

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Monthly report as of 31 May 2014

Direct investment drives NAV growth

- Princess Private Equity Holding Limited's ("Princess") net asset value (NAV) increased by 1.4% to EUR 8.05 per share, adjusted for the interim dividend of EUR 0.27 per share
- Overall portfolio developments (1.2%) and currency movements (0.4%) have been positive
- Princess deployed EUR 2.4 million to new and existing direct investments and received EUR 2.8 million in distributions

In May, Princess' investment in Action, a Netherlands-based non-food discount retailer, had its carrying value written up due to Action's consistent year on year earnings growth and the inclusion of additional public comparables. The favourable revaluation was the main driver behind Princess' NAV growth during the period.

Also in May, Princess' investment in Permotio International Learning, an investment vehicle formed to give Partners Group clients access to the creation of a leading international schools group, completed its first acquisition. Colegios Laude operates several internationally-oriented schools across Spain, providing bilingual education to both local and expat communities. The schools are well regarded and to date have been resilient despite the tough economic environment in Spain. Permotio's management team now plans to focus on completing further acquisitions while implementing value-creation initiatives targeted at improving the learning experience, the managerial capabilities within the schools and their key marketing activities.

Distributions over the reporting period came predominantly from Princess' legacy fund portfolio. The investment in Applus Group, a Spain-headquartered inspection, certification and technological services company in both the automotive and non-destructive testing and inspection markets was successfully realized by ICG European Fund 2006. The company went public on the Madrid stock exchange and repaid the mezzanine financing provided by the investment partner. Since the investment in the company in 2007, Applus Group had doubled its revenues to over EUR 1.5 billion in 2013, of which it generated 60% outside Europe. The strong development was driven by its international growth strategy and resulted in more than 20 overseas acquisitions since 2007.

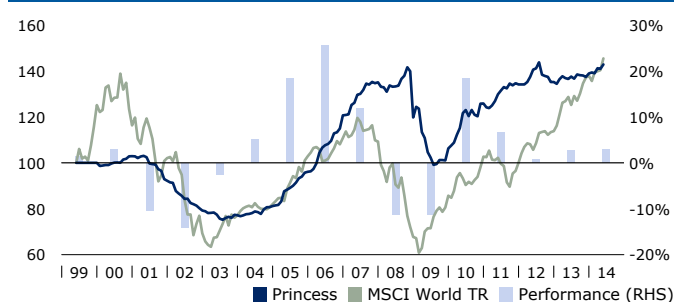
Monthly net performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	3.9%	-0.6%	-8.3%	-2.3%	-5.6%	-2.2%	-3.1%	0.4%	1.8%	0.0%	-0.2%	5.2%	-11.3%
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%	18.4%
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%	6.6%
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%	0.8%
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%	2.7%
2014	0.3%	-0.3%	1.6%	-0.2%	1.4%								2.8%

Key figures

In EUR	31.05.2014	30.04.2014	YTD
NAV per share	8.05	8.21	
NAV per share incl. dividends	10.83	10.68	2.8%
Total fund size (in million)	556.52	567.45	
Investment level	84.2%	80.8%	
Deferred receivables	9.2%	8.9%	
Net liquidity	6.6%	10.3%	
Commitment ratio	15.2%	11.6%	
Gross commitment ratio	6.3%	2.8%	
Share price	6.48	6.40	7.1%
Discount	-19.5%	-22.0%	

Net performance since inception



In %	2009	2010	2011	2012	2013	2014	5 yr. cum.	5 yr. ann.	5 yr. Sharpe ratio
Princess	-11.3	18.4	6.6	0.8	2.7	2.8	36.5	6.4	0.96
MSCI World TR	26.6	19.8	-2.6	13.7	21.2	5.4	103.5	15.3	1.50

Largest ten direct investments

				% of NAV
1.	VAT Vakuumventile AG	WEU	Industrials	3.4
2.	MultiPlan, Inc.	NAM	Healthcare	2.8
3.	Action	WEU	Consumer discretionary	2.6
4.	Hofmann Menue Manufaktur	WEU	Consumer staples	2.6
5.	Universal Services of America	NAM	Industrials	2.0
6.	Trimco International	APC	Industrials	1.9
7.	Fermaca	ROW	Energy	1.9
8.	Caffe Nero	WEU	Consumer staples	n.a.
9.	Global Blue	WEU	Financials	1.3
10.	Pharmaceutical developer	WEU	Healthcare	1.2



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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 May 2014, 0 shares were repurchased under the share buyback program. As of 31 May 2014, there were 69'154'556 shares outstanding, and the NAV was thus calculated based on a total of 69'154'556 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:
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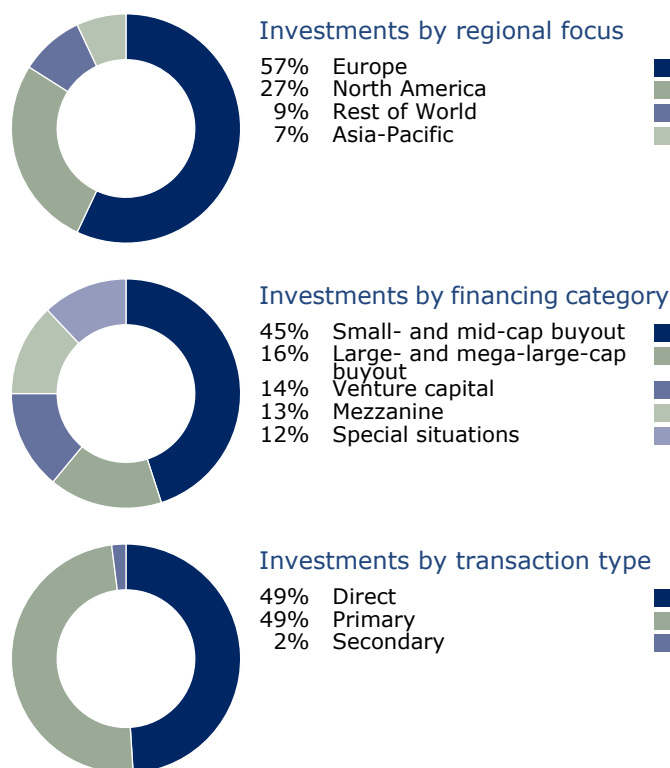
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Key facts

Stock exchange	London
Reuters	PEY.L
Bloomberg	PEY LN
ISIN	GG00B28C2R28
Sedol	B28C2R2
Product life start date	12.05.1999
Currency	EUR
Dividend YTD	0.27

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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