

# Passive investing: what's the alternative?

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# Investment approaches

Passive	Active	Alternatives
<p><b>Target</b> // Capture returns in line with the market</p> <p><b>Asset Classes</b> // Listed equity (indices) // Bonds // FX // Commodities</p> <p><b>Fees</b> // Typically 0.1%-0.2%</p>	<p><b>Target</b> // Exceed market returns or protect against market volatility with more responsive investment strategies</p> <p><b>Asset Classes</b> // Listed equities // Bonds // Commodities</p> <p><b>Fees</b> // Typically 0.5%-1%</p>	<p><b>Target</b> // Generate superior returns through sophisticated investment strategies in specialist asset classes</p> <p><b>Asset Classes</b> // Private equity // Real assets // Hedge funds</p> <p><b>Fees</b> // Typically &gt;1.5%</p>
		

The above asset classes are examples of 'passive', 'active', or 'alternative' investment strategies. The lists of asset classes are subjective and non-exhaustive. Company logos are included for illustrative purposes.  
\* Typical fees are based on research conducted by Which? As at 2017.

# What is private equity?

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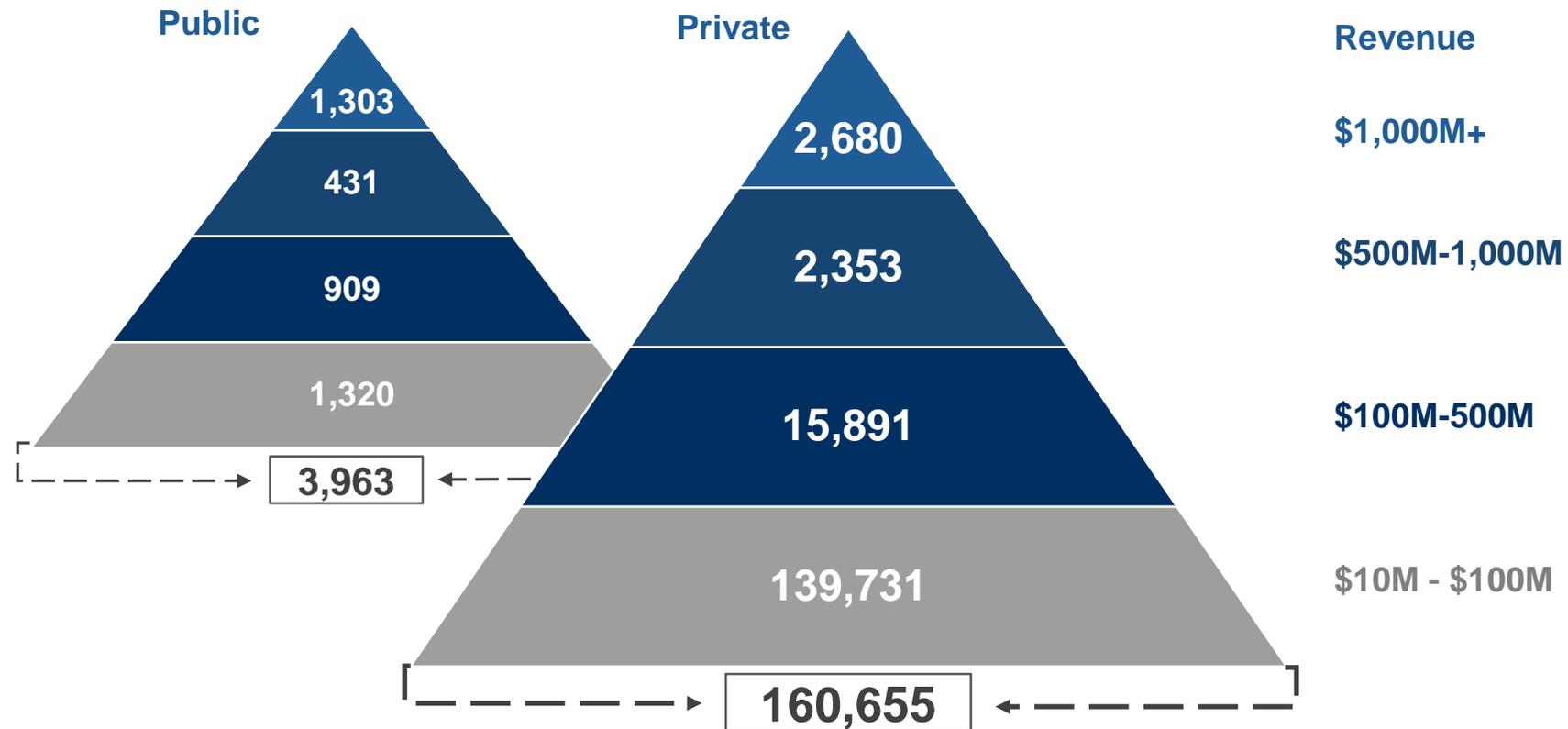
Put simply...

*“Private equity is a form of **equity investment** into **private companies** not listed on the stock exchange.”*

Invest Europe

# Opportunity to diversify beyond public markets

40x more opportunities

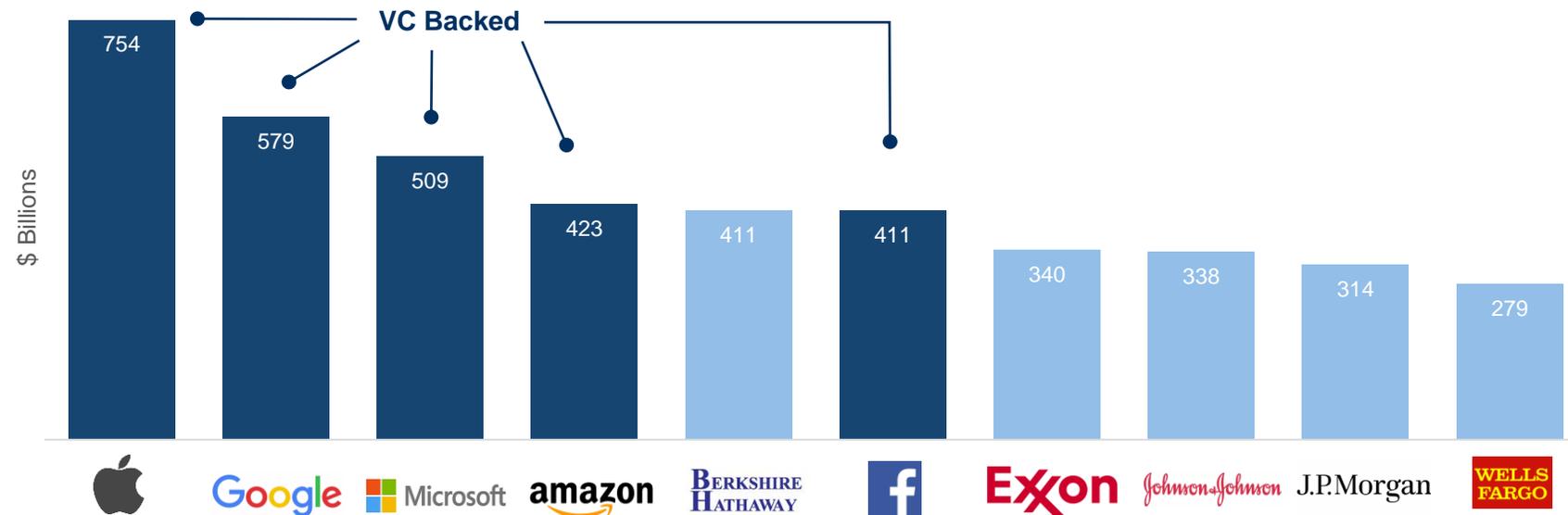


Expanded opportunity set – based on US companies.  
Source: CapitalIQ as of July 27, 2017.

# The impact of private equity

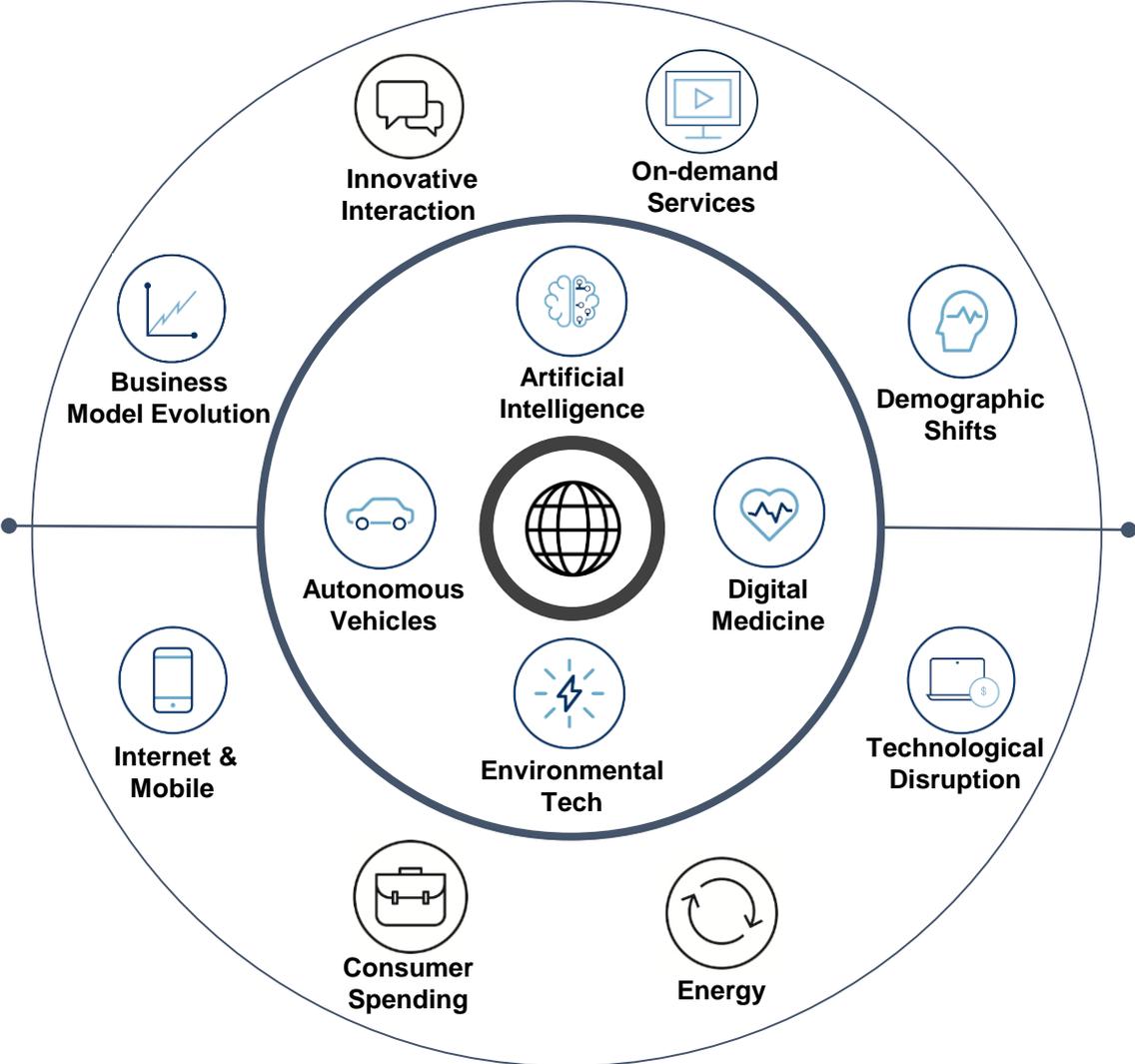
- // Private equity investment transforms companies across industries at all stages
- // The four largest publicly listed companies globally were backed by Venture Capital

## Ten Largest Global Listed Companies by Market Capitalisation



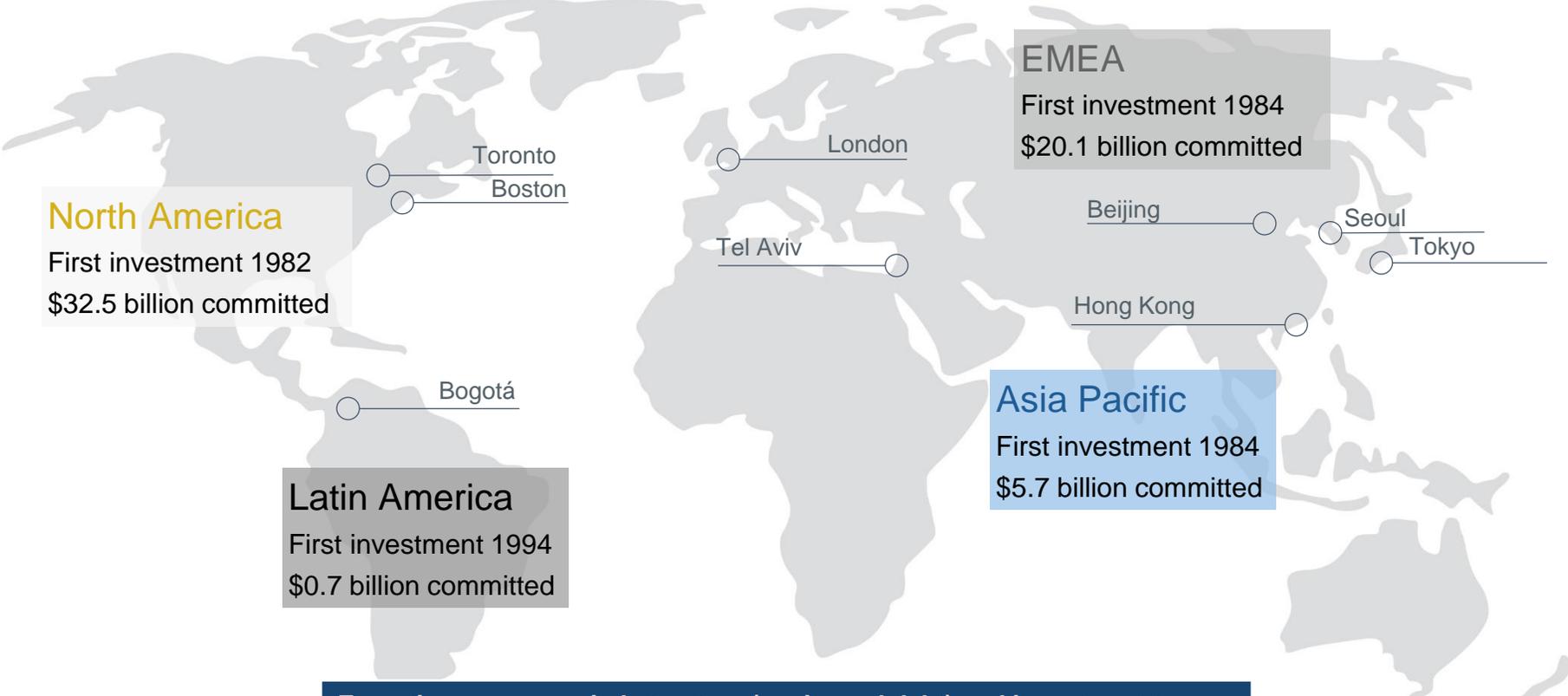
Source: PwC. Market capitalisations at 31 March 2017.

# Global Investment ‘Megatrends’



# HarbourVest Partners has a global private markets platform

One of the longest established firms in the industry



**Expertise across capital structure (equity and debt) and investment types**

PRIMARY	SECONDARY	DIRECT CO-INVEST
\$32.7 billion committed	\$18.4 billion committed	\$7.9 billion committed

As of September 30, 2017. Based on primary, secondary, and direct commitments made by HarbourVest.  
○ Indicates HarbourVest team location.

# The Case For HarbourVest Global Private Equity “HVPE”

# HVPE “Need to Know”

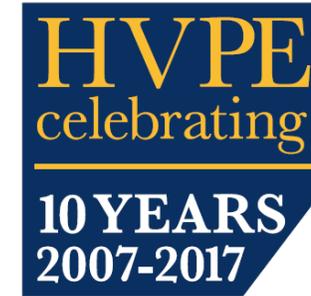
Building long-term wealth by investing in private companies\*

// FTSE 250 company

// Gaining early access to private companies

// Providing a ready-made, private equity programme for all investors...

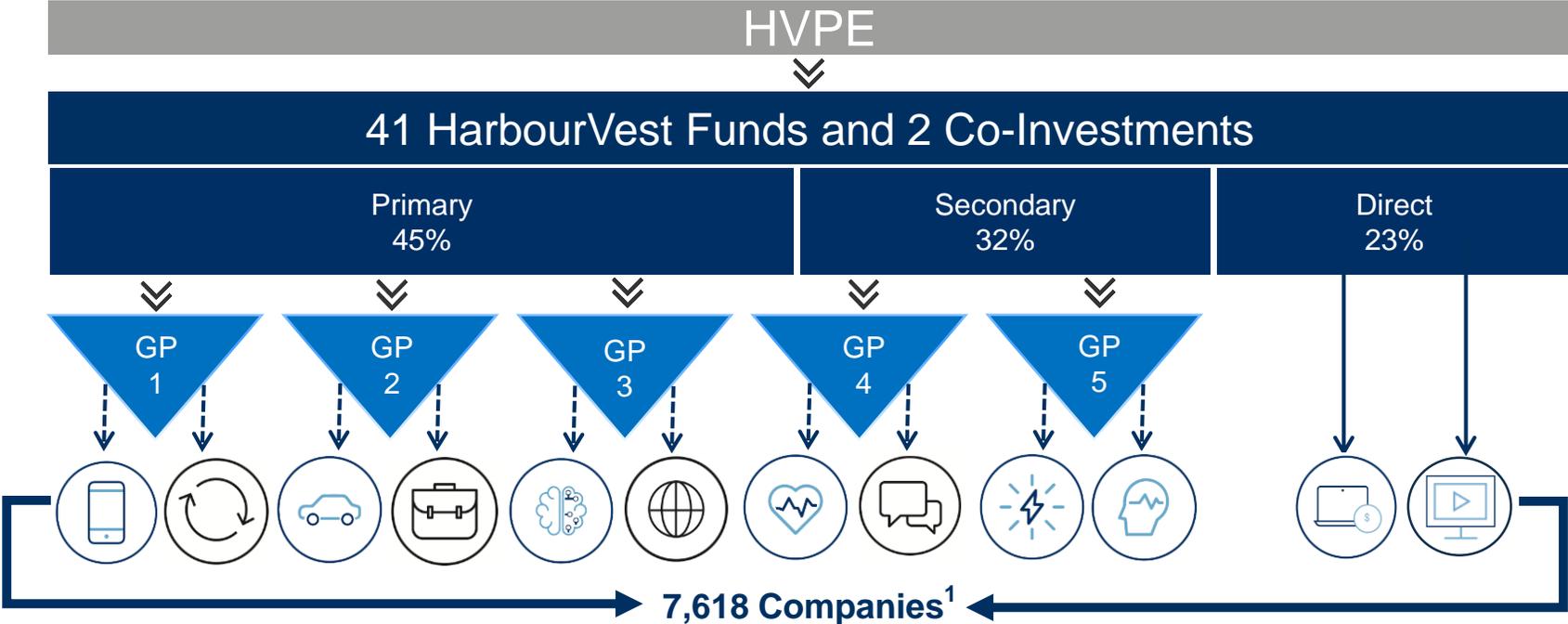
// ...with a proven 10 year track record



**£1,000** invested in December 2007 would be worth **£2,514** today,  
representing an annual growth rate of approximately **10%**, net of fees

\*Holdings in publicly-trade companies, often resulting from IPOs in the private equity portfolio, represent 11% of HVPE's investment portfolio value.  
The companies shown above are for illustrative purposes only. While this may be an actual investment or relationship in a HarbourVest portfolio, there is no guarantee that it will be in a future portfolio.  
As of January 31, 2018. Assumes investment at time of HVPE IPO, adjusted for redemptions and fees. Past performance is no indicator of future returns.

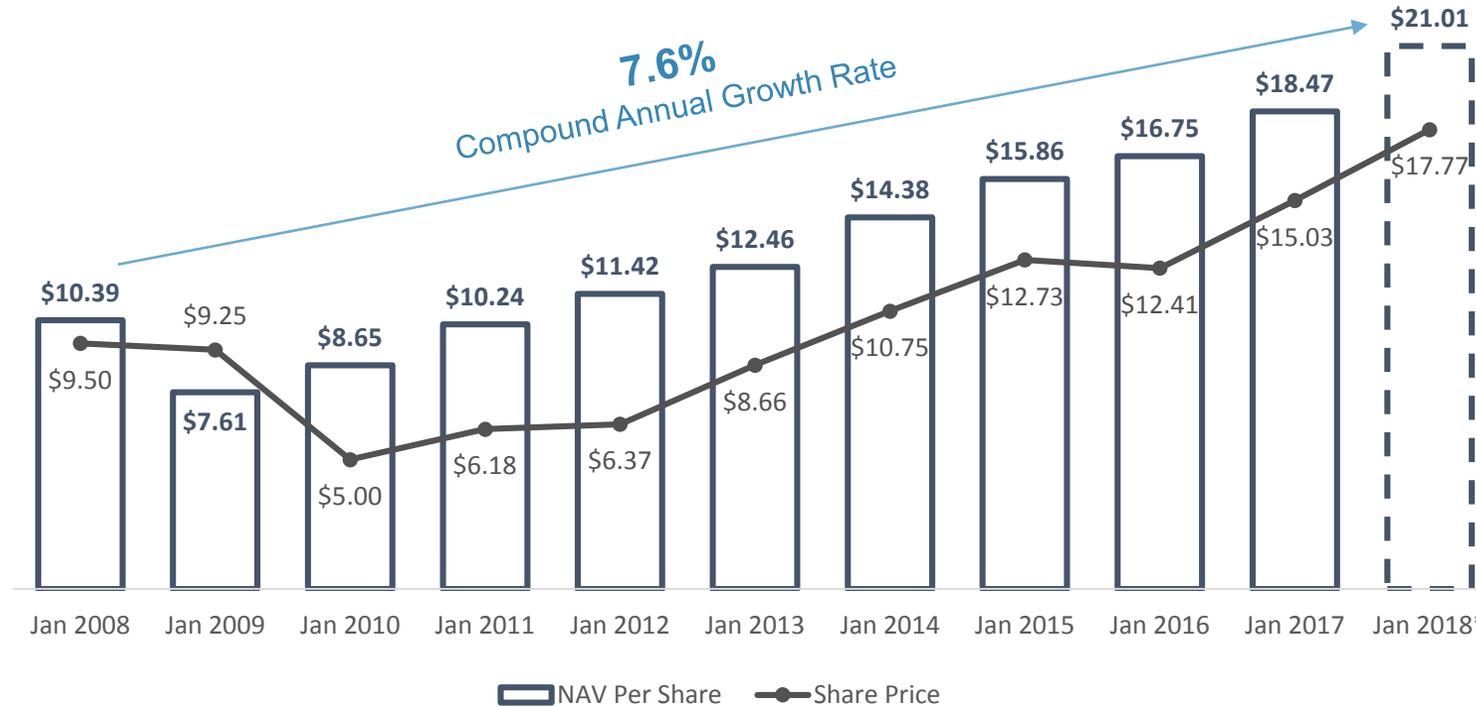
# How does it work?



Data as per 31 January 2018 Monthly Factsheet.  
<sup>1</sup>In total there are 7,618 individual company exposures in the portfolio.

# Steady and consistent NAV growth

Currently trading at a discount to NAV whilst realising assets at a premium



\*January 2018 is an estimate.  
The share price has been converted into USD (\$) from GBP (£) from 2016 onwards at the prevailing foreign exchange rate.

# How to invest

// Ticker: HVPE

// Invest via a number of fund platforms



Visit us at [www.hvpe.com](http://www.hvpe.com)

## Are you now more or less likely to invest in listed Private Equity?

- a. Not invested and more likely to invest
- b. Not invested and less likely to invest
- c. Already invested – and want to increase
- d. Already invested – but want to decrease

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