# Investment Summary

## Global Investment Management

Dover Street X, L.P.

May 2019

# Executive Summary

## Overall Rating

HarbourVest Partners has a deep and varied network as a result of its array of investment strategies. This gives the Manager strong sourcing opportunities, an ability to price deals efficiently, and an advantage when transacting on complex deals that are not accessible to smaller and less seasoned managers. HarbourVest offers investors access to a stable strategy, managed by an experienced team.

## Component Ratings

| Category | Rating |
|---|---|
| Business | ✓ |
| Staff | ✓ |
| Process | ✓ |
| Risk | ✓ |
| Operations | ✓ |
| Performance | ✓ |
| Terms &Conditions | ✓ |

Aon has reviewed and performed an in-depth analysis of the above categories which includes, but is not limited to:

- Retention of Limited Partners
- Institutional Investor Representation
- Management Company Ownership
- Reporting Transparency
- Back-office Resources

- Complementary Skill Sets
- Alignment of Interest
- Turnover/Tenure
- Depth of Team Resources
- Management Team Network
- Firm Leadership

- Market Opportunity
- Stability of Strategy
- Investment Restrictions
- Approval process
- Ability to handle troubled deals
- Exit strategy
- Size of Fund

- Consistency / Volatility of Returns
- Realization Record
- Unrealized Portfolio Performance
- Write-Offs
- Transaction Experience in Strategy
- GP Attribution Concentration

- Management Fee and Offsets
- Priority of Distributions
- Clawback
- Investment Period
- No Fault Divorce
- Key Man
- Advisory Board

- Ability to Create Value in Deals
- Quality of Source
- Valuation Discipline
- Sole or Consortium Deals
- Overlap with Prior Portfolios

In addition, Aon's Operational Due Diligence Team has reviewed the Firm from an operating perspective and has given Dover Street X a passing rating.

# Recommendation

As part of its recommended 2019 private equity investment pacing of $150 million for Nebraska Investment Council's ("NIC")'s Defined Benefit/Cash Balance Benefit plan, Aon supports NIC Staff's recommendation to make a $50 million commitment to Dover Street X, L.P. (the Fund) subject to completion of a legal review and satisfactory agreement of terms. This recommendation is based on our due diligence of this fund and is supported by our full due diligence report.

As part of its recommended 2019 private equity investment pacing of $16 million for Nebraska Investment Council's ("NIC")'s Endowment plan, Aon supports NIC Staff's recommendation to make a $16 million commitment to Dover Street X, L.P. (the Fund) subject to completion of a legal review and satisfactory agreement of terms. This recommendation is based on our due diligence of this fund and is supported by our full due diligence report.

# Firm Summary

| | | | |
|---|---|---|---|
| **Head Office Location** | Boston, MA | **Parent Name** | HarbourVest Partners, LLC |
| **Firm AUM** | $57.0bn | **Investment Staff** | 36 |

# Strategy Summary

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|---|---|---|---|
| **Target Geography** | Global | **Ownership Target** | N/A |
| **Target Industries** | Underlying funds have exposure to various industries | | |

# Fund Overview

HarbourVest Partners, LLC ("HarbourVest" or the "Firm") is an independent investment firm focused solely on private equity. The Firm launched Dover Street X L.P. ("Fund X" or the "Fund") to invest in mature private equity investments, including buyout, growth equity, venture capital, and other private market assets, with an emphasis on complex secondary transactions.

The Fund will invest across vintage years, industries, and geographies. The Fund is expected to have an emphasis on complex secondary transactions. A substantial majority of the Dover X portfolio is expected to be made up of buyout assets, with the remainder comprised of growth equity and later stage venture assets, as well as certain other private market investments. HarbourVest expects the Dover X portfolio to be broadly diversified by geography and vintage year. Regarding the former, the largest exposure will likely be to North America, followed by Europe and the rest of the world.

# History

HarbourVest Partners, LLC is a private investment firm founded in 1982 by D. Brooks Zug and Edward W. Kane to develop and manage third-party private equity capital. The team initially began investing in venture capital and buyout partnerships on behalf of John Hancock Financial Services in the late 1970s and early 1980s. In January 1997, the management team of Hancock Venture Partners, Inc. formed a new independent management company where all employees became owners and/or employees of HarbourVest Partners, LLC.

The Firm manages strategies that are focused on primary partnerships, secondary investments, and direct co-investments across the buyout, venture capital, mezzanine debt, and distressed debt universe. The Firm does not have any affiliated or parent organization, investment banking activities, or consulting activity that could give rise to a conflict of interest.

Today, the HarbourVest team consists of over 400 employees, 100 of whom are investment professionals. In addition, the Firm is led by 41 managing directors with an average tenure of 13 years. Having invested over $50 billion in partnerships since its founding,

## Competitive Landscape

Managers that compete in the same space as HarbourVest, and those that the Manager will come across most often in competitive deals, include AlpInvest, Pantheon Ventures, Partners Group, Blackstone Strategic Partners, Ardian Partners, Coller Capital, Goldman Sachs, and Lexington Partners.

## Investment Team

The secondary team consists of 36 investment professionals, including nine managing directors, five principals, six vice presidents, two senior associates, twelve associates, and two analysts.

HarbourVest organizes its investment teams across distinct groups: primary partnerships, secondary partnerships, and direct investments. Each group consists of an experienced, diverse team of professionals with complementary skill sets. Each professional has a specialization in a subclass/sector and the teams operate as one group across the various offices. Professionals are expected to build expertise in their assigned subclass/sector, but also contribute to the investment decisions of the larger organization.

The senior investment professionals listed below dedicate the majority of their time to secondary investing.

| Professionals | Title | HarbourVest Tenure | Background |
|---|---|---|---|
| David Atterbury | Managing Director | 14 | ▪ Joined HarbourVest in 2004, focuses on European secondary investments<br>▪ Previously the Director of Private Equity at Abbey National Treasury Services<br>▪ B.S. International Management and French from the University of Bath |
| Tim Flower | Managing Director | 10 | ▪ Joined HarbourVest in 2008, focused on Asia Pacific region since 2010<br>▪ Previously employed at Bridgepoint in London<br>▪ University of Nottingham – Economics |

| Professionals | Title | HarbourVest Tenure | Background |
|---|---|---|---|
| Brett Gordon | Managing Director | 21 | ▪ Joined HarbourVest in 1998<br>▪ Previously Vice President for The Princeton Review of Boston, Inc.<br>▪ B.S. Management from Boston University; M.B.A. Babson College |
| Jeffrey Keay | Managing Director | 19 | ▪ Joined HarbourVest in 1999, focuses on global secondary investments<br>▪ Previously at Ernst & Young focused on venture capital and financial services<br>▪ BA Economics and Accounting from the College of Holy Cross |
| Michael Pugatch | Managing Director | 15 | ▪ Joined HarbourVest in 2003, focuses on global secondary investments<br>▪ Previously in Global Media Investment Banking Group at UBS Warburg<br>▪ B.S. in Business Administration from Babson College |
| John Toomey, Jr. | Managing Director | 19 | ▪ Joined HarbourVest in 1997, has focused on secondary investments since 2003<br>▪ Previously at Smith and Barney<br>▪ B.S. Chemistry and Physics from Harvard University; M.B.A. Harvard Business School |
| Kevin Warn-Schindel | Managing Director | 3 | ▪ Joined HarbourVest in 2015 to lead the Real Assets investment program<br>▪ Previously the Group Head and Managing Director at OPTrust Private Markets Group<br>▪ B.A. Simon Fraser University |
| Peter Wilson | Managing Director | 23 | ▪ Joined HarbourVest in 1996 and leads the secondary investment activity in Europe<br>▪ Previously of the European Bank in Reconstruction and Development<br>▪ B.A. McGill University; M.B.A. Harvard Business School |
| Michael Dean | Principal | 4 | ▪ Joined HarbourVest in 2014, focused on real assets investments<br>▪ Previously Head of Real Assets at Meketa Investment Group<br>▪ B.B.A. from Baylor University |

| Professionals | Title | HarbourVest Tenure | Background |
|---|---|---|---|
| Valerie Handal | Principal | 13 | ▪ Joined HarbourVest in 2006, focused on originating and executing European secondary investments<br>▪ Previously in Private Equity Group at Merrill Lynch<br>▪ B.S. Economics from London School of Economics; M.B.A. Harvard Business School |
| Edward Holdsworth | Principal | 8 | ▪ Joined HarbourVest in 2011, focused on originating and executing European secondary investments<br>▪ Previously a Partner at Matrix Private Funds Group<br>▪ B.A. Economics and Accounting with Law from Bristol University |
| Rajesh Senapati | Principal | 11 | ▪ Joined HarbourVest in 2005, focused on global secondary investments<br>▪ Previously at Castanea Partners<br>▪ B.A. Economics from the University of Chicago; M.B.A. from Kellogg School of Management at Northwestern University |

## Disclaimer



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