



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PRINCESS PRIVATE EQUITY HOLDING LIMITED

INTERIM REPORT 2016

For the period from 1 January 2016 to 30 September 2016



Princess Private Equity Holding Limited

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 mainly invests directly but also holds 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.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the product described herein. This report was prepared using financial information contained in the Company's books and records as of the reporting date. This information is believed to be accurate but has not been audited, reviewed or approved by any third party. This report describes past performance, which may not be indicative of future results. The Company does not accept any liability for actions taken on the basis of the information provided. Please consult the constituent documents for a more complete description of the terms.

Cover image is for illustrative purposes only.

Key figures

In EUR	31 December 2015	30 September 2016
Net asset value (NAV)	657'386'211	702'718'577
NAV per share	9.51	10.16
Total dividend per share (year to date)	0.54	0.27
Share price	7.87	8.28
Discount	-17.2%	-18.5%
Cash and cash equivalents	59'765'660	100'636'352
Credit line used	0	0
Value of investments	614'608'591	617'983'464
Unfunded commitments	131'803'757	104'689'284
Investment level	93.5%	87.9%
Net current assets	42'777'620	84'735'112
Commitment ratio (excluding credit line)	13.5%	2.8%
Gross commitment ratio	5.9%	-4.3%

Past performance is not indicative of future results.

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1. Investment Manager's report

Strong NAV growth since the beginning of the year

The net asset value (NAV) of Princess Private Equity Holding Limited (Princess) increased over the first nine months of 2016 and closed the reporting period at EUR 10.16 per share, representing a total return of +9.9%, adjusted for the first interim dividend of EUR 0.27 per share distributed in June.

Returns in the period were driven by the strong performance of the portfolio as the successful implementation of value creation strategies at portfolio company level continued to foster strong revenue and earnings (EBITDA) growth. The last twelve months saw the 50 largest direct portfolio companies, representing 64% of NAV, achieve double-digit weighted average year-on-year revenue and earnings (EBITDA) growth of 10.1% and 14.5% respectively. In addition the leverage of the 50 largest direct portfolio companies decreased over the last nine months from 42.5% to 40.2%.

The overall revaluations at portfolio level over the third quarter amounted to +5.2% of NAV while currency movements were negative (-0.4% of NAV). The largest contributors to Princess' NAV growth were the direct investments in VAT Group AG and Action:

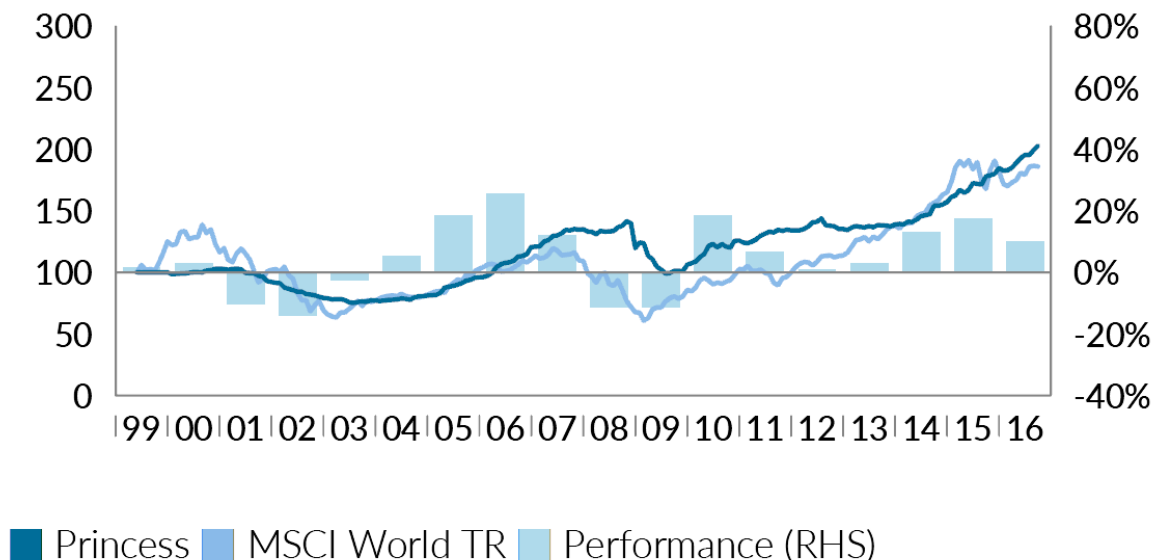
● VAT GROUP AG

VAT Group AG (VAT), the global market leader in the manufacture of vacuum valves used in various process industries, recorded a positive share price development during the third quarter of 2016 (+33.5% in CHF). On the 14 April 2016 VAT completed a highly oversubscribed initial public offering on the SIX Swiss Exchange and began trading at CHF 45 per share, which valued the company at a total market capitalization of CHF 1.35 billion. During the listing and subsequent exercise of the over-allotment option, Partners Group sold a portion of its shares in VAT and now holds 29.3% of the company. Following the listing Princess received net proceeds of EUR 27.2 million, representing an investment multiple of over 3x cost on realized capital. VAT's share price has developed positively since the IPO, increasing by +83.0% to CHF 82.35 per share as of the end of the reporting period.

VAT has been a beneficiary of high market growth rates in equipment purchases for new technologies in semiconductor and OLED display production. Over the year to 30 June 2016 net sales increased by 16.1% while adjusted EBITDA increased by 16.9%.

As of the end of the reporting period, VAT was Princess' largest investment (8.5% of NAV).

NAV PERFORMANCE (SINCE INCEPTION)*



* As per reporting date.

● ACTION

Non-food discount retailer Action continued its international expansion activity, particularly in Germany and France. The company recently announced the opening of its 100th store in Germany, while the number of stores in France increased to 200, with 80 new stores opened year-to-date. Action now operates more than 750 stores in the Netherlands, Belgium, France, Germany, Luxembourg and Austria and employs over 29'000 people. In 2015, the company posted sales of over EUR 2 billion. This strong international growth, driven by new store openings, continues the organization's evolution from a predominantly domestic-focused Dutch business into a pan-European discount retailer.

As of the end of the reporting period, Action was Princess' second largest investment (5.7% of NAV).

Investment activity

Investment	Month	Strategy	Amount (EUR million)
Guardian Early Learning Group	March	Equity	7.7
KinderCare Education (Follow-on)	March	Equity	1.6
Permotio International Learning (Follow-on)	April	Equity	8.9
Hortifruti	April	Equity	1.3
ADT Corporation	May	Equity	4.4
Au Housing Finance	June	Equity	0.5
MultiPlan 2016	June	Equity	9.9
PCI Pharma Services	July	Equity	11.6
Polyconcept	August	Equity	3.5
Foncia	September	Equity	19.6
Seabras-1 (Follow-on)	September	Infrastructure	1.3
Coopération Pharmaceutique Francaise	February	Debt	3.6
ADB Safegate	February	Debt	1.0
eResearch Technology	May	Debt	2.2
The Sunspire Health Companies	May	Debt	1.2
Infinite RF Holdings	June	Debt	2.5
NetSmart Technologies	June	Debt	1.1
Cegid Group	September	Debt	2.9
ATX Networks Corp. (Follow-on)	September	Debt	0.2
Legacy fund portfolio			3.0
Other			0.8
Total investments for the first nine months			88.8

Investment activity for the first nine months

In the first nine months of the year, Princess invested a total of EUR 88.8 million (compared to EUR 50.6 million in the corresponding period last year). EUR 73.2 million was invested in eight new direct equity investments (ADT Corporation, Au Housing Finance Ltd, Foncia, Guardian Early Learning Group, Hortifruti, MultiPlan 2016, PCI Pharma Services and Polyconcept) and seven new direct debt investments. In the third quarter Princess invested a total EUR 41.1 million, including investments in Foncia, PCI Pharma Services, Polyconcept and Cegid Group SA:

● FONCIA

In September, Princess invested EUR 19.6 million in Foncia, the leading French provider of property management services. Founded over 40 years ago and headquartered in Paris, the company provides a range of services to property owners and tenants, including joint-property management,

lease management as well as rental and transaction services. It operates a network of over 500 branches, employs more than 8'000 people and manages a portfolio of around 1.8 million properties across France, Belgium, Switzerland and Germany.

Foncia is the clear market leader in property management markets in France managing approximately 60% more properties than its largest competitor. As such Foncia benefits from significant economies of scale and is able to cross-sell services across its platform and complement its core offering with a range of services such as insurance brokerage, energy brokerage, diagnostic solutions and solutions for real estate investors.

Partners Group has built a strong relationship with Foncia's management team and intends to further grow the company with the goal of turning it into a unique one-stop service provider. Key value creation initiatives include the roll-out of Foncia's M&A strategy in a still highly fragmented French market, the enhancement of cross-selling and marketing of new services as well as the continuation of the company's international expansion.

● PCI PHARMA SERVICES

In July, Princess made an investment of EUR 11.6 million in global pharmaceutical services provider PCI Pharma Services (PCI). Headquartered in Philadelphia, USA, PCI offers outsourced services across the entire pharmaceutical supply chain, including drug development and manufacturing, clinical trials and packaging services. The company has a diverse customer base of more than 350 companies, including the world's leading pharmaceutical manufacturers. PCI employs more than 2'800 people across the US and Europe, and generated sales of over USD 475 million in 2015. Following the acquisition, Partners Group plans to work closely with PCI's management team to add more specialized offerings to the product range and expand the company both organically and through complementary add-on acquisitions.

● POLYCONCEPT

In August, Princess made an investment of EUR 3.5 million alongside funds managed by Charlesbank Capital Partners in Polyconcept, a global supplier of promotional products. The company's key markets are North America and Europe where it provides a wide range of custom decorated goods such as drinkware, electronics, stationery and premium apparel. Since its founding in 1973, Polyconcept has established a leading market position within the highly fragmented promotional products market. The company's revenues are well-diversified across customers, suppliers, price points and geographies. Looking ahead, the management team will continue to expand the business globally, building on their track record of success and tapping into new opportunities for growth.

● CEGID GROUP SA

In September, Princess provided EUR 2.9 million of debt financing to enterprise software provider Cegid Group in support of the acquisition of the company by equity sponsors Silver Lake and AltaOne Capital. Founded in 1983 in Lyon, France, the company addresses the management needs of organizations in the fields of finance and tax management, human resources and vertical business solutions. With its software services, Cegid Group assists businesses as they undergo digital transformation and supports its customers in their international expansion plans. The company employs more than 2'200 staff across approximately 30 locations in France and more than 15 subsidiaries worldwide.

Distribution activity

Investment	Exit (full or partial)	Month	Strategy	Amount (EUR million)
Food Company 1	Partial	January	Equity	0.9
Action	Partial	March	Equity	6.0
AWAS Aviation Holding	Partial	April	Equity	1.1
VAT Group AG	Partial	May	Equity	27.2
Education Publisher 2	Partial	May	Equity	1.2
MultiPlan 2014	Full	June	Equity	57.7
Strategic Partners	Full	June	Equity	4.3
Freescale Semiconductor	Full	July	Equity	1.5
Trimco International	Partial	September	Equity	3.8
Plantasjen ASA	Full	May	Debt	7.1
Essmann	Full	August	Debt	5.3
Project Heron	Partial	September	Debt	0.7
Legacy fund portfolio				36.3
Other				4.5
Total distributions for the first nine months				157.6

Distribution activity for the first nine months

Distributions from Princess' underlying portfolio totaled EUR 157.6 million for the first nine months of 2016, compared to EUR 95.8 million in the corresponding period in 2015. EUR 121.3 million of proceeds stemmed from direct investments with the balance of EUR 36.3 million from Princess' legacy fund portfolio.

Following an active period for distributions, Princess' net liquidity position increased to EUR 84.7 million, while the investment level decreased to 87.9% of NAV from 93.5% at the beginning of the year. Post period-end, reflecting Princess' strong liquidity position, the company made a further commitment of EUR 40 million to Partners Group Direct Equity 2016 program which is discussed below.

In the third quarter Princess received distributions of EUR 28.3 million, of which EUR 15.4 million was received from Princess' legacy fund portfolio which continued to generate a high volume of exits from mature underlying portfolio companies. The largest contributors from Princess' direct portfolio were Essmann and Trimco International:

● ESSMANN

In August, Princess received proceeds of EUR 5.3 million following the full repayment of Partners Group's mezzanine debt financing to Essmann, a manufacturer of light domes, continuous roof lights, smoke and heat extractors as well as ventilation equipment. Founded in 1948 and based in Germany, the company employs approximately 900 people and also offers engineering consulting, maintenance and repair services to its clients. Since Partners Group invested in the company in May 2007, the investment has returned a multiple of 2.37x cost.

● TRIMCO INTERNATIONAL

In September, Princess received a dividend of EUR 3.8 million from Trimco International ("Trimco"), a leading Asia-headquartered supplier of garment labels, tags and trimming products to blue chip global apparel companies. The dividend was financed through a debt recapitalization, supported by Trimco's strong EBITDA growth and ongoing deleveraging over the past two years. In light of this development and Trimco's prospects from organic growth and additional synergies from the recent acquisition of A-Tex, Partners Group deemed it appropriate to recapitalize the company at a net debt over EBITDA ratio of 4.4x. Partners Group will continue to work closely with the management team to integrate A-Tex into Trimco's platform, which is expected to result in further operational synergies and bottom-line growth. Partners Group will also assist the company in developing its senior management team and succession planning.

Including proceeds received from Trimco's previous dividend payment in September 2014, the investment has now already returned EUR 7.3 million, representing 0.9x cost. As of the end of the reporting period, Trimco was Princess' nine largest investment (1.9% of NAV).

Share price development

Princess' share price increased over the reporting period, closing at EUR 8.28 per share. This represents a total return of 8.9% for the first nine months of 2016, adjusted for the first interim dividend of EUR 0.27 per share distributed in June.

First interim dividend of EUR 0.27 per share

On 17 June 2016, Princess paid a first interim dividend for 2016 of EUR 0.27 per share. This translates into a dividend yield of 5.3% on the net asset value (NAV) per share as of 30 September 2016 and a yield of 6.5% on the share price, as of 30 September 2016 closing price on the London Stock Exchange.

Continuing decrease of unfunded commitments

Princess' total unfunded commitments at 30 September 2016 amounted to EUR 104.7 million, of which EUR 59.2 million related to Partners Group's direct investment programs.

Unfunded commitments to Princess' legacy fund portfolio amounted to EUR 45.5 million. In line with the policy of focusing on direct transactions, no new third party fund commitments will be made.

Post period-end, the Board approved a second EUR 40 million commitment to Partners Group Direct Equity 2016 program, following an initial commitment of EUR 40 million made in December 2015. Prior to approval of the new commitment, the Investment Manager provided the Board with a detailed review of Princess' net liquidity position and cash-flow forecasts. The additional commitment supports an increase in the investment level and improves the efficiency of the balance sheet, while retaining sufficient liquidity to continue to pay semi-annual dividends and to participate in other direct investment opportunities generated by Partners Group's global investment platform.

Outlook

The current market environment remains characterized by elevated valuations and sluggish growth. Meanwhile, certain developments including the prospect of rising rates in the US, Brexit negotiations in Europe and a slowdown in China heighten the risk of increased volatility in capital markets. Against this backdrop, Partners Group will maintain a disciplined approach to new investments, focusing on those opportunities that fit within our established overriding strategies: "Platform Companies" which provide a base from which to grow the business via add-on acquisitions or entry into new markets; "Category Winners" with a strong market position in attractive sub-sectors which offer the potential for secular growth; and "Defensive Leaders" where we focus on the identification of companies with stable valuations, recurring revenue streams and visible cash-flows. In this environment, we will continue to curb investment activity in regions which our relative value assessment highlights as less attractive on a risk-adjusted basis and conversely to increase investment activity in those regions where volatility creates opportunities to acquire attractive assets at reasonable valuations.

While we will maintain a disciplined stance towards new investments, we seek to take advantage of the positive exit environment to continue to realize and refinance direct investments where we believe this would create value for our investors. Reflecting the maturity of its underlying investments, we expect Princess' legacy funds portfolio to continue to return capital.

As highlighted above, the trading performance of Princess' portfolio companies has been robust, with the largest 50 direct portfolio companies generating double-digit EBITDA growth and continuing to de-lever. As an active owner, Partners Group's industry value creation professionals will

continue to work closely with the management teams of our portfolio companies to drive further growth. We believe that value creation initiatives at portfolio company level, combined with further realisation activity, will continue to be the key driver of performance.

2. Market overview

Macroeconomic activity

Global economic growth in the third quarter of 2016 remained modest but stable and the International Monetary Fund (IMF) confirmed its latest global growth forecast for 2016 and 2017 at 3.1% and 3.4%, respectively. The initial adverse repercussions from the UK's vote to leave the European Union (Brexit) were short-lived and largely contained. In addition, the Bank of England supplied liquidity to its banking sector by reintroducing quantitative easing, while cutting its target rate to 0.25%.

In the Eurozone, growth continued to improve at a modest pace, supported by the European Central Bank, which left its monetary policy stance unchanged with deposit rates of -0.4% and monthly asset purchases at EUR 80 billion. Meanwhile, concerns about the banking sector spread from Italy to Germany's Deutsche Bank, which was penalized by the US Department of Justice with a USD 14 billion fine. The unexpectedly large fine elicited concerns about bank capitalization and banks' abilities to raise fresh capital in times of low profitability.

The US recorded moderate growth in the second quarter, while the unemployment rate fell to 5.0% - a level that the US Federal Reserve (Fed) considers to be near full employment. Despite the positive economic momentum, the Fed decided to put off its next rate hike to at least December, as suggested by the September and October Fed policy meeting minutes.

In Japan, where growth and inflation have been persistently subdued, the central bank revamped its monetary policy by introducing a target for 10-year government bond yields. The Japanese government also postponed its planned value-added tax hike to 2019.

Meanwhile, in the emerging markets, China kept economic growth stable with the support of investment-led fiscal stimulus, while Brazil's senate approved the impeachment of former president Dilma Rousseff, paving the way for pro-reform Michel Temer to lead the government until elections in 2018. Brazil's economy remains in recession; however, the contraction is easing.

Private equity buyout activity

During the third quarter of 2016, there were 919 private equity-backed buyout deals with an aggregate value of USD 90.2 billion, a 4.2% increase from the prior year, according to Preqin. In terms of deal size, transactions valued over USD 1 billion accounted for 65.0% of the global total. North America maintained its global lead in terms of deal value, having hosted USD 60.2 billion of transactions.

Buyout activity in North America climbed 35.9% to USD 60.2 billion in the third quarter of 2016, representing 66.7% of the global total. The largest deal announced in the region was the USD 4.3 billion take-private of Rackspace, a managed cloud computing company, by private equity firms Apollo Global Management and Searchlight Capital Partners. North America hosted nine of the ten largest private equity-backed buyouts in the third quarter.

In Europe, aggregate deal value decreased 12.6% year on year to USD 15.3 billion across 303 buyout deals. Despite the lower deal value, Europe recorded 981 deals during the first three quarters of 2016, the highest number for the same period since 2007.

The Asia-Pacific region saw an 80.3% year-on-year decrease in buyout activity, with USD 4.1 billion of deals announced. The steep decline in activity was in part due to the exceptional performance of the Asia-Pacific region in the prior year. None of the top ten deals of the third quarter of 2016 were from this region.

Private equity exit activity

Global private equity exit activity in the third quarter of 2016 declined 34.0% year on year in terms of aggregate value to USD 80.8 billion across the 408 transactions recorded, according to Preqin. Of the four common exit routes (trade sale, secondary buyout, IPO and restructuring), trade sale remained the most prevalent route, representing 55.8% of global exit value during the quarter. The largest private equity exit during the period was the EUR 5.8 billion trade sale of CVC Capital Partner's portfolio company Quirónsalud, a Spanish healthcare group, to Fresenius Medical Care.

IPO activity

Global IPO activity in the third quarter saw an improvement compared to the same period in 2015, with a total of 252 IPOs raising USD 35.4 billion (+84%), according to Ernst & Young. Despite the volatile markets, the third quarter saw just 23 withdrawn or postponed IPOs, a significant decrease from the same period in the previous year.

US exchanges saw 35 listings during the quarter, which raised USD 6.4 billion, representing a year-on-year increase of 12.3% in terms of capital raised. The US hosted three of the quarter's ten largest IPOs globally, including Valvoline, an oil and gas company, as well as cross-border listings by Japanese technology firm LINE and Dutch healthcare firm Patheon, reflecting the relative attractiveness of the mature US exchanges.

The UK's decision to leave the European Union weighed on IPO activity in the EMEIA region (Europe, Middle East, India and Africa), as companies shelved listing plans amid economic and political uncertainties. Nonetheless, capital raised during the third quarter increased by 15.8% to USD 4.4 billion from the 40 listings that took place. India was a bright spot, however, as it posted strong IPO activity supported by the improvement in economic fundamentals, and share price performance in the secondary markets. The largest IPO that took place in the region during the quarter was the USD 2.0 billion Copenhagen listing of Nets, a provider of digital payments services in the Nordics, according to Dealogic.

The Asia-Pacific region remained the main driver for global IPO activity, with 177 IPOs, which raised USD 24.2 billion. The largest IPO in the region during the third quarter was the USD 7.8 billion listing of Postal Savings Bank of China on the Hong Kong Stock Exchange, which makes this transaction the world's largest IPO since the listing of the Chinese e-commerce company Alibaba Group in September 2014.

Secondary market activity

Private equity secondary activity in the first nine months of 2016 was overall softer compared to a hectic 2015, which witnessed sell side participants approaching the secondary market mostly for a mix of opportunistic and portfolio management reasons. Given the large volume of deals completed over the past few years, many potential sellers moved into 2016 with less pressure and urgency to bring assets to market. On the other side of the cohesion, buyers had fewer attractive opportunities, given the muted secondary market, and remained very cautious and careful to effectively price and update valuations when assessing a potential acquisition. Hence, pricing bifurcation continues to be amplified in today's mature secondary market as managers either focus on higher-

quality funds to capture longer term gains or look for tail-end secondaries which can be more volatile. Nevertheless, there was a slight pickup in deal flow in the third quarter of 2016, which Partners Group expects to be sustained until year-end, as sellers intend to make final portfolio adjustments before 2016 comes to a close.

Fundraising activity

Global private equity fundraising saw lackluster performance during the third quarter of 2016, according to preliminary data by Preqin. Aggregate private equity capital raised fell to a 15.5% year-on-year decrease to USD 62.0 billion across 170 funds that held their final closing during the quarter.

North America was the most active fundraising region, which saw investors commit USD 35.7 billion across 104 funds. Of the ten largest private equity funds that held their closing during the period, three were North America-focused. Thoma Bravo Fund XII was the largest fund to close in North America and globally, with a fund size of USD 7.6 billion.

In Europe, 30 funds raised an aggregate of USD 15.1 billion. Three of the ten largest private equity funds that closed during the quarter were Europe-focused, with the largest being Ardian LBO Fund VI, which raised EUR 4.5 billion (including co-investments).

Fundraising activity in Asia remained subdued, with investors committing USD 8.5 billion across 22 Asia-focused funds. China-focused funds made up three of the ten largest private equity funds that closed during the quarter. The largest Asia-focused private equity fund to hold its final closing in the third quarter, IDG Everbright Industry Buyout Fund, saw investor commitment of CNY 20 billion (approximately USD 3 billion).

Outlook

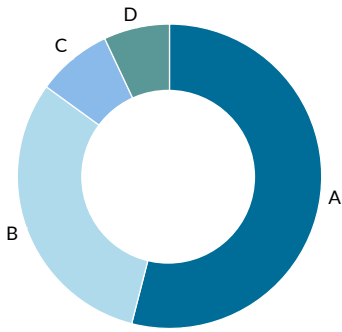
While there is uncertainty surrounding the eventual outcome of Brexit negotiations between the European Union and the UK - which is likely to impact corporate hiring and investment decisions in the near term - the growth outlook for the UK remains upbeat. After the pro-Brexit vote, the IMF marginally lowered its growth outlook for the UK by 0.2 ppt to 1.9%. Meanwhile, with economic contraction easing in recession-hit Brazil, the IMF forecast the economy to return to positive growth in 2017. In Russia, where negative repercussions from the collapse in global oil prices and international sanctions have gradually abated, the economy is now back on track for economic growth.

Looking ahead, political events will continue to play a significant role in the global financial markets, among the recent election in November 2016, a potential increase in the US target rate, general elections across Europe and the beginning of official Brexit negotiations in 2017.

In this environment of heightened market uncertainty and lukewarm economic growth, Partners Group sees an even greater need to focus on its key investment strategies: acquiring and subsequently growing platform companies with strong management teams; actively screening industry sub-segments to identify category winners with growth potential; and seeking out niche leaders with not only value creation potential, but also strong defensive capabilities.

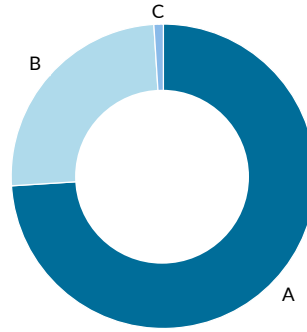
Sources: Preqin "Q3 2016 Private Equity-Backed Buyout Deals and Exits" (October 2016); Preqin "Q3 2016 Private Capital Fundraising Update" (October 2016); Ernst & Young "EY Global IPO Trends - 2016 Q3" (September 2016); Dealogic "Innogy completes Europe's largest IPO in 5 years, using Dealogic" (October 2016); Partners Group Research

3. Portfolio composition



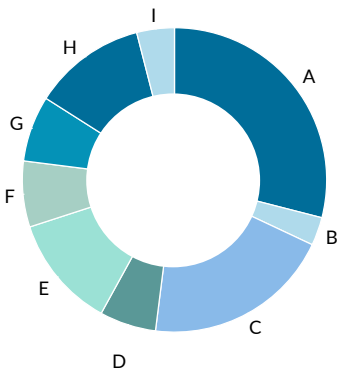
Investments by regional focus

A Europe	54%	C Rest of World	8%
B North America	31%	D Asia-Pacific	7%



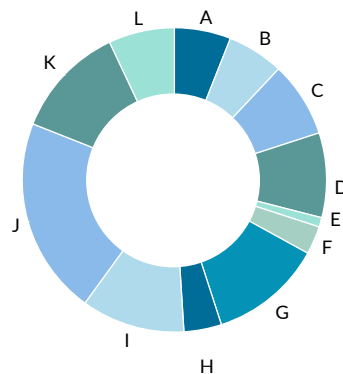
Investments by transaction type

A Direct	74%	C Secondary	1%
B Primary	25%		



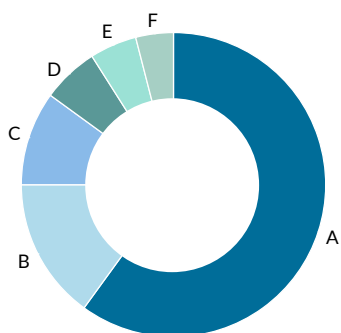
Portfolio assets by industry sector

A Consumer discr.	29%	F Consumer staples	7%
B Telecom	3%	G Materials	7%
C Industrial	20%	H Healthcare	12%
D IT	6%	I Energy	4%
E Financial	12%		



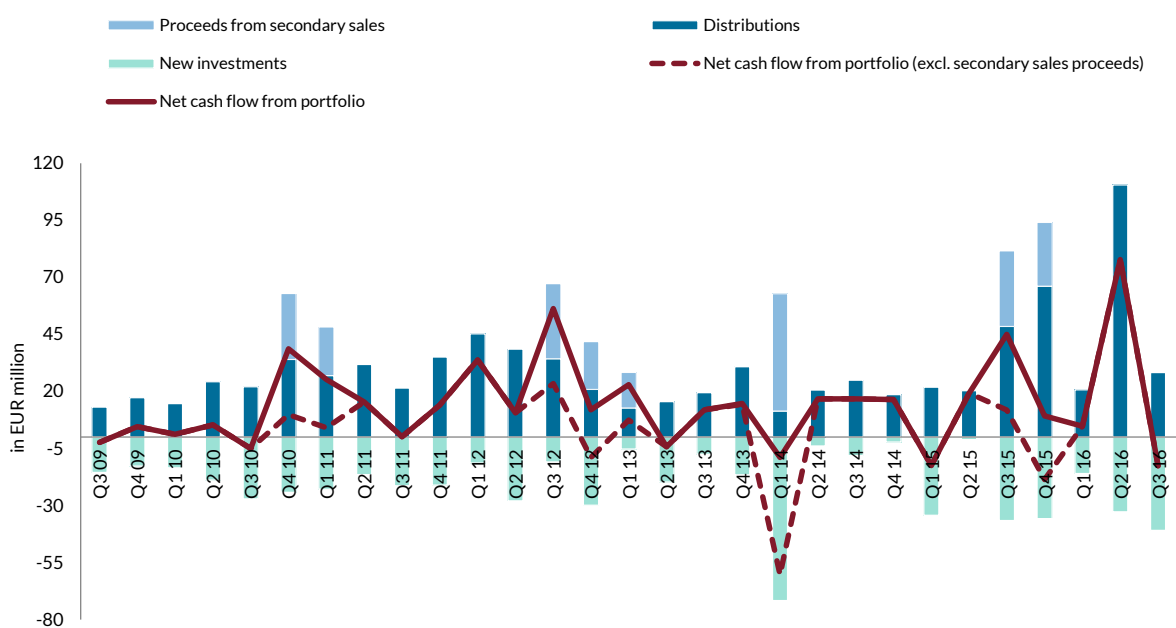
Investments by vintage year

A Pre 2006	6%	G 2011	12%
B 2006	6%	H 2012	4%
C 2007	8%	I 2013	11%
D 2008	9%	J 2014	21%
E 2009	1%	K 2015	12%
F 2010	3%	L 2016	7%



Investments by financing category

A	Small/Mid-cap	60%	D	Growth	6%
B	Special situations	15%	E	Mezzanine	5%
C	Large/mega-large-cap	10%	F	Venture capital	4%



DEVELOPMENT OF NET CASH FLOWS



NAV DEVELOPMENT

	Top 10	Top 20	Top 50
EV/EBITDA	11.9x	11.7x	11.1x
Net debt/EBITDA	4.4x	4.5x	4.6x
Leverage	34.5%	36.7%	40.2%
Average EV	EUR 2.1bn	EUR 2.0bn	EUR 2.1bn
% of NAV	37.1%	49.6%	64.0%

VALUATION METRICS OF THE TOP 50 DIRECT INVESTMENTS

Asset allocation as per the reporting date; the portfolio composition may change over time.

As per the reporting date and based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report; the largest portfolio companies on a look through basis exclude fully realized investments and distressed debt investments; Debt /EBITDA ratio based on net debt.

The above allocations are provided for additional investor information only and do not necessarily constitute nor are necessarily managed as separate reportable segments by the Investment Manager, the Investment Advisor and Company.

Within section three, "Investments" refers to the value of the investments. The total of the investment portfolio excludes cash and cash equivalents.

4. Portfolio overview

Fifty largest direct investments (in EUR)

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception		% of NAV
					Residual cost	Net asset value	
VAT Group AG	Industrials	WEU	Small/Mid-cap	2014	-7'299'841	59'713'437	8.5%
Action	Consumer discretionary	WEU	Small/Mid-cap	2011	-8'626'593	39'844'480	5.7%
Permotio International Learning S.à r.l.	Consumer discretionary	WEU	Growth	2013	23'465'395	25'926'220	3.7%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2014	14'835'678	24'207'336	3.4%
KinderCare Education	Consumer discretionary	NAM	Small/Mid-cap	2015	17'692'330	23'145'861	3.3%
Dynacast	Materials	NAM	Small/Mid-cap	2015	21'059'537	23'088'454	3.3%
Foncia	Financials	WEU	Small/Mid-cap	2011	19'646'296	19'646'296	2.8%
Fermaca	Energy	ROW	Special situations	2014	12'993'430	19'365'837	2.8%
Fermo (Trimco International)	Industrials	APC	Small/Mid-cap	2012	n.a.	13'243'370	1.9%
Kerneos	Materials	WEU	Small/Mid-cap	2014	5'443'563	12'012'246	1.7%
Pharmaceutical developer	Healthcare	WEU	Small/Mid-cap	2013	10'544'542	11'502'180	1.6%
PCI Pharma Services	Healthcare	NAM	Small/Mid-cap	2016	11'497'954	11'497'954	1.6%
MultiPlan 2016	Healthcare	NAM	Large/mega-large-cap	2010	100'370'39	10'037'039	1.4%
Global Blue	Financials	WEU	Small/Mid-cap	2012	2'526'262	9'434'454	1.3%
Caffe Nero	Consumer staples	WEU	Mezzanine	2013	6'101'075	n.a.	n.a.
Vermaat	Consumer discretionary	WEU	Small/Mid-cap	2015	7'999'609	7'999'609	1.1%
Guardian Early Learning Group	Consumer discretionary	APC	Small/Mid-cap	2016	7'798'261	7'977'605	1.1%
Lancelot	Financials	NAM	Large/mega-large-cap	2013	2'822'324	7'778'088	1.1%
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	-1'040'546	6'957'808	1.0%
Varsity Brands	Consumer discretionary	NAM	Small/Mid-cap	2014	4'761'810	6'551'372	0.9%
AWAS Aviation Holding	Financials	WEU	Large/mega-large-cap	2006	3'020'369	6'402'752	0.9%
Voyage Care	Healthcare	WEU	Small/Mid-cap	2014	6'378'036	6'378'036	0.9%
Partners Group Pacific Restaurant Holdings	Consumer staples	NAM	Small/Mid-cap	2015	3'695'108	6'101'039	0.9%
CSS Corp Technologies (Mauritius) Limited	Telecommunication services	APC	Small/Mid-cap	2013	n.a.	n.a.	n.a.
Project Sun	Industrials	WEU	Small/Mid-cap	2011	3'624'830	5'045'408	0.7%
ADT Corporation	Information technology	NAM	Large/mega-large-cap	2016	4'461'243	4'628'757	0.7%
Food company 1	Industrials	NAM	Large/mega-large-cap	2007	2'033'467	4'586'248	0.7%
TOUS	Consumer discretionary	WEU	Small/Mid-cap	2016	3'993'415	4'505'851	0.6%

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception		% of NAV
					Residual cost	Net asset value	
Seabras-1	Telecommunication services	NAM	Special situations	2015	4'218'784	4'218'784	0.6%
CPA Global	Industrials	WEU	Special situations	2013	3'204'437	4'097'220	0.6%
Project Icon	Consumer discretionary	WEU	Small/Mid-cap	2011	5'087'738	3'961'608	0.6%
Universal Hospital Services, Inc.	Healthcare	NAM	Small/Mid-cap	2007	3'872'440	3'952'314	0.6%
Cooperation Pharmaceutique Francaise SAS	Healthcare	WEU	Special situations	2015	3'502'200	n.a.	n.a.
Polyconcept	Consumer discretionary	NAM	Small/Mid-cap	2016	3'464'914	3'464'914	0.5%
CapitalSpring Finance Company	Financials	NAM	Mezzanine	2013	2'270'430	3'253'267	0.5%
South Dakota Systems	Telecommunication services	NAM	Special situations	2014	2'605'261	3'186'246	0.5%
Cegid Group SA	Information technology	WEU	Special situations	2016	2'873'597	n.a.	n.a.
BarBri	Consumer discretionary	NAM	Small/Mid-cap	2011	3'382'575	2'777'351	0.4%
Photonis	Information technology	WEU	Special situations	2011	1'949'224	2'548'305	0.4%
Infinite RF Holdings, Inc	Industrials	NAM	Special situations	2016	2'416'645	2'543'579	0.4%
ATX Networks	Consumer discretionary	NAM	Special situations	2015	1'971'293	2'396'367	0.3%
eResearch Technology, Inc.	Information technology	NAM	Special situations	2016	2'200'956	2'349'856	0.3%
US entertainment company	Consumer discretionary	NAM	Large/mega-large-cap	2008	6'571'592	2'017'260	0.3%
Delsey Group	Consumer discretionary	WEU	Small/Mid-cap	2007	1'660'586	1'948'042	0.3%
Project Firefox	Telecommunication services	NAM	Mezzanine	2015	1'569'289	1'819'943	0.3%
Ascensus	Financials	NAM	Special situations	2015	1'594'197	1'782'646	0.3%
Affordable Care, Inc.	Healthcare	NAM	Special situations	2015	1'458'568	1'586'341	0.2%
Schenck Process GmbH	Industrials	WEU	Small/Mid-cap	2007	951'350	1'581'074	0.2%
Megadyne	Industrials	WEU	Mezzanine	2014	n.a.	n.a.	n.a.
Quick Service Restaurant Holdings	Consumer discretionary	APC	Mezzanine	2011	n.a.	n.a.	n.a.
Total fifty direct investments					253'005'491	449'625'821	64.0%

The portfolio's holdings are ranked by percentage of net asset value. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. The portfolio overview of Princess has been prepared on a look through basis, although the unaudited consolidated statement of financial position includes the valuation of certain Partners Group investment vehicles. Residual cost is the initial investment cost after receipt of distributions from such an investment until the end of the reporting period.

Fifty largest fund investments (in EUR)

Investment	Regional focus	Financing category	Vintage year	Since inception		% of NAV
				Unfunded commitments	Net asset value	
Partners Group Global Real Estate 2008, L.P.	WEU	Special situations	2008	1'759'056	12'025'389	1.7%
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	66'761	9'792'991	1.4%
Terra Firma Capital Partners III, L.P.	WEU	Large/mega-large-cap	2006	79'547	9'737'883	1.4%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	968'962	8'574'092	1.2%
3i Eurofund Vb	WEU	Small/Mid-cap	2006	376'536	7'702'718	1.1%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	1'160'855	6'515'077	0.9%
MatlinPatterson Global Opportunities Partners III	NAM	Special situations	2007	386'941	6'002'289	0.9%
August Equity Partners II A, L.P.	WEU	Small/Mid-cap	2007	n.a.	4'659'876	0.7%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	3'524'035	0.5%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	1'098'640	3'416'071	0.5%
Quadriga Capital Private Equity Fund III, L.P.	WEU	Small/Mid-cap	2006	391'181	3'374'446	0.5%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	289'385	2'975'864	0.4%
Patria - Brazilian Private Equity Fund III, L.P	ROW	Small/Mid-cap	2007	n.a.	n.a.	n.a.
Fenway Partners Capital Fund II, L.P.	NAM	Small/Mid-cap	1998	420'521	2'675'349	0.4%
Aksia Capital III, L.P.	WEU	Small/Mid-cap	2005	0	2'596'021	0.4%
GMT Communications Partners III, L.P.	WEU	Small/Mid-cap	2006	881'005	2'593'481	0.4%
Index Ventures Growth I (Jersey), L.P.	WEU	Growth	2008	0	2'554'384	0.4%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	283'605	2'334'457	0.3%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'628'977	2'322'376	0.3%
Levine Leichtman Capital Partners II, L.P.	NAM	Mezzanine	1998	0	1'948'915	0.3%
Advent Latin American Private Equity Fund IV, L.P.	ROW	Large/mega-large-cap	2007	0	1'871'161	0.3%
Anonymized European Buyout Fund 3	WEU	Small/Mid-cap	2008	156'941	1'803'560	0.3%
Summit Partners Europe Private Equity Fund, L.P.	WEU	Growth	2008	0	1'727'914	0.2%
Penta CLO 1 S.A.	WEU	Special situations	2007	0	1'560'000	0.2%
OCM Mezzanine Fund II, L.P.	NAM	Mezzanine	2005	1'542'187	1'551'149	0.2%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	165'994	1'538'932	0.2%
Advent International GPE VI, L.P.	WEU	Small/Mid-cap	2008	42'523	1'506'759	0.2%
Ares Corporate Opportunities Fund II, L.P.	NAM	Special situations	2006	2'033'777	1'492'223	0.2%
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'411'251	0.2%
Candover 2005 Fund, L.P.	WEU	Large/mega-large-cap	2005	19'791	1'378'179	0.2%
The Peninsula Fund IV, L.P.	NAM	Mezzanine	2005	435'388	1'330'748	0.2%
European Equity Partners (III), L.P.	WEU	Venture capital	1999	0	1'271'424	0.2%
Draper Fisher Jurvetson Fund VII, L.P.	NAM	Venture capital	2000	0	1'245'834	0.2%

Investment	Regional focus	Financing category	Vintage year	Since inception		% of NAV
				Unfunded commitments	Net asset value	
Baring Asia Private Equity Fund IV, L.P.	APC	Small/Mid-cap	2007	249'121	1'197'629	0.2%
SV Life Sciences Fund II, L.P.	WEU	Venture capital	1998	0	1'178'041	0.2%
Doughty Hanson & Co. Fund III, L.P.	WEU	Small/Mid-cap	1997	104'281	1'163'835	0.2%
Clayton, Dubilier & Rice Fund VIII, L.P.	NAM	Large/mega-large-cap	2009	330'549	1'103'272	0.2%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	60'188	1'081'538	0.2%
Southern Cross Latin America PE Fund III	ROW	Small/Mid-cap	2007	4	1'062'870	0.2%
Enterprise Venture Fund I, L.P.	ROW	Growth	2008	148'859	946'759	0.1%
Searchlight Capital PV, L.P.	NAM	Special situations	2010	125'453	928'175	0.1%
Sofinnova Capital VI FCPR	WEU	Venture capital	2008	49'799	902'746	0.1%
Nmas1 Private Equity Fund II, L.P.	WEU	Small/Mid-cap	2008	38'543	841'503	0.1%
Advent Latin American Private Equity Fund V, L.P.	ROW	Large/mega-large-cap	2009	104'820	796'444	0.1%
Indium IV (Mauritius) Holdings Limited	APC	Small/Mid-cap	2009	54'704	778'512	0.1%
Hony Capital Fund 2008, L.P.	APC	Small/Mid-cap	2008	62'718	746'058	0.1%
Anonymized Asian Buyout Fund 3	APC	Small/Mid-cap	2007	295'626	732'459	0.1%
Helios Investors II, L.P.	ROW	Small/Mid-cap	2009	0	725'916	0.1%
Perusa Partners 1, L.P.	WEU	Special situations	2008	102'937	725'756	0.1%
Menlo Ventures IX, L.P.	NAM	Venture capital	2000	0	688'192	0.1%
Total fifty partnership investments				16'854'387	133'368'951	19.0%

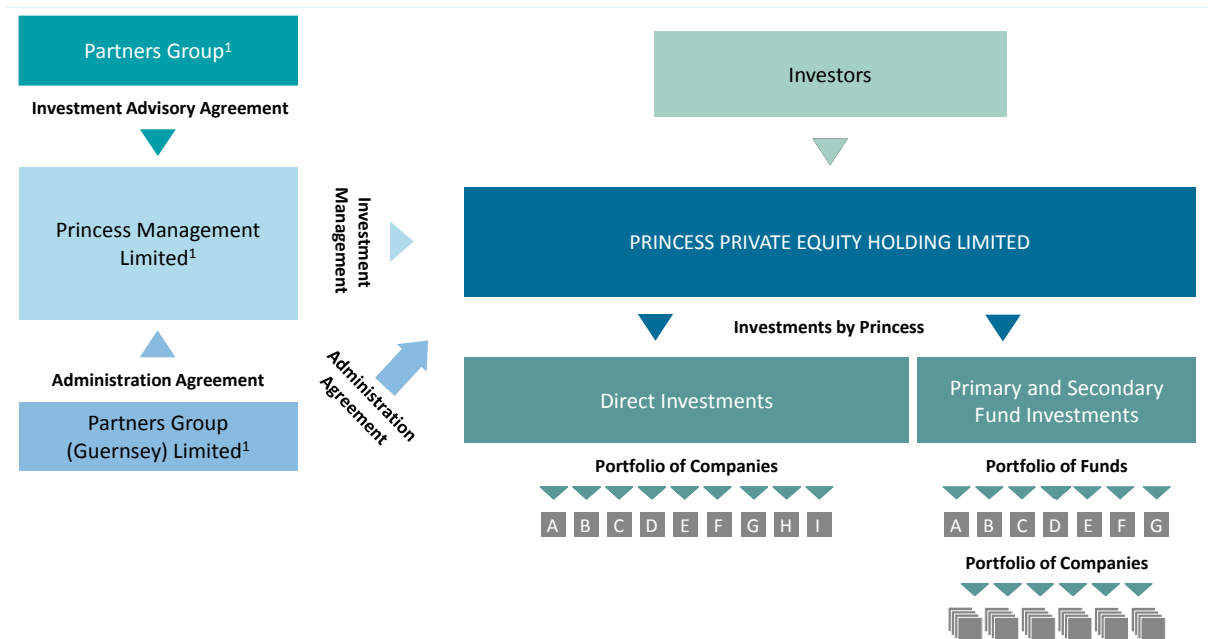
The overview shows the 50 largest partnership investments based on NAV. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons.

5. Structural overview

Princess Private Equity Holding Limited is a Guernsey-registered private equity holding company founded in May 1999 that invests in private market investments. In 1999 Princess raised USD 700 million through the issue of a convertible bond and invested the capital by way of commitments to private equity partnerships. The convertible bond was converted into shares in December 2006. Concurrently, the investment guidelines were amended and the reporting currency changed from the US dollar to euro. The Princess shares were introduced for trading on the Frankfurt Stock Exchange (trading symbol: PEY1) on 13 December 2006 and on the London Stock Exchange (trading symbol: PEY) on 1 November 2007. Princess consolidated all trading activity to the London Stock Exchange on 6 December 2012 and ceased being listed on the Frankfurt Stock Exchange.

Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield. The Company's investments are managed on a discretionary basis by Princess Management Limited, a wholly-owned subsidiary of Partners Group Holding AG, registered in Guernsey. The Investment Manager is responsible for, inter alia, selecting, acquiring and disposing of investments and carrying out financing and cash management services.

The Investment Manager is permitted to delegate some or all of its obligations and has entered into an advisory agreement with Partners Group AG (the "Investment Advisor"), which is a global private markets investment management firm with over EUR 49 billion in investment programs under management in private equity, private debt, private real estate and private infrastructure. Through the advisory agreement, Princess benefits from the global presence, the size and experience of the investment team and relationships with many of the world's leading private equity firms.



1 100% owned by Partners Group Holding

6. Facts and figures

Company	Princess Private Equity Holding Limited
Currency denomination	Euro
Dividends	Princess intends to pay a dividend of 5-8% p.a. on NAV
Incentive fee	No incentive fee on primary investments; 10% incentive fee per secondary investment; 15% incentive fee per direct investment; subject in each case to a 8% p.a. preferred return (with catch-up)
Incorporation	1999
Joint corporate brokers	JPMorgan Cazenove Numis Securities Ltd.
Listing	London Stock Exchange
Management fee	1.5% p.a.
Securities	Fully paid-up ordinary registered shares
Structure	Guernsey Company, Authorized closed-ended fund in Guernsey
Trading information	ISIN: GG00B28C2R28 WKN: AOM5MA Valor: 3493187 Trading symbol: PEY Bloomberg: PEY LN Reuters: PEY.L
Voting rights	Each ordinary registered share represents one voting right

7. Unaudited consolidated financial statements

Unaudited consolidated statement of comprehensive income

for the period from 1 January 2016 to 30 September 2016

In thousands of EUR	Notes	01.07.2016 30.09.2016	01.01.2016 30.09.2016	01.07.2015 30.09.2015	01.01.2015 30.09.2015
Net income from financial assets at fair value through profit or loss		31'390	79'614	25'326	104'293
<i>Private equity</i>		31'317	78'025	24'062	93'714
Interest & dividend income		-	5'927	54	736
Revaluation	6	33'440	78'902	25'220	76'677
Net foreign exchange gains / (losses)	6	(2'123)	(6'804)	(1'212)	16'301
<i>Private debt</i>		349	110	1'689	8'811
Interest income (including PIK)		532	1'840	470	1'433
Revaluation	6	678	909	2'222	3'495
Net foreign exchange gains / (losses)	6	(861)	(2'639)	(1'003)	3'883
<i>Private real estate</i>		(113)	(80)	(225)	803
Revaluation	6	(113)	(79)	(225)	782
Net foreign exchange gains / (losses)	6	-	(1)	-	21
<i>Private infrastructure</i>		(163)	1'559	(200)	965
Revaluation	6	3	1'722	(186)	468
Net foreign exchange gains / (losses)	6	(166)	(163)	(14)	497
Net income from cash & cash equivalents and other income		(33)	(180)	(28)	270
Interest income		-	(37)	-	51
Net foreign exchange gains / (losses)		(33)	(143)	(28)	219
Total net income		31'357	79'434	25'298	104'563
Operating expenses		(5'690)	(18'429)	(5'398)	(13'807)
Management fees		(2'548)	(7'639)	(2'494)	(7'833)
Incentive fees	10	(2'738)	(9'305)	(2'501)	(8'525)
Administration fees		(85)	(250)	(79)	(233)
Service fees		(63)	(188)	(63)	(188)
Other operating expenses		(152)	(753)	(170)	(1'042)
Revaluation of other long-term receivables		-	(14)	-	(9)
Other net foreign exchange gains / (losses)		(104)	(280)	(91)	4'023
Other financial activities		670	2'999	292	(13'649)
Setup expenses - credit facilities	9	(115)	(343)	110	(116)
Interest expense - credit facilities	9	-	-	101	156
Other finance cost		(95)	(158)	198	543
Net gains / (losses) from hedging activities		880	3'500	(117)	(14'232)
Surplus / (loss) for period		26'337	64'004	20'192	77'107

In thousands of EUR	Notes	01.07.2016 30.09.2016	01.01.2016 30.09.2016	01.07.2015 30.09.2015	01.01.2015 30.09.2015
Other comprehensive income for period; net of tax		-	-	-	-
Total comprehensive income for period		26'337	64'004	20'192	77'107
Weighted average number of shares outstanding		69'151'168.00	69'151'168.00	69'151'168.00	69'151'168.00
Basic surplus / (loss) per share for period		0.38	0.93	0.29	1.12
Diluted surplus / (loss) per share for period		0.38	0.93	0.29	1.12

The Euro earnings per share is calculated by dividing the surplus / (loss) for the financial period by the weighted average number of shares outstanding.

Unaudited consolidated statement of financial position

As at 30 September 2016

In thousands of EUR	Notes	30.09.2016	31.12.2015
ASSETS			
Financial assets at fair value through profit or loss			
Private equity	6,13	518'379	512'404
Private debt	6,13	66'688	72'376
Private real estate	6,13	12'108	14'064
Private infrastructure	6,13	20'808	15'765
Other long-term receivables		2'826	2'935
Non-current assets		620'809	617'544
Other short-term receivables		2'298	1'477
Hedging assets	13	-	1'300
Cash and cash equivalents	7	100'636	59'766
Current assets		102'934	62'543
TOTAL ASSETS		723'743	680'087
EQUITY AND LIABILITIES			
Share capital	8	69	69
Retained earnings		235'223	171'219
Reserves	8	467'427	486'098
Total equity		702'719	657'386
Hedging liabilities	13	461	-
Accruals and other short-term payables		20'563	22'701
Liabilities falling due within one year		21'024	22'701
TOTAL EQUITY AND LIABILITIES		723'743	680'087

Unaudited consolidated statement of changes in equity

for the period from 1 January 2016 to 30 September 2016

In thousands of EUR	Share capital	Retained earnings	Reserves	Total
Balance at the beginning of period	69	171'219	486'098	657'386
Dividend paid during the period	-	-	(18'671)	(18'671)
Other comprehensive income for period; net of tax	-	-	-	-
Surplus / (loss) for period	-	64'004	-	64'004
Equity at end of period	69	235'223	467'427	702'719

for the period from 1 January 2015 to 30 September 2015

In thousands of EUR	Share capital	Retained earnings	Reserves	Total
Balance at the beginning of period	69	70'013	523'440	593'522
Dividend paid during the period	-	-	(18'671)	(18'671)
Other comprehensive income for period; net of tax	-	-	-	-
Surplus / (loss) for period	-	77'107	-	77'107
Equity at end of period	69	147'120	504'769	651'958

Unaudited consolidated statement of cash flows

for the period from 1 January 2016 to 30 September 2016

In thousands of EUR	Notes	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Operating activities			
Surplus / (loss) for the period before interest expense		64'004	76'951
Adjustments:			
Net foreign exchange (gains) / losses		10'030	(24'944)
Investment revaluation		(81'454)	(81'422)
Revaluation of other long-term receivables		14	9
Net (gain) / loss on interest		(1'970)	(2'220)
Net (gain) / loss on dividends		(5'760)	-
Revaluation on forward hedges		(3'500)	14'232
(Increase) / decrease in receivables		(1'044)	32'207
Increase / (decrease) in payables		(2'100)	3'814
Realized gains / (losses) from forward hedges		5'261	(19'789)
Purchase of private equity investments	6	(55'423)	(69'409)
Purchase of private debt investments	6	(16'835)	(2'296)
Purchase of private real estate investments	6	131	(307)
Purchase of private infrastructure investments	6	(5)	(132)
Distributions from and proceeds from sales of private equity investments	6	121'546	79'170
Distributions from and proceeds from sales of private debt investments	6	11'209	6'808
Distributions from and proceeds from sales of private real estate investments	6	1'745	2'369
Distributions from and proceeds from sales of private infrastructure investments	6	1'629	686
Interest & dividends received		12'206	1'421
Net cash from / (used in) operating activities		59'684	17'148
Financing activities			
Interest paid - credit facilities	9	-	(176)
Dividends paid	8	(18'671)	(18'671)
Net cash from / (used in) financing activities		(18'671)	(18'847)
Net increase / (decrease) in cash and cash equivalents		41'013	(1'699)
Cash and cash equivalents at beginning of period	7	59'766	45'348
Effects of foreign currency exchange rate changes on cash and cash equivalents		(143)	219
Cash and cash equivalents at end of period	7	100'636	43'868

Notes to the unaudited consolidated financial statements

for the period from 1 January 2016 to 30 September 2016

1 Organization and business activity

Princess Private Equity Holding Limited (the "Company") is an investment holding company established on 12 May 1999. The Company's registered office is Tudor House, St. Peter Port, Guernsey, GY1 1BT. The Company is a Guernsey limited liability company that invests in a broadly diversified portfolio of private market investments through its wholly-owned subsidiary, Princess Private Equity Subholding Limited (the "Subsidiary"). The Subsidiary also holds certain investments through its wholly-owned subsidiary Princess Direct Investments, L.P. Inc. (the "Sub-Subsidiary"). The Sub-Subsidiary, the Subsidiary and the Company form a group (the "Group"). Both of these subsidiaries are consolidated as they are deemed to provide investment related services to the Company.

The shares of the Company were listed on the Prime Standard of the Frankfurt Stock Exchange from 13 December 2006 until 5 December 2012 (date of delisting). The shares of the Company remain listed on the main market of the London Stock Exchange, where they have been listed since 1 November 2007.

2 Basis of preparation

The condensed interim consolidated financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting. The condensed interim consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the period ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies adopted in the preparation of the of the condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2015.

The following standards which are mandatory for future accounting periods, but where early adoption is permitted now, have not been duly adopted.

IFRS 9 (effective 1 January 2018) - Financial instruments

IFRS 15 (effective 1 January 2018) - Revenue from Contracts with Customers

IAS 7 (Amendment effective 1 January 2017) - Statement of Cash Flows

The Directors of the Company are in the process of assessing the impact of these standards and believe that these new accounting standards will not significantly affect the Group's results of operations or financial position.

3 Shareholders above 5% of ordinary shares issued

In accordance with DTR 5.1.2R of the Financial Conduct Authority Handbook the following shareholders advised holdings above the 5% threshold until 30 September 2016:

Shareholder name	Threshold exceeded	Date of exceeding the threshold	Number of shares held at date of exceeding threshold	Number of shares in issue at date of exceeding threshold	% of ordinary shares in issue at date of exceeding threshold
Deutsche Asset Management Investmentgesellschaft mbH	5.00%	19 April 2007	609'590	7'010'000	8.70%
Vega Invest Fund plc	5.00%	11 October 2007	600'000	7'010'000	8.56%
Bayer-Pensionskasse VVaG	5.00%	25 April 2007	530'000	7'010'582	7.56%
Societe Generale Option Europe	5.00%	20 October 2010	3'724'557	70'100'000*	5.31%
CVP/CAP Coop Personalversicherung	5.00%	31 December 2008	3'551'206	70'100'000*	5.07%
CCLA Investment Management Ltd	5.00%	10 July 2013	3'504'750	69'400'990*	5.05%
Brewin Dolphin Ltd	5.00%	24 July 2014	3'459'832	69'151'168*	5.03%
Witan Investment Trust plc	5.00%	27 February 2015	3'600'000	69'151'168*	5.20%

*The Extraordinary Shareholder Meeting of the holders of ordinary shares in Princess Private Equity Holding Limited on 12 October 2007 agreed on a 1 to 10 share split according to which each ordinary share was subdivided into 10 ordinary shares. The share split became effective after close of trading on 12 October 2007.

4 Dividends

The Board of Directors of Princess Private Equity Holding Limited declared a dividend of EUR 0.27 per Ordinary Share, which was paid on 8 June 2016. The dividend paid on 8 June 2016 amounted to EUR 18.7 million (Total dividend in 2015: EUR 37.3 million).

5 Segment calculation

In thousands of EUR	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Private equity		
Interest & dividend income	5'927	736
Revaluation	78'902	76'677
Net foreign exchange gains / (losses)	(6'804)	16'301
Total net income private equity	78'025	93'714
Segment result private equity	78'025	93'714
Private debt		
Interest income (including PIK)	1'840	1'433
Revaluation	909	3'495
Net foreign exchange gains / (losses)	(2'639)	3'883
Total net income private debt	110	8'811
Segment result private debt	110	8'811
Private real estate		
Revaluation	(79)	782
Net foreign exchange gains / (losses)	(1)	21
Total net income private real estate	(80)	803
Segment result private real estate	(80)	803
Private infrastructure		
Revaluation	1'722	468
Net foreign exchange gains / (losses)	(163)	497
Total net income private infrastructure	1'559	965
Segment result private infrastructure	1'559	965
Non attributable		
Interest & dividend income	(37)	51
Net foreign exchange gains / (losses)	(143)	219
Total net income non attributable	(180)	270
Segment result non attributable	(18'609)	(13'537)
Other financial activities not allocated	2'999	(13'649)
Surplus / (loss) for the financial period	64'004	77'107

6 Financial assets at fair value through profit or loss

6.1 PRIVATE EQUITY

In thousands of EUR	30.09.2016	31.12.2015
Balance at beginning of period	512'404	406'628
Purchase of Direct and Indirect Investments	55'423	81'851
Distributions from and proceeds from sales of Direct and Indirect Investments	(121'546)	(97'616)
Revaluation	78'902	100'218
Foreign exchange gains / (losses)	(6'804)	21'323
Balance at end of period	518'379	512'404

6.2 PRIVATE DEBT

In thousands of EUR	30.09.2016	31.12.2015
Balance at beginning of period	72'376	74'954
Purchase of Direct and Indirect Investments	16'835	(132)
Distributions from and proceeds from sales of Direct and Indirect Investments	(11'209)	(13'381)
Reclassification of investments	(5'108)	-
Accrued cash and PIK interest	611	1'307
Interest received	(5'087)	(429)
Revaluation	909	4'810
Foreign exchange gains / (losses)	(2'639)	5'247
Balance at end of period	66'688	72'376

6.3 PRIVATE REAL ESTATE

In thousands of EUR	30.09.2016	31.12.2015
Balance at beginning of period	14'064	15'862
Purchase of Direct and Indirect Investments	(131)	169
Distributions from and proceeds from sales of Direct and Indirect Investments	(1'745)	(2'769)
Revaluation	(79)	781
Foreign exchange gains / (losses)	(1)	21
Balance at end of period	12'108	14'064

6.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	30.09.2016	31.12.2015
Balance at beginning of period	15'765	12'436
Purchase of Direct and Indirect Investments	5	98
Distributions from and proceeds from sales of Direct and Indirect Investments	(1'629)	(686)
Reclassification of investments	5'108	-
Revaluation	1'722	3'251
Foreign exchange gains / (losses)	(163)	666
Balance at end of period	20'808	15'765

7 Cash and cash equivalents

In thousands of EUR	30.09.2016	31.12.2015
Cash at banks	100'636	29'747
Cash equivalents	-	30'019
Total cash and cash equivalents	100'636	59'766

8 Share capital, treasury shares and reserves

8.1 CAPITAL

In thousands of EUR	30.09.2016	31.12.2015
Issued and fully paid		
69'151'168 Ordinary shares of EUR 0.001 each out of the bond conversion	69	69
Total issued and fully paid shares	69	69

The total authorized shares consists of 200'100'000 Ordinary shares of EUR 0.001 each (total value EUR 200'100).

During the reporting period, the Company has not purchased or cancelled any of its own shares.

8.2 TREASURY SHARES

In thousands of EUR	30.09.2016	31.12.2015
Share buyback for cancellation	-	-

8.3 RESERVES

In thousands of EUR	30.09.2016	31.12.2015
Distributable reserves		
Distributable reserves at beginning of reporting period	486'098	523'440
Dividend payment	(18'671)	(37'342)
Total distributable reserves at end of reporting period	467'427	486'098

9 Short-term credit facilities

On 12 November 2013, the Company renewed a multi-currency revolving credit facility with an international financial institution for EUR 50'000'000, which ends on 26 July 2017.

Interest on principal drawn is calculated at a margin of 2.95% to 3.25% per annum above the applicable LIBOR rate or, in relation to any loan in EUR, the applicable EURIBOR rate. A commitment fee of 0.90% per annum is charged on the daily undrawn facility commitment. In addition, an arrangement fee of EUR 450'000 is payable over a three year period to 2016 and a monitoring fee of EUR 25'000 payable annually.

The facility, in relation to the Company, is secured, inter alia, by way of a pledge over the shares in Princess Private Equity Subholding Limited, a wholly owned subsidiary of the Company and a pledge over the bank accounts and the inter-company loans within the Group.

The Company must maintain a total net asset value of at least EUR 350'000'000 and a total asset ratio (total debt plus current liabilities as a percentage of restricted net asset value, as defined in the credit facility agreement) not greater than 25%.

As at the end of the reporting period, no event of default has occurred.

In thousands of EUR	30.09.2016	31.12.2015
Short term credit facility		
Balance at beginning of period	-	-
Increase during period	-	32'000
(Decrease) during period	-	(32'000)
Balance at end of period	-	-

10 Incentive fee

In thousands of EUR	30.09.2016	31.12.2015
Balance at beginning of period	18'447	11'406
Change in incentive fees attributable to General Partner	9'305	11'913
Incentive fees paid/payable	(10'794)	(4'872)
Balance at end of period	16'958	18'447

11 Commitments to Direct and Indirect Investments

In thousands of EUR	30.09.2016	31.12.2015
Unfunded commitments translated at the rate prevailing at end of period	104'689	131'804

12 Earnings per share and net assets per share

Basic earnings per share are calculated by dividing the surplus or loss for the financial period attributable to the shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares, if any. There were no dilutive effects on the Group's shares during 2016 and 2015.

The net assets per share is calculated by dividing the net assets in the consolidated statement of financial position by the number of actual shares outstanding at the end of the reporting period.

In thousands of EUR	30.09.2016	31.12.2015
Net assets of the Group	702'719	657'386
Outstanding shares at the end of the reporting period	69'151'168.00	69'151'168.00
Net assets per share at period-end	10.16	9.51

13 Fair value measurement

13.1 FAIR VALUE ESTIMATION REPORTING PERIOD

In thousands of EUR	Level 1	Level 2	Level 3	Total balance
Assets				
Financial assets at fair value through profit or loss - equity securities	45'906	3'599	501'790	551'295
Financial assets at fair value through profit or loss - debt investments	-	-	66'688	66'688
Total assets	45'906	3'599	568'478	617'983
Liabilities				
Derivatives used for hedging	-	(461)	-	(461)
Total liabilities	-	(461)	-	(461)

13.2 FAIR VALUE ESTIMATION PREVIOUS REPORTING PERIOD

In thousands of EUR	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	1'300	-	1'300
Financial assets at fair value through profit or loss - equity securities	12'119	-	530'114	542'233
Financial assets at fair value through profit or loss - debt investments	-	-	72'376	72'376
Total assets	12'119	1'300	602'490	615'909
Liabilities				
Total liabilities	-	-	-	-

13.3 SIGNIFICANT UNOBSERVABLE VALUATION INPUTS

Level 3 investments may consist of direct and indirect equity and debt investments. Level 3 indirect investments are generally valued at the indirect investments' net asset values last reported by the indirect investments' governing bodies. When the reporting date of such net asset values does not coincide with the Group's reporting date, the net asset values are adjusted as a result of cash flows to/from an indirect investment between the most recently available net asset value reported, and the end of the reporting period of the Group. The valuation may also be adjusted for further information gathered by the Investment Advisor during its ongoing investment monitoring process. This monitoring process includes, but is not limited to, binding bid offers, non-public information on developments of portfolio companies held by indirect investments, syndicated transactions which involve such companies and the application of reporting standards by indirect investments which do not apply the principle of fair valuation.

The main inputs into the Group's valuation models for direct equity and debt investments include: EBITDA multiples (based on budgeted/forward looking EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies for the equivalent period), discount rates, capitalization rates, price to book as well as price to earnings ratios and enterprise value to sales multiples. The Group also considers the original transaction prices, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments and adjusts the model as deemed necessary. Further inputs consist of external valuation appraisals and broker quotes.

In order to assess level 3 valuations in accordance with the investment management agreement, the Investment Advisor reviews the performance of the direct and indirect investments held on a regular basis. The valuations are reviewed on an ongoing basis by the Investment Advisor's investment committee who report to the Investment Manager. The investment committee considers the appropriateness of the valuation model inputs as well as the valuation result using various valuation methods and techniques generally recognized within the industry. From time to time the Group may consider it appropriate to change the valuation model or technique used in the fair valuation depending on the individual investment circumstances, such as its maturity, stage of operations or recent transaction.

The Group utilizes comparable trading multiples in arriving at the valuation for the direct investments. Comparable companies multiple techniques assume that the valuation of unquoted direct investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. The Investment Advisor determines comparable public companies based on industry, size, development stage, strategy, etc. Subsequently the most appropriate performance measure for determining the valuation of the relevant direct investment is selected (these include but are not limited to EBITDA, price/earnings ratio for earnings or price/book ratio for book values). Trading multiples for each

comparable company identified are calculated by dividing the market capitalization of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate or quality of customer base between the valued direct investment and the comparable company set. The indicated fair value of the direct investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company.

When applying the discounted cash flow method, the Investment Advisor discounts the expected cash flow amounts to a present value at a rate of expected return that represents the time value of money and reflects the relative risks of the direct investment. Direct investments can be valued by using the 'cash flow to investor' method (a debt instrument valuation), or indirectly, by deriving the enterprise value using the 'free cash flow to company' method and subsequently subtracting the direct investment's net debt in order to determine the equity value of the relevant direct investment. The Investment Advisor determines the expected future cash flows based on agreed investment terms or expected growth rates. In addition and based on the current market environment an expected return of the respective direct investment is projected. The future cash flows are discounted to the present date in order to determine the current fair value.

If broker quotes are available, direct debt investments are valued by the Investment Advisor utilizing such quotes, which are provided by an independent third party broker. Broker quotes are applied to the nominal value of such direct debt investments. Broker quotes utilized for valuing direct debt investments represent indicative quotes for investments traded in an inactive market.

The Group utilizes the sales comparison method in arriving at the valuation for direct real estate investments. The sales comparison method compares a direct real estate investment's characteristics with those of comparable properties which have recently been traded in the market. The Investment Advisor determines comparable assets based on, but not limited to, size, location, development stage and property type. Furthermore the most appropriate measure for determining the valuation of the relevant direct real estate investment is selected (amongst others price per room, price per square foot, price per square meter). The comparable price per unit might be subject to adjustment for general qualitative differences which include, but are not limited to, quality of property and access to public transportation. The indicated fair value of the direct real estate investment is determined by applying the relevant price per unit to the respective direct real estate investment. The sales comparison method is most appropriate for direct real estate investments where the investment's size (e.g. number of rooms, square feet, square meters or other square measures) is known and similar properties have recently traded in the market.

When applying the income method the Investment Advisor compares a direct real estate investment's net operating income to capitalization rates recently observed in the market to determine the present value. The Investment Advisor determines comparable assets based on, but not limited to, size, development stage and property type. The capitalization rates from recent sales of comparable properties might be subject to adjustment for general qualitative differences which include, but are not limited to, quality of property, tenant mix and access to public transportation. The indicated fair value of the direct real estate investment is determined by applying the relevant capitalization rate to the direct real estate investment's net operating income. The income method is most appropriate for income generating direct real estate investments where the net operating income is known and similar properties have recently traded in the market.

The values of level 3 direct equity investments valued by using an unobservable input factor are directly affected by a change in that factor. The change in valuation of level 3 direct equity investments may vary between different direct investments of the same category as a result of individual levels of debt financing within such an investment. Level 3 direct debt investments are generally valued using a waterfall approach including different seniority levels of debt. Thus the effect of a change in the unobservable input factor on the valuation of such investments is limited to the debt portion not covered by the enterprise value resulting from the valuation. No interrelationship between unobservable inputs used in the Group's valuation of its level 3 investments has been identified.

The tables below present the investments whose fair values are recognized in whole or in part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument and the effect of changing one or more of those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions.

If presented, the category "Direct Investments" in the tables below may include certain indirect investments where the Investment Advisor has full visibility of the underlying portfolio and hence performs a full valuation on such investments as if they were direct investments. If presented, the category "Direct Investments" in the tables below may include certain investments using the valuation technique "Reported fair value". Such direct investments invest solely into underlying indirect investments, hence their fair value is based on reported fair value rather than a direct investment valuation.

The sensitivity analysis below represents the potential change in fair value for each category of investments presented in absolute values. Should the significant unobservable input for each category of investments increase or decrease by 5%, the value of each category of investments would follow by the absolute positive or negative amount respectively.

With regards to direct debt investments, the Investment Advisor is of the opinion that a sensitivity analysis as performed below for direct equity investments would not result in a meaningful disclosure with added value for the reader of these consolidated financial statements. The reasons for this include, but are not limited to, the fact that the income generated from direct debt investments is linked to a reference rate such as LIBOR or EURIBOR (hence eliminating potential valuation changes resulting from fluctuation in interest rates) and the fact that direct debt investments are valued using a waterfall approach as described above. The credit risk resulting from investing into a direct debt investment is assessed by performing an enterprise valuation of the issuer's company. Provided that the results of such a valuation provides sufficient evidence that the equity of such a company still has a positive value, there is no indication that the Group as a lender would not be able to recover the full amount initially invested, plus any accrued cash and/or PIK interest, hence carrying such direct debt investment at this value. Should a significant unobservable valuation input into such an enterprise valuation be changed in either direction, the value of a respective direct debt investment would not fluctuate proportionately. Any fluctuation in the enterprise value of a lender's company would only have an impact on the value of a direct debt investment if the results of such a valuation would provide sufficient evidence that the enterprise value of the company is not sufficient to fully cover the outstanding debt instrument, which the Group is invested in.

With regards to direct real estate debt investments, the Investment Advisor is of the opinion that a sensitivity analysis as performed below for direct equity investments would not result in a meaningful disclosure with added value for the reader of these consolidated financial statements. The reasons for this conclusion include, but are not limited to the fact that the income generated from direct real estate investments is linked to a reference rate such as LIBOR or EURIBOR (hence eliminating potential valuation changes resulting from fluctuation in interest rates) and the fact that direct real estate investments are valued using a waterfall approach as described above. The risk resulting from investing into a direct real estate debt investment is assessed by evaluating the gross asset value of the property. Provided that the results of such valuation provide sufficient evidence that the gross asset value exceeds the debt balance (i.e. the equity has a positive value), there is no indication that the Group as a lender would not be able to recover the full amount initially invested, plus any accrued cash and/or PIK interest, hence carrying such direct real estate debt investments at this value. Should a significant unobservable valuation input into the determination of gross asset value be changed in either direction, the value of a respective direct real estate debt investment would not fluctuate proportionately. Any fluctuation in gross asset value of the property would only have an impact on the value of a direct real estate debt investment in if the results of such a valuation would provide sufficient evidence that the gross asset value of the property is not sufficient to fully cover the outstanding debt instrument, which the Group is invested in. With regards to direct real estate equity investments, the Investment Advisor is of the opinion that a sensitivity analysis as performed below for direct equity investments would not result in a meaningful disclosure with added value for the reader of these consolidated financial statements. The reasons for this conclusion include, but are not limited to, the fact that variations in property location, quality and business plan result in comparisons across properties that are not meaningful. Unobservable inputs for a specific region will vary greatly based on the property's micro location, building finishes and amenities and leasing strategy. One-to-one comparisons are not possible even for buildings that are physically close to each other due to the differences in property features and occupancy. A sensitivity analysis has not been presented for direct investments that have been acquired within the last three months of the financial period and where the acquisition cost was deemed to be fair value in accordance with IFRS 13 as it is the view of the Investment Advisor that insufficient time has passed to determine a reliable sensitivity range based on valuation inputs that would be considered appropriate by market participants.

13.4 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE REPORTING PERIOD

Type of security	Fair value at 30.09.2016	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity investments	129'497	Market comparable companies	Enterprise value to EBITDA multiple	7.34x - 16.00x (11.83x)	11'346	(11'346)
	47'208	Recent financing/ transaction	Recent transaction price	n/a	n/a	n/a
Direct debt investments	6'723	Market comparable companies	Enterprise value to EBITDA multiple	13.00x - 13.00x (13.00x)	n/a	n/a
	10'700	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
	2'358	Recent financing/ transaction	Recent transaction price	n/a	n/a	n/a
Indirect Investments						
	373'279	Adjusted reported net asset value	Reported net asset value	n/a	18'664	(18'664)
	(1'287)	Adjusted reported net asset value	Fair value adjustments	n/a	(64)	64

13.5 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE PREVIOUS REPORTING PERIOD

Type of security	Fair value at 31.12.2015	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity investments	159'865	Market comparable companies	Enterprise value to EBITDA multiple	8.00x - 14.21x (10.80x)	14'030	(14'030)
	8'587	Discounted cash flow	Discount factor	12.00% - 12.00% (12.00%)	97	(97)
	410	Recent financing/transaction	Recent transaction price	n/a	n/a	n/a
Direct debt investments	19'152	Market comparable companies	Enterprise value to EBITDA multiple	7.50x - 12.40x (9.68x)	n/a	n/a
	6'338	Discounted cash flow	Discount factor	11.00% - 11.00% (11.00%)	n/a	n/a
	4'266	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
Indirect Investments						
	404'949	Adjusted reported net asset value	Reported net asset value	n/a	20'247	(20'247)
	(1'077)	Adjusted reported net asset value	Fair value adjustments	n/a	(54)	54

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Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

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Trading Information

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Reuters	PEY.L
Joint corporate brokers	JPMorgan Cazenove / Numis Securities Limited