

HarbourVest Global Private Equity

Index inclusion invites investor interest

HarbourVest Global Private Equity (HVPE) takes a fund-of-funds approach to investing in private equity, aiming to achieve capital growth over the long term from a diversified portfolio (almost 7,000 underlying operating companies), accessed mainly through funds managed by HarbourVest. Since launch in 2007 it has achieved its aim of excess annualised returns of 5% compared with the total return on global equities (measured by the MSCI All Country World index) and has a strong track record over the medium to long term compared with peers that take a similar approach. Following a move to the Main Market of the London Stock Exchange, HVPE is now one of only three listed private equity funds in the FTSE 250 index.

12 months ending	Share price (%)	NAV (%)	MSCI ACWI (%)	LPX 50 (%)	Morningstar IT PE ex 3i (%)
30/04/12	(0.2)	9.1	(5.2)	(5.4)	3.3
30/04/13	30.3	9.9	15.7	10.5	4.5
30/04/14	22.4	14.0	15.0	14.2	13.1
30/04/15	17.2	13.1	8.0	(1.8)	1.3
30/04/16	4.7	5.3	(5.1)	2.5	6.0

Source: Thomson Datastream, Morningstar, Bloomberg. Note: Total returns in USD.

Investment strategy: Diversified fund of funds

HarbourVest, HVPE's manager, follows a disciplined approach to selecting the underlying managers for the fund's portfolio, using its global network of specialists and drawing on its long relationships in the private equity sector. The fund aims to achieve a broad spread of exposure by vintage, type of investment (mainly buyout, venture and growth capital), geography and industry. Investment is through primary and secondary funds managed by HarbourVest, with some direct co-investments. The aim is to achieve long-term capital growth in excess of global listed equities.

Recent developments: Reinvesting for the future

Following two years of record realisations from investments, HVPE has c \$200m of net cash and has increased its credit facility from \$300m to \$500m and stepped up the rate of commitments to new funds, in order to ensure it remains fully exposed to future growth potential. It has also broadened its investment policy to allow it to invest in other private markets such as real assets (including infrastructure) and mezzanine debt. Following its 2015 move to the Main Market of the London Stock Exchange and inclusion in the FTSE All-Share index, HVPE's higher profile and buying from index funds has substantially increased liquidity in the shares.

Valuation: Support for long-term discount narrowing

At 8 June HVPE's shares were trading at a 22.4% discount to the estimated sterling NAV at 30 April. This is close to the average discount over one and three years and narrower than the five-year average. Like most private equity funds, HVPE's discount has been on a narrowing trend since the post-financial crisis widening, and reached a 12-month low of 15.4% in August 2015, shortly before the move to the main market. Index inclusion should help the discount to continue narrowing, although a climate of risk-aversion has caused short-term discount volatility.

Investment companies

13 June 2016

Price 903.0p/\$13.14
Market cap £721.2m

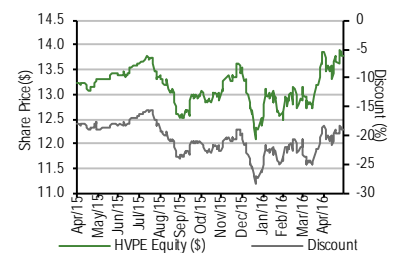
NAV* 1,164p/\$17.01
 Discount to NAV** 22.4%

*NAV estimated by HVPE at 30 April.
 **Based on GBP price and NAV.

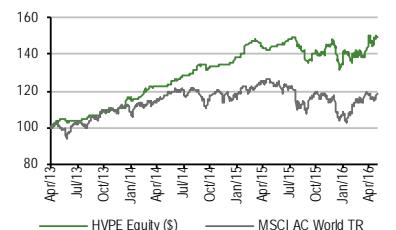
Yield 0.0%
 Ordinary shares in issue 79.9m
 Code HVPE

Primary exchange LSE
 AIC sector Private Equity

Share price/discount performance



Three-year cumulative perf. graph



52-week high/low 945p 825p
 NAV* high/low 1,208.3p 1,031.9p

**Including income.

Gearing

Gross* 0%
 Net cash* 14.6%

*As at 30 April 2016.

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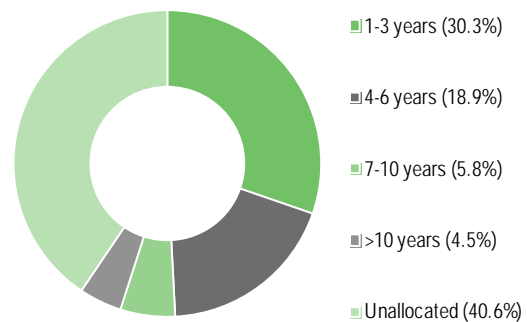
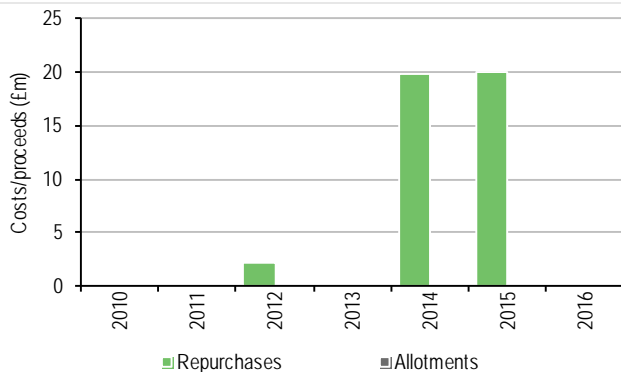
HarbourVest Global Private Equity is a research client of Edison Investment Research Limited

Exhibit 1: Trust at a glance

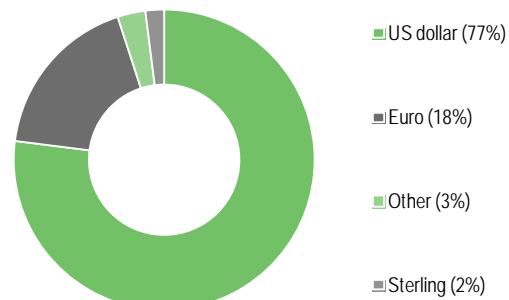
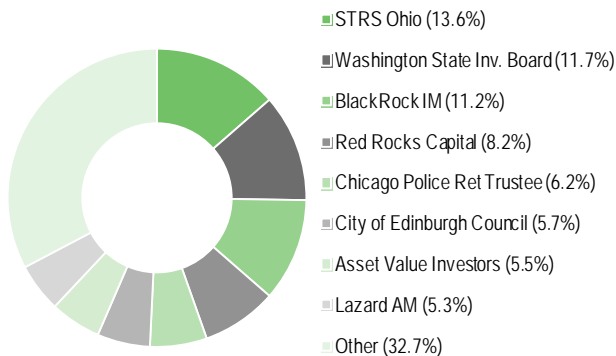
Investment objective and fund background	Recent developments
HarbourVest Global Private Equity is a Guernsey-incorporated, London/Amsterdam-listed, closed-end investment company that aims to deliver long-term capital appreciation, while avoiding undue risk, by investing in a portfolio of private equity investments diversified by stage, geography, strategy and industry.	<ul style="list-style-type: none"> 31 May 2016: Results for the year ended 31 January. NAV per share +6% in USD and +12% in GBP. Share price -3% in USD and +3% in GBP. \$362m of realisations received. 30 September 2015: Results for the half-year ended 31 July. NAV +6.2% in USD compared with MSCI ACWI +4.0%.

Forthcoming		Capital structure		Fund details	
AGM	November 2016	Ongoing charges	2.3% (see page 9)	Group	HarbourVest Partners LLC
Interim results	September 2016	Net cash	14.6%	Managers	HarbourVest LP
Year end	31 January	Annual mgmt fee	1.1% (see page 9)	Address	Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT
Dividend paid	N/A	Performance fee	See page 9	Phone	+44 (0)1481 702 400
Launch date	December 2007	Trust life	Indefinite	Website	www.hvpe.com
Continuation vote	N/A	Loan facilities	\$500m		

Share buyback policy and history	Age of the investment pipeline (31 January 2016)
HVPE has the authority to purchase up to 14.99% of its issued share capital. Financial year figures shown below. 2014 and 2015 costs reflect redemptions of A shares used to distribute c 50% of profits on Absolute and Conversus investments.	This analysis shows the breakdown of the investment pipeline (totalling \$1,043m) by age. Where commitments to underlying funds or HarbourVest secondary or direct funds have been made, these are classified as allocated.



Shareholder base (as at 2 April 2016)	Currency exposure of assets (31 January 2015)
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Largest managers at end-January 2016 (Excludes HarbourVest, which is the manager of the funds through which investments are made)

Manager	Region	Stage	% of investment value
Welsh, Carson, Anderson & Stowe	US	Buyout and mezzanine	1.97
The Blackstone Group	US	Buyout	1.72
Thoma Bravo	US	Buyout and venture	1.65
Compass Partners International	Europe	Buyout	1.50
Kohlberg Kravis Roberts	US	Buyout	1.47
Health Evolution Investments	US	Growth equity	1.40
DCM	US/Asia Pacific	Venture and growth equity	1.37
Index Ventures	Europe	Venture and growth equity	1.36
PAI Partners	Europe	Buyout	1.28
Hellman & Friedman	US	Buyout	1.14
Top 10 (% of portfolio)			14.86

Source: HarbourVest Global Private Equity, Edison Investment Research, Morningstar, Bloomberg.

Recent developments

Inclusion in FTSE All-Share and FTSE 250 indices

Following its move to the Main Market of the London Stock Exchange in September 2015, HVPE was included in the FTSE All-Share and FTSE 250 indices with effect from December. Index inclusion can act as a significant boost to liquidity, owing to buying from index-tracking funds (now c 6% of HVPE's share register), as well as to a higher profile for companies that are part of the index. In its annual report for the year ended 31 January 2016, HVPE reported that trading in the fund's shares had been appreciably enhanced by the move to the main market, with median daily trading volumes reaching 35,376 shares by the end of the period (compared with 14,450 on average for the year ended 31 January 2015).

Annual report issued

On 31 May 2016 HVPE released its annual report for the financial year ended 31 January, a period of considerable change that included the fund's move to the Main Market of the London Stock Exchange. Significant developments include:

- NAV per share (in US dollars) increased 5.6%, compared with a negative total return of 6.3% for the MSCI AC World index. Sterling equivalent NAV return was c 12%.
- Share price total return of +3.1% in GBP terms, benefiting from the relative weakness of sterling.
- Target NAV return of 5% a year in excess of the total return on the MSCI AC World index achieved for the period since launch in December 2007. Compound annual growth rate since inception (net of all fees) of 11.2% in sterling terms.
- Inclusion in the FTSE All-Share and FTSE 250 indices (see above).
- New commitments of \$562m, spread across five new HarbourVest funds.
- Realisations of \$362m (a record for HVPE), driven by liquidity events at more than 500 underlying companies and leading to a net cash position of \$204m at the year-end (\$198.5m at 30 April). The managers note that realisations versus commitments have been unusually high in recent years, and this is likely to moderate.

Since listing on the main market, HVPE has significantly expanded the information in its annual report, which now includes an expanded analysis of the underlying HarbourVest funds, underlying managers and operating company investments. The report is available [here](#).

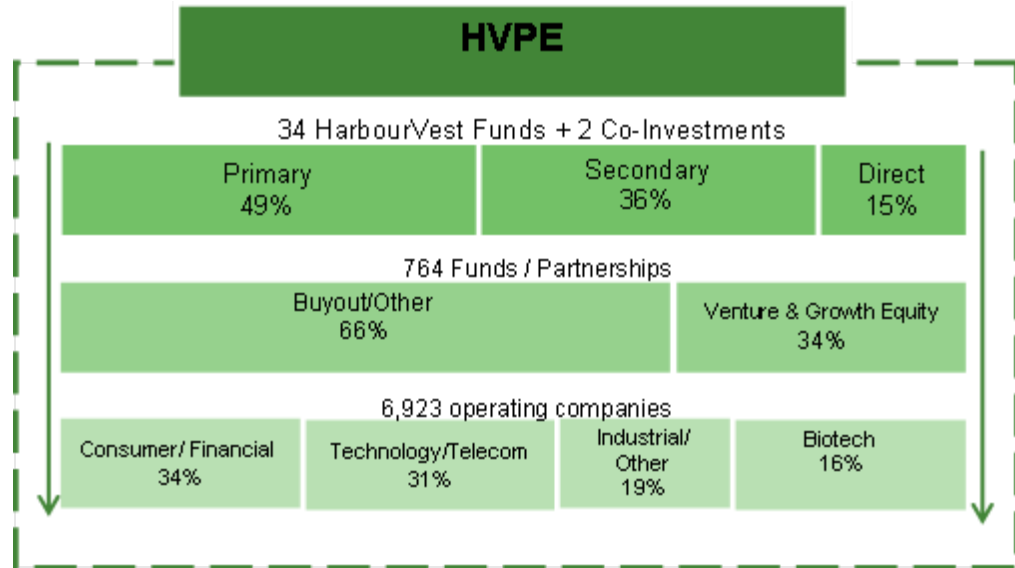
Fund profile: Diversified private equity exposure

HarbourVest Global Private Equity (HVPE) is a closed-ended investment company, incorporated in Guernsey and listed (since September 2015) on the Main Market of the London Stock Exchange. Set up in December 2007, it was originally listed only on the Euronext Amsterdam exchange, and gained a London listing on the Specialist Funds Market in 2010. The London-listed shares are denominated in sterling, but HVPE's functional reporting currency is the US dollar. NAVs are published in both sterling and dollars.

HVPE is a private equity fund of funds, investing in a diversified portfolio of primary and secondary funds (and selected direct investments) run by its manager HarbourVest, which in turn make commitments to leading fund managers focusing across the spectrum of global private equity investment, in venture capital, growth equity and buyout strategies. The approach gives investors access to a very broad selection of underlying companies, as outlined in Exhibit 2 below, meaning that the impact from adverse events in any one company, industry or market is minimised.

Household-name companies that HVPE has backed through its underlying funds include early-stage investments in Facebook and Twitter, and later-stage/buyout support for Hilton hotels and Odeon cinemas.

Exhibit 2: HVPE outline of fund and investment structure



Source: HarbourVest Global Private Equity, at 30 April 2016.

Asset allocation

Investment process: Benefiting from broad and deep networks

HVPE is managed by HarbourVest, which was set up in 1982 as a specialist private equity manager. Headquartered in Boston, US, it also has offices in London, Hong Kong, Tokyo, Bogotá, Beijing, Toronto, Seoul and Tel Aviv, giving it broad geographical coverage. HarbourVest runs a range of primary and secondary funds, as well as making direct co-investments alongside the managers of underlying funds.

HVPE invests in HarbourVest funds at inception, with allocations set to ensure appropriate portfolio diversification by geography, stage, strategy, vintage and industry. The fund receives preferential terms on new funds raised by HarbourVest, including being offered an allocation of at least 5%. A consistent rate of investment ensures a broad spread of vintages, and the fund-of-funds structure enhances this averaging effect, with commitments made by HVPE to HarbourVest funds, which then make commitments over a period of three to four years to underlying managers, who invest in operating companies over the following three to five years.

HarbourVest undertakes considerable due diligence before investing in underlying managers, backed up by the long experience and extensive networks of its investment professionals. In the primary segment (where investments are into a 'blind pool'), commitments are made to underlying funds at formation, and the HarbourVest team will focus on assessing such factors as the investment skills, leadership and performance record of the fund manager, the attractiveness of the fund's investment focus and strategy, and contractual terms and features such as fund size, expected duration, exposure limits and fees.

Where it makes investments in secondary assets (whole or part portfolios of maturing private equity investments), the managers value the operating companies in the portfolio on a bottom-up basis, projecting future performance and assessing the capabilities of the underlying fund manager. HarbourVest has experience in complex secondary market transactions, as illustrated by the

Absolute and Conversus acquisitions in 2011 and 2012, where HarbourVest was able to offer liquidity to existing investors who sought an exit. The transactions were particularly complex because they involved taking private two listed private equity funds.

Direct investments in private companies – usually co-investments alongside the general partners who run the underlying funds – usually arise as a result of HarbourVest's strong and deep relationships with leading private equity investors. The team reviews about 100 such opportunities each year, assisted by a proprietary database covering 20 years of transactions.

Primary funds form the core of the HVPE portfolio, with c 35% in secondary funds and about half that figure in direct investments.

Current portfolio positioning

HVPE's portfolio is broadly diversified and at 30 April included 34 HarbourVest funds and two direct co-investments, giving access to more than 700 underlying funds and partnerships, which in turn are invested in nearly 7,000 operating companies. Exhibit 3 below illustrates the portfolio split by stage, phase, geography, strategy and industry. While biased towards the US, the portfolio is truly global, with 12-15% of assets invested in emerging markets, as well as significant exposure to Europe, which was increased during FY16 and has been a source of positive performance recently.

In terms of stage, the majority of assets are invested in buyout situations. Around one-third of the portfolio is in venture and growth capital, a highly competitive space where HarbourVest's longstanding relationships with the top managers in the sector are key to securing allocations in new funds. Venture capital is slanted towards the technology/telecoms sector, which was the second-largest industry weighting at 30 April, as well as to biotech and healthcare.

Stage	%	Phase	%	Geography	%	Strategy	%	Industry	%
Buyout	62	Growth	44	US	62	Primary	49	Consumer/financial	34
Venture and growth equity	34	Mature	28	Europe	21	Secondary	34	Technology/telecom	31
Other	4	Investment	28	Asia Pacific	11	Direct	17	Industrial/other	19
				Rest of World	6			Medical/biotech	16
	100		100		100		100		100

Source: HarbourVest Global Private Equity, Edison Investment Research.

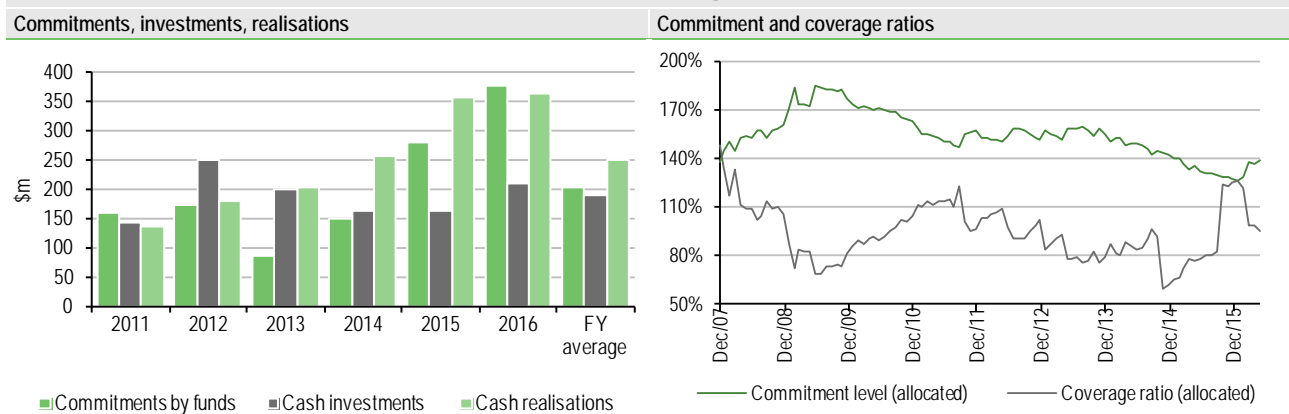
HVPE aims for a balance of investment phases to try to smooth out the often lumpy nature of private equity returns. Broadly speaking, the investment phase is when capital is allocated by HarbourVest funds to underlying managers to build their portfolios; the growth phase is the bulk of the life of the underlying investment; and the mature phase is the point towards which realisations begin to be achieved, either through M&A activity or by companies becoming publicly listed.

This maps (albeit imperfectly) to HVPE's three stages of capital allocation – commitments (which are broadly made to HarbourVest funds at launch), investments (when the underlying funds draw down the cash to invest in operating companies) and realisations, when assets are divested. Exhibit 4 (left-hand chart) shows the evolution of these three areas over HVPE's last six financial years. In line with the fund's aim of achieving balance, on average the level of commitments, investments and realisations has been broadly equal.

During FY16 \$526m was committed to five new HarbourVest funds (HarbourVest X Programme, a US fund; HarbourVest 2015 Global fund; HIPEP VII Europe; HarbourVest Canada Growth Fund; and HarbourVest Mezzanine Income Fund, which is focused on building a portfolio of loans and was included following the broadening of the investment mandate to include non-equity investments). Existing funds committed \$376m to underlying investments (\$209m to primary funds, \$137m to secondary investments and \$30m to direct co-investments), and HVPE received \$362.5m from realisations.

Since the FY16 year-end, HVPE has committed \$200m to four new HarbourVest funds, including a global multi-strategy fund of funds, global secondary funds and a global direct co-investment fund. Cash invested by HarbourVest funds totalled \$61.1m for the first three months of FY17, and HVPE received realisations of \$57.5m. If the same pace of commitments, investments and realisations were sustained throughout the year, FY17 would see higher commitments, lower investments and lower realisations than FY16. The higher rate of commitments will feed through to a higher level of cash investments in the future as the funds are drawn down by underlying managers.

Exhibit 4: Commitments/investments/realisations and coverage ratios



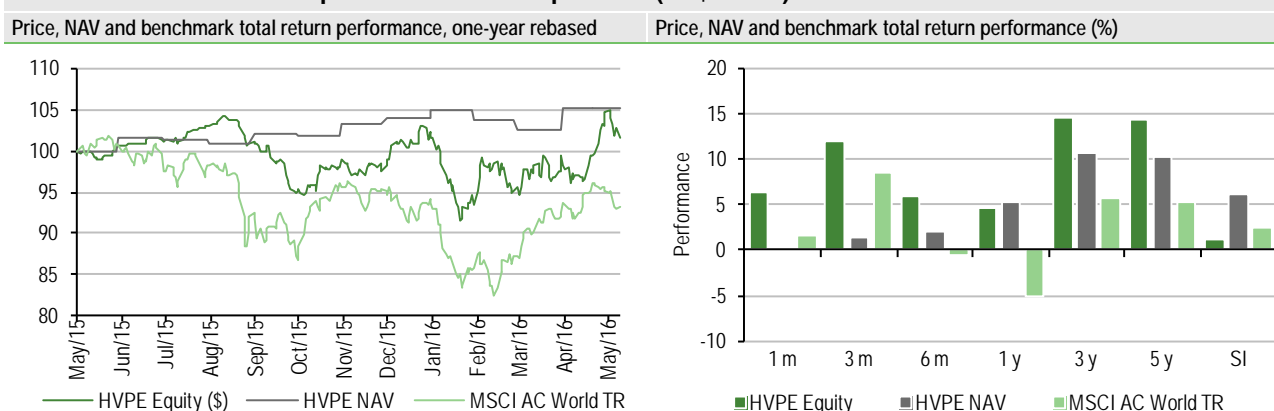
Source: Thomson Datastream, Edison Investment Research

The commitment level shown in Exhibit 4 (right-hand chart) is calculated by taking the total net asset value of the investments and commitments allocated to HarbourVest secondary and direct funds and to underlying partnerships, and dividing this by HVPE's NAV. (Technically, funds are first 'committed' to HarbourVest funds, and then become 'allocated' at the first close of the underlying fund. HVPE's managers say that where committed funds remain unallocated after seven years or more – as was the case for \$107m of commitments at FY16 – this cash is likely to flow back to HVPE as the HarbourVest funds mature.) The commitment level (green line) has ticked up in recent months, and allocated commitments stood at 139% of NAV at 30 April, with total commitments at 169% of NAV. This increase in commitments reflects HVPE's aim of having c 50% of assets (44% at 30 April) in the growth phase, which typically runs from five to nine years after initial commitment.

HVPE publishes a coverage ratio as a measure of its ability to meet commitments. This is a rolling figure that compares total cash, available credit and current-year projected realisations with the next three years' commitments. The fund's managers note that comparing three years of forecast outgoings against one year of forecast available resources means the ratio is a very conservative measure. At 30 April the coverage ratio stood at 95%, up from 82% at the end of August before the increased credit facility was in place. (Between September and January, the ratio was more than 120%, reflecting a time lag between the increase in available credit and a subsequent increase in commitments.)

Performance: Strong absolute and relative record

Exhibit 5: Investment trust performance to 30 April 2016 (US\$ terms)



Source: Thomson Datastream, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

Exhibit 6: Share price and NAV total return performance (US\$ terms), relative to benchmarks (%)

	One month	Three months	Six months	One year	Three years	Five years	Since inception
Price relative to MSCI AC World	4.8	3.3	6.5	10.3	27.4	51.1	(10.5)
NAV relative to MSCI AC World	(1.5)	(6.5)	2.7	11.0	15.2	25.9	34.9
Price relative to LPX 50	5.6	9.9	5.0	2.2	30.6	62.4	12.5
NAV relative to LPX 50	(0.8)	(0.5)	1.3	2.7	18.0	35.3	69.6
Price relative to M'star IT PE ex-3i	4.9	4.2	2.1	(1.3)	23.6	48.8	9.5
NAV relative to M'star IT PE ex-3i	(1.5)	(5.7)	(1.6)	(0.7)	11.7	24.0	65.1

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-April 2016. Geometric calculation.

In USD terms HVPE's total return performance (share price and NAV) has been ahead of the MSCI AC World index over six months and one, three and five years (Exhibits 5 and 6). NAV relative performance is also positive since the fund's inception in December 2007, although the share price lags the world equity index as a result of the slow recovery from the extreme discounts experienced across the listed private equity sector in the aftermath of the global financial crisis.

The MSCI AC World index is used by HVPE as an official performance yardstick, but for investors it is also useful to compare the fund against private equity peers. As shown in Exhibit 6, HVPE is ahead of the LPX 50 index of leading listed private equity funds in both share price and NAV terms over all but the most recent periods, and it also has a solid longer-term record versus the Morningstar peer group of private equity investment trusts, although in relative terms more recent performance (one year and less) has been marginally negative.

Exhibit 7 compares share price and NAV performance in sterling and US dollars. HVPE's managers note that sterling has been on a long-term weakening trend versus the dollar since the fund's inception, when the exchange rate was \$2/£1. This has boosted returns for sterling investors over most periods, although the picture recently has been more mixed.

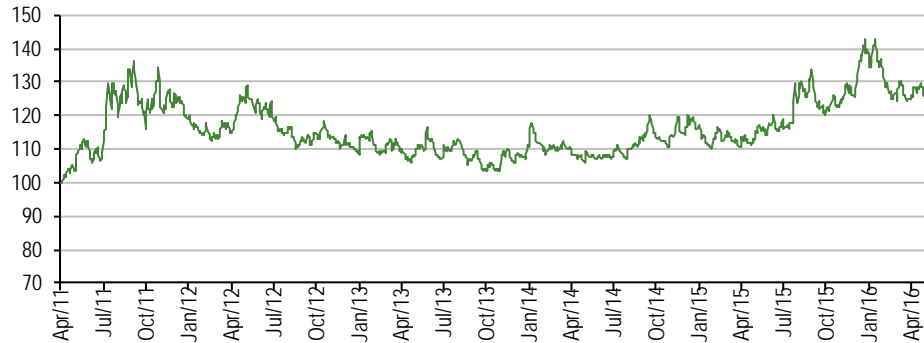
Exhibit 7: Comparing dollar and sterling terms HVPE NAV and share price total return performance

	One month	Three months	Six months	One year	Three years	Five years	Since inception
HVPE NAV USD	0.0	1.4	2.0	5.3	35.7	62.7	65.5
HVPE NAV GBP	-1.9	-1.8	7.6	10.4	44.2	85.2	128.8
HVPE share price USD	6.4	12.0	5.8	4.7	50.2	95.2	9.8
HVPE share price GBP	4.4	8.5	11.6	9.8	59.5	122.3	51.8

Source: Thomson Datastream, Morningstar, Edison Investment Research. Note: Data to end-April 2016.

Exhibit 8 shows HVPE's US dollar NAV performance versus the MSCI AC World index over the past five years. Having performed largely in line with the equity index from 2012 to 2014, 2015 saw notable aggregate outperformance, followed by a leg down for HVPE in relative terms in the early part of 2016 as, while the fund's NAV performance was broadly flat, global equities bounced back after a correction in January. Since then, relative performance has stabilised once again.

Exhibit 8: US\$ NAV performance relative to MSCI AC World index over five years



Source: Thomson Datastream, Edison Investment Research

Discount: Support for narrowing trend to continue

HVPE, in common with most private equity peers, has traded at a discount to NAV since the global financial crisis, although in recent years the sector discount has been on a gradually narrowing trend. At 8 June the shares traded at a 22.4% discount to the estimated sterling NAV at 30 April. This is broadly in line with the average over one and three years and is also close to the peer group average, although it is somewhat wider than the 14-15% reached during 2015.

HVPE's chairman notes that the discount management options open to equity investment trusts are unsuitable for private equity funds, which invest in long-term, illiquid assets. However, strong NAV performance driven by a buoyant phase of realisations and an attractive pipeline of investments, coupled with the boost to liquidity from the move to the Main Market of the LSE and inclusion in the FTSE All-Share and FTSE 250 indices, could help to maintain demand for the shares and narrow the discount as a result.

Exhibit 9: Premium/discount to NAV since launch (%)



Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

Following the cancellation of the voting B shares and the enfranchisement of the A shares in advance of the move to the Main Market of the London Stock Exchange in September 2015, HVPE now has one class of share, with 79.9m ordinary shares in issue.

The fund has a \$500m credit facility with Lloyds Bank (\$300m) and Credit Suisse (\$200m). This was increased from a \$300m facility with Lloyds in September 2015, and expires in September 2019. The debt facility is used for working capital and can provide flexibility in meeting commitments. At 30 April 2016 the debt was undrawn and HVPE had net cash of \$198.5m (down from \$204.4m at end-FY16), held in AAA-rated money market funds and equating to 14.6% of net assets.

HVPE benefits from preferential fee terms on the underlying HarbourVest funds. For FY16 these management fees amounted to 1.11% of net assets. HarbourVest pays fees to the underlying fund managers, but these are deducted from returns at the fund level rather than being separately accounted for. In addition to management fees, HVPE had recurring operating expenses of 0.59% and non-recurring operating expenses (relating to the cost of listing) of 0.13% of NAV, as well as 0.5% of 'carried interest', or performance fees due to the underlying HarbourVest funds. HVPE itself does not charge a performance fee. In aggregate, HVPE has calculated its total expense ratio as 2.33% for FY16, a 37bp reduction on the previous year, in spite of the extra costs relating to the main market listing – a non-recurring item, the absence of which could see future costs fall further.

Dividend policy and record

Reflecting the primarily capital nature of private equity returns, HVPE has not paid a dividend since inception. Following the realisation of direct co-investments in Absolute and Conversus, it made two special distributions of \$20m, amounting to 50% of the profits. This was achieved by redeeming a proportion of the A shares in October 2013 and 2014.

Peer group comparison

HVPE is a member of the Association of Investment Companies' Private Equity sector, a diverse group of 25 investment companies and trusts. Exhibit 10 below shows those peers with a fund-of-funds structure.

A strong environment for realisations, in part resulting from an all-time high level of global M&A activity in 2015, has resulted in positive absolute returns for all members of the peer group over almost all the periods shown below, including from HVPE's inception date in December 2007. Private equity funds tend to take a relatively conservative approach to valuing their holdings, with the result that there is often a significant uplift to NAVs when realisations occur. In NAV total return terms (all returns in sterling), HVPE is in line with the weighted average over one year and above average over three and five years and since inception, ranking second, second and first respectively. Risk-adjusted performance as measured by the Sharpe ratio is by some margin the highest in the peer group over both one and three years.

HVPE is one of five funds in the group that does not pay a dividend and one of two with a net cash position. Its ongoing charges are above the weighted average (however, levels of fee disclosure vary), but it is one of three peers not to levy a performance fee. Perhaps in response to the increased demand from index investors resulting from HVPE's move to the Main Market of the London Stock Exchange and its inclusion in the FTSE 250 and All-Share indices, the fund stood at the third-smallest discount in the peer group at 26 May 2016.

Exhibit 10: Private equity funds of funds (all returns in sterling) as at 30 April 2016

% unless stated	Market Cap £m	TR 1 Year	TR 3 Year	TR 5 Year	TR SI*	Sharpe 1y (NAV)	Sharpe 3y (NAV)	Discount (ex-par)	Ongoing Charge	Perf. fee	Net Gearing	Dividend yield (%)
HarbourVest Global Priv Equity	730.7	10.6	43.9	84.8	135.2	1.6	2.2	(20.5)	2.3	No	85	--
Aberdeen Private Equity	95.5	10.0	26.0	56.1	43.7	0.5	0.6	(33.9)	2.0	Yes	100	2.5
F&C Private Equity Trust	185.9	10.8	28.6	45.4	56.8	0.5	0.8	(13.3)	1.4	Yes	110	4.3
ICG Enterprise Trust	389.8	9.9	22.7	40.7	59.7	0.6	0.5	(25.2)	1.4	No	100	3.8
JPEL Private Equity	322.7	2.4	19.6	6.2	4.1	(0.9)	1.1	(23.2)	2.4	Yes	113	--
NB Private Equity Partners	502.5	5.1	42.1	67.8	111.3	0.0	1.8	(26.0)	2.9	Yes	116	--
Pantheon International	826.8	12.8	36.0	64.4	75.5	0.7	0.9	(25.2)	1.2	Yes	100	--
Standard Life Euro Private Eq	363.0	16.5	34.2	48.9	42.7	0.9	0.9	(23.8)	1.0	Yes	100	4.4
SVG Capital	839.3	12.5	50.3	90.0	(29.4)	0.7	1.1	(23.3)	0.9	No	74	--
Group weighted average		10.6	37.7	64.4	58.1	0.6	1.2	(23.5)	1.7		96	4.0
HVPE rank in group	3	5	2	2	1	1	1	2	3		8	

Source: Morningstar, Edison Investment Research. Note: *SI = since HarbourVest inception, 7 December 2007. TR = NAV total return. Sharpe ratio is a measure of risk-adjusted return. The ratios shown are calculated by Morningstar for the past 12- and 36-month periods by dividing a fund's annualised excess returns over the risk-free rate by its annualised standard deviation. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

The board

HVPE has seven directors, five of them independent. Chairman Sir Michael Bunbury has served on the board since the launch of the company in December 2007, as have Andrew Moore, Jean-Bernard Schmidt, Keith Corbin and Brooks Zug. Alan Hodson and Peter Wilson were both appointed in 2013. Brooks Zug, a founder and senior managing director of HarbourVest, and Peter Wilson, who leads the firm's secondary investment activity in Europe, are deemed non-independent. The other directors have backgrounds in financial services, investment management and private equity. While it is unusual for a London-listed, closed-end fund to have as many as two non-independent directors, the board is committed to having a majority of independent directors, from whom the chairman is drawn. The chairman indicated in HVPE's annual report for the year ended 31 January 2016 that one or more further board appointments is likely in during FY17, with one or more retirements to follow.

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