Disclosure - Non-Independent Marketing Communication This is a non-independent marketing communication commissioned by HarbourVest Global Private Equity (HVPE) . The report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on the dealing ahead of the dissemination of investment research.

HarbourVest Global Private Equity (HVPE)

HVPE is a differentiated growth investment.

William Heathcoat Amory william@keplerpartners.com

Overview

Investment objective

To generate superior shareholder returns through long-term capitalappreciation by investing primarily in a diversified portfolio of privateequity investments.

Source: Morningstar

As at: 23/10/2026	Latest Market Capitalisation £2,305,841,917
Trust Name HarbourVest Global Private Equity	Latest Net Gearing (Cum Fair) 9%
Ticker HVPE	Latest Ongoing Charge Ex Perf Fee 2.17%
Management Company HarbourVest Partners LLC	Shares Outstanding 69,244,502
Manager Name Richard Hickman	(Discount)/ Premium (Cum Fair) -26.7%
Association of Investment Companies (AIC) Sector Private Equity	Daily Closing Price 3330p
Dividend Yield 0.0%	
Dividend Distribution Frequency None	

HarbourVest Global Private Equity (HVPE) offers a unique exposure to private companies globally. Huge amounts of shareholder value has been created outside of public markets, and HVPE provides an excellent way for public market investors to access this potential. As we discuss in the **Portfolio section**, HVPE's exposures to SpaceX (first invested in 2009), Anthropic (2024) and Databricks (2013) have seen very rapid valuation growth of late. In fact, of the 20 largest "unicorns", defined as private companies with a valuation of over $1 billion, HVPE has an exposure to 15 of them. As such, HVPE provides a broad exposure to the most in-demand, innovative companies globally that are making financial headlines.

Over the long term, HVPE has delivered strong returns that have outperformed quoted equities. However, over the past five years returns have been relatively muted, especially compared with public markets. HVPE's share price total return is now ahead of the NAV total return over five years, a result of the discount narrowing (see **Discount section**). HVPE's NAV performance is in-line with the closest comparable peer – Pantheon International (PIN), but ahead of the Morningstar peer group average. A result of surging confidence in equity markets, the FTSE All-World ETF is well ahead of all of these comparators.

As we discuss in the **Gearing section**, as a result of actual distributions being below expectations for a number of years, leverage within the trust and the underlying HarbourVest funds has been ticking up. The board sees future secondary sales as a release valve to improve liquidity, which should enable them to manage gearing even if organic distributions continue to underwhelm. With the team working on secondary sales in the background, we believe that HVPE's higher gearing should be less cause for concern.

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Analyst's View

One of the unique aspects of HVPE is that the portfolio is spread across Buyouts, Venture and, to a lesser extent, Infrastructure and Private Credit investments. This has the effect of smoothing returns over time. Key to the strategy is that HVPE invests consistently through the cycle. This consistent investment is potentially one reason why the recent performance has been relatively strong, as HVPE benefits from investments made since 2022 – enabled by gearing - during a period where realisations have slowed. This has allowed HVPE to gain exposure to investments in recently developing areas such as AI that it would have otherwise lost out on if it had paused its investment activity.-As the recent interim results highlighted, venture and growth equity was the best performing category in the six months to 31/07/26, which has the most exposure to companies that are benefiting from AI technology (eg SpaceX, Anthropic etc).

In our view, the **Discount** narrowing is strong evidence that the board's focus on shareholder returns is working. As we discuss in the **Portfolio section**, there are a number of changes that are being implemented which should incrementally improve NAV per share returns. Share price returns have been positively influenced by the imminent $400m tender at a 10% discount to NAV, but also the commitment to return between 5%-10% of NAV per year going forward. In terms of accessing liquidity to either reduce leverage or fund returns of capital, secondary sales represent a way of generating inorganic liquidity when organic liquidity is below normal levels. As well as generating cash, selling interests in HarbourVest funds will also see a reduction in look-through gearing. We see this as a potentially advantageous route for the board to follow, if required.

HVPE represents a high-quality proposition, with exposure to much of the excitement in private markets. The current discount to NAV of 27% ignores what we understand is plenty of conservatism in underlying valuations. We understand that even the hotly anticipated IPO candidates in the portfolio are typically held at discounts to valuations at recent funding rounds to reflect illiquidity. With realisations potentially trending back towards historic averages, as well as the board's commitment to return capital of between 5–10% per annum over the following three years, HVPE looks well placed as a differentiated growth investment.

Bull

- Expertise of HarbourVest, and breadth / quality of underlying managers are clear differentiators
- Proactive board, bringing forward market-leading initiatives designed to maximise shareholder value
- Wide discount to NAV should provide reassurance to long-term investors

Bear

- Relatively opaque underlying holdings
- Gearing remains high
- Listed private equity trusts tend to have high ongoing charges, potentially limiting the appeal for some investors

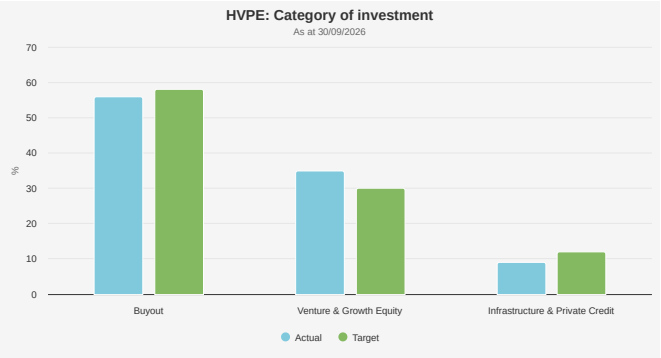
Portfolio

HarbourVest Global Private Equity (HVPE) offers a unique exposure to private companies globally. One of the prevailing trends of the last decade or two is that huge amounts of shareholder value can be created outside of public markets. There are plenty of factors at play here, but HVPE provides an excellent way for public market investors to access this phenomenon.

One of the unique aspects of HVPE's approach and portfolio is that the private markets exposure it offers is spread across Buyouts, Venture and Infrastructure and private credit investments. This has the effect of smoothing returns over time, given each of these areas tends to have different return characteristics, potentially contributing their strongest returns at different stages in the cycle. As we discuss in the **Performance section**, this is especially relevant today given

the recent strength in HVPE's venture investments. Some of HVPE's investments such as SpaceX (first invested in 2009), Anthropic (2024) and Databricks (2013) have seen very rapid valuation growth of late. Of the 20 largest unicorns (a private company with a valuation of at least $1bn), HVPE has an exposure to 15 of them, illustrating the point that HVPE provides a broad exposure to a wide range of the most in-demand, innovative companies that are making financial headlines.

PORTFOLIO BREAKDOWN



Source: HarbourVest

HVPE's portfolio is highly diversified, with an underlying exposure to more than 1,000 companies. HarbourVest invests on a global basis alongside the world's top private markets managers. In this way, the team aims to capture the significant upside potential of investing in private markets, yet mitigate single company risk through having no individual exposure that is material. We show below the most recently disclosed breakdown of the top ten individual companies on an underlying basis. Readers will note that some of the most exciting and talked-about companies are included here, but also that each exposure is de minimis from a risk perspective.

TOP TEN HOLDINGS AS AT 30/09/2026

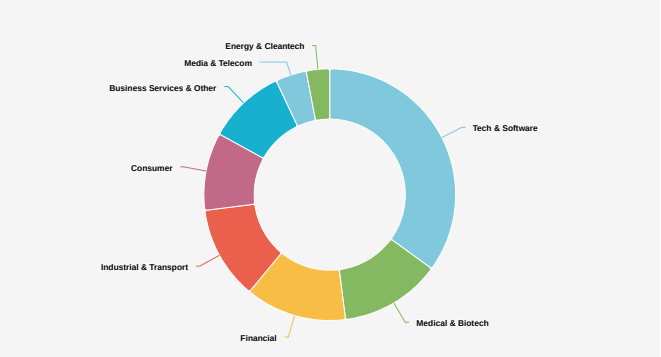
COMPANY	DESCRIPTION	SECTOR	% OF PORTFOLIO
Databricks, Inc	Offers a cloud platform that helps organisations to turn data into value	Tech & Software	1.2%
SpaceX	Serves as a privately-held space launch service provider and cargo transport	Tech & Software	1.1%
Revolut	Developer of a foreign exchange and money transferring application designed to promote financial cohesion across communities	Tech & Software	0.8%
DP World Australia Pty Ltd	Operates marine terminal and provides cargo handling services and container terminals throughout Australia	Industrial & Transport	0.8%
Anthropic	Operator of an AI safety and research company intended to create large-scale AI systems that are steerable, interpretable, and robust.	Tech & Software	0.7%
Preston Hollow Capital, LLC	Specialty municipal finance company	Financial	0.6%
SHEIN	Developer of a global B2C e-commerce platform designed to provide women's fast fashion goods	Consumer	0.6%
Undisclosed	Undisclosed	Tech & Software	0.5%
National Stock Exchange of India	India's largest equities and derivatives exchange	Financial	0.4%
Calisen Group	A smart energy infrastructure provider.	Industrial & Transport	0.4%

Source: HarbourVest

HVPE's underlying portfolio is highly diverse. 38% is in the 'investment phase', 48% in 'growth' and only 14% in 'mature' phase companies. It is safe to assume that distributions can originate from any of these buckets, but growth and mature will tend to dominate. Key to the strategy is that HVPE invests consistently through the cycle, so as not to miss out on specific vintages. As we discuss in the **Performance section**, this consistent investment is potentially one reason why the recent performance has been strong, as HVPE benefits from investments made at a time when some other peers in the listed private equity peer group were holding back.

Broken down by sector, the higher growth / high innovation sectors of Healthcare and Technology add up to c. 48% of the portfolio, illustrating that HVPE is investing for growth. However, in contrast to most peers in the listed private equity sector, HVPE has its exposure through both buyouts and venture funds. This is an important distinction, in our view which shows up in recent HVPE's NAV performance, and HVPE capturing plenty of upside from the AI theme through its venture investments. We understand that HVPE's manager's analysis on a sample of its portfolio showed that the majority of HVPE's portfolio companies have good defensive moats against AI. Furthermore, they have strong opportunities to use AI to improve their business processes and operations. In our view, this is just an example of how HVPE's diversification should lead to a smoother ride over time, whilst still offering exposure to the upside potential of innovation, whichever sector it is prevalent in.

INDUSTRY BREAKDOWN



Source: HarbourVest as at 30/09/2026
Past performance is not a reliable indicator of future results.

Capital allocation is a much talked about topic in listed private equity, and HVPE's fully independent board have been demonstrably proactive in this regard. Firstly, in terms of investment activity, HVPE has negotiated a customised solution that over the medium term will confer significant benefits and transparency to HVPE's shareholders. Historically, HVPE invested through specialist multi-manager funds all run by HarbourVest. However, going forward HVPE will invest through a dedicated 'Separately Managed Account' (SMA). This will simplify the proposition, reduce look-through leverage, and give the board more control over the pace of investment. This is because commitments made to the SMA in any one year will more likely be deployed in that same year. Currently, the entirety of the SMA commitment represents c. 8% of NAV. Historic commitments that were made previously will continue to be invested, but going forward the allocation via the SMA will steadily increase and become more material over time.

In terms of returning capital to shareholders, the board has undertaken that no new commitments will be made for the remainder of 2026, with $250m having been allocated to the SMA to be deployed into investments this year. We understand that commitments for 2027 will be decided on towards the end of 2026. The board has also announced a $400m return of capital in Q4 2026 via a tender at a c. 10% discount. HVPE has a formulaic approach to returning capital which in 2025 increased from 15% of gross realisations received, to 30%. This capital will be directed to HVPE's 'distribution pool' and earmarked for buybacks and tenders. In addition, for 2026, 100% of any secondary sales will be added to the distribution pool too. Going forward, the board has guided that they expect between 5%-10% of NAV to be returned via a combination of buybacks and periodic tenders each year to 2029, the time of the next continuation vote.

As we discuss in the **Gearing section**, as a result of actual distributions being below expectations for a number of years, leverage within the trust and the underlying HarbourVest funds has been ticking up. All things being equal, returning capital to shareholders increases this gearing. The board sees future secondary sales as a release valve to improve liquidity, which should enable them to manage gearing even if organic distributions continue to underwhelm. HarbourVest have a dedicated team who constantly review HarbourVest funds' portfolios, seeking to match interest from secondary investors with the opportunity to realise assets for cash. HVPE can also choose to sell interests in HarbourVest funds via the secondary market, which allows it to generate liquidity independently. With the team working on secondary sales in the background, we believe that HVPE's higher gearing should be less cause for concern than might ordinarily be the case.

HVPE represents a high-quality proposition, with exposure to much of the excitement in private markets. It has a strong long-term track record, and the tweaks that the current board are implementing make it ever more attractive to investors. The current discount to NAV of 27% ignores what we understand is plenty of conservatism in underlying valuations. Average valuations are lower than public market comparables. We understand that even the hotly anticipated IPO candidates in the portfolio are typically held at discounts to valuations at recent funding rounds to reflect illiquidity. With realisations potentially trending back towards historic averages, as well as the board's commitment to return capital of between 5–10% per annum over the following three years, HVPE looks well placed as a differentiated growth investment.

Gearing

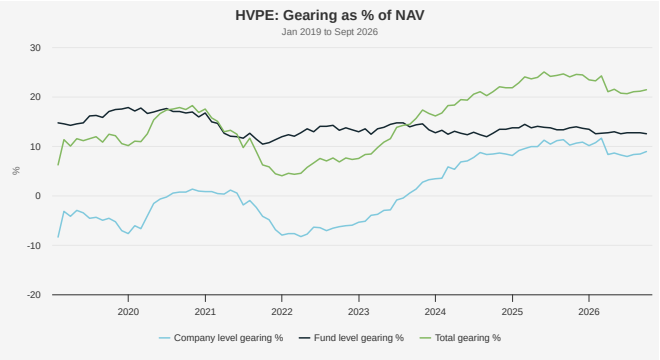
HVPE employs short-term gearing to manage cash flows, as do the underlying funds through which it invests. This means that at points during the cycle, gearing will naturally rise and fall: gearing is not intended to be structural. When private markets are strong, and deal activity is febrile, distributions tend to outpace investments, and gearing will typically reduce or result in net cash. When the market slows, gearing rises, as is the situation today. Fund-level gearing typically fluctuates less compared to company-level gearing, which we illustrate in the graph below. That said, as HVPE moves towards investing more of its portfolio through the SMA (see Portfolio section), the look-through fund-level gearing will reduce. Currently, only 8% of the portfolio is invested through the SMA, so the impact on gearing from shifting to this investment model has not yet been properly felt.

The last few years have seen distributions fall below expectations. We understand that in modelling cash flows, HarbourVest has now moved to incorporate their 'low-case' expectations for future distributions. This clearly represents a larger element of conservatism than in the past. In the January 2026 annual report, HVPE disclosed c. $501m of estimated distributions over the next 12 months (excluding any secondary sales). As at the time of writing, for the eight months to September 2026, HVPE has received $332m so far, slightly behind expectations on a straight-line basis. That said, we understand that distributions are not typically received at an even rate throughout the year, and in particular December is usually much stronger. We understand that in each of the last two years, over 20% of total cash received in the year was received in the month of December.

In addition to organically generated cash flows, HVPE is due to receive a further $163m of proceeds from its fund portfolio secondary sale in December 2026. It is worth noting that this sale, announced in December 2025, was at a materially narrower discount than where HVPE's shares traded at then, and now. Depending on investment and realisation activity, HVPE may become more modestly geared subsequent to the tender. That said, much will depend on how a traditionally busy end to the calendar year proceeds in terms of realisations. The board sees future secondary sales as a release valve to improve liquidity, which should enable them to manage gearing even if organic distributions underwhelm. HarbourVest have a dedicated team who constantly review HarbourVest funds' portfolios, seeking to match interest from secondary investors with the opportunity to realise assets for cash. HVPE can sell either underlying fund interests, or interests in HarbourVest funds (both routes have been used over the last year). As well as generating cash, selling HarbourVest funds (rather than underlying funds) will also see a reduction in look-through gearing. We see the option to sell HarbourVest funds as an underappreciated and valuable tool that HVPE's board has at its disposal, should there be a requirement to reduce gearing.

In the graph below, we show fund-level borrowings and combine them into a total notional gearing level as a proportion of NAV, which appears to have peaked at 25% of NAV in May 2025. We note that HVPE's gearing continues to be at the upper end of the listed private equity peer group. Whilst overall gearing is relatively high, it is not yet at a level at which one might be overly concerned. HVPE continues to have plenty of headroom, with $107m of cash on the balance sheet as of 30/09/2026, and a further $720m of a total $1.2bn flexible credit facility, which it may draw down if required until June 2029, in total equivalent to c. 21% of NAV.

GEARING



Source: HarbourVest

Past performance is not a reliable indicator of future results.

Performance

HVPE aims to deliver the strong returns available from private markets investment but not expose investors to any single company or specific risk. As we discuss in the **Portfolio section**, it achieves this through diversification – both by underlying company, but also across the different asset classes in private markets – and also by harnessing the considerable expertise available from the wider management team at HarbourVest, a dedicated private markets investment manager which has been investing for 44 years and with AuM of over $165bn.

Key to the strategy is that HVPE invests consistently through the cycle, so as not to miss out on specific vintages. Private equity investing is cyclical, and at the time of investment it is hard to determine whether any particular vintage will perform better or worse than others because of macroeconomic factors. By investing progressively and consistently each year, across multiple specialist funds, HVPE shareholders should benefit from a smoothed return stream. This consistent investment through the years is one reason why HVPE's gearing is higher than peers. However, it is notable that at the same time HVPE has been benefitting latterly from investments made since 2022 – enabled by gearing – that has allowed HVPE to gain exposure to investments in recently developing areas such as AI that it would have otherwise lost out on if it had paused its investment activity.

In this regard, the team has noted broad strength in performance from the portfolio as valuations for 30/06/26 have started to come in. Venture and Growth Equity has seen the strongest returns in the portfolio during 2026 so far. Some of the larger gains are being seen in the same AI-related theme that is driving public equity markets, but the team notes that the breadth of valuation increases across the portfolio is noteworthy. We understand that within the portfolio, there is plenty of conservatism on valuations, with illiquidity discounts of up to c. 30% on recent funding rounds being a feature. In our view, together with the fact that average valuations across a sample of the portfolio (14.7x) are lower than public markets (18.4x for the S&P World), as at 31 December 2025 should help lend confidence in HVPE's investment proposition.

HVPE has two share quotes, denominated in GBP (HVPE) and USD (HVPD). Both effectively offer USD exposure (the base currency of the fund) to UK investors, but the GBP share quote enables them to invest without an FX transaction. In this section, we use the GBP share quote to compare performance. Over the long term, as the table below shows, HVPE has delivered strong returns that have outperformed quoted equities. However, over the past five years returns have been relatively muted, especially compared with public markets.

TOTAL RETURNS TO 31/09/2026

	YTD %	1 YEAR %	3 YEARS %	5 YEARS %	10 YEARS %	SINCE INCEPTION (2007) %
NAV per share $	4	4	22	38	240	502
SP per share $	4	15	56	39	232	330
SP per share £	6	16	45	42	224	556
FTSE All World $	13	17	83	78	238	339

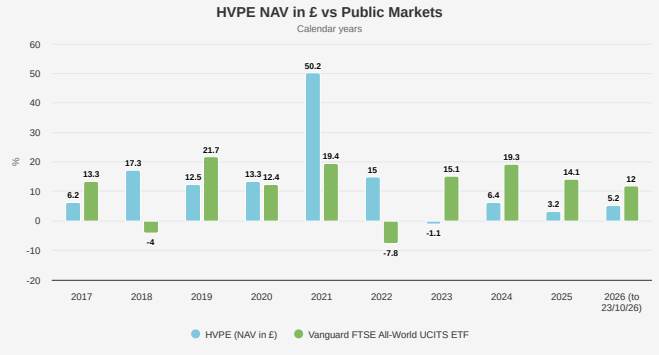
Source: HarbourVest

Past performance is not a reliable indicator of future results

The statistics in the above table have been negatively influenced by the period since 2022, years in which the private equity industry and valuations have had to contend with significantly higher interest rates. Private equity exit activity levels – especially in buyouts – have been below long-term averages, and venture capital has seen volatile valuations. We see the years prior to this standing as testament to the significant upside achievable from the best private equity managers in the world, which HVPE's investment portfolio provides exposure to. The indicators are that activity levels and confidence have been on an improving trend, and the total value of global private equity exits rebounded to $482bn in Q3 2026, the second highest quarter on record. Within HVPE's own portfolio, over the six months to 31/07/26, there were 258 M&A transactions and IPOs, up 6% on the comparable period,

at a weighted average uplift of 48% to carrying value. In our view, these are positive indicators, but at the same time we caution that any enthusiasm needs to be potentially tempered by the recent rise in bond yields. Total distributions as a % of average value over the six months to 31/07/26 was 5%, which remains well below long-term averages, and so a full recovery still has a way to go.

CALENDAR-YEAR NAV RETURNS

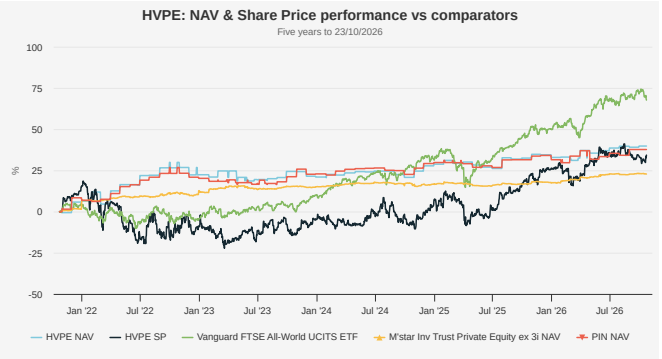


Source: Morningstar

Past performance is not a reliable indicator of future results

Over the past five years, HVPE's share price total return is now ahead of the NAV total return, a result of the discount narrowing. In our view, this is strong evidence that the board's focus on shareholder returns is working. HVPE's NAV performance is in line with the closest comparable peer – Pantheon International (PIN), but ahead of the Morningstar peer group average. A result of surging confidence in equity markets, the FTSE All-World ETF is well ahead of all of these comparators.

FIVE-YEAR TOTAL RETURNS



Source: Morningstar

Past performance is not a reliable indicator of future results

As we mention above, HVPE's board and manager are on the front foot in terms of improving NAV and share price returns. On the former, the move to the way HVPE invests capital (through an SMA) should deliver incremental improvements. Alongside this, the team is actively looking to utilise secondary markets to drive liquidity, subject to market conditions and other considerations. These actions should boost long term NAV returns without affecting the underlying strength of the HVPE proposition. In terms of share price returns, facing a wide discount, the board has been accelerating returns of capital with a $400m tender at a 10% discount to NAV imminent. Going forward, the board has committed further returns of capital of between 5% and 10% of NAV per annum. As we illustrate in the **Discount section**, these initiatives have helped to narrow the discount and share price returns have exceeded NAV returns. With the discount still wide in absolute terms, there is potential for the share price to continue to outperform NAV returns in the short to medium term. The interims released recently provide grounds for cautious optimism that conditions for improved returns are building, and following the landmark private capital events of the year so far, HVPE's managers are excited by the prospects of the portfolio as we look to the remainder of 2026 and beyond.

Dividend

HVPE's investment objective is to generate superior shareholder returns through long-term capital appreciation. HVPE has not historically paid dividends, although it has the ability to do so from its distribution pool, which was introduced in February 2024.

Management

HarbourVest is an independent, global asset manager which has been investing in private market opportunities for 44 years. HarbourVest focuses exclusively on private markets, and as of 31/12/2025, has a total AuM of over $165bn. Aside from a proprietary database of deals that HarbourVest has been able to build up over this time, the length of experience of the team (25+ years on average for its managing directors, of which on average 14 years has been spent at HarbourVest) means the firm is a trusted partner to some of the biggest investors in private equity globally. HarbourVest currently has over 250 investment professionals, located in its offices in Abu Dhabi, Beijing, Bogotá, Boston, Dublin, Frankfurt, Hong Kong, London, Singapore, Seoul, Sydney, Tel Aviv, Tokyo, Toronto and Zurich.

Richard Hickman, HarbourVest Partners Managing Director of HVPE, is responsible for the day-to-day management of the company. Richard joined HarbourVest in 2014 and has a total of 20 years' experience in the listed private equity sector. The HVPE Investment Committee (IC) is a dedicated body within HarbourVest, responsible for monitoring and reviewing the company's Strategic Asset Allocation ("SAA") targets and for recommending any changes, thereby seeking to optimise the risk-adjusted performance of HVPE's portfolio. On an annual basis, the IC proposes a commitment plan for consideration by the HVPE board, and once approved, it is responsible for executing against this plan. During the year, the IC also reviews and recommends specific investment opportunities to the HVPE board as they arise. The HVPE IC comprises four managing directors: John Toomey, Gregory Stento, Richard Hickman, and Carolina Espinal.

Discount

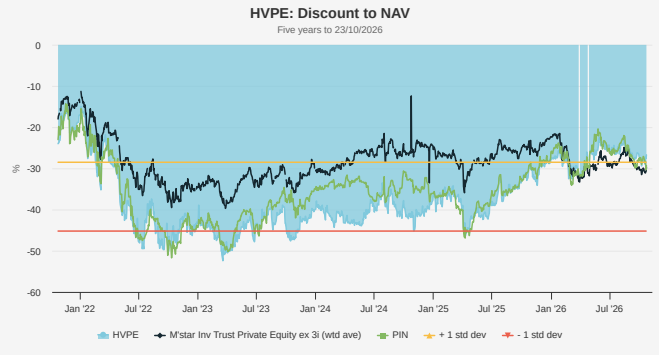
HVPE's discount has been persistent and wide over the last few years. Yet, as the graph below shows, the discount has been on a narrowing streak since mid-2025, and has now reached levels last seen prior to 2022 when interest rates rose rapidly and risk appetites declined. In fact, the shares touched an all-time high back in August, at £35. In our view, the fact that the discount has narrowed is partly a reflection of optimism that the private equity market will continue to build momentum and activity revert to historic levels. However, there is no denying that a contributor has been the strategic initiatives put forward by the board, including moving to a simpler method of investing (via an SMA - see **Performance section**), which will enhance portfolio flexibility, reduce overall gearing, and reduce borrowing costs. Additionally, the prospect of significant returns of capital has also likely been a contributor: the expansion of the distribution pool from 15% to 30% of cash distributions, and the upcoming tender offer for $400m at a 10% discount to NAV (plus costs), the closing date for which is 19/11/26, and with shareholders receiving cash on 02/12/26.

Yet, with the discount having narrowed there is no sign of the board letting up on their initiatives. This year they announced a fresh set of shareholder-friendly initiatives designed to bring the discount in. Firstly, the cap on the distribution pool has been suspended, and in addition to 30% of cash distributions being retained for returns of capital, the board has also decided to add 100% of secondary sales to the pool. These measures give them the confidence to return a total of $500m to shareholders over 2026 (i.e. c. 12% of NAV), including the aforementioned tender offer. Going forward, the board has undertaken to return between 5%–10% of NAV each year until the next continuation vote, proposed for July 2029. In order to fund this, HarbourVest's Investment Committee has agreed to formally review liquidity requirements twice a year with a view to identifying assets to sell. New commitments to investments have been placed on hold for the rest of 2026. In our view, these measures continue to add useful pressure that could see the discount progressively narrow, assuming confidence in stock markets continues to recover.

Listed private equity is an underowned asset class. We view two significant pools of investors who could be the marginal buyer, helping to bring the discount in further. Firstly, as we have discussed in a previous note, the liquidity of HVPE's shares in the market is significantly better than that offered by semi-liquid evergreen funds. If these sorts of funds

continue to see strong investor flows, it is possible that this new pool of investors will also start to consider listed funds such as HVPE, with positive consequences for the long-term average discount. Secondly, retail investors make up c. 14% of the share register. However, there is significant potential for this pool of investors to continue to increase as a percentage of the share register, with Scottish Mortgage serving as a comparator – which has c. 40%+ retail investor ownership. In our view, HVPE's broad and diversified exposure to private markets could be a beneficiary of further retail investor enthusiasm for long-term growth from private companies.

DISCOUNT



Source: Morningstar

Past performance is not a reliable indicator of future results.

Charges

HVPE pays management fees to HarbourVest, which in the last financial year amounted to 0.57% of average NAV over the 12 months to 31/01/2026. HarbourVest funds also charge a performance fee on any secondary (29% of the portfolio) or co-investments (17% of the portfolio), but only after each investment exceeds a target IRR. We understand that in moving to a new way of investing capital through an SMA (see Portfolio section), the management and performance fees will remain essentially the same.

HVPE's total expense ratio (TER), including management and performance fees, as well as interest costs, board fees, marketing, and costs of maintaining a listing, was 2.74%.

Charges as a percentage of NAV have generally been coming down over the years, but this represented an increase over the previous year's figure of 1.79%- largely attributable to the higher costs of the credit facility as utilisation increased during the year.

The TER includes 0.57% of carried interest paid to HarbourVest as the manager. Underlying GP funds typically charge a management fee of around 1.5% on committed capital, and a performance fee (aka 'carried interest') of 20% of gains over an investment return net of fees of 8% per annum.

ESG

Being an investor in private companies alongside third-party managers, HVPE and HarbourVest rely on these managers for ESG integration and reporting. This notwithstanding, HarbourVest is driven by the belief that investing responsibly aligns well with economic returns and is key to serving its investors' interests in the short, medium, and long term. As such, HarbourVest is committed to integrating sustainable investing considerations into all stages of its investment activity. HarbourVest has been a signatory to the Principles for Responsible Investment (PRI) since 2013 and strives to adhere to both the letter and spirit of the PRI: it considers the potential impacts that its investment and operational decisions could have, encourages the GPs it invests with to adopt the PRI, and has experience in helping clients achieve their sustainability objectives through customised investment solutions.

HVPE's board is committed to the highest standards of corporate governance and to improving the social and environmental impact of HVPE's activities, in collaboration with HarbourVest as manager. As such, the board places high importance on the integration and monitoring of sustainable

investing at both the HVPE and HarbourVest levels. The manager presents frequent updates to the board on how sustainability and business conduct factors are considered in its investment process, its screening methods, and its reporting. This includes a steady increase in the scope and nature of the information that it can provide on HVPE's own portfolio. In addition, sustainability risk has been integrated into the board's assessment of all the material risks faced by the company to ensure that it is embedded as a part of HVPE's overall strategy.

Disclaimer

Disclaimer

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