVest is the only fund-of-funds to be shortlisted in all regions. The readers also ranked HarbourVest one of the best Secondaries Firms in North America and Europe.



These awards do not necessarily represent investor experience with HarbourVest Partners, LLC or its funds, nor do they constitute a recommendation of HarbourVest Partners, LLC or its services. These awards are based on surveys that are not limited to investors in HarbourVest funds and may not have included all of the investors in HarbourVest funds. These awards are not indicative of HarbourVest's or HVPE's future performance.

See Notes A-E

Notes to HarbourVest's Partnership Investment Performance and Recent Awards

Partnership Investment Performance

Historical data includes both funds managed directly by HarbourVest and its affiliates and funds currently managed by HarbourVest as sub-manager to HVP Inc. (defined below). In addition, historical data includes periods when the funds were managed by the management team of HarbourVest when they were employees of HVP Inc.

The HarbourVest team originated in the late 1970s when D. Brooks Zug and Edward W. Kane began making primary investments on behalf of John Hancock. In 1982, they founded Hancock Venture Partners, Inc. ("HVP Inc."). On 29 January 1997, the management team of HVP Inc. formed a new management company known as HarbourVest Partners, LLC or HarbourVest. Concurrent with the formation of HarbourVest, all of the employees of HVP Inc. became owners and/or employees of HarbourVest. In addition, concurrent with the formation of HarbourVest, HVP Inc. engaged HarbourVest as sub-manager to carry out the terms of its management agreements with the funds formed when the management team was employed by HVP Inc. Other than a sub-management agreement, no relationship exists between HarbourVest and HVP Inc.

The performance shown includes realised and unrealised investments. Unrealised investments are valued by the applicable manager in accordance with the valuation guidelines contained in the applicable partnership agreement. Actual realised returns on unrealised investments will depend on, among other factors, future operating results, the value of the assets, and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in prior performance data contained herein are based and therefore may differ materially from returns indicated herein.

Note 1: Source: Bloomberg–Total Returns. The public equity benchmark does not reflect the reinvestment of dividends. The public equity benchmark return is based on the value of an original investment made on 1 January 1989. These returns do not reflect the cash flows used to calculate the HarbourVest Portfolio return. In addition, the securities comprising the public equity benchmarks have substantially different investment characteristics and risk characteristics than the investments held by the HarbourVest managed funds. Accordingly, a direct comparison may not be meaningful.

Note 2: Source: Venture Economics VentureXpert Database. Benchmark Summary Report. U.S. Buyout, vintage years 1989-2005. Venture Economics provides performance data which is typically used by private equity firms as a broad based benchmark of private equity performance. For these vintage years, the VentureXpert Database is comprised of 413 U.S. partnerships and the HarbourVest portfolio is comprised of 108 U.S. partnerships.

Note 3: Performance of all U.S. Buyout partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through HarbourVest Partners III, IV, V, VI, VII, and VIII, their companion funds, and Dover Street II, III, IV, V, and VI in years 1989-2005. Represents the annual return (IRR) calculated using monthly cash flows from the funds managed by HarbourVest to and from the various funds in which the HarbourVest funds invested during the period specified, after all fees, expenses, and performance fees of all the fund investments but before the HarbourVest funds' own fees, expenses, and performance fees. These returns do not represent the returns to investors or the aggregate returns of any specific fund. If performance for prior funds was included, the results would still be in the upper quartile.

Vintage years 2006 and 2007 are not included because the funds are actively investing capital and it is too early to assess their performance. If vintage years 2006 and 2007 are included, the HarbourVest portfolio return remains at 21.7% , while the median private equity benchmark is 7.3% and the upper quartile is 18.0%.

HarbourVest vintage classification is based on the year in which capital was first funded to each underlying fund (for primary fund investments) or the year of HarbourVest's purchase (for secondary investments).

Note 4: Source: Venture Economics VentureXpert Database. Benchmark Summary Report. U.S. Venture, vintage years 1989-2005. Venture Economics provides performance data which is typically used by private equity firms as a broad based benchmark of private equity performance. For these vintage years, the VentureXpert Database is comprised of 787 U.S. partnerships and the HarbourVest portfolio is comprised of 263 U.S. partnerships.

Note 5: Performance of all U.S. Venture partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through HarbourVest Partners III, IV, V, VI, VII, and VIII, their companion funds, and Dover Street II, III, IV, V, and VI in years 1989-2005. Represents the annual return (IRR) calculated using monthly cash flows from the funds managed by HarbourVest to and from the various funds in which the HarbourVest funds invested during the period specified, after all fees, expenses, and performance fees of all the fund investments but before the HarbourVest funds' own fees, expenses, and performance fees. These returns do not represent the returns to investors or the aggregate returns of any specific fund. If performance for prior funds was included, the results would still be in the upper quartile.

Vintage years 2006 and 2007 are not included because the funds are actively investing capital and it is too early to assess their performance. If vintage years 2006 and 2007 are included, the HarbourVest portfolio return is 21.3% , while the median private equity benchmark is 3.0% and the upper quartile is 18.2%.

HarbourVest vintage classification is based on the year in which capital was first funded to each underlying fund (for primary fund investments) or the year of HarbourVest's purchase (for secondary investments).

Note 6: Source: Bloomberg – Total return, MSCI All European Countries (MSEUE18), in euro. The public equity benchmark does not reflect the reinvestment of dividends. The public equity benchmark return is based on the value of an original investment made on 1 January 1990. These returns do not reflect cash flows used to calculate the HarbourVest Portfolio return. In addition, the securities comprising the public equity benchmarks have substantially different investment characteristics than the investments held by the HarbourVest managed funds. Accordingly, a direct comparison may not be meaningful.

Note 7: Source: Venture Economics VentureXpert Database, Benchmark Summary Report. All Private Equity – Europe, vintage years 1990-2005; in euro. Venture Economics provides performance data which is typically used by private equity firms as a broad based benchmark of private equity performance. For these vintage years, the VentureXpert Database is comprised of 1,000 European partnerships and the HarbourVest portfolio is comprised of 196 European partnerships.

Note 8: Performance of all European partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through HarbourVest International Private Equity Partners I, II, III, IV, and V, their companion funds, Global Select, and Dover Street II, III, IV, V, and VI in years 1990-2005. Prior to 1990, HarbourVest did not offer any funds whose investment strategy was primarily focused on investments outside the U.S. Represents the annual return (IRR) calculated using monthly cash flows from the funds managed by HarbourVest to and from the various funds in which the HarbourVest funds invested during the period specified, after all fees, expenses, and performance fees of all the fund investments but before the HarbourVest funds' own fees, expenses, and performance fees. These returns do not represent the returns to investors or the aggregate returns of any specific fund.

For the purposes of comparing HarbourVest's gross return on European partnership investments to private equity benchmarks on a like basis, IRRs for European investments were calculated by converting U.S. dollar denominated cash flows to euro at historic daily exchange rates. The euro-based IRR is a hypothetical return since certain of the partnership investments were denominated in currencies other than the euro. The IRR calculated based on U.S. dollar cash flows is 22.7%.

Non-U.S. / non-European partnership investments are not included because no relevant private equity benchmarks exist. If all non-U.S. partnership investments were included, the HarbourVest portfolio return would be 19.2% in U.S. dollars.

Vintage years 2006 and 2007 are not included because the funds are actively investing capital and it is too early to assess their performance. If vintage years 2006 and 2007 are included, the HarbourVest Portfolio return remains at 19.7% , while the median private equity benchmark is 0.0% and the upper quartile is 10.4%.

HarbourVest vintage classification is based on the year in which capital was first funded to each underlying fund (for primary fund investments) or the year of HarbourVest's purchase (for secondary investments).

Recent Awards

Note A: The June 2007 issue of Private Equity International included the results of an annual survey on general partner attitudes to their limited partners. Findings were based on investor relations and fundraising professionals at leading private equity firms globally.

Note B: The Global Private Equity Awards, sponsored by Private Equity International magazine and PrivateEquityOnline.com, is based on a one reader, one vote per category basis. There are no predetermined shortlists nor is there a panel of judges to influence votes; the person or firm with the greatest number of votes wins. The Editor's Choice Award is chosen by the editors.

Note C: A Guide to Private Equity Fund of Funds Managers report included rankings voted on by limited partners who invest in funds-of-funds. Findings were based on phone interviews with senior executives representing 47 private equity fund-of-funds managers, as well as on the results of an online survey undertaken by 121 existing and potential limited partners and 41 private equity placement agents worldwide. Published by Private Equity International, May 2005.

Note D: The Awards for Investment Excellence sponsored by Global Investor were determined by pension funds that voted on the best performing asset managers across a spectrum of asset classes. From the votes, Global Investor then developed a shortlist of asset managers, who were contacted to write a submission form. Judges evaluated the firms and determined winners based on number of votes, submission form, and other data including fund performance and asset gathering. HarbourVest was not required to pay any fees in connection with its submission.

Note E: The Private Equity Analyst Private Equity Hall of Fame was established in 1994 to honour individuals and organisations that made exemplary and enduring contributions to the private equity community. Considerations also include the creation, expansion, or reinvigoration of private companies. A Selection Committee chooses additional candidates for the Private Equity Hall of Fame annually. The Committee is organised by the editors of the Private Equity Analyst.

Investment Strategy

Return on Capital Through Long-Term NAV Growth

In managing HVPE's private equity investment portfolio, the Investment Manager seeks to generate attractive returns on capital for shareholders through long-term net asset value growth. HVPE's Investment Manager seeks to implement this strategy by making investments in high-quality private equity funds and investments, while also maintaining a diversified portfolio.

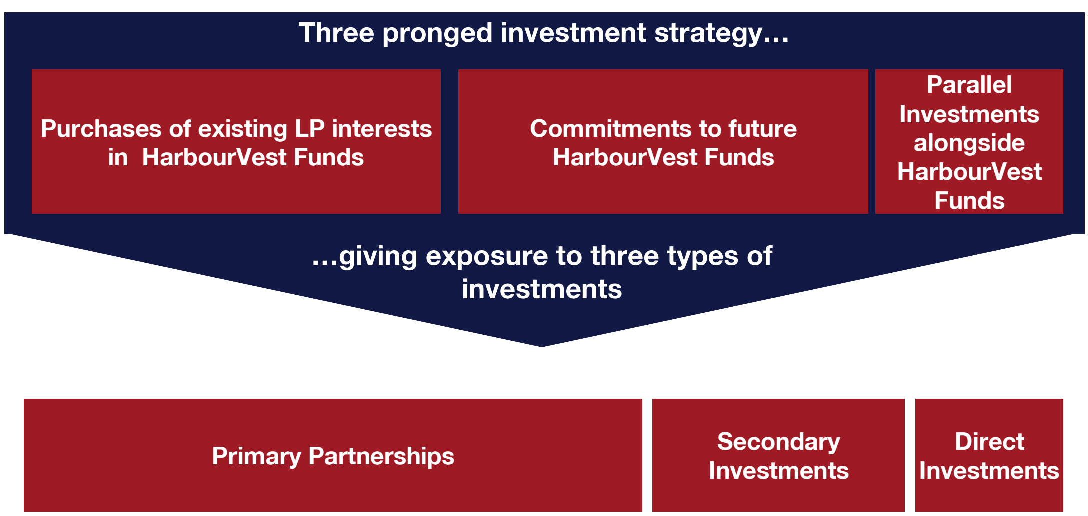
HarbourVest's Investment Approach

HarbourVest funds seek opportunities in venture capital, buyout, mezzanine, distressed debt, and diversified private equity. By focusing on primary partnership, secondary, and direct investments across stages, HarbourVest develops and applies broader industry knowledge, leverages industry-wide relationships, and enhances the flow of potential deals. HarbourVest searches for exceptional investments, evaluates them carefully, and selects those opportunities with the strongest potential for superior returns. This proactive approach is designed to result in diversified investments that include the best opportunities from all areas of global private equity. The HarbourVest team's overlapping knowledge and experience in these three areas provides unique insight and enhances the investment decision-making process.

Investments In and Alongside HarbourVest-Managed Funds

HVPE's investments include the following:
- Investments in newly-formed HarbourVest funds during their initial fundraising;
- Purchases of limited partnership interests in HarbourVest funds from existing investors; or
- Parallel investments alongside HarbourVest funds.

HarbourVest-managed funds make primary fund investments, secondary investments, and direct investments, providing access to company investments that are further diversified by stages, geographies, industries, and vintage years of private equity.



Primary Fund Investments	HarbourVest Strengths
Commitments to private equity funds during their initial fundraising	When investing in new partnerships, the HarbourVest investment team draws upon its extensive knowledge of private equity, access to exclusive partnerships, and strong connections within the private equity community. The team carefully searches for and selects high-quality partnership investments, looking for experienced fund managers with the potential to generate superior rates of return.
Secondary Investments	**HarbourVest Strengths**
Purchases of private equity fund interests subsequent to initial fundraising and after some or all capital has been invested, as well as purchases of portfolios of interests in operating companies and other transactions	HarbourVest-managed funds are well positioned to buy secondary interests in existing partnerships and direct investment portfolios through the Firm's ability to quickly identify attractive or undervalued assets that offer new opportunities. The HarbourVest investment team can evaluate and execute transactions efficiently and create tailor-made solutions for complex transactions, leveraging its extensive experience and deep relationships in the private equity community.
Direct Investments	**HarbourVest Strengths**
Purchases of interests directly in operating companies, often through proprietary opportunities to invest alongside leading private equity sponsors	HarbourVest's strong relationships provide access to direct investment opportunities in established and growing companies. The HarbourVest investment team has wide-ranging knowledge of key industries, from industrial products to information technology, which it can leverage to help portfolio companies expand their businesses and establish category leadership.

Benefits of Strategy's Diversification in Current Market

Because HarbourVest funds typically invest their capital across numerous assets, stages of investment, geographies, vintage years, and industries, the Investment Manager believes that the risk associated with an investment in HVPE is inherently lower than that of an investment in a single private equity fund or fund-of-funds. The Company's diversification across the private equity asset class should provide some buffer against external shocks, such as the volatile public equity market experienced in late 2007 and early 2008. Buyout investments made up approximately 57% of the portfolio at 31 January 2008, with the remainder of the investments in venture (41%), and special situation (mezzanine, distressed debt, etc., 2%). At 31 January 2008, only approximately 8% of the total portfolio was invested in large, leveraged buyout transactions. The diversfication of HVPE's investments by strategy, geography, vintage year, and industry is detailed in the **Investment Diversification** section of this report.

Across stages of investments, tightening credit markets and slowing economic growth have held back new investments and slowed down liquidity. Recent volatility in the global capital markets, combined with the continued retrenchment of financial credit institutions, have most significantly affected leveraged buyout deals. Venture activity has remained fairly steady. The current credit market situation, combined with a prolonged economic slowdown could increase default rates and generate opportunities for distressed debt investors. This environment could also benefit mezzanine debt managers, who are often viewed as reliable and patient providers of junior capital. A fuller analysis of recent market factors affecting HVPE is included in the **Market Commentary** section of this report.

Commitment Strategy

One of the most distinguishing aspects of building an efficient private equity program is appropriately committing to private equity funds so as to optimise the amount of capital actually invested. HVPE's commitments to the HarbourVest funds constitute an obligation to fund those commitments over time as each of those funds are required to fund its capital call obligations to underlying partnership and company investments. The Investment Manager believes that investment levels of over 100% can be achieved by the Company because capital commitments to the newer funds are likely to be called over a period of time, while investments in its mature funds are expected to generate distributions that can be used to fund its capital call obligations to the newer funds when they become due.

In practice, this means that HVPE will invest the cash on its balance sheet as it is drawn on a just-in-time basis by the HarbourVest funds and other private equity funds to which HVPE has exposure. The Investment Manager's goal is for HVPE to remain as fully invested as possible, while maintaining vintage year diversification and enough liquidity and capital resources to meet any undrawn capital commitments to the funds in which the Company is invested. In order to enhance returns by minimising amounts as yet uninvested in longer-term private equity investments, which have typically yielded higher returns than other types of investments (the so-called "cash drag") and to limit the risk of being unable to fund commitments as they are actually called, the Investment Manager's commitment strategy takes into account various factors, including those set out below.

Capital Recycling: As outlined above, because private equity funds typically call capital on a just-in-time basis, it is possible that a fund could be in a position where it could return more capital to its investors than it has actually drawn from them, possibly even before it has drawn all the capital committed to it by its investors. Additions to the unfunded commitments will consider the expected amounts and pace of distributions from the existing investment portfolio.

Timing Differences with Parallel Investments: One criterion the Investment Manager will use in making parallel investments is the expected duration of the investment. Depending on the level of anticipated available cash, a greater or lesser degree of parallel investments could be warranted. HVPE had not made any parallel investments at 31 January 2008. Given that the Company was 98% invested at 31 January 2008 and 101% invested at 30 April 2008, the Investment Manager does not expect to make parallel investments in the near term.

Maturity of Secondary Purchases: In deciding whether to buy additional assets in a secondary purchase, the Investment Manager will consider, in addition to the price for and expected return on any such secondary interest, the relative maturity of the interest and the balance between the net asset value of that interest and the as yet uncalled funding commitments on it.

At 31 January 2008, HVPE had outstanding unfunded commitments of $690 million, for a commitment level (total fund investments plus unfunded commitments/net asset value) of 178%. These unfunded commitments were to a number of HarbourVest funds, most of which have been recently formed. The Investment Manager expects these unfunded commitments to be drawn by the HarbourVest funds over the next several years. They are expected to be funded by a combination of proceeds received from the more mature HarbourVest funds, as well as amounts drawn on the credit facility described below.

Credit Facility

HVPE entered into a $500 million multicurrency revolving credit facility with the Bank of Scotland on 4 December 2007. Under the terms of the agreement, the Company may borrow, repay, and reborrow to fund commitments and working capital requirements through the facility's maturity date in December 2014. The Company has pledged substantially all of HVPE's assets as collateral for such borrowings. The revolving credit facility bears variable interest at LIBOR plus 1.5% and carries a commitment fee of 40 basis points on the unused portion of the facility. The credit facility contains financial covenants that, among other things, limit the Company's indebtedness to 40% of assets, with the calculated value of the assets also subject to certain diversification tests. All financial covenants are calculated quarterly. In addition, non-financial covenants confer customary limitations that restrict HVPE's ability to, among other things, make commitments to funds, incur subsequent indebtedness or liens, pay dividends, or merge, consolidate, or change its business.

The Company had no borrowings outstanding under the facility as of 31 January 2008. The Investment Manager estimates that HVPE has adequate liquidity, through its own cash and the amounts available under the credit facility, to meet its obligations.

Portfolio Review

The Offering

On 6 December 2007, HVPE listed its Class A ordinary shares on Euronext Amsterdam by NYSE Euronext. The Company offered 83,000,000 shares at $10.00 per share. The proceeds of the offering were used to acquire interests in 11 existing HarbourVest funds from existing limited partners in those funds (in exchange for cash and shares in the Company). The interests had an aggregate opening net asset value of $679 million (representing net asset value measured as at 30 June 2007, adjusted for contributions and distributions made by such HarbourVest funds through the date of the purchase of such interests). In addition, HVPE made aggregate commitments of $620 million to six further HarbourVest funds. Upon settlement on 11 December 2007, HVPE was 91% invested, and the portfolio included interests in 17 HarbourVest-managed funds.

Activity

Through 31 January 2008, HVPE purchased additional interests in two HarbourVest-managed funds already in the portfolio and two other HarbourVest direct funds, increasing the portfolio to interests in 19 HarbourVest funds. Through 31 January 2008, HVPE did not make any further investments in new HarbourVest-managed funds, and it did not make any parallel investments alongside HarbourVest-managed funds.

Between listing and 31 January 2008, HVPE funded $21 million to HarbourVest-managed funds and received $48 million in distributions.

The Company's activity and cashflows during the period are detailed in the **Investment Results** section of this report.

Portfolio Allocation

HVPE's portfolio provides investors with exposure to each investment activity within HarbourVest's overall business, including U.S. and non-U.S. fund-of-funds, secondary funds, and direct/co-investment funds. Additional detail on these funds is included on the following pages in the **Portfolio Listing** section of this report.

Portfolio Listing

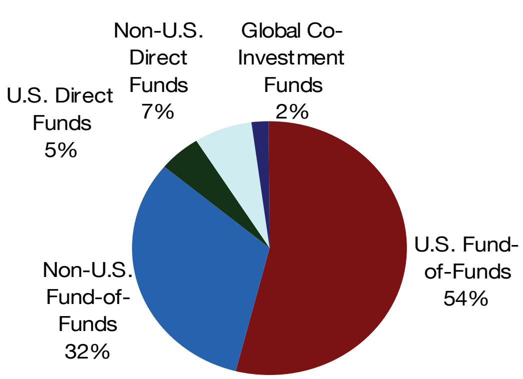
	Types of Investments			Primary Geographic Focus				Stages of Investment		
Fund/Investment Name	**Primary**	**Secondary**	**Direct**	**U.S.**	**Europe**	**Asia**	**Rest of World**	**Venture**	**Buyout**	**Mezz/ Debt**
U.S. Fund-of-Funds										
HarbourVest IV Partnership	●	●		●				●	●	
HarbourVest V Partnership	●	●		●				●	●	
HarbourVest VI Partnership	●	●		●				●	●	
HarbourVest VI Buyout Partnership	●	●		●					●	
HarbourVest VII Venture Partnership	●	●		●				●		
HarbourVest VII Buyout Partnership	●	●		●					●	
HarbourVest VIII Venture	●	●	●	●				●		
HarbourVest VIII Buyout	●	●	●	●					●	
HarbourVest VIII Mezzanine and Distressed Debt	●	●	●	●	●					●
Non-U.S. Fund-of-Funds										
HIPEP II Partnership	●	●			●	●	●	●	●	
HIPEP III Partnership	●	●			●	●	●	●	●	
HIPEP IV Partnership	●	●			●	●	●	●	●	
HIPEP V 2007 European Buyout	●				●				●	
U.S. Direct Funds										
HarbourVest V Direct			●	●				●	●	
HarbourVest VI Direct			●	●				●	●	
Non-U.S. Direct Funds										
HIPEP II Direct			●		●	●	●	●	●	
HIPEP IV Direct			●		●	●	●	●	●	
Global Co-Investment Fund										
2007 Direct Fund			●	●	●	●	●		●	
Global Secondary Fund										
Dover VII		●		●	●	●	●	●	●	●
Parallel Investments										

HVPE had not made any Parallel Investments at 31 January 2008.

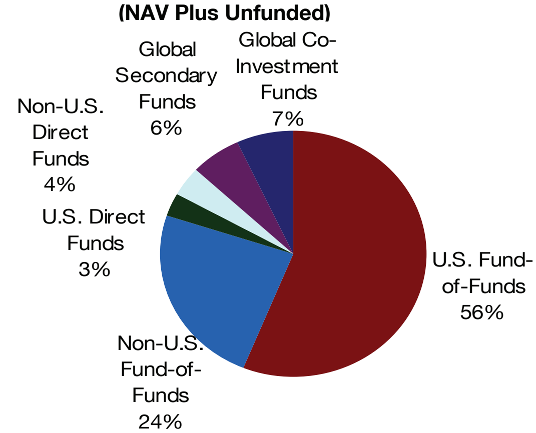
Portfolio Listing

Fund/Investment Name (Fund Currency)	Vintage Year(s)	% of Fund owned by HVPE	NAV ($million)	Amount Unfunded ($million)	Total Exposure ($million)
U.S. Fund-of-Funds					
HarbourVest IV Partnership ($)	1993 - 1996	28.5	9.0	2.8	11.8
HarbourVest V Partnership ($)	1996 - 1999	24.4	41.2	4.4	45.6
HarbourVest VI Partnership ($)	1999 - 2005	9.2	188.9	31.1	220.0
HarbourVest VI Buyout Partnership ($)	1999 - 2003	0.9	7.4	1.1	8.5
HarbourVest VII Venture Partnership ($)	2003 - 2006	6.6	91.6	51.0	142.6
HarbourVest VII Buyout Partnership ($)	2003 - 2007	3.5	55.8	23.5	79.3
HarbourVest VIII Venture ($)	2006 - 2010	2.4	6.6	43.0	49.6
HarbourVest VIII Buyout ($)	2006 - 2010	8.5	51.3	202.5	253.8
HarbourVest VIII Mezzanine and Distressed Debt($)	2006 - 2010	10.3	7.2	43.2	50.4
Total U.S. Fund-of-Funds (9)			**459.0**	**402.6**	**861.6**
Non-U.S. Fund-of-Funds					
HIPEP II Partnership ($)	1995 - 1998	18.1	18.2	2.9	21.1
HIPEP III Partnership ($)	1998 - 2001	13.8	133.8	9.2	143.0
HIPEP IV Partnership ($)	2001 - 2005	5.8	111.2	23.7	134.9
HIPEP V 2007 European Buyout (€)	2007 - 2008	24.9	9.0	61.7	70.7
Total Non-U.S. Fund-of-Funds (4)			**272.2**	**97.5**	**369.7**
U.S. Direct Funds					
HarbourVest V Direct ($)	1997	15.8	4.8	0.0	4.8
HarbourVest VI Direct ($)	1999	17.3	36.4	3.1	39.5
Total U.S. Direct Funds (2)			**41.2**	**3.1**	**44.3**
Non-U.S. Direct Funds					
HIPEP II Direct ($)	1995	20.8	0.9	0.0	0.9
HIPEP IV Direct ($)	2001	21.4	56.6	4.4	61.0
Total Non-U.S. Direct Funds (2)			**57.5**	**4.4**	**61.9**
Global Co-Investment Fund					
2007 Direct Fund ($)	2007	14.2	17.9	82.0	99.9
Total Global Co-Investment Funds (1)			**17.9**	**82.0**	**99.9**
Global Secondary Fund					
Dover VII ($)*	2007 - 2009	14.9	(0.2)	100.0	99.8
Total Global Secondary Funds (1)			**(0.2)**	**100.0**	**99.8**
Parallel Investments					
Total Parallel Investments			0.0	0.0	0.0
HVPE had not made any Parallel Investments at 31 January 2008.					
** Dover VII had not called capital at 31 January 2008.*		**Total**	**$847.6**	**$689.6**	**$1,537.2**

Portfolio Allocation Based on Net Asset Value



Portfolio Allocation Based on Total Exposure (NAV Plus Unfunded)



Investment Results

Net Asset Value Growth: Listing to 31 January 2008

In $ millions except per share data

	31 January 2008	At Listing	Change
Investments, at value	$847.6	$754.8	$92.8
Cash and Cash Equivalents	21.0	75.2	(54.2)
Other Assets (Liabilities)	(6.5)	0.0	(6.5)
NAV	$862.1	$830.0	$32.1
Shares Issued – Class A (millions)	83.0	83.0	--
NAV per Share – Class A	$10.39	$10.00	$0.39
Fund Investments	$847.6	$754.8	$92.8
Unfunded Commitments	689.6	668.5	21.1
Total Private Equity Exposure	$1,537.2	$1,423.3	$113.9
Investment Level (%)	98%	91%	7%
Commitment Level (%)	178%	171%	7%

Purchases/New Commitments

Subsequent to its listing in December 2007, HVPE purchased additional interests in two HarbourVest-managed funds already in the portfolio (HarbourVest Partners VII-Venture Partnership Fund L.P. and HarbourVest Partners VI-Direct Fund L.P.) and two other HarbourVest direct funds (HarbourVest Partners V-Direct Fund L.P. and HarbourVest International Private Equity Partners II-Direct Fund L.P.). These new commitments included U.S. fund-of-funds (venture-focused), U.S. direct funds (venture and buyout-focused), and a non-U.S. direct fund (venture and buyout-focused). Through 31 January 2008, HVPE did not make commitments to any new HarbourVest-managed funds.

The new purchases totalled $81 million of NAV, and HVPE assumed the assets' aggregate unfunded commitments of $42 million. The NAV of the purchased interests represented approximately 10% of HVPE's initial market capitalisation of $830 million and brought HVPE's investment level to 98%, in line with the Company's stated goal of remaining as fully invested as possible.

In $ millions

	Original Commitment	Purchase Price	Unfunded
Investments in new HarbourVest-managed funds	$0.0	$0.0	$0.0
Secondary Purchases			
HarbourVest VII Venture	100.0	62.9	41.0
HarbourVest VI Direct	25.0	12.8	0.9
HarbourVest V Direct	48.0	4.4	0.0
HIPEP II Direct	21.0	1.0	0.0
Parallel Investments	0.0	0.0	0.0
Total	**$194.0**	**$81.1**	**$41.9**

Cash Flows

From inception through 31 January 2008, HVPE funded $21 million of capital calls and received $48 million in distributions from its private equity portfolio. These capital calls were in addition to the purchase of the initial portfolio at listing and the $81 million purchase of additional assets in December 2007.

In $ millions

	Capital Calls Funded	Distributions Received
U.S. Fund-of-Funds	$7.6	$11.6
Non-U.S. Fund-of-Funds	3.1	28.3
U.S. Direct Funds	0.0	7.8
Non-U.S. Direct Funds	0.0	0.0
Global Secondary Funds	0.0	0.0
Global Co-Investment Funds	10.0	0.0
Parallel Investments	0.0	0.0
Total	**$20.7**	**$47.7**

Capital Calls

Capital calls funded through 31 January 2008 were to the actively-investing HarbourVest funds in the portfolio. These include fund-of-funds and direct funds that invest in venture and buyout investments across the U.S. and Europe. Nearly half of the total was funded to HarbourVest Partners 2007 Direct Fund L.P. to fund three new investments.

Distributions

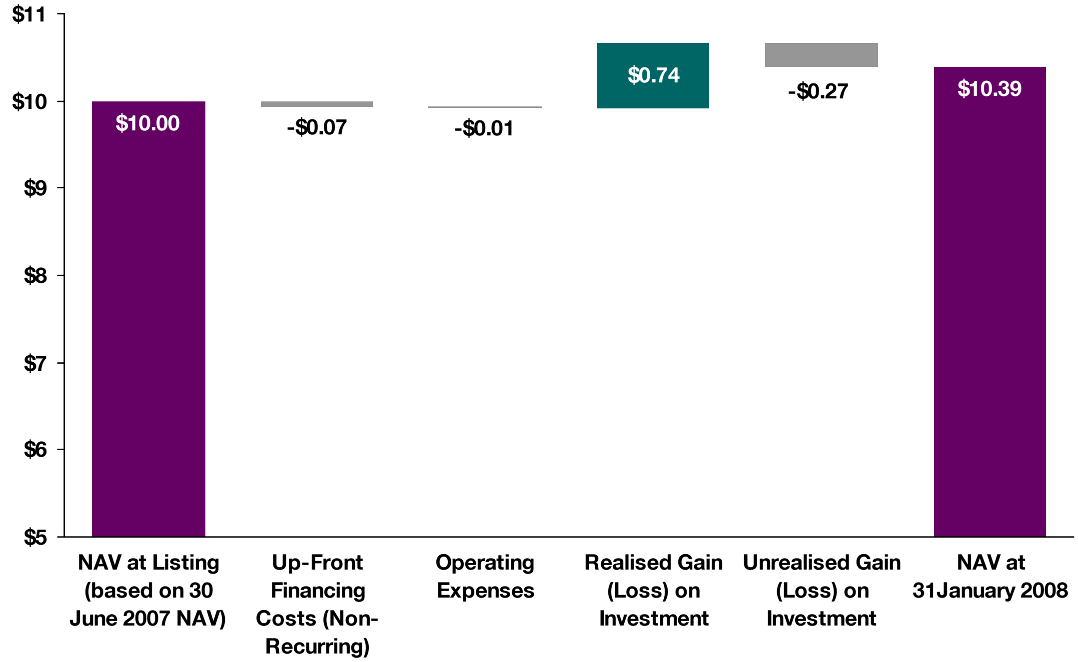
Distributions received through 31 January 2008 came from nine of HVPE's 19 fund investments, including U.S. and non-U.S. fund-of-funds focused on venture and buyout. Approximately 35% of the total was received from HarbourVest International Private Equity Partners III-Partnership Fund L.P., which was formed in 1998 and is currently harvesting its non-U.S. venture and buyout partnership investments.

NAV Growth

Since commencing operations on 6 December 2007, HVPE's net asset value increased to $862.1 million, or $10.39 per share, at 31 January 2008. This represents an increase of $0.39 per share, or 3.9%, compared to the offering price of $10.00 per share at listing. NAV growth during the period was generated by realised and unrealised gains in investment values, which were partially offset by one-time up-front financing costs and operating expenses.

It is important to note that this NAV growth incorporates two quarters of valuation gains from the HarbourVest funds as the initial purchase of those funds at offering were based on 30 June 2007 NAV (adjusted for contributions from and distributions to investors). HVPE's 31 January 2008 NAV is based on the HarbourVest funds' 31 December 2007 NAV, adjusted for changes in value at 31 January 2008.

HVPE NAV Growth: Listing to 31 January 2008



Valuation Changes

During December 2007 and January 2008, the majority of HVPE's private equity assets recorded gains, including the Company's interests in U.S. and non-U.S. fund-of-funds and U.S. and non-U.S. direct funds. The largest gains were generated by maturing direct and fund-of-funds that invested predominantly in small, medium, and large buyouts in the U.S. and Europe, led by HarbourVest Partners VI-Direct Fund L.P., HarbourVest International Private Equity Partners IV-Partnership Fund L.P., and HarbourVest International Private Equity Partners III-Partnership Fund L.P. These gains were partially offset by decreases in value for some newly-formed HarbourVest funds that are actively calling capital and remain in the "J-curve" (where investment returns are often negative in the first few years of a fund's life), including HarbourVest Partners 2007 Direct Fund L.P., HarbourVest Partners VIII-Venture Fund L.P., and Dover Street VII L.P.

HVPE's up-front financing costs include non-recurring expenses related to legal fees and commitment fees associated with the credit facility. Operating expenses include legal fees, reimbursement costs, registrar and administrative costs, and fees paid to the board of directors.

Management Fee

The Investment Manager does not charge HVPE a management fee on investments in HarbourVest funds. HarbourVest does charge a management fee in each of the funds. Therefore, as a limited partner in the HarbourVest funds, HVPE bears the same management fee as all other investors in each of those funds, the cost of which is incorporated in the Realised Gain (Loss) on Investment category above.

A management fee will be paid for any parallel investments made by the Company consistent with the fees charged by the fund alongside which the parallel investment is made. The management fees and performance allocations of the HarbourVest funds in which the Company is invested are set forth in the table below.

Investment Strategy	Management Fee	Performance Allocation	Incremental Fee to HarbourVest	% of Portfolio
Primary Investments	0.85%	None	None	66%
Secondary Investments	0.85% - 1.15%	10% - 12.5%	None	19%
Direct Investments	0.85% - 2.25%	10% - 20.0%	None	15%

The management fee is the average annual management fee charged over the life of such HarbourVest fund. The actual management fee charged by a given fund in a given year may be higher or lower. Management fees are generally charged on committed capital. The management fee charged in respect to any particular direct investment varies depending on the vehicle through which the investment is made. Direct investments made through HarbourVest's fund-of-funds are generally subject to an average annual management fee of 0.85% of commitments. Direct investments made through HarbourVest's co-investment funds are generally subject to an average annual management fee of 1.00% of invested capital. Direct investments made through HarbourVest's direct funds are generally subject to an average annual management fee of 1.75% to 2.25% of committed capital.

Largest Underlying Managers

At 31 January 2008, HVPE's investments in 19 HarbourVest funds provide exposure to 533 fund interests across multiple high-quality managers.

Access to Leading Private Equity Sponsors

Over the last 25 years, HarbourVest has built deep relationships with leading private equity sponsors, many of whose investments can be difficult to access. Relationships and the ability to access certain investment opportunities play a critical role in the private equity investment process. New funds raised by the most sought-after venture capital and buyout managers are generally oversubscribed, making these funds difficult to access for many investors. The longevity and continuity of HarbourVest's team has enabled it to cultivate relationships with many of the top-tier and exclusive fund managers, positioning the HarbourVest funds as both preferred prospective investors and preferred investment partners.

Diversification

As a result of HarbourVest's access to leading fund managers, HVPE's investments benefit from diversification in terms of:

Geography – providing exposure to private equity funds investing in the U.S., Europe, Asia, and other private equity markets

Stage of Investment – providing exposure to early stage, balanced, and later stage venture capital; small and middle market leveraged buyouts, large capitalisation leveraged buyouts; mezzanine debt; and special situations, such as restructuring funds or distressed debt

Vintage Year – providing exposure, through primary, secondary, and direct investment strategies, to investments made across many years

Industry – providing direct and indirect exposure to a large number of different companies across a broad array of industries

Largest Underlying Managers at 31 January 2008

For each stage and region, the largest private equity managers based on HVPE's NAV at 31 January 2008 are listed below 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 below.

Largest Managers by Strategy

Venture

- In aggregate, these managers represented 20.8% of net asset value
- No individual manager accounted for more than 1.8% of net asset value
- The five largest managers represented 7.3% of net asset value

Accel Partners
Atlas Venture
Austin Ventures
Battery Ventures
Domain Associates
Draper Fisher Jurvetson
Enterprise Partners
Galileo Partners
Highland Capital Partners
Index Venture
InterWest Partners
Kennet Venture Partners
Mayfield Fund
Menlo Ventures
New Enterprise Associates
Oak Investment Partners
Pitango Venture Capital
Polaris Venture Partners
Sequoia Capital
Sofinnova Partners*
Summit Partners
TA Associates
Tempo Capital Partners
Ventizz Capital Partners
Walden International Investment Group

Buyout

- In aggregate, these managers represented 26.0% of net asset value
- No individual manager accounted for more than 1.9% of net asset value
- The five largest managers represented 8.1% of net asset value

Advent International
Alpha Group
American Capital Equity Management
Apax Partners
Bain Capital
BC Partners
Berkshire Partners
The Blackstone Group
Brait Manager Mauritius Limited
BS Investments
Candover Partners Limited
Cinven Limited
CVC Capital Partners
Doughty Hanson & Co. Ltd.
EQT Managers
GTCR Golder Rauner
Industri Kapital
The Jordan Company
Kelso & Company
KKR Associates Europe
Newbridge Capital Group
Nordic Capital
Permira Advisers
Providence Equity Partners
Silver Lake Technology Management

Mezzanine and Other

- In aggregate, these managers represented 2.0% of net asset value
- No individual manager accounted for more than 0.5% of net asset value
- The five largest managers represented 1.6% of net asset value

Capital Resource Partners
Clearwater Capital Partners
Indigo Capital
Levine Leichtman Capital Partners
Oaktree Capital Management
RBS Asset Management
Summit Partners
TA Associates
TCW Asset Management Company
Welsh, Carson, Anderson & Stowe

Largest Managers by Region

U.S.

- In aggregate, these managers represented 23.3% of net asset value
- No individual manager accounted for more than 1.9% of net asset value
- The five largest managers represented 8.3% of net asset value

American Capital Equity Management
Austin Ventures
Bain Capital
Battery Ventures
Berkshire Partners
The Blackstone Group
Domain Associates
GTCR Golder Rauner
Hellman & Friedman LLC
Highland Capital Partners
InterWest Partners
The Jordan Company
Kelso & Company
Mayfield Fund
Menlo Ventures
New Enterprise Associates
Oak Investment Partners
Polaris Venture Partners
Providence Equity Partners
Sequoia Capital
Silver Lake Technology Management
Summit Partners
TA Associates
Thoma Bravo
Welsh, Carson, Anderson & Stowe

Europe

- In aggregate, these managers represented 22.2% of net asset value
- No individual manager accounted for more than 1.8% of net asset value
- The five largest managers represented 7.4% of net asset value

Advent International Corporation
Alpha Group
Apax Partners
Atlas Venture
BC Partners
BS Investments
Candover Partners Limited
CapVis Limited
Cinven Limited
CVC Capital Partners
Doughty Hanson & Co. Ltd.
EQT Managers
Galileo Partners
Global Finance S.A.
Index Venture
Industri Kapital
Kennet Venture Partners
KKR Associates Europe
Nordic Capital
Permira Advisers
QC Private Equity Services
RBS Asset Management
Sofinnova Partners*
Tempo Capital Partners
Ventizz Capital Partners

Asia and Rest of World

- In aggregate, these managers represented 6.7% of net asset value
- No individual manager accounted for more than 1.3% of net asset value
- The five largest managers represented 4.3% of net asset value

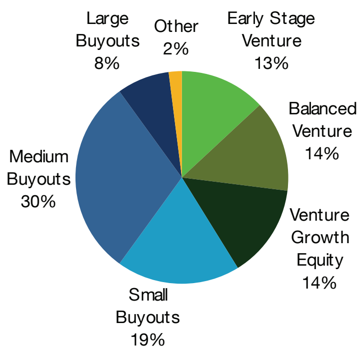
Advent International (Argentina)
Brait Manager Mauritius Limited
CCMP Capital Asia
Clearwater Capital Partners
CVC Capital Partners Asia
HM Capital Partners
Jerusalem Venture Partners
Newbridge Capital Group
Pitango Venture Capital
Walden International Investment Group

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

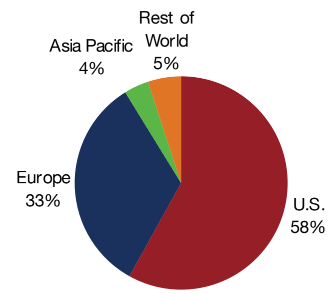
Investment Diversification – Net Asset Value

The Investment Manager strives to manage risk through diversification within the portfolio. The charts below illustrate the breakdown of HVPE's underlying investments based on net asset value as of 31 January 2008. The NAV was split approximately 66% to primary partnerships, 19% to secondary investments, and 15% to direct investments at 31 January 2008.

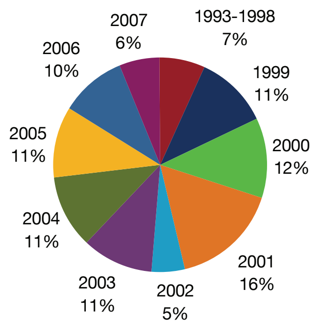
Strategy



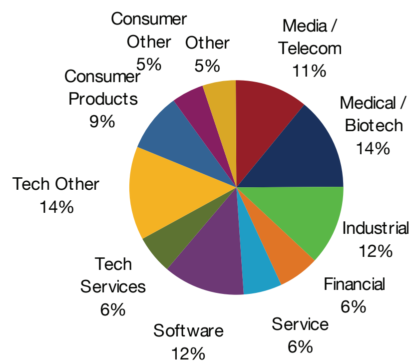
Geography



Vintage Year



Industry

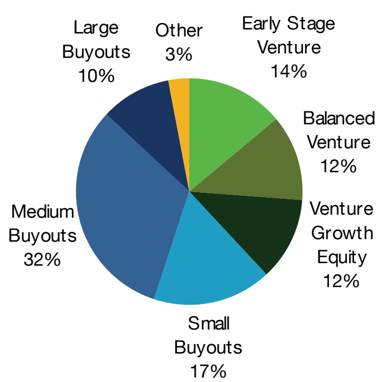


The diversification analysis is based on the fair value of the underlying investments, as estimated by the Investment Manager. Strategy, vintage, and geography diversification are based on the estimated net asset value of partnership investments within HVPE's fund-of-funds investments and company investments within HVPE's direct fund investments. Industry diversification is based on the reported value of the underlying company investments. Some of the funds held in HVPE have not been fully invested. The composition of investments by strategy, vintage, industry, and geography may change as additional investments are made and existing investments are realised. Large buyout includes funds of more than $7 billion in size, medium buyout includes those between $1 billion and $7 billion in size, and small buyout includes those less than $1 billion in size. Direct investments in operating companies are categorised by deal size.

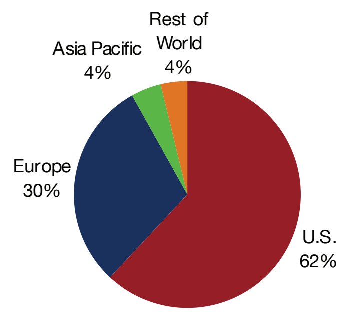
Investment Diversification – NAV Plus Unfunded Commitments

The charts below illustrate the breakdown of HVPE's underlying investments based on total private equity exposure, defined as the value of private equity investments plus related unfunded commitments, at 31 January 2008. HVPE had $690 million in unfunded commitments to HarbourVest-managed funds at that date, which are expected to be funded over several years. Because several of these funds are still committing to primary, secondary, and direct investments, $335 million of the unfunded commitments had not yet been committed to investments at 31 January 2008. This amount is not represented in the diversification shown below.

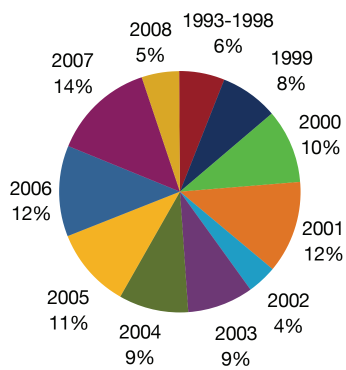
Strategy



Geography



Vintage Year



The diversification analysis is based on the fair value of the underlying investments, as estimated by the Investment Manager, plus any unfunded commitments. Strategy, vintage, and geography diversification are based on the estimated net asset value of partnership investments within HVPE's fund-of-funds investments and company investments within HVPE's direct fund investments. Some of the funds held in HVPE have not been fully invested. The composition of investments by strategy, vintage, and geography may change as additional investments are made and existing investments are realised. Large buyout includes funds of more than $7 billion in size, medium buyout includes those between $1 billion and $7 billion in size, and small buyout includes those less than $1 billion in size. Direct investments in operating companies are categorised by deal size.

Underlying Holdings

HVPE Portfolio of HarbourVest Funds

At 31 January 2008, the HVPE portfolio included interests in 19 HarbourVest funds, comprised of 533 fund interests across multiple high-quality managers and 5,560 company investments (held directly and indirectly).

Largest Underlying Companies

The 25 largest portfolio company investments (held directly and indirectly) based on HVPE's NAV at 31 January 2008 are listed below in alphabetical order.

- In aggregate, these investments represented 18.4% of net asset value
- No individual investment accounted for more than 1.8% of net asset value
- The five largest investments represented 6.0% of net asset value

Company	Status	Location	Industry
Acromas Holdings (Saga/AA)	Private	U.K.	Consumer
Avago Technologies, Inc.	Private	U.S.	Semiconductor
AWS Convergence Technologies, Inc.	Private	U.S.	Internet
Camstar Systems, Inc.	Private	U.S.	Software
CDW Corporation, Inc.	Private	U.S.	Financial
ErSol Solar Energy AG	Public	Germany	Energy
Gala Coral Group Limited	Private	U.K.	Consumer
Gearbox (VCST-Industrial Products)	Private	Belgium	Industrial
hanarotelecom, Inc.	Public	South Korea	Telecom
The Hillman Group	Private	U.S.	Consumer
Intelsat Holdings Ltd.	Private	U.S.	Communications
Legrand Holdings S.A.	Public	France	Industrial
Linpac Group Holdings Limited	Private	U.K.	Industrial
LM Glasfiber A/S	Private	Denmark	Energy
Mimeo.com, Inc.	Private	U.S.	Software
Moeller Group	Private	Germany	Industrial
Nero A.G.	Private	Germany	Software
Net 1 UEPS Technologies Inc.	Public	South Africa	Software
Nuveen Investments, Inc.	Private	U.S.	Financial
Nycomed SCA-SICAR	Private	Denmark	Healthcare
PSI Holdings Inc. (Akibia)	Private	U.S.	IT Services
Shenzhen Development Bank	Private	China	Financial
Smurfit Kappa	Public	The Netherlands	Industrial
Springer Science + Business Media	Private	Germany	Consumer
SunGard Data Systems, Inc.	Private	U.S.	Software

Publicly-Listed Securities

At 31 January 2008, approximately 16% of the private equity investment portfolio was made up of publicly-listed securities. HVPE holds many of these publicly-listed securities indirectly through fund interests managed by third parties. In many cases, the shares are subject to lock-up provisions following an initial public offering ("IPO"). The liquidation of indirectly held publicly-listed securities is at the discretion of the third party manager, who can sell shares and distribute the proceeds to HarbourVest funds or distribute shares of stock to HarbourVest funds. When HarbourVest funds receive stock distributions, HarbourVest focuses on achieving liquidity for investors as soon as is practical, given market conditions. The 25 largest publicly-listed investments based on HVPE's NAV at 31 January 2008 are listed below in alphabetical order.

- In aggregate, these investments represented 7.6% of net asset value
- No individual investment accounted for more than 1.4% of net asset value
- The five largest investments represented 4.0% of net asset value

Company	Location	Industry
Alpha Radio BV	France	Media
Aspen Technology, Inc.	U.S.	Software
Bare Escentuals, Inc.	U.S.	Consumer
DemandTec, Inc.	U.S.	Software
Dufry AG	Switzerland	Consumer
Emeritus Corporation	U.S.	Property
ErSol Solar Energy AG	Germany	Energy
Google, Inc.	U.S.	Internet
hanarotelecom, Inc.	South Korea	Telecom
Idea Cellular Ltd.	India	Telecom
Isilon Systems, Inc.	U.S.	Hardware
Legrand Holdings S.A.	France	Industrial
MercadoLibre, Inc.	Argentina	Internet
MetroPCS Communications, Inc.	U.S.	Telecom
The Nasdaq OMX Group, Inc.	U.S.	Financial
Net 1 UEPS Technologies Inc.	South Africa	Software
Netezza Corporation	U.S.	Hardware
Network Engines, Inc.	U.S.	Hardware
Nikas S.A.	Greece	Consumer
Pharmion Corporation	U.S.	Biotech
SEAT Pagine Gialle S.p.A.	Italy	Media
Smurfit Kappa Group PLC	The Netherlands	Industrial
Starent Networks, Corp.	U.S.	Communications
TAL International Group, Inc.	U.S.	Service
Thomson S.A.	France	Technology Services

Non-U.S. Dollar-Denominated Holdings

At 31 January 2008, HVPE held an interest in one non-U.S. dollar-denominated fund, a euro commitment to HIPEP V – 2007 European Buyout Companion Fund L.P. A number of HarbourVest-managed direct funds in the HVPE portfolio have made investments in non-U.S. dollar denominated companies, and HarbourVest fund-of-funds have made investments in non-U.S. dollar denominated partnerships. Therefore, HVPE had indirect exposure to the following currencies at 31 January 2008 (approximate, based on NAV): Euro (22.7%), Sterling (3.8%), Australian Dollars (0.6%), Swedish Krona (0.5%), Japanese Yen (0.1%), and Canadian Dollars (0.1%).

Market Commentary

Strong economic growth around the globe in the first half of 2007 was followed by a slowdown in the second half of the year, resulting in an uncertain outlook for 2008. The credit crunch and a diminished housing market in the U.S. have affected markets and stock prices worldwide and increased recession risk. Tightening credit markets and weakened economic growth have held back new private equity investments and slowed down liquidity activity. Looking ahead to the second half of 2008 and beyond, private equity managers are expected to focus on supporting portfolio company growth and positioning investments for exits in an improved market environment.

U.S. Market

Throughout 2007, the U.S. markets shifted into a period of broad uncertainty. Despite a surge in GDP growth, inflated oil prices, a weaker housing market, and a deflated credit environment continued to weigh on the economy, resulting in a decline in fourth quarter GDP to 0.6%. The deterioration within the sub-prime lending space in the second half of the year triggered a large scale retreat in the debt markets that challenged public equity and fixed income assets in late 2007 and early 2008. HarbourVest believes that private equity performance for the year remained relatively strong against this unstable economic backdrop. However, the outlook for 2008 remains uncertain amid a sell-off in the public markets and continued weakness in the credit markets.

Venture Capital Activity

The venture capital market continued to operate at a strong pace in 2007, with increased activity across most metrics from 2006. According to *Venture Economics*, venture capital fundraising reached $37.9 billion in 2007, which represents a 19% increase over 2006. Venture disbursements increased 11% during the year, totaling $29.9 billion, the highest yearly investment total since 2001. Traditional sectors, including software and biotechnology, continued to attract the most capital, while clean energy emerged as a mainstream sector. Deal volume, as measured by the number of deals, also remained strong, but below levels reached in 2006, which implies slightly larger deal sizes and a solid flow of opportunities available in the market.

According to *Venture Economics*, venture capital access to the public markets increased during 2007, as 82 venture-backed IPOs raised $10.0 billion, an approximate 50% increase in volume and 100% increase in value over 2006. Public listings continued to be an option for larger companies with sound business fundamentals in an uncertain market. The merger and acquisition ("M&A") environment also provided a viable path to liquidity, as 342 transactions were completed with a disclosed value of $27.1 billion in 2007. Exit activity in the venture industry grew in 2007 (although it may slow in 2008), as managers continued to find unique opportunities in emerging sectors and achieved liquidity via IPOs or sales to strategic buyers.

Buyout Activity

The first half of 2007 was an extremely active period for the private equity markets, but momentum waned in the second half of the year. Driven by first half activity, leveraged buyout fundraising and disbursements both experienced record levels. According to *Buyouts* and *Venture Economics*, 2007 deal volume reached an all-time high of $456 billion (well ahead of the $320 billion in 2006), and aggregate capital raised was ahead of 2006 levels at over $200 billion. The Blackstone Group (NYSE: BX) completed an IPO of its management company, pushing private equity further into the public domain. Although the price of the Blackstone shares has declined by nearly 50% since the offering, HarbourVest expects similar offerings by firms at the large end of the buyout market as managers continue to search for new ways to access capital and remain competitive.

With respect to liquidity, *Venture Economics* estimates that 40 buyout-backed IPOs raised $9.6 billion in 2007, a 39% decrease in volume and 45% decrease in value from the prior year. Although IPO activity declined from the near-record levels reached in 2006, the public markets continued to be an accessible path for liquidity in 2007. The M&A market also experienced decreased activity, with 97 transactions completed for a disclosed value of $14.5 billion, according to data provided by *Venture Economics*.

The large inflow of capital to buyout managers during the last several years translated into another active year for new deals. The number of large deals announced subsided in late 2007, and more prudent debt markets have created a challenging deal environment that has continued into 2008. Additionally, the high yield and leveraged loan pipelines in the U.S. are still large, at approximately $80 billion and $170 billion, respectively, at year-end 2007. Lenders have decreased the availability of debt packages, disconnecting buyers from sellers whose expectations have reached all time highs due to record purchase price multiples negotiated in the first half of 2007. As a result, buyout managers have scaled back their new deal pace and remain focused on managing existing portfolio companies.

Mezzanine and Debt Market

Most recently-acquired buyout-backed companies are well capitalised to weather a downturn due to the availability of covenant-lite debt packages over the last 12 months. However, the credit market situation, combined with a prolonged economic slowdown, could increase default rates and generate opportunities for distressed debt investors, who received record inflows of capital during 2007. This environment could also benefit mezzanine debt managers, who are often viewed as reliable and patient providers of junior capital. Mezzanine fundraising slowed during 2007, with *Venture Economics* estimating that $11.6 billion of new capital was raised in 2007 versus $14.8 billion raised during 2006.

Outlook

There are a number of issues facing the private equity industry that HarbourVest will continue to monitor throughout 2008. Economists predict that the U.S. economy will continue to slow during the year, due to higher energy prices and the continued tightening of credit availability, which could further reduce both investment activity and liquidity for buyout managers. Venture managers are also expected to invest more prudently given the potential adverse effects of a weak economy on existing and new portfolio companies. Additionally, company valuations for 2008 are subject to precarious market conditions. A more dramatic and sustained slowdown in the economy may bring distressed sellers to the market, creating opportunities for distressed debt and mezzanine investors.

European Market

Economic growth in the Eurozone remained strong in 2007, with real GDP growth of 2.7%, down slightly from 2.9% in 2006, according to data provided by *Morgan Stanley Economic Research*. However, due to the effects of the global credit crunch and a significant slowdown in the U.S. economy in the second half of 2007, GDP growth has slowed and economists are bearish on the outlook for 2008. According to *Thomson Financial*, European private equity fundraising in 2007 totalled €59 billion, a 10% decrease from 2006, when many of the large European buyout groups raised multi-billion euro funds. Despite the slight decline in 2007, large and mid-market buyout fundraising remained active.

Buyout Activity

In terms of investment activity, 2007 was a record-breaking year for European buyouts, with an all-time high number of deals completed (up 13% from 2006) and transactions totalling €187 billion (up 1% from 2006), according to *Incisive Media*. 2007 was a year of two halves, with the crisis in the global credit markets during the second half of the year somewhat overshadowing the activity experienced in the first half. Banks suffered major write downs from sub-prime loans and related financial instruments, and the tightening of lending conditions left them with large amounts of unsyndicated debt on their balance sheets. Consequently, buyout groups struggled to raise the necessary debt financing for large leveraged transactions, resulting in a marked drop-off in activity at the end of the year. Despite the turbulent end to 2007, based on data provided by *Incisive Media*, 13 buyout transactions valued at more than €1 billion and two of the largest private equity-backed deals in European history were completed during the year.

Venture Capital Activity

According to *Incisive Media*, European venture capital deal activity experienced a significant increase during the year, with 293 investments in early stage companies completed in 2007, representing a 67% rise over 2006. Growth in the value of early stage investments was even stronger, with investments in 2007 totalling €2.0 billion, more than double the 2006 total. This significant increase in deal value was driven by a resurgence in larger venture deals. The exit environment remained strong for most of the year. Trade sales and sponsor-to-sponsor transactions were the most important sources of liquidity. The public markets also remained a viable exit route, although stock market volatility in the latter half of the year caused several IPOs to be pulled. *Dow Jones Venture Source* estimates that a total of 38 venture-backed European companies completed IPOs in 2007, raising €893.6 million, a decrease from 2006 totals.

Outlook

European private equity is expected to remain in transition through 2008. The illiquidity in the global credit markets has continued into the early months of 2008, dampening activity in the large buyout space and slowing the pace of mid-market deal activity. The tightening of credit is prompting buyout firms to seek more creative solutions for financing deals. Some larger funds are expanding their focus to include the mid-market, which continues to be the most vibrant segment of the private equity market. With the state of debt markets hindering returns through the use of leverage alone, private equity firms are expected to focus on operational improvements and profitable growth to increase asset values. As portfolio optimisation becomes increasingly important, private equity managers can still create value for investors by working to grow earnings at portfolio companies. Additionally, in the current climate of falling valuations, 2008 should offer opportunities to acquire assets at more attractive entry multiples, albeit at lower activity levels than the past two years.

Asia Pacific Market

Throughout most of 2007, Asia continued on a path of economic growth, relatively unaffected by the slowdown in the U.S. and European economies. The Asian public markets remained buoyant, fostering a particularly favourable environment for exiting investments. Private equity fundraising in Asia Pacific continued its growth trajectory during 2007. According to the *Asia Venture Capital Journal*, fundraising totalled $47.0 billion, approximately double the $24.6 billion in 2006. In terms of geographic focus, China funds dominated the market with $8.4 billion raised, followed by Australian funds with $6.5 billion, and India funds with $5.0 billion. Buyout funds constituted 65% of total funds raised, totaling $30.7 billion.

Growth Equity and Buyout Activity

Private equity investments continued at an active pace across the region during 2007. The *Asia Venture Capital Journal* estimates that the transaction value of Asian buyout and growth equity investments totalled approximately $42.8 billion in 2007, above the record levels reached in 2006 ($39.0 billion). Australia and New Zealand led dealflow during the year, with $10.1 billion invested, followed closely by Greater China ($9.0 billion), India ($8.9 billion), and Japan ($8.2 billion). Private equity liquidity in Asia Pacific also remained strong. According to the *Asia Private Equity Review*, there were 380 documented divestments during the year, a 77% increase over the 215 recorded in 2006. Approximately three quarters of the divestments were through IPOs, while the remaining quarter were via trade sales.

The sub-prime mortgage situation and resulting global market uncertainty did not significantly affect private equity investment activity in the region. Debt financing from local and regional banks remained available for Asian buyout transactions. However, the tightening of lending standards for U.S. and European-based financing providers has reduced the availability and pricing of leverage for larger deals into 2008, generally those requiring over $1 billion in debt. Private equity managers are expected to proceed at a more cautious pace through 2008 and to focus on optimising their current portfolios, as global valuation pressures begin to cause re-pricing of risk and assets across all markets. Current market conditions and downward pressure on valuations could translate into a favourable investing environment for some Asia Pacific managers.

Outlook

For much of 2007, Asia Pacific private equity experienced strong fundraising, investment, and liquidity opportunities. Although the credit market's uncertainties in 2008 are likely to affect the region's deal environment and company operations, Asia Pacific continues to offer significant potential for the asset class. Managers remain cautious but optimistic about investment opportunities in 2008 and aim to capitalise on market opportunities and dislocations.

Rest of World Markets

Latin America

The economies of Latin America had another year of strong growth in 2007, partly driven by commodity performance and a significant decline in inflation. In 2007, Latin American private equity fundraising activity reached record levels, with $4.4 billion raised, up from $2.7 billion in 2006, according to the *Latin American Venture Capital Association* and *Venture Equity Latin America*. Improving economic conditions also continued to promote investment and liquidity activity, with $7.4 billion invested and $5.4 billion of value generated from exits during the year. The momentum in the region from both a performance and fundraising perspective could be the strongest it has been for a decade. As the private equity asset class continues to develop, qualified managers with proven track records and a history of investing through dynamic market cycles have emerged. Given that most deals in the region use little or no leverage, the lack of credit that has slowed other developed private equity markets has had less of an impact on the leading Latin American economies. This has also helped to keep entry valuations at attractive levels.

Israel

The Israeli economy grew by an estimated 5.1% in 2007, although rising inflation in the second half of the year caused the central bank to tighten monetary policy. Israeli private equity fundraising activity regained momentum in 2007. According to the *Israel Venture Capital Research Center*, Israeli venture capital funds raised $1.1 billion during the year. Capital raised by Israeli high-tech companies also reached a six-year high in 2007, with $1.8 billion raised. IPO activity for Israeli high-tech companies continued to be strong, with 13 companies raising approximately $538 million during 2007 – the highest level since 2000. Additionally, venture-backed M&A activity generated $2.3 billion from 33 exits during the year. The IPO and M&A markets in both the U.S. and Israel continue to be important sources of liquidity for Israeli managers. Similar to the venture market in the U.S., the Israeli venture market has shown growing and sustainable momentum over the past few years.

Central and Eastern Europe

The Central and Eastern European economies continue to converge with Western Europe. Most of the countries in the region are expected to end 2007 with growth rates exceeding 5%. Russian inflation has continued to decline and is now at single-digit levels. Dmitry Medvedev was elected Russian president in March 2008, winning by a wide margin, as expected. 2007 was a record fundraising year for private equity, with the emergence of the first billion dollar funds dedicated to the region. During the year, the *Emerging Markets Private Equity Association* estimates that $14.6 billion was raised in the region, a significant increase over the $3.3 billion raised in 2006. Central and Eastern Europe has seen strong improvement in performance since the beginning of the decade, driven by strong economic growth and low entry valuations. Initially, much of the liquidity came from telecom-related investments. However, over the past few years, the universe of opportunities has increased, particularly in the financial and consumer sectors. The continuing positive macro environment and the growth in middle-class spending power should continue to provide attractive investment opportunities.

South Africa

South Africa's economy experienced strong growth in 2007, despite the country's evolving and sometimes challenging social structure. However, the year was also noted for an economic slowdown due to power outages and the election of Jacob Zuma as the head of African National Congress. Although Zuma's election has raised some uncertainty about the future direction of economic policy, he has emphasised his commitment to maintaining the current economic policy. According to the *Emerging Markets Private Equity Association*, private equity fundraising in South Africa declined significantly from 2006, with only $0.6 billion raised in 2007 (versus the $2.4 billion in 2006). A number of managers raised funds in 2006 and were not in the market in 2007. The South African buyout market has been established since the early 1990s and is well supported by a developed capital markets system. It is dominated by local players, although some global players have been active at the larger end of the deal spectrum. The market has become more competitive in recent years, and South African private equity firms have sought investments in the rest of Africa or tried to benefit from the growth in the rest of the continent by developing their portfolio companies outside of South Africa.

Secondary Market

Because there is little accurate data available to track total global secondary dealflow, only HarbourVest's secondary dealflow is described here. The secondary market experienced strong dealflow in 2007. HarbourVest evaluated over $32 billion of original commitments for sale during the year, up from the prior year's record of $23.5 billion. HarbourVest noted a considerable increase in private equity asset sales by pension plans and endowments during the year, which together represented nearly 35% of HarbourVest's total dealflow in 2007. This was a significant rise over 2006 (15%) and represented a three times increase in the dollar volume of commitments evaluated. The growth of this type of seller illustrates the point that long-term private equity investors are now using the secondary market to proactively manage their private equity portfolios and reduce their manager relationships. HarbourVest believes that this shift in philosophy is a promising development for secondary dealflow. While financial institutions remained the largest single source of dealflow at approximately one-third of the interests evaluated, this was a decline from prior year levels of over 50%. HarbourVest's remaining dealflow during the year came primarily from corporate sellers and funds, with individuals and family offices representing a modest portion of the totals.

Venture assets comprised the largest portion of the dealflow evaluated during the year, accounting for 48% of the total. Buyout assets made up 45% of the total, with mezzanine interests and fund-of-funds representing the remainder. In 2006, by comparison, dealflow was split 52% to venture, 42% to buyout, and 6% to mezzanine and other. There was also a slight increase in the amount of U.S. investments evaluated compared to the prior year. However, this could be more indicative of the number of pension plans and endowments in the U.S. who sold assets during the year, rather than any noticeable slowdown or decline in dealflow from non-U.S. investors.

Outlook

While the current global economic slowdown has affected private equity, it is too early to predict the duration of the market weakness and its ultimate impact on a diversified portfolio of private equity funds and companies. The effect of the credit crunch and volatile markets around the globe has been reflected in a marked decline in new private equity investment activity in the opening months of 2008. Liquidity has also remained challenging across markets as private equity managers focus on utilising cash flows to drive growth and protect value in a difficult market. HVPE's diversification, particularly its relatively small exposure to large buyouts and its broad exposure to multiple vintage years, should help protect its value in a sustained weak market.

With HVPE's NAV split across all stages of buyout, venture, and other private equity investments around the world, as well as ranging in vintage years from 1993 to 2008, the Investment Manager believes the portfolio is positioned to withstand market changes, particularly within a volatile global environment like the one experienced in late 2007 and early 2008. Buyout investments made up approximately 57% of the portfolio at 31 January 2008, with the remainder of the investments in venture (41%), and special situations (mezzanine and distressed debt and others, 2%). Only approximately 8% of the total portfolio was invested in large, leveraged buyout transactions at 31 January 2008. The current credit market environment, combined with a prolonged economic slowdown, could benefit mezzanine debt managers, who represent a portion of HVPE's portfolio.

The Company's portfolio includes exposure to 19 HarbourVest funds, all at different stages of development. Although the amount of distributions received may decrease throughout 2008, the portfolio includes a number of mature funds that are currently harvesting their investments. The newer funds in the portfolio continue to make new investments, albeit at a slower pace, given the decline in new investment activity.

Despite the current global economic environment, the Investment Manager remains optimistic about the long-term potential of private equity markets and HVPE in particular. At 31 January 2008, HVPE was highly diversified, was 98% invested in private equity, and did not employ leverage on its balance sheet.

Note

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

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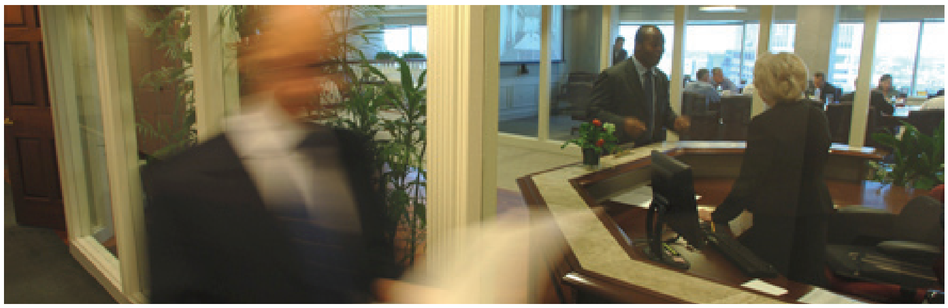
Directors' Report



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Board of Directors

Sir Michael Bunbury	Chairman, Independent Director
D. Brooks Zug	Director
George R. Anson	Director
Jean-Bernard Schmidt	Independent Director
Andrew W. Moore	Independent Director
Keith B. Corbin	Independent Director
Paul R.P. Christopher	Independent Director

George Anson, Paul Christopher, Andrew Moore, and Brooks Zug were appointed directors on incorporation on 18 October 2007. Sir Michael Bunbury, Jean-Bernard Schmidt, and Keith Corbin were appointed on 19 October 2007.

Biographies

Sir Michael Bunbury, Chairman, Independent Director

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

D. Brooks Zug, Director

Brooks Zug is a senior managing director of HarbourVest Partners, LLC and a founder of HarbourVest. He is responsible for overseeing HarbourVest's U.S. and non-U.S. partnership and direct investments. He joined the corporate finance department of John Hancock in 1977 and in 1982 co-founded Hancock Venture Partners, which later became HarbourVest Partners. He serves as an advisory committee member for a number of U.S. and foreign private equity partnerships, including funds managed by Accel Partners, Advent International, Doughty Hanson, Permira, Silver Lake Partners, and TA Associates. Brooks is a past Trustee of Lehigh University and a current Overseer of the Boston Symphony Orchestra. His previous experience includes investment banking for Paine Webber Jackson & Curtis (1970 to 1974) and private investments with Sun Life of Canada (1974 to 1977). He received a BS from Lehigh University in 1967 and an MBA from Harvard Business School in 1970. Brooks received his CFA designation in 1977.

George R. Anson, Director

George Anson manages HarbourVest Partners (U.K.) Limited, which supports HarbourVest's investment and client service activities in Europe. George joined the Firm's London subsidiary in 1990 and serves on the advisory boards of a number of European private equity partnerships, including funds managed by Atlas Venture, BC Partners, BS

Private Equity, Cinven, Doughty Hanson, Ethos Private Equity, Global Finance, and Industri Kapital. George's previous experience includes seven years with Pantheon Ventures managing European private equity funds and companies. A U.K. citizen, he was born in Canada and educated in the U.S. George received a BA in Finance from the University of Iowa in 1982.

Jean-Bernard Schmidt, Independent Director

Jean-Bernard Schmidt is 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 Sofinnova's investments in Europe on technology and early stage projects in information technologies and life sciences. In 1989, he launched the first Sofinnova Capital fund. He is a past and current board member of many technology companies in the U.S. and France. Between 1998 and 2001, he was a board member of AFIC, the French Venture Capital Association. From June 2003 to June 2004, he was Chairman of EVCA (the European Private Equity and Venture Capital Association). Jean-Bernard is a graduate of Essec Business School in Paris and holds a M.B.A. from Columbia University in New York.

Andrew W. Moore, Independent Director

Andrew Moore is the Group Chairman of Acell Holdings Limited and Cherry Godfrey Holdings and Director of Adam & Company International Limited, Adam & Company International Trustees Limited, Channel Islands Development Corporation Limited, Sumo Limited, and Direct Communications International (Guernsey) 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 number of senior management responsibilities, which led him to be appointed as head of the 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 also acted as both a non-executive director and executive director of a number of Guernsey banks.

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

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

Paul R.P. Christopher, Independent Director

Paul Christopher is an English Solicitor, Guernsey Advocate, and a partner in the Guernsey law firm Ozannes. He specialises in investment, finance and corporate work. He regularly advises on the establishment of offshore investment funds of all kinds and on the regulatory and commercial issues in relation to them. He has an established trust practice and acts for a number of the leading trust institutions in Guernsey. He is the Bar Council representative on the Guernsey International Business Association's council and is a member of the Guernsey Joint Money Laundering Steering Group.

Directors' Report

The Directors present their report and financial statements for the financial period from 18 October 2007 (date of incorporation) to 31 January 2008.

Principal Activity

The Company is a closed-ended investment company incorporated in Guernsey on 18 October 2007 with an unlimited life. The Company has two classes of shares in issue being Class A shares of Nil Par Value and Class B shares of Nil Par Value. On 6 December 2007 the Class A shares were admitted to listing and trading on Euronext Amsterdam by NYSE Euronext.

Investment Objective and Investment Policy

The investment objective and investment policy of the Company is as stated on page 1.

Shareholder Information

In accordance with Dutch law, the Company announces the estimated net asset value of a Class A share on a monthly basis together with a commentary on the investment performance provided by the Investment Manager. These monthly statements are available on the Company's Web site. The daily market closing prices of Class A shares are available on Reuters, Bloomberg, and online on the Internet. A copy of the original Prospectus of the Company is available from the Company's registered office.

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.

Results

The results for the financial period ended 31 January 2008 are set out in the Consolidated Statement of Operations within the Audited Consolidated Financial Statements that begin on page 47. The Directors do not propose a dividend for the financial period ended 31 January 2008.

Directors

The Directors as shown beginning on page 38 all held office throughout the reporting period and at the date of signature of these financial statements. D. Brooks Zug is Senior Managing Director of HarbourVest Partners, LLC, an affiliate of the Investment Manager. George R. Anson is Managing Director of HarbourVest Partners (U.K.) Limited, a subsidiary of HarbourVest Partners, LLC. 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. Each Director, with the exception of the Chairman, D. Brooks Zug, and George R. Anson, is paid an annual fee of $50,000 per annum. The Chairman receives an annual fee of $75,000 plus $10,000 for expenses. George R. Anson and D. Brooks Zug do not receive any fee from the Company. Paul Christopher is a Partner in the Guernsey law firm Ozannes, which provides counsel to HVPE in connection with matters of Guernsey law.

Each Director is appointed for an initial term of three years and is subject to re-election every third year thereafter. This differs slightly from the requirement of the Combined Code where directors are subject to re-election at the first Annual General Meeting.

Directors' Interests in Shares

As at 31 January 2008, the Chairman had invested, directly or indirectly, in 4,000 Class A shares in the Company. Jean-Bernard Schmidt had invested, directly or indirectly, in 10,000 Class A shares in the Company. Keith Corbin, Andrew Moore, and Paul Christopher had each invested, directly or indirectly, in 1,500 Class A shares in the Company.

Statement of Directors' Responsibilities

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; 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, 1994 (as amended), the requirements of NYSE Euronext, 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.

Corporate Governance

The Board has put in place a framework for corporate governance which it believes is suitable for an investment company of its kind.

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

In this first financial period, the Board has met five times, which is more frequently than is likely to be the case in future years. A number of these were meetings called at short notice with a limited objective to approve documentation related to the commencement of the Company's operations. 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. However, since Board meetings were held in Guernsey and often at short notice, it was not possible for all Directors to attend personally. The Directors' attendance was as follows: Sir Michael Bunbury attended three meetings; Brooks Zug attended four meetings; George Anson attended four meetings; Jean-Bernard Schmidt attended three meetings; Andrew Moore attended four meetings; Keith Corbin attended five meetings; and Paul Christopher attended four meetings.

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

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 has been guided by the Combined Code on Corporate Governance and has adopted the provision of the Code except where noted in this report.

Committees of the Board

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

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

In addition to the chairmanship of the above committee, each director's performance will be reviewed annually by the Chairman, and the performance of the Chairman will be assessed by the remaining Directors.

The Board has not deemed it necessary to appoint a nomination or remuneration committee as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

Internal Controls

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. 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 period under review and up to the date of approval of this Annual Report and Audited 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 Company does not have an internal audit department. All of the Company's management and administration functions are delegated to independent third parties or the Investment Manager and it is therefore felt there is no need for the Company to have an internal audit facility. However, this matter will be reviewed annually.

Corporate Responsibility

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

Going Concern

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

Relations with Shareholders

The Investment Manager maintains dialogue with institutional shareholders, the feedback from which is reported to the Board.

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

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

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the shareholders at the Annual General Meeting.

By order of the Board

Michael Bunbury
Chairman

Keith Corbin
Chairman of the Audit Committee

29 May 2008

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Audited Consolidated Financial Statements

HarbourVest Global Private Equity Limited

For the period from 18 October 2007 (date of incorporation) to
31 January 2008

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Independent Auditor's Report

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

We have audited the group's financial statements for the period ended 31 January 2008 which comprise the Consolidated Statement of Assets and Liabilities, Consolidated Schedule of Investments, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cash Flows and the related notes 1 to 9. These consolidated financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 64 of The Companies (Guernsey) Law, 1994. 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 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

The Directors are responsible for the preparation of the consolidated financial statements in accordance with applicable Guernsey law as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 1994. We also report to you if, in our opinion, the Directors' Report is not consistent with the consolidated financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the consolidated financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. This other information comprises Company Overview, Financial Highlights, Chairman's Letter, Investment Manager's Review, Risk Factors, Forward-Looking Statements, Statement of Directors' Responsibilities and Board of Directors.

Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion

In our opinion the consolidated financial statements give a true and fair view, in accordance with accounting principles generally accepted in the United States, of the state of the group's affairs as at 31 January 2008 and of its consolidated profit for the period then ended, and have been properly prepared in accordance with The Companies (Guernsey) Law, 1994.

Ernst & Young LLP
Guernsey
30 May 2008

Consolidated Statement of Assets and Liabilities

31 January 2008

Assets	
Investments *(Note 4)*	$ 847,630,056
Investment commitments *(Note 4)*	689,613,938
Cash and equivalents	21,023,420
Other assets	325,988
Total assets	$1,558,593,402
Liabilities	
Investment commitments (*Note 4*)	$ 689,613,938
Accounts payable and accrued expenses	6,619,889
Accounts payable to HarbourVest Advisers L.P.	242,825
Total liabilities	696,476,652
Net assets	
Class A shares, Unlimited shares authorised, 83,000,000 shares issued and outstanding, no par value	
Additional paid in capital	862,116,649
Class B shares, 10,000 shares authorised, 101 shares issued and outstanding, no par value	101
Net assets	862,116,750
Net assets and total liabilities	$1,558,593,402
Net asset value per share for Class A shares	$10.39
Net asset value per share for Class B shares	$1.00

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

The financial statements were approved by the Board on 29 May 2008 and were signed on its behalf by:

Michael Bunbury
Chairman

Keith Corbin
Chairman of the Audit Committee

Consolidated Schedule of Investments

31 January 2008

U.S. Funds	Unfunded Commitment	Amount Invested	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners IV-Partnership Fund L.P.	$2,800,000	$13,506,820	$3,137,249	$8,972,206	1.0
HarbourVest Partners V-Direct Fund L.P.		4,365,345		4,781,178	0.6
HarbourVest Partners V-Partnership Fund L.P.	4,440,000	44,489,079	5,323,560	41,191,640	4.8
HarbourVest Partners VI-Direct Fund L.P.	3,062,500	44,972,408	7,796,250	36,452,704	4.2
HarbourVest Partners VI-Partnership Fund L.P.	31,050,000	178,748,049	1,846,216	188,931,428	21.9
HarbourVest Partners VI-Buyout Partnership Fund L.P.	1,100,000	7,983,048	276,537	7,401,049	0.9
HarbourVest Partners VII-Venture Partnership Fund L.P.*	51,012,500	86,596,698		91,606,823	10.6
HarbourVest Partners VII-Buyout Partnership Fund L.P.*	23,450,000	54,817,291	1,027,806	55,785,339	6.5
HarbourVest Partners VIII-Cayman Mezzanine & Distressed Debt Fund L.P.	43,250,000	6,951,553		7,229,787	0.8
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	202,500,000	50,258,801		51,304,610	5.9
HarbourVest Partners VIII-Cayman Venture Fund L.P.	43,000,000	7,191,736		6,583,394	0.8
Total U.S. Funds	405,665,000	499,880,828	19,407,618	500,240,158	58.0
Non-U.S./Global Funds					
HarbourVest International Private Equity Partners II-Direct Fund L.P.		980,279		885,240	0.1
HarbourVest International Private Equity Partners II-Partnership Fund L.P.	2,900,000	23,463,610	7,132,130	18,219,527	2.1

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

Consolidated Schedule of Investments (continued)

31 January 2008

	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.	9,200,000	141,978,557	16,560,000	133,836,856	15.5
HarbourVest International Private Equity Partners IV-Direct Fund L.P.	4,400,000	57,052,400		56,588,349	6.6
HarbourVest International Private Equity Partners IV-Partnership Fund L.P.	23,750,000	106,022,051	4,648,432	111,230,698	12.9
HarbourVest Partners 2007 Cayman Direct Fund L.P.	82,000,000	18,126,849		17,874,855	2.1
Dover Street VII Cayman Fund L.P.	100,000,000			(245,702)	(0.0)
HIPEP V - 2007 Cayman European Buyout Companion Fund L.P. **	61,698,938	8,917,053		9,000,075	1.0
Total Non U.S./Global	283,948,938	356,540,799	28,340,562	347,389,898	40.3
Total Investments	**$689,613,938**	**$856,421,627**	**$47,748,180**	**847,630,056**	**98.3%**

The accompanying notes are an integral part of the consolidated financial statements.
* *Includes ownership interests in HarbourVest Partners VII-Cayman Partnership entities.*
** *Fund denominated in euros. Commitment amount is €47,450,000.*

Consolidated Statement of Operations

For the period from 18 October 2007 (date of incorporation) to 31 January 2008

Investment income:	
Interest from cash and equivalents	$ 263,110
Expenses:	
Financing Costs *(Note 5)*	5,986,740
Commitment fee *(Note 5)*	317,344
Professional fees	294,429
Tax expense	155,507
Investment services *(Note 3)*	140,000
Directors' fees and expenses	59,383
Administration fees *(Note 3)*	31,504
Other expenses	118,163
Total expenses	7,103,070
Net investment loss	(6,839,960)
Realised and unrealised gains (losses) on investments:	
Net realised gain on investments	61,412,932
Net unrealised depreciation on investments	(22,456,323)
Net gain on investments	38,956,609
Net increase in net assets resulting from operations	$32,116,649

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

Consolidated Statement of Changes in Net Assets

For the period from 18 October 2007 (date of incorporation) to 31 January 2008

Increase (decrease) in net assets from operations	
Net investment loss	$ (6,839,960)
Net realised gain on investments	61,412,932
Net unrealised depreciation on investments	(22,456,323)
Net increase in net assets resulting from operations	32,116,649
Capital Share transactions	
Proceeds from issuance of Class A ordinary shares	830,000,000
Proceeds from issuance of Class B ordinary shares	101
Net increase in net assets from capital share transactions	830,000,101
Total increase in net assets	862,116,750
Net assets at beginning of period	-
Net assets at end of period	$862,116,750

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

Consolidated Statement of Cash Flows

For the period from 18 October 2007 (date of incorporation) to 31 January 2008

Cash flows from operating activities	
Net increase in net assets resulting from operations	$ 32,116,649
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities	
Net realised (gain) on investments	(61,412,932)
Net change in unrealised depreciation on investments	22,456,323
Purchase of private equity investments	(229,913,135)
Contributions to private equity investments	(96,508,492)
Distributions from private equity investments	47,748,180
Change in other assets	(325,988)
Change in accounts payable to HarbourVest Advisers L.P.	242,825
Change in accounts payable and accrued expenses	6,619,889
Net cash used in operating activities	(278,976,681)
Cash flows from financing activities	
Proceeds from issuance of Class A ordinary shares	300,000,000
Proceeds from issuance of Class B ordinary shares	101
Net cash provided by financing activities	300,000,101
Net increase in cash and equivalents	21,023,420
Cash and equivalents at beginning of period	-
Cash and equivalents at end of period	$ 21,023,420

Non Cash Transactions:	
Private Equity Investments exchanged for Class A Ordinary Shares	$530,000,000

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

Notes to Consolidated Financial Statements

Note 1. Company Organisation and Investment Objective

HarbourVest Global Private Equity Limited (the "Company" or "HVPE") is a closed-end investment company incorporated and registered with Her Majesty's Greffier in Guernsey under The Companies (Guernsey) Law, 1994, as amended. The Company's registered office is Anson Place, Mill Court, La Charroterie St. Peter Port, Guernsey GY1 2BE. The Company was incorporated and registered in Guernsey on 18 October 2007. HVPE is designed to offer shareholders long-term capital appreciation by investing in a diversified portfolio of private equity investments. The Company invests in private equity through private equity funds and may make co-investments or opportunistic investments. The Company is managed by, HarbourVest Advisers L.P. (the "Investment Manager"), an affiliate of HarbourVest Partners, LLC ("HarbourVest"), a private equity fund-of-funds manager. The Company is intended to invest in and alongside existing and newly formed HarbourVest managed 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 stages of investment. Operations commenced on 6 December 2007, following the initial global offering of the Class A ordinary shares.

In connection with the global offering and subsequent to the offering, the Company purchased certain interests in HarbourVest funds from existing limited partners in those funds for an aggregate purchase price of $759,913,135, including 11 funds purchased in the offering and four purchases made at December 31, 2007. The purchase price for these initial and subsequent investments was their aggregate net asset value as of 30 June 2007, adjusted for subsequent capital calls on the related unfunded commitments, minus distributions in respect of such assets up to the date of transfer. Certain limited partners exchanged their interest in the HarbourVest funds for shares in the Company.

Share Capital

The Company's Class A shares are listed solely on Euronext Amsterdam by NYSE Euronext under the symbol "HVPE". As of 31 January 2008 there are 83,000,000 issued Class A ordinary shares of no par value. The Class A shares are entitled to the income or increases and decreases in the net asset value of the Company, and to any dividends declared and paid, but have limited voting rights. Dividends may be declared by the board of directors out of profits of the Company available for distribution. Dividends will be paid to shareholders pro rata to their shareholdings. Final dividends must be approved by the holders of the Class B shares. Certain Class A shares are subject to lock-up provisions.

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 of 31 January 2008, 101 Class B shares of no par value have been issued. The Class B shares are not entitled to income or any increases and decreases in the net asset value of the Company or to any dividends declared and paid.

The Class A shareholders must approve any amendment to the memorandum and articles of association, 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.

Investment Manager

The Company is managed by HarbourVest Advisers L.P. (the "Investment Manager"), a wholly-owned subsidiary of HarbourVest Partners, LLC, pursuant to an investment management and services agreement. The Investment Manager is responsible for, among other things, selecting, acquiring, and disposing of the Company's investments, carrying out financing, cash management, and risk management activities, providing investment advisory services, including with respect to HVPE's investment policies and procedures, and arranging for personnel and support staff to assist in the administrative functions of the Company.

Directors

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

Note 2. Summary of Significant Accounting Policies

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

Basis of Presentation

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

Method of Accounting

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), The Companies (Guernsey) Law, 1994 (as amended), and the principal documents. The Company received dispensation from the Netherlands Authority for the Financial Markets allowing the Company to prepare the financial statements in accordance with U.S. GAAP instead of IFRS or Dutch GAAP.

Estimates

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

Investments

Investments are stated at fair value in accordance with the Company's investment valuation policy. In establishing the fair value of the partnership investments, the Company takes into consideration the information received from those partnerships, including their financial statements, the currency in which the investment is denominated and other information deemed appropriate.

The consolidated financial statements include investments valued at $847,630,056 at 31 January 2008, whose values have been estimated by the Investment Manager in the absence of readily ascertainable market values. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed, and the differences could be material.

Generally, the 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 and investment commitments 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 and losses on investments as incurred. The Company does not segregate that portion of realised or unrealised gains and losses attributable to foreign currency translation.

Cash Equivalents

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

Investment Income

Investment income includes interest from cash and equivalents. 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.

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.

Net Change in Unrealised Appreciation and Depreciation of Investments

Gains and losses arising from changes in investment values are recorded as an increase or decrease in the unrealised appreciation or depreciation of investments.

Income Taxes

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

With effect from 1 January 2008, Guernsey abolished the exempt company regime for some entities. At the same time the standard rate of income tax for companies moved from 20% to 0%. Therefore some entities previously exempt from tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended) are now taxed at 0%.

However, the States of Guernsey Income Tax Authority has confirmed that collective investment schemes such as the Company can remain eligible for exempt status.

Income may be subject to withholding taxes imposed by the U.S. or other countries and 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. Generally 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.

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. Since the Company's investments generally will involve a high degree of risk, poor performance by a few of the investments could adversely affect the total return to shareholders.

Note 3. Material Agreements and Related Fees

Administration Agreement

The Company has retained Anson Fund Managers Limited ("AFML") as Company Secretary and Administrator. Fees for these services are paid as invoiced by AFML and include an administration fee of £22,000 per annum, a secretarial fee of £25,000 per annum and an additional value fee equal to 1/12 of 0.005% of the net asset value of the Company above $100 million as at the last business day of each month. During the period ended 31 January 2008, fees of $31,504 were paid to AFML.

Registrar

The Company has retained Anson Registrars Limited ("ARL") as share registrar. Fees for this service are paid as invoiced by ARL and include an annual basic fee of £4,000 per annum and activity fees calculated on a per event basis.

Independent Auditor's Fees

For the financial period ended 31 January 2008, $198,725 has been accrued for auditor's fees and is included in professional fees on the consolidated statement of operations.

Investment Management Agreement

The Company has retained HarbourVest Advisers L.P. as the Investment Manager. The Investment Manager is reimbursed for costs and expenses incurred on behalf of the Company in connection with the management and operation of the Company. During the period ended 31 January 2008, reimbursements for investment services to the Investment Manager were $140,000, which remain unpaid at the balance sheet date. The Investment Manager does not charge HVPE management fees or performance fees other than with respect to parallel investments (of which there are none at 31 January 2008). As an investor in the HarbourVest funds, HVPE is charged the same management fees and subject to the same performance allocations as other investors in such HarbourVest funds. A management fee will be paid for any parallel investments made by the Company consistent with the fees charged by the fund alongside which the parallel investment is made.

Marketing and Investor Relations

The Company has retained Hugin for the regulatory release of announcements. The annual fee for this service is €56,880. For the financial period ended 31 January 2008, $58,002 is included in other expenses on the consolidated statement of operations.

Note 4. Investments

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

	For the period ended 31 January 2008
Net realised gain on investments	$ 61,412,932
Net unrealised depreciation on investments	(22,456,323)
Net realised and unrealised gain on investments	$ 38,956,609

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157), which is effective for financial statements issued for fiscal years beginning after 15 November 2007 and interim periods within those fiscal years. This standard clarifies the definition of fair value for financial reporting, establishes a hierarchal disclosure framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 clarifies how restrictions on the sale or use of an asset would be considered in determining fair value. To the extent that a legal or contractual restriction is specific to (and an attribute of) the security and therefore, would transfer to a market participant, then in accordance with FAS 157 it would be appropriate to consider such restriction in the determination of fair value of the security. This requirement of FAS 157 is to be applied prospectively in the year of adoption. Effective 18 October 2007, the Company adopted FAS 157.

The hierarchy established under FAS 157 gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). As required by FAS 157, the Company's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under FAS 157, and its applicability to the Company's investments, are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

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

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

The following table summarises the Company's investments that were accounted for at fair value by Level within the fair value hierarchy of FAS 157:

	Level 1	Level 2	Level 3	Total
Purchases of investments	-	-	$856,421,627	$856,421,627
Total net realised gain included in net increase in net assets	-	-	61,412,932	61,412,932
Total net unrealised depreciation included in net income	-	-	(22,456,323)	(22,456,323)
Distributions received from investments	-	-	(47,748,180)	(47,748,180)
Transfers in and/or (out) of Level	-	-	-	-
Balance at 31 January 2008	-	-	$847,630,056	$847,630,056

Investment commitments of $689,613,938 at 31 January 2008 are payable upon notice by the partnerships to which the commitments have been made. Commitments of $61,698,938 are denominated in euros.

Note 5. Debt Facility

On 4 December, 2007 the Company entered into an agreement with The Bank of Scotland regarding a multi-currency revolving credit facility ("Facility") for an aggregate amount up to $500 million. Amounts borrowed against the Facility accrue interest at LIBOR plus 1.5% per annum. The Facility expires on 4 December, 2014. The Facility is secured by the private equity investments and cash equivalents of the Company, as defined in the agreement. Availability of funds under the Facility and interim repayments of amounts borrowed are subject to certain covenants and diversity tests applied to the investment portfolio of the Company. At 31 January 2008, no amounts were outstanding against the Facility.

Other financing costs related to the Facility include an initial arrangement fee of $4,500,000 and an annual monitoring fee of $50,000. In addition, the Company will be 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 4 December 2007, to 31 January 2008, $317,344 in commitment fees have been accrued. Additional legal fees related to this Facility were $1,436,740.

Note 6. Financial Highlights (a)

	Class A Shares
Per share operating performance:	
Net Asset Value, beginning of period	$10.00
Net investment loss	(.08)
Net realised and unrealised gains (losses)	.47
Total from investment operations	.39
Net asset value, 31 January 2008	$10.39
Total return (b):	3.9%
Ratios to average net asset (b):	
Expenses	0.84%
Expenses – excluding financing costs	0.13%
Net Investment Loss	0.81%
Portfolio Turnover (c)	0.0%

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

(b) The calculations are not annualised and are for the period from 18 October 2007(date of incorporation) to 31 January 2008.

(c) The turnover ratio has been calculated as the number of transactions divided by the weighted average net assets.

Note 7. Publication and Calculation of Net Asset Value and Earnings Per Share

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

Note 8. 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 $102,825 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 2008.

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

Each Director, with the exception of the Chairman, D. Brooks Zug, and George R. Anson is paid an annual fee of $50,000 per annum, paid quarterly. The Chairman receives an annual fee of $75,000 plus $10,000 for expenses. George R. Anson and D. Brooks Zug do not receive any fee from the Company. In total, the Directors were paid $59,383 during the financial period ended 31 January 2008.

Note 9. Indemnifications

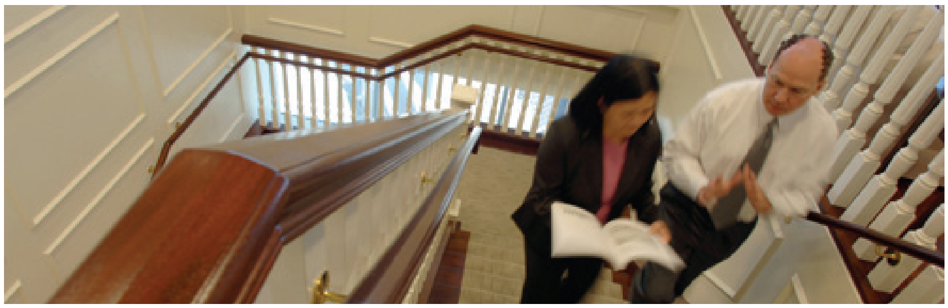
General Indemnifications

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.

Risk Factors and Forward-Looking Statements



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Summary of Risk Factors

HVPE's business is subject to substantial risks and uncertainties. The principal ones are listed below and summarised in more detail on the following pages.

- HVPE is highly dependent on its Investment Manager, HarbourVest, and HarbourVest's investment professionals, and there is no assurance that HVPE will have adequate or continued access to them. HVPE and HarbourVest are also heavily reliant upon third-party fund management, over which the Company and HarbourVest have little or no control.
- The departure or reassignment of some or all of HarbourVest's investment professionals could prevent HVPE from achieving its investment objectives.
- Difficult market and/or economic conditions could adversely affect HVPE and the HarbourVest funds.
- HVPE may not be able to satisfy all of its funding obligations at any given time out of its cash assets, available debt and distributions or other returns received on its investments.
- HVPE's Investment Manager may not be able to consistently deploy all of the Company's capital in longer-term investments.
- HVPE, and certain entities in which it invests and expects to invest, rely on leverage as part of its and their respective investment strategies, potentially increasing the overall negative impact of any underperforming investments.
- HVPE, and many of the funds in which it expects to be invested over the life of the business, have no significant operating history.
- HVPE may experience fluctuations in its operating results.

The foregoing is not a comprehensive list of the risks and uncertainties to which HVPE is subject.

Risk Factors

The following is a summary only of the principal risks affecting HVPE. Additional risks and uncertainties that are currently unknown or that are not believed to be principal may also adversely affect HVPE's business, financial condition, or results of operations. If any of the circumstances outlined in the following risk factors actually occurs, the Company's business, financial condition, and results of operations would be likely to suffer.

HVPE is highly dependent on its Investment Manager, HarbourVest, and HarbourVest's investment professionals, and there is no assurance that HVPE will have adequate or continued access to them

HVPE believes that success in achieving its investment goals and its ability thereby to create returns on investment for shareholders depend in substantial part on the skills, experience, and expertise of the Investment Manager and HarbourVest's investment professionals, and its and their continued involvement in the funds and operating companies in which HVPE invests. The Investment Manager is responsible for, among other things, selecting, acquiring and disposing of HVPE's investments, carrying out financing, cash management and risk management activities, providing investment advisory services, including with respect to the investment policies and procedures, and arranging for personnel and support staff to assist in administrative functions. Such personnel and support staff are not required to have as their primary responsibility the day-to-day management and operations of HVPE's business or to act exclusively for HVPE. The HarbourVest funds in which HVPE invests are similarly dependent on HarbourVest's investment professionals for investment management, operational, and financial advisory services. The Company also cannot be certain that HarbourVest will continue to sponsor the formation of, and manage, new private equity funds in which it can invest.

If the Investment Manager were to cease to provide services under the existing investment management agreement or to cease to provide investment management, operational and financial advisory services to HVPE, or if HVPE and/or the Investment Manager and/or any of the HarbourVest funds in which the Company invests were to cease to have access to HarbourVest's investment professionals for any reason, or if HarbourVest were to cease to sponsor the formation of, and manage, new private equity funds, HVPE would experience difficulty in making new investments, its business and prospects would be materially harmed, and the value of its existing investments and results of operations and financial condition would be likely to suffer materially.

The departure or reassignment of some or all of HarbourVest's investment professionals could prevent HVPE from achieving its investment objective

HVPE depends on the diligence, skill and business contacts of HarbourVest's investment professionals, and the information and deal flow they generate during the normal course of their activities. The Company's future success will depend on the continued service of these individuals, who are not obligated to remain employed with HarbourVest or its affiliates. The market for experienced private equity investment professionals is highly competitive. If HarbourVest fails to adequately compensate its investment professionals, in light of such market conditions, one or more of such individuals could cease to work for HarbourVest. HarbourVest has experienced departures of investment professionals in the past and may do so in the future, and HVPE cannot predict the impact that any such departures will have on its ability to achieve its investment objectives, including owing to the impact on HarbourVest's ability to raise future HarbourVest funds in which the Company would invest. HarbourVest continues on a regular basis to review and revise its policies for compensation, succession, and retirement of its investment professionals and transition of management and control. Whether or not such policies are revised, there is a risk that investment professionals of HarbourVest could depart. The departure of any of HarbourVest's senior investment professionals, their reassignment to duties other than having responsibility for managing HVPE's investments, a significant deterioration in their performance, the departure of a significant number of HarbourVest's other investment professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures or reassignment could have a material adverse effect on HVPE's ability to achieve its investment objectives.

Difficult market and/or economic conditions could adversely affect HVPE and the HarbourVest funds

All of HVPE's investments may be materially affected by conditions in the global financial markets and economic conditions throughout the world. The global market and economic climate may deteriorate because of many factors beyond HVPE's control, including rising interest rates or inflation, credit crises, market disruption, terrorism or political uncertainty. In the event of a market downturn, each of the investments in the HVPE portfolio could be adversely affected. The underlying private equity funds may face reduced opportunities to sell and realise value from their existing investments and there may be a lack of suitable new investments for the funds to make, and the Company may face a similar reduction in opportunities with respect to existing and new direct investment opportunities. In addition, economic downturns may make it more difficult for companies to meet their debt service obligations and satisfy financial covenants, either of which could have a material adverse effect on their businesses. An increase in either the general levels of interest rates or in the risk spread demanded by finance providers would make the financing of private equity investments with indebtedness more expensive and could limit the ability of HVPE, the HarbourVest funds and third-party investment managers to structure and consummate private equity investments. If the current volatility in the credit market continues, funds focussing on larger buyout transactions will experience continued difficulties in deploying their capital. Furthermore, if such volatility continues to spread into the wider economy, it could affect the future value of HVPE's investments. A downturn in market and/or economic conditions, or a specific market dislocation or rise in the general level of interest rates, may lead to a decline in the net asset value of the Company's investments.

HVPE may not be able to satisfy all of its funding obligations at any given time out of its cash assets, available debt and distributions or other returns received on investments

In order to maximise the amount of capital that is invested at any given time and thus maximise the Company's NAV growth, HVPE intends to have committed to investments at any one time significantly more capital than would be readily available at such time (including pursuant to debt facilities). The Company expects that its cash assets, together with amounts available under a credit facility and the distributions and realisations it receives over time on its investments, will in fact cover the investment commitments HVPE intends to make as and when they are called and the other expenses to which it will be subject from time to time, including interest expenses, administrative expenses and operational expenses. However, the ability of the investments to which the Company has direct or indirect exposure to generate distributions will depend on a number of factors, including, among others, the actual results of operations and financial condition of the funds and companies comprising the underlying investments, restrictions on cash distributions that are imposed by applicable law or the organisational documents of the funds and companies in which HVPE invests, the timing and amount of cash generated by investments that are made by the funds and companies in which HVPE invests, fluctuations in currency exchange rates, any contingent liabilities to which the funds and companies may be subject, and other factors. The HVPE board has the flexibility to refrain from making an investment commitment where to do so would create an inappropriate risk of the Company being unable to meet its funding obligations as they fall due. However, there is the potential that, owing to the relative timing of calls made on investment commitments, the amounts that HVPE is required to fund to meet its investment commitments when called at any one time will be greater than the aggregate of all amounts, including under debt facilities, that would be readily available at such time. If HVPE does not meet any particular investment funding obligation when due, it could face penalties, including forfeiture of the investment in respect of which the particular funding obligation has been called.

The Investment Manager may not be able consistently to deploy all of HVPE's capital in longer-term investments

HVPE has invested substantially all of its assets in longer-term private equity investments. As the HarbourVest funds in which the Company has initially invested realise their underlying investments and distribute cash, HVPE will seek to redeploy this cash by making commitments to future HarbourVest funds. However, commitments to such HarbourVest funds will be drawn down over time as the HarbourVest funds identify potential investments. The timing of each drawdown is largely outside HarbourVest's control, since it depends on the investment activities of the third-party managed funds in which such HarbourVest fund has invested. Furthermore, HarbourVest funds in which HVPE holds investments may make distributions of cash in greater than expected quantities. Therefore, from time to time, the Company may have more cash available than it is able to deploy in longer-term private equity investments, which would in turn be likely to lower its overall investment return.

Pursuant to HVPE's cash management policy, the Company invests cash which has not been deployed in longer-term investments either in (i) temporary investments which are typically expected to generate returns that are substantially lower than the overall returns that the Company anticipates receiving from its private equity investments or (ii) securities of other listed private equity vehicles, which may not be sufficiently liquid to enable an exit from such investments at an attractive price or at all. There may also be a high degree of variability between the returns generated by different types of temporary investments (and such other securities). These factors will increase the uncertainty, and thus the risk, associated with making an investment in HVPE.

HVPE and the Investment Manager are heavily reliant on third-party fund management over which the Company and HarbourVest have little or no control

The returns achieved by HVPE depend in large part on the efforts and performance results obtained by the managers of underlying investments in which the Company and HarbourVest participate. Neither HVPE nor the HarbourVest funds typically have an active role in the day-to-day management of these underlying investments, nor do HVPE or the HarbourVest funds have the ability to approve the specific investment or management decisions made by the managers of those underlying fund investments. As a result, the investment returns of the Company depend primarily on the performance of unrelated investment managers and other management personnel. The failure of such investment managers to make profitable investments would have a negative impact on HVPE's ability to achieve its investment goals.

HVPE, and certain entities in which it invests, rely on leverage as part of its and their respective investment strategies

Leverage-HVPE

The Company has entered into a credit facility, the proceeds of which may be used for cash management purposes and to support its investment strategy. Although debt funding ("leverage") will increase the investment return if the Company earns a greater return on the investments purchased with the borrowed funds than it pays for the use of those funds, the use of leverage will conversely decrease HVPE's returns if it fails to earn as much on investments purchased with the borrowed funds as it pays for the use of those funds. HVPE does not intend to have aggregate leverage outstanding at company level at any time (other than borrowing for cash management purposes) in excess of 20% of the Company's NAV.

Leverage-HVPE's Investments

In addition, certain entities in which HVPE invests and expects to invest may rely on leverage as part of their investment strategy. The use of leverage will magnify the volatility of changes in the value of portfolio investments. Any gain in the value of assets in excess of the cost of the amount borrowed to acquire such assets would cause the borrower's net asset value to increase more than if the assets had been bought without utilising leverage. Conversely, any decline in the value of its assets to below the cost of the borrowing utilised to fund their purchase would cause the net asset value to decline more sharply than would be the case if debt had not been used to purchase such assets. Accordingly, whilst the use of leverage may increase a borrower's returns, it will also increase its exposure to risk. Additionally, the availability of leverage could decrease. This risk is more concentrated in funds which focus on making leveraged buy-out investments.

HVPE and many of the funds in which it expects to be invested over the life of the business have no significant operating history

HVPE is a newly-formed company with a short operating history. Although key personnel of HarbourVest have had extensive experience managing investments in the private equity market, many of the funds in which the Company has invested or expects to invest, directly or indirectly, are or will be newly- or recently-formed entities with no significant operating history upon which to evaluate their likely performance or the likely effectiveness of their contribution to HVPE's investment strategy as managed by the Investment Manager. HVPE is therefore subject to the risks and uncertainties associated with any new business, including the risk that it will not achieve its investment objectives.

HVPE may experience fluctuations in its operating results

HVPE may experience fluctuations in its operating results from period to period due to a number of factors, including changes in the values of the HarbourVest funds, which in turn could be due to changes in values of such HarbourVest funds' underlying investments, changes in the level of drawdowns on capital commitments HVPE has made to funds, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which HVPE and the HarbourVest funds encounter competition in the making of investments or the underlying investments encounter competition in their businesses and general economic and market conditions. As an asset class, private equity has exhibited volatility in returns over different periods and it is likely that this will continue to be the case in the future. Such variability may cause the results for a particular period not to be indicative of HVPE's performance in a future period.

The foregoing risks are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations affecting HVPE. Additional risks and uncertainties not presently known to the directors, or that they currently deem not to be principal ones, may also have an adverse effect on HVPE's business.

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 indentified 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. 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 achieve 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.

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.

Certain Information

HVPE is subject to the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht, "FMSA") and registered with AFM as a closed-end investment company as meant in section 1:107 of the Wft. The Company is subject to certain ongoing requirements under the FMSA and the Decree on the Supervision of Market Conduct Financial Firms FMSA (Besluit Gedragstoezicht financiële ondernemingen Wft) and the Dutch Civil Code relating to the disclosure of certain information to investors, including the publication of financial statements.

Advisors and Contact Information

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Advisors and Contact Information

Key Information

Exchange:	Euronext
Ticker:	HVPE
Listing Date:	6 December 2007
Base Currency:	USD
ISIN:	GG00B28XHD63
Bloomberg:	HVPE NA
Reuters:	HVPE.AS
Common Code:	032908187
Amsterdam Security Code:	612956

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The website address for HarbourVest Global Private Equity is www.hvgpe.com
For general questions about HVPE, please contact Laura Thaxter (lthaxter@harbourvest.com) at +1 617 348 3707.

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