

Monthly report as of 31 December 2017

NAV increases by 1.1%

- Princess Private Equity Holding Limited's (Princess) net asset value increased by 1.1% to EUR 10.73 per share
- Portfolio developments were positive (1.4%) and currency movements (-0.2%) were negative
- Princess received distributions of EUR 13.5 million and invested EUR 5.2 million over the reporting period

The largest contributor to NAV growth during December was the direct investment in Permotio International Learning (Permotio), an investment vehicle formed to create a leading international schools group through a "buy and build" strategy. Adjusted EBITDA increased during the twelve months to October 2017, reflecting recent acquisitions in the US and Malaysia, fee increases at a number of portfolio schools and a continued focus on cost control. Following the group's October 2017 acquisition of Tenby, a cluster of seven schools in Malaysia, Permotio now has 24 schools in 7 countries, with a pipeline of potential acquisitions at an advanced stage of due diligence. Partners Group continues to work closely with Permotio's management on a number of value creation initiatives to further grow the business, including the addition of further capacity through greenfield development. For instance, the group has completed the construction of one school in the United Arab Emirates, with two more underway in Qatar and the United Arab Emirates.

Princess received distributions of EUR 13.5 million during the month, including EUR 1.3 million of proceeds from the sale of its remaining shares in Food company 1 (a confidential investment), a foodservice distributor based in the US. Since its initial investment in June 2007 Princess has received a total of EUR 6.5 million, representing an investment multiple of 2.3x. Princess also received EUR 1.2 million proceeds from the partial sale of shares in Black Knight Financial Services, a US-based provider of integrated technology, services, data and analytics to lenders and servicers in the mortgage and real estate industries. The transaction was executed at USD 45.07 per share, representing an increase of 83.9% compared to its IPO price of USD 24.50 per share on 20 May 2015. The remaining distributions of EUR 11.0 million came predominantly from Princess' mature legacy fund portfolio.

After month-end, Princess announced the exit of its investment in Trimco International Holdings Limited, a Hong Kong-headquartered apparel-labelling producer, generating an investment multiple of 3.4x. Princess will receive proceeds of approximately USD 23.8 million subject to closing adjustments.

Princess invested a total of EUR 5.2 million during the month, of which EUR 2.2 million was allocated to Hortifruti, the leading natural and fresh foods retailer based in Brazil. To-date Princess has invested EUR 5.5 million in the company. Partners Group initially acquired a significant minority stake in Hortifruti in April 2016, but agreed to acquire full control in order to further accelerate the pace of growth and of its value creation plan. Following the transaction, Partners Group will focus on increasing the pace of store openings while driving same-store sales growth by enhancing Hortifruti's category management, pricing systems and analytics capabilities. Princess also invested EUR 2.5 million in liquid loans for liquidity management purposes.

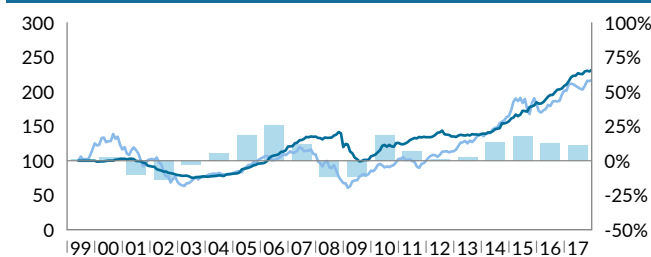
Monthly net performance (total return)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%	1.9%	0.6%	0.5%	4.7%	0.0%	0.6%	1.3%	13.2%
2015	2.6%	0.8%	2.8%	-1.5%	1.4%	3.4%	-0.3%	-0.4%	3.9%	0.5%	0.7%	2.5%	17.5%
2016	-1.1%	0.1%	1.2%	2.0%	2.1%	1.3%	-0.0%	2.1%	1.8%	0.3%	0.6%	1.8%	12.9%
2017	1.0%	2.1%	2.7%	1.1%	-0.0%	1.6%	-0.4%	-0.2%	1.8%	0.4%	-0.5%	1.1%	11.2%

Key figures			
In EUR	30.11.2017	31.12.2017	YTD
NAV per share	10.62	10.73	
NAV per share incl. dividends	17.39	17.58	11.2%
Total fund size (in million)	734.24	742.05	
Investment level	90.1%	88.1%	
Net liquidity	9.9%	11.9%	
Over-commitment ratio	6.6%	4.1%	
Over-commitment ratio incl. credit line	-0.3%	-2.6%	
Share price	10.47	10.58	29.6%
Discount	-1.4%	-1.4%	

Key figures in GBP		
In GBP	30.11.2017	31.12.2017
NAV per share	9.35	9.52
Share price	9.28	9.59

NAV performance since inception (total return)



■ Princess ■ MSCI World TR ■ Performance (RHS)

In %	2013	2014	2015	2016	2017	5 yr. cum.	5 yr. ann.	5 yr. Sharpe ratio
Princess	2.7	13.2	17.5	12.9	11.2	71.5	11.4	2.67
MSCI World TR	21.2	19.6	10.3	10.8	7.6	90.6	13.8	1.34

Largest ten direct investments

			% of NAV
1.	Action	WEU	Consumer discretionary 7.9
2.	Permotio International Learning SarL	WEU	Consumer discretionary 5.5
3.	Form Technologies (formerly known as Dynacast)	NAM	Materials 4.9
4.	Foncia	WEU	Financials 3.0
5.	KinderCare Education	NAM	Consumer discretionary 2.9
6.	Trimco International Holdings Ltd	APC	Industrials 2.7
7.	Fermaca	ROW	Energy 2.6
8.	IDEMIA (formerly known as Oberthur - Morpho)	WEU	Information technology 2.2
9.	Hofmann Menue Manufaktur	WEU	Consumer staples 2.1
10.	Global Blue	WEU	Financials 1.9

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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 2017, 0 shares were repurchased under the share buyback program. As of 31 December 2017, there were 69'151'168 shares outstanding, and the NAV was thus calculated based on a total of 69'151'168 shares outstanding.

Information

For further information please visit:
www.princess-privateequity.net

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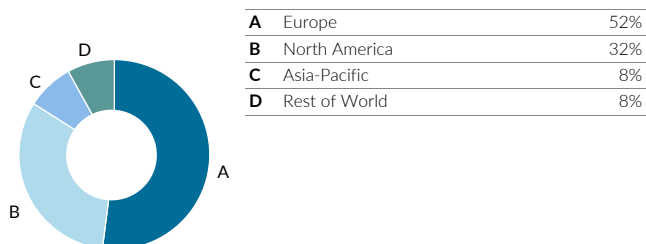
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Key facts

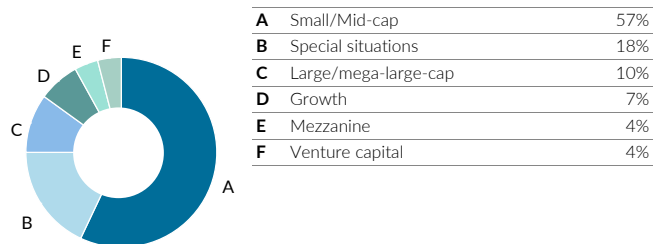
Stock exchange	London
Reuters Euro Quote	PEY.L
Reuters Sterling Quote	PEYS.L
Bloomberg Euro Quote	PEY LN
Bloomberg Sterling Quote	PEYS LN
ISIN (Euro and Sterling Quote)	GG00B28C2R28
Sedol Euro Quote	B28C2R2
Sedol Sterling Quote	BF012D4
Product life start date	12.05.1999
Dividend YTD (EUR)	0.56

Portfolio composition

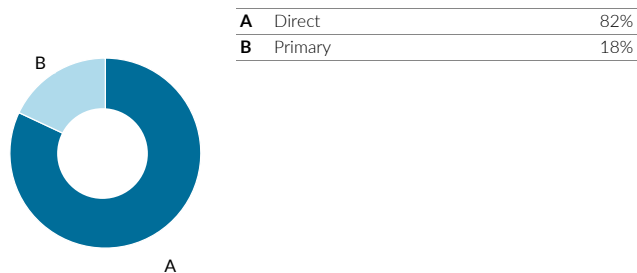
Investments by regional focus



Investments by financing category



Investments by transaction type



Key figures Over-commitment ratio: Unfunded commitments less the sum of net current assets divided by NAV (Over-commitment ratio incl. credit line includes undrawn balance on credit line). **Key figures in GBP** EUR NAV converted to GBP at month-end GBP/EUR exchange rate from Bloomberg. **NAV performance since inception (total return)** 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 (total return)** Based on monthly total return valuations. **Portfolio composition** Based on total value of investments.

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