

## PRINCESS PRIVATE EQUITY HOLDING LIMITED

Monthly report as of 31 December 2014

**NAV up by 1.3% in December bringing year to date performance to +13.2%**

- Princess Private Equity Holding Limited's ("Princess") net asset value ("NAV") up by 1.3% to EUR 8.58 per share
- Overall portfolio developments (+1.3%) and currency movements (+0.5%) were positive for the month
- Princess deployed EUR 2.7 million to new investments and received distributions of EUR 13.2 million

During recent months, Partners Group has continued to work closely with its portfolio companies in executing value creation initiatives. Several portfolio companies have already achieved tangible results, with the direct investments in MultiPlan, Fermaca, Action and Strategic Partners amongst those companies which were written-up.

In December, Princess completed a new direct investment in Varsity Brands, a leading manufacturer, marketer and distributor of a range of sports and affinity products to K-12 and college students, primarily in the US. The investment amounts to EUR 5.4 million and was made through its commitment to Partners Group Direct Investments 2012, partially funded through earlier capital calls. The company is the market leader for the majority of its products, commanding a market share that is significantly larger than its closest competitor. Its combined sales amount to over USD 1.2 billion and Varsity Brands employs the largest "K-through-College" sales force, with more than 1'000 sales professionals dedicated to providing products and services to the school and institutional markets. Going forward, Partners Group intends to assist the company in its international expansion and in the execution of add-on acquisitions.

Also in December, Princess made an add-on investment (EUR 0.4 million) in portfolio company Fermaca to fund a natural gas pipeline. The project comprises the construction and operation of a pipeline that extends more than 400km and is expected to commence operation in the first quarter of 2017. All of Fermaca's pipelines are operated under "take or pay" contracts and therefore are not directly affected by commodity prices.

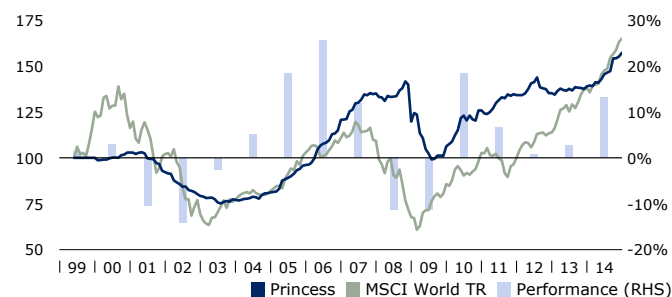
Distributions over the reporting period came predominately from Princess' legacy third party fund portfolio (EUR 12.2 million). The largest contributor from Princess' direct portfolio was Education Publisher 2 (EUR 0.4 million), an international provider of high-quality educational materials, which made a dividend payment to its investors. The dividend was funded from the cash balances of its subsidiary, arising from the company's focus on cost savings and an operational shift to asset-light digital products.

**Monthly net performance**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	1.2%	1.2%	3.2%	2.6%	5.6%	1.1%	-2.2%	2.2%	-1.7%	-0.6%	4.6%	0.1%	<b>18.4%</b>
2011	-1.3%	-0.3%	1.0%	1.5%	2.3%	1.2%	1.2%	-0.4%	1.6%	-0.6%	0.7%	-0.4%	<b>6.6%</b>
2012	0.0%	0.0%	0.8%	1.7%	2.3%	0.4%	1.9%	-3.8%	-0.4%	-0.3%	-1.6%	0.0%	<b>0.8%</b>
2013	-0.6%	1.5%	1.0%	-0.6%	-0.3%	0.8%	-0.7%	1.3%	-0.2%	-0.1%	-0.5%	1.1%	<b>2.7%</b>
2014	0.3%	-0.3%	1.6%	-0.2%	1.4%	1.9%	0.6%	0.5%	4.7%	0.0%	0.6%	1.3%	<b>13.2%</b>

**Key figures**

In EUR	31.12.2014	30.11.2014	YTD
NAV per share	8.58	8.47	
NAV per share incl. dividends	11.92	11.76	13.2%
Total fund size (in million)	593.52	585.76	
Investment level	85.9%	86.3%	
Deferred receivables	9.5%	9.4%	
Net liquidity	4.6%	4.3%	
Commitment ratio	13.7%	14.6%	
Gross commitment ratio	5.3%	6.1%	
Share price	6.97	7.06	19.8%
Discount	-18.8%	-16.7%	

**Net performance since inception**

In %	2010	2011	2012	2013	2014	5 yr. cum.	5 yr. ann.	5 yr. Sharpe ratio
Princess	18.4	6.6	0.8	2.7	13.2	47.9	8.1	1.38
MSCI World TR	19.8	-2.6	13.7	21.2	19.6	92.5	14.0	1.49

**Largest ten direct investments**

	% of NAV		
1. MultiPlan, Inc.	NAM	Healthcare	4.6
2. VAT Vakuumentile AG	WEU	Industrials	3.6
3. Action	WEU	Consumer discretionary	3.2
4. Universal Services of America	NAM	Industrials	3.0
5. Hofmann Menue Manufaktur	WEU	Consumer staples	2.6
6. Fermaca	ROW	Energy	2.3
7. Trimco International	APC	Industrials	2.1
8. Caffè Nero	WEU	Consumer staples	n.a.
9. Global Blue	WEU	Financials	1.4
10. Information service company	NAM	Industrials	1.3



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Princess Private Equity Holding Limited (Princess or the Company) is an investment holding company domiciled in Guernsey that invests in private equity and private debt. The portfolio includes direct, primary and secondary fund investments. Princess aims to provide shareholders with long-term capital growth as well as an attractive dividend yield. The shares are traded on the main market of the London Stock Exchange.

The Board of Directors of Princess passed a resolution to implement a share buyback program on 13 December 2010. During December 2014, 0 shares were repurchased under the share buyback program. As of 31 December 2014, there were 69'151'168 shares outstanding, and the NAV was thus calculated based on a total of 69'151'168 shares outstanding.

Deferred receivables relate to a sale and purchase agreement with a single third party buyer to sell 17 partnership interests. The agreement was entered in September 2012 under a deferred payment structure, of which the final payment is due to be received 36 months thereafter.

#### Information

→ For further information please visit:  
[www.princess-privateequity.net](http://www.princess-privateequity.net)

#### Investor Relations

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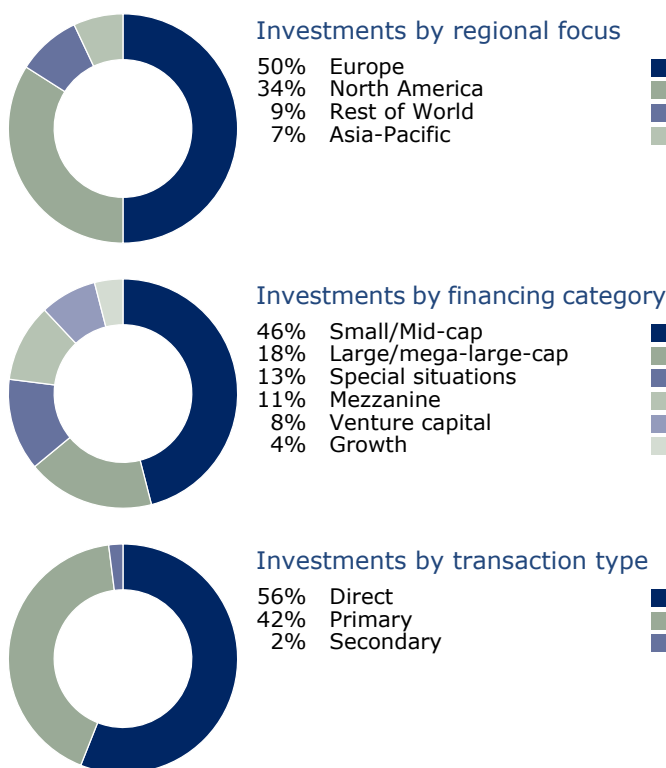
#### Registered Office

→ Princess Private Equity Holding Limited  
Tudor House  
P.O. Box 477  
Guernsey, GY1 1BT

#### Key facts

Stock exchange	London
Reuters	PEY.L
Bloomberg	PEY LN
ISIN	GG00B28C2R28
Sedol	B28C2R2
Product life start date	12.05.1999
Currency	EUR
Dividend YTD	0.54

#### Portfolio composition



**Key figures** Commitment ratio: Unfunded commitments less the sum of net current assets and deferred receivables divided by NAV (Gross commitment ratio includes undrawn balance on credit line). Deferred receivables: The value of deferred receivables divided by NAV. **Net performance since inception** Indexed to 100. Since inception of Princess Private Equity Holding Limited. Princess: based on monthly total return valuations. MSCI World TR: Bloomberg NDDUWI Index in EUR. Sharpe ratio: risk-free rate based on 3-month EURIBOR (Bloomberg: ECCOTR03 Index). **Largest ten direct investments** Based on net asset value. **Monthly net performance** Based on monthly total return valuations. **Portfolio composition** Based on total value of investments.

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