



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PRINCESS PRIVATE EQUITY HOLDING LIMITED

INTERIM REPORT 2017

For the period from 1 January 2017 to 31 March 2017



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 2016	31 March 2017
Total fund size	702'908'422	744'605'908
NAV per share	10.16	10.77
Total dividend per share (year to date)	0.54	0.00
Share price	8.63	9.54
Discount	-15.1%	-11.4%
Cash and cash equivalents	65'750'622	60'176'455
Credit line used	0	0
Value of investments	650'812'576	700'639'027
Unfunded commitments	103'263'145	131'701'295
Investment level	92.6%	94.1%
Net current assets	52'095'846	43'966'881
Commitment ratio	7.3%	11.8%
Gross commitment ratio	0.2%	5.1%

Past performance is not indicative of future results. There is no assurance that similar investments will be made nor that similar results will be achieved.

Net current assets: As per reporting date, calculated based on net asset value less total investments at fair value through profit or loss.

Gross commitment ratio: As per reporting date, calculated based on net investment in unfunded commitments less (i) net current assets and (ii) undrawn credit facility, all divided by net asset value.

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1. Investment Manager's report

NAV up by 5.9% in the first quarter of 2017

The net asset value (NAV) of Princess Private Equity Holding Limited (Princess) increased by 5.9% over the first quarter of 2017 to end the reporting period at EUR 10.77 per share.

The positive NAV development was driven by the strong performance of the portfolio as the successful implementation of value creation strategies at company level continued to generate solid revenue and EBITDA growth. During the last twelve months the 50 largest direct companies, representing 71.7% of NAV, achieved double-digit weighted year on year revenue and EBITDA growth of 13.9% and 16.2% respectively.

Overall revaluations at portfolio level over the first quarter amounted to 7.0% of NAV while currency movements were slightly negative (-0.1%). The largest contributors to Princess' NAV growth were its direct investments in VAT Group AG, Action and Dynacast:

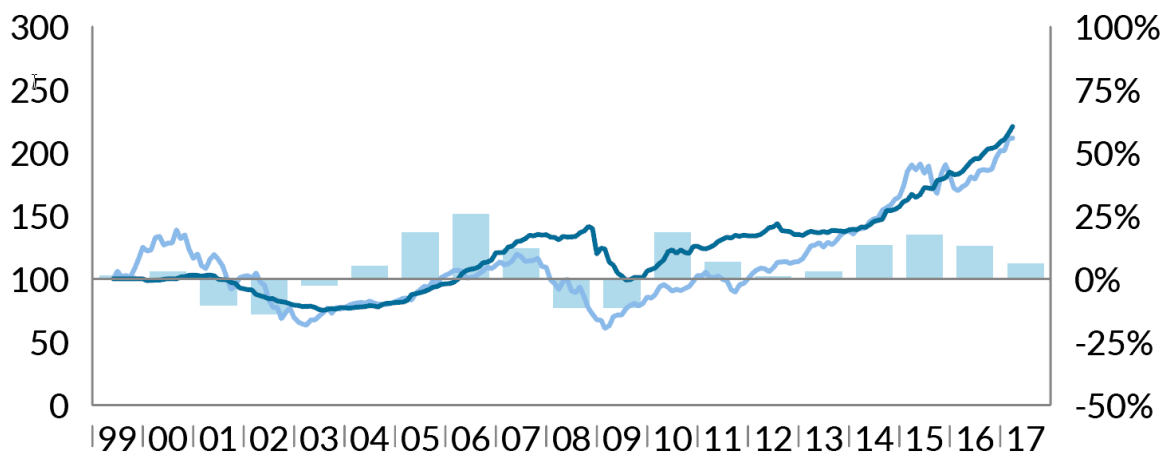
● VAT GROUP AG

VAT Group AG (VAT), the global market leader in the production of high-end vacuum valves used in various process industries, recorded a share price performance of 28.6% in the first quarter of 2017 (142.4% since the IPO in April 2016). For the year ended December 2016, net sales were reported at CHF 507.9 million, representing an increase of 23.6% compared to the previous year. The total order intake rose by 31.3% while free cash flow increased by 21.3% to CHF 128.1 million. The company continues to profit from the semiconductor industry's extensive investments in production facilities requiring vacuum components, particularly in Asia and the US. Revenue growth was further driven by VAT's increasing market share in the OLED (Organic Light Emitting Diodes) display production business due to demand from smartphone manufacturers, specifically in Korea and China. Adjusted EBITDA grew 24.7% year on year to CHF 158.1 million, supported by the healthy top line development and a focus on maintaining margins through productivity optimization programs.

● ACTION

Action, one of Western Europe's largest non-food discount retailers, based in the Netherlands, reported strong operating and financial performance for 2016. Consolidated sales rose to EUR 2'675 million, up by 34% compared to the previous year. The growth was driven by a like-for-like sales increase of 6.9% and the opening of 197 new stores, taking the total

NAV PERFORMANCE (SINCE INCEPTION)*



■ Princess ■ MSCI World TR ■ Performance (RHS)

* As per reporting date. The Princess performance is calculated on a total return basis.

number of stores to over 850. Operating EBITDA increased by 37% to EUR 310 million, while the EBITDA margin rose by 0.3% to 11.6% mainly driven by economies of scale. During 2016, Action almost doubled the number of stores in France and Germany. Furthermore, the company opened a distribution center in Paris, its first outside the Netherlands. Action's strategy continues to focus on strengthening its unique customer value proposition, international business expansion and the development of a scalable business model.

● **DYNACAST**

During the first quarter of 2017, Dynacast, a global manufacturer of precision engineered metal components, showed positive financial results. For the twelve months ended 31 December 2016, the manufacturer's revenue grew 12.8% year on year to USD 733.0 million, driven by strong growth in demand from key customers in Asia. Dynacast's European business also contributed to the revenue growth, supported by the acquisitions of Austria-based Schlieper Druckguss in July 2016 and Italy-based Taurus '80 in December 2016.

Investment activity

Investment	Month	Strategy	Amount (EUR million)
Dynacast (Follow-on)	March	Equity	2.9
Oberthur	January	Debt	2.6
Tricor Holdings Limited	March	Debt	0.9
Other			1.1
Total investments for the first three months			7.5

Investment activity

During the first quarter of 2017, Princess' net liquidity position decreased to EUR 43.9 million. The investment level increased to 94.1% of NAV from 92.6% at the beginning of the year.

In the first three months of the year, Princess invested a total of EUR 7.5 million. EUR 2.9 million was invested in an add-on investment in Dynacast, while EUR 3.5 million was invested in two new debt investments (Oberthur Technologies SA "Oberthur" and Tricor Holdings Limited):

● **DYNACAST**

Princess invested EUR 2.9 million in Dynacast, in support of the company's acquisition of Signicast, a US-based precision component manufacturer in the precoating casting industry. This addition will expand Dynacast's footprint to more than 9,500 employees across 27 locations, bolstering the company's position as the foremost global manufacturer of precision metal components.

● **Oberthur**

During the reporting period, Princess invested a total of EUR 2.6 million in a senior loan issued by Oberthur, a France-based company that provides fingerprint identification systems. The company offers products and solutions for local protection, and nation - wide security systems. Oberthur delivers products to more than 60 countries and is a subsidiary of Safran group.

● **TRICOR HOLDINGS LIMITED**

Princess provided EUR 0.9 million of mezzanine financing to Tricor Holdings Limited, a leading provider of integrated business, corporate and investor services in Asia. The company showed a stable historical financial performance and robust cash flow generation in the past.

Distribution activity

Investment	Exit (full or partial)	Month	Strategy	Amount (EUR million)
Food company 1	Partial	February	Equity	1.4
Global Blue	Partial	March	Equity	0.5
Legacy fund portfolio				14.7
Other				1.9
Total distributions for the first three months				18.5

Distribution activity for the first quarter

Distributions from Princess' underlying portfolio totaled EUR 18.5 million for the first three months of 2017. EUR 14.7 million was received from Princess' legacy fund portfolio, with the balance of EUR 3.8 million from Princess' direct portfolio

The largest contributors from Princess' direct portfolio were Food company 1 and Global Blue:

● FOOD COMPANY 1

EUR 1.4 million was received from the sale of shares in Food company 1 (name withheld due to confidentiality restrictions), a foodservice distributor based in the US, following its successful IPO on the New York Stock Exchange (NYSE) in 2016.

● GLOBAL BLUE

Princess received EUR 0.5 million from Global Blue. In March 2017, Global Blue took advantage of its strong financial performance and re-priced its existing credit facilities which facilitated a distribution to investors via a dividend payment. The company's management remains focused on driving organic growth and expanding Global Blue's geographic footprint through several value creation projects. For instance, the company has added multiple new merchants, renewed major contracts with key clients and plans on expanding into new markets. Furthermore, a number of cost efficiency programs are being reviewed to further enhance Global Blue's operational efficiency.

Share price development

Princess' share price developed positively over the reporting period, closing at EUR 9.54 per share. This represents a total return of 10.5% for the first quarter of 2017.

Increase of unfunded commitments

Princess' total unfunded commitments at 31 March 2017 amounted to EUR 131.7 million, compared to EUR 103.3 million at the end of 2016.

EUR 88.6 million related to Partners Group's direct investment programs, while unfunded commitments to third party funds amounted to EUR 43.1 million. In line with the policy of focusing on direct transactions, no new third party fund commitments will be made.

Outlook

The exit environment for private equity remains favorable, underpinned by significant volumes of dry powder and accommodative credit markets. In this market environment, the Investment Manager continues to explore opportunities to realize assets from Princess' direct portfolio. Reflecting the maturity of its underlying holdings, further distributions from Princess' legacy funds portfolio are also expected to continue.

The outlook for new investments is more challenging. While global growth remains sluggish, the Investment Manager continues to focus on sourcing stable assets that are less sensitive to valuation swings and on the identification of value-add opportunities. Such opportunities can be found globally in different sectors including healthcare, education, consumer and business and financial services. Within healthcare, the transformative key trends are cost rationalization, the rise of consumerism and the move towards cloud-based platforms. Other growth trends, such as digitalization or outsourcing, are often sector-specific, providing a potential spur even to companies not remotely related to technology or business services.

Valuation resilience generally applies to companies with recurring revenue streams, sticky customer contracts and highly visible cash flows. Another way of achieving more stable valuations is through the building out of 'platform' companies, using add-on acquisitions as one of the main pathways to growth. The Investment Manager is looking to identify 'anchor assets' with strong management teams in sub-sectors experiencing above-average growth, with potential for consolidation. As an active owner, the Investment Manager will work closely with the management teams of the portfolio companies to identify value creation initiatives, which will be an important driver of investment returns.

Two direct equity transactions, signed and in-closing as of the end of the reporting period, exemplify this approach. The Investment Manager has agreed to acquire Cerba Healthcare (Cerba), a French-based leading operator of clinical pathology laboratories. Cerba offers the potential to consolidate the fragmented French market, expand internationally and to accelerate organic growth. The Investment Manager has also agreed to acquire Key Retirement Group (KRG), a leading UK provider of independent specialist advice and financial

products for individuals approaching or in retirement, a growing market supported by long-term demographic trends. KRG has demonstrated strong organic growth since its inception and the Investment Manager intends to create further value through the build-out of the company's service offering in the coming years.

2. Market overview

Macroeconomic activity

The global economy hit surprise growth in the first quarter of 2017, especially in parts of the developed world. As a result, the International Monetary Fund slightly raised its 2017 global GDP growth outlook to 3.5% from 3.4% in the January 2017 assessment, which itself was up from the 3.1% projection for real GDP growth made in 2016. Notably, the Eurozone and UK experienced uplifts to their 2017 GDP growth forecasts, to an expected 1.7% and 2.0%, respectively. The quarter marked another strong period for financial markets, defying higher US rates on the back of the better macroeconomic prospects. Stock markets rallied, while bond spreads generally tightened and the US dollar lost some steam after the US elections.

In the US, Donald Trump was sworn in as the 45th president. Supported by his policy promises of deregulation, tax cuts and infrastructure spending, consumer and business confidence gathered steam. However, failed efforts to pass a bill to reform the US healthcare system shed light on the difficulty to translate campaign promises into effective legislation. Meanwhile, the Federal Reserve increased the target rate by another 0.25% to the range of 0.75-1.0%, which was widely anticipated, without disrupting capital markets.

Across the Atlantic, cyclical economic recovery in the Eurozone was supported by buoyant manufacturing activity and a decline in unemployment, which fell to an 8-year low. Inflation moved into positive territory across all 19 member countries with the February reading matching the European Central Bank's (ECB) target of "slightly below" 2% year on year for the region. Despite these improvements, the ECB maintained its dovish stance, countering speculations of a rate hike which some pundits started contemplating as a possibility as early as late 2017. On the policy side, pro-market centrist Emmanuel Macron was elected President of France, leaving behind two major political parties before beating the Eurosceptic Marine Le Pen in the run-off in early May. In the Netherlands, populist support proved less than anticipated, with the incumbent center-right Prime Minister Mark Rutte securing another term in office, beating the right-wing Eurosceptic candidate. Political uncertainty remains elevated with German elections in September 2017 and fragile political conditions in Italy. In line with expectations, the UK's Prime Minister Theresa May triggered Article 50 at the end of March, officially commencing exit negotiations with the EU. In the meantime, the British economy is holding up, largely supported by consumer spending.

In Asia-Pacific and emerging markets, China's robust growth surprised positively, partially benefitting from accelerating pace of investments. Across most of the emerging Asia region, strengthening global trade has contributed to growth. Latin America is gradually returning to expansionary territory as Brazilian economic activity is recovering from the doldrums. As inflation in the region's largest economy fell to a six and a half-year low in March, the Brazilian central bank cut the target rate by 0.75% in January and February, respectively, to 12.25%.

Private equity buyout activity

The aggregate value of private equity-backed buyout deals in the first quarter of 2017 increased 5.1% year on year to USD 53.4 billion, according to Preqin. Large-cap investments with transactions above USD 1 billion dominated the global buyout scene, accounting for 56.5% of aggregate value. North America continued to claim the lion's share of private equity buyout activity, accounting for 47.2% of the global total.

Buyout deal activity in North America in the first quarter of 2017 declined 23.6% year on year to USD 25.2 billion across 535 transactions. The largest deal announced in the region (and globally) was The Blackstone Group's USD 4.8 billion acquisition of AON Corporation's employee benefit outsourcing unit.

In Europe, aggregate deal value increased - from a low base - by 87.9% to USD 20.1 billion across 332 transactions. The largest deal announced in the region was Stone Canyon Industries' USD 2.3 billion acquisition of packaging products maker, Mauser Group, from Clayton, Dubilier & Rice.

The Asia-Pacific region witnessed USD 7.0 billion of aggregate buyout deal activity (26.1% year-on-year increase) across 45 transactions. The largest deal announced in the region was The Carlyle Group and CITIC's USD 2.1 billion acquisition of an 80% stake in McDonald's China and Hong Kong outlets.

Private equity exit activity

While global IPO activity started strongly (as discussed below) in the first quarter of 2017, global private equity exit activity declined 12.8% year on year to USD 47.9 billion across 394 transactions, according to Preqin. The most prevalent exit strategy continued to be trade sales, which accounted for 56.3% of the total number of exits and 62.6% of total deal value.

North America led global private equity exit activity with an aggregate exit value of USD 25.3 billion, or 52.8% of the global total, across 188 exits. The largest exit in the region (and globally) was Onex Corporation's USD 4.3 billion sale of insurance broker, USI Holdings, to KKR and Caisse de Depot et Placement du Quebec.

In Europe, aggregate exit value stood at USD 13.7 billion across 157 exits. The largest exit in the region was Clayton, Dubilier & Rice's aforementioned USD 2.3 billion sale of Netherlands-based packaging products maker, Mauser Group, to Bway Corporation, a unit of Stone Canyon Industries.

The Asia-Pacific region saw 30 exits with aggregate exit value of USD 5.3 billion. The largest exit in the region was TPG and Oaktree Capital Management's sale of Australian gas retailer and power producer, Alinta Energy, to Hong Kong-based Chow Tai Fook Enterprises in a transaction valued at AUD 4.0 billion.

IPO activity

Global IPO activity got off to a strong start in the first quarter of 2017, the most active first quarter by number of listings since 2007. IPO markets benefitted from improving economic fundamentals, rising equity indices and reduced volatility indicators. Proceeds from 369 IPOs more than doubled to USD 33.7 billion, compared to the same period last year, according to Ernst & Young. Most noticeably, the quarter saw the first technology megadeal (proceeds above USD 1 billion) of the year, i.e. the US IPO of Snap Inc., the parent company of Snapchat, which raised USD 3.9 billion. The listing represents the largest technology IPO since the listing of Alibaba Group Holding in September 2014. Financial sponsor-backed IPO activity also witnessed improvements, with private equity and venture capital-backed deals accounting for approximately 10% of number of global IPOs and 39% of IPO proceeds, compared with 9% and 19%, respectively, in the same period last year.

In line with the global trend, IPO activity in the US got off to a strong start in 2017. A total of USD 10.8 billion was raised from 24 IPOs, representing a more than tenfold increase compared to the same period in 2016. The largest IPO that took place in the US was the aforementioned listing of Snap Inc. on the New York Stock Exchange.

Against a backdrop of heightened political uncertainty, the EMEIA region (Europe, Middle East, India and Africa) saw modest growth in IPO activity. IPO proceeds increased by 0.5% year on year to USD 5.2 billion across 77 listings. The largest IPO in the region was the USD 798 million listing of Spain-based cash-in-transit security provider, Prosegur Cash, on Spain's Bolsa de Madrid.

The Asia-Pacific region continued to be the main driver of global IPO activity, accounting for 70% and 48% of global IPOs and proceeds, respectively. Compared to the same period last year, proceeds raised from 258 IPOs more than doubled to USD 16.1 billion, aided in part by the acceleration of IPO approvals in China. The largest listing in the region was the USD 611 million IPO of Japanese sushi restaurant chain, Sushiro Global, on the Tokyo Stock Exchange.

Secondary market activity

Deal activity in the private equity secondary market witnessed a slower start to 2017 when compared to 2016, driven by the strong performance of public markets and desire of sellers to wait for the 31 December NAVs to be finalized. In terms of sellers, Partners Group observed a marked shift towards asset managers seeking to realize mature, tail-end funds which contain a larger proportion of listed assets versus more traditional sellers such as pensions and endowments. Increased seller pricing expectations made win-wins difficult to achieve in the first quarter of 2017. In addition, since most transactions in the first half of 2017 will be referenced using 2016 valuations, secondary prices are expected to remain at elevated levels. Tail-end funds, in particular, have continued to achieve stronger than expected pricing. In such an environment, Partners Group remains prudent and disciplined in its investment approach, continuing to focus on inflection assets with meaningful value creation opportunities.

Fundraising activity

Aggregate private equity fundraising activity remained largely stable during the first quarter of 2017. A total of USD 89.4 billion was raised across 175 funds that held a final close during the quarter, according to Preqin. As more data becomes available, Preqin expects total capital raised to approach the all-time record of USD 105 billion seen in the

first quarter of 2008. Activity in the first quarter continued to be driven by US-focused fund managers and, as a result of the fundraising activity during the quarter, the amount of private equity dry powder in the market increased to USD 846 billion as of 31 March 2017.

North America-focused funds collected a total of USD 62 billion (an all-time record for capital raised in the first quarter) across 99 funds, representing a year-on-year increase of 29.2% in terms of capital raised. The largest North America-focused fund that closed during the period was KKR Americas Fund XII, which closed at USD 13.9 billion.

Fundraising activity for Europe-focused funds in the first quarter of 2017 slipped to USD 12 billion, compared with USD 33 billion raised in the prior year. Note that the year-ago figures include Advent International's USD 13 billion flagship buyout fund. The largest Europe-focused fund that held its final close during the first quarter of 2017 was Hg-Capital 8, which raised GBP 2.5 billion.

Fundraising activity for Asia-focused funds increased to USD 13 billion across 27 funds. The largest Asia-focused fund that held its final close was Guoxin Fund I, which raised CNY 50 billion (USD 7.3 billion).

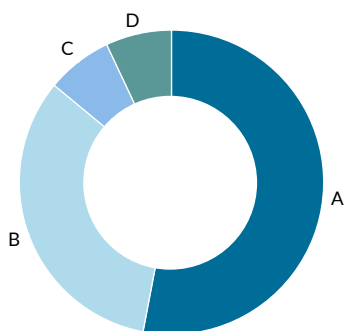
Outlook

On Brexit negotiations, a "hard" Brexit is the likely outcome given that the access to the single market is inherently linked to free movement of labor, which is opposed by the UK. In the US, while reform implementation may take longer than initially anticipated by capital markets, domestic growth should be strong enough to accelerate GDP growth from the 1.6% achieved in 2016 (Source: Bureau of Economic Analysis) as unemployment continues to retreat and rising wages and house prices lift purchasing power.

In the current environment of capital market volatility and political uncertainty, Partners Group continues to focus on stable assets that are less sensitive to valuation swings, while at the same time being attentive to compelling investment opportunities that may rise from such volatility. Across the board, Partners Group focuses on value-add opportunities to enhance returns and protect against multiple contraction. Overall, Partners Group maintains its modest growth outlook.

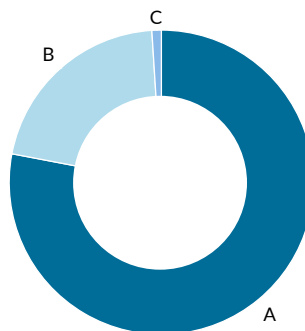
Sources: Ernst & Young "Global IPO Trends: Q1 2017 Pathway to growth" (April 2017); Preqin "Q1 2017 Private Equity-Backed Buyout Deals and Exits" (April 2017); Preqin "Q1 2017 Private Capital Fundraising Update" (April 2017); Partners Group Research

3. Portfolio composition



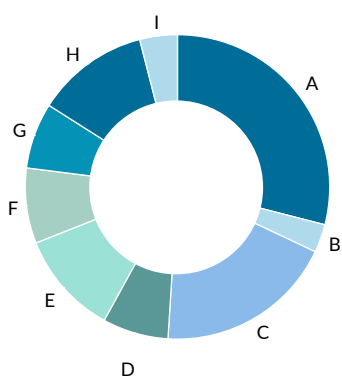
Investments by regional focus

A Europe	53%	C Rest of World	7%
B North America	33%	D Asia-Pacific	7%



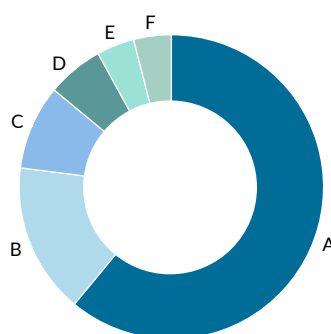
Investments by transaction type

A Direct	78%	C Secondary	1%
B Primary	21%		



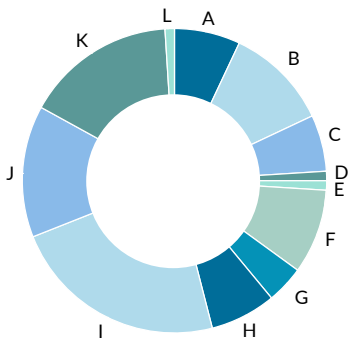
Portfolio assets by industry sector

A Consumer discr.	29%	F IT	7%
B Telecom	3%	G Materials	7%
C Industrial	19%	H Healthcare	13%
D Consumer staples	7%	I Energy	4%
E Financial	11%		



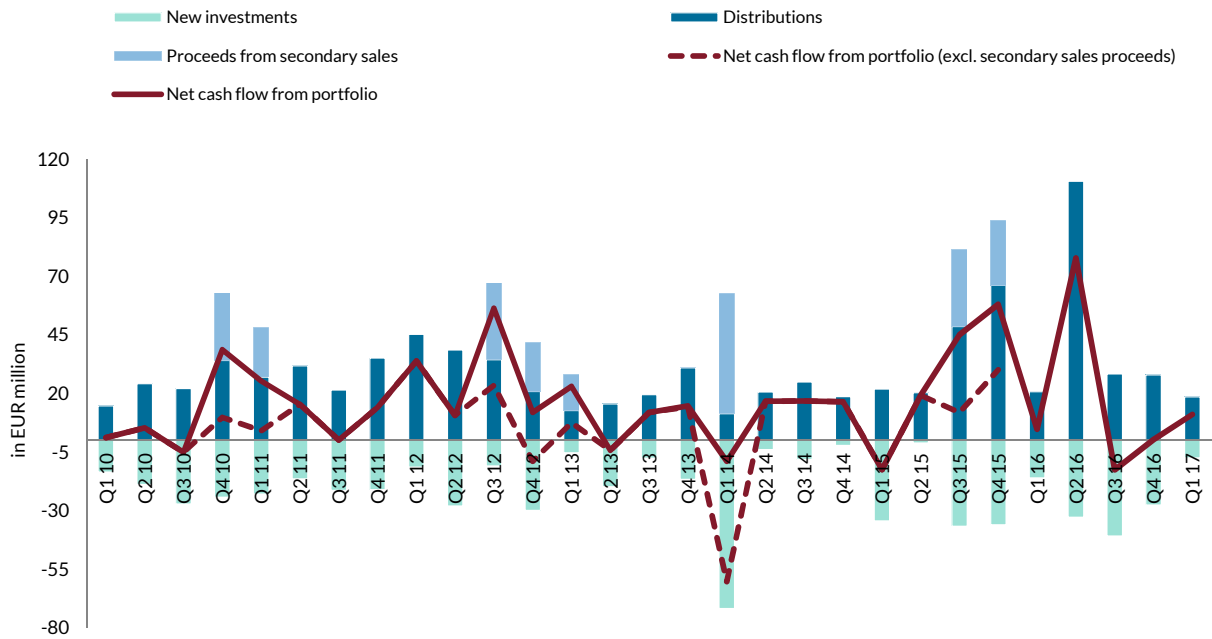
Investments by financing category

A Small/Mid-cap	61%	D Growth	6%
B Special situations	16%	E Mezzanine	4%
C Large/mega-large-cap	9%	F Venture capital	4%



Investments by investment year

A	Pre 2007	7%	G	2012	4%
B	2007	11%	H	2013	7%
C	2008	6%	I	2014	23%
D	2009	1%	J	2015	14%
E	2010	1%	K	2016	16%
F	2011	9%	L	2017	1%



DEVELOPMENT OF NET CASH FLOWS



NAV DEVELOPMENT

	Top 10	Top 20	Top 50
EV/EBITDA	12.1x	12.0x	11.3x
Net debt/EBITDA	3.3x	3.7x	3.9x
Leverage	27.3%	31.2%	35.4%
Weighted average EV	EUR 2.7bn	EUR 2.5bn	EUR 2.5bn
% of NAV	42.8%	55.9%	71.7%

VALUATION METRICS OF THE TOP 50 DIRECT INVESTMENT

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.

"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	0	80'591'830	10.8%
Action	Consumer discretionary	WEU	Small/Mid-cap	2011	0	45'410'272	6.1%
Permotio International Learning S.à r.l.	Consumer discretionary	WEU	Growth	2013	27'952'665	32'658'480	4.4%
Dynacast	Materials	NAM	Small/Mid-cap	2015	25'023'784	32'217'839	4.3%
KinderCare Education	Consumer discretionary	NAM	Small/Mid-cap	2015	18'659'161	29'459'253	4.0%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2014	14'835'678	27'279'706	3.7%
Foncia	Financials	WEU	Small/Mid-cap	2016	21'694'328	21'713'287	2.9%
Fermaca	Energy	ROW	Special situations	2014	13'651'550	20'421'171	2.7%
Fermo (Trimco International)	Industrials	APC	Small/Mid-cap	2012	n.a.	15'687'683	2.1%
MultiPlan 2016	Healthcare	NAM	Large/mega-large-cap	2016	9'269'978	13'351'365	1.8%
Systems Maintenance Services, Inc.	Information technology	NAM	Small/Mid-cap	2016	12'832'436	12'832'436	1.7%
Global Blue	Financials	WEU	Small/Mid-cap	2012	1'973'455	11'421'573	1.5%
PCI Pharma Services	Healthcare	NAM	Small/Mid-cap	2016	12'409'744	11'173'336	1.5%
Kerneos	Materials	WEU	Small/Mid-cap	2014	5'443'563	10'995'750	1.5%
Guardian Early Learning Group	Consumer discretionary	APC	Small/Mid-cap	2016	8'169'606	9'181'168	1.2%
Vermaat	Consumer discretionary	WEU	Small/Mid-cap	2015	7'922'416	9'165'275	1.2%
Pharmaceutical developer	Healthcare	WEU	Small/Mid-cap	2013	11'078'625	8'878'359	1.2%
Caffe Nero	Consumer staples	WEU	Mezzanine	2013	5'952'397	n.a.	n.a.
Lancelot	Financials	NAM	Large/mega-large-cap	2013	2'965'275	7'552'072	1.0%
AWAS Aviation Holding	Financials	WEU	Large/mega-large-cap	2006	2'601'599	7'241'709	1.0%
Pacific Bells	Consumer staples	NAM	Small/Mid-cap	2015	4'280'104	6'572'594	0.9%
Voyage Care	Healthcare	WEU	Small/Mid-cap	2014	6'450'865	6'450'865	0.9%
CSS Corp Technologies (Mauritius) Limited	Telecommunication services	APC	Small/Mid-cap	2013	n.a.	n.a.	n.a.
ADT Corporation	Information technology	NAM	Large/mega-large-cap	2016	4'282'310	5'352'514	0.7%
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	0	5'306'204	0.7%
Logoplaste	Materials	WEU	Special situations	2016	5'007'513	n.a.	n.a.
Seabras-1	Telecommunication services	NAM	Special situations	2015	5'148'461	5'147'021	0.7%
Universal Hospital Services, Inc.	Healthcare	NAM	Small/Mid-cap	2007	4'068'580	4'865'166	0.7%
Project Sun	Industrials	WEU	Small/Mid-cap	2011	3'624'969	4'806'225	0.6%

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception		
					Residual cost	Net asset value	% of NAV
Varsity Brands	Consumer discretionary	NAM	Small/Mid-cap	2014	2'490'684	4'764'976	0.6%
Food company 1	Industrials	NAM	Large/mega-large-cap	2007	760'792	4'641'910	0.6%
TOUS	Consumer discretionary	WEU	Small/Mid-cap	2016	3'993'415	4'527'563	0.6%
Project Icon	Consumer discretionary	WEU	Small/Mid-cap	2011	5'087'738	4'480'354	0.6%
Springer Science+Business Media	Consumer discretionary	WEU	Special situations	2010	4'312'803	n.a.	n.a.
Global vet business	Healthcare	WEU	Special situations	2014	4'119'713	4'242'306	0.6%
BarBri	Consumer discretionary	NAM	Small/Mid-cap	2011	3'553'903	4'087'006	0.5%
Cegid Group SA	Information technology	WEU	Special situations	2016	3'663'824	n.a.	n.a.
Polyconcept	Consumer discretionary	NAM	Small/Mid-cap	2016	3'640'412	3'654'056	0.5%
Cooperation Pharmaceutique Francaise SAS	Healthcare	WEU	Special situations	2015	3'387'950	n.a.	n.a.
South Dakota Systems	Telecommunication services	NAM	Special situations	2014	2'603'452	3'366'476	0.5%
CapitalSpring Finance Company	Financials	NAM	Mezzanine	2013	2'310'493	2'803'624	0.4%
Infinite RF Holdings, Inc	Industrials	NAM	Special situations	2016	2'409'916	2'746'769	0.4%
Photonis	Information technology	WEU	Special situations	2011	1'923'779	2'613'777	0.4%
Oberthur Technologies SA	Information technology	WEU	Special situations	2016	2'553'768	2'592'895	0.3%
ATX Networks	Consumer discretionary	NAM	Special situations	2015	1'956'997	2'567'092	0.3%
Delsey Group	Consumer discretionary	WEU	Small/Mid-cap	2007	1'660'586	2'535'876	0.3%
eResearch Technology, Inc.	Information technology	NAM	Special situations	2016	2'200'153	2'476'190	0.3%
Project Firefox	Telecommunication services	NAM	Mezzanine	2013	1'597'070	1'964'130	0.3%
AAVAS Financiers Limited	Financials	APC	Small/Mid-cap	2016	1'437'932	1'927'817	0.3%
Ascensus	Financials	NAM	Special situations	2015	1'583'849	1'893'299	0.3%
Total fifty direct investments					297310763	534'015'832	71.7%

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. Negative residual costs (receipt of distributions > initial investment cost) will result in an amount of zero.

Fifty largest fund investments (in EUR)

Investment	Regional focus	Financing category	Vintage year	Since inception		% of NAV
				Unfunded commitments	Net asset value	
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	70'143	11'390'938	1.5%
Partners Group Global Real Estate 2008, L.P.	WEU	Special situations	2008	1'759'056	10'586'856	1.4%
Terra Firma Capital Partners III, L.P.	WEU	Large/mega-large-cap	2006	79'547	9'579'575	1.3%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	988'500	9'155'411	1.2%
3i Eurofund Vb	WEU	Small/Mid-cap	2006	370'655	6'996'333	0.9%
MatlinPatterson Global Opportunities Partners III	NAM	Special situations	2007	406'540	6'276'991	0.8%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	1'026'787	5'683'275	0.8%
August Equity Partners II A, L.P.	WEU	Small/Mid-cap	2007	n.a.	4'965'663	0.7%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	1'154'286	3'850'590	0.5%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	3'785'042	0.5%
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	441'820	2'842'033	0.4%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	297'276	2'835'235	0.4%
Quadriga Capital Private Equity Fund III, L.P.	WEU	Small/Mid-cap	2006	249'255	2'757'982	0.4%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'711'485	2'532'255	0.3%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	229'316	2'503'928	0.3%
GMT Communications Partners III, L.P.	WEU	Small/Mid-cap	2006	881'005	2'476'066	0.3%
Index Ventures Growth I (Jersey), L.P.	WEU	Growth	2008	0	2'438'622	0.3%
Levine Leichtman Capital Partners II, L.P.	NAM	Mezzanine	1998	0	2'125'387	0.3%
Advent Latin American Private Equity Fund IV, L.P.	ROW	Large/mega-large-cap	2007	0	2'080'178	0.3%
Ares Corporate Opportunities Fund II, L.P.	NAM	Special situations	2006	2'136'788	1'910'430	0.3%
Anonymized European Buyout Fund 3	WEU	Small/Mid-cap	2008	86'510	1'666'452	0.2%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	77'095	1'643'652	0.2%
Penta CLO 1 S.A.	WEU	Special situations	2007	0	1'620'000	0.2%
Doughty Hanson & Co. Fund III, L.P.	WEU	Small/Mid-cap	1997	109'563	1'541'407	0.2%
Aksia Capital III, L.P.	WEU	Small/Mid-cap	2005	0	1'524'600	0.2%
Advent International GPE VI, L.P.	WEU	Small/Mid-cap	2008	42'523	1'482'739	0.2%
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'482'678	0.2%
OCM Mezzanine Fund II, L.P.	NAM	Mezzanine	2005	1'620'299	1'474'767	0.2%
The Peninsula Fund IV, L.P.	NAM	Mezzanine	2005	457'441	1'329'497	0.2%
Baring Asia Private Equity Fund IV, L.P.	APC	Small/Mid-cap	2007	261'739	1'262'021	0.2%
SV Life Sciences Fund II, L.P.	WEU	Venture capital	1998	0	1'237'709	0.2%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	63'237	1'156'943	0.2%

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Investment	Regional focus	Financing category	Vintage year	Since inception		% of NAV
				Unfunded commitments	Net asset value	
Draper Fisher Jurvetson Fund VII, L.P.	NAM	Venture capital	2000	0	1'060'281	0.1%
Candover 2005 Fund, L.P.	WEU	Large/mega-large-cap	2005	19'791	1'012'624	0.1%
Clayton, Dubilier & Rice Fund VIII, L.P.	NAM	Large/mega-large-cap	2009	347'291	1'001'674	0.1%
Advent Latin American Private Equity Fund V, L.P.	ROW	Large/mega-large-cap	2009	42'856	939'716	0.1%
Enterprise Venture Fund I, L.P.	ROW	Growth	2008	142'565	923'881	0.1%
Sofinnova Capital VI FCPR	WEU	Venture capital	2008	49'799	903'213	0.1%
Summit Partners Europe Private Equity Fund, L.P.	WEU	Growth	2008	42'724	897'125	0.1%
Anonymized Asian Buyout Fund 3	APC	Small/Mid-cap	2007	303'015	871'396	0.1%
Nmas1 Private Equity Fund II, L.P.	WEU	Small/Mid-cap	2008	38'543	837'476	0.1%
Helios Investors II, L.P.	ROW	Small/Mid-cap	2009	0	834'790	0.1%
Menlo Ventures IX, L.P.	NAM	Venture capital	2000	0	811'968	0.1%
Hony Capital Fund 2008, L.P.	APC	Small/Mid-cap	2008	65'895	785'187	0.1%
Astorg V FCPR	WEU	Small/Mid-cap	2011	110'397	772'102	0.1%
Southern Cross Latin America PE Fund III	ROW	Small/Mid-cap	2007	4	768'326	0.1%
Searchlight Capital PV, L.P.	NAM	Special situations	2010	148'286	740'155	0.1%
Indium IV (Mauritius) Holdings Limited	APC	Small/Mid-cap	2009	42'925	737'785	0.1%
Summit Ventures VI, L.P.	NAM	Growth	2000	0	698'552	0.1%
Total partnership investments				16'700'761	131'814'393	17.7%

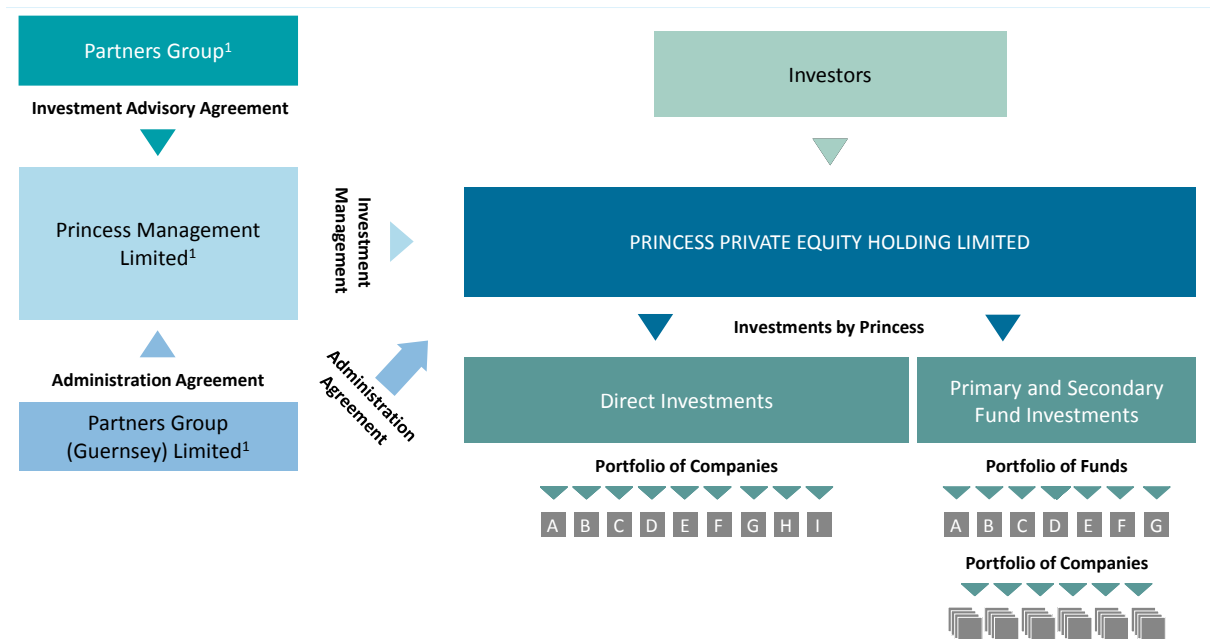
The portfolio's holdings are ranked by percentage of net asset value. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. The portfolio overview of Princess 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.

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 54 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. Company information

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 2017 to 31 March 2017

In thousands of EUR	Notes	01.01.2017 31.03.2017	01.01.2016 31.03.2016
Net income from financial assets at fair value through profit or loss		46'361	(144)
<i>Private equity</i>		46'184	990
Interest & dividend income		330	-
Revaluation	6	48'256	9'791
Net foreign exchange gains / (losses)	6	(2'402)	(8'801)
<i>Private debt</i>		667	(1'087)
Interest income (including PIK)		347	979
Revaluation	6	977	814
Net foreign exchange gains / (losses)	6	(657)	(2'880)
<i>Private real estate</i>		(191)	(126)
Revaluation	6	(190)	(125)
Net foreign exchange gains / (losses)	6	(1)	(1)
<i>Private infrastructure</i>		(299)	79
Revaluation	6	(81)	475
Net foreign exchange gains / (losses)	6	(218)	(396)
Net income from cash & cash equivalents and other income		(20)	(113)
Interest income		-	(31)
Net foreign exchange gains / (losses)		(20)	(82)
Total net income		46'341	(257)
Operating expenses		(6'865)	(4'646)
Management fees		(2'877)	(2'557)
Incentive fees	10	(3'436)	(1'555)
Administration fees		(88)	(83)
Service fees		(63)	(63)
Other operating expenses		(346)	(255)
Revaluation of other long-term receivables		(1)	(3)
Other net foreign exchange gains / (losses)		(54)	(130)
Other financial activities		2'222	6'228
Setup expenses - credit facilities	9	(138)	(114)
Other finance cost		(59)	(11)
Net gains / (losses) from hedging activities		2'419	6'353
Surplus / (loss) for period		41'698	1'325

In thousands of EUR	Notes	01.01.2017 31.03.2017	01.01.2016 31.03.2016
Other comprehensive income for period; net of tax		-	-
Total comprehensive income for period		41'698	1'325
Weighted average number of shares outstanding		69'151'168.00	69'151'168.00
Basic surplus / (loss) per share for period		0.60	0.02
Diluted surplus / (loss) per share for period		0.60	0.02

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 31 March 2017

In thousands of EUR	Notes	31.03.2017	31.12.2016
ASSETS			
Financial assets at fair value through profit or loss			
Private equity	6,13	588'266	539'374
Private debt	6,13	80'153	78'194
Private real estate	6,13	10'672	11'397
Private infrastructure	6,13	21'548	21'847
Other long-term receivables		2'969	3'009
Non-current assets		703'608	653'821
Other short-term receivables		9'114	10'026
Cash and cash equivalents	7	60'176	65'751
Current assets		69'290	75'777
TOTAL ASSETS		772'898	729'598
EQUITY AND LIABILITIES			
Share capital	8	69	69
Retained earnings		295'781	254'083
Reserves	8	448'756	448'756
Total equity		744'606	702'908
Hedging liabilities	13	2'314	2'843
Accruals and other short-term payables		25'978	23'847
Liabilities falling due within one year		28'292	26'690
TOTAL EQUITY AND LIABILITIES		772'898	729'598

Unaudited consolidated statement of changes in equity

for the period from 1 January 2017 to 31 March 2017

In thousands of EUR	Share capital	Retained earnings	Reserves	Total
Balance at the beginning of period	69	254'083	448'756	702'908
Other comprehensive income for period; net of tax	-	-	-	-
Surplus / (loss) for period	-	41'698	-	41'698
Equity at end of period	69	295'781	448'756	744'606

for the period from 1 January 2016 to 31 March 2016

In thousands of EUR	Share capital	Retained earnings	Reserves	Total
Balance at the beginning of period	69	171'219	486'098	657'386
Other comprehensive income for period; net of tax	-	-	-	-
Surplus / (loss) for period	-	1'325	-	1'325
Equity at end of period	69	172'544	486'098	658'711

Unaudited consolidated statement of cash flows

for the period from 1 January 2017 to 31 March 2017

In thousands of EUR	Notes	01.01.2017 31.03.2017	01.01.2016 31.03.2016
Operating activities			
Surplus / (loss) for the period before interest expense		41'698	1'325
Adjustments:			
Net foreign exchange (gains) / losses		3'352	12'290
Investment revaluation		(48'962)	(10'955)
Revaluation of other long-term receivables		1	3
Net (gain) / loss on interest		(628)	(948)
Net (gain) / loss on dividends		(49)	-
Revaluation on forward hedges		(2'419)	(6'353)
(Increase) / decrease in receivables		894	(5'966)
Increase / (decrease) in payables		2'133	198
Realized gains / (losses) from forward hedges		1'891	5'065
Purchase of private equity investments	6	(17'078)	(5'274)
Purchase of private debt investments	6	(4'055)	(6'711)
Purchase of private real estate investments	6	40	45
Distributions from and proceeds from sales of private equity investments	6	16'533	11'153
Distributions from and proceeds from sales of private debt investments	6	65	35
Distributions from and proceeds from sales of private real estate investments	6	494	-
Distributions from and proceeds from sales of private infrastructure investments	6	-	1'500
Interest & dividends received		535	683
Net cash from / (used in) operating activities		(5'555)	(3'910)
Financing activities			
Net cash from / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		(5'555)	(3'910)
Cash and cash equivalents at beginning of period	7	65'751	59'766
Effects of foreign currency exchange rate changes on cash and cash equivalents		(20)	(82)
Cash and cash equivalents at end of period	7	60'176	55'774

Notes to the unaudited consolidated financial statements

for the period from 1 January 2017 to 31 March 2017

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 2016, 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 2016.

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

IFRS 16 (effective 1 January 2019) - Leases

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 31 March 2017:

Bayer-Pensionskasse VVaG - 7.56%

Brewin Dolphin Limited - 5.03%

CCLA Investment Management Limited - 5.05%

CVP / CAP Coop - 5.07%

Deutsche Asset & Wealth Management Investment GmbH - 7.66%

Pensionskasse SBB - 5.98%

Rathbone Brothers - 5.26%

Societe Generale Option Europe - 5.31%

Witan Investment Trust plc - 6.27%

4 Dividends

No interim dividend was declared in the first quarter of 2017 (Total dividend in 2016: EUR 37.3 million).

5 Segment calculation

In thousands of EUR	01.01.2017 31.03.2017	01.01.2016 31.03.2016
Private equity		
Interest & dividend income	330	-
Revaluation	48'256	9'791
Net foreign exchange gains / (losses)	(2'402)	(8'801)
Total net income private equity	46'184	990
Segment result private equity	46'184	990
Private debt		
Interest income (including PIK)	347	979
Revaluation	977	814
Net foreign exchange gains / (losses)	(657)	(2'880)
Total net income private debt	667	(1'087)
Segment result private debt	667	(1'087)
Private real estate		
Revaluation	(190)	(125)
Net foreign exchange gains / (losses)	(1)	(1)
Total net income private real estate	(191)	(126)
Segment result private real estate	(191)	(126)
Private infrastructure		
Revaluation	(81)	475
Net foreign exchange gains / (losses)	(218)	(396)
Total net income private infrastructure	(299)	79
Segment result private infrastructure	(299)	79
Non attributable		
Interest & dividend income	-	(31)
Net foreign exchange gains / (losses)	(20)	(82)
Total net income non attributable	(20)	(113)
Segment result non attributable	(6'885)	(4'759)
Other financial activities not allocated	2'222	6'228
Surplus / (loss) for the financial period	41'698	1'325

6 Financial assets at fair value through profit or loss

6.1 PRIVATE EQUITY

In thousands of EUR	31.03.2017	31.12.2016
Balance at beginning of period	539'374	512'404
Purchase of Direct and Indirect Investments	17'078	65'226
Distributions from and proceeds from sales of Direct and Indirect Investments	(16'533)	(140'147)
Reclassification of investments	2'417	-
Accrued cash and PIK interest	76	-
Revaluation	48'256	97'171
Foreign exchange gains / (losses)	(2'402)	4'720
Balance at end of period	588'266	539'374

6.2 PRIVATE DEBT

In thousands of EUR	31.03.2017	31.12.2016
Balance at beginning of period	78'194	72'376
Purchase of Direct and Indirect Investments	4'055	29'600
Distributions from and proceeds from sales of Direct and Indirect Investments	(65)	(16'538)
Reclassification of investments	(2'417)	(5'108)
Accrued cash and PIK interest	66	535
Interest received	-	(5'087)
Revaluation	977	1'731
Foreign exchange gains / (losses)	(657)	685
Balance at end of period	80'153	78'194

6.3 PRIVATE REAL ESTATE

In thousands of EUR	31.03.2017	31.12.2016
Balance at beginning of period	11'397	14'064
Purchase of Direct and Indirect Investments	(40)	(221)
Distributions from and proceeds from sales of Direct and Indirect Investments	(494)	(2'473)
Revaluation	(190)	22
Foreign exchange gains / (losses)	(1)	5
Balance at end of period	10'672	11'397

6.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	31.03.2017	31.12.2016
Balance at beginning of period	21'847	15'765
Purchase of Direct and Indirect Investments	-	5
Distributions from and proceeds from sales of Direct and Indirect Investments	-	(1'800)
Reclassification of investments	-	5'108
Revaluation	(81)	1'930
Foreign exchange gains / (losses)	(218)	839
Balance at end of period	21'548	21'847

7 Cash and cash equivalents

In thousands of EUR	31.03.2017	31.12.2016
Cash at banks	60'176	65'751
Total cash and cash equivalents	60'176	65'751

8 Share capital and reserves

8.1 CAPITAL

In thousands of EUR	31.03.2017	31.12.2016
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 RESERVES

In thousands of EUR	31.03.2017	31.12.2016
Distributable reserves		
Distributable reserves at beginning of reporting period	448'756	486'098
Dividend payment	-	(37'342)
Total distributable reserves at end of reporting period	448'756	448'756

9 Short-term credit facilities

On 14 December 2016, the Company renewed a multi-currency revolving credit facility with an international financial institution for EUR 50'000'000, which ends on 14 December 2020.

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 425'000 is payable upon closing 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	31.03.2017	31.12.2016
Short term credit facility		
Balance at beginning of period	-	-
Balance at end of period	-	-

10 Incentive fees

In thousands of EUR	31.03.2017	31.12.2016
Balance at beginning of period	19'448	18'447
Change in incentive fees attributable to General Partner	3'436	13'236
Incentive fees paid/payable	(351)	(12'235)
Balance at end of period	22'533	19'448

11 Commitments to Direct and Indirect Investments

In thousands of EUR	31.03.2017	31.12.2016
Unfunded commitments translated at the rate prevailing at end of period	131'701	103'263

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 2017 and 2016.

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

In thousands of EUR	31.03.2017	31.12.2016
Net assets of the Group	744'606	702'908
Outstanding shares at the end of the reporting period	69'151'168	69'151'168
Net assets per share at end of period	10.77	10.16

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	61'293	-	559'193	620'486
Financial assets at fair value through profit or loss - debt investments	-	-	80'153	80'153
Total assets	61'293	-	639'346	700'639
Liabilities				
Derivatives used for hedging	-	(2'314)	-	(2'314)
Total liabilities	-	(2'314)	-	(2'314)

13.2 FAIR VALUE ESTIMATION PREVIOUS 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	51'220	-	521'398	572'618
Financial assets at fair value through profit or loss - debt investments	-	-	78'194	78'194
Total assets	51'220	-	599'592	650'812
Liabilities				
Derivatives used for hedging	-	(2'843)	-	(2'843)
Total liabilities	-	(2'843)	-	(2'843)

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 31.03.2017	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity investments	175'528	Market comparable companies	Enterprise value to EBITDA multiple	5.90x - 16.00x (11.90x)	16'023	(16'023)
	280	Exit price	Recent transaction price	n/a	n/a	n/a
	24'574	Recent financing/ transaction	Recent transaction price	n/a	n/a	n/a
Direct debt investments	9'422	Market comparable companies	Enterprise value to EBITDA multiple	5.90x - 13.00x (11.15x)	n/a	n/a
	23'893	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
Indirect Investments						
	403'947	Adjusted reported net asset value	Reported net asset value	n/a	20'197	(20'197)
	1'702	Adjusted reported net asset value	Fair value adjustments	n/a	85	(85)

n/a - not meaningful as outlined in the note above

13.5 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE PREVIOUS REPORTING PERIOD

Type of security	Fair value at 31.12.2016	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity investments	140'170	Market comparable companies	Enterprise value to EBITDA multiple	5.90x - 16.00x (11.66x)	12'755	(12'755)
	284	Exit price	Recent transaction price	n/a	n/a	n/a
	44'983	Recent financing/ transaction	Recent transaction price	n/a	n/a	n/a
Direct debt investments	9'263	Market comparable companies	Enterprise value to EBITDA multiple	5.90x - 13.00x (11.12x)	n/a	n/a
	19'693	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
Indirect Investments						
	383'083	Adjusted reported net asset value	Reported net asset value	n/a	19'154	(19'154)
	2'116	Adjusted reported net asset value	Fair value adjustments	n/a	106	(106)

n/a - not meaningful as outlined in the note above

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REALIZING POTENTIAL IN PRIVATE MARKETS

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WKN	A0M5MA
Valor	3493187
Trading symbol	PEY
Bloomberg	PEY LN
Reuters	PEY.L
Joint corporate brokers	JPMorgan Cazenove / Numis Securities Limited