HARBOURVEST

GLOBAL PRIVATE EQUITY

Annual Report and Accounts 31 January 2020

Building Long-term Wealth by Investing in Private Companies

Introduction

OUR PURPOSE

HVPE exists to provide easy access to a diversified global portfolio of high-quality private companies by investing in HarbourVest-managed funds, through which we help support innovation and growth in a responsible manner, creating value for all our stakeholders.

Investment into private companies requires experience, skill, and expertise. Our focus is on building a comprehensive global portfolio of the highest quality investments, in a proactive yet measured way, with the strength of our balance sheet underpinning everything we do.

Our multi-layered investment approach creates diversification, helping to spread risk, and is fundamental to our aim of creating a portfolio that no individual investor can replicate. Our Investment Manager, HarbourVest Partners[1], is an experienced and trusted global private markets asset manager. HVPE, through its investments in HarbourVest funds, helps to support innovation and growth in the global economy whilst seeking to promote improvement in environmental, social, and governance standards.

We connect the everyday investor with a broad base of private markets experts. The result is a distinct single access point to HarbourVest Partners, and a prudently managed global private companies portfolio designed to navigate economic cycles as smoothly as possible whilst striving to deliver outperformance of the public markets over the long term.

INVESTMENT OBJECTIVE

The Company's investment objective is to generate superior shareholder returns through long-term capital appreciation by investing primarily in a diversified portfolio of private markets investments.

WHAT IS HVPE?

HarbourVest Global Private Equity ("HVPE" or the "Company") is a Guernsey incorporated, London listed, FTSE 250 Investment Company with assets of $2.2 billion and a market capitalisation of £1.5 billion as at 31 January 2020 (tickers: HVPE (£)/ HVPD ($)). The Company provides access to investments in private companies and portfolios of private companies through funds managed by HarbourVest Partners ("HarbourVest" or the "Investment Manager"), an independent, global private markets asset manager with more than $71 billion of assets under management[2] and a long history of success.

By regularly committing capital across HarbourVest's primary (fund-of-funds), secondary, and direct co-investment programmes (see pages 36 and 37), HVPE has created a private markets portfolio that is diversified by geography, strategy, investment stage, vintage year, and sector. As at 31 January 2020, HVPE's portfolio was made up of 49 HarbourVest funds and seven secondary co-investments[3]. HVPE is structured to provide investors with broad exposure to a carefully selected range of exciting opportunities in private companies around the world, from technology start-ups to mature, established businesses looking for the next phase of growth.

HVPE: A COMPLETE AND FULLY-MANAGED PRIVATE MARKETS PROGRAMME

- Provides access to a broad range of global private markets opportunities
- Represents a distinct, high-quality private markets portfolio
- Well-diversified to limit downside risk from individual holdings
- Consistent and proven strategy
- Maintains a prudent approach to balance sheet management
- Aims to deliver material outperformance of public markets over the long term
  - Outperformance of 2.5% annualised compared to FTSE All-World Total Return ("FTSE AW TR") Index over the ten years to 31 January 2020

FURTHER INFORMATION

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1 Technically the Investment Manager of HVPE is HarbourVest Advisers L.P. which is an affiliate of HarbourVest Partners, LLC. However, we will refer to the Investment Manager as "HarbourVest Partners" throughout the report, being the firm's recognised name.

2 As at 31 March 2020.

3 These include five Secondary Overflow III investments and Absolute, referred to as "HVPE Avalon Co-Investment L.P.", and Conversus, referred to as "HVPE Charlotte Co-Investment L.P.", in the Audited Consolidated Schedule of Investments. Absolute has been fully realised; however, $480,180 remains in escrow.

Performance Snapshot

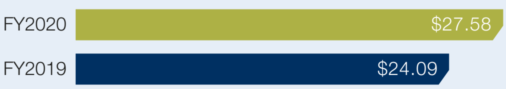
Year to 31 January

NAV per Share Growth

NAV per Share Growth ($)

+14.5%

Financial Year ("FY") 2019: +12.3%



Annualised Outperformance of FTSE AW TR Since Inception (2007)

+3.4%

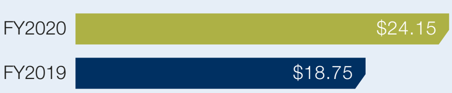
FY 2019: +3.8%

Total Shareholder Return

Share price ($)

+28.8%

FY 2019: +5.5%



Share price (£)

+28.8%

FY 2019: +13.9%

See pages 14 and 15 for more details on the Company's Key Performance Indicators ("KPIs"). Also refer to the Alternative Performance Measures ("APMs") on pages 95 and 96 for calculations.

HVPE has a US dollar denominated NAV. It has a sterling denominated share price (since 9 September 2015) and a US dollar-denominated share price (since 10 December 2018) – both quoted on the London Stock Exchange ("LSE"). The Total Shareholder Return KPI is measured in both currencies; the prices cited here are the LSE quoted prices in each of the currencies.

Strategic Report

Supporting Information

Governance Report

Independent Auditor's Reports

Financial Statements

Supplementary

Chairman's Statement

$27.58

NAV per share at 31 January 2020

14.5%

NAV per share increase over year to 31 January 2020

Dear Shareholder,
This Statement is the thirteenth and last Annual Chairman's Statement that I shall write as Chairman of HarbourVest Global Private Equity ("HVPE" or the "Company") and the circumstances under which I write it vie with the Global Financial Crisis of 2008/09 as the most challenging that your Company has faced since its creation in 2007.

This Statement is divided into three sections. First, routine reporting on the affairs of the Company for the year to 31 January 2020. Second, considering the profound changes for HVPE, for all companies, individuals, and societies brought about by the shock of COVID-19 which hit the world in the Spring of 2020, the consequences of which have a long way to go before they are fully apparent. Third, a look back at the development of HVPE over the twelve and a half years since the inception of the Company, the Board of which I have had the privilege to Chair.

THE YEAR TO 31 JANUARY 2020

Performance and Asset Values

Once again, HVPE had a very satisfactory year. The Company's functional currency is the US dollar and the year to 31 January 2020 saw the seventh consecutive year of double-digit growth in Net Asset Value per share and eleventh consecutive year of positive NAV per share returns. Over the twelve months the NAV per share increased by 14.5% to $27.58. At the year end, the Company had net assets of $2.20 billion based on the 31 January 2020 valuations of its assets which consist almost entirely of investments in funds managed by the Company's Investment Manager, HarbourVest Partners ("HarbourVest"). The Investment Manager's Report, which follows this Statement, sets out in detail the performance of the Company's assets during the year.

I have written on previous occasions of the lag that occurs between the movements of listed markets and the valuation of private assets. Unlike the previous financial year, on this occasion the Company's public market benchmark, the FTSE All World Total Return Index, outpaced HVPE's NAV growth, rising in US dollar terms by 16.7%. Nevertheless, the NAV per share of HVPE continued to meet its goal of materially outperforming public markets over the long term by increasing by 2.5% per annum in excess of the FTSE AW TR Index over the ten years to 31 January 2020.

Share Price Performance and Discount

The sterling class is the most actively traded class of shares and the majority of the Company's shareholders are based in the United Kingdom. At 31 January 2020 the share price was £18.36, up from £14.26 a year earlier, an increase of 28.8%. This very satisfactory result was a product of the NAV per share growth and a significant narrowing of the notional discount at which the Company's shares were trading in the stock market. Over the 12 months to 31 January 2020 the discount narrowed from 22.4% a year earlier to end the year at 12.1%. At the year end HVPE's market capitalisation was £1.47 billion and was ranked at number 110 in the FTSE 250 index. There was active trading and regular liquidity in the Company's shares with 22% of the Company's issued share capital traded during the year to 31 January 2020.

Assets and Balance Sheet

At 31 January 2020 HVPE had net assets of $2.2 billion, an increase of $278.7 million over the year. Included in the net assets were the Company's cash balances which declined over the year by $26.0 million to $130.6 million as HarbourVest funds called cash to fund investments at a faster rate than distributions were received. This was wholly expected and indeed for some years I have been flagging that the cash balance would be drawn down over time. The Company's aim is to be fully invested over the private equity cycle and not to hold substantial cash balances. Indeed the drawdown would have been more rapid but for the fact that, on a look-through basis, HVPE's share of borrowing within the HarbourVest funds in which the Company is invested increased over the year by $94.2 million to $366.8 million. HVPE has no direct liability for this fund-level borrowing other than through the Company's uncalled commitment to the particular HarbourVest fund. Further details on this can be found in Managing the Balance Sheet starting on page 26. The effect on the Company of this fund-level borrowing is carefully monitored and factored into our balance sheet modelling.

At the financial year end the Company's borrowing facility of $600.0 million, arranged in 2019 and committed to at least January 2026, and to be provided equally by Credit Suisse and Mitsubishi UFJ, was undrawn.

As has been the case since the Company's inception in 2007, the uncalled commitments shown on the Balance Sheet exceeded cash and available borrowing. This has always been as planned given the nature of most of the HarbourVest funds in which HVPE is invested. Those funds take time to commit to underlying managers and it is even longer before cash is drawn to invest in underlying companies. Thus the Board is satisfied that, given the particular nature of the Company's business, the Balance Sheet is strong, and that is confirmed at the date of signing of this Statement by the Going Concern and Viability Statements contained within the Annual Report and Accounts.

Operating Expenses

Over the year management fees to the HarbourVest funds remained effectively plateaued at 0.86% of NAV whilst net operating expenses rose slightly from 1.50% to 1.63% driven by a reduction in interest income on the Company's cash balance. Within the net operating expenses are commitment fees and other costs relating to the credit facility shown net of interest earnings. Those expenses are very different in nature to the normal fees and expenses of running the Company and are essentially dictated by cash flow requirements and the terms of the facility agreement in the short term. Both classes of expenses, be they running costs or finance costs, are keen areas of focus for the Board and have been the subject of a specific review during the year.

The Board and Environmental, Social and Governance ("ESG")

The Board recognises the importance of planning the phased succession of Directors and for ensuring that the Board contains the necessary skills to direct the affairs of the Company. During the year both Brooks Zug and Keith Corbin retired from the Board in July 2019. Carolina Espinal, a Managing Director of HarbourVest, was elected by shareholders at the AGM in July as Brooks' successor and, following a search by Trust Associates, Ed Warner was appointed on 1 August. Ed will succeed me as Chairman at the AGM due to be held on 22 July 2020.

The heightened importance of ESG matters has been welcomed by the Board. The Company subscribes to the highest aspirations for all three, both for itself and for the companies in which it is indirectly invested. With investments in over 9,500 underlying companies, we rely on HarbourVest and the underlying managers to have appropriate protocols to encourage high ESG standards amongst our investee companies and we have appointed Carolina Espinal as the Director responsible for ESG at the HVPE Board level.

Chairman's Statement continued

Statement of Purpose

The AIC Code of Corporate Governance requires companies to carefully consider the company's purpose, values and strategy and, once documented, to be satisfied that these are aligned with its culture. HVPE's "Statement of Purpose", detailed on the inside front cover, was discussed extensively between the Board and the Investment Manager and the Board endorsed the statement. In developing this statement, the Board sought to define why this Company exists for shareholders and all of its stakeholders. Shareholders and prospective investors are today's and tomorrow's owners of the Company and therefore at the core of every decision made by the Board.

The Board has agreed that the Company's Purpose is that "HVPE exists to provide easy access to a diversified global portfolio of high-quality private companies by investing in HarbourVest-managed funds, through which we help support innovation and growth in a responsible manner, creating value for all our stakeholders."

EVENTS SINCE 31 JANUARY 2020

Despite governments having been warned of the very serious risks of pandemics, the world, and the Western world particularly, was woefully unprepared for the onslaught caused by COVID-19. The loss of life has been tragic. The ongoing effects on individuals, society, the economy, and way of life are profound and are unlikely to be fully reversed. Shareholders will be well aware of the actions taken by governments and central banks to support their societies and their economies. The shock to all economies is massive and those of some countries are still in the contraction phase. Some have begun modest recovery, although that recovery will be uncertain as to its strength and timescale. Many businesses will not return to their previous state and some will fail completely.

Of course, market economies have always had to evolve through "creative destruction" as described by Joseph Schumpeter, although the destruction caused by COVID-19 will have been more rapid and vicious than normal. But the inventiveness of entrepreneurs around the world will unleash a programme of creative construction and that has already been seen in the growth of businesses, particularly in the technology space, addressing a number of trends accelerated by the pandemic. It has always been a significant core element of HarbourVest's business, and hence HVPE's underlying portfolio, to seek out and support managers who are backing those creative industries and companies.

In terms of the macro overview I will leave shareholders to form their own views as to the magnitude of the downturn and the speed of recovery. I do observe that, unlike in 2008/09, the Western world is facing this maelstrom with the banking sector in much better shape, thanks to the insistence of central banks and regulators that balance sheets had to be strengthened after the Global Financial Crisis. In addition, actions by governments have generally been aggressively defensive to try and protect jobs. But there is a long way to go before the success or otherwise of such measures becomes clear.

The Board and Investment Manager's Response to Events

The Investment Manager's Report carries details of HarbourVest's response to the crisis and that of the managers with which they are invested as well as comment on sectors and companies. In this Statement I will focus on the Board's response. Immediately that the crisis hit in March the Board requested that HarbourVest update two pieces of analysis which have been prepared regularly for many years past. The first was the Investment Manager's best forecast of the likely progression for the Company for the balance of calendar 2020 and the following four years out to 31 December 2024. The second was the model, the existence of which I have reported in earlier Statements, for a downturn more serious than that of 2008/09. As I wrote in my Statement in October 2019, it is imperative that HVPE is able to weather storms as well as prosper in a benign environment for equity markets and valuations. I had no idea of the nature of the next downturn other than to know it would occur at some point in the future and that HVPE needed to be prepared.

The Board has now considered the outturn of the very detailed and thorough work that the Investment Manager has undertaken. In addition, HVPE has twelve years of detailed historical data and is managed by an organisation with nearly forty years of experience and a very settled team of senior private equity professionals. The Company's first priority must be to ensure that it can meet its obligations in respect of existing commitments to HarbourVest funds. On 21 May 2020, the Company announced that the Investment Manager and Board had agreed that new commitments would be paused until the outlook was clearer. That continues to be the case in respect of commitments to new HarbourVest funds. However, volatile markets throw up opportunities and shareholders will recall that HVPE took advantage of two such opportunities during and after the Global Financial Crisis and, as a co-investor, joined HarbourVest funds in the deals to purchase Absolute Private Equity and the assets of Conversus. Both of these deals delivered significant profits for HVPE.

Very recently a new investment opportunity has arisen. HVPE was invited to join as a co-investor with the HarbourVest funds on a possible secondary deal and the Board, after carefully considering the investment case put forward by HarbourVest, decided to take advantage of that invitation and approve a commitment of $18.9m.

Notwithstanding that commitment I can confirm that the Company is well positioned to meet all its current obligations and such new ones as may be entered into in due course. However, as reported in HVPE's releases accompanying the monthly factsheets for March, April and May, unless world economies bounce back quickly from the COVID-19 shock and public markets are strong, shareholders should expect some reduction in NAV per share to be reported as the year progresses and as quarterly private equity valuations at 31 March and 30 June become available. The Company will provide further guidance in monthly releases as appropriate.

Turning to the model in the event of an extreme downside scenario – and I emphasise this is not a scenario that either the Board or Investment Manager expects to unfold – once again the Company is forecast to be able to live within its present financial facilities without having to change its strategy of investing for the long term in private market assets so as to deliver performance of NAV per share materially in excess of that of listed markets.

Share Price and Discount

After reaching an all-time high of £18.68 in February 2020, the share price has fallen back. Once the extremes of mid-March had passed, it recovered sharply from a low of £9.21 and today's price on 23 June 2020 is £15.60. Such volatility was seen widely elsewhere in the market and could return at any time. In past Statements I have consistently reminded shareholders that investment in HVPE should be a long-term enterprise and it is worth remembering that even at the mid-March low point, the sterling share price was approximately three times the 31 January 2010 US dollar share price when converted into sterling.

In part, on account of the lag in reporting private equity valuations, the share price stands at a notional discount of 34% to the last reported Net Asset Value at 31 May 2020. As I have already written, it is probable that there will be a reduction in the reported NAV per share over the months to come and, until those adjustments have been worked through, the reported discount needs to be treated with caution.

Annual General Meeting and Informal Webcast for Shareholders

The Company's AGM will be held in Guernsey on 22 July 2020 and formal notice will be despatched to registered shareholders in the week commencing 22 June. Owing to the travel restrictions imposed on account of COVID-19, the meeting will be legally effective, but no Director, other than Guernsey resident Andrew Moore, will be present in person. The Company hopes that all registered shareholders will exercise their votes by proxy. Save for myself, all Directors will submit themselves for re-election including my successor as Chairman, Ed Warner.

In recent years, in advance of the formal AGM, HVPE has held an informal meeting for shareholders in London. That will obviously not be possible in 2020, so in its place we will be holding a webcast on 3 July 2020 at 10.00am British Summer Time. Shareholders should contact Liah Zusman: lzusman@harbourvest.com should they wish to attend.

THE LAST 12 YEARS AND THE FUTURE

This is my final Chairman's Statement before I leave the Board. I have been Chairman since the creation of the Company in 2007 and have been part of the team that has steered it from a rarely traded company, with a parentage then almost unknown outside of professional investors, through to the largest private equity fund-of-funds company listed in London, with significant liquidity in the shares and a wide following. The journey has had a number of interesting milestones along the road; the effects of the Global Financial Crisis for HVPE; the introduction to the Specialist Funds Market and the innovative secondary placing, with put options attached, in London in May 2010; the far-sighted decision of HarbourVest to give up control of HVPE and allow enfranchisement of all of the investors' shares; the listing on the Main Market in London in September 2015 followed by joining the FTSE 250 Index that December.

I had hoped to leave on a high, having reported on the year to 31 January 2020 at which point the NAV per share had grown from $10.00 at inception to $27.58 and the sterling share price, or equivalent in 2007, when the only quote was in US dollars, had increased from £4.93 to £18.36. But COVID-19 had different ideas. Nevertheless, I know I am handing over to Ed Warner with the Company in good shape under the circumstances and fit to prosper further once the present crisis has passed.

I end by saying thank you to shareholders for your support, to my Board colleagues, past and present, to all at HarbourVest and to all those who have contributed to the success of HarbourVest Global Private Equity thus far. May it flourish for years to come.

Michael Bunbury
Chairman

23 June 2020

Ten-Year Financial Track Record

At 31 January	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
NAV ($ million)	849.7	944.0	1,030.2	1,167.0	1,266.3	1,337.3	1,474.9	1,713.9	1,924.0	**2,202.7**
NAV per Share ($)	10.24	11.42	12.46	14.38	15.86	16.75	18.47	21.46	24.09	**27.58**
Share Price ($)	6.18	6.37	8.66	10.75	12.73	12.41	15.03	17.77	18.75	**24.15**
Share Price (£)	3.86	4.04	5.46	6.54	8.45	8.71	11.95	12.52	14.26	**18.36**
Discount to NAV	-40%	-44%	-30%	-25%	-20%	-26%	-19%	-17%	-22%	**-12%**
Gearing (%)	9%	16%	15%	8%	0%	0%	0%	0%	0%	**0%**

Investment Manager's Report

INTRODUCTORY NOTE IN LIGHT OF COVID-19

This report presents a summary of the Company's performance in the year to 31 January 2020. However, since the Company's year end, and at the time of writing, the global outbreak of coronavirus ("COVID-19"), continues to weigh on economies around the world. While the portfolio remained largely unaffected by COVID-19 during the financial year, the pandemic has had, and may continue to have, a material impact on the value and performance of the portfolio since the reporting date, as described in Note 11 of the Financial Statements on page 91.

In this report, disclosure is provided regarding the steps taken by the Board and the Investment Manager to meet the ongoing challenges arising from these adverse events. More specifically:

- In this section, on page 10, we present a summary of the impact of COVID-19 with a short- to medium-term outlook.
- Under Recent Events on page 12, the latest developments since the financial year end, and position of the NAV per share, following publication of the latest estimate, 31 May 2020, on 19 June 2020 are detailed.
- Within the Period Since 31 January 2020 section on page 13 the impact on HVPE's share price is considered.
- The actions taken around balance sheet modelling and stress testing in response to COVID-19 are covered in Managing the Balance Sheet on pages 28 to 29.
- Due to the material impact that the pandemic will have on society and the economy, and in turn, the Company, the Principal Risks and Uncertainties section on pages 34 to 35 outline the additional risks the Board has identified as a result of COVID-19.
- The Going Concern and the Viability Statement have both been updated in light of COVID-19 and can be read in full on pages 65 and 66.

PORTFOLIO PERFORMANCE

NAV per Share – Year to 31 January 2020

HVPE's portfolio continued to perform well in the year to 31 January 2020, resulting in double-digit NAV per share growth for the seventh consecutive year. The Company's NAV per share increased by 14.5% from $24.09 at 31 January 2019 to $27.58 at the financial year end. Translated into sterling[1], NAV per share growth was 13.6% as sterling marginally appreciated against the US dollar over the year. Recent COVID-19-related events, however, have had a material impact on the NAV per share since 31 January 2020. Developments following the year end and details of the latest NAV per share can be found under Recent Events on page 12.

Most major equity market indices performed strongly in 2019 and the early part of 2020, with some reaching record levels. HVPE's public market benchmark, the FTSE AW TR Index (in US dollars), rose by 16.7% in the year to 31 January 2020. Although HVPE's NAV per share growth of 14.5% lagged this by 2.2 percentage points over the reporting period, it is important to note that the starting point captures an interim low for public market indices following a weak Q4 2018, whilst HVPE's NAV had remained stable through that period. Longer-term comparisons through the cycle are more indicative of HVPE's relative performance: measured over the ten years to 31 January 2020, HVPE's NAV per share outperformed the FTSE AW TR Index by 2.5% on an annualised basis in US dollar terms.

During the 12 months ended 31 January 2020 there was a $289.3 million net gain on investments, contributing to an overall increase in net assets of $278.7 million. This compares with a $218.4 million net gain on investments and overall increase in net assets of $210.1 million for the year to 31 January 2019. The $289.3 million net gain in this financial period was driven by an almost equal mix of realised and unrealised gains at 49% and 51%, respectively.

In percentage terms, the Primary portfolio was the best-performing strategy, delivering value growth of 16.0%. Geographically, the strongest gains came from the European portfolio, which generated a value increase of 15.8%; this was followed closely by the US assets, which returned 15.0%. In terms of stage, Venture and Growth Equity was the strongest performer, growing 17.8% over the 12 months ended 31 January 2020. This was followed by Buyouts, which returned 14.7%. More information on the growth drivers can be found on page 41.

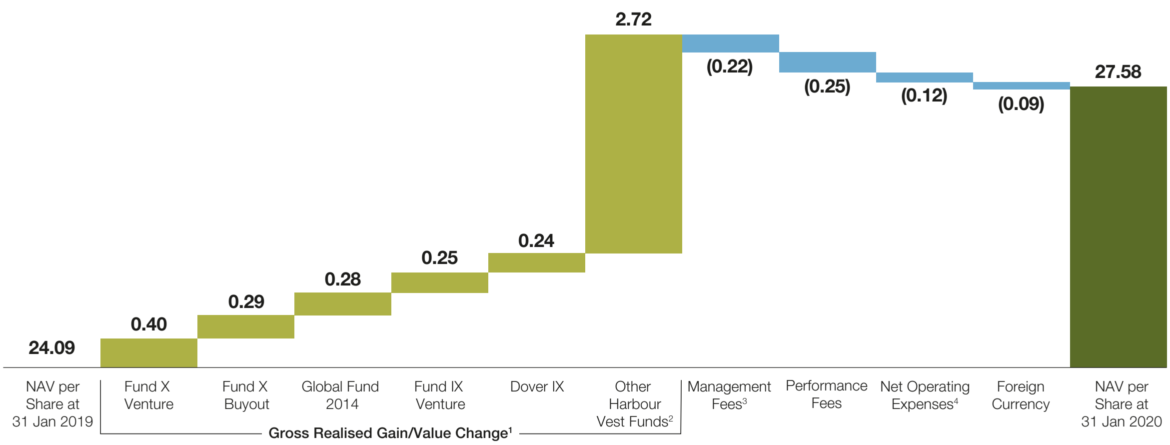
As at 31 January 2020, HVPE held investments in 49 HarbourVest funds and seven secondary co-investments[2] (compared with 46 and seven, respectively, at 31 January 2019). Of these, the largest drivers of NAV per share growth during the 12 months to 31 January 2020 are described below:

Fund X Venture was the largest contributor, adding $0.40 to HVPE's NAV per share. This fund is a 2015 vintage US-focused vehicle now entering the growth phase. As might be expected at this stage in the fund's life, most of this gain came from unrealised value growth.

1 USD/GBP exchange rate: 0.7572.

2 These include five Secondary Overflow III investments and Absolute, referred to as "HVPE Avalon Co-Investment L.P.", and Conversus, referred to as "HVPE Charlotte Co-Investment L.P.", in the Audited Consolidated Schedule of Investments. Absolute has been fully realised; however, $480,180 remains in escrow.

Double-digit NAV per Share Growth in the 12 Months to 31 January 2020



1 Realised and unrealised gains are shown net of management fees, performance fees and foreign currency in the Unaudited Condensed Interim Consolidated Statement of Operations.
2 Realised gain/value changes from the balance of 44 other HarbourVest funds and seven secondary co-investments in the Investment Portfolio.
3 Management fees include management fees from HarbourVest Funds and secondary co-investments as shown in the Unaudited Condensed Interim Consolidated Statement of Operations ($758,820).
4 Operating expenses exclude management fees ($758.820) and are shown net of interest income ($2,063,458).

Fund X Buyout, a 2015 vintage US-focused buyout fund, was the second largest contributor, adding $0.29 per share. As with Fund X Venture, most of this growth was derived from unrealised gains.

Following closely behind this was Global Annual Fund, a 2014 vintage multi-strategy fund-of-funds, which added $0.28 per share. This came from an almost equal mix of realised and unrealised gains.

Fund IX Venture, a 2011 vintage US-focused venture fund, added $0.25 to NAV per share.

Dover IX, a 2016 vintage global secondary fund, was the fifth largest contributor, adding $0.24 to NAV per share over the period.

PORTFOLIO CASH FLOWS

HVPE was a net investor in the 12 months to 31 January 2020, with a net $16.0 million invested following capital calls of $324.2 million into HarbourVest funds (year to 31 January 2019: $396.2 million) and cash distributions of $308.2 million (year to 31 January 2019: $306.6 million). Overall, net negative cash flow including operating expenses in the period resulted in HVPE's cash balance declining from $156.6 million to $130.6 million.

HVPE has indirect exposure, on a look-through basis, to a pro rata share of borrowing carried on the balance sheets of some of the HarbourVest funds in which HVPE is a Limited Partner (referred to as HarbourVest Partners ("HVP") fund-level borrowing; described in previous reports as "embedded leverage"). It is important to note that HVPE has no additional liability for these borrowings beyond its uncalled commitments to each fund. The majority of this fund-level borrowing represents delayed capital calls, as a portion of the unfunded commitments has been invested through the use of subscription credit lines at the fund level, but the capital has not yet been called from HVPE.

At 31 January 2020, HVPE's share of HVP fund-level borrowing on a look-through basis was $366.8 million, a net increase of $94.2 million from $272.6 million at 31 January 2019. Expressed as a percentage of NAV, the figure increased from 14.2% to 16.7% over the 12-month period. The increase was driven by the changing mix of current fund exposures in the portfolio, and in particular the most recent US fund-of-funds programme, HarbourVest Partners XI, which has used a credit line to smooth early capital calls from its investors. More detail on the HVP fund-level borrowing, and how we factor this into our balance sheet management, can be found under Managing the Balance Sheet on pages 26 to 29.

In the reporting period, the largest HarbourVest fund capital call ($59.3 million) came from the real assets vehicle which HVPE seeded in June 2018. This was used to fund an investment into a global portfolio of high-quality infrastructure assets, which includes an Australian shipping ports business, a Spanish toll road operator and a US airport manager and developer. This "net" amount funded is less than the $101.3 million reported in the interim results to 31 July 2019 as it reflects the returned capital contribution of

$42.0 million received by HVPE in November 2019, following additional subscriptions to the vehicle from other investors. Other large capital calls originated from Fund X Buyout ($35.3 million) and Fund XI Buyout ($31.5 million), 2015 and 2018 vintage funds, respectively. Following these were calls from Fund X Venture ($19.2 million), Fund XI Venture ($19.0 million), and Dover IX ($19.0 million). These are all funds currently in the investment phase and building out their portfolios.

Distributions in the HVPE portfolio were driven by a mix of HarbourVest funds across all strategies, with the largest total amount in the period ($49.1 million) received from HarbourVest 2013 Direct Fund, a global direct co-investment fund in its growth phase. A large portion of these proceeds came from the sales of two portfolio companies: Toronto-based environmental, safety, and quality management software provider *Intelex Technologies*; and patient satisfaction survey provider *Press Ganey,* HVPE's largest underlying portfolio company at 31 January 2019. Strong distributions also came from Fund X Buyout (a US-focused buyout fund-of-funds) and 2016 Global Fund (a multi-strategy fund-of-funds) with proceeds of $20.7 million and $18.7 million, respectively. The 2014 vintage Global Annual Fund (a global multi-strategy fund-of-funds) followed closely with distributions totalling $18.0 million, which included proceeds received from the sale of *TeamViewer* shares following the software solutions provider's September IPO on the Frankfurt Stock Exchange.

Details of other notable company exits and performance drivers within the portfolio during the reporting period are provided in this year's Deep Dive section on pages 18 to 21.

FOCUS ON ESG

HVPE

In November 2019, the HVPE Board named Carolina Espinal as HVPE's Director responsible for ESG, with the remit to help coordinate activity between the Investment Manager and the Board on ESG matters, to promote closer monitoring and further development in this area for HVPE. Further ESG-related information can be found in the Directors' Report on page 53.

HarbourVest Partners

Strengthening its ESG programme is an ongoing strategic priority for HarbourVest Partners (referred to hereafter as "HarbourVest" or the "firm"). On 4 March 2020, HarbourVest released its first ever digital-only ESG Report, detailing the initiatives and activities it undertook in 2019 to support its longstanding commitment to responsible investing and engaged corporate citizenship. Among other highlights, the report details how the firm integrates ESG into its investment processes, the proactive work the firm does to drive increased awareness and adoption externally, HarbourVest's commitment to backing managers led by diverse teams, itself being a diverse and inclusive organisation, and how HarbourVest plans to address the issue of climate change. It also features the community and charitable activities that the firm undertakes, including its two annual Global Volunteer Weeks. In 2019 these supported 28 organisations globally, tackling worthy causes such as youth mentoring, child and adult special education, gender diversity, poverty and homelessness, women's leadership, the arts, and various health causes. The full list of charities supported can be found in the 2019 report (link on page 9).

HarbourVest reported material progress on ESG integration practices over 2019. On the investment side, it provided deeper training and strengthened its post-investment monitoring protocols. It also used its proprietary "scorecard", which assesses managers' ESG programmes on more than 20 metrics, to proactively rank the programmes of 178 General Partners ("GPs") over the year. In addition, as a signatory of the United Nations-supported Principles for Responsible Investment ("PRI"), HarbourVest is graded in three core areas and this year it achieved strong results, with one A+, and two As, placing the firm above the industry 2019 median.

On the subject of diversity and inclusion, HarbourVest continued to be a leading industry voice in 2019, participating in several forums and, where appropriate, leveraging its advisory board presence to deepen awareness and share insights and best practices at a portfolio company level. During the year the firm formed a Diversity & Inclusion Council to accelerate progress and results. Due to the energy of the Council in its first year, the firm introduced a new Flexible Work Program, expanded its global parental leave policy, and established a new global anti-discrimination and anti-harassment policy. The firm also worked with Korn Ferry to provide conscious inclusion and anti-bias training to all employees. This commitment to diversity and inclusion extends to how HarbourVest invests. HarbourVest has historically provided capital support to diverse and emerging funds and managers (diversity defined as 25% or greater of a senior-level team identifying as female, belonging to an under-represented minority, or both) and sources more than 150 opportunities each year focused within this market. Since 2009, HarbourVest's US buyout and venture data shows that diverse GPs have generally outperformed non-diverse GPs during this time, and that the outperformance delta has grown over time.

The firm has historically embraced diversity and inclusion across the organisation – one-third of HarbourVest's senior-level professionals are female, more than triple the industry average[3] and 27% of its workforce are ethnic minorities (as at 31 March 2020). As an initial further step HarbourVest has signed the Diverse Alternative Investment Industry Statement, put forward by the National Association of Investment Companies ("NAIC") to promote America's largest investment managers of colour call for action. HarbourVest also closed on Friday 19 June, in recognition of "Juneteenth". In the US, Juneteenth is the oldest nationally celebrated commemoration of the ending of slavery. The firm will observe this holiday annually as a reminder of its diversity and inclusion goals.

HarbourVest launched a major, cross-company transformation initiative in 2019 that will allow it to examine all aspects of its programme and make enhancements. The firm also hired its first full-time, ESG-focused staff member with the addition of Natasha Buckley, who joined HarbourVest from the PRI. Natasha sits on HarbourVest's Global ESG Committee, which is responsible for overseeing the firm's ESG Policy, recommending modifications, and ensuring overall implementation across the organisation. The Committee meets monthly to discuss the ongoing integration of ESG principles into all aspects of business, including investments, operations, and community engagement. One of the top areas of focus for Natasha is the climate crisis, which the firm knows is foremost among investors' top ESG concerns. The goal is to develop a meaningful understanding of how the effects of climate change may impact the firm's investments, and what it can do to build portfolio resiliency on behalf of clients. As such, and in adherence to the principle of industry collaboration, HarbourVest plans to organise its strategy in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), and will engage with GPs on the adoption of the TCFD framework to assess and manage climate-related risks. As of March 2020, HarbourVest became an official supporter of the TCFD and will report on its progress in the 2020 ESG Report and through the PRI Reporting Framework.

The full report can be found under Viewpoints in the Insights section of the HarbourVest website: www.harbourvest.com/insights/viewpoints.

COMPANY ACTIVITY

New Fund Commitments

In the 12 months ended 31 January 2020, HVPE made total commitments of $570.0 million across eight HarbourVest funds (12 months to 31 January 2019: $730.0 million).

These cover all the main strategies offered by HarbourVest in the period, as detailed on page 40; however, by value, the majority of commitments were weighted towards primary funds (i.e. fund-of-funds).

Of the total capital committed, the largest commitment ($120.0 million) was made to HarbourVest Partners XI Buyout, a US-focused buyout fund-of-funds. This brings the total amount committed by HVPE to this fund to $350.0 million. The capital drawdown profile of such a programme typically extends over a period of several years, which helps to drive an even allocation across vintage years, thereby reducing the risk of exposure to a single poor-performing year. Other large commitments during the period included $100.0 million each to a global secondary fund (Dover Street X), and the latest annual global multi-strategy fund-of-funds (HarbourVest's 2019 Global Fund).

These commitments are all in line with the Company's Strategic Asset Allocation ("SAA") targets and reflect the Investment Manager's and Board's current perspective on the most appropriate portfolio composition required to optimise long-term NAV growth for shareholders.

Strategic Asset Allocation

The Company's SAA targets (see pages 32 and 33 for more details) are reviewed annually and were revised in November 2019, as communicated in the Company's December 2019 Regulatory Newswire Service ("RNS") announcement for the estimated November NAV update. The adjustments by strategy were an increase in allocation to Secondary investments from 25% to 30%, with a decrease in Primary investments from 55% to 50%. The changes by geography were an increase in Asia Pacific from 12% to 17%, with a decrease in US from 65% to 60%. All other targets remain unchanged. The increase in targeted Secondary exposure was driven by a desire to balance cash flows more evenly over the medium term, and to enable the Company to take advantage of the attractive opportunities that HarbourVest anticipates will arise in the secondary market in the months and years ahead. The heightened focus on Asia reflects the Board's and Investment Manager's belief in the increasing importance of the region for private markets investors, and will help to ensure that HVPE's portfolio keeps pace with what is expected to be a continuing shift in the centre of economic gravity from West to East.

MARKET ENVIRONMENT IN 2019[4]

Private equity fundraising hit record highs in the US and Europe in 2019, totalling $301.3 billion (2018: $197.8 billion) and €86.4 billion (2018: €69.7 billion), respectively, across a total of 291 funds (2018: 294). This reflected strong demand from investors and increased recognition of private markets

3 Preqin, "Women in Private Equity", 2019
4 Source: Pitchbook data

as an attractive means by which to access diversified global growth and outperform public markets.

These record totals were achieved despite a slightly lower fund count than in the previous year, indicating that investor capital has been chasing fewer but larger funds. Fundraising in Asia Pacific fell 48% year-on-year to $53.0 billion, led by declines in China-focused and pan-regional funds. It is important to note, however, that 2018 was a record year for fundraising in this region, and 2019 was still the second strongest year historically.

US and European private equity investment activity remained robust in 2019, totalling $627.3 billion (2018: $730.3 billion) and €453.5 billion (2018: €464.5 billion), respectively, across 8,329 deals (2018: 9,340). This fell short of 2018's record-setting pace as deal-makers focused on limiting risk as rhetoric escalated around a possible cyclical peak and imminent downturn, fuelled by ongoing trade disputes and geopolitical ambiguity creating an uncertain market backdrop. However, average deal sizes remained high across these regions as the dynamics around a favourable financing environment and heightened competition for deals continued, as well as the growth in demand for well-established, recession-resilient companies. Company valuations in these regions ended the year above their pre-Global Financial Crisis ("GFC") levels, requiring managers to be disciplined in selection. Software deals, which typically attract higher valuations, grew as a proportion of total transacted deal value in both the US and Europe at 17% (2018: 13%) and 24% (2018: 17%), respectively. Investment volumes in Asia Pacific were 21% lower year-on-year, largely due to a slowdown in large late-stage technology financing rounds in China.

Exit value and volume were materially lower across all regions in 2019. Estimated exits in the US totalled $318.2 billion in value and 1,035 in count representing declines of 28% and 17%, respectively, compared to 2018. The Europe and Asia Pacific regions were also subdued; European exits declined 22% in value and 24% in count whilst Asia Pacific exit value fell 29% year-on-year. Market anxiety due to recession risk, geopolitical issues, and a desire by GPs to hold assets for longer as well as participate in add-on deals all contributed to the slowdown.

Following the onset of the COVID-19 pandemic in the early part of 2020, we have begun to see the impact, with lower deal volumes across all regions. The pandemic has highlighted how the health of the global economy is deeply reliant on the continued day-to-day functioning of society at the micro level. The profound effects of social distancing measures have delivered an exogenous shock to the global economy and financial markets. Companies operating within certain sectors, particularly those considered "non-essential", have been adversely affected by restrictions enforced by governments around the world as they attempt to limit the spread of the virus. As a consequence, it is likely that new investment activity and exits will be markedly down on 2019 levels in the months ahead as the industry adjusts to a heightened level of uncertainty over the economic outlook and its potential impact across a broad range of businesses, both private and public.

UPDATE IN LIGHT OF COVID-19

The World Health Organization classified COVID-19 as a pandemic on 11 March 2020 – approximately six weeks after HVPE's financial year end. The full impact of this on HVPE's portfolio is difficult to forecast, given the complex interplay between unprecedented top-down actions from governments and central banks on the one hand, and myriad specific responses from businesses and consumers on the other. However, the Investment Manager and Board have sought to provide guidance and updates to stakeholders in recent months, the latest of which can be found under Recent Events on page 12. Indeed, our Estimated NAV Update at 31 May 2020, published on 19 June 2020 and based predominantly on Q1 2020 valuations, reported a NAV decline of 6.0% in US dollars from the previous month end. In this section we aim to collate and summarise all the developments since the year end, to date.

Share Price and Portfolio Valuations

As the pandemic triggered an indiscriminate sell-off across financial markets in early March, the immediate impact was a sharp decline in HVPE's share price, as reviewed in the Share Price Trading and Liquidity section on page 13. Consequently, the discount to NAV at which the shares currently trade has increased materially from the levels at the start of this calendar year. Although the share price has made a partial recovery from the trough on 19 March, the consequences of the declines in public markets and the broader impact of COVID-19 on the real economy are expected to weigh materially on HVPE's NAV in the months ahead. A portion of the NAV decline has come through in the underlying Q1 2020 valuations, driven by public market declines and a decrease in mark-to-market earnings multiples. The latest estimated NAV, which includes 91% of 31 March valuations, can be found in the Recent Events section on page 12.

Investment Manager Actions

HarbourVest's investment team has been focused on managing the portfolio to weather the near- and longer-term effects of COVID-19. For existing investments, the primary, secondary, and direct co-investment strategy teams are in continuous dialogue with General Partners ("GPs") to maintain a portfolio risk analysis heat map, which gauges the level of exposure to distressed or high-risk companies.

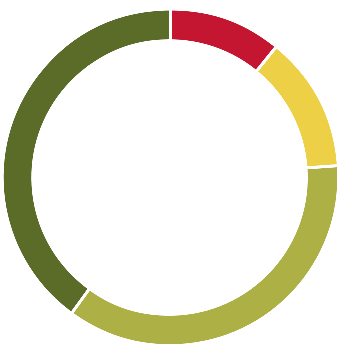
Where appropriate, this then includes identification of strategies and mechanisms to soften the revenue impact.

There are many potential areas where higher-risk companies can be supported and guided by their investors, helping to protect all stakeholders and limit the extent of any permanent value destruction. Meanwhile, new investment opportunities are being evaluated carefully and selectively, considering current and prospective market conditions.

The private equity industry is structured with a view to long-term value creation, and this allows for considerable flexibility in times like these. Furthermore, the Investment Manager has almost four decades of experience managing through previous global events and economic crises. With the benefit of hindsight, previous crisis-era vintages such as 2008 and 2009 were among the best performing in HarbourVest's history. However, past performance cannot be relied on as an indicator of future performance.

Portfolio Assessment

As reported on 20 April 2020, the Investment Manager had embarked on an ongoing bottom-up assessment of the likely impact of COVID-19 on HVPE's portfolio. As at 31 May 2020, approximately 80% of the portfolio by value had been reviewed as part of this exercise. Companies were assessed directly or with the help of the applicable GP, taking into consideration HQ location, employee dislocation risk, end user/consumer sentiment sensitivity, person-to-person exposure, business model travel requirements, potential for supply side disruption, and liquidity and leverage profile, among other factors.



- High 11%
- Heightened 13%
- Moderate 36%
- Limited 40%

Risk Level	Description
High	Company currently experiencing material disruption from COVID-19
Heightened	Company likely to experience significant disruption from COVID-19
Moderate	Company expected to experience some disruption, primarily due to general demand slowdown
Limited	Company likely to be only moderately impacted, or may even see benefit in the current environment

The great majority of HVPE's portfolio by value has been deemed likely to experience a low or moderate impact across these areas of assessment, with only a relatively small proportion expected to be materially impacted, as shown in the chart on the left. The Investment Manager is continuously refining the risk profiles based on regular communication with GPs and company management. Should there be any substantive change in the output of this ongoing impact assessment, a further update will be provided in due course.

Cash Flows, Credit Facility, and Balance Sheet

There is some evidence that GPs have been issuing capital calls to pay down their subscription lines, with pre-emptive calls providing liquidity to take advantage of specific short-term market opportunities and in certain instances to support impacted companies. Importantly, HVPE benefits from a strong balance sheet supported by a $600.0 million credit facility committed until at least January 2026. As a prudent measure, in April 2020, HVPE provided notice to its lenders to draw down $200.0 million from the credit facility. Details of this transaction and cash flows in the months subsequent to the financial year end are outlined in the Recent Events section on page 12.

HVPE's cash flows are closely monitored for reasons which are outlined in more detail later in this report. As discussed in the Chairman's Statement, HVPE has revised its cash flow projections to reflect recent developments together with insights from the portfolio risk analysis exercise mentioned above. Current forecasts indicate that the Company is able to accommodate a considerable period of cash outflows even while distributions remain low. For further information on this and the Company's approach to cash flow management and balance sheet stress testing, see the Managing the Balance Sheet section on pages 26 to 29.

Market Perspectives and Outlook

Challenging times like these are another reminder of the virtues of a well-diversified, global private markets investment programme in helping to mitigate downside risk. No single investment is sufficiently material on its own to cause serious concern; at 31 January 2020, the largest single exposure represents 1.9% of NAV. Furthermore, HVPE's diversification by sector as well as by strategy, stage, geography, and vintage year should help to ensure that any potential negative developments in one part of the portfolio are offset, at least partially, by favourable outcomes elsewhere. See pages 32 to 33 for detail on portfolio diversification.

Continued, steady pacing of investment through the cycle is critical to achieve superior long-term risk-adjusted returns. HarbourVest funds are managed by experienced teams, and the Investment Manager will continue to seek opportunities for HVPE provided that forecast returns are suitably attractive on a risk-adjusted basis. HVPE's ability to maintain a steady pace of investment allows it to participate in such opportunities as they arise, so that it not only navigates the current turbulence successfully but emerges even more strongly positioned in the long term.

Recent Events

CREDIT FACILITY

On 9 April 2020, HVPE provided notice to its lenders Credit Suisse and Mitsubishi UFJ to draw down $200.0 million of the $600.0 million credit facility. This decision was based on a revised outlook for cash requirements informed by updated forecasts presented by the Investment Manager. The cash amount, deposited in May, is being held in a AAA-rated US Treasury money market fund managed by J.P. Morgan.

Following the initiation of this draw on the facility, HVPE has access to the remaining $400.0 million available and therefore retains the flexibility to react as required to the evolving situation driven by COVID-19. In utilising HVPE's credit facility, the Board is confident that HVPE will be well-placed to continue investing as planned through the difficult times ahead, supporting its underlying managers and portfolio companies, and to capitalise on new opportunities during the recovery phase.

NEW COMMITMENTS

On 21 May 2020, it was announced that the Board and the Investment Manager had placed HVPE's commitment plan temporarily on hold, in order to allow for the Investment Manager to review the Company's portfolio construction priorities during these uncertain times. A further assessment will be made in due course, with the potential to re-start new commitments in Q4 2020. In the meantime, the HarbourVest funds to which HVPE has already made commitments will continue to call capital for new investments, so enabling the Company to take advantage of the attractive opportunities that the Investment Manager anticipates will arise during this period.

Subsequently, on 17 June 2020, the HVPE Board approved a commitment of $18.9 million to a potential transaction made available to HVPE as a result of the Company's existing commitments to HarbourVest funds.

HVPE COMMITTED CAPITAL TO NEWLY-FORMED HARBOURVEST FUNDS

Between 1 February 2020 and 23 June 2020, HVPE committed $50 million to the HarbourVest funds outlined below.

HarbourVest Fund	Date Committed	Commitment ($m)
Dover X	9 March 2020	$50.0
Total		**$50.0**

HVPE PUBLISHED ESTIMATED NAV AT 31 MAY 2020

HVPE publishes its estimated NAV on a monthly basis. These reports are available on the Company's website, generally within 20 calendar days of the month end.

On 19 June, HVPE published an estimated NAV per share at 31 May 2020 of $25.62 (£20.79), a decrease of $1.96 from the final NAV (US GAAP) figure of $27.58. This latest NAV per share is based predominantly on 31 March 2020 valuations, and therefore reflects the majority of the decline expected from Q1 2020 marks.

The Investment Pipeline of unfunded commitments decreased from $1,807.0 million at 31 January 2020 to $1,693.7 million at 31 May 2020, based on capital funded and foreign exchange movements.

At the end of May HVPE's borrowing was $200.0 million. Due to the draw down, the Company's cash balance had increased by $84.1 million to $214.7 million. HVPE's look-through exposure to borrowing at the HarbourVest fund level had decreased by $12.2 million to $354.6 million.

KEY RATIOS AT 31 MAY 2020

Total Commitment Ratio

(Total exposure to private markets investments as a percentage of NAV)

Investment Portfolio + Investment Pipeline	$3,720.0m
Divided by the NAV	$2,046.3m
182%	

Commitment Coverage Ratio

(Short-term liquidity as a percentage of total Investment Pipeline)

Cash + available credit facility	$614.7m
Divided by the Investment Pipeline	$1,693.7m
36%	

Rolling Coverage Ratio

(A measure of medium-term commitment coverage)

Cash + available credit facility (total $614.7m) + current year estimated distributions ($180.9m)	$795.6m
Divided by the next three years' estimated investments	$1,264.8m
63%	

Share Price Trading and Liquidity

YEAR TO 31 JANUARY 2020

HVPE's share price in sterling[1] delivered strong returns over the 12 months to 31 January 2020, closing the period at £18.36 – a significant increase of 28.8% from the 31 January 2019 closing price of £14.26. This gain greatly exceeded the 13.6% growth of the converted sterling NAV per share (14.5% in US dollars) over the same period. This reflected a significant narrowing of the discount during the period, which from the middle of May 2019 had generally been inside the private equity fund-of-funds peer group average.[2] However, it is important for stakeholders to refer to the update below "PERIOD SINCE 31 JANUARY 2020" since there have been some significant movements in the share price in light of the COVID-19 pandemic.

As distinct from the notional discount quoted in the Chairman's Statement on page 3, at 31 January 2020 the live discount had narrowed to 9.9% from 18.8% over the reporting period.[3] The definition of "notional" and "live" discounts are provided on page 92. Details of these calculations and other theoretical discounts can be found on page 95.

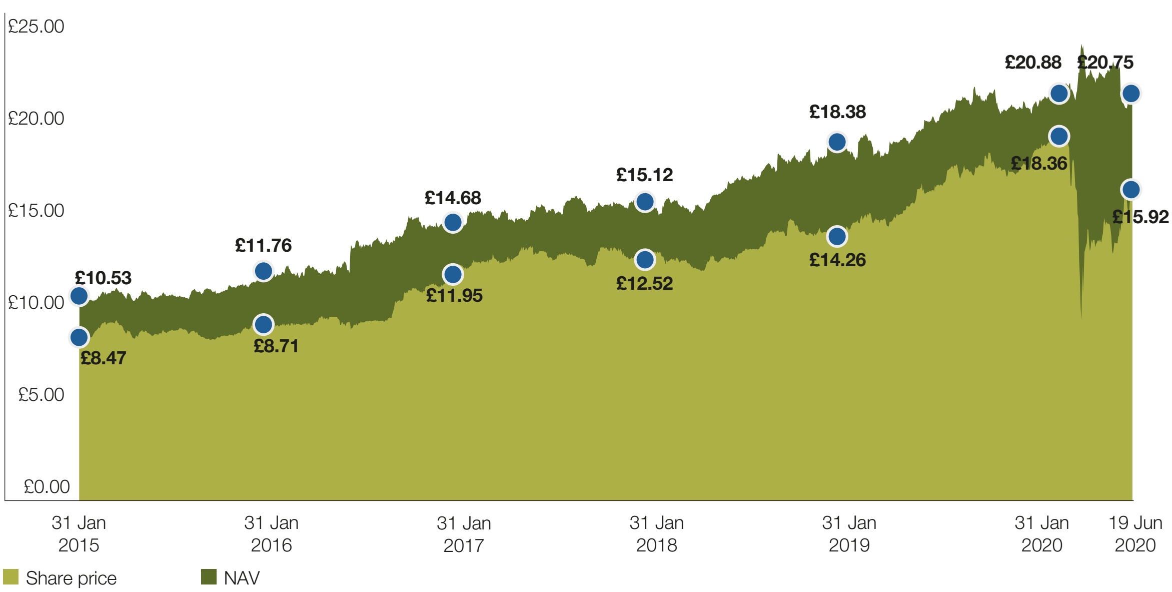
HVPE's share trading volume increased 17% in the 12 months to 31 January 2020, with an average day now seeing approximately 52,700 shares traded.[4]

PERIOD SINCE 31 JANUARY 2020

During the period 31 January to 19 June 2020, the share price decreased from £18.36 to £15.92, or 13.3%. This has resulted in a widening of the discount to -23.2% against the 31 May estimated NAV per share of $25.62 (sterling equivalent of £20.72 at 19 June using Bloomberg FX rate of 1.2360), the live NAV per share in the market as at 19 June 2020. The onset of the COVID-19 pandemic in Q1 led to a broad-based sell-off across global public equity markets. HVPE, along with its peer group and many other listed companies, experienced sharp share price declines. Since the trough on 19 March 2020, HVPE's share price has strongly recovered, appreciating by 72.9% from this recent nadir to the 19 June 2020 closing price.

The market capitalisation of the Company as at 19 June 2020 was £1.2 billion, and as of the same date HVPE was ranked 121st in the FTSE 250.

Share Price and NAV per Share Movement from 31 January 2015 to 19 June 2020 (£)



1 The sterling quote is the most actively traded. However, HVPE also has a US dollar share price quote which has limited trading. At 31 January 2020 the US dollar share price was $24.15.
2 The peer group refers to the UK listed private equity fund-of-funds: BMO Private Equity Trust, ICG Enterprise Trust, JPEL Private Equity, Pantheon International Plc, and Standard Life Private Equity. Data provided by J.P. Morgan Cazenove.
3 The live discount is calculated based on the NAV per share available to the market at 31 January 2020, that being the 31 December 2019 estimate of $26.92 (sterling equivalent of £20.38 when converted at the prevailing USD/GBP exchange rate of 0.7572 at 31 January 2020). A live discount of 9.9% exists when comparing the estimated sterling equivalent NAV per share of £20.38 with the share price of £18.36 on 31 January 2020. A notional discount of 12.1% exists when comparing the final NAV per share of $27.58 converted into sterling (£20.88), represented by these Financial Statements at 31 January 2020 prepared under US GAAP, with the share price of £18.36 on 31 January 2020. Please refer to the reconciliation table on page 95 for more details on this calculation.
4 Based on the median daily trade volumes.

KPIs and Investment Objective

HVPE uses a number of KPIs that seek to support its investment objective.

Figures labelled "2020" represent a position as at 31 January 2020 or movement in the 12 months ended 31 January 2020. Further commentary beyond the reporting date on the NAV per share, share price, and balance sheet ratios can be found on pages 12 and 13.

1 NAV per Share Growth

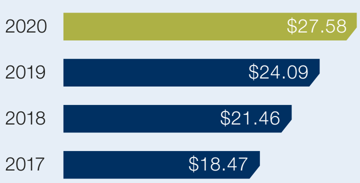
DESCRIPTION
HVPE seeks to achieve growth in NAV per share materially ahead of public markets over the long term, as defined by the FTSE AW TR Index in US dollars. The FTSE AW TR is a global equity index with geographical weightings comparable to HVPE's portfolio.

COMMENTARY
Over shorter time periods, the nature and timing of HVPE's valuation process and the relative volatility of public markets may result in significant divergence from the FTSE AW TR Index in either direction, as in the 12 months ended 31 January 2020 which resulted in an underperformance of 2.2%. However, over longer periods these fluctuations are less pronounced and over the last ten-year period the Company has achieved average annual outperformance of 2.5%.

A. NAV per share ($)

+14.5%

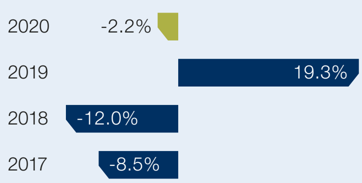
2019: +12.3%



B. Relative to FTSE AW TR ($)

-2.2%

2019: +19.3%



C. Annualised Outperformance of FTSE AW TR Since Inception (2007)

+3.4%

2019: +3.8%

D. Annualised Outperformance of FTSE AW TR Over 10 Years

+2.5%

2019: +0.2%

2 Total Shareholder Return

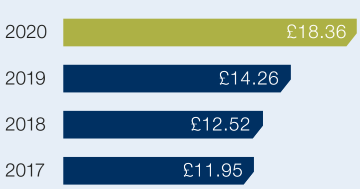
DESCRIPTION
The key measure of HVPE's performance is, ultimately, the total return experienced by the Company's shareholders. While NAV per share is the major driver, other factors are also important including, most notably, the level of any premium or discount to NAV at which the Company's shares trade.

COMMENTARY
Approximately 70% of HVPE's shareholders are UK based, and the majority of trading volume is in sterling. The total shareholder return in sterling is, therefore, an important figure and was 28.8% in the 12 months ended 31 January 2020. The US dollar quote, which trades independently to the sterling quote, identically returned 28.8% over the same period. Between May 2019 and 31 January 2020, the discount to NAV was generally narrower than the listed private equity peer group average.

A. Share Price (£)

+28.8%

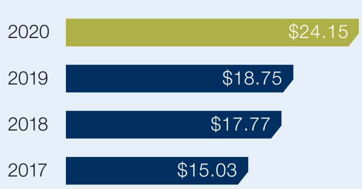
2019: +13.9%



B. Share Price ($)

+28.8%

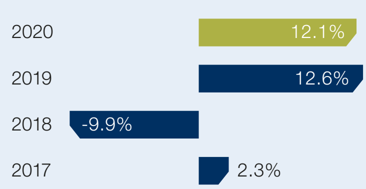
2019: +5.5%



C. Share Price ($) Relative to FTSE AW TR

+12.1%

2019: +12.6%



3 Balance Sheet Strength

DESCRIPTION
The Board and the Investment Manager actively monitor the Company's balance sheet by means of a set of key ratios, with a view to maintaining a robust financial position under all plausible forecast scenarios. Please see Managing the Balance Sheet on pages 26 to 29 for more detail on these and Recent Events on page 12 for the latest ratios.

COMMENTARY
The Total Commitment Ratio increased in the 12 months ended 31 January 2020 as a result of new commitments made during the period, but remains below the upper limit set by the Board and represents a level that the Investment Manager believes is optimal for long-term NAV per share growth.

The Rolling Coverage Ratio increased due to a downward adjustment to the next three years' estimated investments, in light of the large investment into the HVPE-seeded real assets vehicle in February 2019.

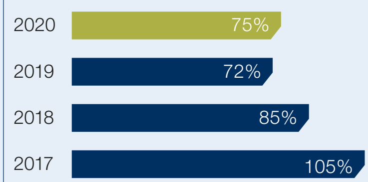
HarbourVest fund-level borrowing represents unfunded commitments that have yet to be called; the underlying HarbourVest funds have invested this capital using subscription credit lines and will call this capital over time. Prospective changes in fund-level borrowing are factored in to HVPE's cash flow modelling and scenario testing as presented regularly to the Board. HarbourVest fund-level borrowing is covered in more detail on page 27.

A. Total Commitment Ratio

176%
2019: 173%

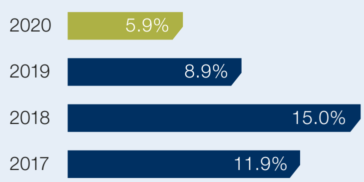
B. Rolling Coverage Ratio

75%
2019: 72%



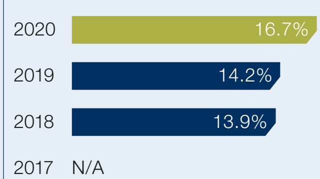
C. Net Cash as a Percentage of NAV

5.9%
2019: 8.9%



D. HarbourVest Fund-Level Borrowing as a Percentage of NAV

16.7%
2019: 14.2%



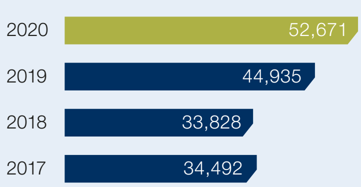
4 Liquidity in the Shares (Daily Trading Volume)

DESCRIPTION
Current and prospective shareholders rightly place a high value on liquidity as it provides reassurance that there is a ready market in the shares should they wish to manage their position. The Board and the Investment Manager monitor liquidity on a regular basis using three daily averages: the median, the mean, and the modal (i.e. most frequently occurring daily volume figure).

COMMENTARY
Daily liquidity, measured by median share trading volume, improved in the 12 months to 31 January 2020, and stands at a multi-year high in terms of the median average. The median is the figure used by FTSE Russell for index assessment purposes. The mean daily trading volume marginally decreased over the period.

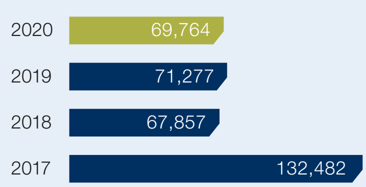
A. Median Daily Trading Volume

+17.2%
2019: +32.8%



B. Mean Daily Trading Volume

-2.1%
2019: +5.0%



Business Model

Creating Value at Every Level of our Business

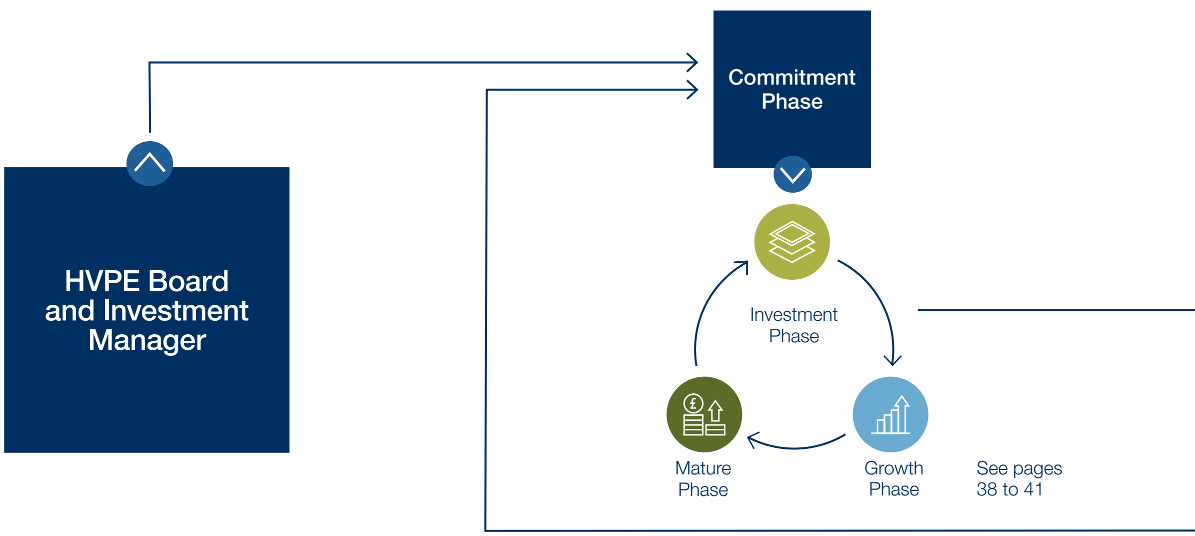
KEY STRENGTHS AND SOURCES OF VALUE

Active Balance Sheet Management
HVPE maintains a prudent approach to balance sheet management and invests within a set of defined financial ratios with the aim of ensuring that there is sufficient cash or credit available to meet its commitments, whilst also striving to avoid an excessive build-up of cash on the balance sheet.

Strategic Asset Allocation ("SAA")
HVPE takes a long-term view in building and maintaining its portfolio, working to a set of rolling five-year portfolio construction targets aimed at optimising long-term NAV growth. See pages 32 and 33 for more details.

Investment in and Alongside HarbourVest Funds
HarbourVest, the Investment Manager, is an independent, global private markets investment specialist, with over 35 years of experience and more than $71 billion of assets under management.

Investment into Private Companies
Throughout the Private Equity Cycle, HVPE provides a complete private markets solution for public investors by actively managing the Investment Portfolio through four key phases of the private equity cycle: Commitment, Investment, Growth, and Maturity. The Company's approach is to make future commitments to ensure continuous investment through the cycle.



CREATING VALUE AT EVERY LEVEL OF OUR BUSINESS

A strong balance sheet is vital in underpinning investment into private markets funds given the cash flow profile of these investments. HVPE's substantial credit facility gives it the flexibility to continue to invest at times when others may be unable to do so. Informed asset allocation and a steady, considered pace of investment through the cycle help to minimise volatility whilst providing broad diversification to help drive NAV performance over the long term.

HarbourVest's global presence and deep network of longstanding relationships within private markets, as well as its integrated investment platform, have underpinned its consistent outperformance and helped to position it as a favoured investment partner. HVPE provides access to a broad range of private company investments mostly not available to all investors. These span all phases of the lifecycle, giving continued exposure to new, developing, and maturing investments.

Selectively Diversified Investment Portfolio

Research by HarbourVest indicates that the dispersion of returns in private markets investing is greater than that typically observed in public equity portfolios. In some strategies, notably venture investing, we observe a significant right-hand skew as a small number of funds deliver returns dramatically in excess of the median. This means that diversification across multiple funds and investments is critically important for optimising risk-adjusted returns. By following its SAA targets, HVPE has built a well-diversified portfolio as shown in the diagram below.

Multi-manager Approach

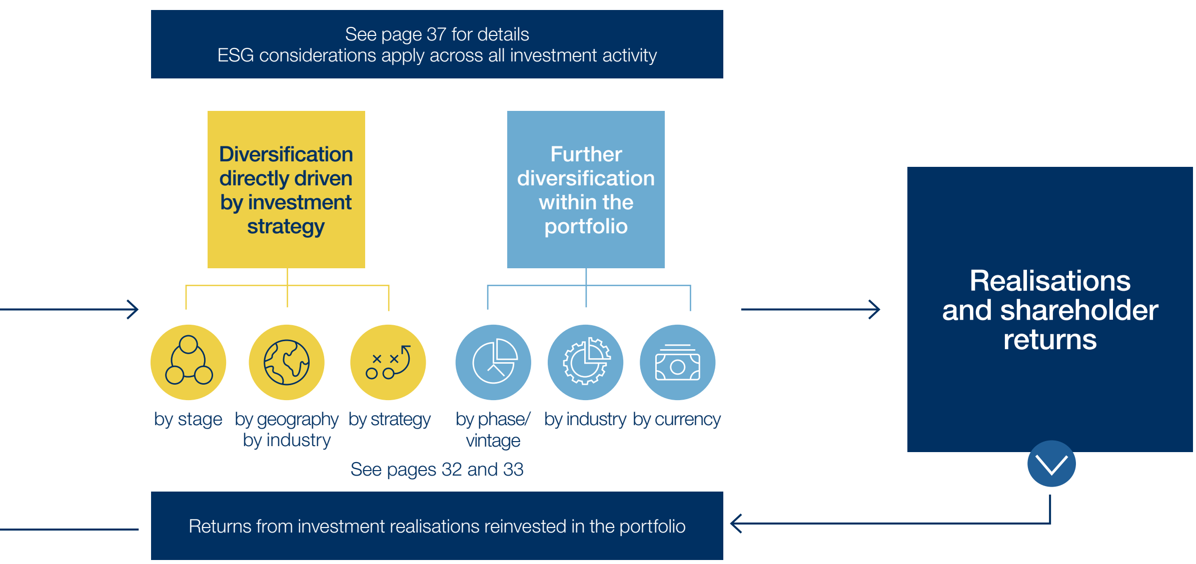
Effectively, HVPE provides exposure to approximately 30 individual HarbourVest fund managers, each expert in their strategy. Furthermore, careful manager selection gives unique exposure to leading, or hard to access, external private equity managers, providing a broad spread of private markets expertise.

Profitable Realisations Grow NAV per Share and Become the Firepower for Future Investments

HVPE, in effect, provides part-ownership of a broad range of underlying private companies, spanning early venture to more mature businesses. It is the success of these which drives returns. HVPE is committed to delivering material long-term outperformance in NAV per share as compared with public markets. Ultimately, this is locked in via strong realisations, the proceeds of which are then reinvested into new private markets opportunities.

ESG Embedded in the HarbourVest Investment Process

HarbourVest is committed to integrating ESG considerations into all stages of its investment activity. ESG-related risks are identified and taken into consideration as an integral part of its due diligence process, so that company-specific, broader manager-level, sector-level, and regional risks can be considered when reviewing investment opportunities.



The multi-manager approach adds value as there is less reliance on one "key man" to make investment decisions. The identification and assessment of these managers is key to HVPE's value creation. Furthermore, no single external manager represents more than 4.0% of the underlying portfolio, which helps mitigate investment risk in a complex and demanding market. A well-diversified portfolio ensures that the downside risk arising from any single investment, geography, or strategy is limited, whilst offering the potential for consistent gains over time.

Value is generated for shareholders through growing NAV per share, with the share price broadly tracking this figure over time. HVPE has delivered eleven consecutive years of positive annual NAV returns. New investments are primarily funded by distributions from realised investments, enabling the cycle to continue over the long term. HVPE has established itself as one of a few diversified listed private equity companies with the scale and liquidity to appeal to a wide range of investors.

A Deep Dive into Company Performance Drivers

In this section, Richard Hickman, Director, Investment and Operations, who is responsible for the day-to-day management of the Company, reviews portfolio activity over the year and focuses on notable company exits.

Q. CAN YOU PROVIDE AN OVERVIEW OF THE PORTFOLIO'S LIQUIDITY EVENTS DURING THE FINANCIAL YEAR?

During the 12 months ended 31 January 2020, there were 336 liquidity events, down from 413 for the 12 months to 31 January 2019. The lower volume of activity in the reporting period can broadly be explained by trends across the private equity industry, which has seen a steady reduction in exit volume and value from the peak years of 2015 to 2017. Approximately 78% (263) of liquidity events in the year ended 31 January 2020 were trade sales or sponsor-to-sponsor transactions, with the remaining 22% (73) being Initial Public Offerings ("IPOs").

Of HVPE's 336 total liquidity events, 211, or 63%, related to venture-backed companies. This figure is representative of the broader market, as 2019 was an exceptional period for venture exits with total venture-backed exit value reaching an all-time high. This was driven by strong IPO activity, as many well-known and high-profile "unicorns" – private companies with individual valuations greater than US$1 billion – transitioned to the public markets. Of the 73 IPOs within HVPE's portfolio, 75% were venture-backed companies and included names such as *Uber*, *Lyft*, *Pinterest*, *Beyond Meat*, *CrowdStrike*, and *Slack Technologies*.

Q. WHAT WERE THE TRENDS IN DISTRIBUTIONS RECEIVED DURING THE REPORTING PERIOD?

In the 12 months ended 31 January 2020, distributions from underlying partnerships (by value) were mostly concentrated in buyout and venture strategies at 62% and 27%, respectively. The remaining 11% comprised predominantly mezzanine and real assets investments. This spread of distributions closely mirrors HVPE's portfolio diversification by stage.

As should be expected given HVPE's weighting towards the US, of the total amount distributed, a large majority (68%) came from partnerships with a North America investment focus. Europe and Asia represented amounts roughly proportional to their allocation within HVPE's portfolio, at 21% and 11%, respectively.

Finally, distributions by vintage were concentrated in the Investment phase (vintage years 2016 to 2020) and Growth phase (vintage years 2011 to 2015) at 33% and 56%, with older vintages in the Mature phase (pre-2011) representing the remaining value.

Q. WHAT WERE THE NOTABLE EVENTS IN THE PORTFOLIO?

Press Ganey was exited in August 2019. This was the Company's largest underlying company holding at 31 January 2019 (by HVPE-proportioned company value) and had been a top ten holding in the two previous financial years. This investment added approximately $0.21 to NAV per share over the holding period.

As mentioned above, venture-backed companies represented the majority of HVPE's liquidity events by count during the year. *Intelex Technologies*, *Appriss*, and *Avalara* are examples of venture-backed companies held in the portfolio that provided a large source of distribution proceeds during the reporting period.

Details of these companies and their exit routes are provided in the case studies overleaf.

Q. WERE YOU SATISFIED WITH THE VALUATIONS ACHIEVED ACROSS ALL COMPANY EXITS?

During the 12 months to 31 January 2020, the premium achieved on realisation as compared to the value at which the investments were held prior to the announcement of the exit was 62.5%. This compares to 40.6% in the previous financial year. For 16 consecutive half-year periods we have tracked the uplift achieved and this has consistently exceeded 30%. Key drivers in the portfolio this year included the IPO events of *Datadog* (technology operations software), *TeamViewer* (remote connectivity software), *CrowdStrike* (data and IP security), and *Anhui Three Squirrels eCommerce* (distributor of nuts and snacks in China).

While HVPE has seen favourable realisations from the portfolio over the past several years, it is unclear at this point what impact COVID-19 will have on transactions realised during the upcoming year. This could result in a departure from the historical experience.

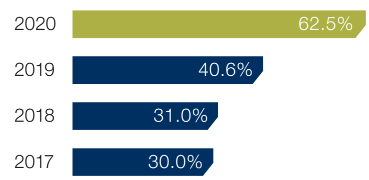
Q. TO WHAT EXTENT WILL NEXT YEAR'S PERFORMANCE BE AFFECTED BY COVID-19?

Within a portfolio of private company investments, exits can be timed in order to take account of changing sentiment and optimise the value achieved on any sale. When markets are less favourable, managers typically initiate fewer exits, choosing instead to wait for an opportunity to time realisations to maximise the value received. In this regard, HVPE's highly diversified global portfolio should soften the impact on the Company's NAV of negative market conditions on a specific geography or sector. We believe that our portfolio is constructed to withstand such an environment whilst simultaneously being well positioned to continue creating and crystallising value, which in turn will help to drive future performance.

63%

Weighted Average Uplift on Companies' Pre-transaction Carrying Value (%)[1]

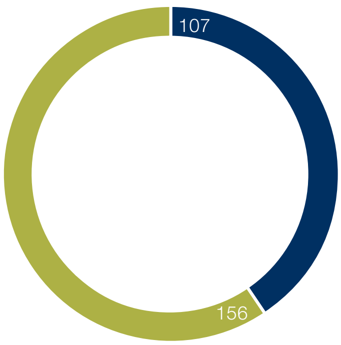
Uplifts Achieved on Exit



1 These figures represent the weighted average percentage uplift to carrying value of 67 individual company M&A and IPO transactions during the year ended 31 January 2020. This analysis takes each company's value (whether realised or unrealised) at 31 January 2020 and compares it to the carrying value prior to announcement of the transaction. This analysis represents 87% of the total value of the 336 known M&A and IPO transactions in the year ended 31 January 2020 and does not represent the portfolio as a whole. Additionally, it does not reflect management fees, carried interest, and other expenses of the HarbourVest funds or the underlying managers, which will reduce returns. Past performance is not necessarily indicative of future returns. Further details of this calculation can be found under Alternative Performance Measures on page 97.

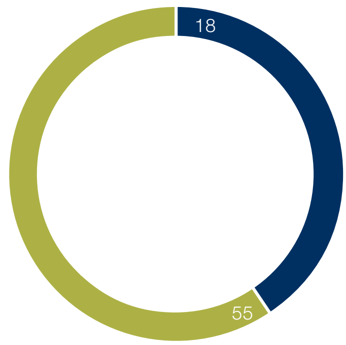
A Deep Dive into Company Performance Drivers continued

Trade Sales



Buyout 107
Venture 156

Public Listings (IPO)



Buyout 18
Venture 55

LARGEST COMPANY REALISATION

PRESS GANEY

Stage
Large buyout

Location
US

Description
Provider of patient satisfaction surveys, management reports, and comparative databases for healthcare providers. *Press Ganey* was HVPE's largest underlying company at 31 January 2019.

HarbourVest co-invested with EQT Partners, a strong healthcare investor, in 2016. During the holding period, *Press Ganey* demonstrated good performance, became the industry standard, and achieved a market-leading position built on data accuracy and quality. The company also completed several strategic acquisitions, which added scale.

In August 2019, *Press Ganey* was sold to Ares Management.

$0.23
Added to NAV per share over the holding period

FOCUS ON VENTURE REALISATIONS

INTELEX TECHNOLOGIES

Stage
Venture/growth equity

Location
Canada

Description
Environmental, safety, and quality management software provider. *Intelex* was HVPE's 25th largest company at 31 January 2019. HarbourVest co-invested with JMI Equity in 2015. During the holding period, the company demonstrated consistent revenue growth as a result of an expansion of its sales efforts and market tailwinds resulting in an increased interest in the service.

In June 2019, *Intelex* was sold to Industrial Scientific (a subsidiary of Fortive Corporation).

$0.14
Added to NAV per share over the holding period

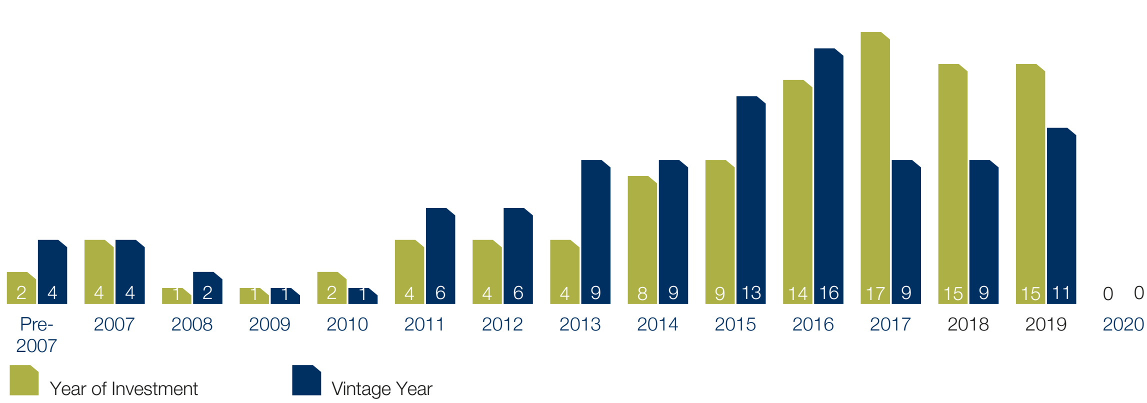
YEAR OF INVESTMENT (% OF INVESTMENT PORTFOLIO)

HVPE measures diversification over time by the year of initial investment into the underlying portfolio companies. This is more representative when judging HVPE's real exposure to the market in a given year.

VINTAGE YEAR (% OF INVESTMENT PORTFOLIO)

HVPE's vintage year diversification is measured using the year of the initial capital call for primary funds and direct co-investment funds and the year of formation of underlying partnerships for secondary investments.

Vintage Year Profile of Investment Portfolio at 31 January 2020 (%)



APPRISS

Stage
Venture/growth equity

Location
US

Description
Provider of data and analytics solutions. *Appriss* was HVPE's fifth largest company at 31 January 2019. HarbourVest co-invested with Insight Venture Partners in 2014. During the holding period, the company has grown via internal strategies and accretive acquisitions.

In June 2019, HVPE received proceeds from the recapitalisation of *Appriss*. The company remains in the portfolio and was the tenth largest disclosable direct co-investment holding at 31 January 2020.

$0.21
Added to NAV per share over the holding period

AVALARA

Stage
Venture/growth equity

Location
US

Description
Sales and tax management software. *Avalara* ("AVLR") was HVPE's 32nd largest company at 31 January 2019. HarbourVest held exposure to this company across several of its partnership funds.

During the year, HVPE received proceeds from the continued sell down of shares in publicly traded company *Avalara*.

$0.12
Added to NAV per share over the holding period

Stakeholder Engagement

HOW THE BOARD ENGAGES WITH STAKEHOLDERS

It is important that the Board engages with stakeholders, and most pertinently its shareholders, to help ensure the long-term success of the Company. Reporting on this activity is in line with best practice under the 2019 AIC Code of Corporate Governance (the “AIC Code”). The Board has identified its key stakeholders below, and in this section their relevance is explained, alongside both why and how the Board engages with them. Importantly, on page 24 we highlight some of the principal decisions that have been made as a result of this engagement and subsequent Board discussions.

STAKEHOLDER	HOW THE BOARD ENGAGES
Shareholders and Prospective Investors Shareholders and prospective investors are today’s and tomorrow’s owners of the Company and therefore at the core of every decision made by the Board. Support from this group of stakeholders is critical to the success of HVPE. J.P. Morgan Cazenove and Jefferies Hoare Govett act as the Company’s joint corporate brokers. In addition, the Company works with several third-party Investor Relations providers to liaise with prospective and existing shareholders, arranging meetings as appropriate. It is important for this stakeholder group to remain informed, and receive timely, accurate and pertinent information about the Company. Encouraging new shareholders to join the register supports a healthy market in the Company’s shares. HVPE engages a public relations (“PR”) agency to raise its profile in the market and help communicate its proposition.	The Board recognises the importance of engaging with major shareholders to fully understand their perspective on the Company, as well as ascertain any potential issues or concerns. The Board monitors the Company’s share trading activity on a regular basis. The Board ascertains shareholders’ views of the Company via, among other methods, direct face-to-face contact, reports from the Investment Manager (covered in detail bi-annually at Board meetings, and at a higher level at the remaining meetings), as well as through regular analyst and broker updates. These views, as well as the Investment Manager’s approach to shareholder engagement, are discussed at meetings and considered when decisions are made by the Board. Investors and prospects are able to engage with members of the Board at HVPE’s annual Capital Markets Session (or equivalent) or Annual General Meeting (“AGM”). Separately, Board members are often present at investment company/industry events and network with shareholders and prospects on these occasions. Separately, the Investment Manager formally approaches larger shareholders twice a year, after publication of its annual and semi-annual results, to provide an update and seek feedback on any decisions or developments relevant to the period just ended. Members of the Board may attend meetings with shareholders. The Chairman is happy to meet with shareholders as required and does so regularly. The Investment Manager and Board also regularly meet and speak with the analyst community, and engage paid research firm Edison to broaden communication to shareholders and prospects. Beyond the reporting period, the Board and Investment Manager have sought to provide updates on the impact of COVID-19 in the monthly reports, and held calls with many of the larger shareholders.

Shareholders may contact the Directors, including the Chairman and the Senior Independent Director through the Company Secretary at the following email address: hvpecosec@bnpparibas.com or may write a letter to the registered office shown on the inside back cover of this report.

STAKEHOLDER	HOW THE BOARD ENGAGES
Community and Environment The Board fully supports the increasing importance and prominence of ESG. As such, ESG considerations and the impact of the Company on the community and environment are regular topics at Board meetings. The Board supports and encourages the Investment Manager in its efforts to engage more fully with ESG matters when considering investments and managing its fund portfolios. The Board is considering the means by which it could seek to improve in this area at the Company level. As a growing area of focus, this has influenced decisions made by the Board.	The Board actively engages with the Investment Manager and receives regular updates on the ESG initiatives currently underway and plans for the future. Through these interactions, it seeks to find ways in which it can help influence improvement in this area at the HarbourVest level and, in turn, at the level of the underlying managers and their portfolio companies. More detail on these efforts can be found on pages 8 and 9 of the Investment Manager's Report.
HarbourVest Partners (the Investment Manager) HarbourVest is fundamental to HVPE's business model and overall strategy. As such, it is important that the Board maintains a strong relationship with its Investment Manager. Interaction between the Board and HarbourVest is open and respectful. This allows for clear communication, constructive challenge and a strong partnership with the common goal of helping the Company fulfil its purpose, investment objective, and investment policy.	There is continuous dialogue between the Board and Investment Manager – both written and verbal. The Chairman and other Directors are actively engaged with the team fully dedicated to HVPE. The Board often visits the Investment Manager's offices, or attends the Investment Manager's AGM. This financial year included attendance at HarbourVest's London AGM in May 2019, and a visit to the Dublin office in November 2019. As part of these visits, the Board received presentations from various operational teams and senior management of the Investment Manager regarding investment strategy and other matters relating to the Company's affairs. The Board also organises a yearly meeting with HarbourVest Managing Directors to update them on developments at HVPE and further develop the relationship.
Service Providers Effective relations with service providers help the Company to operate in a compliant and efficient manner and help support its purpose.	There is regular interaction as part of the provision of services and reports from the core service providers (corporate broker, PR agency and IR providers) are tabled at Board meetings. The Board and the Investment Manager engage with service providers in an open, transparent, and respectful manner, with the performance of each service provider regularly assessed by the Investment Manager. In addition, the Management Engagement and Service Provider Committee formally reviews the performance of each service provider on an annual basis.

Note: HVPE does not have any employees

Section 172 Statement

During the year, some of the Board's discussions and principal decisions included (but were by no means limited to) the items below. These have been selected as being illustrative of the ways in which the Board fulfilled its duties under Section 172(1) of the Companies Act 2006, in addition to its engagement activities with stakeholders which are described on the previous two pages.

EXAMPLES OF HOW STAKEHOLDER INTERESTS HAVE INFLUENCED BOARD-LEVEL DECISIONS

DECISION	IMPACT ON LONG-TERM SUCCESS	STAKEHOLDER CONSIDERATIONS AND DECISIONS MADE
Appointment of new Directors	Appointment of new Directors and effective succession planning allows for refreshment of the Board and to address diversity which is necessary for the long-term success of the Company. This is relevant to the Board's duty to have regard to the likely consequences of a Board decision in the long term.	The Board has communicated to shareholders as to the importance they place on boardroom diversity and this, alongside the Board's existing view that diversity in the boardroom has a positive impact, has led to many conversations on this topic in Board meetings. The Board has publicly stated its intention to strive to meet the Hampton-Alexander target of 33% female representation. Accordingly, when choosing a shortlist of candidates for the position of Director, the Board considered views previously expressed by shareholders and the Hampton-Alexander and Parker Review targets.
Placement of a Board apprentice for a year through a not-for-profit social franchise dedicated to increasing diversity on boards	The appointment of a Board apprentice through this initiative contributes to wider society by creating a culture of inclusion, encouraging more diversity on boards and helping to increase the pool of board-ready diverse individuals. This is relevant to the Board's duty to have regard to the impact of the Company on the community, as well as promoting diversity.	The Board is aware that more needs to be done proactively to help increase diversity (gender, ethnicity, background) in boardrooms in general, so that boards become more reflective of wider society and the stakeholders they represent. A reason given for a lack of diversity is that there are not enough candidates with suitable experience. To help address this, and in aid of building a pipeline of diverse candidates for the boardrooms of the future, the Board offered a board apprenticeship to Yvonne Bajela for a year, which concluded in February 2020. Ms Bajela stated that she found the experience invaluable and it helped her secure another position.
Increased focus on ESG	Helping contribute to wider society and increasing accountability at the Investment Manager level and improving the Company's long-term ESG impact.	The Board is cognisant of the growing importance and urgency for the finance sector, of which it is part, to enhance its operating methods to help positively impact ESG matters. With this in mind, a number of discussions have been held and the Board is developing a plan as to how the Company can improve its ESG impact and influence. One of the key decisions made this financial year to increase focus on ESG matters was to designate Director Carolina Espinal to oversee ESG items on behalf of the Board and promote improvement in this area. More details on this can be found under Corporate Responsibility on page 53.
Development and communication of the Company's Purpose	Considered development and communication of the Company's Purpose, so that stakeholders better understand why the Company exists and what it is aiming to achieve; both relevant to the Board's duty to have regard to maintaining a reputation for high standards of business conduct.	The Board is committed to the effective communication of HVPE's purpose and investment case, and how it supports the Company's business model and strategy (see pages 16 to 17).

Summary of Net Assets

	31 January 2020	31 January 2019
Investment Portfolio	**$2,065.5**	$1,760.2
Cash	**$130.6**	$156.6
Drawings on the HVPE credit facility	**$0.0**	$0.0
Net other assets/liabilities	**$6.6**	$7.2
NAV	**$2,202.7**	$1,924.0
NAV per share ($)	**$27.58**	$24.09
FX rate	**1.3206**	1.3109
NAV per share (£)	**£20.88**	£18.38
Cash + available credit facility	**$730.6**	$756.6

THE PRIVATE EQUITY CYCLE

	12 Months Ended 31 January 2020	12 Months Ended 31 January 2019
1. Commitments		
New commitments to HarbourVest funds	**$570.0**	$730.0
Investment Pipeline		
Allocated	**$1,285.3**	$1,081.2
Unallocated	**$521.7**	$481.5
Total Investment Pipeline	**$1,807.0**	$1,562.7
2. Cash Invested		
Invested in HarbourVest funds	**$324.2**	$396.2
% of average Investment Pipeline[1]	**19.2%**	28.3%
3. Growth		
Investment Portfolio (beginning)	**$1,760.2**	$1,452.2
Cash invested	**$324.2**	$396.2
Investment Portfolio growth	**$289.3**	$218.4
Distributions received	**($308.2)**	($306.6)
Investment Portfolio (end)	**$2,065.5**	$1,760.2
4. Distributions Received		
Cash received from HarbourVest funds	**$308.2**	$306.6
% of average Investment Portfolio[2]	**16.1%**	19.1%

1 Percentage of average Investment Pipeline (31 January 2019 and 31 January 2020).
2 Percentage of average Investment Portfolio (31 January 2019 and 31 January 2020).

Managing the Balance Sheet

MANAGING THE BALANCE SHEET

Effective and prudent balance sheet management is critical when running a closed-ended vehicle investing into a portfolio of private market funds with varying cash flow profiles. This is particularly true for a company such as HVPE which maintains a large pipeline of unfunded commitments (the "Investment Pipeline"), i.e. the portion of capital pledged to an underlying fund, but not yet drawn down for investments. This section aims to outline HVPE's approach to managing its balance sheet and explain the steps it takes to ensure that the Company is sufficiently resourced in preparation for periods of significant market stress.

THE IMPORTANCE OF THE CREDIT FACILITY

HVPE makes commitments to HarbourVest funds, which typically call capital over a period of several years. This long-duration cash flow profile necessitates a large pipeline of unfunded commitments in order to ensure that the Company remains approximately fully invested over time – this is known as an over-commitment strategy and is critical to optimising long-term NAV per share growth. In most years, the capital called from HVPE by the HarbourVest funds is taken from the cash distributions flowing from liquidity events within the portfolio. Occasionally, however, capital calls will exceed distributions, potentially by a meaningful amount, and it may be necessary to draw on the credit facility to fund the difference. A subsequent year may see the reverse situation, with net positive cash flow used to repay the borrowing. In this way, the credit facility acts as a working capital buffer and enables HVPE to manage its commitments to the level required in order to optimise returns through the cycle.

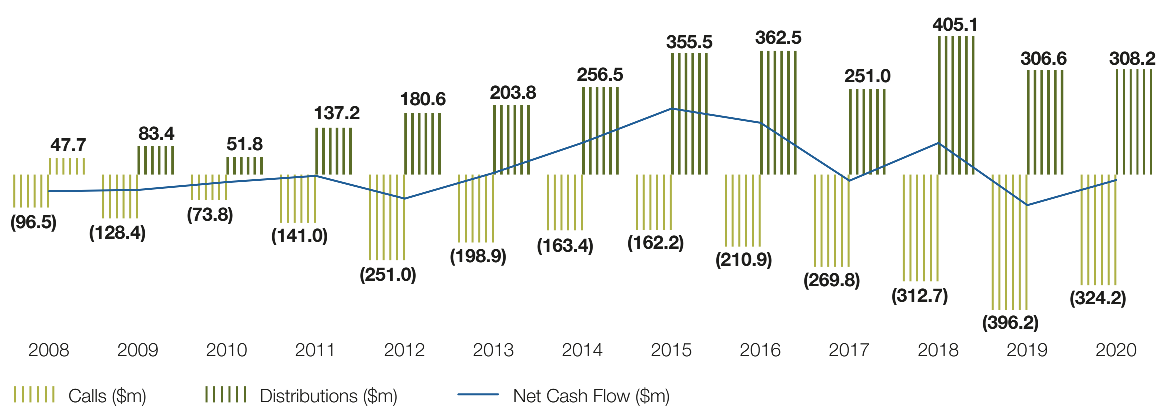
At 31 January 2020, HVPE had a $600.0 million multi-currency credit facility (the "Facility"), with Mitsubishi UFJ Trust Banking Corporation ("Mitsubishi") acting through its New York Branch, and Credit Suisse AG London Branch ("Credit Suisse"). The Facility, details of which were announced on 4 January 2019, is a five-year evergreen structure, with an initial two-year no-notice provision, giving it an initial term of seven years to January 2026. From January 2021, the lenders have the option to serve notice, but the notice given must be a minimum of five years. HVPE believes this is one of the leading finance packages within its peer group and that it appropriately underpins the activities of the Company, supporting its unfunded commitments and future investment plans. As a pre-emptive measure, in April 2020, HVPE initiated a draw of $200.0 million on the Facility to ensure that it had sufficient liquid resources to meet its near-term obligations; for more details on this, please visit Recent Events on page 12.

UNDERSTANDING HVPE'S INVESTMENT PIPELINE (UNFUNDED COMMITMENTS)

At 31 January 2020, HVPE's total pipeline of unfunded commitments stood at $1.81 billion. This total pipeline comprised "allocated" investments of $1.29 billion and "unallocated" investments of $521.7 million. It is important to note that, of the allocated pipeline, approximately 70% of commitments are to primary funds, which have a longer drawdown profile, whilst secondary and direct co-investment funds represent approximately 20% and 10%, respectively. Further detail on the age breakdown of the allocated pipeline is provided on page 40.

Since 2010, annual capital calls have been in the range 18% to 32% of the total pipeline, while distributions have been 16% to 32% of NAV. However, in an adverse macroeconomic environment comparable to the GFC of 2008/09, it is conceivable that HVPE could suffer prolonged negative cash flow as these figures move to the more extreme levels seen in that period. In 2009, for example, distributions fell to only 6% of NAV while capital calls that year also fell to a low level (11% of the total pipeline).

Calls and Distributions, Annual to 31 January ($ Millions)



We cannot be sure that this pattern will be repeated and must consider the possibility that capital calls could remain elevated even during a period of suppressed distribution activity. A large credit facility committed for an extended period (currently five and a half years) provides reassurance that the Company would be able to remain operational under such conditions, with the additional flexibility to continue to take advantage of attractive investment opportunities as they arise. This is a model that has worked well in the past, as shown in the chart on page 26. HVPE's large credit facility meant that it was able to be a net investor through the period 2008 to 2011, which has helped the Company to deliver very attractive long-term returns for shareholders. For some time, extensive modelling has been conducted to ensure that the Company's balance sheet can withstand a crisis more prolonged than the GFC. This modelling has also been updated in light of COVID-19. Please see "REVISIONS TO THE MODELLING IN LIGHT OF COVID-19" overleaf for more on this.

HARBOURVEST FUND-LEVEL BORROWING

HarbourVest funds employ credit lines for two main purposes: bridging capital calls and distributions; and financing specific investment projects where the use of debt may be advantageous. HVPE is exposed to this fund-level borrowing on a look-through basis as a result of its investments in the HarbourVest funds. This borrowing does not represent an additional liability above and beyond the commitments that HVPE has made to the HarbourVest funds. The debt is provided to the HarbourVest funds on attractive terms by multiple institutions and carries a relatively low rate of interest as it is secured on the commitments made by investors (including HVPE) to those funds.

The HVPE team monitors the HarbourVest fund-level borrowing in absolute terms, and as a percentage of NAV. This borrowing is also considered when evaluating the key balance sheet ratios: The Total Commitment Ratio within the Investment Pipeline (unfunded commitments), and the Rolling Coverage Ratio within the three-year capital call projections. HarbourVest fund-level borrowing is also included when assessing the credit facility's loan-to-value ratios, as mentioned in Note 6 of the Financial Statements on page 89. Possible changes in this borrowing (and hence the timing of capital calls payable by HVPE) are also incorporated into the balance sheet scenario tests conducted as part of the annual commitment planning exercise. As at 31 January 2020, HVPE's total look-through exposure was $366.8 million, a net increase of $94.2 million from the 31 January 2019 level of $272.6 million. In order to estimate the total potential impact on NAV, an investor should take the total fund-level borrowing figure of $366.8 million and offset this against HVPE's cash balance of $130.6 million. As at 31 January 2020, this resulting net figure of $236.2 million would translate to an approximate level of look-through gearing of 10.7%. The most recent fund-level borrowing is detailed on page 12.

HVPE's total exposure of $366.8 million includes $277.7 million (76%) of bridging finance (also known as subscription line finance) which is used to delay and smooth the pacing of capital calls to investors in the funds, including HVPE. The remaining $89.1 million (24%) is project debt, held in the most part by the HarbourVest secondary funds to finance specific projects. The bridging finance, should it be repaid in full or in part, will result in capital calls to investors in the HarbourVest funds, including HVPE, as this type of borrowing represents a portion of HVPE's existing unfunded commitment (Investment Pipeline) figure. Furthermore, during the period in which the debt is outstanding, there is a mild gearing effect on HVPE's NAV, as the investments have already been made while HVPE's share of the capital has not yet been called. Project finance has only a very limited impact on prospective cash flow but does contribute to the gearing effect.

Further detail on the Facility, and criteria upon which it can be drawn, can be found under Note 6 Debt Facility on page 89 of the Financial Statements.

CASH FLOWS, MODELLING, AND STRESS TESTING THE BALANCE SHEET

Cash flows from individual private equity investments can be irregular and unpredictable, and so for investors in multiple funds (such as HVPE), monitoring these is a complex and time-consuming task. When managing a closed-ended vehicle that makes significant, irrevocable commitments to underlying funds, effective cash flow modelling is essential, first to ensure that the Company has sufficient capital available to honour its existing commitments, and second to inform the decisions it makes around future commitment levels.

The Investment Manager builds a bottom-up forecast based on an aggregation of individual HarbourVest fund models, and then applies a sensitised top-down analysis informed by historic actual calls and distributions. Short-term broader market trends and systemic factors are also considered. Finally, a range of scenario tests are conducted. In recent years, HVPE has actively sought to plan for a realistic worst-case case macroeconomic environment: internal balance sheet and cash flow modelling scenarios include an extreme downside stress-test against an event worse than the GFC, with a deeper valuation trough and a longer period of negative cash flow. Under this scenario, the Company remains comfortably within its covenants on the credit facility and the balance sheet is sufficiently robust to withstand such an extreme downturn. HVPE now has a

Managing the balance sheet continued

12-year track record in monitoring and interpreting cash flows arising from activity in the underlying portfolio.

This detailed modelling is typically updated on an annual basis and reviewed quarterly for any changes to key assumptions. However, as referenced earlier in this report, the modelling has been revisited in light of COVID-19, details of which can be found below.

REVISIONS TO THE MODELLING IN LIGHT OF COVID-19

HVPE continuously refines the portfolio modelling and base case projections to reflect macro developments and other relevant factors. As highlighted in the Chairman's Statement, the advent of COVID-19 called for updates to the scenario models. The Investment Manager's thorough risk analysis of the underlying investment portfolio and likely impact related to COVID-19 fed into the assumptions and in May, the Investment Manager presented four revised five-year model scenarios to the Board: Optimistic, High Base, Low Base and Extreme Downside case. For the purpose of planning, the Board and Investment Manager referred to the Low Base case; however, the situation continues to evolve given the current uncertainty in markets and the global economy. At the date of signing of these financial statements the cash flows for the year to date have been slightly better than the Low Base case and the underlying fund NAVs have been tracking better than that scenario, as disclosed in the 31 May 2020 estimated NAV described on page 12, which showed an NAV per share decline of 6.0% based on 91% of 31 March 2020 valuations received.

Please note that the table below does not represent a set of forecasts, but a range of potential scenarios.

The Optimistic and High Base scenarios both assume that the impact of COVID-19 is largely confined to 2020 with a return to growing NAV and more normal distribution levels in early 2021. Both of these scenarios result in HVPE borrowing on the credit facility but result in only minimal impact on the Balance Sheet Ratios used by the Directors to manage the balance sheet risk and on future commitments to new HarbourVest funds.

The Low Base is a severe yet plausible downside scenario in which the impact of COVID-19 is felt through Q2 2021 and projects declines in both the NAV and distribution levels, resulting in an impact on the Balance Sheet Ratios used by the Directors to manage balance sheet risk, and leading HVPE to borrow on the credit facility as a prudent measure in anticipation of continued negative cash flow dynamics in the portfolio.

The Extreme Downside scenario represents a severe test of the balance sheet, with NAV declines and reductions in distributions that are worse than those experienced during the GFC, and accelerated repayment of underlying HarbourVest fund-level borrowings. While the Directors do not view this as a likely scenario it is prudent to consider and plan for this potential situation. Under the Extreme Downside scenario the Balance Sheet Ratios are impacted very significantly, and the credit facility is nearly fully drawn in late 2021/early 2022.

One straightforward measure that can be taken to reduce future pressure on the balance sheet is to pause new commitments. Having reviewed the scenarios outlined above, the Board has resolved to take this step as explained in the Chairman's Statement, and in Recent Events, on pages 2 and 12 respectively. The Board and Investment Manager will keep this under review, but if the evidence is that the Company faces the Extreme Downside scenario, new commitments would likely be reduced materially over the next five-year period. Having taken this immediate action, both the Low Base and Extreme Downside scenarios indicate that the balance sheet is able to withstand the impact of these situations over all time periods up to and including the next five year period. The Company would continue to operate within the capacity of its credit facility and without the need for reactionary measures such as selling assets or raising additional capital. However, it is likely that these measures would at least be considered by Directors if the Extreme Downside scenario were to transpire.

Revised 5-year model scenarios	Optimistic	High Base	Low Base	Extreme Downside
Recovery begins	Q2/Q3 2020	Q3/Q4 2020	Q1/Q2 2021	Q1/Q2 2021
Abnormal cash flow duration	1.5 years	2 years	2 years	3 years
Capital calls during this time	Normal	Normal	Normal	Very high
Distributions during this time	Low	Very low	Below GFC	Below GFC

To conclude, the Investment Manager has stress tested the balance sheet comprehensively against each of the scenarios outlined above. Current forecasts suggest that the Company is able to accommodate a period of considerable negative cash flow and that the balance sheet is sufficiently robust to withstand a severe economic downturn.

BALANCE SHEET RATIOS

Commitment Ratios

The Board and the Investment Manager refer to three key ratios when assessing the Company's commitment levels:

1. Total Commitment Ratio ("TCR")

The TCR provides a view of total exposure to private markets investments as a percentage of NAV. As such, this takes the sum of the current Investment Portfolio and the Investment Pipeline as the numerator. The level of the TCR is a key determinant of the Company's total commitment capacity for new HarbourVest funds and co-investments within a given time period. This ratio has increased from 173% at 31 January 2019 to 176% at 31 January 2020, following an increase in the Investment Pipeline.

2. Commitment Coverage Ratio

HVPE and many other listed private equity firms on the London Stock Exchange (the "peer group") use this metric as a measure of balance sheet risk. This ratio is calculated by taking the sum of cash and available credit, and dividing it by the total Investment Pipeline.

The nature of HVPE's structure, whereby it commits to HarbourVest funds, which in turn invest in private equity managers, means that it typically takes longer for commitments to be drawn down compared with other listed private equity funds. As a result, to remain fully invested, it has to maintain a larger pipeline of unfunded commitments. This means that HVPE's Commitment Coverage Ratio may appear relatively low in comparison with other similar firms. It has declined from 48% at 31 January 2019 to 40% at 31 January 2020, following an increase in the Investment Pipeline and reduction (as anticipated) in the Company's cash balance.

3. Rolling Coverage Ratio

HVPE's Investment Manager uses this third specific metric to provide greater insight into the Company's balance sheet position and a more relevant comparison with the Company's peer group. This final measure reflects the sum of cash, the available credit facility, and the distributions expected during the current year, taken as a percentage of the forecast cash investment in HarbourVest funds over the current year plus the next two years. The latter is based on actual commitments made, plus those currently foreseen for the next three years. In considering forecast investments over a three-year period rather than the total Investment Pipeline, this calculation enables a more useful comparison of HVPE's coverage ratio relative to its peers. This ratio has increased from 72% at 31 January 2019 to 75% at 31 January 2020. This is due to a downward adjustment to the next three years' estimated investments.

Total Commitment Ratio

(Total exposure to private markets investments as a percentage of NAV)

Investment Portfolio + Investment Pipeline	$3,872.5m
Divided by the NAV	$2,202.7m
176% (173% at 31 January 2019)	

Commitment Coverage Ratio

(Short-term liquidity as a percentage of total Investment Pipeline)

Cash + available credit facility	$730.6m
Divided by the Investment Pipeline	$1,807.0m
40% (48% at 31 January 2019)	

Rolling Coverage Ratio

(A measure of medium-term commitment coverage)

Cash + available credit facility (total $730.6m) + current year estimated distributions ($403.7m)	$1,134.3m
Divided by the next three years' estimated investments	$1,512.9m
75% (72% at 31 January 2019)	

In the short to medium term, in light of COVID-19 developments, these ratios are likely to deviate from recent ranges. For example, revised model forecasts now indicate a significant reduction in distributions for the year to 31 January 2021 as compared to earlier forecasts and to prior year actuals. This has had an immediate impact on the Rolling Coverage Ratio, and in the medium term is also likely to reduce the Commitment Coverage Ratio due to the resulting negative cash flow. The current ratios can be found under Recent Events on page 12.

Managing Costs

TOTAL EXPENSE RATIO ("TER")

HVPE's TER reflects the total cost incurred by the Company in assembling and maintaining its portfolio of HarbourVest funds and co-investments. The figure is broken down into four distinct categories of expense.

Firstly, there is the cost of running the Company in its own right, encompassing items such as maintenance of the Facility, Board fees and expenses, professional fees, marketing, financial reporting, dedicated team from the Investment Manager, and compliance costs. These costs, totalling 0.58% of average NAV in the 12 months to 31 January 2020, are categorised as recurring operating expenses as shown in the first line of the table opposite.

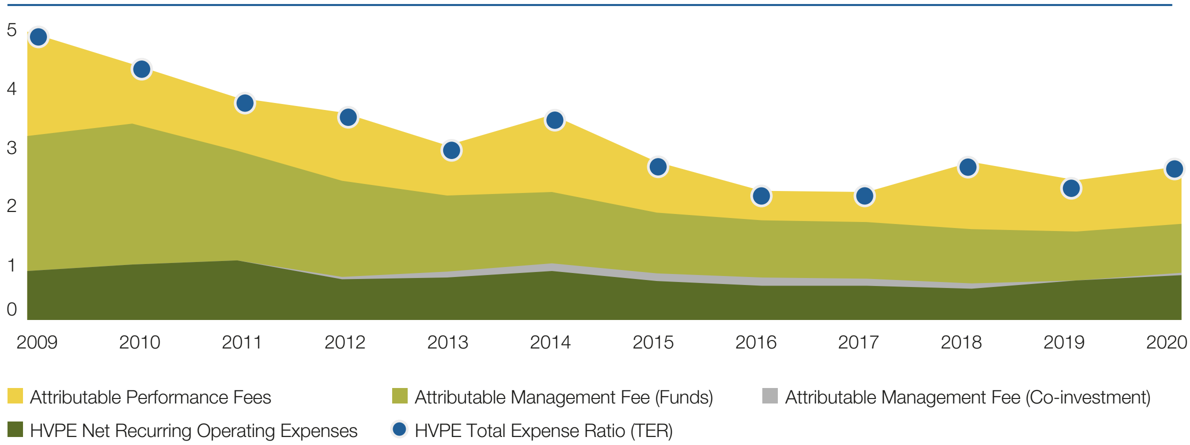
Secondly, HVPE pays management fees to HarbourVest with respect to the funds in which it invests, and also for the secondary co-investment in Conversus[1] made alongside the HarbourVest funds. The total of all management fees in the 12 months to 31 January 2020 was equivalent to 0.86% of average NAV.

Thirdly, operating costs relating to the HarbourVest funds amounted to a further 0.29% of average NAV in the 12-month period.

Finally, performance fees are charged on secondary investments and direct co-investments. In total, this accounted for 0.98% of average NAV in the 12 months to 31 January 2020. The performance fee figure varies from year to year and is driven by the performance achieved by the relevant HarbourVest funds.

Together, these four cost components add up to give a TER, net of interest income (0.10%), of 2.61% for the 12 months to 31 January 2020. This reflects the cost of providing a fully comprehensive private equity investment programme. It is important to note that, while the operating expenses and the management fees do not vary greatly from one year to the next, the performance fee figure will vary significantly depending on the returns delivered by the portfolio of eligible underlying HarbourVest funds. The TER for the 12 months to 31 January 2020 of 2.61% was 0.24% higher than the same period in the prior year (2.37%), owing to a combination of: marginally increased management fees as a result of recent larger commitments to new funds; lower interest earned on the reduced cash position; and an increased performance fee element.

HVPE Total Expense Ratio as a % of Average NAV



1 Referred to as: "HVPE Charlotte Co-Investment L.P." in the Audited Consolidated Schedule of Investments.

	12 months to 31 January 2020	Year to 31 January 2019
Operating expenses[2]	**0.58%**	0.62%
HarbourVest fund operating expenses[3]	**0.29%**	0.26%
Management fees[4]	**0.86%**	0.83%
Operating expense ratio	**1.73%**	1.71%
Interest income[5]	**(0.10)%**	(0.21)%
Net operating expense ratio	**1.63%**	1.50%
Performance fees[6]	**0.98%**	0.87%
Total net expense ratio[7]	**2.61%**	2.37%

2 Operating expenses includes total expenses shown on the face of the Audited Consolidated Statement of Operations, excluding management fees (from the secondary co-investments) which are included in the management fees in this table.
3 HVPE's share of fund-level operating expenses (professional fees and organisational costs) which are included in realised and unrealised gains (losses) on investments in the Audited Consolidated Statement of Operations.
4 This includes fund-level management fees payable to HarbourVest which are included in realised and unrealised gains (losses) on investments in the Audited Consolidated Statement of Operations, together with the management fees relating to secondary co-investments noted in 2 above.
5 This is shown as interest from cash and equivalents on the face of the Audited Consolidated Statement of Operations.
6 This includes fund-level performance fees payable to HarbourVest which are included in realised and unrealised gains (losses) on investments in the Audited Consolidated Statement of Operations.
7 TERs are calculated using the average NAV over the respective periods ($2,063.3) million in the 12 months ended 31 January 2020 and $1,819.9 million in the 12 months ended 31 January 2019).

Managing the Portfolio

Strategic Asset Allocation and Diversification

New commitments to HarbourVest funds are made with reference to HVPE's agreed Strategic Asset Allocation targets, reviewed annually by the Board.

STRATEGIC ASSET ALLOCATION TARGETS

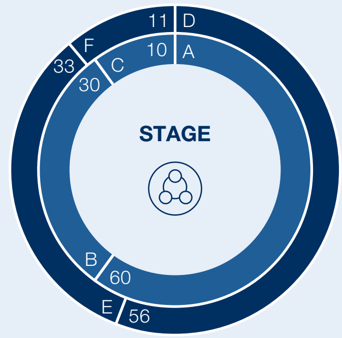
HVPE takes a long-term view in building and maintaining its private markets programme. The Board and the Investment Manager have agreed upon a set of rolling five-year portfolio construction targets ("Strategic Asset Allocation" or "SAA"), defined with reference to NAV by investment stage, geography, and strategy. These reflect the Investment Manager's and the Board's perspective on the best means of optimising long-term NAV growth. These targets are reviewed annually and were last revised in November 2019 as outlined on page 9.

ANNUAL COMMITMENT PLAN PROCESS

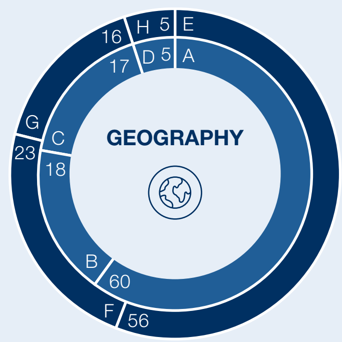
In November each year, the HVPE Board approves a plan for making new commitments to HarbourVest funds over the subsequent 12-month period. This plan is prepared by the Investment Manager. The total commitment amount for the year is informed by the Investment Manager's base case forecast for cash flows and investment returns, while the breakdown by fund is decided with reference to the agreed SAA targets mentioned above. Once approved by the Board, the commitment plan is executed in such a way as to maximise the benefit of any early-closing fee discounts available on the selected HarbourVest funds, whilst also metering the pace of commitments in line with a set of agreed balance sheet ratios. The next commitment plan review is scheduled to take place in November 2020.

HVPE has built a well-diversified, global portfolio of private equity assets at various stages of maturity. The portfolio is carefully selected with the aim of optimising value growth over the long term. As at 31 January 2020, the top 100 companies represented 37.4% of the Investment Portfolio by value ($772.2 million) and the top 1,000 represented 88.1% ($1,820.1 million). Diversification is essential to achieving consistently strong returns from the asset class, as the various sub-categories within private markets tend to perform at their best at different stages in the economic cycle. Furthermore, a well-diversified portfolio ensures that the downside risk arising from any single investment is very limited, whilst still offering the potential for notable gains resulting from the very best-performing deals. Careful investment selection, therefore, remains critical.

HVPE PORTFOLIO CONSTRUCTION TARGETS VS ACTUAL DIVERSIFICATION



Target %	Actual %
A Buyout	D Buyout
B Venture and Growth Equity	E Venture and Growth Equity
C Mezzanine Real Assets	F Mezzanine Real Assets



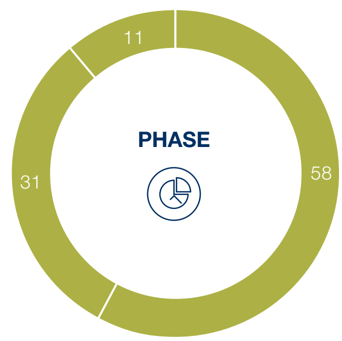
Target %	Actual %
A US	E US
B Europe	F Europe
C Asia Pacific	G Asia Pacific
D Rest of World	H Rest of World

Target %	Actual %
A Primary	D Primary
B Secondary	E Secondary
C Direct	F Direct

AT 31 JANUARY 2020
(BY UNDERLYING PARTNERSHIP LEVEL AS A PERCENTAGE OF NAV)

Stage

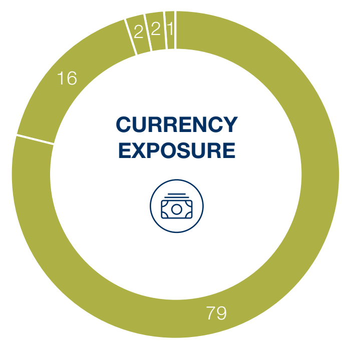
Since 31 January 2019, the breakdown by stage has shifted slightly. There has been a reduction in Buyout exposure from 58% to 56%, as distributions outweighed investments during the 12 months to 31 January 2020. Venture and Growth Equity increased by 1%, from 32% to 33%. Other, which predominantly comprises real assets and mezzanine investments, also increased by 1%, from 10% to 11% following the HVPE-seeded real assets vehicle's first deal in February 2019.



Investment	58%
Growth	31%
Mature	11%

Geography

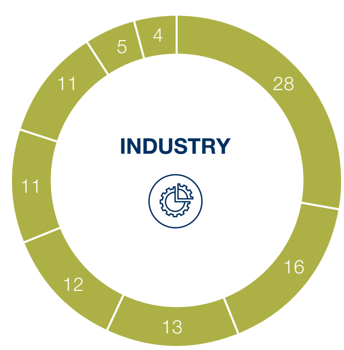
The composition of the portfolio by geography remains broadly unchanged from 31 January 2019. Following a sustained period of strong distributions, HVPE remains slightly underweight the US at 56% (57% at 31 January 2019), but is close to the new target level of 60%. Similarly, HVPE's allocation to Asia Pacific at 31 January 2020 is also one percentage point below the new, higher target but has increased its share by one percentage point over the year as a result of net investment into this region.



US dollar	79%
Euro	16%
Sterling	2%
Other	2%
Australian $	1%

Strategy

The portfolio construction in respect of strategy has also shifted slightly in light of the real assets secondary deal discussed under "Stage" above. This transaction has contributed to the Secondary strategy, as a proportion of the Investment Portfolio, increasing from 31% to 34%, pushing it further above the new target of 30%. The current exposure to the Primary strategy remains underweight at 46% following continued strong performance from Secondary and Direct Co-Investment. However, being core to HVPE's strategy, over the long term the Company is striving to move the Primary strategy closer to its target level of 50%, as evidenced by recent commitments predominantly focused on increasing Primary exposure.



Tech & Software	28%
Consumer	16%
Medical & Biotech	13%
Business Services & Other	12%
Industrial & Transport	11%
Financial	11%
Energy & Cleantech	5%
Media & Telecom	4%

Principal Risks and Uncertainties

RISK FACTORS AND INTERNAL CONTROLS

The Board is responsible for the Company's risk management and internal control systems and actively monitors the risks faced by the Company, taking steps to mitigate and minimise these where possible.

RISK APPETITE

The Board's investment risk appetite is consistent with an over-commitment policy (as explained in the Directors' Report on page 50) that allows balanced, regular investment through economic and investment cycles whilst ensuring that it has access to sufficient funding for any potential negative cash flow situations, including under an extreme downside scenario. At the same time, the funding available to the Company by way of cash balances and lending facilities is managed to ensure that its cost, by way of interest, and facility fees or cash drag, is reasonable. When considering other risks, the Board's risk appetite is effectively governed by a cost benefit analysis when assessing mitigation measures.

PRINCIPAL RISKS

As recommended by the Audit and Risk Committee, the Directors have adopted a risk management framework to govern how the Board identifies existing and emerging risks, determines risk appetite, identifies mitigation and controls, assesses, monitors and measures risk, and reports on risks.

The Board reviews risks at least twice a year and receives deep-dive reports on specific risks as recommended by the Audit and Risk Committee (see the report of the activities of that committee on page 59). Throughout the year under review the Board considered 12 main risks which have a higher probability and a significant potential impact on performance, strategy, reputation, or operations (Category A risks). Of these, the five risks identified below were considered the principal risks faced by the Company where the combination of probability and impact was assessed as being most significant. The Board also considered another 19 existing or emerging risks (Category B risks), which are monitored on a watch list, and added a twentieth, relating to ESG risk, during the year.

After the year end, as the COVID-19 pandemic progressed, the Board and the Audit and Risk Committee considered the impact that the situation would have on the Company's business and its service providers, as explained in more detail on page 61. As a result, the Board has elevated risks relating to the Company's loan facility, Key Persons and Valuation from Category B to Category A, and downgraded risks relating to Fund Expenses and MIFID II from Category A to Category B. Due to the material impact that the pandemic will have on society and the economy, and in turn, the Company, the principal risks below are considered through the lens of COVID-19.

RISK	DESCRIPTION	MITIGATION WITH CURRENT COVID-19 COMMENT
Balance Sheet Risks	The Company's balance sheet strategy and its policy for the utilisation of leverage are described on page 27. The Company continues to maintain an overcommitment strategy and may draw on its credit facility to bridge periods of negative cash flow when capital calls on investments are greater than distributions. The level of potential borrowing available under the credit facility could be negatively affected by declining NAVs. In a period of declining NAVs, reduced realisations, and rapid substantial cash calls, the Company's net leverage ratio could increase beyond an appropriate level, resulting in a need to sell assets. A reduction in the availability or utilisation of bridging debt at the HarbourVest fund-level could result in an increase in capital calls to a level in excess of the modelling scenarios outlined on page 28.	The extension of the Company's credit facility by size and tenure last year has helped mitigate this risk. The Board has put a monitoring programme in place, determined with reference to portfolio models, in order to mitigate against the requirement to sell assets at a discount during periods of NAV decline. The monitoring programme also considers the level of debt at the HarbourVest fund level which is factored into the credit facility loan-to-value ratios mentioned on page 89. Both the Board and the Investment Manager will continue to monitor these metrics actively as the COVID-19 pandemic progresses and will take appropriate action as required, such as pausing further commitments, to attempt to mitigate these risks. Please also see the Going Concern and Viability Statement on page 65 for information on scenarios that have been considered by the Board.

RISK	DESCRIPTION	MITIGATION WITH CURRENT COVID-19 COMMENT
Popularity of Listed Private Equity Sector	Investor sentiment may change towards the Listed Private Equity sector, resulting in a widening of the Company's share price discount relative to NAV per share.	Following the onset of the COVID-19 pandemic, there have been significant falls in public markets since the year end. As a consequence, and in common with the majority of its peers, HVPE's discount to NAV has widened. This is partly due to negative sentiment regarding equities in general but also because the exact level and timing of the impact that COVID-19 will have on either the global economy as a whole or private companies in particular is not yet known.
Public Market Risks	The Company makes venture capital and buyout investments in companies where operating performance is affected by the broader economic environment within the countries in which those companies carry out business. While these companies are generally privately owned, their valuations are, in most cases, influenced by public market comparables. In addition, approximately 10% of the Company's portfolio is made up of publicly traded securities whose values increase or decrease in response to market movements. When global public markets decline or the economic situation deteriorates, the Company's NAV is usually negatively affected.	Normally the Company's exposure to individual public markets is partially mitigated by the geographical diversification of the portfolio. While COVID-19 is having an impact on the global economy, the severity appears to vary by geography and industry sector. HVPE's diversified portfolio may help to mitigate the effect on the Company's NAV per share. In previous downturns private market valuations have not been impacted as much as public markets and there has been a dampened effect on volatility. It will take time for confidence to return to public markets as the battle against COVID-19 continues.
Performance of HarbourVest	The Company is dependent on its Investment Manager and HarbourVest's investment professionals. With the exception of seven co-investments, all of the Company's assets, save for cash balances and short-term liquid investments, are invested in HarbourVest funds. Additionally, HarbourVest employees play key roles in the operation and control of the Company. The incapacity, departure, or reassignment of some or all of HarbourVest's professionals could prevent the Company from achieving its investment objectives.	As at the date of this report, the major HarbourVest offices are closed and staff are working from home. HarbourVest is confident that its business continuity processes are robust and that they can continue to provide services to the Company to the usual high standard. The Board is satisfied that contingency arrangements regarding the key team at HarbourVest responsible for HVPE are sufficient.
Trading Liquidity and Price	Recent public market movements have increased volatility in HVPE's share price, and it is currently trading at a price which represents a significant discount to its NAV. Any ongoing substantial discount to NAV, in isolation from the peer group, has the potential to damage the Company's reputation and to cause shareholder dissatisfaction. During such periods of short-term market stress, supply and demand can be impacted. If demand decreases or supply increases disproportionately, the bid/offer spread could widen, resulting in less attractive pricing for investors seeking to buy or sell shares in the short term. The five largest shareholders represent approximately 46% of the Company's shares in issue. This may contribute to a lack of liquidity and widening discount. Also, in the event that a substantial shareholder chooses to exit the share register, this may have an effect on the Company's share price and consequently the discount to NAV.	Since the Company's shares trade on the Main Market of the London Stock Exchange, this provides increased liquidity and accessibility to a wider variety range of potential shareholders. In addition, the Board continues to monitor the discount to NAV and will consider appropriate solutions to address any ongoing or substantial discount to NAV. The Board has overseen the allocation of additional investor relations resource in recent years and the Company has attracted new shareholders. The HVPE Board through the activities of the Investment Manager, HarbourVest Partners, seeks to drive improved liquidity over the medium to long term by promoting the Company's shares to a broad range of prospective investors.

About HarbourVest

HarbourVest is an independent, global private markets asset manager with over 35 years of experience and more than $71 billion in assets under management.[1]

35+ Years of market experience	**30+** HarbourVest fund managers	**$71bn+** Assets under management
145+ Investment professionals	**600+** Employees globally	**10** Global offices

OVERVIEW

HarbourVest focuses exclusively on private markets. The firm's powerful global platform offers clients investment opportunities through primary fund investments, secondary investments, and direct co-investments in commingled funds or separately managed accounts. The firm currently has approximately $71 billion[1] in assets under management across the US, Europe, Asia Pacific, and other emerging markets. HarbourVest has deep investment experience and dedicated, on-the-ground teams in key private markets around the world. It has over 600 employees, including more than 125 investment professionals, across its Beijing, Bogotá, Boston, Dublin, Hong Kong, London, Seoul, Tel Aviv, Tokyo, and Toronto offices. The Dublin office opened in March 2019.

LEADERSHIP

HarbourVest has shown leadership in private markets across the globe, forming one of the first fund-of-funds, purchasing some of the first secondary positions, backing developing companies, and pioneering new markets.

DEPTH OF EXPERIENCE

The 54 Managing Directors of HarbourVest have been with the firm for an average of 12 years.[1] HarbourVest believes the experience and continuity of investment personnel provides a valuable historical base of knowledge. Additionally, many of the most sought-after underlying fund managers are often oversubscribed when they raise new funds, making these funds difficult to access for many investors. The longevity and stability of the HarbourVest team has enabled the firm to cultivate relationships with many of the top-tier and exclusive fund managers, positioning HarbourVest as both a preferred prospective investor and a favoured investment partner.

RESPONSIBLE INVESTING AND ESG

As a signatory to the Principles for Responsible Investment ("PRI"), HarbourVest considers environmental, social, and governance ("ESG") factors in its investment evaluation and selection process. This added screen demonstrates its commitment to continually improve the investment process for the benefit of clients.

HarbourVest is committed to delivering compelling financial results, adhering to its ESG values, and being a responsible caretaker of the capital it is entrusted to manage. As a PRI signatory, HarbourVest integrates ESG considerations into all stages of its investment activity, including its primary fund, secondary investment, and direct co-investment due diligence processes. ESG-related risks are identified and taken into consideration as an integral part of its due diligence process, so that company-specific, broader manager-level, sector-level, and regional risks can be considered when reviewing investment opportunities. Further information on HarbourVest's ESG programme is on page 9 of the Investment Manager's Report.

1 Figures as at 31 March 2020.

The HarbourVest Platform

PRIMARIES, SECONDARIES, AND DIRECT CO-INVESTMENTS

HVPE invests in private companies and portfolios of private companies through funds managed by HarbourVest. The HarbourVest platform encompasses the three complementary strategies described below, which underpin HVPE's portfolio.

PRIMARY INVESTMENTS

Commitments to newly-formed funds being raised by experienced managers

- Access to leading private equity funds
- Comprehensive foundation of a private equity programme
- Potential driver of long-term performance

ESG consideration: When conducting diligence on new primary funds, HarbourVest's global investment teams use a proprietary manager scorecard to assess GPs on more than 20 factors across the ESG spectrum – weighing efforts at the partnership management level (policy, governance, resources, culture), investments made (due diligence, ownership stage, and exit), and with regards to reporting (frequency, relevance/quality).

SECONDARY INVESTMENTS

Purchases of private equity assets in existing funds or portfolios of direct investments

- Attractive pricing opportunities
- Diversification across prior vintage years
- Potential for J-curve mitigation (positive returns may be achieved more rapidly)

ESG consideration: For secondary investments, HarbourVest's teams conduct ongoing assessments on the underlying managers in each deal to gauge their overall ESG commitment. The type of diligence they perform depends on whether the opportunity is a traditional deal – involving the purchase of one or more limited partnership interests from a single seller – or a complex investment, which often requires more resources and negotiation.

DIRECT CO-INVESTMENTS

Investments directly into operating companies alongside other general partners

- Direct exposure to private equity-backed companies
- Lower cost than obtaining the equivalent interest in a private company through a traditional direct manager via a primary fund

ESG consideration: HarbourVest's direct co-investment team assesses and monitors ESG risks and considerations for lead sponsor GPs and underlying companies, both at the time of investment and throughout its life. In doing so, it works closely with lead sponsors to fully understand their ESG policies and how they communicate and prioritise issues with their key stakeholders.

HVPE Investment Committee

HarbourVest has established the HVPE Investment Committee (the "HVPE IC" or the "Committee") as a dedicated body to provide investment recommendations to the HVPE board.

The HVPE IC meets regularly and is the key decision-making entity through which HarbourVest fulfils its obligations to HVPE under the Investment Management Agreement. The Committee is responsible for monitoring and reviewing the Company's Strategic Asset Allocation targets and for recommending any changes, thereby seeking to optimise the risk-adjusted performance of HVPE's portfolio. On an annual basis, the Committee proposes a commitment plan for consideration by the HVPE Board and, once approved, is responsible for executing against this plan. During the year, the Committee also reviews and recommends specific investment opportunities to the HVPE Board as they arise.

The HVPE IC comprises two Managing Directors of HarbourVest Partners: John Toomey and Greg Stento. John is a senior member of HarbourVest's investment team and is a member of the firm's Executive Management Committee. Greg is also a senior member of the investment team and chairs other investment committees across HarbourVest's global operation. Richard Hickman represents HVPE on the HVPE IC, providing recommendations for consideration by the Committee.

JOHN TOOMEY

Managing Director

John is one of two members of the Firm's Executive Management Committee, and a member of the Portfolio Construction Committee. John serves on the advisory boards of a number of private equity partnerships.

GREG STENTO

Managing Director

Greg joined HarbourVest in 1998 and serves as Head of Investments for the Firm. He is a member of the Strategy Investment Committees, the Portfolio Construction Committee, and also serves on the advisory boards of several private equity partnerships.

Our Value Creation Cycle

Investing in private markets requires a considered, long-term approach. HVPE provides a complete private equity solution for public investors by managing the portfolio through four phases of the private equity cycle: Commitment, Investment, Growth, and Maturity.

COMMITMENT PHASE

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

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

Read more on page 40

The phases

INVESTMENT PHASE

The HarbourVest funds invest HVPE's commitments over a period of approximately four years.

Read more page 41

GROWTH PHASE

During years five to nine, most HarbourVest funds are fully invested, and managers are actively driving growth. The majority of value accretion typically takes place during this phase.

Read more page 41

MATURE PHASE

Within approximately seven to ten years, managers are typically realising investments.

Read more page 40

COMMITMENT PHASE

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

During the 12 months ended 31 January 2020, HVPE committed $570 million to newly-formed HarbourVest funds. These commitments are complementary to HVPE's existing portfolio of HarbourVest funds and highlight the Company's consistent and ongoing access to compelling investment opportunities. As detailed in the Investment Manager's Report starting on page 6, during the 12 months, the largest new commitment was $120 million to a new US-focused buyout fund-of-funds.

The HarbourVest funds in HVPE's portfolio, in turn, commit capital to managers over a period of typically four years and call down capital from HVPE over a period of seven to nine years. This extended duration of capital calls requires that HVPE maintains an Investment Pipeline of unfunded commitments as it strives to ensure that the Company's assets are fully invested. The Company is able to maintain a higher level of unfunded commitments than some other listed companies based on the timing, duration, and predictability of its cash flows.

INVESTMENT PHASE

The HarbourVest funds invest HVPE's commitments over a period of approximately four years.

HVPE can be thought of as a ready-made private markets programme for public market investors. To this end, the Company aims to ensure a steady pace of investment into new opportunities to balance distributions received. Cash is reinvested as the HarbourVest funds in HVPE's portfolio call down capital. The diverse nature of HVPE's commitments, combined with variations in activity levels in different parts of the private equity market, mean that the profile of these new investments can change from one period to the next. The one constant is that HVPE is always investing, helping to mitigate risk by spreading investments across multiple vintage years.

GROWTH PHASE

During years five to nine, most HarbourVest funds are fully invested, and managers are actively driving growth. The majority of value accretion typically takes place during this phase.

The foundation of long-term value creation in a private equity portfolio is the growth phase. This is the period in the life of a private equity fund when the majority of the investments have already been made, and the focus shifts to managing the portfolio companies. Company management teams are incentivised so that their interests are aligned with those of their private equity backers, and a coordinated effort is made to grow and develop the companies with a view to a profitable exit. In contrast to the public markets, here the focus is on executing a multi-year value creation plan rather than paying undue attention to quarterly results.

MATURE PHASE

Within approximately seven to ten years, managers are typically realising investments.

Every private equity investment is made with a clear exit strategy in place from the very beginning. Once the investment plan has been implemented during the growth phase, managers turn their attention to maximising the value of their investment ahead of a sale. This could take the form of an IPO on a public exchange, or an M&A transaction involving a trade buyer or secondary private equity investor. While IPOs tend to make the headlines, the majority of exits are achieved via trade sales. Private equity managers have a key advantage over their public market peers in that they are better able to time a sale to maximise value. During significant market corrections, as exemplified by the GFC, managers can simply delay exits and await more favourable conditions in which to realise their investments. The benefits of this are clear to see: for the last eight years running, HVPE has benefitted from a long-run average uplift on realisation of approximately 40% or higher over carrying value prior to the announcement of the transaction.[1] While HVPE has seen favourable realisations from the portfolio over the past several years, it is unclear at this point what impact COVID-19 will have on transactions realised during the upcoming year.

1 Average of annual figures reported from 31 July 2012, when this analysis began; historical annual figures range from 30% to 63%.

The Phases continued

The Commitment Phase

Investment Pipeline and Age of Allocated Pipeline

Note: All of the Company's commitments to HarbourVest direct co-investment and secondary funds are classified as "allocated" commitments because their drawdown profiles are closer to those of third-party funds.

ALLOCATED AND UNALLOCATED INVESTMENT PIPELINE

In order to reflect the differences in expected drawdown periods appropriately, the Company divides its Investment Pipeline of commitments into two categories:

- "Allocated" – Commitments which have been allocated by HarbourVest funds to underlying investments.
- "Unallocated" – Commitments which have yet to be allocated by HarbourVest funds to underlying investments, and therefore cannot be drawn down in the short term.

Commitments Made to HarbourVest Funds in the 12 Months to 31 January 2020

2019 Global Fund
(Global multi-strategy fund-of-funds) $100 million

Dover Street X
(Global secondary fund) $100 million

HarbourVest Credit Opportunities Fund II
(US-focused credit fund) $50 million

HarbourVest Fund XI Buyout
(US-focused buyout fund) $120 million

HarbourVest Fund XI Micro Buyout
(US-focused micro buyout fund) $25 million

HarbourVest Fund XI Venture
(US-focused venture fund) $75 million

HarbourVest Real Assets IV
(Real assets fund) $50 million

HarbourVest Co-investment V
(Global direct co-investment fund) $50 million

Total: $570m

(12 months to 31 January 2019: $730m)

The Mature Phase

In the 12 months to 31 January 2020, HVPE received proceeds of $308.2 million from HarbourVest funds (see Audited Consolidated Statements of Cash Flows on page 78. The top ten company distributions are outlined in the corresponding table.

	2020 $m	2019 $m
Total distributions received from HarbourVest funds in the 12 months to 31 January	**$308.2**	$306.6

TOP TEN REALISATIONS (1 FEBRUARY 2019 TO 31 JANUARY 2020)

	Company	Description	HVPE Distributed Value ($m)[1]
1	Press Ganey Associates	Healthcare data provider	$29.4
2	Device Technologies Australia	Medical equipment distributor	$16.4
3	Intelex Technologies	Business management software solutions	$12.9
4	Five Star Food Service	Vending food and beverage provider	$12.7
5	Marle International SAS	Orthopedics manufacturing	$10.8
6	Appriss	Proprietary data and analytics solutions	$10.7
7	Avalara	Sales and tax management software	$9.6
8	Heritage Food Service Group	Food service parts distributor	$6.9
9	TeamViewer	Global remote connectivity platform	$6.3
10	SalesForce	Software as a Service that allows businesses to securely manage their critical sales information using the Internet	$5.9

1 HVPE realised value represents HVPE's share of primary investment, secondary investment, and direct co-investment realisations received during the financial year. Past performance is not necessarily indicative of future returns.

The Investment Phase

In the 12 months to 31 January 2020, HVPE invested $324.2 million into HarbourVest Funds (see Audited Consolidated Statements of Cash Flows on page 78. Looking through to the underlying portfolio, the majority of investments were into primaries at 61%, followed by secondaries at 30%, and 9% to direct co-investments. The most active managers were weighted towards buyout strategies, as highlighted in the table on the right.

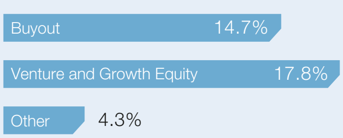
	2020 $m	2019 $m
Total invested into HarbourVest funds in the 12 months to 31 January	**$324.2**	$396.2

TOP TEN PRIMARY MANAGERS BY AMOUNT INVESTED ($M)

		Strategy	Geography	($m)
1	Thoma Bravo	Buyout	US	$5.7
2	ABRY Partners, LLC	Buyout	US	$5.1
3	Harvest Partners, Inc.	Buyout	US	$5.0
4	CVC Capital Partners Limited	Buyout	Europe	$4.9
5	Kleiner Perkins Caufield & Byers	Venture	US	$4.5
6	Index Ventures	Venture	Europe	$4.3
7	Pamlico Capital	Buyout	US	$4.1
8	Advent International Corporation	Buyout	Europe	$4.1
9	Spark Capital	Venture	US	$4.1
10	Andreessen Horowitz	Venture	US	$3.8

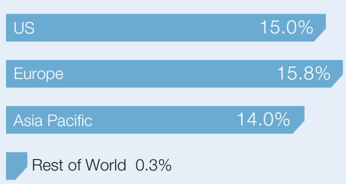
The Growth Phase

In the 12 months to 31 January 2020, the Investment Portfolio grew by $289.3 million. The major growth drivers in the portfolio are summarised in the Investment Manager's Report on page 7. Movements by stage, geography, and strategy are outlined below (% gain over the 12 months adjusted for new investments over the period) with corresponding commentary.



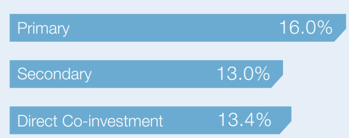
Growth by Stage

The Venture and Growth Equity stage (33% of Investment Portfolio NAV) delivered the largest percentage gain over the reporting period, with an increase of 17.8%, driven mostly by the early venture portion of the portfolio. This gain followed strong performance and realisations in the US and European venture and growth equity markets. Buyouts (56% of Investment Portfolio NAV) followed with a 14.7% gain whilst Other, which comprises predominantly real assets and mezzanine investments, grew 4.3% over the year.



Growth by Geography

Europe (23% of Investment Portfolio NAV) was the strongest geographical region, with a 15.8% gain over the 12 months to 31 January 2020, driven largely by European venture investments. US (56% of Investment Portfolio NAV) followed closely with a 15.0% return driven by US primary partnerships and buyout investments. Asia Pacific (16% of Investment Portfolio NAV) grew 14.0% over the period.



Growth by Strategy

The Primary strategy (46% of Investment Portfolio NAV) was the strongest performer over the 12 months to 31 January 2020, growing 16.0%. Growth was driven mainly by particularly strong venture performance in Europe and the US. This was followed by 13.4% growth from Direct Co-investments (20% of Investment Portfolio NAV), largely due to the high performance of buyout and venture investment in Europe.

Manager Spotlight

A NOTE ON ESG

To better understand how GPs approach ESG, the Investment Manager completed assessments on 178 managers in 2019 using its proprietary scorecard, and continues to share this data with lower-scoring managers to help drive improvement. The Investment Manager also invested in another set of eyes with the addition of RepRisk™, a due diligence database that is helping it actively monitor ESG and business conduct risks across the portfolio.

As part of the scorecard process, HarbourVest ranks the ESG programs of its GPs that come to market with new funds and seeks to provide guidance and assistance to underperformers who express a desire to either strengthen or establish their own ESG policies. As a result of these efforts, HarbourVest is pleased to report that it is seeing an increase in ESG adoption and awareness.

Top Ten Managers across all strategies at 31 January 2020 held within HVPE's underlying portfolio.

1 CORSAIR CAPITAL INFRASTRUCTURE PARTNERS

Investment across key infrastructure sub-sectors, with a focus on high-quality transportation and logistics assets. Founded in 2015, Corsair's current portfolio includes a Spanish toll road and privately-held airport developer. This is held within the HVPE-seeded real assets vehicle.

4.0%
% of Investment Portfolio at 31 January 2020

$83.2m
Investment value at 31 January 2020

2 IDG CAPITAL PARTNERS

Venture investment in companies located in China, with a focus on technology-enabled consumer, enterprise solutions, and artificial intelligence sectors. IDG has a strong and consistent investment track record, evidenced by its funding of Chinese technology firms *Baidu* and *Alibaba*.

3.2%
% of Investment Portfolio at 31 January 2020

$66.6m
Investment value at 31 January 2020

3 INSIGHT VENTURE MANAGEMENT

Growth equity investment primarily in companies located in the US, with a focus on software-related and internet sectors. Insight has a distinct sector focus, and consistent strong results; its portfolio companies include *SolarWinds* and *Ministry Brands*.

2.6%
% of Investment Portfolio at 31 January 2020

$54.0m
Investment value at 31 January 2020

4 THOMA BRAVO

Primarily buyout investment in mid-market companies in the US, with a focus on the software and technology sectors. Thoma Bravo has a demonstrated capability in unlocking value through various investment types with deep expertise from its focused sector approach.

2.0%
% of Investment Portfolio at 31 January 2020

$41.4m
Investment value at 31 January 2020

5 INDEX VENTURES

Venture and growth equity investment primarily in companies located in Europe and the US, with a focus on the disruptive technology and online marketplace sectors. Index has a strong investment track record; its portfolio companies include *Revolut* and *Slack*.

1.9%
% of Investment Portfolio at 31 January 2020

$38.9m
Investment value at 31 January 2020

6 COMPASS PARTNERS

Secondary buyout investment in mid-to-large transaction sizes, primarily in Europe, and within multiple sectors. Compass Partners is a specialist investor in complex or special situations; its portfolio companies include *Rodenstock* and *Infinitas Learning*.

1.6%
% of Investment Portfolio at 31 January 2020

$33.6m
Investment value at 31 January 2020

7 DCM

Venture investments in companies located in Asia and the US, with a focus on mobile, consumer technology, and software & service sectors. DCM has a global footprint; its portfolio companies include *Social Finance* and *Limebike*.

1.5%
% of Investment Portfolio at 31 January 2020

$31.0m
Investment value at 31 January 2020

8 BATTERY VENTURES

Venture and growth equity investment in technology-focused companies. Battery Ventures is a sector specialist and has demonstrated the ability to unlock value through multiple cycles; its portfolio companies include *Braze*.

1.3%
% of Investment Portfolio at 31 January 2020

$27.3m
Investment value at 31 January 2020

9 OAKTREE CAPITAL MANAGEMENT

Alternative investment with an expertise in credit strategies. Oaktree Capital has an established track record and is active across the capital structure through different structure and vehicle types.

1.3%
% of Investment Portfolio at 31 January 2020

$27.3m
Investment value at 31 January 2020

10 THE JORDAN COMPANY

Buyout investments in middle-market companies, primarily in the US and with a diverse sector-based approach. The Jordan Company has produced attractive returns for investors over multiple decades; its portfolio companies include *Invo Healthcare* and *Simpleview*.

1.2%
% of Investment Portfolio at 31 January 2020

$25.7m
Investment value at 31 January 2020

Top Ten Direct Companies

Top Ten disclosable[1] companies at 31 January 2020 held within HVPE's direct co-investment portfolio.

PRESTON HOLLOW CAPITAL
Stage: **Small buyout**
Location: **US**

Speciality Finance Platform

Speciality municipal finance merchant bank focused on niche underwriting and opportunistic investing. HarbourVest co-invested with Stone Point Capital, a finance-focused GP with deep experience in the credit underwriting arena. Since initial investment, *Preston Hollow Capital* has demonstrated strong performance. The Investment Manager likes the investment as the company has an impressive management team track record and operates within a large, fragmented municipal bond market which presents various business opportunities.

1.4%
% of Investment Portfolio at 31 January 2020

$28.1m
Investment value at 31 January 2020

H-LINE SHIPPING
Stage: **Large buyout**
Location: **Asia**

Marine Bulk Shipping

Shipping company specialising in dry bulk and liquefied natural gas delivery under long-term contracts. HarbourVest co-invested with Hahn & Co, a private equity investment firm focused on making corporate acquisitions in South Korea. *H-Line Shipping*, headquartered in South Korea, currently has a total fleet of 50 vessels. The Investment Manager likes the investment as the company's financial performance has demonstrated stable operating profitability levels, whilst the long-term shipping contracts generate cash flows which provide significant forward visibility.

0.7%
% of Investment Portfolio at 31 January 2020

$15.3m
Investment value at 31 January 2020

1 Some direct holdings cannot be disclosed due to confidentiality agreements in place.

TEAMVIEWER
Stage: **Medium buyout**
Location: **Germany**

Remote Access Software

Leading provider of secure remote control and access software to virtually connect with computers, mobile devices, and "Internet of Things" devices. HarbourVest invested in the company alongside Permira Advisers in July 2014. *TeamViewer's* software is used for remote IT support and administration, and remote access from home offices and mobile devices. Since the initial investment, the company has performed well and was listed on the Frankfurt Stock Exchange in a September 2019 IPO. *TeamViewer* has traded up since its IPO and is well positioned to benefit from the acceleration of work from home trends.

0.7%
% of Investment Portfolio at 31 January 2020

$14.8m
Investment value at 31 January 2020

SOLARWINDS
Stage: **Large buyout**
Location: **US**

IT Management Software

Provider of easy to implement, low-cost enterprise-class IT and infrastructure management software to IT professionals. *SolarWinds* currently has over 250,000 customers worldwide. HarbourVest co-invested with Thoma Bravo, a GP with deep experience of the infrastructure software industry. *SolarWinds'* software quickly identifies and addresses IT issues, ensuring maximum network uptime and performance. The Investment Manager likes the investment as it offers a service well positioned to benefit from technology-related mega trends within a growing market.

0.7%
% of Investment Portfolio at 31 January 2020

$14.6m
Investment value at 31 January 2020

LYTX
Stage: **Other**
Location: **US**

Vehicle Risk Management Products

Provider of video safety telematics software and services to commercial fleets. HarbourVest participated in a recapitalisation of the company, securing an allocation of senior preferred and junior preferred equity securities. The Investment Manager likes the investment as the company is a clear market leader in telematics with dominant market share, competitive advantages, and visibility on consistent subscriber growth.

0.6%
% of Investment Portfolio at 31 January 2020

$12.3m
Investment value at 31 January 2020

Top Ten Direct Companies continued

KNOWLTON DEVELOPMENT CORPORATION ("KDC")
Stage: **Small buyout**
Location: **US**

Personal Beauty Formulator and Manufacturer
Leading contract manufacturer of personal care and beauty products providing both custom formulation and packaging solutions and services. HarbourVest invested alongside Cornell Capital in December 2018 and was Cornell's sole co-underwriter. Since initial investment, *KDC* has performed strongly as personal beauty continues to benefit from various industry tailwinds. The Investment Manager likes the investment as *KDC* benefits from supportive consumer/retail trends, has an attractive financial profile, and has multiple upside levers to create value.

0.6%
% of Investment Portfolio at 31 January 2020

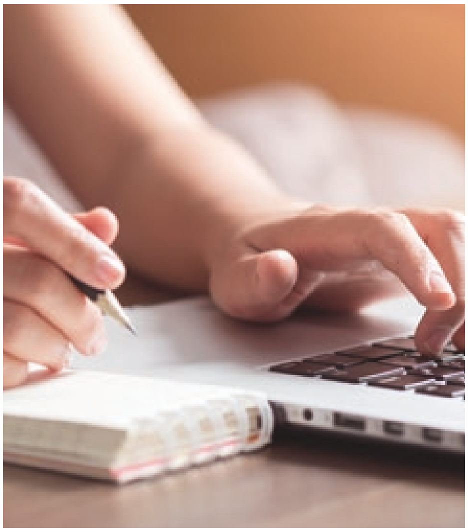
$11.6m
Investment value at 31 January 2020

SSANGYONG CEMENT INDUSTRIAL
Stage: **Medium buyout**
Location: **Asia**

Integrated Cement Manufacturer and Distributor
Largest integrated cement company by production capacity and sales volume in South Korea. *Ssangyong*, publicly listed on the Korean Stock Exchange, has both coastal and inland production facilities. The Investment Manager likes the investment as the company's scale and production capabilities give it a competitive advantage in the market, there is good visibility on near-term demand, and potential for further operational improvements.

0.5%
% of Investment Portfolio at 31 January 2020

$11.0m
Investment value at 31 January 2020



MINISTRY BRANDS
Stage: **Venture/growth equity**
Location: **US**

Software Provider for Faith-based Organisations
Provider of software to more than 55,000 faith-based and member-based organisations in the US. HarbourVest co-invested with Insight Venture Partners, an investor with a significant understanding of the software-related and Internet sectors. The Investment Manager likes *Ministry Brands* as the company has a market-leading position with scale that allows for further competitive advantages. It also has a unique acquisition platform and operates within a large and growing market.

0.5%	$10.7m
% of Investment Portfolio at 31 January 2020	Investment value at 31 January 2020

ALBANY MOLECULAR RESEARCH ("AMRI")
Stage: **Large buyout**
Location: **US**

Pharmaceutical Research and Manufacturing
Provider of outsourced contract development and manufacturing services for the pharmaceutical industry. HarbourVest is co-invested with GTCR, a GP with a strong track record of investing in pharmaceutical businesses. Since initial investment, *AMRI's* management team has acquired companies in the highly fragmented contract development and manufacturing organisation industry to continue to drive growth. The Investment Manager likes the investment as it is well positioned to benefit from several industry mega trends such as an ageing population, growing healthcare expenditures, and increased outsourcing.

0.5%	$10.6m
% of Investment Portfolio at 31 January 2020	Investment value at 31 January 2020

APPRISS
Stage: **Venture/growth equity**
Location: **US**

Data and Analytics Solutions Provider
Provider of data and analytics solutions to commercial and government clients to address public safety, regulatory, and compliance needs. HarbourVest co-invested with Insight Venture Partners, an investor with a significant understanding of the software-related and Internet sectors. The Investment Manager likes the investment as the company has a market-leading position and a strong management team, and the company is well positioned to benefit from the expanding market of reliance on big data and a need for analytics.

0.5%	$10.1m
% of Investment Portfolio at 31 January 2020	Investment value at 31 January 2020

Board of Directors

SIR MICHAEL BUNBURY
Chairman, Independent Non-Executive Director, appointed October 2007

Key relevant skills:
- 25 years' experience of chairing various listed and unlisted companies
- Extensive governance experience on public and private company boards
- Worked in financial services since 1968

Sir Michael Bunbury is an experienced director of listed and private investment, property, and financial services companies. He is currently the Chairman of BH Global Limited, a former Director of F&C Investment Trust plc (which has been an investor in numerous HarbourVest funds, including funds in which the Company is invested), and of other investment trusts. Sir Michael began his career in 1968 at Buckmaster & Moore, a member of The London Stock Exchange, before joining Smith & Williamson, Investment Managers and Chartered Accountants, in 1974 as a Partner. He later served as Director and Chairman and retired as a consultant to the firm in May 2017.

Committees: Chairman of the Nomination Committee and member of the Inside Information and Management Engagement and Service Provider Committees.

Sir Michael Bunbury plans to step down as Chairman and retire from the Board at the 2020 AGM, with Ed Warner his intended successor.

FRANCESCA BARNES
Independent Non-Executive Director, appointed April 2017

Key relevant skills:
- Extensive private equity investment experience
- Eight years' governance experience on public and private company boards
- Risk management experience

Francesca Barnes is a Non-Executive Director of NatWest Holdings Limited, Coutts & Company and a number of NatWest Group's other ring-fenced bank boards, as well as Capvis private equity. She is a member of the University of Southampton council and recently stood down as Chair of Trustees for Penny Brohn UK. Previously, Francesca spent 16 years at UBS AG. For the latter seven of these she served as Global Head of Private Equity, following on from senior positions in restructuring and loan portfolio management. Prior to this, she spent 11 years with Chase Manhattan UK and US, in roles spanning commodity finance, financial institutions, and private equity.

Committees: Member of the Audit and Risk, Nomination, and Management Engagement and Service Provider Committees.

CAROLINA ESPINAL
Non-Executive Director, appointed 25 July 2019

Key relevant skills:
- 16 years' private equity investment experience
- Responsibility for strategy and business development of European and global primary businesses
- Lead Director for ESG factors

Carolina Espinal joined HarbourVest in 2004 to focus on partnership investments in Europe and other emerging markets and became a Managing Director in 2015. Carolina focuses on managing European venture capital and buyout partnership investments and has collaborated with the secondary and co-investment groups on several investment opportunities. She currently serves on the advisory boards of funds managed by Abénex Capital, ECI, Inflexion, and Advent International.

Her previous experience includes two years as a financial analyst with the Merrill Lynch Energy and Power mergers and acquisitions team in Houston.

Carolina graduated from Rice University with a BA in Managerial Studies, Policy Studies, and Economics in 2000. She received an MSc in Finance from the London Business School in 2003.

ALAN HODSON
Senior Independent Non-Executive Director, appointed April 2013

Key relevant skills:
- Knowledge of listed equity markets
- Experience on several investment company boards
- Strong background in governance and risk management

Alan Hodson is Chairman of J.P. Morgan Elect and Charity Bank. Alan joined Rowe and Pitman (subsequently SG Warburg, SBC, and UBS) in 1984 and worked in a range of roles, all related to listed equity markets. He became Global Head of Equities in April 2001 and was a member of the Executive Committee of UBS Investment Bank and of the UBS AG Group Managing Board. He retired from UBS in June 2005 and has since held positions on a variety of commercial and charity boards.

Committees: Member of the Audit and Risk, Nomination, and Management Engagement and Service Provider Committees.

ANDREW MOORE
Independent Non-Executive Director, appointed October 2007

Key relevant skills:

/ Extensive experience as an (executive and non-executive director) of regulated entities
/ Risk management experience
/ Former head of a fund administration business

Andrew Moore is Group Chairman of Cherry Godfrey Holdings Limited, Group Chairman of Sumo Limited and a Director of Sumo Acquisitions Limited and Sumo Holdings Limited. Andrew joined Williams & Glyns Bank, which subsequently became The Royal Bank of Scotland, after obtaining a diploma in business studies. He moved to Guernsey to establish and act as Managing Director of a trust company for The Royal Bank of Scotland in 1985. During his career, Andrew held a range of senior management positions, including acting as head of corporate trust and fund administration businesses for The Royal Bank of Scotland in Guernsey, Jersey, and the Isle of Man, which provided services to many offshore investment structures holding a wide variety of asset classes. Andrew has over 30 years of experience as both an Executive and Non-Executive Director of companies including investment funds and banks.

Committees: Member of the Audit and Risk, Nomination, and Management Engagement and Service Provider Committees.

EDMOND ("ED") WARNER
Independent Non-Executive Director and Chairman-designate, appointed 1 August 2019

Key relevant skills:

/ Leadership skills
/ Investment strategist
/ Extensive financial services experience

Ed Warner has extensive financial services experience from years spent in senior positions at several investment banks and financial institutions, including IFX Group, Old Mutual plc, NatWest Markets and Dresdner Kleinwort Benson.

He also has considerable PLC experience and has chaired the boards at a range of prominent organisations. Ed joined the board of Grant Thornton UK LLP as an independent non-executive in 2010 and became Chairman in 2016. He was appointed chairman of Air Partner PLC in April 2019. Prior chairman roles include Standard Life Private Equity Trust from 2013 to 2018, and Panmure Gordon & Co from 2010 to 2016.

Outside of the financial sector, Ed has led a number of sporting organisations and is currently chair of the Palace for Life Foundation and chair-designate of GB Wheelchair Rugby.

Committees: Member of the Nomination Committee and Chair of the Management Engagement and Service Provider Committee.

Ed Warner was appointed to the HVPE Board with a view to him becoming Chairman when Sir Michael Bunbury steps down at the 2020 AGM.

STEVEN WILDERSPIN
Independent Non-Executive Director, appointed May 2018

Key relevant skills:

/ Chartered accountant, qualified in audit
/ Extensive governance experience on public and private company boards

Steven Wilderspin has more than ten years' experience as a Non-Executive Director on the boards of private equity partnerships and listed investment companies. Steven, a qualified Chartered Accountant, has been the principal of Wilderspin Independent Governance, which provides independent directorship services, since April 2007. He has served on a number of private equity, property and hedge fund boards as well as commercial companies. Steven currently serves as the Chairman of the risk committee of LSE-listed Blackstone/GSO Loan Financing Limited. In December 2017 Steven stepped down from the Board of 3i Infrastructure plc, where he was Chairman of the audit and risk committee, after ten years' service. From 2001 until 2007, Steven was a Director of fund administrator Maples Finance Jersey Limited, where he was responsible for fund and securitisation structures. Before that, from 1997, he was Head of Accounting at Perpetual Fund Management (Jersey) Limited. Steven has recent and relevant financial and sector experience.

Committees: Chairman of the Audit and Risk Committee, member of the Inside Information, Nomination and Management Engagement and Service Provider Committees.

PETER WILSON
Non-Executive Director, appointed May 2013

Key relevant skills:

/ Member of HarbourVest's two-person Executive Management Committee ("EMC"), including responsibility for HarbourVest's corporate strategy
/ 23 years' private equity industry knowledge and experience

Peter Wilson joined HarbourVest's London team in 1996 and is one of two members of the firm's EMC. He co-leads secondary investment activity in Europe and is a member of the HarbourVest Europe Investment Committee. He serves on the advisory committees for partnerships managed by Baring Vostok Capital Partners, CVC Capital Partners, Holtzbrinck Ventures and Index Venture Management. He also served as founding Chair of the Board of Trustees of City Year UK Limited.

Prior to joining the firm, he spent three years working for the European Bank for Reconstruction and Development, where he originated and managed two regional venture capital funds in Russia. Peter also spent two years at the Monitor Company, a strategy consulting firm based in Cambridge, Massachusetts.

He received a BA (with honours) from McGill University in 1985 and an MBA from Harvard Business School in 1990.

Directors' Report

ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Directors present their report and the Audited Consolidated Financial Statements ("Financial Statements" or "Accounts") for the year ended 31 January 2020.

A description of important events and principal activities which have occurred during the financial year and their impact on the performance of the Company, as shown in the Financial Statements, is provided in the Strategic Report, beginning with the Chairman's Statement on page 2. A description of the emerging and principal risks and uncertainties facing the Company, together with an indication of important events that have occurred since the end of the financial year and the Company's likely future development is also provided in the Strategic Report and the notes to the Financial Statements, and are incorporated here by reference. Combined, all sections in this document constitute the "Annual Report".

CORPORATE SUMMARY

The Company is a closed-ended investment company incorporated in Guernsey on 18 October 2007 with an unlimited life. The Company currently has one class of shares (the "Ordinary Shares") and these shares are admitted to trading on the Main Market of the London Stock Exchange.

With effect from 10 December 2018, the Company introduced an additional US dollar market quote which operates alongside the Company's existing sterling quotation, allowing shares to be traded in either currency.

INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Company's investment objective is to generate superior shareholder returns through long-term capital appreciation by investing primarily in a diversified portfolio of private equity investments. The Company may also make investments in private market assets other than private equity where it identifies attractive opportunities.

The Company seeks to achieve its investment objective primarily by investing in investment funds managed by HarbourVest, which invests in or alongside third-party managed investment funds ("HarbourVest Funds"). HarbourVest Funds are broadly of three types: (i) "Primary HarbourVest Funds", which make limited partner commitments to underlying private market funds prior to final closing; (ii) "Secondary HarbourVest Funds", which make purchases of private market assets by acquiring positions in existing private market funds or by acquiring portfolios of investments made by such private market funds; and (iii) "Direct HarbourVest Funds", which invest into operating companies, projects, or assets alongside other investors.

In addition, the Company may, on an opportunistic basis, make investments (generally at the same time and on substantially the same terms) alongside HarbourVest Funds ("Co-investments") and in closed-ended listed private equity funds not managed by HarbourVest ("Third-party Funds"). Co-investments made by the Company may, inter alia, include investments in transactions structured by other HarbourVest vehicles including, but not limited to, commitments to private market funds or operating companies in which other HarbourVest funds have invested.

Capital resources not held in longer-term investments are held in cash, cash equivalents, and money market instruments pending investment.

The Company uses an over-commitment strategy in order to remain as fully invested as possible. To achieve this objective, the Company has undrawn capital commitments to HarbourVest Funds and Co-investments which exceed its liquid funding resources, but uses its best endeavours to maintain capital resources which, together with anticipated cash flows, will be sufficient to enable the Company to satisfy such commitments as they are called.

DIVERSIFICATION AND INVESTMENT GUIDELINES

The Company will, by investing in a range of HarbourVest Funds, Co-investments, and Third-party Funds, seek to achieve portfolio diversification in terms of:

/ geography: providing exposure to assets in the United States, Europe, Asia, and other markets;
/ stage of investment: providing exposure to investments at different stages of development such as early stage, balanced ,and late stage venture capital, small and middle-market businesses or projects, large capitalisation investments, mezzanine investments, and special situations such as restructuring of funds or distressed debt;
/ strategy: providing exposure to primary, secondary, and direct investment strategies;
/ vintage year: providing exposure to investments made across many years; and
/ industry: with investments exposed, directly or indirectly, to a large number of different companies across a broad array of industries.

In addition, the Company will observe the following investment restrictions:

- with the exception, at any time, of not more than one HarbourVest Fund or Co-investment to which up to 40%of the Company's Gross Assets may be committed or in which up to 40% of the Company's Gross Assets may be invested, no more than 20% of the Company's Gross Assets will be invested in or committed at any time to a single HarbourVest Fund or Co-investment;
- no more than 10% of the Company's Gross Assets will be invested (in aggregate) in Third-party Funds;
- the Investment Manager will use its reasonable endeavours to ensure that no more than 20% of the Company's Gross Assets, at the time of making the commitment, will be committed to or invested in, directly or indirectly, whether by way of a Co-investment or through a HarbourVest Fund, to (a) any single ultimate underlying investment, or (b) one or more collective investment undertakings which may each invest more than 20% of the Company's Gross Assets in other collective investment undertakings (ignoring, for these purposes, appreciations and depreciations in the value of assets, fluctuations in exchange rates, and other circumstances affecting every holder of the relevant asset);
- any commitment to a single Co-investment which exceeds 5% of the Company's NAV (calculated at the time of making such commitment) shall require prior Board approval, provided however that no commitment shall be made to any single Co-investment which, at the time of making such commitment, represents more than 10% (or, in the case of a Co-investment that is an investment into an entity which is not itself a collective investment undertaking (a "Direct Investment"), 5%) of the aggregate of: (a) the Company's NAV at the time of the commitment; and (b) undrawn amounts available to the Company under any credit facilities; and
- the Company will not, without the prior approval of the Board, acquire any interest in any HarbourVest Fund from a third party in a secondary transaction for a purchase price that:
  (i) exceeds 5% of the Company's NAV; or
  (ii) is greater than 105% of the most recently reported net asset value of such interest (adjusted for contributions made to and distributions made by such HarbourVest Fund since such date).

Save for cash awaiting investment which may be invested in temporary investments, the Company will invest only in HarbourVest Funds (either by subscribing for an interest during the initial offering period of the relevant fund or by acquiring such an interest in a secondary transaction), in Co-investments or in Third-party Funds.

COMPANY'S RIGHT TO INVEST IN HARBOURVEST FUNDS

Pursuant to contractual arrangements with HarbourVest, the Company has the right to invest in each new HarbourVest Fund, subject to the following conditions:

- unless the Board agrees otherwise, no capital commitment to any HarbourVest Fund may, at the time of making the commitment, represent more than 35% or less than 5% of the aggregate total capital commitments to such HarbourVest Fund from all its investors; and
- unless HarbourVest agrees otherwise, the Company shall not have a right to make an investment in, or a commitment to, any HarbourVest Fund to which ten or fewer investors (investors who are associates being treated as one investor for these purposes) make commitments.

LEVERAGE

The Company does not intend to have on its balance sheet aggregate leverage outstanding at Company level for investment purposes at any time in excess of 20% of the Company's NAV. As described in Recent Events on page 12 HVPE drew down $200.0 million from its Facility with the proceeds received in May. The Company may, however, use additional borrowings for cash management purposes, or in the event of a material downturn. These borrowings could be for extended periods of time depending on market conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks the Board has reviewed are disclosed on pages 34 to 35 of the Strategic Report.

RESULTS AND DIVIDEND

The results for the financial year ended 31 January 2020 are set out in the Consolidated Statements of Operations within the Financial Statements that begin on page 76.
In accordance with the investment objective of the Company to generate superior shareholder returns through long-term capital appreciation, the Directors did not declare any dividends during the year under review and the Directors do not recommend the payment of dividends as at the date of this report.

Directors' Report continued

DIRECTORS

The Directors as shown on pages 48 to 49 all held office throughout the entire reporting period, except for Ms Espinal who was appointed in July 2019, and Mr Warner who was appointed in August 2019. All Directors listed were in place at the date of signature of this Annual Report. Mr Corbin and Mr Zug retired in July 2019. Ms Espinal and Mr Wilson are Managing Directors of HarbourVest Partners (UK) Limited, a subsidiary of HarbourVest Partners, LLC. All Directors, other than Ms Espinal and Mr Wilson, are considered to be independent. Mr Hodson is the Senior Independent Director. Further details of the Board composition and rationale for the independence of those having served for more than nine years (Sir Michael Bunbury and Mr Moore) can be found on page 58.

Save as disclosed in this Annual Report, 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.

DIRECTORS' INTERESTS IN SHARES

	31 January 2020	31 January 2019
Sir Michael Bunbury	**25,000**	25,000
Francesca Barnes	**2,000**	2,000
Carolina Espinal	**696**[1]	–
Alan Hodson	**30,000**	30,000
Andrew Moore	**14,400**	14,400
Ed Warner	**3,000**	–
Steven Wilderspin	**1,300**	1,300
Peter Wilson	**25,000**	25,000

1 Shares are split equally between Carolina's three children.

There have been the following changes in Directors' interests between 31 January 2020 and the date of signing of this report.

CHANGES TO DIRECTORS' INTERESTS IN SHARES

	23 June 2020	31 January 2020
Francesca Barnes	**4,200**	2,000
Carolina Espinal	**1,696**	696
Ed Warner	**8,000**	3,000

SHAREHOLDER INFORMATION

The Company announces an estimated NAV per Ordinary Share on a monthly basis together with commentary on the investment performance provided by the Investment Manager. These monthly statements are available on the Company's website.

The last traded price of Ordinary Shares is available on Reuters, Bloomberg, and the London Stock Exchange.

A copy of the original prospectus of the Company is available on the Company's website.

All Ordinary Shares may be dealt directly through a stockbroker or professional adviser acting on an investor's behalf. The buying and selling of Ordinary Shares may be settled through CREST.

SUBSTANTIAL SHAREHOLDERS

The table that follows shows the interests of major shareholders based on the best available information provided by the Company's share register analysis provider, incorporating any disclosures provided to the Company in accordance with DTR 5 in the period under review and to 29 May 2020.

	% of Voting Rights 31 January 2020	% of Voting Rights 29 May 2020
State Teachers Retirement System of Ohio	**13.06**	12.88
Quilter PLC	**12.94**	12.69
M&G (Prudential)	**9.86**	10.11
City of Edinburgh Council	**5.72**	5.55
Total	**41.58**	41.23

CORPORATE GOVERNANCE

The Board recognises the importance of sound corporate governance and follows best practice requirements as closely as possible. The Company complies with the Association of Investment Companies' Code of Corporate Governance ("AIC Code") published in February 2019, which is endorsed by the Financial Reporting Council ("FRC"). A Statement of Compliance with the updated code is provided on page 64.

ENGAGEMENT WITH EMPLOYEES

As a closed-ended investment company, HVPE does not have any direct employees.

CORPORATE RESPONSIBILITY

The Board considers the ongoing interests of stakeholders and investors through open and regular dialogue with the Investment Manager. The Board receives regular updates outlining regulatory and statutory developments and responds as appropriate.

RESPONSIBLE INVESTMENT POLICY

While the Company delegates responsibility to its Investment Manager for taking environmental, social and governance ("ESG") issues into account when considering investments, the Board is committed to responsible and sustainable investing and closely monitors the Manager's commitment to ESG factors. In the year under review, Ms Espinal was designated HVPE's Director responsible for ESG, with the remit to act as the conduit between the Investment Manager and the Board on ESG matters. The Board expects the Investment Manager to be actively engaged with investee funds and companies on ESG issues and to promote best practice.

The Investment Manager's integrated ESG strategy is highlighted in the Strategic Report, together with some examples of the ESG-related activity it undertakes (please refer to pages 8 and 9).

ESG-related risks are identified and taken into consideration as an integral part of the Investment Manager's due diligence process, across each of the investment strategies as highlighted on page 37, so that company-specific, broader manager level, sector-level, and regional risks can be considered when reviewing investments. The Investment Manager actively undertakes efforts to engage GPs to further adopt ESG policies by requesting the inclusion of ESG issues on advisory board agendas, through ongoing dialogue, and by leveraging its proprietary scorecard to highlight potential areas for improvement. Alongside its proprietary manager scorecard system, the Investment Manager has also invested in a due diligence database that helps the Firm actively monitor ESG and business conduct risks across the portfolio, as described on pages 37 and 42.

HarbourVest continues to be a leading voice around diversity and inclusion as detailed on pages 8 and 9. As a firm with a strong ethical and compliance-oriented culture, the Investment Manager also strives to be transparent to all stakeholders, including its clients, around its decision-making process.

The Investment Manager has been a signatory to the United Nations-supported Principles of Responsible Investment since 2013. Additionally, HarbourVest is signed up as an official supporter of the Task Force on Climate-related Financial Disclosures. Further information about this is provided on pages 8 and 9.

The Investment Manager is a firm believer in giving back to the communities in which it operates and has introduced several initiatives aimed at encouraging employees to participate and contribute to a range of charitable organisations as detailed on pages 8 and 9. Furthermore, the Investment Manager has enhanced efforts to become more ecologically friendly at an operational level.

The Board actively encourages and supports the continuous efforts made by the Investment Manager in relation to ESG and related matters and seeks regular updates on the matter to inform Board discussions.

ENVIRONMENTAL INFORMATION

The Board believes that best-in-class operating standards are crucial to effectively running businesses and HVPE has a strong focus on health, safety, and the environment. Due to the fact that we have no employees or premises, we do not need to report on emissions.

MODERN SLAVERY ACT 2015

The Company would not fall within the scope of the UK Modern Slavery Act 2015 (as the Company does not have any turnover derived from goods and services) if it was incorporated in the UK. Therefore, the Board has considered that it is not necessary for the Company to make a slavery and human trafficking statement.

SIGNIFICANT VOTES AGAINST POLICY

The Directors have adopted a policy whereby if 20% or more of votes are cast against a recommendation made by the Board for a resolution, the Company shall:

- explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result;
- no later than six months after the shareholder meeting publish an update on the views received from shareholders and actions taken; and
- provide a final summary in the Annual Report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, state what impact the feedback has had on the decisions the Board has taken and any actions or resolutions proposed.

No significant votes were received against any Board recommended resolution during the year ended 31 January 2020.

Directors' Report continued

ANTI-BRIBERY POLICY

The Directors have undertaken to operate the business in an honest and ethical manner, and accordingly take a zero-tolerance approach to bribery and corruption. The key components of this approach are implemented as follows:

/ the Board is committed to acting professionally, fairly and with integrity in all its business dealings and relationships;
/ the Company implements and enforces effective procedures to counter bribery; and
/ the Company requires all its service providers and advisers to adopt equivalent or similar principles.

ZERO TOLERANCE POLICY TOWARDS THE FACILITATION OF TAX EVASION

In accordance with the UK Criminal Finance Act 2017, the Board has reaffirmed its zero tolerance policy towards the facilitation of corporate tax evasion.

DISCLOSURES REQUIRED UNDER LR 9.8.4R

The Financial Conduct Authority's Listing Rule 9.8.4R requires that the Company includes certain information relating to arrangements made between a controlling shareholder and the Company, waivers of Directors' fees, and long-term incentive schemes in force. The Directors confirm that there are no disclosures to be made in this regard.

INVESTMENT MANAGER

A description of how the Company has invested its assets, including a quantitative analysis may be found on pages 1 to 47, with further information disclosed in the Notes to the Financial Statements on pages 83 to 91. The Board has considered the appointment of the Investment Manager and, in the opinion of the Directors, the continuing appointment of the Investment Manager on the terms agreed is in the interests of its shareholders as a whole.

In considering this appointment, the Board has reviewed the past performance of the Investment Manager, the engagement of the Investment Manager with shareholders and the Board, and the strategic plan presented to the Board by the Investment Manager.

The Investment Manager is HarbourVest Advisers L.P. and the principal contents of the Investment Management Agreement are as follows:

/ to manage the assets of the Company (subject always to control and supervision by the Board and subject both to the investment policy of the Company and any restrictions contained in any prospectuses published by the Company);
/ to assist the Company with shareholder liaison;
/ to monitor compliance with the Investment Policy on a regular basis; and
/ to nominate up to two Board representatives for election by shareholders at the Company's Annual General Meeting.

The Investment Manager is not entitled to any direct remuneration (save expenses incurred in the performance of its duties) from the Company, instead deriving its fees from the management fees and carried interest payable by the Company on its investments in underlying HarbourVest Funds. The Investment Management Agreement (the "IMA"), which was amended and restated on 30 July 2019, may be terminated by either party by giving 12 months' notice. In the event of termination within ten years and three months of the date of the listing on the Main Market, the Company would be required to pay a contribution, which would have been $4.7 million at 31 January 2020 and $4.5 million as at 31 May 2020, as reimbursement of the Investment Manager's remaining unamortised IPO costs. In addition, the Company would be required to pay a fee equal to the aggregate of the management fees for the underlying investments payable over the course of the 12-month period preceding the effective date of such termination to the Investment Manager.

DELEGATION OF RESPONSIBILITIES

Under the IMA, the Board has delegated to the Investment Manager substantial authority for carrying out the day-to-day management and operations of the Company, including making specific investment decisions, subject at all times to the control of, and review by, the Board. In particular, the IMA provides that the Board and the Investment Manager shall agree a strategy mandate which sets out a rolling five-year plan for the Company. The Board is responsible for the overall leadership of the Company and the setting of its values and standards. This includes setting the investment and business strategy and ongoing review of the Company's investment objective and investment policy, along with recommending to shareholders the approval of alterations thereto. Matters reserved for the Board include areas such as the Board and Committee membership, including the review and authorisation of any conflicts of interest arising. Areas such as approval of the raising of new capital, major financing facilities and approval of contracts that are not in the ordinary course of business are also reserved for the Board, together with any governance and regulatory requirements. Any changes in relation to the capital structure of the Company, including the allotment and issuance of shares, are the responsibility of the Board.

DIRECTORS' INDEMNITY

Under the Company's Articles, the Directors, Company Secretary and officers are indemnified out of the Company's assets and profits from and against all actions, expenses, and liabilities which they may incur by reason of any contract entered into, or any act in or about the execution of their respective offices or trusts, except as incurred by their own negligence, breach of duty, or breach of trust. The Company also maintains Directors' and Officers' insurance cover on the Directors' behalf.

INTERNATIONAL TAX REPORTING

The Company is subject to Guernsey regulations and guidance based on reciprocal information sharing intergovernmental agreements which Guernsey has entered into with a number of jurisdictions. The Board has taken the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

POLITICAL DONATIONS

The Company did not make any political donations or incur any political expenditures to candidates or political campaigns during the period.

SHARE REPURCHASE PROGRAMME

At the 2019 AGM, held on 25 July 2019, the Directors were granted authority to repurchase 11,971,387 Ordinary Shares (being equal to 14.99% of the aggregate number of Ordinary Shares in issue at the date of the AGM) for cancellation, or to be held as treasury shares. This authority, which has not been used, will expire at the upcoming AGM. The Directors intend to seek annual renewal of this authority from Shareholders.

By order of the Board

Michael Bunbury
Chairman

23 June 2020

Board Structure and Committees

The activities of the Company are overseen by the Board, which comprises a majority of independent Directors. The Board meets at least five times a year, and between these scheduled meetings there is regular contact between Directors, the Investment Manager, the Administrator and the Company Secretary, including a formal strategy meeting and Board update calls.

The Board aims to run the Company in a manner which is consistent with its belief in honesty, transparency and accountability. This is reflected in the way in which Board meetings are conducted, during which the Chairman promotes and facilitates a culture of open and constructive debate on each topic, encouraging input from all Directors to ensure a wide exchange of views. The Directors believe that good governance means managing the affairs of the Company well and engaging effectively with investors. The Board is committed to maintaining high standards of financial reporting, transparency and business integrity.

The Board of Directors

Audit and Risk Committee	Inside Information Committee	Nomination Committee	Management Engagement and Service Provider Committee
Role To ensure that the Company maintains high standards of risk management, integrity, financial reporting, and internal controls.	**Role** To consider any developments which may require an immediate announcement by virtue of being price sensitive information.	**Role** To oversee succession planning and new Director appointment.	**Role** To review the Company's Investment Manager and service providers to ensure that a good value service of satisfactory quality is delivered, and to manage the appointment process of new or replacement service providers.
Members Chaired by Steven Wilderspin Francesca Barnes Alan Hodson Andrew Moore	**Members** Chaired by Sir Michael Bunbury Steven Wilderspin	**Members** Chaired by Sir Michael Bunbury Francesca Barnes Alan Hodson Andrew Moore Ed Warner Steven Wilderspin	**Members** Chaired by Ed Warner (from 19 November 2019) Francesca Barnes Sir Michael Bunbury Alan Hodson Andrew Moore Steven Wilderspin

The Directors are kept fully informed of investment and financial controls and other matters that are relevant to the business of the Company. Such information is brought to the attention of the Board by the Investment Manager, the Administrator and the Company Secretary in their regular reports to the Board. The Directors also have access where necessary, in the furtherance of their duties, to professional advice at the expense of the Company. All committee terms of reference, the schedule of matters reserved for the Board, the roles and responsibilities of the Chairman, and the roles and responsibilities of the Senior Independent Director are available on the Company's website: https://www.hvpe.com/shareholder-information/corporate-governance.

BOARD AND COMMITTEE MEETINGS WITH DIRECTOR ATTENDANCE

In the financial year ended 31 January 2020, the Board held the following meetings. Below is a summary of the Director attendance at the meetings held in the financial year:

Director	Scheduled Board and Board Strategy Meetings	Audit and Risk Committee Meetings	Inside Information Committee Meeting	Management Engagement and Service Provider Committee Meetings	Nomination Committee Meeting
Ms Francesca Barnes	6/6	4/6*	–	2/2	1/1
Sir Michael Bunbury	6/6	–	1/1	2/2	1/1
Mr Keith Corbin[1]	2/2	1/1	–	–	–
Ms Carolina Espinal[2]	3/3	–	–	–	–
Mr Alan Hodson	6/6	6/6	–	2/2	1/1
Mr Andrew Moore	6/6	6/6	–	2/2	1/1
Mr Ed Warner[3]	3/3	–	–	1/1	1/1
Mr Steven Wilderspin	6/6	6/6	1/1	2/2	1/1
Mr Peter Wilson	6/6	–	–	–	–
Mr Brooks Zug[1]	2/2	–	–	–	–

1 Mr Keith Corbin and Mr Brooks Zug retired in July 2019.
2 Ms Carolina Espinal was appointed in July 2019.
3 Mr Ed Warner was appointed in August 2019.
* Non-attendance due to illness and an unavoidable scheduling conflict when the meeting was changed.

All Directors received notice of the meetings, the agenda, and when the meeting was changed supporting documents and were able to comment on the matters to be raised at the proposed meeting. During each meeting, the Chairman promoted and facilitated open constructive debate on each topic, encouraging input from all Directors. As well as the formal scheduled strategy and ad-hoc meetings, the Board also receives detailed updates from the Investment Manager via update calls. In addition to the above meetings, ad-hoc Board and Committee meetings are often convened at short notice and, as they only require a minimum quorum of two Directors, there is a lower attendance than with the scheduled meetings. During the financial year there were four ad-hoc Board meetings with a quorum at each. The Inside Information Committee meeting met once during the period.

At each scheduled Board meeting, amongst other items, the Directors always review and discuss the Investment Manager's Report, drivers of performance, how HVPE has performed, the commitment plan, and the corporate broking report (which includes an update on the Company's peer group). Marketing and investor relations are covered in detail at two Board meetings, and at a higher level at the remaining meetings.

Board Structure and Committees continued

RESPONSIBILITIES

The Board has adopted formal responsibilities for the Chairman and the Senior Independent Director as well as a schedule of matters reserved for the Board (further information can be found on page 54. All of these documents are available on the Company's website.

BOARD COMPOSITION

The Board has a balance of skills, experience, and length of service 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, the new Director will participate in an appropriate, structured induction process.

The Board's careful considerations of its composition and the refreshment process led to the addition of Ms Espinal and Mr Warner in the summer of 2019. With specific reference to the fact that, as at October 2019, Sir Michael Bunbury and Mr Moore had served on the Board for 12 years, the Board is of the view that Directors can continue beyond a tenure of nine years, noting that they will be subject to continuing scrutiny as to their effectiveness and independence, and, as for all Directors, subject to annual re-election. The Board also believes there is strong value gained by there being a Director on the Board who has served since inception and has a complete historical working knowledge of Company. The Board confirms that Mr Moore remains independent of the Investment Manager with no other interests or conflicts with HarbourVest Partners, notwithstanding his years service. This is evidenced by his continued constructive challenge of the Investment Manager. Mr Moore remains independent in character and judgement and challenges items tabled to and discussed by the Board as appropriate. As previously discussed, Sir Michael will step down from the Board at the upcoming AGM.

If a Director wishes to undertake additional external appointments, approval is sought from the Board.

Audit and Risk Committee

ABOUT THE COMMITTEE

The Audit and Risk Committee members are outlined on page 56. Ms Barnes, Mr Hodson and Mr Moore have each held senior banking roles for a number of years as described in their biographies; Mr Wilderspin is a qualified Chartered Accountant and has over ten years' experience as an Executive and Non-Executive Director on a number of private and listed fund boards as well as commercial companies and is deemed by the Board to have recent and relevant financial and sector experience.

The Audit and Risk Committee is responsible for the review of the Company's accounting policies, periodic Financial Statements, auditor engagement and certain regulatory compliance matters. The Committee is also responsible for making appropriate recommendations to the Board and ensuring 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 Committee's terms of reference were extended in 2018 to incorporate responsibility for overseeing the Company's risk management framework and regulatory compliance.

All of the Company's management and administration functions are delegated to independent third parties or the Investment Manager and it is therefore felt that it would not be practical or cost effective for the Company to have its own internal audit facility. This matter is reviewed annually.

ACTIVITIES OF THE COMMITTEE

Audit and Risk Committee Meetings

In the financial year ended 31 January 2020, the Audit and Risk Committee met six times, three on a scheduled basis and three on an ad hoc basis. The entire Audit and Risk Committee was not required to attend the ad-hoc meetings, which were convened to provide final sign-off on the financial reports. A summary of Director attendance is included in the "Board and Committee Meetings with Director Attendance" section on page 57. In these meetings, the Committee considered the following matters:

Auditors

The Audit and Risk Committee reviewed the effectiveness of the external audit process during the year, considering performance, objectivity, independence, and relevant experience. This included post-audit discussions with the Company's auditor, Investment Manager and Company Secretary to review how well the previous year's audit had gone. The main conclusion from this review was that the audit process had improved from the prior year due to the timetable changes made after the last review.

The Committee also considered the annual Audit Quality Inspection Report for Ernst & Young LLP issued by the UK Financial Reporting Council ("FRC"). The most relevant finding in the report relating to HVPE's circumstances was that Ernst & Young should ensure consistency of the group audit team's oversight of component audit teams. This was discussed with the audit partner who leads the Ernst & Young LLP audit team in Guernsey and oversees the activities of the integrated Ernst & Young Boston audit team. The Committee was satisfied with the arrangements in place. Consequently, the Committee concluded that Ernst & Young LLP's appointment as the Company's auditor should be continued. The Company's auditor has been appointed to the Company since 2007 and was reappointed following a competitive tender process in May 2017. The Company's auditor performed an audit of the Company's Financial Statements, prepared in accordance with applicable law, US Generally Accepted Accounting Principles ("US GAAP"), and audited under both relevant US Generally Accepted Auditing Standards ("US GAAS") and International Standards on Auditing (UK). The audit approach remained unchanged relative to the prior year.

Auditor Independence

The Audit and Risk Committee understands the importance of auditor independence and, during the year, the Audit and Risk Committee reviewed the independence and objectivity of the Company's auditor. The Audit and Risk Committee received a report from the external auditor describing its independence, controls, and current practices to safeguard and maintain auditor independence. Other than fees paid for conducting a review of the Interim Financial Statements, there were no other non-audit fees paid to the auditor by the Company. The Committee has adopted a non-audit services policy that complies with the revised Ethical Standard 2016 issued by the UK FRC which determines those services that the auditor is prohibited from providing to the Company and those services that the auditor may conduct in most circumstances. In all other cases the Chairman of the Committee will review the potential engagement of the auditor in advance to ensure that the auditor is the most appropriate party to deliver the proposed services and to put in place safeguards, where appropriate, to manage any threats to auditor independence.

Audit and Risk Committee continued

Terms of Engagement

The Audit and Risk Committee reviewed the audit scope and fee proposal set out by the auditor in its audit planning report and discussed the same with the auditor at an Audit and Risk Committee meeting. The Audit and Risk Committee considered the proposed aggregate fee increase for Ernst & Young's audit and audit-related services of 8.6% for the financial year. The auditor made the case that this increase was justified because of compliance cost pressures in the current audit market and because of the increasing amount of work involved in the audit given the Company's growth. Having been satisfied by the scope of the engagement letter and fee proposal, the Committee recommended to the Board to approve the fee proposal and letter of engagement.

Internal Controls

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 places reliance on the control environment of its service providers, including its independent Administrator and the Investment Manager. In order to satisfy itself that the controls in place at the Investment Manager are adequate, the Audit and Risk Committee has reviewed a Type II SOC I Report – Private Equity Fund Administration Report on Controls Placed in Operation and Tests of Operating Effectiveness for the period from 1 October 2018 to 30 September 2019 (a bridging letter covers the period 1 October 2019 to 31 January 2020), detailing the controls environment in place at the Investment Manager, as well as ISAE 3402 Reports on Fund Administration, Global and Local Custody Services, Securities Lending Services and Listed Derivatives Clearing Services for the period 1 October 2018 to 30 September 2019 detailing the controls environment in place at the Administrator and Company Secretary. In both of these reports there were minor findings, but the Committee is satisfied that the identified weaknesses were not material to the affairs of the Company, and that the respective service providers had taken action to improve controls in the identified areas. In addition, the Management Engagement and Service Provider Committee conducted a detailed review of the performance of the Company's service providers, including the Company's Administrator, and the Audit and Risk Committee reviewed their findings to ensure that the Company's control environment was operating satisfactorily.

The Investment Manager's Type II SOC I Report describes the internal controls in the HarbourVest Accounting group, which is responsible for maintaining the Company's accounting records and the production of the accounts contained in the Company's Financial Statements. The main features of the controls are: clearly documented valuation policies; detailed review of financial reporting from underlying limited partnerships and investee companies; detailed reconciliation of capital accounts in underlying limited partnerships; monthly reconciliation of bank accounts; and a multi-layered review of financial reporting to ensure compliance with accounting standards and other reporting obligations.

Risk Management

The Audit and Risk Committee reviewed the Company's risk management framework during the year and confirmed it was satisfied that it was appropriate for the Company's requirements. Since the year end, the Audit and Risk Committee has considered the impact of COVID-19 on the Company. Further details of the principal risks and uncertainties facing the Company are given on pages 34 to 35. This is in accordance with relevant best practice as detailed in the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting. During the year, the Committee also considered emerging and topical risks and consequently instigated "deep dive" reviews of cyber risk, political risk, and balance sheet risk that were presented to the Board. There were some cyber risk matters to be followed up with service providers and ongoing scrutiny of fund-level borrowing by the Board. In addition, the Audit and Risk Committee members participated in the consideration by the Board of the viability of the Company until 31 January 2025, details of which are shown on pages 65 to 66.

Financial Risks

The Company is funded from equity balances, comprising issued Ordinary Share capital, as detailed in Note 1 to the Financial Statements, and retained earnings. The Company has access to borrowings pursuant to the credit facility of up to $600.0 million. In April 2020, HVPE provided notice to its lenders to draw down $200.0 million, which in May 2020 was deposited in two J.P. Morgan-managed money market funds, as detailed earlier in the report. Although the Company's currency exposure is currently not hedged, the Company's policy on hedging is kept under review by the Audit and Risk Committee.

The Investment Manager and the Directors ensure that all investment activity is performed in accordance with the investment guidelines. The Company's investment activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. Risk is inherent in the Company's activities and it is managed through a process of ongoing identification, measurement, and monitoring. The financial risks to which the Company is exposed include market risk, liquidity risk, and cash flow risk.

Regulatory Compliance

Subsequent to the engagement of the new Company Secretary in the prior year, the Audit and Risk Committee has engaged with the Compliance team to ensure that the Company fulfils its regulatory obligations. A Compliance Monitoring Plan is in place and is regularly reviewed by the Committee. The Company is compliant with the provisions of the September 2014 Competition and Markets Authority Order. Policies and procedures regarding compliance, anti-money laundering, share dealing, and inside information have been revised and updated during the year, and a policy regarding Directors' training has been introduced.

Audited Financial Statements and Significant Reporting Matters

As part of the 31 January 2020 year-end audit, the Audit and Risk Committee reviewed and discussed the most relevant issues for the Company, most notably the risk of misstatement or manipulation of the valuation of its investments in underlying HarbourVest funds.

In the year under review, the Audit and Risk Committee considered some specific aspects of valuation relating to assets where there is a secondary market and where the Company invests in partnerships and there is a subsequent close resulting in a return of capital. The Audit and Risk Committee remains satisfied that the valuation techniques used are accurate and appropriate for the Company's investments and consistent with the requirements of US GAAP.

The Committee also reviewed the following matters:

- post balance sheet events;
- the impact of upcoming accounting standards; and
- other changes in presentation within the report to improve clarity for users.

The Committee concluded that the Financial Statements were fair, balanced, and understandable.

COVID-19

After the year end, the Audit and Risk Committee met to consider the risks associated with the COVID-19 pandemic and the measures adopted by HarbourVest Partners and other service providers to ensure continuity of service to the Company. The Committee was generally satisfied that its key service providers had taken appropriate measures to ensure continuity of service but more detail was requested, and was subsequently received, from the Company's Registrar. The Committee also reviewed the Company's risks through the lens of COVID-19 and recommended changes to the Company's risk matrix that are reflected in the Principal Risks and Uncertainties section on pages 34 and 35.

Corporate Governance

The Audit and Risk Committee continues to monitor the review by the Board of the Company's compliance with the AIC Code of Corporate Governance for Investment Companies (the 2019 edition).

Governance and Effectiveness

On 14 January 2020 the Committee conducted a review of its activities against its constitution and terms of reference in respect of the year under review and concluded that all requisite activities had been undertaken and no changes to its constitution or terms of reference were required.

Other Matters

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

Steven Wilderspin
Chairman of the Audit and Risk Committee

23 June 2020

Nomination Committee

ABOUT THE COMMITTEE

The Nomination Committee was established on 24 November 2015 and is chaired by the Chairman of the Company. Its members are outlined on page 56.

There was one scheduled meeting held during the year. All members attended the meeting held. The mandate of the Nomination Committee is to consider issues related to Board composition and the appointment of Directors.

ACTIVITIES OF THE COMMITTEE

Changes to Board Composition

As a result of the approach to succession planning outlined below, Ms Carolina Espinal was appointed as a Director effective 25 July 2019 and Mr Ed Warner was appointed as a Director effective 1 August 2019. Mr Zug and Mr Corbin retired in July 2019. The Committee also actively engaged with the Investment Manager and Company Secretary to ensure that Ms Espinal and Mr Warner were given a suitable induction process.

Approach to Succession Planning

To help facilitate an orderly succession process, a sub-committee of the Nomination Committee, led by Keith Corbin, was formed to identify a suitable candidate to succeed Sir Michael Bunbury as Chairman in 2020. Over the course of six months the sub-committee worked with Trust Associates to produce a job specification, review a long list of candidates, select suitable candidates for first round interviews and propose successful candidates for interview by the entire Board. The sub-committee updated the Board on a regular basis as to its progress and in July 2019 made a formal recommendation to the Board that Ed Warner be appointed as a Director, with a view to him being appointed as Chairman of the Board at the 2020 AGM when Sir Michael Bunbury plans to step down as Chairman. The Board agreed with this recommendation and Ed was appointed with effect from 1 August 2019.

The Nomination Committee was not chaired by Sir Michael when discussions were held about his succession. Trust Associates has no connections to the Company or its Directors.

Terms of Reference

During the course of the year the Nomination Committee reviewed its terms of reference and agreed that these should be amended to focus purely on the identification and nomination for approval of Board candidates to fill Independent Director Board vacancies as and when they arise. All other matters that were previously the responsibility of the Nomination Committee are now captured within the matters reserved for the Board and include:

- reviewing the structure, size and composition of the Board;
- formulating plans in respect of tenure and succession for Independent Directors; and
- ensuring adequate induction, training, and development.

Board and Committees Evaluation

The Board undertakes a formal annual evaluation of its performance which includes the Chairman reviewing with each Director his or her individual performance and contribution, and the Senior Independent Director leading an annual evaluation of the Chairman. The performance of the Investment Manager and the Company Secretary are also reviewed annually.

An externally facilitated Board evaluation occurs every three years. During the year the Board commissioned an external appraisal by Board Alpha Limited to review its operation and effectiveness. Board Alpha has no connections to the Company or its Directors. The evaluation was conducted via one to one interviews with each Director and with key advisers.

The evaluation concluded that the Board was effective, made up of strong, experienced, and committed Directors with a good spread of skills and no major gaps. A number of recommendations were proposed, mainly focusing on the transition of the Chairman, Board, and Committee administration and the format of internal Board assessments.

The Board held a meeting to discuss the report prepared by Board Alpha. It considered each recommendation in detail and agreed with them. Since that time each of the recommendations has either been progressed or fully implemented.

Policy on Diversity and Inclusion

The Board and Nomination Committee actively review the diversity of the Board when considering future appointments. The Board is pleased that during the course of the year, with the appointment of Ms Espinal as a Director, it enhanced both its gender and ethnic diversity, achieving the targeted ethnic diversity t by the Parker Review five years ahead of the 2024 recommendation.

The Board understands the Hampton-Alexander Review target for 33% female representation on FTSE 350 company boards and intends to strive to reach this level. Board representation will at all times seek to optimise the necessary balance of skills, experience, and sector knowledge appropriate for the Company.

Governance and Effectiveness

During the year, the Nomination Committee conducted a review of its activities against its constitution and terms of reference in respect of the year under review and concluded that it had satisfactorily complied with all of its terms of reference.

Management, Engagement, and Service Provider Committee and Inside Information Committee

ABOUT THE COMMITTEE

The Management Engagement and Service Provider Committee ("MESPC") was established on 24 November 2015 and is chaired by Mr Warner. Its members are outlined on page 56. The other Directors of the Company may attend by invitation of the Committee.

The MESPC held two meetings in the year under review and all members of the Committee attended the meetings.

ACTIVITIES OF THE COMMITTEE

In the course of the year under review, the MESPC conducted a review of the Company's service providers to ensure the safe and accurate management and administration of the Company's affairs and business under terms which were competitive and reasonable for the shareholders.

INVESTMENT MANAGER REVIEW

The Board as a whole undertakes annual visits to the Investment Manager's offices, usually alternating between Boston and London. In November 2019, the Board visited the Investment Manager's Dublin offices. As part of this visit, the Board received presentations from various operational teams and the senior management of the Investment Manager regarding investment strategy and other matters relating to the Company's affairs, and discussed the conclusions of this review with the Investment Manager. The Board and Management Engagement and Service Provider Committee are satisfied with the performance of the Investment Manager with respect to investment returns and the overall level of service provided to the Company.

BROKER

Pursuant to good practice, the Board undertook a broker tender process during the year. Seven firms were approached to participate in the tender process and four met with a sub-committee of the Board. Following this process, the continued appointments of Jefferies Hoare Govett and J.P. Morgan Cazenove were confirmed.

MESPC REVIEW

The MESPC met in November 2019 and conducted a detailed review of the performance of all key service providers to the Company against the following criteria for the year under review:

- scope of service;
- key personnel;
- key results achieved for the Company;
- fees charged to the Company;
- breaches and errors in the year under review;
- cyber security and IT controls environment; and
- GDPR compliance.

GOVERNANCE AND EFFECTIVENESS

In November 2019, the MESPC conducted a review of its activities against its constitution and terms of reference in respect of the year under review and concluded that it had satisfactorily complied with all of its terms of reference.

INSIDE INFORMATION COMMITTEE

About the Committee

The Committee was formed on 12 July 2016 to consider information which may need to be made public in order for the Company to comply with its obligations under the EU Market Abuse Regulation ("EU MAR"). It met once during the year.

Statement of Compliance with the AIC Code of Corporate Governance

The Directors place a large degree of importance on ensuring that high standards of corporate governance are maintained and have therefore chosen to comply with the provisions of the AIC Code of Corporate Governance published in February 2019 (the "AIC Code").

The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses all the principles and provisions set out in the 2018 UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and provisions of the AIC Code provides more relevant information to stakeholders. The AIC Code is available on the AIC website www.theaic.co.uk.

The Company has complied with all the principles and provisions of the AIC Code during the year ended 31 January 2020 except as set out in the column to the right:

POLICY ON THE TENURE OF THE CHAIR

The Board has not formalised a policy on the tenure of the Chair or Directors, which is not in accordance with the AIC Code. This is because the Board would like to retain the flexibility to consider the balance of skills and experience of the Board as a whole in order to manage changes to the Board's composition.

THE BOARD HAS NOT ESTABLISHED A SEPARATE REMUNERATION COMMITTEE

The Board has decided that the entire Board should fulfil the role of the Remuneration Committee. The Board considers that given the Company's structure and the fact it has no Executive Directors, it is appropriate for remuneration issues to be considered by the full Board.

Set out below is where stakeholders can find further information within the Annual Report about how the Company has complied with the various Principles and Provisions of the AIC Code.

1. BOARD LEADERSHIP AND PURPOSE	
Purpose	On the inside cover
Strategy	On pages 50 to 51 and 24 to 25
Values and culture	On page 56
Shareholder engagement	Relations with Shareholders on page 22
Stakeholder engagement	On pages 22 to 23, and Section 172 Statement and sample key decisions on page 24
2. DIVISION OF RESPONSIBILITIES	
Director independence	Directors on pages 48 and 49
Board meetings	Board and Committee Meetings with Director Attendance on page 57
Relationship with Investment Manager	Investment Manager on page 23 and Investment Manager's Report on page 6 to 11
Management Engagement Committee	Management Engagement and Service Provider Committee on page 63
3. COMPOSITION, SUCCESSION, AND EVALUATION	
Nomination Committee	Nomination Committee on page 62
Director re-election	Board Composition on page 58
Use of an external search agency	Approach to Succession Planning on page 62
Board evaluation	Board and Committees Evaluation on page 62
4. AUDIT, RISK, AND INTERNAL CONTROL	
Audit Committee	Audit and Risk Committee on pages 59 to 61
Emerging and principal risks	Principal Risks and Uncertainties on pages 34 to 35
Risk management and internal control systems	Risk Management and Internal Controls on page 60
Going concern statement	Going Concern on page 65
Viability statement	Viability Statement on page 65 to 66
5. REMUNERATION	
Directors' Remuneration	Report on page 67

INTRODUCTION TO THE GOING CONCERN AND VIABILITY STATEMENT

Since the inception of HVPE, the Directors have relied upon model scenarios to manage the Company's liquidity requirements and balance sheet risk more generally. This modelling, outlined on pages 27 and 28, also allows the Directors to evaluate whether the Company is a Going Concern, as well as assess its Viability. While the modelling process has been refined over the years, it has provided a consistent approach through which the Directors have been able to provide a firm assessment, as demonstrated through the GFC. As highlighted throughout this report, the onset of COVID-19 and the subsequent portfolio assessment undertaken by the Investment Manager, has led the Company to update its models as described on page 28. For the purpose of assessing the Going Concern and the Viability Statement over one year and five years respectively, the Directors primarily focused on two scenarios: the Low Base and the Extreme Downside.

GOING CONCERN

After considering the results of the model scenarios as explained on page 28 compared to actual cash flows to date, making due enquiries of the Investment Manager, and being mindful of the closed-ended nature of the Company with no fixed life and the nature of its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements. Additionally, after due consideration, the Directors consider that the Company is able to continue for a period of at least the next 12 months from the approval date of the Financial Statements. The Board monitors and manages its ongoing commitments via the criteria set out on pages 50 to 51 and reviews reports from the Investment Manager detailing ongoing commitments and the Investment Pipeline. Furthermore, the Board, as part of its regular review of the Consolidated Statement of Assets and Liabilities and debt position, regularly considers the model scenario outputs that are based on a look-through to the anticipated underlying fund and portfolio cash flows.

VIABILITY STATEMENT

Pursuant to provision 36 of the AIC Code, the Board has assessed the viability of the Company over a five-year period from 31 January 2020. Whilst the Board has no reason to believe that the Company will not be viable over a longer period, it has chosen this period as it aligns with the Board's strategic horizon and is within the term of the Company's credit facility.

The Company's investment objective is to generate superior shareholder returns through long-term capital appreciation by investing primarily in a diversified portfolio of private markets investments. The majority of the Company's investments are in HarbourVest managed private equity fund-of-funds, which have fund lives of 10 to 14 years.

While the Company's investment lifecycle spans a time period of ten years or more, the Board focuses on a five-year time horizon when considering the strategic planning of the Company, as discussed on pages 32 to 33 of the Company's Annual Report. The strategic planning centres on building a portfolio of long-term assets through capital allocation into a set of rolling five-year portfolio construction targets defined by investment stage, geography, and strategy. While reviewed and updated annually, this rolling five-year process allows the Board a medium-term view of potential growth, projected cash flow and potential future commitments under various economic scenarios.

As part of its strategic planning, the Board considered model scenarios as explained above assuming varying degrees of impact on the portfolio related to COVID-19. The Board primarily focused on two scenarios, the Low Base and Extreme Downside, which assumed large NAV declines and a material reduction in realisations from underlying company investments. The Board concluded that new commitments would need to be materially reduced under these scenarios, but that the Company's cash balance and available credit facility would be sufficient to cover any capital requirements (as it was during the GFC). The results of these model scenarios showed that the Company would be able to withstand the impact of these scenarios occurring over the five-year period.

The Board considers that a five-year period to 31 January 2025 is an appropriate period of time to assess the Company's viability, as the term of the credit facility gives the Board confidence to look ahead and align the viability assessment with the strategic planning horizon of the Company. The credit facility is a five-year evergreen structure with an initial two-year no-notice provision, giving it an initial term of seven years to January 2026. From January 2021, the lenders have the option to serve notice, but the notice given must be a minimum of five years. The credit facility is a significant component in supporting the Company's over commitment strategy and the facility covers the Board's five-year strategic planning horizon.

The Board, in assessing the viability of the Company, has also paid particular attention to the principal risks faced by the Company as disclosed on pages 34 and 35 of the Company's Annual Report. In addition, the Board has established a risk management framework, which is intended to identify, measure, monitor, report and, where appropriate, mitigate the risks to the Company's investment objective, including any liquidity or solvency issues.

The Board does not consider any other risks to be principal risks as defined in the UK Code. Based on its review, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a five-year period to 31 January 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are required to prepare Financial Statements for each financial year which give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company in accordance with US GAAP at the end of the financial year and of the gain or loss for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008 (as amended). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and Financial Statements include the information required by the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority (together "the Rules"). They are also responsible for ensuring that the Company complies with the provisions of the Rules which, with regard to corporate governance, require the Company to disclose how it has applied the principles, and complied with the provisions, of the corporate governance code applicable to the Company.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

RESPONSIBILITY STATEMENT

The Board of Directors, as identified on pages 48 and 49, jointly and severally confirm that, to the best of their knowledge:

- the Financial Statements, prepared in accordance with US GAAP, give a true and fair view of the assets, liabilities, financial position and profits of the Company and its undertakings;
- this report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements taken as a whole are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company and its undertakings' position, performance, business model, and strategy.

Signed on behalf of the Board by:

Michael Bunbury
Chairman

Steven Wilderspin
Chairman of the Audit and Risk Committee

23 June 2020

Directors' Remuneration Report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting to be held in 2020.

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company; however, each Director is appointed by a letter of appointment which sets out the terms of the appointment.

Directors are remunerated in the form of fees, payable quarterly in arrears to the Director personally. The table below details the fees paid to each Director of the Company for the years ended 31 January 2019 and 31 January 2020. The Company's Articles limit the aggregate fees payable to Directors to a maximum of £550,000 per annum. The Board reviewed remuneration in the year, and where necessary this was revised in 2019.

Under the Company's Articles, Directors are entitled to additional ad-hoc remuneration for project work outside of the scope of their ordinary duties. No such payments were made in the year ending 31 January 2020.

Director	Role	**Fees Paid for the 12 Months Ended 31 January 2020**	Fees Paid for the 12 Months Ended 31 January 2019
Sir Michael Bunbury	Chairman, Independent Director	**£140,000**	£140,000
Francesca Barnes	Independent Director	**£51,000**	£50,000
Keith Corbin[1]	Independent Director	**£22,921**	£52,504
Carolina Espinal	Director	**Nil**	Nil
Alan Hodson	Independent Director	**£51,000**	£50,000
Andrew Moore	Independent Director	**£51,000**	£50,000
Jean-Bernard Schmidt	Independent Director	**Nil**	£23,436
Ed Warner	Independent Director	**£21,856**	Nil
Steven Wilderspin	Audit and Risk Committee Chairman	**£59,750**	£38,237
Peter Wilson	Director	**Nil**	Nil
D. Brooks Zug	Director	**Nil**	Nil
Total		**£397,527**	£404,177

Role	Director fees payable with effect from 1 October 2019 (annualised)	Director fees payable with effect from 1 January 2019 (annualised)
Chairman, Independent Director	£140,000[2]	£140,000
Audit and Risk Committee Chairman	£64,000[4]	£55,000[3]
Senior Independent Director	£54,000[5]	£50,000
Independent Director	£54,000[5]	£50,000

1 Mr Keith Corbin was Audit and Risk Committee Chairman until 31 July 2018 when Mr Steven Wilderspin was appointed to this role.
2 Will be reduced to £100,000 with effect from 22 July 2020.
3 Increased to £60,000 with effect from 1 April 2019.
4 Increased to £64,000 with effect from 1 October 2019.
5 Increased to £54,000 with effect from 1 October 2019.

Signed on behalf of the Board by:

Michael Bunbury
Chairman

Steven Wilderspin
Chairman of the Audit and Risk Committee

23 June 2020

Independent Auditor's Report

to the Members of Harbourvest Global Private Equity Limited

OPINION

We have audited the Consolidated Financial Statements ("Financial Statements") of HarbourVest Global Private Equity Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 January 2020, which comprise the Consolidated Statements of Assets and Liabilities, the Consolidated Statements of Operations, Consolidated Statements of Changes in Net Assets, the Consolidated Statements of Cash Flows, the Consolidated Schedule of Investments, and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United States Generally Accepted Accounting Principles ("US GAAP").

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Group's affairs as at 31 January 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with US GAAP; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report below. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

CONCLUSIONS RELATING TO PRINCIPAL RISKS, GOING CONCERN AND VIABILITY STATEMENT

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on pages 34 to 35 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on pages 34 to 35 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 65 in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on pages 65 to 66 in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

KEY AUDIT MATTERS

- Risk of misstatement or manipulation of the valuation of the Group's investments in the underlying Primary or Secondary HarbourVest funds/ Direct HarbourVest Co-Investment funds, together the "HarbourVest investment funds".
- Risk of improper use of going concern basis of accounting, insufficient going concern disclosures or failure to account for material subsequent events.

MATERIALITY

- Overall materiality of \$44.0 million (2019: \$38.5 million), which is 2 per cent (2019: 2 per cent) of net assets.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	**Misstatement or manipulation of the valuation of the Group's investments ($2,066 million; 2019 $1,760 million).** Refer to the Accounting Policies and Note 2 of the Financial Statements. Risk that the valuation of the Group's investments at 31 January 2020, which comprise 93.8% (2019: 91.5%) of net assets, is materially misstated. The valuation of the investments is the principal driver of the Group's net asset value and hence incorrect valuations would have a significant impact on the net asset value and performance of the Group.
Our response to risk	**Our response comprised the performance of the following procedures:** / Confirmed and documented our understanding of the Group's processes and methodologies for valuing investments held by the Group in the HarbourVest investment funds, including the use of the practical expedient as set out in Accounting Standard Codification (ASC) Topic 820 Fair Value Measurement; / Agreed the individual fair values of each HarbourVest investment fund the Group has invested into to its underlying audited Net Asset Value in the corresponding financial statements as at 31 December 2019 which, prior to adjustments, formed the basis for the Group's carrying amount as at 31 January 2020; / Obtained a schedule of all adjustments made to those audited Net Asset Values between 1 January 2020 and 31 January 2020, and: — Verified foreign exchange rate changes to independent third-party sources, and their application to any HarbourVest investment funds denominated in foreign currencies; — Recalculated a sample of accrued management fees in the HarbourVest investment funds based on the terms of the signed management agreements and agreed terms to relevant supporting documents; — Where applicable, recalculated the impact of any carried interest taken by the GP of the underlying HarbourVest investment funds on the gains and losses allocated to the Group for the period from 1 January 2020 to 31 January 2020; — Independently sourced third-party prices and verified fair value changes on publicly traded securities held in the HarbourVest investment funds; and — Verified contributions and withdrawals made to/from the HarbourVest investment funds to supporting bank statements. / We judgementally selected a sample of direct investments held by the HarbourVest investment funds based on materiality, complexity in valuation methodology, and sensitivity of inputs, and: — Engaged EY internal valuation specialists to independently re-value and conclude on their values as at 31 December 2019, and roll forward to 31 January 2020; — Identified key inputs to the valuations and performed sensitivity analysis around them; and — Considered whether there were changes in market conditions during the period 1 January 2020 to 31 January 2020 that could have had a material impact when applied to the key sensitive inputs to the valuations of the direct investments of the HarbourVest investment funds selected in our sample. / Obtained and examined direct investment transaction reports post 31 December 2019 for material changes in the direct portfolio investments held in the HarbourVest investment funds; and / Obtained any post-closing adjustments from the Investment Manager and validated that there were no material changes to the Net Asset Values subsequent to the HarbourVest investment funds' finalized financial reporting process.
Key observations communicated to the Audit Committee	We reported to the Audit Committee that we did not identify any instances of the use of inappropriate methodologies and that the valuation of the Group's investments in the HarbourVest investment funds were not materially misstated.

Risk	**Risk of improper use of going concern basis of accounting, insufficient going concern disclosures or failure to account for material subsequent events** Refer to the Directors' statement on going concern on page 65 and Note 2 of the Financial Statements. The Directors are required to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they are obliged to consider the ability of the Company to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. The outbreak of the Coronavirus ('COVID-19') and the resulting financial and economic market uncertainty, could have a significant adverse impact on the performance of the Company, which potentially could lead to the improper application of the directors' going concern assumption. They are also required to assess the adequacy of the going concern disclosures in the annual report and financial statements. The Company has a bank facility in place ($600 million), of which it has drawn upon post year end ($200 million). The bank facility has three covenants associated, being two Total Asset Ratios (including and excluding underlying fund level borrowing) and a Total Commitment Ratio. As at 31 January 2020, the Company has unrecognised future capital commitments of $1.8bn. The Directors are required to make the relevant disclosures around material subsequent events.
Our response to risk	**We performed the following procedures:** / We discussed with the Directors their assessment of going concern, which included four scenario analysis models, including the 'Low Base Case' and 'Extreme Downside' scenarios. / We ascertained that the going concern assessment covers a period of at least twelve months from the date of approval of the financial statements. / For the 'Low Base Case' scenario we reviewed the working capital documentation which supports the Directors' assessment of going concern. We challenged the sensitivities and assumptions used in the forecast and reviewed the 'Extreme Downside' scenario to ascertain its impact on the available financial resources of the Group. / We selected judgementally a sample of underlying transactions and discussed the associated Cashflow Curve assumptions with the Investment Manager, including relevant supporting evidence. / We held discussions with the Audit Committee and Investment Manager to determine whether, in their opinion, there is any material uncertainty regarding the Company's ability to pay liabilities and commitments as they fall due. Through these discussions we considered and challenged the options available to the Company if it were in a stressed scenario. These options included but were not limited to the use of credit facilities and sales in the secondary market. / We considered whether the Directors' assessment of going concern as included in the Annual Report is appropriate and consistent with the disclosure in the viability statement. / We confirmed COVID-19 was a non-adjusting post balance sheet event and ensured that the requisite disclosures were included in the annual report, including the subsequent events note on page 91.
Key observations communicated to the Audit Committee	**The results of our procedures are:** We concluded that the impact of COVID-19 on the Company's investment performance was a non-adjusting post balance sheet event and has been adequately disclosed in the Financial Statements.

REVISION OF AUDITOR ASSESSMENT

We re-assessed the risk from the planning stage of the audit and, due to the uncertainty in global markets caused by the Coronavirus pandemic ('COVID-19'), we revised our risk assessment to include the Key Audit Matter 'Risk of improper use of going concern basis of accounting, insufficient going concern disclosures or failure to account for material subsequent events'. Our other Key Audit Matter is unchanged from our assessment for the year ended 31 January 2019.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Group. This enables us to form an opinion on the Financial Statements. We take into account size, risk profile, the organisation of the Group and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

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

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

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

"Materiality" is the magnitude of omissions or misstatements that, individually or in aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined planning materiality for the Group to be $44.0 million (2019: $38.5 million), which is 2 per cent (2019: 2 per cent) of net assets. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures. We used net assets as a basis for determining planning materiality because the Group's primary performance measures for internal and external reporting are based on net assets as we consider it is the measure most relevant to the stakeholders of the Group.

We calculated materiality during the planning stage of the audit and during the course of our audit we reassessed initial materiality based on 31 January 2020 net assets.

Performance materiality

"Performance materiality" is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group should be 75 per cent of materiality, namely $33.0 million (2019: 75 per cent. of materiality, namely $28.9 million). Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in the Financial Statements did not exceed our materiality level.

Independent Auditor's Report

to the Members of Harbourvest Global Private Equity Limited continued

Reporting threshold

"Reporting threshold" is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all audit differences in excess of $2.2 million (2019: $1.9 million) which is set at 5 per cent of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

Fair, balanced and understandable set out on page 66 – the statement given by the Directors that they consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

Audit committee reporting set out on pages 59 to 61 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or

Directors' statement of compliance with the UK Corporate Governance Code set out on pages 64 to 66 – the parts of the Directors' statement required under the Listing Rules relating to the Group's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Financial Statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 66, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

David Robert John Moore, ACA
For and on behalf of Ernst & Young LLP

Guernsey, Channel Islands

23 June 2020

Notes:

1. The maintenance and integrity of the Company's website is the sole responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.
2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

to the Directors of Harbourvest Global Private Equity Limited

We have audited the accompanying Consolidated Financial Statements ("financial statements") of HarbourVest Global Private Equity Limited (the "Company") and its subsidiaries (together the "Group"), which comprise the Consolidated Statement of Assets and Liabilities as at 31 January 2020, and the related Consolidated Statement of Operations, the Consolidated Statement of Changes in Net Assets, the Consolidated Statement of Cash Flows, the Consolidated Schedule of Investments, and the related notes 1 to 11 to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with United States Generally Accepted Accounting Principles ('U.S. GAAP'). This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HarbourVest Global Private Equity Limited at 31 January 2020, and the results of its operations, changes in net assets, and its cash flows for the year then ended, in conformity with US GAAP.

Ernst & Young LLP

Guernsey, Channel Islands

23 June 2020

Consolidated Statements of Assets and Liabilities

At 31 January 2020 and 2019

In US Dollars	2020	2019
ASSETS		
Investments (Note 4)	**2,065,519,797**	1,760,181,991
Cash and equivalents	**130,616,160**	156,570,557
Other assets	**8,445,852**	9,745,502
Total assets	**2,204,581,809**	1,926,498,050
LIABILITIES		
Accounts payable and accrued expenses	**1,802,505**	2,403,836
Accounts payable to HarbourVest Advisers L.P. (Note 9)	**92,281**	138,563
Total liabilities	**1,894,786**	2,542,399
Commitments (Note 5)		
NET ASSETS	**$2,202,687,023**	$1,923,955,651
NET ASSETS CONSIST OF		
Shares, unlimited shares authorised, 79,862,486 shares issued and outstanding at 31 January 2020 and 2019, no par value	**2,202,687,023**	1,923,955,651
NET ASSETS	**$2,202,687,023**	$1,923,955,651
Net asset value per share	**$27.58**	$24.09

The accompanying notes are an integral part of the Financial Statements.

The Financial Statements on pages 75 to 82 were approved by the Board on 23 June 2020 and were signed on its behalf by:

Michael Bunbury

Chairman

Steven Wilderspin

Chairman of the
Audit and Risk Committee

Consolidated Statements of Operations

For the Years Ended 31 January 2020 and 2019

In US Dollars	**2020**	2019
REALISED AND UNREALISED GAINS (LOSSES) ON INVESTMENTS		
Net realised gain on investments	**136,310,816**	108,314,099
Net change in unrealised appreciation on investments	**153,005,496**	110,073,273
NET GAIN ON INVESTMENTS	**289,316,312**	218,387,372
INVESTMENT INCOME		
Interest and dividends from cash and equivalents	**2,063,458**	3,810,530
EXPENSES		
Non-utilisation fees (Note 6)	**5,916,192**	5,836,972
Investment services (Note 3)	**1,969,642**	1,675,514
Financing expenses	**1,488,019**	1,356,199
Professional fees	**844,538**	932,601
Management fees (Note 3)	**758,820**	790,612
Directors' fees and expenses (Note 9)	**604,289**	600,347
Tax expenses	**77,641**	(56,126)
Other expenses	**989,257**	972,968
Total expenses	**12,648,398**	12,109,087
NET INVESTMENT LOSS	**(10,584,940)**	(8,298,557)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$278,731,372**	$210,088,815

The accompanying notes are an integral part of the Financial Statements.

Consolidated Statements of Changes in Net Assets

For the Years Ended 31 January 2020 and 2019

In US Dollars	2020	2019
INCREASE IN NET ASSETS FROM OPERATIONS		
Net realised gain on investments	**136,310,816**	108,314,099
Net change in unrealised appreciation	**153,005,496**	110,073,273
Net investment loss	**(10,584,940)**	(8,298,557)
Net increase in net assets resulting from operations	**278,731,372**	210,088,815
NET ASSETS AT BEGINNING OF YEAR	**1,923,955,651**	1,713,866,836
NET ASSETS AT END OF YEAR	**$2,202,687,023**	$1,923,955,651

The accompanying notes are an integral part of the Financial Statements.

Consolidated Statements of Cash Flows

For the Years Ended 31 January 2020 and 2019

In US Dollars	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	**278,731,372**	210,088,815
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Net realised gain on investments	**(136,310,816)**	(108,314,099)
Net change in unrealised depreciation	**(153,005,496)**	(110,073,273)
Contributions to private equity investments	**(324,197,851)**	(396,172,267)
Distributions from private equity investments	**308,176,357**	306,592,993
Other	**652,037**	(2,512,757)
Net cash used in operating activities	**(25,954,397)**	(100,390,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing on the credit facility	**30,000,000**	–
Repayments in respect of the credit facility	**(30,000,000)**	–
Net change in financing activities	**–**	–
NET DECREASE IN CASH AND EQUIVALENTS	**(25,954,397)**	(100,390,588)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	**156,570,557**	256,961,145
CASH AND EQUIVALENTS AT END OF YEAR	**$130,616,160**	$156,570,557

The accompanying notes are an integral part of the Financial Statements.

Consolidated Schedule of Investments

At 31 January 2020

In US Dollars

US Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners V-Partnership Fund L.P.	2,220,000	46,709,079	45,924,243	1,115,289	0.0
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	38,404,878	3,611,410	0.2
HarbourVest Partners VI-Partnership Fund L.P.	5,175,000	204,623,049	237,137,870	1,430,428	0.1
HarbourVest Partners VII-Venture Partnership Fund L.P.†	2,318,750	135,290,448	185,923,470	23,788,214	1.1
HarbourVest Partners VII-Buyout Partnership Fund L.P.†	3,850,000	74,417,291	101,688,184	2,221,758	0.1
HarbourVest Partners VIII-Cayman Mezzanine and Distressed Debt Fund L.P.	2,000,000	48,201,553	59,331,422	5,634,823	0.2
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	11,250,000	241,508,801	343,051,209	61,525,909	2.8
HarbourVest Partners VIII-Cayman Venture Fund L.P.	1,000,000	49,191,736	68,026,931	25,647,479	1.2
HarbourVest Partners 2007 Cayman Direct Fund L.P.	2,250,000	97,876,849	160,808,238	4,423,302	0.2
HarbourVest Partners IX-Cayman Buyout Fund L.P.	12,247,500	59,033,226	45,422,100	57,619,201	2.6
HarbourVest Partners IX-Cayman Credit Opportunities Fund L.P.	3,125,000	9,423,693	6,135,379	8,218,265	0.4
HarbourVest Partners IX-Cayman Venture Fund L.P.	3,500,000	66,825,714	48,003,773	86,896,032	3.9
HarbourVest Partners 2013 Cayman Direct Fund L.P.	3,228,996	97,131,486	111,969,614	76,990,456	3.5
HarbourVest Partners Cayman Cleantech Fund II L.P.	4,300,000	15,755,952	3,545,869	15,844,249	0.7
HarbourVest Partners X Buyout Feeder Fund L.P.	138,600,000	113,427,552	36,413,397	125,158,592	5.7
HarbourVest Partners X Venture Feeder Fund L.P.	52,910,000	95,143,838	11,816,651	141,682,599	6.4
HarbourVest Partners Mezzanine Income Fund L.P.	8,155,000	42,066,579	19,963,861	39,670,509	1.8
HarbourVest Partners XI Buyout Feeder Fund L.P.	318,500,000	31,500,000	–	36,490,456	1.7
HarbourVest Partners XI Micro Buyout Feeder Fund L.P.	63,050,000	1,950,274	–	2,332,052	0.1
HarbourVest Partners XI Venture Feeder Fund L.P.	171,000,000	19,036,139	–	21,829,412	1.0
HarbourVest Adelaide Feeder L.P.	76,125,000	73,875,000	–	88,168,052	4.0
Total US Funds	**886,117,746**	**1,569,710,667**	**1,523,567,089**	**830,298,487**	**37.7**

International/Global Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest International Private Equity Partners III-Partnership Fund L.P.	3,450,000	147,728,557	148,439,622	459,648	0.0
HarbourVest International Private Equity Partners IV-Direct Fund L.P.	–	61,452,400	53,436,349	1,889,946	0.1
HIPEP V-2007 Cayman European Buyout Companion Fund L.P.§	1,579,087	63,880,350	81,216,511	4,205,570	0.2
Dover Street VII Cayman L.P.‡	4,413,862	95,586,138	127,101,279	8,718,149	0.4
HIPEP VI-Cayman Partnership Fund L.P.**	5,546,500	117,844,925	86,215,226	114,737,162	5.2
HIPEP VI-Cayman Asia Pacific Fund L.P.	3,000,000	47,187,431	34,360,314	41,735,529	1.9
HIPEP VI-Cayman Emerging Markets Fund L.P.	-	30,059,489	7,122,156	30,298,326	1.4
HVPE Avalon Co-Investment L.P.	1,643,962	85,135,136	124,138,700	480,180	0.0
Dover Street VIII Cayman L.P.	16,200,000	163,924,389	190,959,375	69,693,642	3.2
HVPE Charlotte Co-Investment L.P.	–	93,894,011	140,207,934	19,779,480	0.9
HarbourVest Global Annual Private Equity Fund L.P.	16,800,000	83,201,202	47,245,006	97,606,581	4.4
HIPEP VII Partnership Feeder Fund L.P.	35,312,500	89,687,500	17,955,847	112,520,808	5.1
HIPEP VII Asia Pacific Feeder Fund L.P.	5,625,000	24,375,000	4,389,847	30,417,420	1.4
HIPEP VII Emerging Markets Feeder Fund L.P.	6,600,000	13,400,000	2,308,611	15,641,946	0.7
HIPEP VII Europe Feeder Fund L.P.††	20,266,911	51,024,594	14,359,231	58,519,964	2.6
HarbourVest Canada Parallel Growth Fund L.P.‡‡	11,919,759	12,453,815	3,168,802	15,992,657	0.7
HarbourVest 2015 Global Fund L.P.	26,500,000	73,517,309	26,468,961	87,191,775	4.0
HarbourVest 2016 Global AIF L.P.	37,000,000	63,026,107	28,338,280	63,808,770	2.9
HarbourVest Partners Co-Investment IV AIF L.P.	7,000,006	92,999,994	14,371,425	110,299,577	5.0
Dover Street IX Cayman L.P.	28,000,000	72,000,000	26,024,411	77,528,510	3.5
HarbourVest Real Assets III Feeder L.P.	13,000,000	37,000,000	5,917,231	37,630,862	1.7
HarbourVest 2017 Global AIF L.P.	51,500,000	48,520,959	9,704,384	51,943,094	2.3
HIPEP VIII Partnership AIF L.P.	136,000,000	34,000,000	3,704,597	38,227,782	1.7
Secondary Overflow III Tranche B	489,717	9,668,120	1,935,926	19,121,362	0.9
HarbourVest Asia Pacific VIII AIF Fund L.P.	34,750,000	15,255,566	609,439	15,839,846	0.7
Secondary Overflow III Tranche C	1,335,088	8,267,887	6,016,969	5,791,878	0.3
Secondary Overflow III Tranche F	13,213,541	16,786,459	3,385,267	19,792,090	0.9
Secondary Overflow III Tranche G	2,368,597	12,631,403	3,242,588	12,731,479	0.6
Secondary Overflow III Tranche H	11,572,647	18,427,353	1,956,022	22,215,879	1.0
HarbourVest 2018 Global Feeder Fund L.P.	50,750,000	19,250,000	–	21,834,119	1.0
HarbourVest Partners Co-Investment V Feeder Fund L.P.	85,000,000	15,048,219	–	15,012,230	0.7
HarbourVest Real Assets IV Feeder L.P.	50,000,000	–	–	1,556,224	0.1
HarbourVest 2019 Global Feeder Fund L.P.	95,000,000	5,006,832	–	5,691,795	0.3
HarbourVest Credit Opportunities Fund II L.P.	50,000,000	–	–	(49,383)	(0.0)
Dover Street X Feeder Fund L.P.	95,000,000	5,000,000	–	6,356,413	0.3
Total International /Global Funds	**920,837,177**	**1,727,241,145**	**1,214,300,310**	**1,235,221,310**	**56.1**
TOTAL INVESTMENTS	**$1,806,954,923**	**$3,296,951,812**	**$2,737,867,399**	**$2,065,519,797**	**93.8**

* Includes purchase of limited partner interests for shares and cash at the time of HVPE's IPO.
† Includes ownership interests in HarbourVest Partners VII-Cayman Partnership entities.
‡ Includes ownership interest in Dover Street VII (AIV 1) Cayman L.P.
§ Fund denominated in euros. Commitment amount is €47,450,000.
** Fund denominated in euros. Commitment amount is €100,000,000.
†† Fund denominated in euros. Commitment amount is €63,000,000.
‡‡ Fund denominated in Canadian dollars. Commitment amount is C$32,000,000.

As of 31 January 2020, the cost basis of partnership investments is $1,641,567,593.

The accompanying notes are an integral part of the Financial Statements.

Consolidated Schedule of Investments

At 31 January 2019

In US Dollars

US Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest Partners V-Partnership Fund L.P.	2,220,000	46,709,079	45,924,243	1,167,969	0.1
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	38,404,878	5,906,149	0.3
HarbourVest Partners VI-Partnership Fund L.P.	5,175,000	204,623,049	236,003,146	2,555,875	0.1
HarbourVest Partners VI-Buyout Partnership Fund L.P.	450,000	8,633,048	9,413,708	13,891	0.0
HarbourVest Partners VII-Venture Partnership Fund L.P.†	2,318,750	135,290,448	181,888,562	25,365,895	1.3
HarbourVest Partners VII-Buyout Partnership Fund L.P.†	3,850,000	74,417,291	100,176,090	3,480,117	0.2
HarbourVest Partners VIII-Cayman Mezzanine and Distressed Debt Fund L.P.	2,000,000	48,201,553	57,549,040	8,203,416	0.4
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	11,250,000	241,508,801	325,180,921	78,021,586	4.1
HarbourVest Partners VIII-Cayman Venture Fund L.P.	1,000,000	49,191,736	61,985,738	28,682,559	1.5
HarbourVest Partners 2007 Cayman Direct Fund L.P.	2,250,000	97,876,849	159,156,127	8,616,248	0.5
HarbourVest Partners IX-Cayman Buyout Fund L.P.	17,572,500	53,708,226	39,540,071	47,198,434	2.5
HarbourVest Partners IX-Cayman Credit Opportunities Fund L.P.	4,062,500	8,486,193	5,214,064	7,335,303	0.4
HarbourVest Partners IX-Cayman Venture Fund L.P.	3,500,000	66,825,714	31,601,329	84,121,980	4.4
HarbourVest Partners 2013 Cayman Direct Fund L.P.	3,228,996	97,131,486	62,859,121	112,064,870	5.8
HarbourVest Partners Cayman Cleantech Fund II L.P.	6,950,000	13,105,952	2,864,503	12,431,236	0.6
HarbourVest Partners X Buyout Feeder Fund L.P.	173,880,000	78,147,552	15,666,222	90,030,862	4.7
HarbourVest Partners X Venture Feeder Fund L.P.	72,150,000	75,903,838	5,557,829	98,102,469	5.1
HarbourVest Partners Mezzanine Income Fund L.P.	19,905,000	30,316,579	6,626,953	37,278,024	1.9
HarbourVest Partners XI Buyout Feeder Fund L.P.	230,000,000	–	–	423,547	0.0
HarbourVest Partners XI Micro Buyout Feeder Fund L.P.	40,000,000	–	–	(159,969)	(0.0)
HarbourVest Partners XI Venture Feeder Fund L.P.	115,000,000	–	–	140,479	0.0
HarbourVest Adelaide Feeder L.P.	135,375,000	14,625,000	–	13,943,060	0.7
Total US Funds	**853,450,246**	**1,391,424,802**	**1,385,612,545**	**664,924,000**	**34.6**

International/Global Funds	Unfunded Commitment	Amount Invested*	Distributions Received	Fair Value	Fair Value as a % of Net Assets
HarbourVest International Private Equity Partners III-Partnership Fund L.P.	3,450,000	147,728,557	148,439,622	475,230	0.0
HarbourVest International Private Equity Partners IV-Direct Fund L.P.	–	61,452,400	53,436,349	2,598,729	0.1
HIPEP V-2007 Cayman European Buyout Companion Fund L.P.§	1,629,621	63,880,350	73,759,592	12,102,112	0.6
Dover Street VII Cayman L.P.‡	4,413,862	95,586,138	123,800,354	13,088,465	0.7
HIPEP VI-Cayman Partnership Fund L.P.**	6,868,800	116,723,625	70,989,053	114,542,616	6.0
HIPEP VI-Cayman Asia Pacific Fund L.P.	3,000,000	47,187,431	28,848,665	44,409,179	2.3
HIPEP VI-Cayman Emerging Markets Fund L.P.	750,000	29,309,489	7,122,156	28,276,679	1.5
HVPE Avalon Co-Investment L.P.	1,643,962	85,135,136	124,138,700	520,072	0.0
Dover Street VIII Cayman L.P.	18,000,000	162,124,389	175,339,119	75,650,353	3.9
HVPE Charlotte Co-Investment L.P.	–	93,894,011	134,142,948	25,965,986	1.4
HarbourVest Global Annual Private Equity Fund L.P.	22,300,000	77,701,202	29,221,482	89,132,359	4.6
HIPEP VII Partnership Feeder Fund L.P.	47,187,500	77,812,500	11,632,994	93,009,726	4.8
HIPEP VII Asia Pacific Feeder Fund L.P.	7,125,000	22,875,000	2,889,847	27,359,288	1.4
HIPEP VII Emerging Markets Feeder Fund L.P.	8,100,000	11,900,000	1,651,661	12,755,447	0.7
HIPEP VII Europe Feeder Fund L.P.††	27,767,124	44,366,028	9,285,388	48,613,004	2.5
HarbourVest Canada Parallel Growth Fund L.P.‡‡	13,302,331	11,198,196	580,890	13,356,748	0.7
HarbourVest 2015 Global Fund L.P.	30,000,000	70,017,309	11,805,200	84,079,828	4.4
HarbourVest 2016 Global AIF L.P.	44,500,000	55,526,107	9,624,689	61,771,257	3.2
HarbourVest Partners Co-Investment IV AIF L.P.	10,500,006	89,499,994	7,685,830	100,189,382	5.2
Dover Street IX Cayman L.P.	47,000,000	53,000,000	12,131,419	57,186,130	3.0
HarbourVest Real Assets III Feeder L.P.	25,000,000	25,000,000	4,721,849	28,457,740	1.5
HarbourVest 2017 Global AIF L.P.	58,000,000	42,020,959	5,933,218	42,010,519	2.2
HIPEP VIII Partnership AIF L.P.	144,500,000	25,500,000	952,087	28,309,478	1.5
Secondary Overflow III Tranche B	1,200,766	8,957,071	–	15,793,269	0.8
HarbourVest Asia Pacific VIII AIF Fund L.P.	40,750,000	9,255,566	–	9,695,230	0.5
Secondary Overflow III Tranche C	1,335,088	8,267,887	5,372,293	6,111,251	0.3
Secondary Overflow III Tranche F	13,213,541	16,786,459	–	22,573,152	1.2
Secondary Overflow III Tranche G	2,443,597	12,556,403	–	14,103,476	0.7
Secondary Overflow III Tranche H	10,200,000	19,800,000	–	19,583,211	1.0
HarbourVest 2018 Global Feeder Fund L.P.	65,100,000	4,900,000	–	4,700,840	0.3
HarbourVest Partners Co-Investment V Feeder Fund L.P.	50,000,000	–	–	(1,162,765)	(0.1)
Total International /Global Funds	**709,281,198**	**1,589,962,207**	**1,053,505,405**	**1,095,257,991**	**56.9**
TOTAL INVESTMENTS	**$1,562,731,444**	**$2,981,387,009**	**$2,439,117,950**	**$1,760,181,991**	**91.5**

* Includes purchase of limited partner interests for shares and cash at the time of HVPE's IPO.
† Includes ownership interests in HarbourVest Partners VII-Cayman Partnership entities.
‡ Includes ownership interest in Dover Street VII (AIV 1) Cayman L.P.
§ Fund denominated in euros. Commitment amount is €47,450,000.
** Fund denominated in euros. Commitment amount is €100,000,000.
†† Fund denominated in euros. Commitment amount is €63,000,000.
‡‡ Fund denominated in Canadian dollars. Commitment amount is C$32,000,000.

As of 31 January 2019, the cost basis of partnership investments is $1,489,235,283.

The accompanying notes are an integral part of the 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-ended investment company registered with the Registrar of Companies in Guernsey under The Companies (Guernsey) Law, 2008 (as amended). The Company's registered office is BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA.

The Company was incorporated and registered in Guernsey on 18 October 2007. HVPE is designed to offer shareholders long-term capital appreciation by investing in a diversified portfolio of private equity investments. The Company invests in private equity through private equity funds and may make co-investments or other opportunistic investments. The Company is managed by HarbourVest Advisers L.P. (the "Investment Manager"), an affiliate of HarbourVest Partners, LLC ("HarbourVest"), a private equity fund-of-funds manager. The Company is intended to invest in and alongside existing and newly formed HarbourVest funds. HarbourVest is a global private equity fund-of-funds manager and typically invests capital in primary partnerships, secondary investments, and direct investments across vintage years, geographies, industries, and strategies.

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

Share Capital

At 31 January 2020, the Company's shares were listed on the London Stock Exchange under the symbol "HVPE". At 31 January 2020, there were 79,862,486 shares issued and outstanding. The shares are entitled to the income and increases and decreases in the net asset value ("NAV") of the Company, and to any dividends declared and paid, and have full voting rights. Dividends may be declared by the Board of Directors and paid from available assets subject to the Directors being satisfied that the Company will, immediately after payment of the dividend, satisfy the statutory solvency test prescribed by The Companies (Guernsey) Law, 2008 (as amended).

Dividends will be paid to shareholders pro rata to their shareholdings.

The shareholders must approve any amendment to the Memorandum and Articles of Incorporation. The approval of 75% of the shares is required in respect of any changes that are administrative in nature, any material change from the investment strategy and/or investment objective of the Company, or any change to the terms of the investment management agreement.

There is no minimum statutory capital requirement under Guernsey law.

Investment Manager, Company Secretary, and Administrator

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

Directors

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

Notes to Consolidated Financial Statements continued

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 statements.

Basis of Preparation

The Company maintains an overcommitment strategy in an attempt to remain fully invested over time (refer to Note 5 on page 89 for further details on unfunded commitments). HarbourVest prepares forecasts and predictions to provide assurance that the Company has sufficient resources to meet its ongoing requirements. The unprecedented nature of the COVID-19 outbreak has resulted in uncertain financial markets and disruption of global commerce. In response, HarbourVest conducted a rigorous bottom-up risk assessment of the Company's underlying portfolio in an attempt to quantify the impact of COVID-19. The majority of HVPE's portfolio by value was deemed likely to experience a low or moderate impact, while only a small proportion was expected to be materially impacted. This portfolio risk assessment was used as the basis for the creation of four revised model scenarios with varying degrees of decline in investment value and investment distributions, with the worst being an extreme downside scenario representing an impact to the portfolio that is worse than that experienced during the global financial crisis. All four models verified that the Company has enough resources to meet the Company's upcoming financial obligations. However, in all circumstances HVPE can take steps to limit or mitigate the impact on the balance sheet, namely drawing on the credit facility, pausing new commitments, raising additional credit or capital, and selling assets to increase liquidity and reduce outstanding commitments. As a result, the Company's consolidated financial statements have been prepared on a going concern basis.

Basis of Presentation

The consolidated financial statements ("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. (together "the undertakings"). Each of the subsidiaries is a Cayman Islands limited partnership formed to facilitate the purchase of certain investments. All intercompany accounts and transactions have been eliminated in consolidation.

Method of Accounting

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

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

Estimates

The preparation of the Financial Statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Actual results could differ from those estimates.

Investments

Investments are stated at fair value in accordance with the Company's investment valuation policy. The inputs used to determine fair value include financial statements provided by the investment partnerships which typically include fair market value capital account balances. In reviewing the underlying financial statements and capital account balances, the Company considers compliance with ASC 820, the currency in which the investment is denominated, and other information deemed appropriate.

The fair value of the Company's investments is primarily based on the most recently reported NAV provided by the underlying Investment Manager as a practical expedient under ASC 820. This fair value is then adjusted for known investment operating expenses and subsequent transactions, including investments, realisations, changes in foreign currency exchange rates, and changes in value of private and public securities. This valuation does not necessarily reflect amounts that might ultimately be realised from the investment and the difference can be material.

Securities for which a public market does exist are valued by the Company at quoted market prices at the balance sheet date. Generally, the partnership investments have a defined term and cannot be transferred without the consent of the General Partner of the limited partnership in which the investment has been made.

Foreign Currency Transactions

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

Cash and Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amount included in the balance sheet for cash and equivalents approximates their fair value. The Company maintains bank accounts denominated in US dollars, in euros, and in pounds sterling. The Company may invest excess cash balances in highly liquid instruments such as certificates of deposit, sovereign debt obligations of certain countries, and money market funds that are highly rated by the credit rating agencies. The associated credit risk of the cash and equivalents is monitored by the Board and the Investment Manager on a regular basis. The Board has authorised the Investment Manager to manage the cash balances on a daily basis according to the terms set out in the treasury policies created by the Board.

Investment Income

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

Operating Expenses

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

Net Realised Gains and Losses on Investments

For investments in private equity funds, the Company records its share of realised gains and losses as reported by the Investment Manager including fund-level related expenses and management fees, and is net of any carry allocation. Realised gains and losses are calculated as the difference between proceeds received and the related cost of the investment.

Net Change in Unrealised Appreciation and Depreciation on Investments

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

Notes to Consolidated Financial Statements continued

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Income Taxes

The Company is registered in Guernsey as a tax exempt company. The States of Guernsey Income Tax Authority has granted the Company exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended) and the Company will be charged an annual exemption fee of £1,200 included as other expenses in the Consolidated Statements of Operations. Income may be subject to withholding taxes imposed by the US or other countries which will impact the Company's effective tax rate.

Investments made in entities that generate US source income may subject the Company to certain US federal and state income tax consequences. A US withholding tax at the rate of 30% may be applied on the distributive share of any US 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 US federal income tax purposes. Furthermore, investments made in entities that generate income that is effectively connected with a US trade or business may also subject the Company to certain US federal and state income tax consequences. The US requires withholding on effectively connected income at the highest US 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 US trade or business. However, no amounts have been accrued.

The Company accounts for income taxes under the provisions of ASC 740, "Income Taxes." This standard establishes consistent thresholds as it relates to accounting for income taxes. It defines the threshold for recognising the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50% likely to be realised. For the year ended 31 January 2020, the Investment Manager has analysed the Company's inventory of tax positions taken with respect to all applicable income tax issues for all open tax years (in each respective jurisdiction), and has concluded that no provision for income tax is required in the Company's Financial Statements.

Shareholders in certain jurisdictions may have individual tax consequences from ownership of the Company's shares. The Company has not included the impact of these tax consequences on the shareholders in these Financial Statements.

Market and Other Risk Factors

The Company's investments are subject to various risk factors including market price, credit, interest rate, liquidity, and currency risk. Investments are based primarily in the US, Europe and Asia Pacific, 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.

The Company is subject to credit and liquidity risk to the extent any financial institution with which it conducts business is unable to fulfil contracted obligations on its behalf. Management monitors the financial condition of those financial institutions and does not anticipate any losses from these counterparties.

NOTE 3 MATERIAL AGREEMENTS AND RELATED FEES

Administrative Agreement

The Company retained BNP Paribas ("BNP") as Company Secretary and Administrator for the period from 11 May 2018 to 31 January 2020. Fees for these services are paid as invoiced by BNP and include an administration fee of £50,000 per annum, a secretarial fee of £50,000 per annum, compliance services fee of £15,000 per annum, ad-hoc service fees, and reimbursable expenses. The Company had previously retained JTC Group as Company Secretary and Administrator for the period from 2 February 2017 to 10 May 2018.

During the year ended 31 January 2020, fees of $212,459 were incurred to BNP and are included as other expenses in the Consolidated Statements of Operations. During the year ended 31 January 2019, fees of $165,428 were incurred to BNP and fees of $56,655 were incurred to JTC Group and are included as other expenses in the Consolidated Statements of Operations.

Registrar

The Company has retained Link Asset Services (formerly "Capita") as share registrar. Fees for this service include a base fee of £22,593, plus other miscellaneous expenses. During the years ended 31 January 2020 and 2019, registrar fees of $48,677 and $45,950, respectively, were incurred and are included as other expenses in the Consolidated Statements of Operations.

Independent Auditor's Fees

For the years ended 31 January 2020 and 2019, fees of $256,398 and $231,550 were accrued, respectively, and are included in professional fees in the Consolidated Statements of Operations. The 31 January 2020 figure includes $170,983, which represents the 31 January 2020 annual audit fee and $6,802 relating to prior financial year's audit fee.

In addition, the 31 January 2020 figure includes fees of $78,613 (2019: $73,600) for audit-related services due to the Auditor, Ernst & Young LLP, conducting a review of the Interim Financial Statements for each period end, commencing with the 31 July 2018 report. Other non-audit fees paid to the Auditor by the Company were nil for the years ended 31 January 2020 and 2019.

Investment Management Agreement

The Company has retained HarbourVest Advisers L.P. as the Investment Manager. The Investment Manager is reimbursed for costs and expenses incurred on behalf of the Company in connection with the management and operation of the Company. The Investment Manager does not directly charge HVPE management fees or performance fees other than with respect to parallel investments. However, as an investor in the HarbourVest funds, HVPE is charged the same management fees and is subject to the same performance allocations as other investors in such HarbourVest funds. During the years ended 31 January 2020 and 2019, reimbursements for services provided by the Investment Manager were $1,969,642 and $1,675,514, respectively.

On 30 July 2019, HVPE approved a revised Investment Management Agreement, which has been updated for legal and regulatory changes, and other minor amendments.

During the years ended 31 January 2020 and 2019, HVPE had two parallel investments: HarbourVest Acquisition S.à.r.l. (via HVPE Avalon Co-Investment L.P.) and HarbourVest Structured Solutions II, L.P. (via HVPE Charlotte Co-Investment L.P.). Management fees paid for the parallel investments made by the Company were consistent with the fees charged by the funds alongside which the parallel investments were made during the years ended 31 January 2020 and 2019. The HVPE Avalon Co-Investment L.P. management fee was terminated on 30 September 2017.

Management fees included in the Consolidated Statements of Operations are shown in the table below:

	2020	2019
HVPE Charlotte Co-Investment L.P.	**758,820**	790,612

For the years ended 31 January 2020 and 2019, management fees on the HVPE Charlotte Co-Investment L.P. investment were calculated based on a weighted average effective annual rate of 0.90% on capital originally committed (0.87% on committed capital net of management fee offsets) to the parallel investment.

Notes to Consolidated Financial Statements continued

NOTE 4 INVESTMENTS

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

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

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

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

Level 3 investments include limited partnership interests in HarbourVest funds which report under US generally accepted accounting principles. Inputs used to determine fair value are primarily based on the most recently reported NAV provided by the underlying investment manager as a practical expedient under ASC 820. The fair value is then adjusted for known investment operating expenses and subsequent transactions, including investments, realisations, changes in foreign currency exchange rates, and changes in value of private and public securities.

Income derived from investments in HarbourVest funds is recorded using the equity pick-up method. Under the equity pick-up-method of accounting, the Company's proportionate share of the net income (loss) and net realised gains (losses), as reported by the HarbourVest funds, is reflected in the Consolidated Statements of Operations as net realised gain (loss) on investments. The Company's proportionate share of the aggregate increase or decrease in unrealised appreciation (depreciation), as reported by the HarbourVest funds, is reflected in the Consolidated Statements of Operations as net change in unrealised appreciation (depreciation) on investments.

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

During the years ended 31 January 2020 and 2019, the Company made contributions of $324,197,851 and $396,172,267, respectively, to Level 3 investments and received distributions of $308,176,357 and $306,592,993, respectively, from Level 3 investments. As of 31 January 2020, $2,065,519,797 of the Company's investments are classified as Level 3. As of 31 January 2019, $1,760,181,991 of the Company's investments are classified as Level 3.

The Company recognises transfers at the current value at the transfer date. There were no transfers during the years ended 31 January 2020 and 2019. Investments include limited partnership interests in private equity partnerships, all of which carry restrictions on redemption. The investments are non-redeemable and the Investment Manager estimates an average remaining life of 10 years with a range of 1 to 33 years remaining.

As of 31 January 2020, the Company had invested $3,488,956,965, or 65.9% of the Company's committed capital in investments and had received $2,950,437,969 in cumulative distributions (including dividends from the formerly held investment HarbourVest Senior Loans Europe).

There were no investment transactions during the years ended 31 January 2020 and 2019 in which an investment was acquired and disposed of during the year.

NOTE 5 COMMITMENTS

As of 31 January 2020, the Company has unfunded investment commitments to other limited partnerships of $1,806,954,923 which are payable upon notice by the partnerships to which the commitments have been made. Unfunded investment commitments of $1,767,642,666 are denominated in US dollars, $27,392,498 are denominated in euros, and $11,919,759 are denominated in Canadian dollars.

As of 31 January 2019, the Company had unfunded investment commitments to other limited partnerships of $1,562,731,444. Unfunded investment commitments of $1,513,163,568 were denominated in US dollars, $36,265,545 were denominated in euros, and $13,302,331 were denominated in Canadian dollars.

The Investment Manager is not entitled to any direct remuneration (save expenses incurred in the performance of its duties) from the Company, instead deriving its fees from the management fees and carried interest payable by the Company on its investments in underlying HarbourVest Funds. The Investment Management Agreement (the "IMA"), which was amended and restated on 30 July 2019, may be terminated by either party by giving 12 months' notice. In the event of termination within ten years and three months of the date of the listing on the Main Market on 9 September 2015, the Company would be required to pay a contribution, which would have been $4.7 million at 31 January 2020 and $5.5 million at 31 January 2019, as reimbursement of the Investment Manager's remaining unamortised IPO costs. In addition, the Company would be required to pay a fee equal to the aggregate of the management fees for the underlying investments payable over the course of the 12-month period preceding the effective date of such termination to the Investment Manager.

NOTE 6 DEBT FACILITY

As of 31 January 2020 and 2019, the Company had an agreement with Mitsubishi UFJ Trust and Banking Corporation (MUFG) and Credit Suisse for the provision of a multi-currency revolving credit facility (the "Facility") for an aggregate amount up to $600 million with a termination date no earlier than January 2026, subject to usual covenants. The MUFG commitment was $300 million, and the Credit Suisse commitment was $300 million.

Amounts borrowed against the Facility accrue interest at an aggregate rate of the LIBOR/EURIBOR, a margin, and, under certain circumstances, a mandatory minimum cost. The Facility is secured by the private equity investments and cash and equivalents of the Company, as defined in the agreement. Availability of funds under the Facility and interim repayments of amounts borrowed are subject to certain loan-to-value ratios and portfolio diversity tests applied to the Investment Portfolio of the Company. At 31 January 2020 and 2019, there was no debt outstanding against the Facility. In the year ended 31 January 2020, the Facility had a drawdown of $30 million for a brief period for cash management purposes. For the year ended 31 January 2020, interest of $16,973 was incurred in relation to this borrowing and is included as other expenses in the Consolidated Statements of Operations. There was no interest incurred during the period ended 31 January 2019. Included in other assets at 31 January 2020 and 2019 are deferred financing costs of $7,976,171 and $9,264,606, respectively, related to refinancing the Facility. The deferred financing costs are amortised on the terms of the Facility. The Company is required to pay a non-utilisation fee calculated as 115 basis points per annum from 23 December 2016 to 2 January 2019. Beginning 3 January 2019, the non-utilisation fee for the Credit Suisse commitment is 100 basis points per annum, and the non-utilisation fee for the MUFG commitment is 90 basis points per annum. For the years ended 31 January 2020 and 2019, $5,916,192 and $5,836,972, respectively, in non-utilisation fees have been incurred.

Notes to Consolidated Financial Statements continued

NOTE 7 FINANCIAL HIGHLIGHTS

For the Years Ended 31 January 2020 and 2019

	2020	2019
Shares		
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of year	**$24.09**	$21.46
Net realised and unrealised gains	**3.62**	2.73
Net investment loss	**(0.13)**	(0.10)
Total from investment operations	**3.49**	2.63
Net asset value, end of year	**$27.58**	$24.09
Market value, end of year	**$24.15***	$18.75*
Total return at net asset value	**14.5%**	12.3%
Total return at market value	**28.8%**	5.5%
RATIOS TO AVERAGE NET ASSETS		
Expenses†	**0.61%**	0.67%
Net investment loss	**(0.51)%**	(0.46)%

* Represents the US dollar-denominated share price.
† Does not include operating expenses of underlying investments.

NOTE 8 PUBLICATION AND CALCULATION OF NET ASSET VALUE

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

NOTE 9 RELATED PARTY TRANSACTIONS

Other amounts payable to HarbourVest Advisers L.P. of $92,281 and $138,563 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 2020 and 2019, respectively.

Board-related expenses, primarily compensation, of $604,289 and $600,347 were incurred during the years ended 31 January 2020 and 2019, respectively.

NOTE 10 INDEMNIFICATIONS GENERAL INDEMNIFICATIONS

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

Investment Manager Indemnifications

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

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

NOTE 11 SUBSEQUENT EVENTS

In the preparation of the Financial Statements, the Company has evaluated the effects, if any, of events occurring after 31 January 2020 to 23 June 2020, the date that the Financial Statements were issued.

As of 31 January 2020, the World Health Organization had not yet declared COVID-19 a "Public Health Emergency of International Concern". Subsequent to 31 January 2020, the World Health Organization declared COVID-19 a pandemic and many countries around the world enacted stay-at-home orders and shut down significant portions of their economies. As such HarbourVest conducted a rigorous bottom-up risk assessment of the Company's portfolio, holding discussions with underlying General Partners to assess the likely impact of COVID-19 on the Company's investments. The majority of HVPE's portfolio by value was deemed likely to experience a low or moderate impact, while only a small proportion was expected to be materially impacted. This portfolio risk assessment was used as the basis for the creation of four revised model scenarios with varying degrees of duration, decline in investment value and investment distributions, with the worst being an extreme downside scenario representing an impact to the portfolio that is worse than that experienced during the global financial crisis. Based on the work performed and the outcome of the model scenarios the Investment Manager believes that HVPE has enough resources to meet the Company's upcoming financial obligations. However, as a prudent measure, on 9 April 2020 it provided notice to its lenders Credit Suisse and Mitsubishi UFJ to draw down $200.0 million of the $600.0 million credit facility (see note 6). The Company does not expect to experience any covenant breaches.

While the full extent of the impact to the financial performance of the Company and its investments will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, in the unlikely event that actual performance trends toward the extreme downside scenario HVPE can take steps to limit or mitigate the impact on the balance sheet, namely drawing further on the credit facility, continuing to pause new commitments, raising additional credit or capital, and selling assets to increase liquidity and reduce outstanding commitments.

The impact of COVID-19 on the Company's operations is discussed further in the Principal Risks and Uncertainties section on page 42, the Going Concern and Viability Statement on page 65, and the Basis of Preparation section in note 2 to the Financial Statements.

The COVID-19 pandemic is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities at 31 January 2020.

On 9 March 2020, the Company committed an additional $50 million to Dover Street X Feeder Fund L.P.

Subsequently, on 17 June 2020, the HVPE Board approved a commitment of $18.9 million to a potential transaction made available to HVPE as a result of the Company's existing commitments to HarbourVest funds.

On 19 June 2020, the Company announced the 31 May 2020 estimated unaudited net asset value of $2,046.3 million.

There were no other events or material transactions subsequent to 31 January 2020 that required recognition or disclosure in the Financial Statements.

Glossary of Private Market Terms

Term	Definition
Allocated Investments	Commitments made to HarbourVest funds that have been allocated to, and can be called by, an underlying General Partner
Bridge Financing	An interim financing option used by private equity funds to delay or aggregate capital calls. A given investment is financed using a bridging loan, typically for a period of six to 12 months, with a capital call required only once the bridging loan is due to be repaid
Buyout	An investment strategy that involves acquiring controlling stakes in mature companies and generating returns by selling them at a profit after operational efficiencies, expansion and/or financial improvements
Called Capital	Total amount of capital called for use by the General Partner
Capital Call or Drawdown	A request made by the General Partner for a portion of the capital committed by a Limited Partner
Carried Interest, Carry or Performance Fee	The share of profits due to a General Partner once the Limited Partner's commitment to a fund plus a defined hurdle rate is reached
Co-investment (sometimes Direct Co-investment)	A minority investment, made directly into an operating company, alongside a fund or other private equity investor
Commingled Fund	A fund structure that pools investments from multiple investors into a single fund
Commitment Period or Investment Period	The period of time within which a fund can make investments as established in the Limited Partnership Agreement
Committed Capital or Commitment	The capital a Limited Partner has agreed to commit to a fund across its lifespan
Contributed Capital or Paid-in Capital	The total amount of capital paid into a fund at a specific point in time
Cost (Current, Realised, Total)	Current: The cost of current underlying companies Realised: The cost of underlying companies from which the fund has fully or partially exited Total: The cost of underlying companies, both current and fully or partially exited
Discount	An investment company trades at a discount if the share price is lower than the net asset value per share. The discount is shown as the percentage difference between the share price and NAV per share
Discount (Live)	This refers to the actual discount prevailing in the market at a given point in time. On 31 January 2020, the most recent published NAV figure was the 31 December 2019 estimate. The Live Discount on 31 January 2020, therefore, is calculated by comparing the 31 January 2020 share price against the 31 December 2019 estimated NAV.
Discount (Notional)	As of the date of this report, the audited 31 January US GAAP NAV per share is known and available to the market. This information was not available on 31 January 2020 and market participants could not have used it as a reference when making an investment decision. The discount calculated by comparing the 31 January share price with the audited 31 January NAV is, therefore, a notional/retrospective discount.
Distributed or Distributions	The total amount of cash and stock that has been returned to a fund and/or Limited Partners
Distributed to Paid-In Capital ("DPI") or Realisation Multiple	Total distributions to a fund and/or Limited Partners divided by paid-in capital
Dry Powder	Capital that has been raised, but not yet invested
Due Diligence	The process undertaken to confirm the accuracy of all data relating to a fund, company, or product prior to an investment. This can also refer to the investigation of a buyer by a seller
Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")	A measure of earnings before interest and taxes that exclude non-cash expenses. Valuation methods are commonly based on a comparison of private and public companies' value as a multiple of EBITDA

Term	Definition
Fund-level Borrowing	Exposure to leverage in underlying private equity funds. In the context of HVPE, this refers to the Company's look-through exposure to borrowings at the HarbourVest fund level
Funded Capital	The amount of contributed capital that has been invested by the fund, or capital invested by a fund in a third-party investment
Fund-of-funds (sometimes Primary fund)	An investment strategy of holding a portfolio of third-party private equity funds and/or other investments rather than investing directly in companies
General Partner ("GP")	The manager of a fund
Growth Capital or Growth Equity	Investment in newly-mature companies looking to raise funds, often to expand or restructure operations, enter new markets, or finance an acquisition
Initial Public Offering ("IPO")	The first offering of stock by a company to the public on a regulated exchange
Internal Rate of Return ("IRR") (Gross, Net, Realised Gross)	A measure of the absolute annual rate of return of an investment that takes both the timing and magnitude of cash flows into account, calculated using contributed capital, distributions, and the value of unrealised investments Gross: Without fees and carried interest taken into account Net: With fees and carried interest deducted Realised Gross: The return from underlying holdings from which the fund has already fully or partially exited, without fees and carried interest taken into account
Investment Pipeline	Total commitments to HarbourVest funds, which are to be prospectively called or invested by an underlying General Partner. This is comprised of allocated investments and unallocated investments
J-curve	A term given to the typical shape adopted by the annual returns from a private equity fund during its lifecycle when graphed. Due to the investment process, capital calls and fees precede value creation and potential distributions
Limited Partner	The investors in a Limited Partnership – the typical structure of a private equity fund. Limited Partners are not involved in the day-to-day management of a fund
Limited Partnership Agreement ("LPA")	The document which constitutes and defines a Limited Partnership, the legal structure typically adopted by private equity funds
Management Fee	The fee paid to a fund, typically a percentage of the Limited Partner's commitment
Mergers and Acquisitions ("M&A")	The consolidation of companies, for example where the ownership of a company in the underlying portfolio is transferred to, or combined with, another entity
Mezzanine Finance/Debt	An investment strategy that typically includes junior debt and senior equity, often with the option to convert debt into equity in the event of default
Net Asset Value ("NAV"), Current Value or Residual Value	The market value of all current/unrealised investments
Preferred Return or Hurdle Rate	A minimum annual rate of return, determined in the Limited Partnership Agreement, that a fund must achieve before the General Partner may receive carried interest
Primary Fund or Primaries (sometimes Fund-of-funds)	A private equity fund that invests directly in privately-held companies rather than in other investment vehicles
Principal Documents	The Company's legal and organisational documents, including the Articles of Incorporation and the Prospectus
Private Markets	Investments made in non-public companies through privately negotiated transactions
Real Assets	An investment strategy that invests in physical assets that derive value and generate returns from their substance and properties, including infrastructure, agricultural land, oil and gas, and other commodities
Realised Investment or Exit	An underlying holding from which the General Partner has exited
Realised Value or Proceeds	The returns generated from the liquidation or realisation of underlying holdings
Realised Value to Total Cost ("RV/TC") Multiple	The returns generated from the liquidation or realisation of underlying holdings divided by the cost of all holdings, both remaining and exited
Recapitalisation	A refinancing strategy used by private equity funds, typically involving an increase in the level of borrowing to enable an early cash distribution to investors

Glossary of Private Market Terms continued

Term	Definition
Secondary Fund or Secondaries	A fund that purchases pre-existing interests in private equity funds or portfolios of operating companies
Special Situations	An opportunistic investment strategy that looks to take advantage of market dislocations and unique situations to invest in private companies at discounts to their "fair" market value
Total Value	The fund's total market value plus any capital distributions already made
Total Value/Paid-in ("TVPI") or Total Value/Contributed Multiple	The fund's total market value plus any capital distributions already made divided by the amount of capital already paid into the fund by investors
Total Value/Total Cost ("TV/TC") Multiple	The total value divided by the total cost to date
Unallocated Investments	Commitments made to HarbourVest funds that have not been allocated to, and cannot be called by, an underlying General Partner
Unfunded	The portion of investors' capital commitment that has yet to be "drawn down" or called by a fund manager
Uplift	Increase in value received upon realisation of an investment relative to its carrying value prior to realisation
Valuation Multiple	The market value of an asset relative to a key financial metric
Venture Capital	An investment strategy that generates returns by backing start-up and early-stage companies that are believed to have long-term growth potential
Vintage Year	Usually the year in which capital is first called by a particular fund, though definitions can vary based on the type of fund or investment

Alternative Performance Measures

RECONCILIATION OF SHARE PRICE DISCOUNT TO NET ASSET VALUE PER SHARE

The share price discount to NAV per share will vary depending on which NAV per share figure is used. As distinct from the "notional" discount quoted in the Chairman's Statement on page 3, the "live" discount referred to elsewhere in this report is calculated using the live NAVs per share available in the market as at 31 January 2019 and 31 January 2020, those being the 31 December 2018 and 31 December 2019 estimates of $23.03 (sterling equivalent £18.06) and $26.92 (sterling equivalent £20.31), respectively, adjusted for USD/GBP foreign exchange movement, against share prices of £14.26 at 31 January 2019 and £18.36 at 31 January 2020.

The table below outlines the notional discounts to the share price at 31 January 2020, based on the NAVs per share published after this date (31 January 2020 estimate and final). Movements between the published NAVs per share for the same calendar date largely arise as further underlying fund valuations are received, and as adjustments are made for public markets, foreign exchange and operating expenses.

Date of NAV (Estimate and Final)	NAV Per Share	NAV Converted at 31 January 2020 GBP/USD Exchange Rate (1.3206)	Share Price at 31 January 2020	Discount to NAV at 31 January 2020
Estimated NAV at 31 December 2019 (published 17 January 2020)	$26.92	£20.38	£18.36	9.9%
Estimated NAV at 31 January 2020 (published 18 February)	$26.92	£20.38	£18.36	9.9%
Final NAV (US GAAP) at 31 January 2020 (published 24 June)	$27.58	£20.88	£18.36	12.1%

KPIS (PAGES 14 TO 15)

The KPI metrics show the movement between the NAV per share (in US dollars) and the share price in sterling and translated into US dollars. Relative to the FTSE AW TR, this is the difference in movement between the year-on-year change of this index vs the particular HVPE KPI. Overleaf the calculations for the balance sheet ratio are provided.

NAV PER SHARE ($)

Date	NAV Per Share	Period-on-period Change	FTSE AW TR Movement	HVPE's Relative Difference
31 January 2016	$16.75			
31 January 2017	$18.47	+10.3%	+18.8%	-8.5%
31 January 2018	$21.46	+16.2%	+28.2%	-12.0%
31 January 2019	$24.09	+12.3%	-7.1%	+19.4%
31 January 2020	$27.58	+14.5	+16.7%	-2.2%

Alternative Performance Measures continued

ANNUALISED OUTPERFORMANCE OF FTSE AW TR SINCE INCEPTION (2007)

NAV (US dollar) Compound Annual Growth Rate ("CAGR")	
07/12/2007	$10.00
31/01/2020	$27.58
Elapsed time (years)	12.2
US dollar CAGR	8.7%
FTSE AW TR (US dollar) CAGR	
07/12/2007	269.9
31/07/2019	507.9
Elapsed time (years)	12.2
FTSE AW TR CAGR	**5.3%**

Annualised outperformance of FTSE AW TR since inception (2007) calculation	
8.7% minus 5.3%	**3.4%**

TOTAL SHAREHOLDER RETURN (£)

Date	Share Price (£)	Period-on-period Change
31 January 2017	£11.95	+37.2%
31 January 2018	£12.52	+4.8%
31 January 2019	£14.26	+13.9%
31 January 2020	£18.36	+28.8%

TOTAL SHAREHOLDER RETURN ($)

Year	Share Price ($ Converted)	Period-on-period Change	FTSE AW TR Movement	HVPE's Relative Difference
31 January 2016	$12.41			
31 January 2017	$15.03	+21.1%	+18.8%	+2.4%
31 January 2018	$17.77	+18.2%	+28.2%	-9.9%
31 January 2019*	$18.75	+5.5%	-7.1%	+12.6%
31 January 2020*	$24.15	+28.8%	+16.7%	+12.1%

* HVPE introduced an additional US dollar share price on 10 December 2018; from this date onwards, the actual US dollar share price, as reported by the London Stock Exchange, has been used. Prior to this date, the US dollar share price had been converted from the sterling share price at the prevailing exchange rate.

MANAGING THE BALANCE SHEET

Total Commitment Ratio

(Total exposure to private markets investments as a percentage of NAV)

	31 January 2020	31 January 2019
Investment Portfolio	**$2,065.5**	$1,760.2
Investment Pipeline	**$1,807.0**	$1,562.7
Total	**$3,872.5**	$3,322.9
NAV	**$2,207.7**	$1,924.0
Total Commitment Ratio	**176%**	173%

COMMITMENT COVERAGE RATIO

(Short-term liquidity as a percentage of Total Investment Pipeline)

	31 January 2020	31 January 2019
Cash	**$130.6**	$156.6
Available credit facility	**$600.0**	$600.0
Total sources	**$730.6**	$756.6
Investment Pipeline	**$1,807.0**	$1,562.7
Commitment Coverage Ratio	**40%**	48%

ROLLING COVERAGE RATIO

(A measure of medium-term commitment coverage)

	31 January 2020	31 January 2019
Cash	**$130.6**	$156.6
Available credit facility	**$600.0**	$600.0
Current year estimated realisations	**$403.7**	$423.5
Total sources	**$1,134.3**	$1,180.1
Next three years' estimated investments	**$1,512.9**	$1,643.8
Rolling Coverage Ratio	**75%**	72%

UPLIFT ON TRANSACTION

	31 January 2020	31 January 2019
Realised value from M&A and IPO transactions	**$141.9**	$163.5
Unrealised carrying value from M&A and IPO transactions	**$99.0**	$79.2
Total value post transaction	**$240.9**	$242.7
Carrying value prior to announcement of M&A transaction or IPO filing	**$148.3**	$172.6
Uplift on transaction	**62.5%**	40.6%

Disclosures

INVESTMENTS

The companies represented within this report are provided for illustrative purposes only, as example portfolio holdings. There are over 9,000 individual companies in the HVPE portfolio, with no one company comprising more than 1.9% of the entire portfolio.

The deal summaries, General Partners (managers), and/or companies shown within the report are intended for illustrative purposes only. While they may represent an actual investment or relationship in the HVPE portfolio, there is no guarantee they will remain in the portfolio in the future.

Past performance is no guarantee of future returns.

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

PUBLICATION AND CALCULATION OF NET ASSET VALUE

The NAV of the Company is equal to the value of its total assets less its total liabilities. The NAV per share is calculated by dividing the NAV of the Company by the number of shares in issue. The Company intends to publish the estimated NAV per share as calculated, monthly in arrears, as at each month end, generally within 20 days.

REGULATORY INFORMATION

HVPE is required to comply with the Listing, Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom (the "LDGT Rules"). It is also authorised by the Guernsey Financial Services Commission as an authorised closed-end investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "POI Law"). HVPE is subject to certain ongoing requirements under the LDGT Rules and the POI Law and certain rules promulgated thereunder relating to the disclosure of certain information to investors, including the publication of annual and half-yearly financial reports.

VALUATION POLICY

Valuations Represent Fair Value Under US GAAP

HVPE's 31 January 2020 NAV is based on the 31 December 2019 NAV of each HarbourVest fund, Absolute,[1] and Conversus, adjusted for changes in the value of public securities, foreign currency, known material events, cash flows, and operating expenses during January 2020. The valuation of each HarbourVest fund is presented on a fair value basis in accordance with US generally accepted accounting principles ("US GAAP"). See Note 4 in the Notes to the Audited Consolidated Financial Statements on page 88.

The Investment Manager typically obtains financial information from 90% or more of the underlying investments for each of HVPE's HarbourVest funds to calculate the NAV. For each fund, the accounting team reconciles investments, distributions, and unrealised/realised gains and losses to the Financial Statements. The team also reviews underlying partnership valuation policies.

Management of Foreign Currency Exposure

The Investment Portfolio includes three euro-denominated HarbourVest funds and a Canadian dollar-denominated fund.

16.5% of underlying portfolio holdings are denominated in euros. The euro-denominated Investment Pipeline is €25 million.

- 1.9% of underlying portfolio holdings are denominated in sterling. There is no sterling-denominated Investment Pipeline.
- 1.3% of underlying portfolio holdings are denominated in Australian dollars. There is no Australian dollar-denominated Investment Pipeline.
- 0.6% of underlying portfolio holdings are denominated in Swiss francs. There is no Swiss franc-denominated Investment Pipeline.
- 0.5% of underlying portfolio holdings are denominated in Canadian dollars. The Canadian dollar-denominated Investment Pipeline is C$16 million.

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

1 Absolute, referred to as "HVPE Avalon Co-Investment L.P." in the Audited Consolidated Schedule of Investments, has been fully realised. However, $480,810 remains in escrow.

KEY INFORMATION

Exchange
London Stock Exchange (Main Market)

Ticker
HVPE (£) / HVPD ($)

Listing date
9 September 2015 (LSE Main Market)
2 May 2010 (LSE Specialist Fund Segment – since migrated to LSE Main Market)
6 December 2007 (Euronext – since delisted)

Fiscal year end
31 January

Base currency
US dollars

Sterling quote London Stock Exchange	US dollar quote London Stock Exchange
ISIN **GG00BR30MJ80**	ISIN **GG00BR30MJ80**
SEDOL **BR30MJ8**	SEDOL **BGT0LX2**
TIDM **HVPE LN**	TIDM **HVPD LN**

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

Registration
Financial Conduct Authority

Fund consent
Guernsey Financial Services Commission

Outstanding shares
79,862,486 Ordinary Shares

2020/21 CALENDAR

Monthly NAV estimate: **Generally within 20 days of Month End**

Semi-annual report and unaudited condensed Financial Statements: **October 2020**

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