HARBOURVEST
GLOBAL PRIVATE EQUITY

Annual Report and Accounts
31 January 2019

Building Long-term Wealth by Investing in Private Companies

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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 London listed, FTSE 250 private markets investment company with assets of $1.9 billion and a market capitalisation of £1.2 billion as at 31 January 2019 (tickers: (£) HVPE/($) HVPD). The Company provides access to investments in private companies and portfolios of private companies through funds managed by HarbourVest (the "Investment Manager"[1]), an independent, global private markets asset manager with more than $58 billion of assets under management and a long history of success. By continuously committing capital across HarbourVest's primary, secondary, and direct co-investment programmes (see pages 30 to 32), HVPE has created a private markets portfolio that is diversified by geography, strategy, investment stage, vintage year, and sector. As at 31 January 2019, HVPE's portfolio was made up of 46 HarbourVest funds and seven secondary co-investments[2]. 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. The Company's business model is shown on pages 14 to 15.

Track Record

By following a consistent and proven investment strategy, HVPE has delivered steady and robust NAV growth and has outperformed the public markets by 3.8% annually since inception, as measured by the FTSE All-World Total Return ("FTSE AW TR") Index. This has been achieved whilst running a well-diversified strategy with relatively low volatility and maintaining a prudent balance sheet with ample liquidity to fund new investments.

1 The Investment Manager of HVPE is HarbourVest Advisers L.P. which is an affiliate of HarbourVest Partners, LLC.

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 $520,072 remains in escrow.

Performance Snapshot

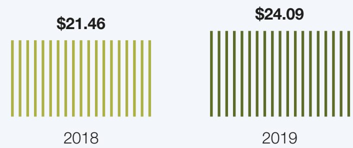
Year to 31 January

NAV per Share Growth

NAV per Share Growth ($)

+ 12.3%

2018: +16.2%



Annualised outperformance of FTSE AW TR since inception (2007)

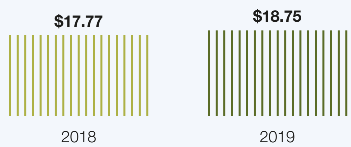
+ 3.8%

Total Shareholder Return

Share Price ($)

+ 5.5%

2018: +18.2%



Share Price (£)

+ 13.9%

2018: +4.8%

See pages 12 to 13 for more details on the Company's Key Performance Indicators ("KPIs").

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 2018 share price in US dollars has been converted from sterling at the prevailing currency conversion rate at 31 January 2018, and the 2019 share price in US dollars is the LSE quoted price.

Chairman's Statement

Dear Shareholder,

The year to 31 January 2019 was the tenth consecutive year of Net Asset Value ("NAV") per share growth for your Company, HarbourVest Global Private Equity ("HVPE" or the "Company"). Ten years ago the NAV per share was $7.61. At 31 January 2019 it had grown without interruption to $24.09, an increase of 217% over the ten years, equivalent to a compound rate of growth of 12.2% per annum. Pleasing though this performance is, it should be set in the context of the extraordinary longevity of strong listed stock markets, particularly in the US, as they have recovered from their nadirs during the Global Financial Crisis.

Performance and Asset Values

The Company's functional currency is the US dollar and it is the performance of NAV per share in US dollars that is the primary focus of the Board and the Investment Manager. The year to 31 January 2019 delivered NAV per share growth from $21.46 to $24.09, an increase of 12.3%. This growth was at a slightly slower pace than the previous year but needs to be set against the performance of listed markets where the Company's benchmark of the FTSE All-World Total Return Index for the 12 months to 31 January suffered a decline of 7.1%. Thus HVPE's NAV per share outperformance against the benchmark was 19.4%.

An investment in HVPE should be seen as a long-term investment. For a number of years I have indicated that the Board and Investment Manager seek to deliver long-term NAV per share growth materially in excess of that delivered by listed markets. Through the life of the Company since it was listed in December 2007 to 31 January 2019, HVPE's NAV per share has outperformed that of the benchmark by a compound 380 basis points, or 3.8%, per annum. When considering shorter discrete periods of performance it should be noted that the detailed timing at which private equity assets are valued, being normally, at most, every three months coinciding with the calendar quarters, and the Company's year-end being at 31 January, means that sometimes there can be material short-term fluctuations, with the Company outperforming its benchmark in some years and underperforming in others.

Share Price Performance and Discount

The Company does not declare a dividend and, at present and for the foreseeable future, the return to shareholders is delivered solely through share price appreciation. The majority of shareholders are UK based and the most actively traded shares are traded in sterling. During the year to 31 January 2019 the sterling share price rose from £12.52 to £14.26, being an increase of 13.9%. Part of that increase resulted from the weakening of sterling against the US dollar, moving from $1.4191 to the pound to $1.3109 over the 12 months. Consequently the share price growth equivalent in US dollars was not as great as in sterling, being from $17.77 to $18.75 or by 5.5%.

The sterling share price is driven by three principal factors, being the movement in the US dollar NAV per share, the sterling/US dollar exchange rate and the discount to NAV at which the shares trade. The Investment Manager has prime responsibility for delivering long-term growth in NAV per share. The exchange rate is an external factor over which the Company has no control. Absent any action by the Company to influence it, the discount is set in the stock market by the activities of buyers and sellers and, very importantly, sentiment both for the Company and for the listed private equity sector. Over the 12 months to 31 January 2019 the discount to NAV at which the sterling share traded fluctuated between 16.6% and 28.8% and ended the year at 22.4% in contrast to the 17.2% discount a year earlier.

Both the absolute level of the discount and its volatility have caused the Board and Investment Manager to consider whether there is any action that the Board might take to seek to reduce the level of any substantial discount and also volatility. The consideration of the issue has been undertaken over many months. The Company's joint brokers and others were extensively consulted and the Board was mindful of, and very grateful for, the feedback from shareholders during the course of a shareholder survey undertaken in September and October 2018 by an independent company, Investor Perceptions.

The Investment Manager undertook substantial analysis of the effect that actions that other companies, both in the listed private equity space and wider, have taken in an attempt to reduce the level of discount and influence its volatility. As I have written before, HVPE's illiquid assets and substantial pipeline of yet-to-be funded commitments place it in a very different position as compared with many conventional Investment Companies. The Board and Investment Manager have to balance the see-saw of optimising NAV growth through commitments to HarbourVest managed funds, whilst at the same time seeking to be as certain as possible that the Company's balance sheet would not be unreasonably exposed in the event of a renewed financial crisis. This is a difficult balancing act and it is easy to bask in the sunshine of the performance of equity markets, both listed and private, over the last ten years whilst putting to the back of one's mind the maelstrom of 2008/9.

After rigorous analysis by the Investment Manager, the Board concluded that any action that might be considered should be confined to opportunistic share buy backs that would boost NAV per share. However, paradoxically, on the basis of the Investment Manager's "base case" projections, the short-term uplift in NAV per share that would be generated by buy backs at the current level of discount would, for long-term holders, be outweighed within a short number of years by the detrimental effect of reduced future commitments to new funds, leading to lower longer-term NAV per share growth. There is insufficient space in this statement to take shareholders through the detailed analysis, although either I or the Investment Manager would be happy to engage further with interested shareholders. However, the outcome of over six months of work and deliberations is that the Board has decided that maintaining an optimum level of future commitments, and thus, in due course, enhanced growth in NAV per share, is more important than a short-term uplift that buy backs would deliver at or close to present levels of discount. Nevertheless, the Board will seek shareholders' approval at the Annual General Meeting ("AGM") to renew the buy-back authority so that, should circumstances change, the Board would be in a position to revisit the policy.

Assets, Balance Sheet and Resources

The Strategic Report sets out in considerable detail the Company's present strategy, its assets and commitments which continue to have a very strong US focus. The Board is ever watchful of the balance sheet and has approved the policy of making significant new commitments to HarbourVest funds in accordance with the Company's investment strategy and within the balance sheet ratios that have been developed over the last ten years and which are described in the Strategic Report.

For over two years the Investment Manager has advised the Board that it expected the Company's substantial cash balance, which peaked at $257.0 million in January 2018, to be drawn down to fund existing commitments. In fact that has happened more slowly than expected as borrowings, especially bridging finance, within the HarbourVest funds have increased materially over that period and every dollar borrowed for bridging within a HarbourVest fund is matched by a dollar retained on HVPE's own balance sheet. In the year to 31 January 2019 the Company's cash balances declined steadily from $257.0 million to $156.6 million. However, after the Company's year-end in February there was a significant drawdown of $101.3 million to fund most of the Company's commitment of $150 million to a new HarbourVest real assets vehicle formed in June 2018. This is a relatively new asset class for HarbourVest and is intended to provide private equity type of returns through a combination of yield and capital appreciation. In addition, as the seed investor in the new vehicle, HVPE has negotiated preferred terms including a share of future management revenues from expansion of the programme.

As already announced, in order to have available committed support for the balance sheet in the event of a future downturn, the Company has re-negotiated its banking facilities such that it now has a facility of $600 million committed through to January 2026, subject to usual covenants, provided jointly by existing facility provider, Credit Suisse, and new provider, Mitsubishi UFJ. From January 2021 the facility will become a rolling facility subject to a minimum of five years' notice of cancellation. The Board and Investment Manager consider this long-term facility to be a prudent bulwark against future uncertainty.

Operating Expenses

Over recent years there have been significant reductions in the costs of running the Company relative to its NAV as fees payable for investors in new HarbourVest funds, who qualify both through loyalty and size, have fallen. In the year to 31 January 2019, management fees of 0.83% of NAV were payable in contrast to 1.01% a

Chairman's Statement continued

year earlier. As shown on page 27, the net operating expense ratio, being all expenses save for performance fees, reduced over the year from 1.76% of NAV to 1.50%. Performance fees are always, of their nature, going to be variable and will only be payable when the relevant funds exceed their hurdle returns. So, it is on the net operating expense ratio that the Board focuses. The Board will continue to work with the Investment Manager to strive to keep the costs of operating the company on a downward trend.

Commitment fees and other costs related to the unused $600 million credit facility make up 0.40% of NAV in the net operating expense ratio and this year those charges were partially offset by interest income earned, being a 0.21% credit. In future years, as the Company's cash balance is drawn down to fund commitments, interest income is expected to decline.

The Board

Eleven years after the IPO of the Company on the Euronext Amsterdam Stock Exchange, and three and a half years after the pace of change quickened with the listing of the Company on the London Stock Exchange and entry into the FTSE 250 Index, significant changes in the make-up of the Board are in prospect. Messrs Zug, Corbin, Moore and I have served since the IPO and the Board is very alive to the need for regular refreshment and also for diversity.

Under the terms of the Investment Management Agreement ("IMA") negotiated in 2015, in return for HarbourVest cancelling its controlling voting shares and agreeing to enfranchise all of the investors' shares, HarbourVest has the right to put two persons forward for election as directors at each AGM. Brooks Zug, a co-founder of HarbourVest and a key architect and director of the Company since 2007, has indicated that he intends to stand down in July 2019 and will not offer himself for re-election at the AGM. It is almost impossible to overestimate Brooks' contribution to the creation of, and success of, HVPE and on behalf of the Board and all shareholders I thank him for his wisdom, energy and guidance.

Although the IMA is in the process of a routine review and revision, the Independent Directors have not sought a reduction in the number of HarbourVest nominated directors from the current number of two. It may be unusual in London for an investment company to have even one representative of the Investment Manager on the Board, let alone two. However, in the light of HVPE being one of the largest of HarbourVest's clients and also a very visible "shop window", the Independent Directors are of the view that the very closest of relationships between the Company and the Investment Manager is in the shareholders' best interests. As long as the six Independent Directors are, and remain, robustly independent I am of the view that the "partnership" between the Company and HarbourVest is best served by the presence on the Company's Board of one of the two most senior Managing Directors of HarbourVest, Peter Wilson, and also another Managing Director who is intimately involved in making investment decisions on behalf of the funds.

HarbourVest has given notice that they intend to put Carolina Espinal forward for election at the AGM to be Brooks' successor. I will be very pleased to see Carolina join the Board and hope that shareholders will support her election. Carolina is a British and Honduran national. She was educated in US schools worldwide and holds a Masters in Finance degree from the London Business School. She worked for Merrill Lynch in Houston and joined HarbourVest in 2004. She is a Managing Director in the Primary team at HarbourVest and is a member of the three-person Investment Committee which makes decisions on new commitments to primary funds worldwide. She has close connections with managers of many of those funds and represents HarbourVest on 15 advisory committees. Carolina hopes to get to know a number of the Company's shareholders over the next year or so and would be happy to see any shareholder who would like to meet her.

It is also intended that after over 11 years of service as a director, as Senior Independent Director and as chairman of the Audit Committee until July 2018, Keith Corbin will not offer himself for re-election at the AGM in July. Keith has been a rock of experience and stability as the Company developed from its beginnings in

2007 and passed through the Global Financial Crisis to emerge as one of the few large, and fully investible, private equity fund of funds companies in the London market. Keith has been a very valuable sounding board for me as Chairman and I thank him for that and for his service on behalf of all shareholders. Keith is succeeded as Senior Independent Director by Alan Hodson who, after a distinguished career at UBS, joined the HVPE Board in April 2013.

I have served as Chairman of the Company since the IPO in 2007. Although the final version of the new Association of Investment Companies' Code, which HVPE will report against for the year ending 31 January 2020, is not as prescriptive as the drafts, it retains the guideline that Chairmen should not serve materially beyond nine years. Accordingly, I have indicated to the Board that I expect to stand down as Chairman and a director of the Company no later than the AGM in July 2020. Led by the Senior Independent Director, the Nomination Committee, which comprises all of the Independent Directors, has appointed Trust Associates to seek a new director who will likely be appointed to the Board later in 2019 with the prospect of succeeding me as Chairman. That search is underway and the Company will make a further announcement in due course.

Finally, some months ago I recommended to the Board that HVPE might offer a high-flying young person a Board apprenticeship. This programme is run by the Board Apprentice organisation based in Jersey and seeks to give the next generation of future independent directors exposure to Boards in order to give the apprentice an opportunity to observe the manner in which a listed company is governed. HVPE received over 30 applicants for this apprenticeship and in March we welcomed Yvonne Bajela as HVPE's Board apprentice. Yvonne is a Chartered Financial Analyst, holds a first-class degree from Brunel University, has worked for Goldman Sachs and Mitsui and in 2016 was profiled as one of the top 30 individuals aged under 30 Future of Ghana Pioneers.

Annual General Meeting and Informal Shareholder Meeting

The Company's AGM will be held in Guernsey on 25 July 2019 and formal notice will be despatched to registered shareholders in the week commencing 24 June. The Company hopes that all registered shareholders will exercise their votes either in person or by proxy. Save for Messrs Zug and Corbin, who will not be offering themselves for re-election, all Directors will submit themselves for re-election and, as described above, shareholders will be invited to support the election of Carolina Espinal to the Board.

In advance of the formal AGM, HVPE will hold an informal meeting for interested shareholders at Sofitel St James, 6 Waterloo Place, London SW1Y 4AN from 8.15am on Thursday 20 June 2019. The Investment Manager has recently issued invitations and details by email. Any shareholder who would like to attend, but has not yet received an invitation, should contact Charlotte Edgar: cedgar@harbourvest.com.

Conclusion

The geopolitical scene remains very uncertain as does much of the world's economic outlook with anaemic growth in many major developed countries and interest rates, save for in the US, still nailed to the floor. Meanwhile significant quantities of capital are seeking deployment in the private company space. Successful deployment requires experience and access to top performing managers and HarbourVest's more than 35 years of experience confers the opportunity to deliver both. The valuation of some high-profile private assets looks elevated by historic standards. Nevertheless, with the Company's focus on long-term NAV growth and significant diversification by strategy and vintage year, your Board and Investment Manager look forward to the future with confidence and thank shareholders for their support.

I am always happy to receive feedback from shareholders and can be contacted through hvpecosec@bnpparibas.com.

Michael Bunbury
Chairman
28 May 2019

Ten-Year Financial Record

At 31 January	2010	2011	2012	2013	2014	2015	2016	2017	2018	**2019**
NAV ($ million)	718.2	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**
NAV per Share ($)	8.65	10.24	11.42	12.46	14.38	15.86	16.75	18.47	21.46	**24.09**
Share Price ($)	5.00	6.18	6.37	8.66	10.75	12.73	12.41	15.03	17.77	**18.75**
Share Price (£)	3.13	3.86	4.04	5.46	6.54	8.45	8.71	11.95	12.52	**14.26**
Discount to NAV	-42%	-40%	-44%	-30%	-25%	-20%	-26%	-19%	-17%	**-22%**
Gearing (%)	9%	9%	16%	15%	8%	0%	0%	0%	0%	**0%**

Investment Manager's Report

Portfolio Performance

NAV per Share

The year to 31 January 2019 represents another successful period for HVPE. In a year when we saw volatility return to the public markets, with sharp declines in February 2018 and again in Q4, private markets remained resilient and HVPE continued to grow NAV per share. Cash flows were close to the levels forecast at the beginning of the year as existing commitments to HarbourVest programmes were drawn down for new investment as expected, while distributions from mature funds were impacted only marginally by the prevailing nervousness in the final quarter of 2018. This serves as a helpful reminder that private markets investing is a long-term endeavour, and that HVPE makes commitments to funds with investment periods of several years. The managers of these funds are able to time investments and realisations in order to take advantage of, or shield portfolios from, short-term fluctuations in public market sentiment.

Against this backdrop, HVPE's NAV per share grew 12.3% over the year to 31 January 2019, increasing to $24.09 from $21.46 at 31 January 2018. Translated into sterling, NAV per share growth was 21.5%, as sterling weakened against the US dollar over the reporting period.

HVPE's public benchmark, the FTSE AW TR Index (US dollars), declined by 7.1% in the 12 months to 31 January 2019. HVPE's NAV per share growth of 12.3%, therefore, represents outperformance of 19.4 percentage points in the period. HVPE aims to achieve NAV per share growth materially in excess of the public markets through the cycle. Measured over the 11 years from inception in December 2007, HVPE's NAV per share has outperformed the FTSE AW TR Index by 3.8% on an annualised basis in US dollar terms.

During the 12 months ended 31 January 2019 there was a $218.4 million net gain on investments, contributing to an overall increase in net assets of $210.1 million. The $218.4 million was driven almost equally by realised and unrealised gains on the portfolio. This compares to $248.9 million growth in the prior financial year, 63% of which came from realised gains.

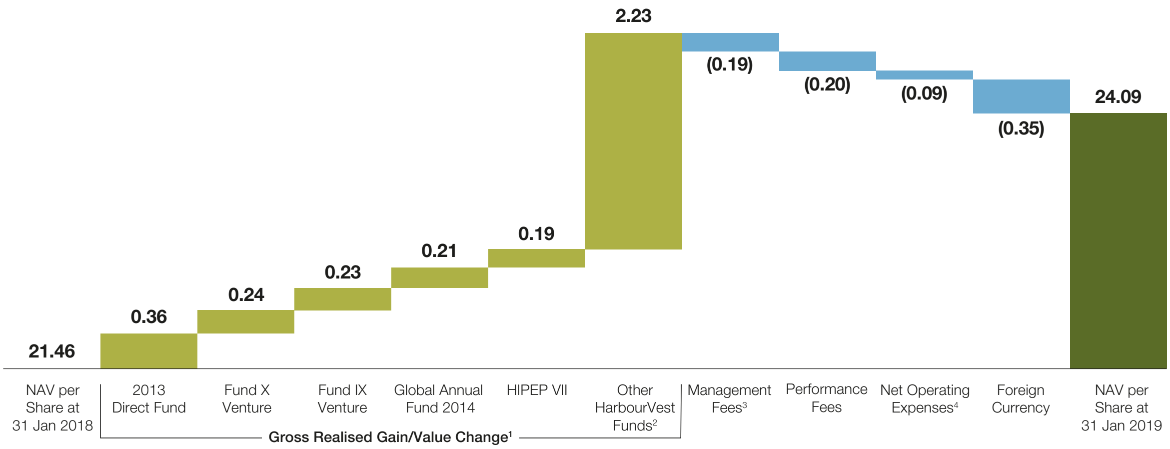
In percentage terms, the Direct Co-investment portfolio was the best-performing strategy, delivering strong value growth of 19.5% largely driven by companies in the US and Asia. Geographically, the strongest gains came from the US portfolio, which generated a value increase of 14.7%. As might be expected given HVPE's substantial US exposure (57% of the Investment Portfolio value), in absolute terms the US assets were the most significant contributor to growth in the period. In terms of stage, Venture and Growth Equity was the strongest performer, growing 16.2% over the 12 months ended 31 January 2019. This was followed by Buyouts which returned 11.3%. More information on the growth drivers can be found on page 37.

As at 31 January 2019, HVPE held investments in 46 HarbourVest funds and seven secondary co-investments[1]. Of these, the largest drivers of NAV per share growth over the reporting period are described below and shown on the corresponding chart overleaf.

// 2013 Direct, a direct co-investment fund, was the largest contributor, adding $0.36 per share over the 12-month period. This was driven almost equally by significant realised and unrealised gains, largely arising from the exits of *TriTech* and *Acrisure* and valuation gains from *Appriss* and *Press Ganey*, as well as strong valuation increases from companies within the remaining portfolio.

1 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 $520,072 remains in escrow.

Double-digit NAV per Share ($) Growth in the 12 Months to 31 January 2019 with a 12.3% Increase to $24.09



1 Realised and unrealised gains are shown net of management fees, performance fees and foreign currency in the Audited Consolidated Statement of Operations.
2 Realised gain/value changes from the balance of 46 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 Audited Consolidated Statement of Operations ($790,612).
4 Operating expenses exclude management fees ($790,612) and are shown net of interest income ($3,810,530).

// Fund X Venture was the second-largest contributor, adding $0.24 to HVPE's NAV share. This fund is a 2015 vintage currently in the investment phase. As might be expected at this stage in the fund's life, the majority of this gain came from unrealised growth following significant value increases in *Sonder, Ministry Brands* and *Peleton,* as well as some of the secondary investments.

// Following closely behind this was another, more mature fund of the same strategy, Fund IX Venture. With a vintage year of 2011, this fund is in the growth phase of its life cycle. As such, growth derived from a mix of realised and unrealised gains.

// Global Annual Fund 2014, the first in a programme of funds conceived as an efficient way to provide global exposure across the HarbourVest platform, added $0.21 to the NAV per share following realised gains mostly in the Direct Co-investment portfolio from the exits of *Tritech* and *Finanzcheck,* and unrealised gains from *Appriss*.

// HIPEP VII Partnership, a 2014 vintage international fund-of-funds in its investment phase, contributed $0.19 to NAV per share, largely from significant unrealised gains.

Portfolio Cash Flows

HVPE was a net investor in the 12 months to 31 January 2019, investing cash of $396.2 million into HarbourVest funds (12 months to 31 January 2018: $312.7 million) and receiving $306.6 million in distributions (12 months to 31 January 2018: $405.1 million). This is consistent with forecasts made at the beginning of the period to the effect that HVPE would see a more rapid pace of investment, driven by the additional commitments made to HarbourVest programmes in recent years. Overall, net negative cash flow in the period resulted in HVPE's cash balance declining from $257.0 million to $156.6 million, in line with expectations. An historic cash flow chart can be found in the "Deep Dive into the Balance Sheet" section, starting on page 20, as well as details of the current position of the Company's total look-through, or "embedded", leverage.

In the reporting period, the largest HarbourVest fund capital call came from Fund X Buyout ($37.8 million). This was closely followed by Fund X Venture at $37.7 million. These are HarbourVest's most recently closed US-focused funds which are currently in the investment phase and building out their portfolios. Strong investment activity was also seen across the Investment Manager's most recent co-investment fund, HarbourVest Co-Investment IV, as it completed 16 new deals over the 12 months. Dover Street IX (HarbourVest's latest secondary fund) was also particularly active in the period, funding 20 new secondary projects. The single largest call was to Secondary Overflow Fund III ("SOF III") Tranche H, to support the investment into Project Fisher,

Investment Manager's Report continued

a traditional secondary transaction representing the acquisition of 74 fund interests from a US endowment. The SOF III tranches represent secondary co-investments, which have lower fees, thus helping to reduce HVPE's overall fee rates. At 31 January 2019, HVPE had exposure to five SOF III projects, equating to $78.2 million, or 4.4% of NAV.

Distributions in the HVPE portfolio were driven by a mix of HarbourVest funds across all strategies, with the largest total amount in the period ($46.3 million) coming from HarbourVest VIII Buyout Fund, a 2006 vintage US fund in its mature phase. Strong distributions also came from HIPEP VI Partnership Fund, a 2008 vintage international fund-of-funds programme in its mature phase, Dover Street VIII, a 2012 vintage secondary fund, and the 2013 vintage global direct co-investment fund.

Portfolio Companies

During the period the 10 largest individual company realisations generated total distributions of $93.5 million, accounting for approximately 30% of all proceeds received. Of these 10 companies, six were in HVPE's top 50 portfolio companies at 31 January 2018. Further details are provided on these six below (ordered by size of distribution). The top 10 distributions by value are listed on page 37:

// National retail insurance broker *Acrisure* was HVPE's fourth largest company at 31 January 2018. In December 2018 HVPE received proceeds of $20.0 million from the redemption of its preferred equity investment in *Acrisure*, a 2016 investment alongside ABRY Partners. This was HVPE's largest distribution in the financial year.

// *Envirotainer International,* an air cargo container manufacturer for pharmaceuticals, and HVPE's 37th largest portfolio company, generated proceeds of $9.8 million for HVPE following its sale to private equity firm Cinven as publicly announced in July 2018.

// HVPE received proceeds of $7.1 million from the sale of *Multiasistencia*, a leading multinational services company for repair-in-kind solutions for homes and businesses, to Allianz Capital Partners. This company was HVPE's 24th largest company at 31 January 2018.

// HVPE received proceeds of $6.5 million from Doughty Hanson & Co following the sale of *TMF Group*, HVPE's 17th largest portfolio company, to CVC Capital Partners.

// Following the continued sell down of shares in publicly traded company *Wayfair,* HVPE's 24th largest position, the Company received proceeds of $5.2 million.

During the 12 months ended 31 January 2019, there were 413 liquidity events in total, up from 389 in the year ended 31 January 2018. Approximately 84% (345) of these were trade sales or sponsor-to-sponsor transactions, with the remaining 16% (68) being Initial Public Offerings ("IPOs"). Of these IPOs, 78% were venture-backed companies, driven by favourable conditions for new technology listings in the US.

Focus on Environmental, Social and Governance ("ESG")

Strengthening its ESG programme is an ongoing strategic priority for HarbourVest Partners ("the firm"). On 31 January 2019, the firm released its 2018 ESG report, detailing the initiatives and activities it undertook in 2018 to support its longstanding commitment to being a conscientious investor and engaged corporate citizen. HarbourVest reported great progress over the year. 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"). In addition, as a signatory of the Principles for Responsible Investment ("PRI") HarbourVest is graded in three core areas and this year it achieved its best-ever scores, with two A+, and one A, placing the firm in the top quartile of private equity managers. The full report can be found under Viewpoints in the Insights section of the HarbourVest website: www.harbourvest.com.

Company Activity

Introduction of US Dollar Quote on the London Stock Exchange

On 10 December 2018, HVPE introduced an additional US dollar market quote for the Company's shares. This operates alongside HVPE's existing sterling quotation and allows the shares to be traded in either currency.

Credit Facility

On 4 January 2019, HVPE announced the commencement of a new, lower cost, $600 million multi-currency credit facility (the "Facility"), with Mitsubishi UFJ Trust Banking Corporation ("Mitsubishi") acting through its New York Branch, joining incumbent co-lender since 2015, Credit Suisse AG London Branch ("Credit Suisse"). The lenders are providing an equal commitment of $300 million each, increasing the size of the Facility to $600 million from the previous $500 million. The new 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. 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. At 31 January 2019, there were no drawings on the Facility and there was $156.6 million of cash on the balance sheet. More details, including terms, can be found on pages 20 to 21, in our "Deep Dive on the Balance Sheet".

New Fund Commitments

In the 12 months ended 31 January 2019, HVPE made new commitments of $730 million across five HarbourVest vehicles. Taken together, these vehicles cover all the strategies offered by HarbourVest in the period, as detailed on page 36. The majority of the capital, however, was committed to primary funds, which draw capital over a period of several years from the date on which the commitment is made. This helps to drive an even allocation across vintage years, reducing the risk of exposure to a single poor-performing vintage.

The largest individual commitments were made across HarbourVest's latest US buyout programme, with approximately $385 million (53%) committed to a combination of its buyout, micro buyout and venture funds. These funds are focused on creating diversified portfolios consisting predominantly of primary fund investments in the US. These commitments are therefore in line with the Company's Strategic Asset Allocation ("SAA") targets (see page 24 for more details), as it strives to reach a long-term allocation of 65% exposure to the US and 55% to Primary funds. HVPE was underweight against both targets at 31 January 2019, with actual exposure of 57% and 45% respectively.

In June 2018, HVPE committed $150 million to a new HarbourVest real assets vehicle (the "Vehicle"). The Board views the real assets strategy as a complementary addition to the existing private markets programme. In March 2019, the Vehicle's first deal was announced, and HVPE simultaneously disclosed that it stands to receive a share of third-party management fee revenue in return for having backed the vehicle as the first seed investor. Richard Hickman, Director of Investment and Operations for HVPE, provides more rationale and insight on this commitment on page 18.

Other commitments were made to a global multi-strategy fund-of-funds (2018 Global Fund), three secondary co-investments through Secondary Overflow Fund III, and HarbourVest's latest global co-investment fund.

The NAV per share has continued to grow, increasing 12.3% over the 12 months to 31 January 2019. This represents the tenth consecutive year of growth.

Recent Events

HVPE Published Estimated NAV at 30 April 2019

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 20 May, HVPE published an estimated NAV per share at 30 April 2019 of $24.05 (£18.45). This represents a decrease of $0.04 from the 31 January 2019 audited figure of $24.09. This marginal reduction was largely as a result of operating expenses.

The Investment Pipeline of unfunded commitments reduced from $1,562.7 million at 31 January 2019 to $1,432.4 million at 30 April 2019, as investments exceeded new commitments during the three-month period.

At the end of April, HVPE's borrowing remained at zero. The Company's cash balance had decreased significantly by $98.8 million to $57.8 million, as capital calls exceeded distributions between February and the end of April. Further details on this can be found in the "Capital Calls Update" in the next column.

HVPE Committed Capital to Newly-Formed HarbourVest Funds

Between 1 February 2019 and 28 May 2019, HVPE committed $45 million to the HarbourVest funds outlined below.

HarbourVest Fund	Date Committed	Commitment ($m)
2019 Global Fund	30 April	25.0
Credit Opportunities II	16 May	20.0
Total		45.0

Capital Calls Update

February 2019 was a record month for capital calls, with HVPE investing $111.7 million into HarbourVest funds. Of the total amount, $101.3 million was called by the new HarbourVest real assets vehicle to fund investment into a global portfolio of high quality core infrastructure assets. As anticipated, and as highlighted earlier in this section, this has significantly reduced HVPE's cash balance since 31 January 2019.

Share Price Trading and Liquidity

HVPE's share price continued to make steady progress over the 12 months to 31 January 2019, rising by 13.9% to £14.26. While this surpassed the growth of the US dollar NAV per share of 12.3%, it lagged the sterling NAV per share of 21.5% as the discount widened from 17.2% to 18.8% over the period (based on the live NAV in the market at 31 January 2019[1]). This changes to a retrospective discount of 22.4% based on the final audited NAV per share of $24.09. Details of this calculation can be found on page 91.

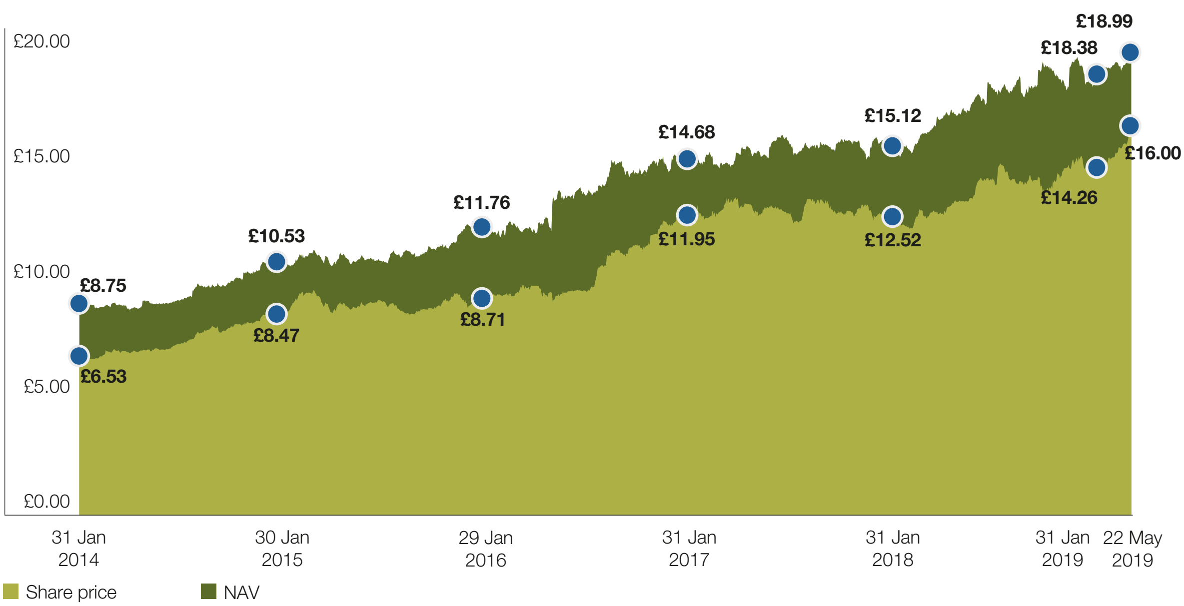
HVPE's share trading volume has remained broadly consistent over the 12 months to 31 January 2019, with a typical day continuing to see approximately 45,000 shares traded.[2]

Period Since 31 January 2019

In the period from 31 January 2019 to 22 May 2019 the share price has made significant progress, increasing from £14.26 to £16.00, or 12.2%. This has resulted in a tightening of the discount to 15.7% against the April estimated NAV per share of $24.05 (sterling equivalent £18.99 as at 22 May 2019), the live NAV per share in the market as at 22 May. A number of factors influence the share price and discount in the short term. The most important of these is investor sentiment, both towards listed private equity as a sector and across the market more generally.

The market capitalisation of the Company as at 22 May 2019 was £1.3 billion, and as of the same date HVPE was ranked 136th in the FTSE 250.

Share Price and NAV per Share Movement from 31 January 2014 to 22 May 2019 (£)



1 Discounts are calculated based on the live NAVs available in the market at 31 January 2018 and 31 January 2019, those being the 31 December 2017 and 31 December 2018 estimates of $20.79 (sterling equivalent £14.65) and $23.03 (sterling equivalent £18.06) respectively, against share prices of £12.44 at 31 December 2017 and £14.26 at 31 January 2019. A notional discount of 22.5% exists when comparing the final sterling NAV per share of £24.09, represented by these financial statements at 31 January prepared under US GAAP, with the share price of £14.26 on 31 January 2019. Please refer to the reconciliation table on page 91 for more details on this calculation.
2 Based on the average of monthly median trade volumes.

KPIs and Investment Objective

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 All World on a total return basis in US dollars. The FTSE AW TR is a global equity index with geographical weightings comparable to HVPE's portfolio.

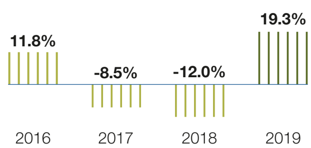
Commentary
In the short term, the nature and timing of HVPE's valuation process may result in significant divergence from the FTSE AW TR Index in either direction, as in the year ended 31 January 2019 when we saw unusually strong outperformance of 19.4%. Over the 11-year period since inception the Company has achieved average annual outperformance of 3.8%.

A. NAV per share ($)

+ 12.3%

2018: +16.2%

B. Relative to FTSE AW TR ($)



C. Annualised outperformance of FTSE AW TR since inception (2007)

+ 3.8%

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 the discount to NAV.

Commentary
Approximately 70% of HVPE's shareholders are UK-based, and the majority of trading volume occurs in sterling. The total shareholder return in sterling is, therefore, an important figure and was 13.9% in the year ended 31 January 2019, aided by a strong US dollar. The discount to NAV fluctuated during the year ended 31 January 2019 within a relatively narrow range, against a backdrop of significant volatility in the broader equity markets.

A. Share Price (£)

+ 13.9%

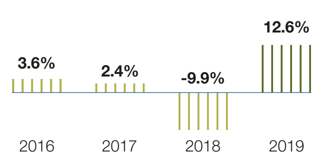
2018: +4.8%

B. Share Price ($)

+ 5.5%

2018: +18.2%

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



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.

3 Balance Sheet Strength

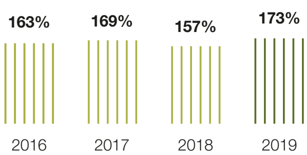
Description

The Board and the Investment Manager actively monitor the 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 pages 20 to 22 for a full discussion of this important topic.

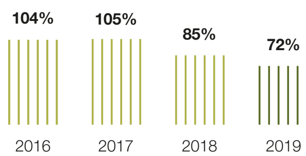
Commentary

The Total Commitment Ratio ("TCR") increased in the year ending 31 January 2019 as a result of new commitments made during the period, but remains within the agreed range and represents a level that the Investment Manager believes is optimal for long-term NAV per share growth. The Rolling Coverage Ratio decreased as anticipated in reflection of the higher TCR, while the credit facility remained unutilised due to the Company's continued net cash position.

A. Total Commitment Ratio



B. Rolling Coverage Ratio



C. Credit Facility Utilisation (%)

= 0.0%

2018: = 0.0%

4 Liquidity in the Shares (Daily Trading Volume)

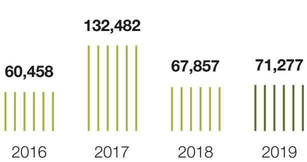
Description

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 mean, the median and the mode (i.e. most frequently occurring daily volume figure).

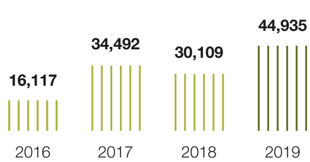
Commentary

Daily liquidity improved in the year to 31 January 2019 on all three measures, and stands at a multi-year high in terms of the median and modal averages. The median is the figure used by FTSE Russell for index assessment purposes, and the mode is the figure most likely to be experienced by market participants during the year.

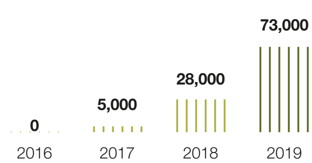
A. Mean Daily Trading Volume



B. Median Daily Trading Volume



C. Modal Daily Trading Volume



Business Model

Creating value at every level of our business

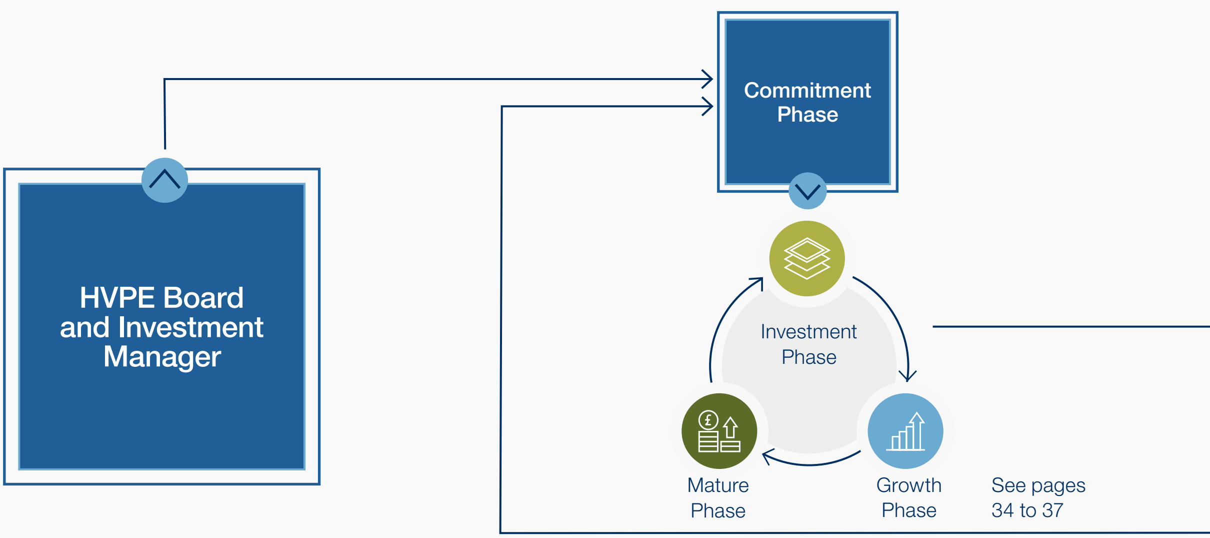
Key strengths and sources of value

Active balance sheet management
HVPE maintains a prudent balance sheet 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. See pages 20 to 22 for more details.

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 24 to 25 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 $58 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.



See pages 34 to 37

Creating value at every level of our business

A strong balance sheet is vital in underpinning investment into private market funds given the cash flow profile of these investments. HVPE's large 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 helps 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, has 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 not always 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. This means that diversification across multiple funds and investments is critically important for optimising risk-adjusted returns. Through following its SAA targets, HVPE has built a well-diversified portfolio as shown in the diagram below.

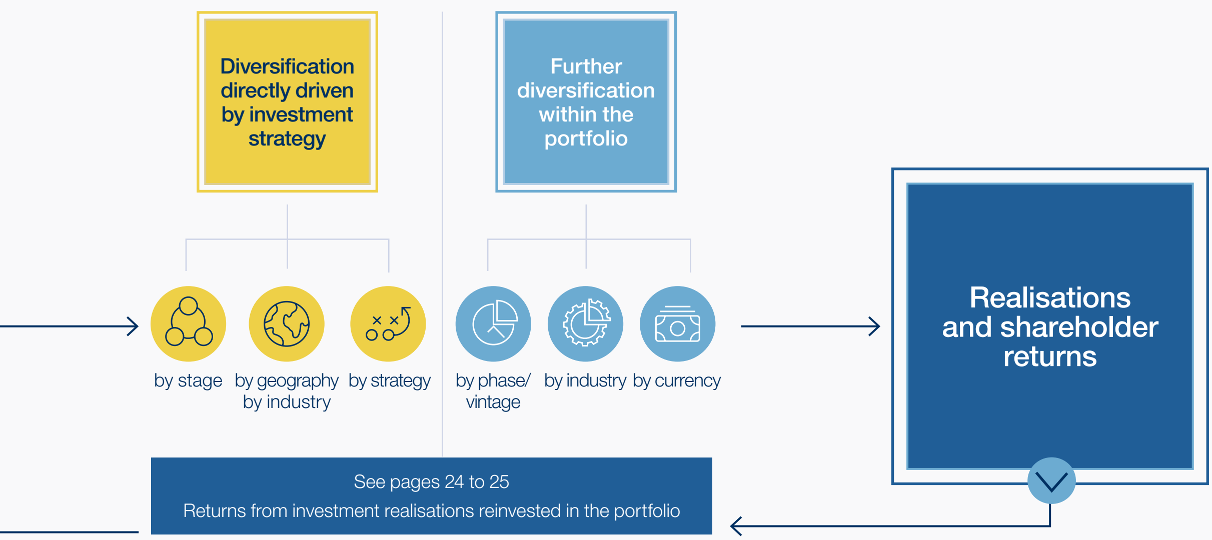
Multi-manager approach

Effectively, HVPE provides exposure to 30 individual HarbourVest fund managers, each experts in their strategy. Furthermore, the underlying investments give access to a large number of leading 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 to public markets. Ultimately, this is locked in via strong realisations, the proceeds of which are then reinvested into new private market opportunities.



The multi-manager approach adds value as there is less reliance on one “key man” to make investment decisions. Furthermore, no single external manager represents more than 2.8% 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 ten 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.

Portfolio and Markets Perspective

Richard Hickman, Director of Investment and Operations for HVPE, who is responsible for the day-to-day management of the Company and represents HVPE on its Investment Committee, provides answers to key questions on HVPE's portfolio activity during the year and provides wider market insights.

Q

Can you provide some insights on the wider private equity market?

There has been considerable media coverage focused on private equity in recent months. Points of emphasis have included high levels of uninvested capital, known in the industry as "dry powder", elevated pricing and debt levels on new deals, and high valuations on well-known technology IPOs. Away from the headlines, however, the picture is more nuanced.

Dry powder did indeed stand at a record high at the end of 2018 of approximately $2 trillion globally. According to the most recent Bain Capital report[1], this is equivalent to only three years of investment at the current pace. In the context of a typical investment period of five years, this looks sustainable; even more so when we look back to 2007 and 2008 when the dry powder figure was equivalent to 4.6 years of investment. The pace of investment itself has increased steadily in recent years but 2018 was no higher than 2015, and considerably below the peak levels seen in 2006 and 2007.

Asset prices in most developed world economies remain elevated, and there is no doubt that this is true in private markets. Valuation multiples do, however, correlate closely to enterprise value, with $500 million being the approximate cut-off below which multiples are materially lower, and closer to long-run averages. This represents an opportunity for the industry now that technology is enabling general partners to evaluate and target smaller prospective investee companies at a lower cost.

Private equity managers at all levels remain selective and are insisting that any prospective investee company is capable of delivering strong returns even in the event that comparable valuations decline materially over the holding period. As a corollary to this, while deal leverage has increased, it tends to be applied on a prudent basis to companies with attractive growth prospects, strong cash flows and recurring revenue streams.

The IPO pipeline for 2019 has been building in recent months, with all eyes on the well-known technology companies. These are attracting strong valuations, in many cases following many years of revenue growth supported by venture capital managers and, later, growth equity and buyout funds. As such, many of these well-known IPO prospects feature within the HarbourVest fund-of-funds programmes, and some are likely to result in attractive returns for investors in those funds including HVPE. Furthermore, the venture capital industry itself has experienced rapid growth in recent years, with the rise of Asia, and especially China, being the most notable development. HVPE as an investor in these funds represents one of the very few options for public market investors seeking exposure to fast-growing private companies on a well-diversified global basis.

Q

What sorts of companies feature in your portfolio and what are the key characteristics of the more successful investee companies?

With circa 1,000 material[2] private company investments in our portfolio, it is not possible to point to a typical

1 Bain & Company, Global Private Equity Report 2019.
2 The top 1,000 companies represent 82% of total NAV.

investee company so we tend to focus on themes rather than individual situations. For example, the significant growth and innovation seen in the technology sector has meant that some of our underlying investments in this area have performed particularly strongly. With a portfolio that is well-diversified by sector and strategy, HVPE is well-positioned to benefit from new themes as they emerge.

Q

Looking at the quality of the portfolio, are you confident that you have exposure to the most attractive investment opportunities in the market?

HarbourVest employs a highly selective approach to its investments and commits to only circa 6% of the opportunities available. The longevity and stability of the HarbourVest team has enabled the firm to cultivate relationships with many top-tier fund managers. This adds significant value in a highly competitive market, especially where many of the most sought-after funds are often oversubscribed, making them difficult to access for many investors. HVPE itself also adds value by taking a top-down approach, ensuring that the portfolio is built up from components that are to some extent uncorrelated. For example, approximately 10% of the portfolio by value is invested in early stage venture capital funds, while a similar amount is invested in real assets opportunities including long-term infrastructure investments. The offset timing of returns from these very different strategies is expected to help deliver consistency in NAV growth from year to year.

Q

What were the notable exits in the portfolio last year and were you satisfied with the valuations achieved?

The details of the more significant exits in the year are highlighted on page 8 of the Investment Manager's Report and the top ten realisations by value during the year are shown on page 36. Within a portfolio of private company investments, exits can be timed in order to take advantage of changing sentiment and optimise the value achieved on any sale. We saw this clearly in the first half of the year, when several venture-backed businesses achieved successful IPOs. Later in the year, when markets were less favourable, managers initiated fewer exits, choosing instead to wait for a better opportunity to realise value.

For the last seven years we have tracked the uplift achieved on realisation as compared to the value at which the investments were held prior to the announcement of the exit. For 14 consecutive half-year periods, the premium achieved has exceeded 30% and in the year to 31 January 2019 the premium was 41% (see footnote 1 on page 19 for details of the analysis). The consistency of this premium is due in part to the guidelines around private company valuations, for example the use of "illiquidity discounts", but is also an indication that underlying managers are able to consistently time their exits to maximise the value received. See the charts on page 19 for a further breakdown.

Q

What do think are the biggest risks to the sector?

As with almost all sectors today, the valuation environment in private markets presents a challenge for new investment. The HarbourVest funds in which HVPE invests tend to deploy capital at a measured pace, however, and underlying managers are well aware of the risks inherent in overpaying for assets. One notable feature of deals seen in recent months is a strong tendency for the sponsor (i.e. the lead private equity manager) to assume a decline in the valuation multiple on any new investment from entry to exit. This assumption is factored into the base case return expectations on which the investment is being evaluated, and is generally offset by forecast increases in earnings in the business driven by strategic and operational improvements to be implemented during the investment period.

Competition for new deals has certainly increased in recent years, although this tends to be more of an issue at the large-cap end of the market. HVPE has made commitments to new HarbourVest funds seeking to push further into areas where competition is less intense, such as small-cap buyouts and complex secondary investments in real assets. Meanwhile, the structure of HVPE and its pipeline of primary funds helps to ensure that new investment is spread across multiple vintage years, evening out the prices paid for new investments over time. A similar smoothing approach is observed with respect to exits, thereby reducing the volatility of returns through the cycle.

Portfolio and Markets Perspective continued

Q

How is the portfolio currently positioned and what does this mean for the Company's development?

HVPE's portfolio remains well-diversified by stage, strategy and geography as can be seen across pages 24 to 25, "Managing the Portfolio".

One further key element of diversification is the vintage year spread of the portfolio – or put simply, the years that investments are first made by the underlying funds or the year of the initial investment into a company (as shown in the bar chart overleaf and described beneath). The diagram demonstrates HVPE's wide exposure to a number of investments at different stages of the lifecycle. This type of portfolio profile helps to stabilise investment returns and leads to smoother and more predictable cash flows. Whilst we might expect the portfolio to be concentrated to some extent in the more recent vintages due to the typical three to five year hold periods at the underlying investee company level, it is clear that no single year, however defined, accounts for more than 18% of the portfolio by value.

This vintage year spread is beneficial as it should in turn support a consistent pace of realisations, and hence new investment, over time. Ultimately this is a key factor in helping to optimise risk-adjusted returns, as demonstrated by HVPE's ten consecutive years of NAV growth.

Q

Can you talk about the real assets commitment?

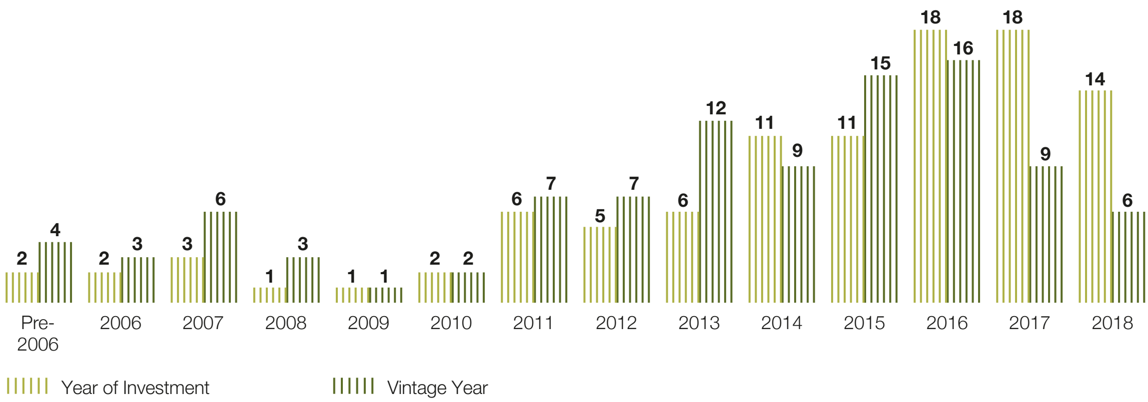
One notable measure that the Board and Investment Manager took this year was to further diversify the portfolio by committing to a HarbourVest Real Assets vehicle (the "Vehicle"). This is in line with HVPE's strategic asset allocation targets, and should be seen as a complementary addition to the traditional private equity assets. While the real assets strategy will form only a small part of the portfolio (the target is 10% over the longer term) the Board and Investment Manager believe that it has the potential to deliver returns in line with HVPE's base case for the traditional private equity portfolio, whilst being less closely correlated with private equity through the cycle. This is supported by HVPE's share of future third-party management fee revenue from the Vehicle, an arrangement that demonstrates the deepening long-term alignment between HVPE and the Investment Manager.

Q

What is the core focus for HVPE over the next 12 months?

HVPE believes that committing to HarbourVest funds consistently through the cycle is the best approach for optimising long-term risk-adjusted NAV returns. HVPE will continue to follow this approach with reference to its Strategic Asset Allocation targets and, as outlined in the Investment Manager's report, will look to focus new commitments on those areas where currently the portfolio is below target levels. In executing on this strategy, the Investment Manager will continue to seek opportunities for HVPE to deploy capital at the lowest possible cost where this is consistent with the SAA, provided of course that forecast returns are suitably attractive on a net basis.

Vintage Year Profile of Investments Portfolio at 31 January 2019 (%)



Year of Investment (% of Investment Portfolio)

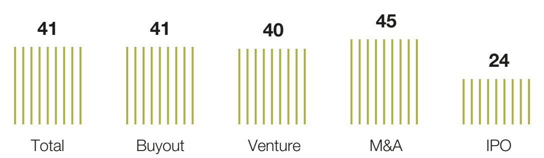
HVPE measures diversification over time by the year of initial investment into the underlying portfolio companies. This is more representative when judging HVPE's real exposure to the market in a given year.

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.

41% Weighted Average Uplift on Companies Pre-Transaction Carrying Value (%)[1]

Percentage Breakdown by Stage and Exit Type



1 These figures represent the weighted average percentage uplift to carrying value of 114 individual company M&A and IPO transactions during the year ended 31 January 2019. This analysis takes each company's value (whether realised or unrealised) at 31 January 2019 and compares it to the carrying value prior to announcement of the transaction. This analysis represents 84% of the total value of the 413 known M&A and IPO transactions in the year ending 31 January 2019 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.

A Deep Dive into the Balance Sheet

Managing the Balance Sheet

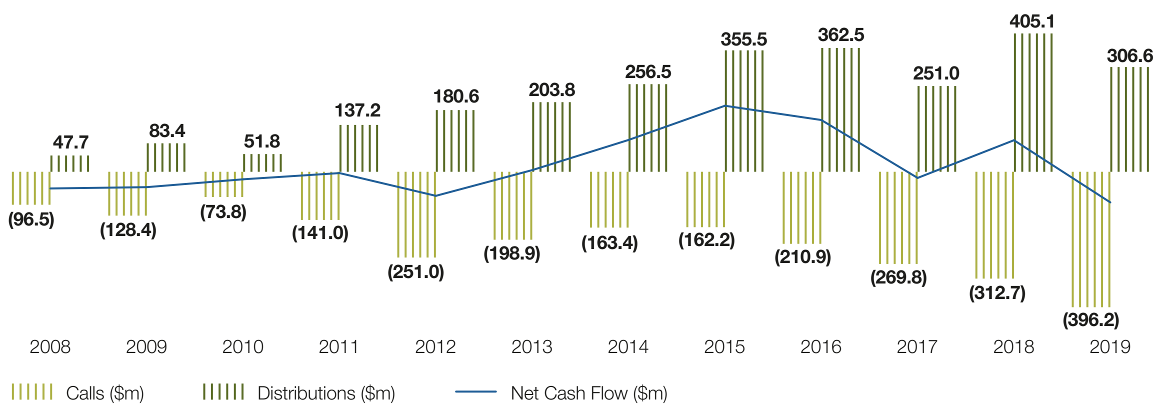
Effective and prudent balance sheet management is critical when running a closed-ended vehicle investing into a portfolio of private market funds with varying cash flow profiles. This is particularly true for a company such as HVPE which maintains a large pipeline of unfunded commitments, i.e. the portion of capital pledged to an underlying fund, but not yet drawn down for investments. As reported on page 9, during the reporting period HVPE successfully renegotiated its credit facility, improving the terms and increasing the size by $100 million to $600 million. This section aims to clarify HVPE's approach to managing the balance sheet and explain why the new facility is a positive development for the Company and ultimately its shareholders.

Why HVPE has a $600 million 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.

HVPE currently has a pipeline of unfunded commitments of $1.6 billion. Historically, annual capital calls have been in the range 10% to 30% of this pipeline, while distributions have been 7% to 32% of NAV. In a highly adverse macroeconomic environment comparable to the Global Financial Crisis of 2008/9, it is conceivable that HVPE would suffer prolonged negative cash flow as these figures move toward opposite ends of their respective ranges. A large credit facility committed for an extended period (currently just under seven years) provides reassurance that the Company would be able to remain operational under such conditions, with the 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 below. 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.

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



Terms of the Facility

	New Facility	Prior Facility
Commitment fee (undrawn)	Blended rate of 95 basis points	115 basis points
LIBOR margin:	Borrowings <$300.0 million 250 basis points	Borrowings <$250.0 million 275 Basis points
	Borrowings >$300.0 million Additional 40 basis points on borrowings that exceed this	Borrowings >$250.0 million Additional 30 basis points on the entire drawn amount
Covenants	Asset Test Ratio: (1) limits the Company's indebtedness to 35% of assets, with the value of the assets subject to certain diversification tests, and (2) total indebtedness (company indebtedness and fund level indebtedness) limited to 47% of assets, with the value of assets subject to certain diversification tests. The calculated value of the assets are subject to certain diversification tests, calculated and measured quarterly. Customary limitations that restrict HVPE's ability to make unduly concentrated commitments to funds, incur additional indebtedness or liens above the facility level, pay dividends above certain levels, or merge, consolidate, or substantially change its business without bank approval. HVPE was in compliance with these covenants throughout the 12 months to 31 January 2019 and through to the date of publication of this report.	

How we model prospective cash flows

Cash flows from 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 which makes large, 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. This detailed modelling is updated on an annual basis and reviewed quarterly for any changes to key assumptions. 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, including a "Disaster Case" projection based on a more extreme version of the 2008/9 Global Financial Crisis, with a deeper valuation trough and a longer period of negative cash flow. HVPE now has an 11-year track-record in monitoring and interpreting cash flows arising from activity in the underlying portfolio. Historically the analysis has proven to be relatively accurate, albeit on the conservative side, typically over-estimating capital calls and under-estimating distributions and NAV growth.

An explanation of leverage use at the HarbourVest fund level

HarbourVest funds employ leverage to a limited extent for three main purposes: bridging capital calls and distributions; financing specific investment projects where the use of debt may be advantageous; and recapitalising funds to accelerate distributions to investors. HVPE is exposed to this leverage on a look-through basis as a result of its investments in the HarbourVest funds. As at 31 January 2019, HVPE's total look-through, or "embedded", leverage was $272.6 million, an increase of $33.9 million from the 31 January 2018 level of $238.7 million. The debt is provided to the HarbourVest funds on attractive terms 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 embedded leverage and ensures that possible changes in the outstanding balance are factored into the scenario tests conducted as part of the annual commitment planning exercise.

A Deep Dive into the Balance Sheet continued

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.

2. Commitment Coverage Ratio
HVPE and many of its listed peers 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 to 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 to other similar firms.

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 to other listed private equity firms on the London Stock Exchange (the "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 reduced from 85% at 31 January 2018 to 72% at 31 January 2019, due to a reduction in the cash balance and a slight increase in estimated investments.

Total Commitment Ratio

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

Investment Portfolio + Investment Pipeline	$3,322.9m
Divided by the NAV	$1,924.0m
173% (157% at 31 January 2018)	

Commitment Coverage Ratio

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

Cash + available credit facility	$756.6m
Divided by the Investment Pipeline	$1,562.7m
48% (61% at 31 January 2018)	

Rolling Coverage Ratio

(A measure of medium-term commitment coverage)

Cash + available credit facility (total $756.6m) + current year estimated distributions ($423.5m)	$1,180.1m
Divided by the next three years' estimated investments	$1,643.8m
72% (85% at 31 January 2018)	

Summary of Net Assets

	31 January 2019	31 January 2018
Investment Portfolio	**$1,760.2**	$1,452.2
Cash	**$156.6**	$257.0
Debt	**$0.0**	$0.0
Net other assets/liabilities	**$7.2**	$4.7
NAV	**$1,924.0**	$1,713.9
NAV per share ($)	**$24.09**	$21.46
FX rate	**1.3109**	1.4191
NAV per share (£)	**£18.38**	£15.12
Cash + available credit facility	**$756.6**	$757.0

The Private Equity Cycle

	31 January 2019	31 January 2018
1. Commitments		
New commitments to HarbourVest funds	**$730.0**	$339.8
Investment Pipeline		
Allocated	**$1,081.2**	$939.8
Unallocated	**$481.5**	$297.7
Total Investment Pipeline	**$1,562.7**	$1,237.5
2. Cash Invested		
Invested in HarbourVest funds	**$396.2**	$312.7
% of average Investment Pipeline[1]	**28.3%**	25.7%
3. Growth		
Investment Portfolio (beginning)	**$1,452.2**	$1,295.8
Cash invested	**$396.2**	$312.7
Investment Portfolio growth	**$218.4**	$248.8
Distributions received	**($306.6)**	($405.1)
Investment Portfolio (end)	**$1,760.2**	$1,452.2
4. Distributions Received		
Cash received from HarbourVest funds	**$306.6**	$405.1
% of average Investment Portfolio[2]	**19.1%**	29.5%

1 Percentage of average Investment Pipeline (31 January 2018 and 31 January 2019).
2 Percentage of average Investment Portfolio (31 January 2018 and 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.

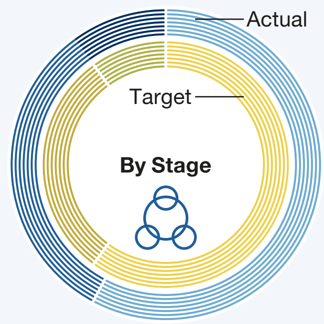
Strategic Asset Allocation Targets

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 February 2018 as communicated in the Company's 2018 Annual Report (page 17), published in May 2018.

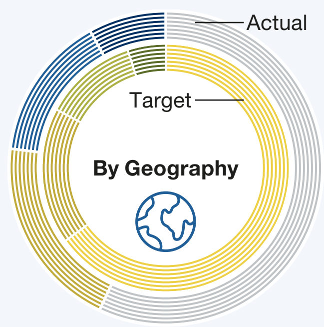
Annual Commitment Plan Process

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 2019.



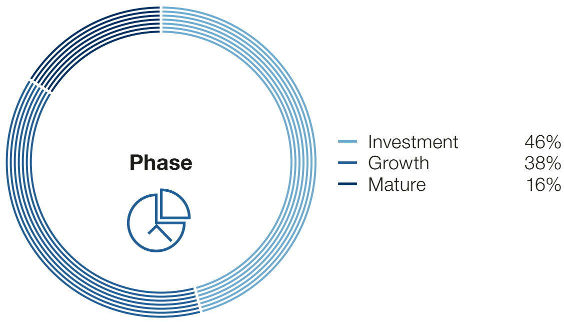
Target	
Buyout	60%
Venture and Growth Equity	30%
Mezzanine and Real Assets	10%
Actual	
Buyout	58%
Venture and Growth Equity	32%
Mezzanine and Real Assets	10%

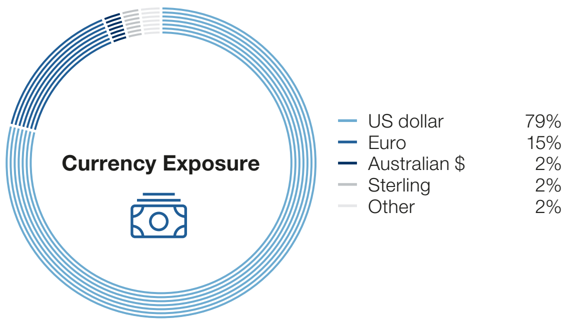


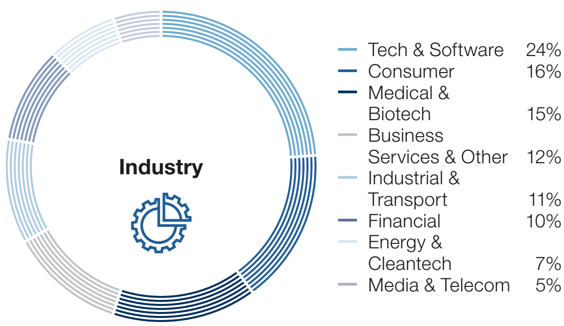
Target	
US	65%
Europe	18%
Asia Pacific	12%
Rest of World	5%
Actual	
US	57%
Europe	20%
Asia Pacific	15%
Rest of World	8%

Target	
Primary	55%
Secondary	25%
Direct Co-Investment	20%
Actual	
Primary	45%
Secondary	31%
Direct Co-Investment	24%

Note: The diversification by NAV analysis is based on the fair value of the underlying investments, as estimated by the Investment Manager. Diversification by stage, strategy, phase, and geography is based on the estimated NAV of partnership investments within HVPE's fund-of-funds and company investments within HVPE's co-investment funds. Industry diversification is based on the reported value of the underlying company investments for both fund-of-funds and co-investment funds. Some of the funds held in HVPE have not been fully invested. By phase, Investment includes vintage years 2015 to 2019, Growth includes 2010 to 2014 and Mature, pre-2010.







Stage

Since the beginning of the financial year, the breakdown by stage has remained broadly the same and is in line with the target levels. Venture and Growth Equity forms a key component of HVPE's portfolio at 32% and will continue to do so. Meanwhile, the relatively recent increase in HVPE's commitments to Mezzanine and Real Assets funds, intended to capture returns that are less closely correlated to the broader macroeconomic environment, has driven exposure to this stage from 8% to 10% over the period.

Geography

The composition of the portfolio by geography remains broadly unchanged from 31 January 2018. Following a sustained period of strong distributions, HVPE still remains underweight the US at 57%, relative to the target level of 65%. In contrast, HVPE's allocation to Asia Pacific at 31 January 2019 is three percentage points above target as a result of strong performance from this region, driven mostly from unrealised gains. Going forward, commitments will be made with a view to redressing this balance over the five-year target allocation period.

Strategy

The portfolio construction in respect of strategy also remained largely unchanged over the period. The current exposure to the Primary strategy is underweight at 45% following 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 exposure closer to the target level of 55%, as evidenced by the new commitments which are predominantly focused on increasing Primary exposure.

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 2019, the top 100 companies represented 36% of the Investment Portfolio by value ($630.3 million) and the top 1,000 represented 82% ($1,447.2 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.

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, and compliance costs. These costs, totalling 0.62% of average NAV in the 12 months to 31 January 2019, are categorised as recurring operating expenses as shown in the first line in the table overleaf.

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 2019 was equivalent to 0.83% of average NAV.

Thirdly, operating costs relating to the HarbourVest funds amounted to a further 0.26% 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 0.87% of average NAV in the 12 months to 31 January 2019. The performance fee figure varies from year to year and is driven by the performance achieved by the relevant HarbourVest funds.

Together, these four figures add up to give a TER, net of interest income (0.21%), of 2.37% for the 12 months to 31 January 2019. 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 underlying HarbourVest funds. The TER for the 12 months to 31 January 2019 of 2.37% was lower than the same period in the prior year 2.90%, largely due to a reduction in the performance fee component and a decline in HarbourVest management fees.

HVPE's TER has been trending downwards since inception, with the management fee component in particular having declined steadily from more than 2% of NAV in the early years to an annualised 0.83% in the 12 months to 31 January 2019. This reflects the lower fee rates available to HVPE on a number of HarbourVest funds, given the size and frequency of the Company's commitments to these funds.

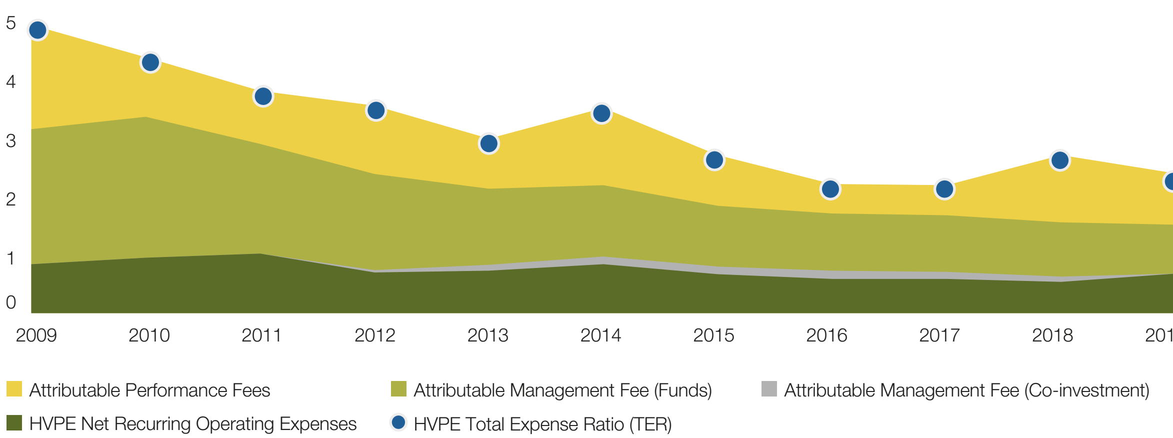
1 Referred to as: "HVPE Charlotte Co-Investment L.P." in the Audited Condensed Consolidated Schedule of Investments.

The annualised figure of 2.37% presented in the table should be regarded as HVPE's TER for comparison to other investment products. It is equivalent to the Ongoing Charges Figure ("OCF") for UCITs ("Undertakings for Collective Investment in Transferable Securities") funds. All performance figures quoted in this report are presented net of all costs except where indicated.

	Year to 31 January 2019	Year to 31 January 2018
Operating expenses[2]	**0.62%**	0.66%
HarbourVest fund operating expenses[3]	**0.26%**	0.22%
Management fees[4]	**0.83%**	1.01%
Operating expense ratio	**1.71%**	1.89%
Interest income[5]	**(0.21%)**	(0.13%)
Net operating expense ratio	**1.50%**	1.76%
Performance fees[6]	**0.87%**	1.14%
Total net expense ratio[7]	**2.37%**	2.90%

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 ($1,819.9 million in the 12 months ended 31 January 2019 and $1,594.4 million in the 12 months ended 31 January 2018).

HVPE Total Expense Ratio as a % of Average NAV



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 whilst continuing to achieve an attractive return for shareholders.

As part of the Board's thorough assessment of the effectiveness of the risk management and the internal controls, at the end of the year under review, Directors adopted a new 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 conducted a fresh exercise to identify risks for the Company. The Board identified 12 main risks which have a higher probability and a significant potential impact on performance, strategy, reputation, or operations. Of these, five are identified below as the principal risks faced by the Company where the combination of probability and impact is assessed as being most significant.

The Board also identified another 19 less significant existing or emerging risks which are monitored on a watch list.

Risk	Description	Mitigating Factor
Balance Sheet Risks	The Company's balance sheet strategy and its policy for the utilisation of leverage are described on page 48 of the Company's Annual Report. The Company continues to maintain an over-commitment 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 base case forecast.	The Board has put in place a monitoring programme, determined with reference to portfolio models, in order to mitigate against the requirement to sell assets at a discount during periods of NAV decline. Further, the monitoring programme also considers the level of debt at the HarbourVest fund level. Both the Board and the Investment Manager actively monitor these metrics and will take appropriate action as required to attempt to mitigate these risks. Additionally, the Board intends to renew the credit facility regularly with the aim that there should always be a minimum of 48 months of unexpired facility available.
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 to NAV.	The Board has set the Investment Manager the objective of ensuring that the widest possible variety of investors are informed about the Company's performance and proposition in order to mitigate against this. In addition, the Investment Manager actively participates in the marketing of the sector. The size of the Company means that its own success will contribute to the popularity of the sector as a whole.

Risk	Description	Mitigating Factor
Public Market Risks	Public markets in many developed countries are trading close to all-time highs. While economic fundamentals have improved, structural imbalances remain. 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 operate. While these companies are generally privately owned, their valuations are, in most cases, influenced by public market comparables. In addition, approximately 9% of the Company's portfolio is made up of publicly traded securities whose values increase or decrease alongside public markets. Should global public markets decline or the economic situation deteriorate, it is likely that the Company's NAV could be negatively affected.	Both the Board and the Investment Manager actively monitor the Company's NAV, and exposure to individual public markets is partially mitigated by the geographical diversification of the portfolio. The Board notes that it has limited ability to mitigate public market risk. Stress testing takes place as part of the portfolio composition process to model the effect of different macroeconomic scenarios to provide comfort to the Board that the balance of risk and reward is appropriate in the event of a downturn in public markets.
Performance of HarbourVest	The Company is dependent on its Investment Manager and HarbourVest's investment professionals. With the exception of the 2011 Absolute investment and 2012 Conversus investment, nearly all of 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 departure or reassignment of some or all of HarbourVest's professionals could prevent the Company from achieving its investment objectives.	This risk is mitigated by the Board monitoring the performance of the Investment Manager on an ongoing basis, including through regular reports and due diligence visits to the Investment Manager's offices, which took place twice in the year under review in each of Boston and London. Succession planning at the Investment Manager is also monitored by the Board of the Company.
Trading Liquidity and Price	Any ongoing or substantial discount to NAV has the potential to damage the Company's reputation and to cause shareholder dissatisfaction. The five largest shareholders represent approximately 48% 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 September 2015, the Company's shares have traded on the Main Market of the London Stock Exchange, which has increased the liquidity of the shares and broadened the appeal to a wide variety of 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 the year under review. The Company has attracted new shareholders. However, the concentration of shares held by the five largest shareholders remained at 48%.

About HarbourVest

HarbourVest is an independent, global private markets asset manager with over 35 years of experience and more than $58 billion in assets under management.[1]

35+
Years of private markets experience

$58bn+
Assets under management

125+
Investment professionals

10
Global offices

30+
HarbourVest fund managers

18
Languages spoken

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. To date, the firm has committed approximately $70 billion[1] collectively across the US, Europe, Asia Pacific, and other emerging markets through multiple private equity and market cycles. HarbourVest has deep investment experience and dedicated, on-the-ground teams in key private markets across the US, Europe, Asia Pacific, and other emerging markets. It has over 500 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.

Primary Investing
Primary investments have been a part of HarbourVest's strategy since the firm's earliest days. The firm believes there is no replacement for the depth of experience that comes from building relationships with and evaluating fund managers continuously for three decades. Through these years the team has refined its knowledge and ability to assess strong primary investments on a global basis. This global team has committed more than $36 billion to newly-formed (primary) funds.[1]

Secondary Investing
Secondary transactions offer tremendous opportunities for investors and sellers alike. HarbourVest's longstanding relationships and experience mean it has access to opportunities, insights, and trends that provide investors with an undeniable edge. The firm is a highly credible buyer having completed over $21 billion in secondary purchases since 1986.[1]

Direct Co-investment
Because of its longstanding relationships with top-tier fund managers, HarbourVest provides access to unique global opportunities through its direct co-investment programme. The dedicated team evaluates opportunities alongside leading general partners with the goal of creating a well-diversified portfolio. To date, over $10 billion has been invested in operating companies.[1]

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 51 Managing Directors of HarbourVest have been with the firm for an average of 13 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
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. Latest details can be found on page 8 of the Investment Manager's Report.

1 As at 31 March 2019.

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

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)

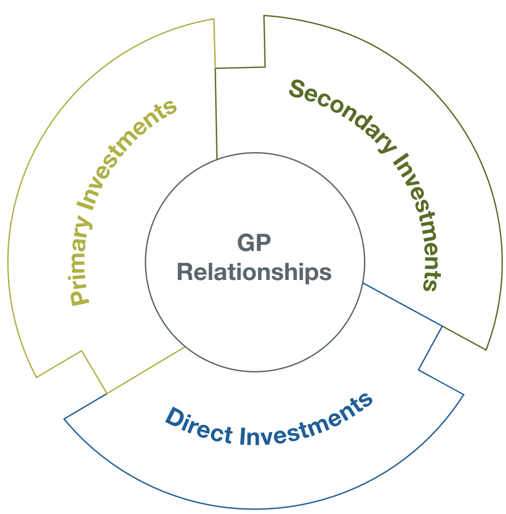
Direct Co-investments

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

Integrated investment platform built over three decades provides clients with significant and diverse private markets opportunities



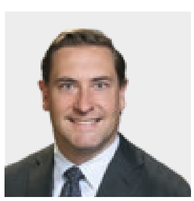
HVPE Investment Committee

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

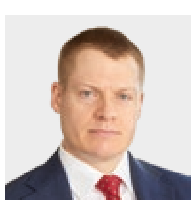


Managing Director

Member of the Executive Management Committee ("EMC")

Joined HarbourVest in 1997 from Smith Barney (rejoined in 2001 post-MBA)

Richard Hickman



Director of Investment and Operations, HVPE

Joined HarbourVest in 2014. Responsible for the day-to-day management of HVPE

Greg Stento

Managing Director

Joined HarbourVest in 1998 from Comdisco Ventures. Prior experience at Horsely Bridge and NCR

Advisory Boards:

Accel, Garnett & Helfrich, Kleiner Perkins, Silver Lake Partners, Summit, TA, TPG

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 p36

Investment Phase

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

Read more on p37

Mature Phase

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

Read more on p36

Growth Phase

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

Read more on p37

The Phases

Commitment Phase

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

During the 12 months ended January 2019, HVPE committed $730 million to newly-formed HarbourVest funds. These commitments are complementary to HVPE's existing portfolio of HarbourVest funds and highlight the Company's consistent and ongoing commitments to compelling investment opportunities. As detailed on the Investment Manager's Report starting on page 6, during the 12 months, the largest new commitment was $150.0 million to a new HarbourVest real assets vehicle.

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 up to 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 re-invested 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, means 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 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.

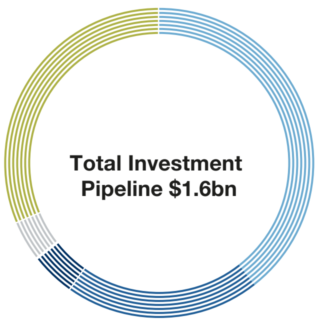
Every private equity investment is made with a clear exit strategy in place from the very beginning. Once the investment plan has been implemented during the growth phase, managers turn their attention to maximising the value of their investment ahead of a sale. This could take the form of an IPO on 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 Global Financial Crisis, 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 six years running, HVPE has benefitted from a long-run average uplift on realisation of 40% over carrying value.[1]

1 Average of figures reported from 31 July 2012, when this analysis began; historical annual figures range from 30% to 50%.

The Phases continued

The Commitment Phase

Investment Pipeline and Age of the Allocated Pipeline



Allocated: 1-3 years	39.4%
Allocated: 4-6 years	20.1%
Allocated: 7-10 years	4.8%
Allocated: >10 years	4.2%
Unallocated	31.0%

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 2019

HarbourVest Fund XI
(US-focused fund) $385 million (Buyout $230 million, micro buyout $40 million, and venture $115 million)

2018 Global Fund
(Global multi-strategy fund-of-funds) $70 million

HarbourVest Adelaide
(Real assets vehicle) $150 million

Secondary Overflow III
(Secondary co-investment) $75 million

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

Total: $730m

(12 months to 31 January 2018: $385m)

The Mature Phase

In the year to 31 January 2019, HVPE received proceeds of $306.6 million from HarbourVest funds (see Consolidated Statements of Cash Flows on page 78). The top 10 company distributions are outlined in the corresponding table.

	2019	2018
Total distributions received from HarbourVest funds in the year to 31 January:	**$306.6**	$405.1

Top 10 Realisations (1 February 2018 to 31 January 2019)

Company	Description	HVPE Distributed Value ($m)[1]
Acrisure	Insurance and consulting services	$20.0
Mater Private Healthcare	Private healthcare services and surgical procedures	$15.3
CentralSquare	Public sector technology platform providing safety solutions	$10.3
Envirotainer International	Air cargo container manufacturer	$9.8
Multiasistencia	Business process outsourcing services	$7.1
Adaptive Insights	Business intelligence software	$7.0
TMF Group	Outsourced business services	$6.5
NEW Asurion Corporation	Provider of consumer product protection programmes	$6.3
Finanzcheck	Online consumer loan marketplace	$6.1
Wayfair	Online home goods retailer	$5.2
		$93.5m

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 year to 31 January 2019, HVPE invested $396.2 million into HarbourVest Funds (see Consolidated Statements of Cash Flows on page 78). Looking through to the underlying portfolio, investments into primary partnerships and secondary transactions were equally weighted at 42% each, with the remaining 16% going into direct co-investments. The most active managers were weighted towards venture strategies, as highlighted within the table on the right.

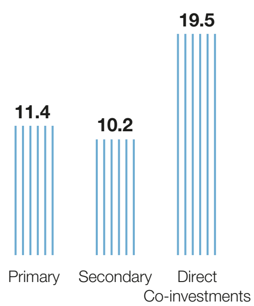
	2019	2018
Total invested into HarbourVest funds in the year to 31 January:	**$396.2**	$312.7

Top 10 Primary Managers by Amount Invested ($m)

		Strategy	Geography	($m)
1	Index Ventures	Venture/Growth Equity	Europe	$6.4
2	DCM	Venture	Asia	$5.1
3	Kleiner Perkins Caufield & Byers	Venture	US	$4.5
4	Pamlico Capital	Buyout	US	$4.4
5	Vista Equity Partners	Buyout	US	$4.4
6	Andreessen Horowitz	Venture	US	$4.2
7	Silver Lake Management	Buyout	US	$4.1
8	Battery Ventures	Venture	US	$4.0
9	Spark Capital	Venture	US	$4.0
10	Accel Partners	Venture	US	$3.7
				$44.8

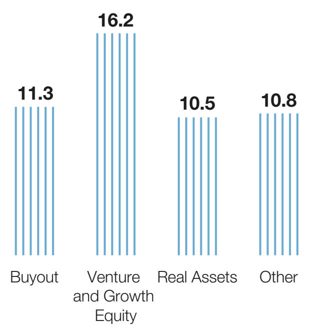
The Growth Phase

The major growth drivers in the portfolio are summarised in the Investment Manager's report on page 6. Movements by strategy, stage and geography are outlined below, with corresponding commentary.



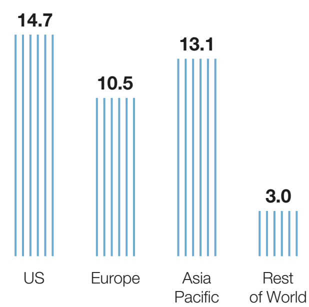
Growth by Strategy

Direct Co-investments (24% of Investment Portfolio NAV) were the strongest performer over the 12 months to 31 January 2019, growing 19.5%. Growth was driven primarily by gains from US companies, namely: *Acrisure*, Appriss, *Five Star Food*, *Press Ganey Associates*, *Staples*, and *TriTech Software*. The Mezzanine Income Fund also underpinned the strong gain, with a 32% return. This was followed by 11.4% growth from Primaries, largely as a result of strong performance from the venture capital portfolio.



Growth by Stage

The Venture and Growth Equity stage (32% of Investment Portfolio NAV) delivered the largest percentage gain over the reporting period with an increase of 16.2%, driven mostly by the Growth Equity portion of the portfolio. These gains followed strong performance in the US and European venture and growth equity markets. Buyouts (58% of Investment Portfolio NAV) followed next with an 11.3% gain, only marginally ahead of the other stages, primarily driven by the US and Asia, and across smaller buyouts.



Growth by Geography

The US portfolio (57% of Investment Portfolio NAV) was the strongest geographic region, with a 14.7% gain over the year to 31 January 2019, driven largely by US venture investments such as *Appriss*, *Five Star Food Service* and *Ministry Brands*. Asia Pacific (15% of Investment Portfolio NAV) followed behind at 13.1%, driven by direct co-investments (*Asia Pacific Education*, *H-Line Shipping* and *Ssangyong Cement Industrial*), and some of the Asian projects in the Secondary Overflow Fund III.

Manager Spotlight

Top 10 Managers at 31 January 2019 held within HVPE's underlying portfolio.

1 IDG Capital Partners

Asia
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 their funding of Chinese technology firms Baidu and Alibaba.

2.8%
% of Investment Portfolio at 31 January 2019

$48.6m
Investment value at 31 January 2019

2 Index Ventures

Europe
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.

1.8%
% of Investment Portfolio at 31 January 2019

$31.9m
Investment value at 31 January 2019

3 Thoma Bravo

US
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.

1.7%
% of Investment Portfolio at 31 January 2019

$29.6m
Investment value at 31 January 2019

4 Insight Venture Partners

US
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 Appriss Holdings.

1.5%
% of Investment Portfolio at 31 January 2019

$26.8m
Investment value at 31 January 2019

5 The Jordan Company

US

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.

1.5%
% of Investment Portfolio at 31 January 2019

$26.0m
Investment value at 31 January 2019

6 Compass Partners

Europe

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.

1.4%
% of Investment Portfolio at 31 January 2019

$24.9m
Investment value at 31 January 2019

7 DCM

Asia

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.

1.3%
% of Investment Portfolio at 31 January 2019

$22.3m
Investment value at 31 January 2019

8 Hellman & Friedman

US

Large buyout investment in companies primarily located in the US, and with a broad sector focus. Hellman & Friedman has demonstrated strong performance across multiple economic cycles; its portfolio companies include Allfunds Bank and Hub International.

1.2%
% of Investment Portfolio at 31 January 2019

$21.8m
Investment value at 31 January 2019

9 Battery Ventures

US

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 Avalara.

1.2%
% of Investment Portfolio at 31 January 2019

$21.6m
Investment value at 31 January 2019

10 Lightspeed Venture Partners

US

Venture investments in companies primarily located in the US, with a focus on the enterprise and consumer-technology sectors. Lightspeed has a global footprint and has had strong recent performance in a number of investments including Snapchat and The Honest Company.

1.2%
% of Investment Portfolio at 31 January 2019

$20.3m
Investment value at 31 January 2019

Top 10 Direct Companies

Top 10 disclosable[1] companies at 31 January 2019 held within HVPE's direct co-investment portfolio.

Press Ganey Associates

Stage: **Large buyout**

Location: **US**

Healthcare Data Provider

Provider of patient satisfaction surveys, management reports, and comparative databases for healthcare providers. HarbourVest co-invested with EQT Partners, a strong healthcare investor. Since initial investment, Press Ganey has demonstrated good performance, become the industry standard, and currently has majority market share. The Investment Manager likes the investment as the company has the most comprehensive data set of its competitors and has achieved a market-leading position built on data accuracy and quality, which are the top selection criteria for customers.

1.5%	$25.8m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

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 general partner ("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.

1.2%	$22.0m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

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

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.

1.0%	$18.4m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

Five Star Food Service

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

On-Site Food and Beverage Services

On-site food and beverage services provider in the US. Five Star Foods, a leading-edge vending and micro markets company, is led by a strong management team and operates in a network of geographically dense, captive locations. HarbourVest co-invested with PNC Riverarch Capital, a US-focused GP specialising in middle market transactions. In March 2019, following a holding period of approximately 2.5 years, the Investment Manager fully exited its position in the company.

0.8%	$14.2m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

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, a service well positioned to benefit from technology-related mega trends within a growing market.

0.8%	$13.7m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

Top 10 Direct Companies continued

Staples

Stage: **Large buyout**

Location: **US**

North American Retailer

North American retailer and distributor of office supplies. Staples, headquartered in the US, currently has over 1,500 stores globally. HarbourVest co-invested with Sycamore Partners, a GP with extensive experience of businesses in the consumer-retail sector. Since initial investment, the company has been reorganised into three divisions to optimise strategy and cost structure. The Investment Manager likes the investment as it contains multiple avenues for outperformance including continued accretive M&A, investments in company's sales force, as well as cost-optimisation across businesses.

0.8%	$13.5m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

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.

0.7%	$12.8m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

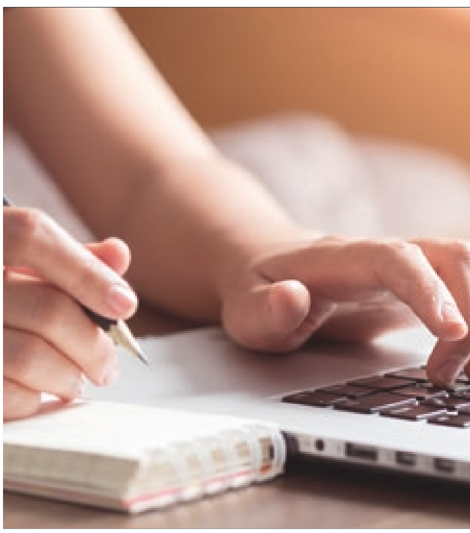
H-Line Shipping

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%	$12.2m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019



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.

0.7%	$11.8m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

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 ("CDMO") 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 aging population, growing healthcare expenditures, and increased outsourcing.

0.5%	$8.5m
% of Investment Portfolio at 31 January 2019	Investment value at 31 January 2019

Board of Directors

1 Sir Michael Bunbury

Chairman, Independent Non-Executive Director, appointed October 2007

Sir Michael Bunbury (age 72) 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 Foreign & Colonial 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 and Management Engagement and Service Provider Committees.

2 Francesca Barnes

Independent Non-Executive Director, appointed April 2017

Francesca Barnes (age 60) is a non-executive director of NatWest Holdings Limited, Coutts & Company and a number of RBS Group's other ring-fenced bank boards as well as Capvis private equity. She is also the chair of trustees for Penny Brohn UK, and is a member of the University of Southampton council. 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.

3 Keith B. Corbin

Senior Independent Non-Executive Director (until 16 May 2019), appointed October 2007

Keith Corbin (age 66) is an Associate of the Chartered Institute of Bankers (A.C.I.B.) (1976) and Member of the Society of Trust and Estate Practitioners (T.E.P.) (1990). He has been involved in the management of international financial services businesses in various international centres during the last 40 years. Keith is currently the Group Executive Chairman of Nerine International Holdings Limited, Guernsey, which also has operations in the British Virgin Islands, Hong Kong, and Switzerland. He serves as a non-executive director on various regulated financial services businesses, investment funds, and other companies.

Committees: Member of the Audit and Risk, and Nomination Committees.

4 Alan C. Hodson

Senior Independent Non-Executive Director (with effect from 16 May 2019), appointed April 2013

Alan Hodson (age 57) is Chairman of JP 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.

5 Andrew W. Moore

Independent Non-Executive Director, appointed October 2007

Andrew Moore (age 64) is group chairman of Cherry Godfrey Holdings Limited, 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 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.

6 Steven P. Wilderspin

Independent Non-Executive Director, appointed May 2018

Steven Wilderspin (age 50) 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. Mr Wilderspin currently serves as the chairman of the Risk Committee of London-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 Nomination, and Management Engagement and Service Provider Committees.

7 Peter G. Wilson

Non-Executive Director, appointed May 2013

Peter Wilson (age 56) joined HarbourVest's London team in 1996 and is one of two members of the Firm's Executive Management Committee. 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.

8 D. Brooks Zug

Non-Executive Director, appointed October 2007

Brooks Zug (age 73) is Senior Managing Director Emeritus of HarbourVest Partners, LLC and a founder of HarbourVest. As Senior Managing Director Emeritus, Brooks' continuing responsibilities include advising the current generation of managing directors and interacting with HarbourVest's most important global clients, including the Company. He joined the corporate finance department of John Hancock Mutual Life Insurance Company in 1977, and, in 1982, co-founded Hancock Venture Partners, which later became HarbourVest Partners. Brooks is a past trustee of Lehigh University and a current trustee of the Boston Symphony Orchestra. He received a BS from Lehigh University in 1967 and an MBA from Harvard Business School in 1970. Brooks received his CFA designation in 1977.

Directors' Report

The Directors present their report and the Audited Consolidated Financial Statements ("Financial Statements" or "Accounts") for the year ended 31 January 2019.

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 given in the Strategic Report, starting with the Chairman's Statement on page 2. A description of the 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.

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 its 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 market 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

Directors' Report continued

// 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. The Company may, however, have additional borrowings for cash management purposes, or in the event of a material downturn, which may persist for extended periods of time depending on market conditions.

Results

The results for the financial year ended 31 January 2019 are set out in the Consolidated Statements of Operations within the Annual Report that begin on page 73. 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

The Directors as shown on pages 44 to 45 all held office throughout the reporting period (with the exception of Steven Wilderspin who was appointed in May 2018) and at the date of signature of this Annual Report. Mr Jean-Bernard Schmidt retired in July 2018. Brooks Zug is Senior Managing Director Emeritus of HarbourVest Partners, LLC, an affiliate of the Investment Manager. Peter Wilson is Managing Director of HarbourVest Partners (UK) Limited, a subsidiary of HarbourVest Partners, LLC. All Directors, other than Mr Zug 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 53.

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 2019	31 January 2018
Sir Michael Bunbury	**25,000**	22,863
Francesca Barnes	**2,000**	2,000
Keith Corbin	**25,000**	25,000
Alan Hodson	**30,000**	30,000
Andrew Moore	**14,400**	14,400
Steven Wilderspin	**1,300**	Nil
Peter Wilson	**25,000**	25,000
Brooks Zug	**85,000**	21,000

There has been no change in Directors' interests between 31 January 2019 and the date of signing of this report.

Shareholder Information

The Company announces the estimated NAV of an 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.

Relations with Shareholders

The Board recognises the importance of engaging with major shareholders to fully understand their perspective, and any issues or concerns. In Autumn 2018, the Board appointed Investor Perceptions, part of Rothschild & Co, to undertake an independent and comprehensive investor perceptions study. Extensive discussions were held with a number of larger shareholders representing 56% of the Company's issued share capital (including seven top ten shareholders), and selected non-holders.

In total, 33 questions spanning strategy, financial position, valuation and liquidity, management, Board, IR and communications were put to the participants. No major issues or concerns were aired by shareholders, and the overall tone was generally positive and supportive of the Company, what it has achieved and the way it operates. HVPE's NAV per share performance and diversified portfolio were highlighted as key attractions. Communication was seen as a strength and the Company received an above average rating for investor relations. The cause of HVPE's wide discount remained unclear to most investors, and consequently there was no consistent view on any specific action that the Company might take in order to reduce it over time. The Directors reviewed the report in detail and the feedback from shareholders has been used to inform and drive several discussions at subsequent Board meetings.

Members of the Board have had the opportunity to attend meetings with shareholders, and the Board accesses shareholders' views of the Company via, among other methods, direct face-to-face contact and analyst and broker briefings. The Chairman regularly meets with shareholders, and investors are also able to engage with members of the Board at HVPE's annual capital markets session or Annual General Meeting ("AGM").

The Company has appointed J.P. Morgan Cazenove and Jefferies Hoare Govett as its joint corporate brokers to enhance communications with shareholders. Scott Harris has been retained to report on and to liaise with prospective and existing shareholders, arranging meetings for the Investment Manager as appropriate.

The Company reports formally to shareholders twice a year. In addition, latest developments are provided to current and prospective investors on an ongoing basis through the Company's website, and in monthly factsheets, ad-hoc newsletters and videos. Shareholders may contact the Directors, including the Chairman and the Senior Independent Director through the Company Secretary.

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

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 22 May 2019.

	% of Voting Rights 31 January 2019	% of Voting Rights 22 May 2019
Quilter PLC	13.71	13.74
State Teachers Retirement System of Ohio	13.57	13.57
M&G (Prudential)	10.40	10.40
City of Edinburgh Council	5.72	5.72
Total	**43.40%**	**43.43%**

Corporate Responsibility

As a closed-ended investment company, HVPE does not have any employees or properties and therefore there is no direct impact. As a primary method of reviewing any indirect impacts, the Board considers the ongoing interests of investors on the basis of 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

The Company delegates responsibility to its Investment Manager for taking environmental, social and governance ("ESG") issues into account when considering investments. The Board expects the Investment Manager to engage with investee funds and companies on ESG issues and to promote best practice. The Investment Manager has sought to align its interests with those of its investors, business partners, personnel and communities for more than three decades through a dedicated ESG Committee. This committee (comprised of senior leaders across HarbourVest) meets monthly to discuss integration of ESG principles into all aspects of the HarbourVest's business. ESG-related risks are identified and taken into consideration as an integral part of the Investment Manager's due diligence process, 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.

As a firm with a strong ethical and compliance-oriented culture, the Investment Manager strives to be transparent to all stakeholders, including its clients, around its decision-making process.

The Investment Manager is a signatory to the United Nations-supported Principles of Responsible Investing. Further information about this is provided on page 8 of the Company's Annual Report.

Directors' Report continued

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. Since 2017, the Investment Manager has run an annual Global Volunteer Week, incorporating activities across all of its global offices to build stronger local relationships. The success of this initiative has led to the Global Volunteer Week now taking place twice a year.

Significant Votes Against Policy

The Directors have adopted a policy where 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, on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions proposed.

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 advisors 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 6 to 9, with further information disclosed in the Annual Report and the Notes to the Financial Statements on pages 81 to 87. 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 9 September 2015, 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 $5.5 million at 31 January 2019 and $5.3 million as at 30 April 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.

Delegation of Responsibilities

Under the Investment Management Agreement, the Board has delegated to the Investment Manager substantial authority for carrying out the day-to-day management and operations of the Company, including making specific investment decisions, subject at all times to the control of, and review by, the Board. In particular, the Investment Management Agreement 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 of 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, along with any governance and regulatory requirements. Any changes in relation to the capital structure of the Company, along with 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 inter-governmental 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.

Board Structure and Committees

The activities of the Company are overseen by 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 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. Committee terms of reference are available on the Company's website: www.hvpe.com.

The Board of Directors

Audit and Risk Committee	Nomination Committee	Management Engagement and Service Provider Committee	Inside Information Committee
Role To ensure that the Company maintains high standards of risk management, integrity, financial reporting and internal controls.	**Role** To oversee succession planning and new Director appointment and induction.	**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.	**Role** To consider any developments which may require an immediate announcement by virtue of being price sensitive information.
Members Steven Wilderspin (Chairman from 31 July 2018) Keith Corbin (Chairman to 31 July 2018) Francesca Barnes Alan Hodson Andrew Moore	**Members** Chaired by Sir Michael Bunbury Francesca Barnes Keith Corbin Alan Hodson Andrew Moore Steven Wilderspin	**Members** Chaired by Sir Michael Bunbury Francesca Barnes Alan Hodson Andrew Moore Steven Wilderspin	**Members** Chaired by Sir Michael Bunbury Steven Wilderspin

Board and Committee Meetings with Director Attendance

In the financial year ending 31 January 2019, 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	Nomination Committee Meeting	Management, Engagement and Service Provider Committee Meetings
Ms Francesca Barnes	6/6	3/3	2/2	1/1
Sir Michael Bunbury	6/6	–	2/2	1/1
Mr Keith Corbin	6/6	3/3	1/2	–
Mr Alan Hodson	6/6	3/3	2/2	1/1
Mr Andrew Moore	6/6	3/3	2/2	1/1
Mr Jean-Bernard Schmidt[1]	3/3	–	1/1	–
Mr Steven Wilderspin[2]	5/5	3/3	2/2	1/1
Mr Peter Wilson	6/6	–	–	–
Mr Brooks Zug	6/6	–	–	–

1 Mr Jean-Bernard Schmidt retired in July 2018.
2 Mr Steven Wilderspin was appointed in May 2018.

All Directors received notice of the meetings, the agenda and supporting documents and were able to comment on the matters to be raised at the proposed meeting. In addition to the formal scheduled strategy and ad-hoc meetings, the Board also receives detailed updates from the Investment Manager via update calls. The 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 six ad-hoc Board meetings, three ad-hoc Audit and Risk Committee Meetings, and two ad-hoc Nomination Committee meetings, with a quorum at each. The Insider Information Committee Meeting did not meet during the period, as no circumstance arose that required it to meet.

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 carefully considers its composition and the refreshment process led to the addition of Mr Wilderspin in May 2018. With specific reference to the fact that Sir Michael Bunbury, Mr Corbin, Mr Moore and Mr Zug had served on the Board for eleven years in October 2018, the Board is of the view that these 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 to annual re-election. The Board confirms that Sir Michael Bunbury, Mr Corbin and Mr Moore remain independent of the Investment Manager with no other interests or conflicts with HarbourVest Partners, notwithstanding their years' service. This is evidenced by their continued constructive challenge of the Investment Manager. Sir Michael ensures the effectiveness of the Board in all aspects of their role through his leadership as an independent Chairman of the Company. Mr Moore remains independent in character and judgement and challenges items tabled to and discussed by the Board as appropriate.

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

Board Structure and Committees continued

Audit and Risk Committee

About the Committee

The Audit and Risk Committee members are outlined on page 52. Mr Corbin, 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.

With effect from 17 October 2018, the committee's terms of reference were extended to incorporate responsibility for overseeing the Company's risk management framework and regulatory compliance. The terms of reference of the Audit and Risk Committee are available on the Company's website.

All of the Company's management and administration functions are delegated to independent third parties or the Investment Manager and it is therefore felt there is no need for the Company to have its own internal audit facility. This matter is reviewed annually.

Activities of the Committee

Audit and Risk Committee Report

In the year under review, the Audit and Risk Committee examined the effectiveness of the Company's internal control systems, the annual and interim reports and financial statements, and the auditor's remuneration and engagement, as well as the auditor's independence and any non-audit services provided. Further details about the activities of the committee are set out over the next few paragraphs.

Audit and Risk Committee Meetings

In the financial year ended 31 January 2019, 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 short notice 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 53.

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 to improve clarity around the audit timetable and the deliverables at each stage to ensure that the audit is conducted more efficiently and effectively. Consequently, the committee concluded that Ernst & Young LLP's appointment as the Company's auditor should be continued. The Company's auditors, Ernst & Young LLP, have been appointed to the Company since 2007 and were reappointed following a competitive tender process in May 2017. The Company's auditors performed an audit of the Company's financial statements, prepared in accordance with applicable law, US Generally Accepted Auditing Principles ("GAAP") under International Standards on Auditing (UK). The audit approach remained unchanged relative to the prior year and the Audit and Risk Committee was informed that a majority of the audit field work would be performed by Ernst & Young in Boston, United States, under the direction and supervision of Ernst & Young LLP in Guernsey.

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 (for the first time), 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 in 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.

Terms of Engagement

The Audit and Risk Committee reviewed the audit scope and fee proposal set out by the auditors in their audit planning report and discussed the same with the auditors at an Audit and Risk Committee meeting. The Audit and Risk Committee considered the proposed fee of $139,000 for audit services related to the 31 January 2019 Financial Statements. 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 2017 to 30 September 2018 (a bridging letter covers the period 1 October 2018 to 31 January 2019), 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 2017 to 30 September 2018 detailing the controls environment in place at the Administrator and Company Secretary. In both of these reports there were findings related to IT access controls, 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 this area. 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 Board's policies and procedures regarding the identification, management, and monitoring of risks that could affect the Company, which were in place for the year under review. At the end of the period, the Audit and Risk Committee recommended a new risk management framework to the Board and led the Board through a fresh analysis of existing and emerging risks. Further details of this process and a description of the principal risks and uncertainties facing the Company are given on pages 28 to 29. This is in accordance with relevant best practice detailed in the Financial Reporting Council's guidance on Risk Management, Internal Control and Related Financial and Business Reporting. In addition, the Audit and Risk Committee members participated in the consideration by the Board of the viability of the Company until 31 January 2024, details of which are shown on pages 62 to 63 of the Company's Annual Report.

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 million.

Board Structure and Committees continued

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

Since the engagement of the new Company Secretary during the 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.

Audited Financial Statements and Significant Reporting Matters

As part of the 31 January 2019 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, members of the Audit and Risk Committee met with operations staff of the Investment Manager and satisfied themselves that the Company's valuations process was conducted in accordance with the process reviewed in detail in the prior year. 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:

// valuation of derivative financial instruments;

// 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.

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 2016 edition), and reviewed the forthcoming 2019 version of the AIC Code. The adoption of best practice is also reviewed following the admission to trading of the Company's Ordinary Shares on the Main Market of the London Stock Exchange.

Governance and Effectiveness

On 21 May 2019 the Committee conducted a review of its activities against its constitution and terms of reference in respect of the year under review.

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
28 May 2019

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 52.

There were two scheduled meetings and two ad-hoc meetings held during the year. All current members attended at least two of the meetings held. The mandate of the Nomination Committee is to consider issues related to Board composition and the appointment of Directors. The Terms of Reference for this committee may be found on the Company's website www.hvpe.com.

Activities of the Committee

Changes to Board Composition

Mr Steven Wilderspin was appointed as a Director of the Company effective 14 May 2018 as a result of the approach to succession planning outlined below. Mr Jean-Bernard Schmidt retired in July 2018.

The Committee also actively engaged with the Investment Manager and Company Secretary to ensure that Mr Wilderspin was given a suitable induction process.

Induction Process and Board Effectiveness Review

The Nomination Committee members reviewed the Company's induction processes and considered matters relating to the composition of the Board, incorporating these conclusions in the person specifications drawn up as part of the succession process.

Approach to Succession Planning

Following the decision by the Board that an orderly succession process should take place for the retirement of those Directors who had served on the Board for longer than nine years, the Nomination Committee Chairman and members drew up a person specification cognisant of best practice on ensuring that a diverse range of qualified candidates should be considered. Cornforth Consulting was appointed as external search consultants after review of various providers from a shortlist of suitable companies. Cornforth Consulting does not have any other relationship with the Company, neither does Conforth Consulting have any connection with individual Directors. The Nomination Committee members drafted a job specification in concert with interested parties and then met with a shortlist of candidates identified by Conforth Consulting.

In accordance with Board's decision outlined above, Mr Zug and Mr Corbin have confirmed that they will not offer themselves for re-election at the AGM in July. The Board is pleased that Carolina Espinal (Managing Director, Primary team at HarbourVest Partners) has agreed to be put forward for election at the AGM to be Mr Zug's successor. Further details are contained in the Chairman's Statement on page 4.

A sub-committee of the Nomination Committee led by Keith Corbin is leading the process for the appointment of a new Director who will be appointed with the intention of succeeding Sir Michael Bunbury as Chairman, when he retires from the board in 2020. The Nomination Committee has appointed Trust Associates to assist in the recruitment of the new Director. The sub-committee will make a recommendation for this appointment to be considered by the Nomination Committee once it has completed the recruitment process.

Board and Committees Evaluation

The Board undertakes a formal annual evaluation of its performance and the performance of the Investment Manager and the Company Secretary. An externally facilitated Board evaluation occurs every three years. The Board has commissioned an external appraisal by Board Alpha Limited to review its operation and effectiveness in 2019. Board Alpha has no connections to the Company or Directors. There are no outcomes at this stage; the results will be communicated in due course.

Policy on Diversity and Inclusion

The Board and Nomination Committee will review the diversity of the Board when considering future appointments. 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.

Board Structure and Committees continued

Management Engagement and Service Provider Committee

About the Committee

The Management Engagement and Service Provider Committee ("MESPC") was established on 24 November 2015 and is chaired by the Chairman of the Company. Its members are outlined on page 52. The other Directors of the Company may attend by invitation of the committee.

The MESPC held one meeting in the year under review and all members of the committee attended the meeting. The Terms of Reference for this committee may be found on the Company's website www.hvpe.com.

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 May 2018, the Board visited the Investment Manager's Boston offices, with a visit to the London office taking place in November 2018. 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 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.

Changes of Secretary and Administrator

Following a tender process undertaken in 2017, BNP Paribas Securities Services S.C.A was selected to provide Company secretarial, compliance and administration services effective 11 May 2018.

MESPC Review

The MESPC met in November 2018 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 2018, the MESPC conducted a review of its activities against its constitution and terms of reference in respect of the year under review.

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 had no cause to meet in the year under review since discussion of any announcements which may have been required to be released under EU MAR took place at the Board level.

Corporate Governance

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 for Investment Companies published in July 2016 (the "AIC Code") and have reviewed the 2019 version of the AIC Code which comes into effect for HVPE's 2020 reporting.

The Board of the Company has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code April 2016 edition (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk.

The Board has set out compliance with the AIC Code in the table below.

Principle No.	Principle	Details of compliance
1	The Chairman should be independent.	The Chairman remains independent of the Investment Manager in line with this provision of the AIC Code.
2	A majority of the Board should be independent of the manager.	Six of the eight Directors of the Company are independent of the Investment Manager in accordance with the recommendations of the AIC Code.
3	Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	In accordance with the recommendations of the AIC, all Directors submit themselves for annual re-election at the AGM. Director performance is reviewed on a regular basis.
4	The Board should have a policy on tenure, which is disclosed in the annual report.	The Board has not formalised a policy on tenure, 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 in accordance with the circumstances of the Company. Details of Board Succession can be found on page 57 of this report.

Corporate Governance continued

Principle No.	Principle	Details of compliance
5	There should be full disclosure of information about the Board.	Biographies of all Directors are included in this report. All conflicts of interest and remunerated association with any service provider have been disclosed in this report and the Board has a robust process in place to ensure that conflicts of interest are disclosed and appropriately managed. The committees recommended by the AIC Code have been established, save for a remuneration committee. The Board considers that given the Company's structure and the fact it has no executive directors, it is appropriate for these issues to be considered by the full Board.
6	The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company.	The Board remains confident that the current balance of skills on the Board is appropriate for the Company's requirements.
7	The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	The Board has commissioned an external appraisal by Board Alpha Limited to review its operations and effectiveness. The results of the external board appraisal by Board Alpha Limited will be communicated in due course.
8	Director remuneration should reflect their duties, responsibilities and the value of their time spent.	The Board considered Directors' remuneration in the year under review and fees were reviewed and where necessary revised in July 2018.
9	The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	The Independent Directors take the lead in new Director appointments. The Board and Nominations Committee will review the diversity of the Board, when considering future appointments. 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.
10	Directors should be offered relevant training and induction.	The induction programme was undertaken after the appointment of Mr Wilderspin. All Directors are able to request that training be arranged on any relevant subject matter. During the year Directors attended various conferences, including those run by the AIC, Numis, Rothschild, Invesco, and the Guernsey Financial Services Commission. Directors also attended updates and seminars on areas which included governance, cyber training, the role of the Board, AML/CFT and regulatory matters.
11	The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.	Not applicable in the year under review.

Principle No.	Principle	Details of compliance
12	Boards and managers should operate in a supportive, co-operative and open environment.	The Board believes that the Investment Manager engaged in a supportive, co-operative and open way in the year under review.
13	The primary focus at regular Board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	Board meetings during the year focused on these matters.
14	Boards should give sufficient attention to overall strategy.	The Board focuses on aspects of strategy in all meetings. In addition, a dedicated strategy meeting takes place annually, with the latest being held in November 2018.
15	The Board should regularly review the performance of, and contractual arrangements with, the manager (or executives of a self-managed Company).	A dedicated MESPC meeting took place to consider this matter, the conclusions of which are detailed in this report. The IMA is reviewed regularly and is currently under review.
16	The Board should agree policies with the manager covering key operational issues.	Policies are in place covering key operational issues and the Investment Management Agreement in place between the Investment Manager and the Board sets out matters which are reserved for the Board's approval. Due to the structure of the Company, it was not necessary to put in place policies on share trades, votes or soft commissions.
17	Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	The Board actively monitored the level of the share price discount to NAV in the year under review. It regularly reviews and considers all options available. This is in line with the recommendations of the AIC Code.
18	The Board should monitor and evaluate other service providers.	The Management Engagement and Service Provider Committee conducted a review of all key service providers in the year under review. A process is in place to conduct an in-depth review of all the service providers, and in particular the Investment Manager, at least once a year.
19	The Board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders.	The Board considers this at each scheduled meeting. More detail is provided on pages 48 to 49 in the "Relations with Shareholders" section.
20	The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	No major corporate issues arose in the year under review. However, communications about major corporate issues are always approved by the Board.
21	The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/reward balance to which they are exposed by holding the shares.	This Annual Report contains the disclosures recommended in the AIC Code to enable shareholders to understand this.

Corporate Governance continued

The UK Code includes provisions relating to:

// the role of the chief executive;

// executive Directors' remuneration; and

// the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no full time executive Directors, and no direct employees or internal operations. The Company has therefore not reported further in respect of these provisions.

2019 AIC Code of Corporate Governance

In February 2019, the AIC published an updated Code of Corporate Governance ("2019 AIC Code") to assist member companies to meet the reporting requirements of the 2018 UK Corporate Governance Code. The 2019 AIC Code applies to accounting periods beginning on or after 1 January 2019; therefore, the Company will report against it in its 2020 Financial Statements.

The Company has undertaken a gap analysis of the 2019 AIC Code. It is satisfied that it will be able to demonstrate how the principles have been applied and where applicable be able to provide clear rationale for any areas of non-compliance along with the action the Company is undertaking.

Going Concern

After making enquiries, and 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, and, 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. In addition, the Board monitors and manages the ongoing commitments via the criteria set out on pages 46 to 47. When considering the criteria, the Board 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, considers model scenario outputs that are based on a look-through to the anticipated underlying fund and portfolio cash flows.

Viability Statement

Pursuant to provision C.2.2 of the UK Code and Principle 21 of the AIC Code, the Board has assessed the viability of the Company over a five-year period from 31 January 2019. 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 new 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 34 to 37 of the Company's Annual Report. The strategic planning focuses 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 a model scenario that replicated the impact of the global financial crisis on the Company's portfolio, which caused large NAV declines and a material reduction in realisations from underlying company investments. This severe downside scenario included projected returns and cash flows based on certain assumptions at least as significant as HVPE's experience during 2008 and 2009. The Board concluded that new commitments would need to be materially reduced under this scenario, but that the Company's cash balance and available credit facility would be sufficient to cover any capital requirements (as it was during the Global Financial Crisis). 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 2024 is now an appropriate period of time to assess the Company's viability, as the improvement to the term of the credit facility now gives the Board greater confidence to look further ahead and align the viability assessment with the strategic planning horizon of the Company. In prior reports, a three year assessment period was considered appropriate as the credit facility was renewed on an annual basis for a fixed term of three to four years with no guarantee that the annual renewal would be successful. The new 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 this new facility now 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 28 and 29 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 2024.

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.

Corporate Governance continued

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008 (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 44 and 45 of the Company's Annual Report and Financial Statements, jointly and severally confirm that, to the best of their knowledge:

// 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;

// 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;

// 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; and

// the Annual Report and Financial Statements includes information required by the Financial Conduct Authority for the purpose of ensuring that the Company and its undertakings comply with the provisions of the Listing Rules and the Disclosure Guidance and Transparency Rules of the UK Listing Authority.

By order of the Board

Michael Bunbury
Chairman

Steven Wilderspin
Chairman of the Audit and Risk Committee
28 May 2019

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 2019.

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 2018 and 31 January 2019. 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 2018.

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 2019.

Director	Role	Fees paid for the 12 months ended 31 January 2019	Fees paid for the 12 months ended 31 January 2018
Sir Michael Bunbury	Chairman, Independent Director	£140,000	$211,552
Keith B. Corbin	Audit and Risk Committee Chairman[1]	£52,504	$68,080
Francesca Barnes	Independent Director	£50,000	$46,642
Alan C. Hodson	Independent Director	£50,000	$62,266
Andrew W. Moore	Independent Director	£50,000	$62,266
Jean-Bernard Schmidt	Independent Director	£23,436	$62,266
Steven Wilderspin	Audit and Risk Committee Chairman	£38,237	Nil
Peter G. Wilson	Director	Nil	Nil
D. Brooks Zug	Director	Nil	Nil
Total		£404,177	$513,074

Role	Director fees payable with effect from 1 January 2019 (annualised)[3]	Director fees payable with effect from 1 January 2018 (annualised)[3]
Chairman, Independent Director	£140,000	£140,000
Audit and Risk Committee Chairman	£55,000[2]	£55,000
Independent Director	£50,000	£50,000

1 Mr Keith Corbin was Audit and Risk Committee Chairman until 31 July 2018 when Mr Steven Wilderspin was appointed to the role.
2 Increased to £60,000 with effect from 1 April 2019.
3 The Board resolved to pay Directors' fees in sterling from 1 October 2017 onwards.

Signed on behalf of the Board by:

Michael Bunbury
Chairman
28 May 2019

Steven Wilderspin
Chairman of the Audit and Risk Committee

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 2019, 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 2019 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 28 to 29 that describe the principal risks and explain how they are being managed or mitigated;
- // the Directors' confirmation set out on pages 28 to 29 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 63 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 63 to 64 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.

Overview of our audit approach

Risk of material misstatement:

We have determined that misstatement or manipulation of the valuation of the Group's investments in the underlying funds/HarbourVest Direct Investment funds is the only key audit matter for the current year.

Audit scope:

We have audited the Financial Statements of the Group for the year ended 31 January 2019.

The audit was led from Guernsey. The audit team mainly included individuals from the Guernsey office of Ernst & Young LLP and from the Boston office of Ernst & Young in the U.S., and utilised private equity valuation specialists from the Boston office of Ernst & Young in the U.S.

We operated as an integrated audit team and we performed audit procedures and responded to the risk identified as described below.

Materiality:
Overall materiality of $38.5 million (2018: $33.6 million), which is 2 per cent (2018: 2 per cent) of net assets.

Key audit matters

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 ($1,762 million; 2018 $1,452 million).**
	// Risk that the valuation of the Group's investments at 31 January 2019, which comprise 91.5% (2018: 84.7%) 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 the 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 underlying investee funds, including the use of the practical expedient per 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 2018 which, prior to adjustments, formed the basis for the Group's carrying amount as at 31 January 2019;
	// Obtained a schedule of all adjustments made to those audited Net Asset Values between 1 January 2019 and 31 January 2019, and:
	– Verified foreign exchange rate changes to external third party sources, and their application to underlying investments denominated in foreign currencies;
	– Recalculated a sample of accrued management fees in underlying investment funds based on the terms of the signed management agreements and agreed terms to relevant supporting documents;

Independent Auditor's Report continued

  - Recalculated the impact of carry taken by the GP of the underlying partnerships on the gains and losses allocated to the Group for the period from 1 January 2019 to 31 January 2019;
  - Independently sourced third party prices and verified fair value changes on publicly traded securities held in HarbourVest's underlying investment funds; and
  - Verified contributions and withdrawals made to/from underlying HarbourVest funds to supporting bank statements.

// Examined the valuations of underlying partnerships and direct investments held by the Direct Co-Investment funds the Group had invested in as at 31 December 2018 and, for adjustments made between 1 January 2019 and 31 January 2019, utilised the procedures set out above;

// We judgementally selected a sample of direct investments held by the underlying HarbourVest 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 2018, and roll forward to 31 January 2019;
  - 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 2019 to 31 January 2019 that could have had a material impact when applied to the key sensitive inputs to the valuations of the direct investments of the underlying funds selected in our sample.

// Obtained and examined direct investment transaction reports post 31 December 2018 for material changes in the direct portfolio investments held in underlying HarbourVest funds and in HarbourVest Direct Co-Investments; and

// Obtained the post-closing adjustments made by the Group related to updated information provided from the Partnership Investments to the underlying HarbourVest funds, and validated that there were no material changes to the Net Asset Values subsequent to the underlying HarbourVest 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 underlying funds / HarbourVest Direct Co-Investment funds were not materially misstated.

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 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 $38.5 million (2018: $33.6 million), which is 2 per cent (2018: 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.

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 $28.9 million (2018: 75 per cent. of materiality, namely $25.2 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.

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 $1.9 million (2018: $1.7 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.

Independent Auditor's Report continued

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 64 – 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 54 to 56 – 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 59 to 64 – 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 63, 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
28 May 2019

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 Statements of Assets and Liabilities, including the Consolidated Schedule of Investments, as at 31 January 2019, and the related Consolidated Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and the related notes 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 ("US 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. 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 consolidated financial position of HarbourVest Global Private Equity Limited at 31 January 2019, and the consolidated results of its operations, changes in its net assets, and its cash flows for the year then ended, in conformity with US GAAP.

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.

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.

Ernst & Young LLP
Guernsey, Channel Islands
28 May 2019

Consolidated Statements of Assets and Liabilities

At 31 January 2019 and 2018

In US Dollars	2019	2018
ASSETS		
Investments (Note 4)	**1,760,181,991**	1,452,215,345
Cash and equivalents	**156,570,557**	256,961,145
Other assets	**9,745,502**	6,790,179
Total assets	**1,926,498,050**	1,715,966,669
LIABILITIES		
Accounts payable and accrued expenses	**2,403,836**	1,872,066
Accounts payable to HarbourVest Advisers L.P. (Note 9)	**138,563**	227,767
Total liabilities	**2,542,399**	2,099,833
Commitments (Note 5)		
NET ASSETS	**$1,923,955,651**	$1,713,866,836
NET ASSETS CONSIST OF		
Shares, unlimited shares authorised, 79,862,486 shares issued and outstanding at 31 January 2019 and 2018, no par value	**1,923,955,651**	1,713,866,836
NET ASSETS	**$1,923,955,651**	$1,713,866,836
Net asset value per share	**$24.09**	$21.46

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

The Financial Statements on pages 73 to 87 were approved by the Board on 28 May 2019 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 2019 and 2018

In US Dollars	2019	2018
REALISED AND UNREALISED GAINS (LOSSES) ON INVESTMENTS		
Net realised gain on investments	108,314,099	157,395,016
Net change in unrealised appreciation on investments	110,073,273	91,527,458
NET GAIN ON INVESTMENTS	218,387,372	248,922,474
INVESTMENT INCOME		
Interest from cash and equivalents	3,810,530	2,068,790
EXPENSES		
Non-utilisation fees (Note 6)	5,836,972	5,829,861
Investment services (Note 3)	1,675,514	1,457,264
Financing expenses	1,356,199	1,300,594
Professional fees	932,601	658,745
Management fees (Note 3)	790,612	1,410,379
Directors' fees and expenses (Note 9)	600,347	580,491
Tax expenses	(56,126)	67,636
Other expenses	972,968	677,279
Total expenses	12,109,087	11,982,249
NET INVESTMENT LOSS	(8,298,557)	(9,913,459)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$210,088,815	$239,009,015

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

Consolidated Statements of Changes in Net Assets

For the Years Ended 31 January 2019 and 2018

In US Dollars	**2019**	2018
INCREASE IN NET ASSETS FROM OPERATIONS		
Net realised gain (loss) on investments	**108,314,099**	157,395,016
Net change in unrealised appreciation (depreciation)	**110,073,273**	91,527,458
Net investment loss	**(8,298,557)**	(9,913,459)
Net increase in net assets resulting from operations	**210,088,815**	239,009,015
NET ASSETS AT BEGINNING OF YEAR	**1,713,866,836**	1,474,857,821
NET ASSETS AT END OF YEAR	**$1,923,955,651**	$1,713,866,836

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

Consolidated Statements of Cash Flows

For the Years Ended 31 January 2019 and 2018

In US Dollars	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	**210,088,815**	239,009,015
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided (used in) by operating activities:		
Net realised (gain) loss on investments	**(108,314,099)**	(157,395,016)
Net change in unrealised (appreciation) depreciation	**(110,073,273)**	(91,527,458)
Contributions to private equity investments	**(396,172,267)**	(312,684,514)
Distributions from private equity investments	**306,592,993**	405,145,108
Other	**(2,512,757)**	(781,199)
Net cash provided by (used in) operating activities	**(100,390,588)**	81,765,936
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	**(100,390,588)**	81,765,936
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	**256,961,145**	175,195,209
CASH AND EQUIVALENTS AT END OF YEAR	**$156,570,557**	$256,961,145

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.

Consolidated Schedule of Investments

At 31 January 2018

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	45,688,697	1,486,620	0.1
HarbourVest Partners VI-Direct Fund L.P.	1,312,500	46,722,408	38,404,878	4,763,688	0.3
HarbourVest Partners VI-Partnership Fund L.P.	5,175,000	204,623,049	230,782,517	7,436,676	0.4
HarbourVest Partners VI-Buyout Partnership Fund L.P.	450,000	8,633,048	9,355,366	72,499	0.0
HarbourVest Partners VII-Venture Partnership Fund L.P.†	2,318,750	135,290,448	168,399,303	36,858,212	2.2
HarbourVest Partners VII-Buyout Partnership Fund L.P.†	3,850,000	74,417,291	94,519,559	9,225,303	0.5
HarbourVest Partners VIII-Cayman Mezzanine and Distressed Debt Fund L.P.	2,000,000	48,201,553	52,087,457	14,239,625	0.8
HarbourVest Partners VIII-Cayman Buyout Fund L.P.	11,250,000	241,508,801	278,892,345	116,360,588	6.8
HarbourVest Partners VIII-Cayman Venture Fund L.P.	1,000,000	49,191,736	51,717,161	34,278,389	2.0
HarbourVest Partners 2007 Cayman Direct Fund L.P.	2,250,000	97,876,849	149,294,781	19,402,726	1.1
HarbourVest Partners IX-Cayman Buyout Fund L.P.	23,252,500	48,028,226	24,228,569	48,802,905	2.8
HarbourVest Partners IX-Cayman Credit Opportunities Fund L.P.	4,375,000	8,173,693	4,044,234	7,604,398	0.4
HarbourVest Partners IX-Cayman Venture Fund L.P.	8,050,000	62,275,714	23,584,475	70,025,738	4.1
HarbourVest Partners 2013 Cayman Direct Fund L.P.	3,228,996	97,131,486	42,738,888	108,043,249	6.3
HarbourVest Partners Cayman Cleantech Fund II L.P.	9,800,000	10,255,952	2,256,907	9,484,672	0.6
HarbourVest Partners X Buyout Feeder Fund L.P.	211,680,000	40,347,552	4,610,570	50,731,905	3.0
HarbourVest Partners X Venture Feeder Fund L.P.	109,890,000	38,163,838	2,695,082	45,207,994	2.6
HarbourVest Partners Mezzanine Income Fund L.P.	30,405,000	19,816,579	1,935,918	22,154,783	1.3
Total US Funds	**432,507,746**	**1,277,367,302**	**1,225,236,707**	**606,179,970**	**35.3**

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	148,029,855	921,376	0.1
HarbourVest International Private Equity Partners IV- Direct Fund L.P.	–	61,452,400	52,987,714	2,258,969	0.1
HarbourVest International Private Equity Partners IV-Partnership Fund L.P.	3,125,000	126,647,051	149,535,599	1,056,828	0.1
HIPEP V-2007 Cayman European Buyout Companion Fund L.P.§	1,767,132	63,880,350	67,335,143	19,052,258	1.1
Dover Street VII Cayman L.P.‡	4,413,862	95,586,138	117,193,137	21,592,038	1.3
HIPEP VI-Cayman Partnership Fund L.P.**	9,931,200	114,404,950	49,746,150	124,237,904	7.2
HIPEP VI-Cayman Asia Pacific Fund L.P.	3,250,000	46,937,431	20,129,601	50,739,042	3.0
HIPEP VI-Cayman Emerging Markets Fund L.P.	1,950,000	28,109,489	5,391,742	28,307,075	1.7
HVPE Avalon Co-Investment L.P.	1,643,962	85,135,136	124,138,700	580,755	0.0
Dover Street VIII Cayman L.P.	22,500,000	157,624,389	155,202,765	83,810,264	4.9
HVPE Charlotte Co-Investment L.P.	–	93,894,011	122,023,777	37,437,784	2.2
HarbourVest Global Annual Private Equity Fund L.P.	30,300,000	69,701,202	16,086,911	79,636,929	4.6
HIPEP VII Partnership Feeder Fund L.P.	66,562,500	58,437,500	6,039,511	66,919,157	3.9
HIPEP VII Asia Pacific Feeder Fund L.P.	14,175,000	15,825,000	1,142,380	18,738,997	1.1
HIPEP VII Emerging Markets Feeder Fund L.P.	10,700,000	9,300,000	1,091,359	9,367,236	0.5
HIPEP VII Europe Feeder Fund L.P.††	43,992,113	31,319,228	3,621,363	35,531,011	2.1
HarbourVest Canada Parallel Growth Fund L.P.‡‡	24,031,137	1,875,322	276,418	1,753,760	0.1
HarbourVest 2015 Global Fund L.P.	47,500,000	52,517,309	6,624,772	60,923,966	3.6
HarbourVest 2016 Global AIF L.P.	61,000,000	39,026,107	5,098,503	44,884,405	2.6
HarbourVest Partners Co-Investment IV AIF L.P.	47,500,003	52,499,997	–	59,353,813	3.5
Dover Street IX Cayman L.P.	79,000,000	21,000,000	5,645,142	22,989,824	1.3
HarbourVest Real Assets III Feeder L.P.	39,000,000	11,000,000	542,545	14,755,004	0.9
HarbourVest 2017 Global AIF L.P.	71,000,000	29,020,959	–	31,654,125	1.8
HIPEP VIII Partnership AIF L.P.	169,998,300	1,700	–	2,540,171	0.1
Secondary Overflow III Tranche B	1,861,025	8,296,812	–	13,041,908	0.8
HarbourVest Asia Pacific VIII AIF Fund L.P.	45,000,000	5,005,566	–	5,455,541	0.3
Secondary Overflow III Tranche C	1,335,088	8,267,887	–	8,495,235	0.5
Total International/Global Funds	**804,986,322**	**1,434,494,491**	**1,057,883,087**	**846,035,375**	**49.4**
TOTAL INVESTMENTS	**$1,237,494,068**	**$2,711,861,793**	**$2,283,119,794**	**$1,452,215,345**	**84.7**

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

As of 31 January 2018, the cost basis of partnership investments is $1,291,341,910.

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 2019, the Company's shares were listed on the London Stock Exchange under the symbol "HVPE". At 31 January 2019, 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.

Note 2 Summary of Significant Accounting Policies

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

Basis of Presentation

The consolidated financial statements ("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

Notes to Consolidated Financial Statements continued

Note 2 Summary of Significant Accounting Policies continued

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.

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 2019, the Investment Manager has analysed the Company's inventory of tax positions taken with respect to all applicable income tax issues for all open tax years (in each respective jurisdiction), and has concluded that no provision for income tax is required in the Company's financial statements.

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

Market and Other Risk Factors

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

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement." The Company elected to early adopt ASU 2018-13 for the year ended 31 January 2019. This guidance modifies certain disclosure requirements for fair value measurements. As a result of adopting ASU 2018-13, the roll forward of the fair value hierarchy of investments has been removed. As ASU 2018-13 provides disclosure guidance only, there was no impact on the financial position or results of the operations for the Company for the year ended 31 January 2019.

Notes to Consolidated Financial Statements continued

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 2019. 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 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. During the year ended 31 January 2018, fees of $130,439 were incurred to JTC Group.

Registrar

The Company has retained Link Asset Services (formerly "Capita") as share registrar. Fees for this service include a base fee of £22,262, plus other miscellaneous expenses. During the years ended 31 January 2019 and 2018, registrar fees of $45,950 and $52,608, respectively, were incurred and are included as other expenses in the Consolidated Statements of Operations.

Independent Auditor's Fees

For the year ended 31 January 2019, $231,550 has been accrued for auditor's fees and is included in professional fees in the Consolidated Statements of Operations. For the year ended 31 January 2018, $135,400 was accrued for auditor's fees. The increase in fees is due to the engagement of the Auditor to conduct an Interim Review of the interim financial statements each year, commencing with the 31 July 2018 interims. Other non-audit fees paid to the Auditor, Ernst & Young LLP, by the Company were nil for the years ended 31 January 2019 and 2018. Ernst & Young in the US was paid non-audit fees of $300 and $103,200, respectively, predominantly for US tax advice and compliance work. This engagement has now been transferred to PwC.

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 2019 and 2018, reimbursements for services provided by the Investment Manager were $1,675,514 and $1,457,264, respectively.

During the years ended 31 January 2019 and 2018, 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 2019 and 2018.

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

	2019	2018
HVPE Avalon Co-Investment L.P.	**–**	622,297
HVPE Charlotte Co-Investment L.P.	**790,612**	788,082
Total Management Fees	**$790,612**	$1,410,379

The HVPE Avalon Co-Investment L.P. management fee was terminated on 30 September 2017. For the years ended 31 January 2019 and 2018, management fees on the HVPE Charlotte Co-Investment L.P. investment were calculated based on a weighted average effective annual rate of 0.95% on capital originally committed (0.91% on committed capital net of management fee offsets) to the parallel investment.

Note 4 Investments

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

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

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

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

Level 3 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 2019 and 2018, the Company made contributions of $396,172,267 and $312,684,514, respectively, to Level 3 investments and received distributions of $306,592,993 and $405,145,108, respectively, from Level 3 investments. As of 31 January 2019, $1,760,181,991 of the Company's investments are classified as Level 3. As of 31 January 2018, $1,452,215,345 of the Company's investments were classified as Level 3. There were no transfers into or out of Level 3 investments during the years ended 31 January 2019 and 2018.

The Company recognises transfers at the current value at the transfer date. There were no transfers during the years ended 31 January 2019 and 2018. 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 34 years remaining.

As of 31 January 2019, the Company had invested $3,164,759,114, or 66.9% of the Company's committed capital in investments and had received $2,642,261,612 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 2019 and 2018 in which an investment was acquired and disposed of during the year.

Note 5 Commitments

As of 31 January 2019, the Company has unfunded investment commitments to other limited partnerships of $1,562,731,444 which are payable upon notice by the partnerships to which the commitments have been made. Unfunded investment commitments of $1,513,163,568 are denominated in US dollars, $36,265,545 are denominated in euros, and $13,302,331 are denominated in Canadian dollars.

As of 31 January 2018, the Company had unfunded investment commitments to other limited partnerships of $1,237,494,068. Unfunded investment commitments of $1,157,772,486 were denominated in US dollars, $55,690,445 were denominated in euros, and $24,031,137 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 9 September 2015, 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 $5.5 million at 31 January 2019 and $5.3 million as at 30 April 2019, as

Notes to Consolidated Financial Statements continued

Note 5 Commitments continued

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

On 4 December 2007, the Company entered into an agreement with Lloyds Bank plc regarding a multicurrency revolving credit facility ("Facility") for an aggregate amount up to $500 million. As of 28 September 2015, the debt facility was amended to include Credit Suisse as an additional lender to the Company's Facility Agreement with Lloyds Bank Plc. On 1 December 2017, the debt facility was amended to adjust lender commitments. Lloyds Bank plc commitment was amended to $250 million, and Credit Suisse commitment was amended to $250 million. On 3 January 2019, the debt facility was further amended to extend the facility to January 2026. Lloyds Bank plc transferred its commitments to Mitsubishi UFJ Trust and Banking Corporation (MUFG). The Credit Suisse commitment was amended to $300 million, and the MUFG commitment was amended to $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 was secured by the private equity investments and cash and equivalents of the Company, as defined in the agreement. Availability of funds under the Facility and interim repayments of amounts borrowed are subject to certain loan-to-value ratios, and portfolio diversity tests applied to the Investment Portfolio of the Company. At 31 January 2019 and 2018, there was no debt outstanding against the Facility. Included in other assets at 31 January 2019 are deferred financing costs of $9,264,606 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 90 basis points per annum from 1 February 2016 to 22 December 2016 and 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 2019 and 2018, $5,836,972 and $5,829,861, respectively, in non-utilisation fees have been incurred.

Note 7 Financial Highlights

For the Years Ended 31 January 2019 and 2018

	2019	2018
Shares		
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of year	**$21.46**	$18.47
Net realised and unrealised gains	**2.73**	3.11
Net investment loss	**(0.10)**	(0.12)
Total from investment operations	**2.63**	2.99
Net asset value, end of year	**$24.09**	$21.46
Market value, end of year	**$18.69***	$17.77
Total return at net asset value	**12.3%**	16.2%
Total return at market value	**5.2%**	18.2%
RATIOS TO AVERAGE NET ASSETS		
Expenses†	**0.67%**	0.75%
Net investment loss	**(0.46)%**	(0.62)%
PORTFOLIO TURNOVER††	**0.0%**	0.0%

* Represents share price of £14.26 converted.
† Does not include operating expenses of underlying investments.
†† The turnover ratio has been calculated as the number of transactions divided by the average net assets.

Note 8 Publication and Calculation of Net Asset Value

The 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 $138,563 and $227,767 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 2019 and 2018, respectively.

Board-related expenses, primarily compensation, of $600,347 and $580,491 were incurred during the years ended 31 January 2019 and 2018, 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 2019 to 28 May 2019, the date that the financial statements were issued.

On 30 April 2019, the Company committed $25 million to the HarbourVest 2019 Global Fund.

On 16 May 2019, the Company committed $20 million to the HarbourVest Credit Opportunities Fund II.

There were no other events or material transactions subsequent to 31 January 2019 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 twelve 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 or 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	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 a percentage of the net asset value
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
Embedded Leverage	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	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

Glossary of Private Market Terms continued

Term	Definition
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 ("LP")	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") or 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	A private equity fund that invests directly in privately-held companies rather than in other investment vehicles
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, real estate, 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
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

Term	Definition
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. For the purpose of this report discounts have been calculated using the live NAVs per share available in the market as at 31 January 2018 and 31 January 2019, those being the 31 December 2017 and 31 December 2018 estimates of $20.79 (sterling equivalent £15.39) and $23.03 (sterling equivalent £18.06) respectively, against share prices of £12.52 at 31 January 2018 and £14.26 at 31 January 2019. The table below outlines the notional discounts to the share price at 31 January 2019, based on the NAVs per share published after this date (31 January 2019 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 to sterling at 31 January exchange rate (GBP/USD: 1.31)	Share price at 31 January 2019	Discount to NAV at 31 January 2019
Estimated NAV at 31 December 2018 (published 18 January 2019)	$23.03	£17.57	£14.26	18.8%
Estimated NAV at 31 January 2019 (published 15 February)	$23.30	£17.77	£14.26	19.8%
Final NAV (IFRS) at 31 January 2019 (published 29 May)	$24.09	£18.38	£14.26	22.4%

KPIs (pages 1 and 12 to 13)

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 ($)

Year	NAV per share 31 January	Year-on-year change	FTSE AW TR movement	HVPE's relative difference
2015	$15.86			
2016	$16.75	+5.6%	-6.2%	+11.8%
2017	$18.47	+10.3%	+18.8%	-8.5%
2018	$21.46	+16.2%	+28.2%	-12.0%
2019	$24.09	+12.3%	-7.1%	+19.4%

Total Shareholder Return (£)

Year	Share price (£) 31 January	Year-on-year change
2015	£8.45	
2016	£8.71	+3.1%
2017	£11.95	+37.2%
2018	£12.52	+4.8%
2019	£14.26	+13.9%

Total Shareholder Return ($)

Year	Share price ($ converted) 31 January	Year-on-year change	FTSE AW TR movement	HVPE's relative difference
2015	$12.73			
2016	$12.41	-2.5%	-6.2%	+3.7%
2017	$15.03	+21.1%	+18.8%	+2.3%
2018	$17.77	+18.2%	+28.2%	-10.0%
2019	$18.75	+5.5%	-7.1%	+12.6%

Total Commitment Ratio

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

	2019	2018
Investment Portfolio	**$1,760.2**	$1,452.2
Investment Pipeline	**$1,562.7**	$1,237.5
Total	**$3,322.9**	$2,689.7
NAV	**$1,924.0**	$1,713.9
Total Commitment Ratio	**173%**	157%

Commitment Coverage Ratio

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

	2019	2018
Cash	**$156.6**	$257.0
Available credit facility	**$600.0**	$500.0
Total sources	**$756.6**	$757.0
Investment Pipeline	**$1,562.7**	$1,237.5
Commitment Coverage Ratio	**48%**	61%

Rolling Coverage Ratio

(A measure of medium-term commitment coverage)

	2019	2018
Cash	**$156.6**	$257.0
Available credit facility	**$600.0**	$500.0
Current year estimated realisations	**$423.5**	$355.5
Total sources	**$1,191.4**	$1,112.5
Next three years' estimated investments	**$1,643.8**	$1,305.4
Rolling Coverage Ratio	**72%**	85%

Disclosures

Investments

The companies represented within this report are provided for illustrative purposes only, as example portfolio holdings. There are over 8,500 individual companies in the HVPE portfolio, with no one company comprising more than 1.5% 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-ended 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 2019 NAV is based on the 31 December 2018 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 2019. 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 85.

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.

- // Approximately 15% of underlying portfolio holdings are denominated in euros. The euro-denominated Investment Pipeline is €42 million.
- // Approximately 2% of underlying portfolio holdings are denominated in Australian dollars. There is no Australian dollar-denominated Investment Pipeline.
- // Approximately 2% of underlying portfolio holdings are denominated in sterling. There is no sterling-denominated Investment Pipeline.
- // Approximately 1% of underlying portfolio holdings are denominated in Canadian dollars. The Canadian dollar-denominated Investment Pipeline is C$24 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 Unaudited Condensed Interim Consolidated Schedule of Investments, has been fully realised. However, $520,072 remains in escrow.

Notes

Key Information

Exchange
London Stock Exchange (Main Market)

Ticker
HVPE (£) / HVPD ($)

Listing date
9 September 2015 (LSE Main Market)
2 May 2010 (LSE SFM)
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

2019-2020 Calendar

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

Semi-annual report and unaudited condensed Financial Statements: **October 2019**

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