Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PRINCESS PRIVATE EQUITY HOLDING LIMITED

INTERIM REPORT 2017

For the period from 1 January 2017 to 30 June 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.

Key figures

In EUR	31 December 2016	30 June 2017
Total fund size	702'908'422	**745'037'102**
NAV per share	10.16	**10.77**
Total dividend per share (year to date)	0.54	**0.28**
Share price	8.63	**10.01**
Discount	-15.1%	**-7.1%**
Cash and cash equivalents	65'750'622	**52'826'376**
Credit line used	0	**0**
Value of investments	650'812'576	**701'850'532**
Unfunded commitments	103'263'145	**125'741'678**
Investment level	92.6%	**94.2%**
Net current assets	52'095'846	**43'186'570**
Over-commitment ratio	7.3%	**11.1%**
Over-commitment ratio incl. credit line	0.2%	**4.4%**

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.

Over-commitment ratio incl. credit line: as per reporting date, calculated as 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 total return of 8.8% in the first half of 2017

The net asset value ("NAV") of Princess Private Equity Holding Limited ("Princess") reached EUR 10.77 per share at the close of the reporting period, up 6.0% in the half year. Princess paid a first interim dividend of EUR 0.28 per share in June, an increase of 3.7% compared to the same period in 2016, and thus achieved a total return of 8.8% over the first half of 2017.

Valuation developments (+11.4%) were responsible for the bulk of NAV growth, while currency effects (-1.1%) had a negative impact on performance. The largest contributors to Princess' NAV growth over the second quarter were the direct investments in VAT Group AG ("VAT"), Action and Permotio International Learning ("Permotio"):

● VAT GROUP AG

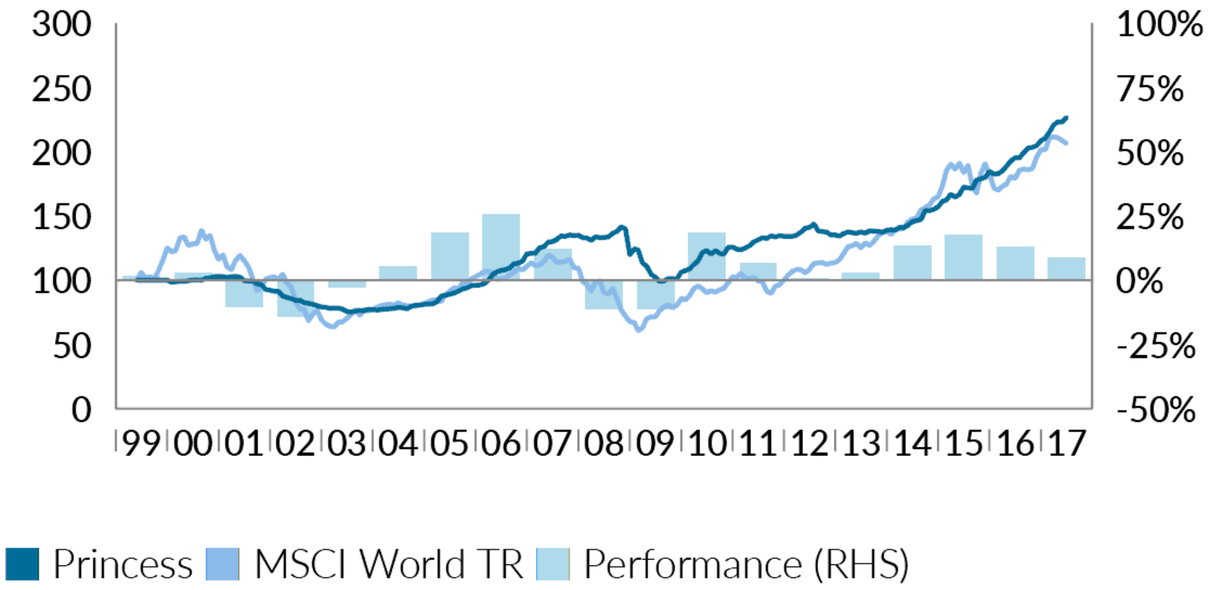
VAT, the global market leader in the production of high-end vacuum valves, continued to report robust financial performance, capturing growth opportunities in a positive business environment. For the quarter ended 31 March 2017, the company's order intake increased by 35.2% year on year to CHF 181.8 million. Net sales over the same period grew 41.8% to CHF 164.5 million. The increase in demand for VAT's products was mainly driven by the semiconductor industry's extensive investments in capacity expansion of production facilities. At the same time, VAT was able to capitalize on this strong demand by ramping up its manufacturing output.

Partners Group invested in VAT in January 2014, subsequently listing the business on the SIX Swiss Stock Exchange in April 2016 at a price of CHF 45 per share. VAT's share price continued to develop positively over the second quarter of 2017, strengthening by 9.3% to CHF 119.20 as of 30 June 2017.

● ACTION

Action continued its consistent financial and operational outperformance. For the twelve months ended 31 March 2017, the international non-food discount retailer's earnings increased by 33% year on year. The company is set to open further stores and distribution centers.

NAV PERFORMANCE (SINCE INCEPTION)*



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

PERMOTIO

The carrying value of Permotio increased during the second quarter of 2017, on the back of a quarter-on-quarter increase in earnings, supported by tuition fee increases and sustained growth in student enrolment rates across the company's international portfolio of private schools. Permotio doubled reported EBITDA for the twelve months ended 31 March 2017, compared to the same period last year. These results can primarily be attributed to Permotio's strong M&A activity over the second half of 2016.

Partners Group remains focused on working closely with Permotio's management to expand the company's geographical footprint through its "buy and build" strategy. The company's portfolio comprises a total of 16 schools in 5 countries, providing education to over 14'800 students. Permotio has a growing pipeline of potential acquisition targets and is in exclusive talks on several opportunities. In addition to its M&A strategy, Permotio is progressing well in a number of projects to add substantial capacity to the group. Expansion plans at four schools have the potential to add approximately 1'500 student places, while the company is in the process of constructing three new builds in the Middle East that are expected to add a further 6'275 places. At the same time, Permotio has established an independent internal inspection process, in line with its goal to improve educational quality across its schools.

Investment activity

Investment	Month	Strategy	Amount (EUR million)
Cerba HealthCare	April	Equity	9.7
Oberthur - Morpho	May	Equity	9.0
Dynacast (Follow-on)	March	Equity	2.9
Oberthur - Morpho	January, May & June	Debt	8.2
Prosol	May	Debt	5.0
European sports rights company	May	Debt	4.9
Other			7.3
Total investments for the first six months			**47.0**

Investment activity for the first six months

In the first six months of the year, Princess invested a total of EUR 47.0 million. EUR 21.6 million was invested in two new direct equity investments (Cerba HealthCare, Oberthur - Morpho) and one add-on investment (Dynacast). In addition a further EUR 25.4 million was invested in several direct debt and smaller direct equity investments.

The largest new investments this quarter were:

CERBA HEALTHCARE ("CERBA")

In April, Princess invested EUR 9.7 million in Cerba, a European medical laboratory services operator. The company is a leading operator of clinical pathology laboratories, with a number one position in France and strong market positions in Belgium and Luxembourg. The company is characterized by its successful M&A track record, outstanding financial performance and the presence of strong opportunities for both organic and external growth. Cerba has proven expertise in acquiring and integrating bolt-on acquisition targets in the highly fragmented French market. Partners Group will support the numerous growth opportunities of the business. These include the continuation of Cerba's highly successful M&A strategy within the French market and internationally, as well as the acceleration of organic growth and development in other segments.

OBERTHUR - MORPHO

In May, Princess invested EUR 9.0 million in Oberthur - Morpho alongside Advent International. The transaction merged Oberthur Technologies ("Oberthur") and Safran Identity & Security ("Morpho") to establish a market leader in digital security and identification. Morpho is one of the leaders in biometric technology. Oberthur is a leading global provider of smart cards, predominantly serving the banking and telecoms markets.

PROSOL

In May, EUR 5.0 million of debt was provided to Prosol. Based in France, Prosol operates fresh food retail brand, Grand Frais. The company's stores are designed to resemble traditional indoor markets and cover areas of up to 1'000 square meters. Prosol operates over 185 stores, with growth of 15-25 new sites annually in recent years.

Distribution activity

Investment	Exit (full or partial)	Month	Strategy	Amount (EUR million)
VAT Group AG	Partial	May	Equity	21.3
Hofmann Menue Manufaktur	Partial	April	Equity	9.7
Food company 1	Partial	February & May	Equity	3.0
ConvaTec Inc	Partial	April	Equity	1.3
Legacy fund portfolio				25.6
Other				8.4
Total distributions for the first six months				**69.3**

Distribution activity for the first six months

Distributions from Princess' underlying portfolio totaled EUR 69.3 million for the first six months of 2017 (compared to EUR 131.2 million in the same period last year). EUR 43.7 million stemmed from direct investments with the balance of EUR 25.6 million from Princess' legacy fund portfolio.

The largest contributors to distributions over the second quarter were VAT Group AG and Hofmann Menue Manufaktur:

● VAT GROUP AG

In May, Princess received distributions of EUR 21.3 million from a dividend payment and placing of shares in VAT Group AG (see also page 5). As part of the placing, Princess and other funds managed and/or advised by Partners Group and its investment partner, Capvis, placed approximately 9.2% of VAT's share capital with institutional investors at a price of CHF 120 per share. Following the placing, funds managed and/or advised by Partners Group and Capvis continue to hold approximately 27.8% of VAT's share capital.

● HOFMANN MENUE MANUFAKTUR

In April, Princess received EUR 9.7 million from a recapitalization of Hofmann, a leading German producer and supplier of customized cooked and frozen food products to small and medium sized business canteens and social organizations. The proceeds were funded from the combination of a new term loan and balance sheet cash. Since the acquisition in January 2014, Hofmann has reported solid financial results while generating strong cash flows. The company's management continues to pursue further sales efficiency gains through digitalization and enhanced customer relationship management initiatives. Hofmann has also initiated steps to further strengthen the control of operational and production costs by focusing on process enhancements and identifying make-or-buy opportunities.

Price-to-NAV discount continues to narrow

Princess' share price total return performance was +19.3% over the first half of 2017. The strong share price performance reflected both the company's positive NAV performance (+8.8%) and a significant reduction in the discount to NAV, which closed the reporting period at 7.1%, compared to a discount of 15.1% at the end of 2016.

Liquidity and unfunded commitments

During the first half of 2017, Princess' net liquidity position decreased to EUR 43.2 million. Princess also has a EUR 50 million revolving credit facility, which remained undrawn as of period end.

Total unfunded commitments at 30 June 2017 amounted to EUR 125.7 million (compared to EUR 103.3 million at the end of 2016). EUR 85.5 million related to Partners Group's direct investment programs, while unfunded commitments to third party funds amounted to EUR 40.2 million. In line with the policy of focusing on direct investments, no new third party fund commitments will be made.

The Investment Manager aims to keep Princess' close to fully-invested. Furthermore it believes that the flexibility afforded by the Company's direct investment strategy to invest in Partners Group's lead mid-cap buyout transactions, with the option to participate in selective equity co-investments and private debt investments, supports this goal. Princess' investment level increased to 94.2% of NAV at the end of the reporting period, compared to 92.6% at the beginning of the year.

Outlook

A number of political and economic risks, including the advanced stage of the economic cycle in the US, a shift away from loose monetary policy, elevated valuations, high global indebtedness and heightened geopolitical risk continue to pose challenges for investors.

In such an environment, the Investment Manager places even more focus on value creation at an asset level, in particular the identification and development of companies with the potential to increase EBITDA to offset contractions in future valuations.

The implementation of this approach can be seen in Princess' portfolio, with a sample of the 50 largest direct portfolio companies generating EBITDA growth of 16.7% over the last twelve months (see page 14), significantly ahead of public equity benchmarks.

For new investments, the Investment Manager focuses on platforms with the potential to build a resilient market leader at a reasonable price. Next to platform investments, we focus on finding 'category winners' that are leaders in terms of market share or growth potential in sub-sectors benefitting from trend-based tailwinds and also seek out niche leaders, not only with value creation potential but also with strong defensive capabilities.

The exit environment for private equity remains positive, underpinned by significant volumes of dry powder and accommodative credit markets. Reflecting the maturity of its portfolio, distributions from Princess' legacy fund portfolio are expected to continue, while the Investment Manager continues to assess opportunities to realize assets from Princess' direct portfolio on behalf of shareholders.

2. Market overview

Macroeconomic activity

Buoyed by continued accommodative monetary conditions across the world, capital markets saw another period of robust returns and low volatility despite periods of heightened political risk and rich valuations. Asset prices were supported by yield-seeking investors and modestly improving macroeconomic conditions that slightly lifted earnings and earnings growth expectations. Markets reacted positively to the pro-EU election outcome in France and successfully weathered another rate increase by the US Federal Reserve (Fed).

Partners Group believes that the US economy is most likely in the advanced stages of the economic cycle, with the labor market at or near full employment, a closing output gap and core inflation hovering around the Fed's 2% target.

Growth across the European continent remained stable and robust, albeit at historically modest levels, having successfully weathered the political uncertainty that characterized the run-up to the Austrian and French elections. Unemployment in the Eurozone has dropped to an eight-year low, while fiscal spending has turned supportive of growth and the deflationary threat has somewhat abated. High fiscal deficits and an aging population have hampered trend growth and populism has threatened to delay reform implementation. Decreased political risk in the Eurozone and the prospect of the European Central Bank tapering monthly asset purchases led to a strengthening of the euro, in particular against a weak US dollar which was dragged somewhat lower by political gridlock in the US.

In Asia-Pacific and emerging markets, growth has improved slightly across the regions. Russia and Brazil have been recovering from recessionary territory while China's economy continued to exhibit resilience.

Private equity buyout activity

During the second quarter of 2017, the aggregate value of private equity-backed buyout deals dipped 16.5% year on year to USD 83.2 billion, according to Preqin. Large-cap investments with transactions above USD 1 billion continued to claim the lion's share of the global buyout scene, accounting for 70.5% of all transactions across the value band. North America maintained its lead on private equity buyout activity, with aggregate value representing 66.7% of the global total.

Buyout deal activity in North America remained flat year on year, with a slight increase of 0.5% to reach USD 55.4 billion across 537 transactions. The largest deal announced in the region (and globally) was the take-private of Staples, a retail chain in the US that sells office supplies, furniture and equipment. The company entered into a definitive agreement to be acquired by Sycamore Partners for USD 10.25 per share in cash, valuing the company at an equity value of approximately USD 6.9 billion.

In Europe, aggregate deal value declined by 58.4% to USD 15.3 billion across 361 transactions. The largest deal announced in the region was a HgCapital-led consortium's NOK 45.0 billion (USD 5.3 billion) acquisition of Visma Consulting, a Norway-based enterprise software company, from private equity firms KKR, Cinven and Partners Group.

Buyout activity in the Asia-Pacific region almost doubled year on year, recording USD 11.0 billion of aggregate buyout deal activity across 46 transactions. The largest transaction announced in the region was the USD 4.3 billion take-private of NYSE-listed Nord Anglia Education, an international provider of education services, by Baring Private Equity Asia and Canada Pension Plan Investment Board. Under the terms of the transaction, selling shareholders, including Partners Group, will receive USD 32.50 per share in cash.

Private equity exit activity

In the second quarter of 2017, global private equity exit activity declined by 38.2% year on year to USD 59.3 billion across 381 transactions, according to Preqin. Trade sales, which accounted for 47.2% of total deal value, remained the most prevalent exit strategy.

North America retained its lead in global private equity exit activity with an aggregate exit value of USD 36.2 billion across 178 exits. The largest exit in the region was Quadrangle Group and Thomas H Lee Partners' sale of West Corporation, an enterprise communication solutions provider, to Apollo Global Management in a USD 5.1 billion take-private transaction.

Europe saw 167 exits with an aggregate value of USD 17.7 billion. The largest exit in the region was the aforementioned sale of Visma Consulting.

In the Asia-Pacific region, aggregate exit value stood at USD 3.8 billion across 22 exits. While none of the global top ten exits took place in the region, the largest exit was the IPO of ING Life Insurance Korea, the South Korean insurance unit of ING Group. The IPO raised KRW 1.1 trillion (USD 970 million) for its private equity investors KDB Capital, Korea Teachers Pension Fund and MBK Partners.

IPO activity

Global IPO activity continued its momentum after a strong first quarter, registering a total of 392 IPOs (+50% year on year), which raised USD 50.1 billion (+65%), according to Ernst and Young. The strong IPO activity was underpinned by improving economic fundamentals in major developed economies, rising equity indices and reduced volatility indicators. The Asia-Pacific region was the key driver of IPO activity during the period.

US stock exchanges hosted 80 IPOs in the first half of 2017, raising USD 22.0 billion, representing an increase of 82% by volume and 216% in terms of proceeds, respectively, compared to the prior year. Financial sponsor-backed IPOs accounted for 46% of US IPOs, or 71% of proceeds. The largest IPO in the US was the USD 1.5 billion listing of Altice USA, a media and entertainment company, formed by its parent company Altice NV alongside private equity co-investors BC Partners and Canada Pension Plan Investment Board.

IPO activity in the EMEIA region saw steady growth, partly due to improving investor sentiment after the completion of several elections in the region. The region saw 109 IPOs that raised USD 15.2 billion, representing year-on-year increases of 12% and 11%, respectively. India stock exchanges continued to be the key drivers of IPO activity for the region. The largest IPO in the EMEIA region in terms of proceeds raised was that of Galenica Sante, a healthcare company that was listed on the Switzerland SIX Swiss Exchange, which raised USD 1.9 billion.

The Asia-Pacific region hosted 218 IPOs that raised USD 21.7 billion, representing year-on-year increases of 74% and 113%, respectively. Asia-Pacific IPO activity accounted for 61% of global IPOs and 44% of global proceeds, making the first half of 2017 the most active period the region has experienced since 2002. The largest IPO in the region was that of Netmarble Games, a South Korea-based mobile gaming company, which listed on the Korea Exchange and raised USD 2.3 billion in proceeds.

Secondary market activity

Private equity secondary market activity picked up notably in the second quarter of 2017 as stable public markets helped to bridge price expectations between buyers and sellers. Prices, however, were high across all segments of the market given the sustained competition for transactions. Meanwhile, deal flow continues to be characterized mainly by funds of older vintages as sell side participants access the secondary market mainly for portfolio management reasons. Pension funds and asset managers are motivated to clean-up their portfolios, consolidate their GP relationships and wind down investment vehicles.

Fundraising activity

Aggregate private equity fundraising stood at USD 121 billion across 206 funds that held a final close during the quarter, according to Preqin. Private equity funds have raised more than USD 100 billion in four of the past five quarters, indicating a sustained pace of private equity fundraising. This reflects a continued trend of capital being increasingly allocated to a smaller group of fund managers, with North America-focused funds being the key drivers of fundraising activity. As of June 2017, private equity dry powder stood at USD 918 billion.

North America-focused funds raised a total of USD 67.5 billion across 109 funds. The largest North America-focused fund that closed during the period was Silver Lake Partners V, which reached a final fund size of USD 15.0 billion.

In Europe, 39 funds collected an aggregate of USD 32.5 billion. The largest European-focused fund that closed was CVC Capital Partners Fund VII, which raised EUR 16.0 billion.

Asia-Pacific focused funds raised a total of USD 18.2 billion across 43 funds. The largest Asia-Pacific focused fund that closed during the period was KKR Asian Fund III, which raised USD 9.3 billion, displacing its predecessor fund (KKR Asian Fund II) as the largest private equity fund dedicated to investing in the region.

Outlook

Partners Group's base case projection for economic outlook continues to center around low yet robust growth combined with gradual monetary tightening in the US - albeit at a somewhat faster pace than is currently priced in by markets. However, nearly a decade into the recovery, with the end of extremely loose monetary policies approaching and against the backdrop of elevated leverage levels in many sectors and countries, the risk of a deviation from this base case is evident. At the same time, with frothy asset prices across a broad spectrum of asset classes, return expectations are facing headwinds from the prospect of a valuation mean reversion.

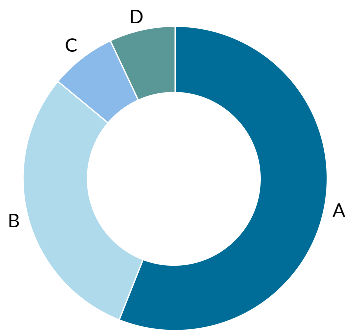
In the US, fiscal policy has been supportive of growth. The infrastructure spending boost and tax cuts promised during the election campaign are likely to be smaller than envisaged. GDP growth may potentially be lifted from the current moderate level once any changes are enacted. Against this backdrop, Partners Group expects the Fed to increase the target rate by 2.0-2.5% over the next five years, most likely accompanied by a gradual reduction in balance sheet. There is more room for monetary policy error given the unprecedented nature of the current conditions in terms of rates (globally), a bloated Fed balance sheet, excess reserves held at the Fed, and uncertainty about the Fed chairmanship, as well as the prospect of a fiscal stimulus at this late stage in the cycle. Partners Group maintains a modestly positive outlook on the US economy, while recognizing that another prolonged period of continuous growth is unlikely. For this reason, underwriting assumptions place greater importance on a mild recession scenario and a certain degree of valuation contraction.

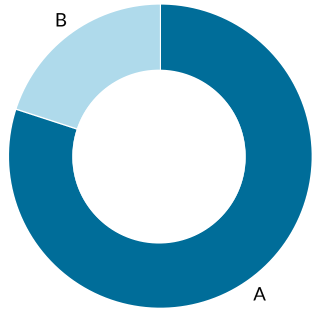
In Europe, Brexit outcomes may weigh on investments and confidence. Partners Group expects Europe to lag the US in terms of GDP growth and the positive contribution from private consumption may weaken somewhat as inflation starts to erode real incomes. Mediocre growth should keep rates suppressed at the front end of the curve while higher US rates may affect European sovereigns and corporates.

Overall, Partners Group remains optimistic on emerging markets and investment efforts are focused on countries with improving fundamentals, limited political risk and strong institutions; underwriting assumptions have to compensate for country and currency risk. In China, near-term growth should remain relatively stable as policy makers are prioritizing robust growth over reform implementation for the time being. Partners Group projects continued pressure on the renminbi and lower trend growth over the coming years. China faces significant mid-term headwinds, including corporate leverage and an aging population.

Sources: CNBC "Sycamore Partners to buy Staples for $6.9 billion" (June 2017); Ernst & Young "Global IPO Trends: Q2 2017 Investor confidence is growing" (July 2017); Ernst & Young News "Global IPOs in H1 2017 rebound from market uncertainty with most activity since 2007" (June 2017); NASDAQ article "ING Life Insurance Korea raises $974 mln after pricing IPO near lower end of range" (April 2017); Nord Anglia Investor Relations Press Release "Nord Anglia Education, Inc. Enters Into Agreement to be Acquired By Consortium Led By Canada Pension Plan Investment Board and Baring Private Equity Asia (April 2017); Preqin "Q2 2017 Private Equity-Backed Buyout Deals and Exits" (July 2017); Preqin "Q2 2017 Private Capital Fundraising Update" (July 2017); Eurostat; Partners Group Research.

3. Portfolio composition



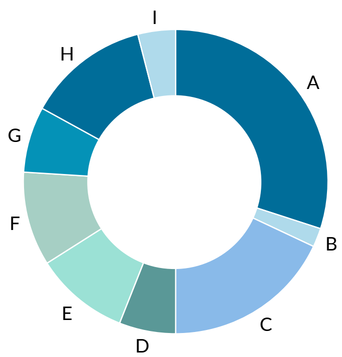


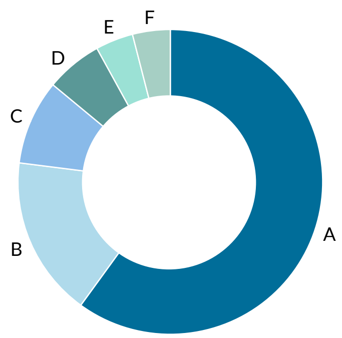
Investments by regional focus

A	Europe	56%	**C**	Asia-Pacific	7%
B	North America	30%	**D**	Rest of World	7%

Investments by transaction type

A	Direct	80%	**B**	Primary	20%



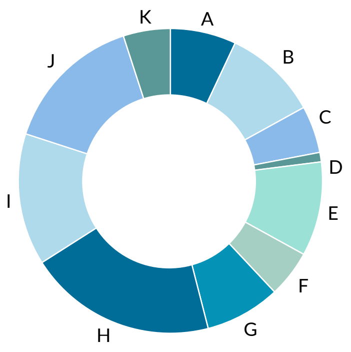


Portfolio assets by industry sector

A	Consumer discr.	30%	**F**	IT	10%
B	Telecom	2%	**G**	Materials	7%
C	Industrial	18%	**H**	Healthcare	13%
D	Consumer staples	6%	**I**	Energy	4%
E	Financial	10%			

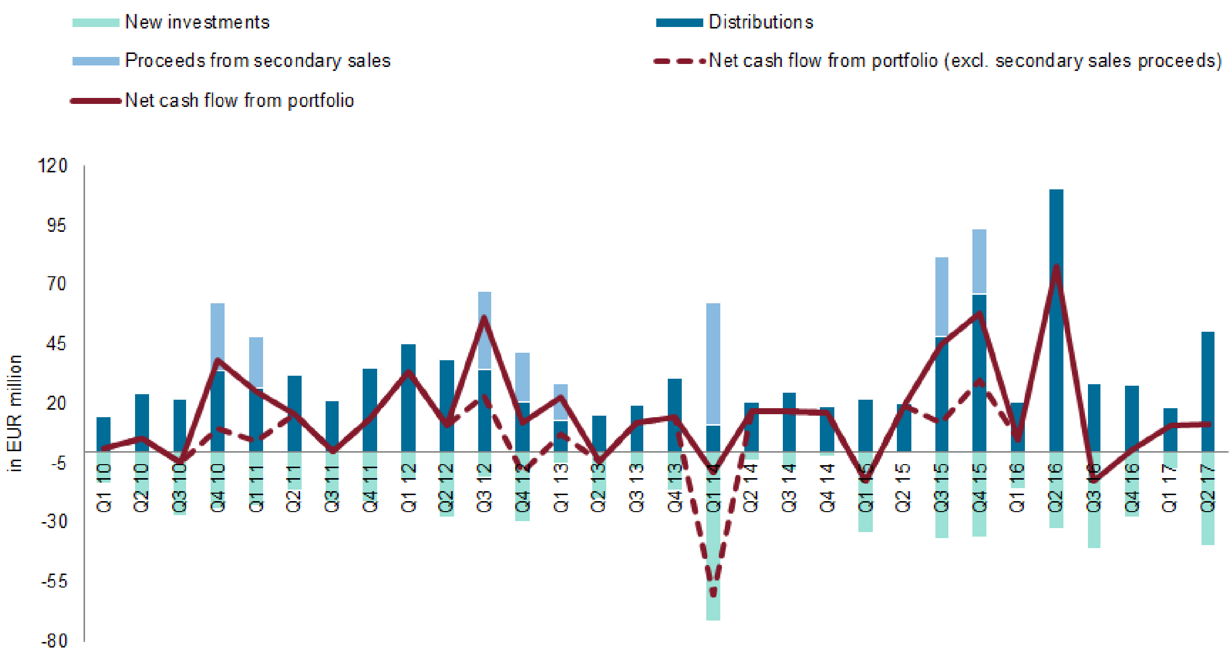
Investments by financing category

A	Small/Mid-cap	60%	**D**	Growth	6%
B	Special situations	17%	**E**	Mezzanine	4%
C	Large/mega-large-cap	9%	**F**	Venture capital	4%



Investments by investment year

A	Pre 2007	7%
B	2007	10%
C	2008	5%
D	2009	1%
E	2011	10%
F	2012	5%
G	2013	8%
H	2014	20%
I	2015	14%
J	2016	15%
K	2017	5%



DEVELOPMENT OF NET CASH FLOWS

NAV DEVELOPMENT

	Top 10	Top 20	Top 50
EV/EBITDA	12.5x	12.3x	11.7x
Net debt/EBITDA	4.4x	4.6x	4.5x
Leverage	37.3%	39.4%	40.8%
Weighted average EV	EUR 2.4bn	EUR 2.3bn	EUR 2.2bn

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; excluding debt investments and quoted investments. Some investments are excluded due to recent M&A activities, or different accounting methodology and their numbers are considered not meaningful for this analysis.

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 four, "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 Residual cost	Since inception Net asset value	% of NAV
VAT Group AG	Industrials	WEU	Small/Mid-cap	2014	0	67'855'428	9.1%
Action	Consumer discretionary	WEU	Small/Mid-cap	2011	0	51'366'543	6.9%
Permotio International Learning SarL	Consumer discretionary	WEU	Growth	2013	27'952'665	36'082'030	4.8%
Dynacast	Materials	NAM	Small/Mid-cap	2015	23'464'603	33'531'571	4.5%
KinderCare Education	Consumer discretionary	NAM	Small/Mid-cap	2015	16'398'751	28'187'305	3.8%
Foncia	Financials	WEU	Small/Mid-cap	2011	19'469'878	19'486'893	2.6%
Fermaca	Energy	ROW	Special situations	2014	12'800'949	19'140'999	2.6%
Trimco International Holdings Ltd	Industrials	APC	Small/Mid-cap	2012	n.a.	17'767'475	2.4%
Oberthur - Morpho	Information technology	WEU	Large/mega-large-cap	2017	17'148'321	17'397'349	2.3%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2013	5'146'706	16'350'826	2.2%
MultiPlan, Inc. (2016)	Healthcare	NAM	Large/mega-large-cap	2016	8'573'067	13'675'857	1.8%
Global Blue	Financials	WEU	Small/Mid-cap	2012	1'378'371	12'918'989	1.7%
Kerneos	Materials	WEU	Small/Mid-cap	2014	5'443'563	10'995'750	1.5%
Pharmaceutical developer	Healthcare	WEU	Small/Mid-cap	2013	10'388'338	10'977'044	1.5%
Systems Maintenance Services, Inc.	Information technology	NAM	Small/Mid-cap	2016	10'315'662	10'312'454	1.4%
Vermaat	Consumer discretionary	WEU	Small/Mid-cap	2015	7'922'416	9'867'838	1.3%
Cerba HealthCare	Healthcare	WEU	Small/Mid-cap	2017	9'735'616	9'735'616	1.3%
PCI Pharma Services	Healthcare	NAM	Small/Mid-cap	2016	10'224'100	9'437'566	1.3%
Guardian Early Learning Group	Consumer discretionary	APC	Small/Mid-cap	2016	7'702'811	8'684'837	1.2%
Caffe Nero	Consumer staples	WEU	Mezzanine	2013	5'686'813	n.a.	n.a.
Pacific Bells	Consumer staples	NAM	Small/Mid-cap	2015	4'824'628	7'874'743	1.1%
Voyage Care	Healthcare	WEU	Small/Mid-cap	2014	7'917'381	7'125'642	1.0%
Lancelot	Financials	NAM	Large/mega-large-cap	2013	1'879'075	6'314'341	0.8%
Varsity Brands	Consumer discretionary	NAM	Small/Mid-cap	2014	2'335'495	5'557'620	0.7%
Logoplaste	Materials	WEU	Special situations	2016	4'955'188	n.a.	n.a.
CSS Corporate Technologies	Telecommunication services	APC	Small/Mid-cap	2013	n.a.	n.a.	n.a.
Prosol	Consumer staples	WEU	Special situations	2017	4'967'040	5'059'825	0.7%
Seabras-1	Telecommunication services	NAM	Special situations	2015	5'025'966	5'024'616	0.7%
European Sports Rights Company	Consumer discretionary	WEU	Special situations	2006	4'912'076	4'982'430	0.7%

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception Residual cost	Since inception Net asset value	% of NAV
Project Sun	Industrials	WEU	Small/Mid-cap	2011	3'619'377	4'806'226	0.6%
Universal Hospital Services, Inc.	Healthcare	NAM	Small/Mid-cap	2007	3'815'075	4'801'582	0.6%
S. TOUS, S.L.	Consumer discretionary	WEU	Small/Mid-cap	2015	3'993'415	4'796'571	0.6%
Project Icon	Consumer discretionary	WEU	Small/Mid-cap	2011	5'087'738	4'723'374	0.6%
ADT Corporation	Information technology	NAM	Large/mega-large-cap	2016	3'814'327	4'629'325	0.6%
AWAS Aviation Holding	Financials	WEU	Large/mega-large-cap	2006	2'601'599	4'597'789	0.6%
Springer Science+Business Media	Consumer discretionary	WEU	Special situations	2010	4'259'603	n.a.	n.a.
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	0	4'401'552	0.6%
Global vet business	Healthcare	WEU	Special situations	2014	4'082'186	4'204'470	0.6%
Cegid Group SA	Information technology	WEU	Special situations	2016	3'909'957	n.a.	n.a.
BarBri	Consumer discretionary	NAM	Small/Mid-cap	2011	3'332'467	4'008'339	0.5%
Cooperation Pharmaceutique Francaise SAS	Healthcare	WEU	Special situations	2015	3'356'100	n.a.	n.a.
South Dakota Systems	Telecommunication services	NAM	Special situations	2014	2'377'448	3'213'867	0.4%
Polyconcept	Consumer discretionary	NAM	Small/Mid-cap	2016	3'413'585	3'006'906	0.4%
Food company 1	Industrials	NAM	Large/mega-large-cap	2007	0	2'700'792	0.4%
CapitalSpring Finance Company	Financials	NAM	Mezzanine	2013	2'548'182	2'641'153	0.4%
Delsey Group	Consumer discretionary	WEU	Small/Mid-cap	2007	1'881'153	2'600'823	0.3%
Infinite RF Holdings, Inc	Industrials	NAM	Special situations	2016	2'178'947	2'567'920	0.3%
Photonis Holding S.A.S.	Information technology	WEU	Special situations	2011	1'909'921	2'401'294	0.3%
eResearch Technology, Inc.	Information technology	NAM	Special situations	2016	2'011'968	2'396'797	0.3%
ATX Networks Corp.	Consumer discretionary	NAM	Special situations	2015	1'781'342	2'297'903	0.3%
Total fifty direct investments					254433806	540'301'468	72.5%

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: Unfunded commitments	Since inception: Net asset value	% of NAV
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	65'772	10'792'350	1.4%
Partners Group Global Real Estate 2008, L.P.	WEU	Special situations	2008	1'759'056	10'215'846	1.4%
Terra Firma Capital Partners III, L.P.	WEU	Large/mega-large-cap	2006	79'547	9'541'706	1.3%
3i Eurofund Vb	WEU	Small/Mid-cap	2006	370'655	8'319'702	1.1%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	911'329	7'861'746	1.1%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	1'026'787	5'432'492	0.7%
MatlinPatterson Global Opportunities Partners III	NAM	Special situations	2007	302'282	5'402'934	0.7%
August Equity Partners II A, L.P.	WEU	Small/Mid-cap	2007	n.a.	5'079'906	0.7%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	1'082'365	3'627'351	0.5%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	3'251'279	0.4%
Quadriga Capital Private Equity Fund III, L.P.	WEU	Small/Mid-cap	2006	249'255	3'044'015	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	414'291	2'481'180	0.3%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'604'846	2'374'475	0.3%
Index Ventures Growth I (Jersey), L.P.	WEU	Growth	2008	0	2'237'969	0.3%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	267'881	2'218'776	0.3%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	215'027	2'118'049	0.3%
Advent Latin American Private Equity Fund IV, L.P.	ROW	Large/mega-large-cap	2007	0	2'099'219	0.3%
Levine Leichtman Capital Partners II, L.P.	NAM	Mezzanine	1998	0	2'034'451	0.3%
Advent International GPE VI, L.P.	WEU	Small/Mid-cap	2008	0	1'587'441	0.2%
Ares Corporate Opportunities Fund II, L.P.	NAM	Special situations	2006	2'003'649	1'574'716	0.2%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	29'566	1'563'246	0.2%
Penta CLO 1 S.A.	WEU	Special situations	2007	0	1'530'000	0.2%
Aksia Capital III, L.P.	WEU	Small/Mid-cap	2005	0	1'524'600	0.2%
Summit Partners Europe Private Equity Fund, L.P.	WEU	Growth	2008	4'579	1'476'967	0.2%
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'390'295	0.2%
The Peninsula Fund IV, L.P.	NAM	Mezzanine	2005	428'938	1'226'364	0.2%
Baring Asia Private Equity Fund IV, L.P.	APC	Small/Mid-cap	2007	245'431	1'169'605	0.2%
Anonymized European Buyout Fund 3	WEU	Small/Mid-cap	2008	86'510	1'166'491	0.2%
OCM Mezzanine Fund II, L.P.	NAM	Mezzanine	2005	1'519'342	1'148'510	0.2%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	59'297	1'072'917	0.1%
Draper Fisher Jurvetson Fund VII, L.P.	NAM	Venture capital	2000	0	973'003	0.1%
Advent Latin American Private Equity Fund V, L.P.	ROW	Large/mega-large-cap	2009	40'186	936'018	0.1%

Investment	Regional focus	Financing category	Vintage year	Since inception: Unfunded commitments	Net asset value	% of NAV
Enterprise Venture Fund I, L.P.	ROW	Growth	2008	142'565	897'907	0.1%
Sofinnova Capital VI FCPR	WEU	Venture capital	2008	49'799	892'304	0.1%
Anonymized Asian Buyout Fund 3	APC	Small/Mid-cap	2007	281'043	829'209	0.1%
Clayton, Dubilier & Rice Fund VIII, L.P.	NAM	Large/mega-large-cap	2009	323'232	799'166	0.1%
Nmas1 Private Equity Fund II, L.P.	WEU	Small/Mid-cap	2008	38'543	784'253	0.1%
Helios Investors II, L.P.	ROW	Small/Mid-cap	2009	11'180	780'315	0.1%
Astorg V FCPR	WEU	Small/Mid-cap	2011	110'397	773'704	0.1%
Summit Ventures VI, L.P.	NAM	Growth	2000	0	771'942	0.1%
Menlo Ventures IX, L.P.	NAM	Venture capital	2000	0	761'326	0.1%
Searchlight Capital PV, L.P.	NAM	Special situations	2010	139'046	748'851	0.1%
Southern Cross Latin America PE Fund III	ROW	Small/Mid-cap	2007	4	723'177	0.1%
Hony Capital Fund 2008, L.P.	APC	Small/Mid-cap	2008	61'789	659'842	0.1%
Peepul Capital Fund III, LLC	APC	Small/Mid-cap	2010	n.a.	n.a.	n.a.
Indium IV (Mauritius) Holdings Limited	APC	Small/Mid-cap	2009	32'700	648'904	0.1%
Quadriga Capital Private Equity Fund IV L.P.	WEU	Small/Mid-cap	2012	149'146	634'723	0.1%
Montagu IV LP	WEU	Small/Mid-cap	2011	81'688	622'876	0.1%
Perusa Partners 1, L.P.	WEU	Special situations	2008	76'454	619'399	0.1%
Total fifty partnership investments				15'034'403	122'047'712	16.4%

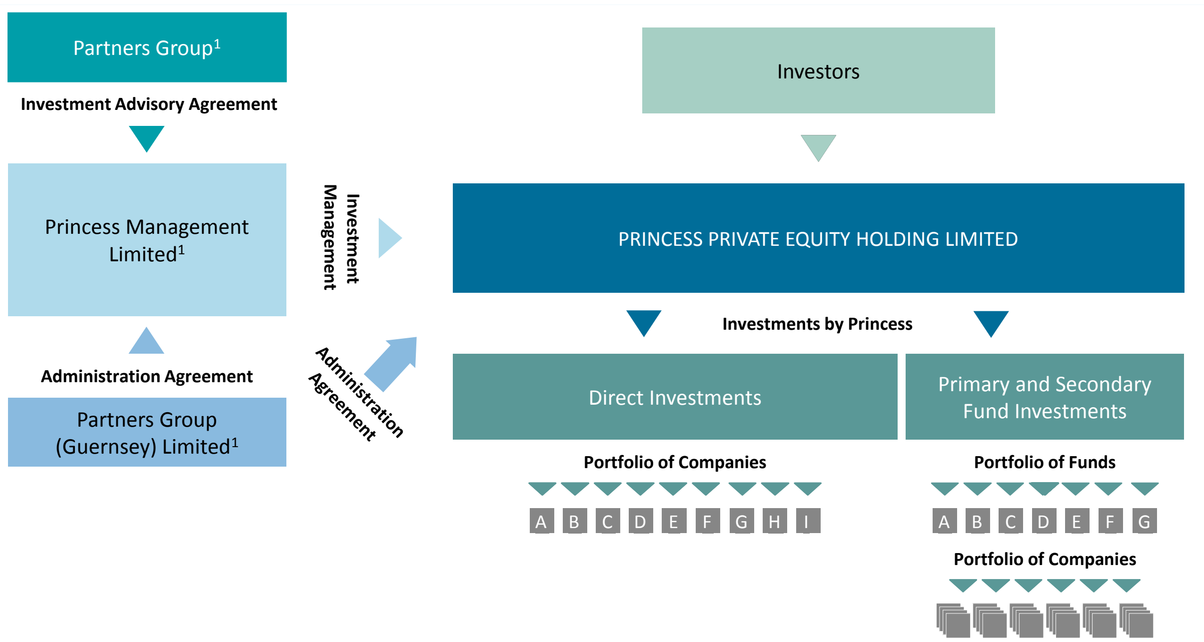
The portfolio's holdings are ranked by percentage of net asset value. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. The portfolio overview of Princess 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 57 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: A0M5MA 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 30 June 2017

In thousands of EUR	Notes	01.01.2017 30.06.2017	01.01.2016 30.06.2016
Net income from financial assets at fair value through profit or loss		**60'159**	**48'223**
Private equity		*63'335*	*46'708*
Interest & dividend income		391	5'927
Revaluation	6	77'831	45'462
Net foreign exchange gains / (losses)	6	(14'887)	(4'681)
Private debt		*(1'128)*	*(238)*
Interest income (including PIK)		862	1'308
Revaluation	6	1'924	231
Net foreign exchange gains / (losses)	6	(3'914)	(1'777)
Private real estate		*(522)*	*32*
Revaluation	6	(521)	32
Net foreign exchange gains / (losses)	6	(1)	-
Private infrastructure		*(1'526)*	*1'721*
Revaluation	6	(291)	1'719
Net foreign exchange gains / (losses)	6	(1'235)	2
Net income from cash & cash equivalents and other income		**(137)**	**(147)**
Interest income		-	(37)
Net foreign exchange gains / (losses)		(137)	(110)
Total net income		**60'022**	**48'076**
Operating expenses		**(11'040)**	**(12'738)**
Management fees		(5'763)	(5'091)
Incentive fees	10	(4'068)	(6'568)
Administration fees		(182)	(165)
Service fees		(125)	(125)
Other operating expenses		(621)	(599)
Revaluation of other long-term receivables		-	(14)
Other net foreign exchange gains / (losses)		(281)	(176)
Other financial activities		**12'509**	**2'328**
Setup expenses - credit facilities		(252)	(228)
Other finance cost		(115)	(64)
Net gains / (losses) from hedging activities		12'876	2'620
Surplus / (loss) for period		**61'491**	**37'666**

In thousands of EUR	Notes	01.01.2017 30.06.2017	01.01.2016 30.06.2016
Other comprehensive income for period; net of tax		-	-
Total comprehensive income for period		**61'491**	**37'666**
Weighted average number of shares outstanding		69'151'168.00	69'151'168.00
Basic surplus / (loss) per share for period		0.89	0.53
Diluted surplus / (loss) per share for period		0.89	0.53

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 June 2017

In thousands of EUR	Notes	30.06.2017	31.12.2016
ASSETS			
Financial assets at fair value through profit or loss			
Private equity	6,13	579'231	539'374
Private debt	6,13	92'082	78'194
Private real estate	6,13	10'216	11'397
Private infrastructure	6,13	20'321	21'847
Other long-term receivables		2'784	3'009
Non-current assets		**704'634**	**653'821**
Other short-term receivables		7'853	10'026
Hedging assets	13	10'437	-
Cash and cash equivalents	7	52'826	65'751
Current assets		**71'116**	**75'777**
TOTAL ASSETS		**775'750**	**729'598**
EQUITY AND LIABILITIES			
Share capital	8	69	69
Retained earnings		315'574	254'083
Reserves	8	429'394	448'756
Total equity		**745'037**	**702'908**
Hedging liabilities	13	-	2'843
Accruals and other short-term payables		30'713	23'847
Liabilities falling due within one year		**30'713**	**26'690**
TOTAL EQUITY AND LIABILITIES		**775'750**	**729'598**

Unaudited consolidated statement of changes in equity

for the period from 1 January 2017 to 30 June 2017

In thousands of EUR	Share capital	Retained earnings	Reserves	Total
Balance at the beginning of period	69	254'083	448'756	702'908
Dividend paid during the period	-	-	(19'362)	(19'362)
Other comprehensive income for period; net of tax	-	-	-	-
Surplus / (loss) for period	-	61'491	-	61'491
Equity at end of period	**69**	**315'574**	**429'394**	**745'037**

for the period from 1 January 2016 to 30 June 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	-	37'666	-	37'666
Equity at end of period	**69**	**208'885**	**467'427**	**676'381**

Unaudited consolidated statement of cash flows

for the period from 1 January 2017 to 30 June 2017

In thousands of EUR	Notes	01.01.2017 30.06.2017	01.01.2016 30.06.2016
Operating activities			
Surplus / (loss) for the period before interest expense		61'491	37'666
Adjustments:			
Net foreign exchange (gains) / losses		20'455	6'742
Investment revaluation		(78'943)	(47'444)
Revaluation of other long-term receivables		-	14
Net (gain) / loss on interest		(1'204)	(1'438)
Net (gain) / loss on dividends		(49)	(5'760)
Revaluation on forward hedges		(12'876)	(2'620)
(Increase) / decrease in receivables		2'114	(8'158)
Increase / (decrease) in payables		6'870	4'328
Realized gains / (losses) from forward hedges		(404)	6'048
Purchase of private equity investments	6	(28'881)	(30'561)
Purchase of private debt investments	6	(18'167)	(12'926)
Purchase of private real estate investments	6	90	88
Purchase of private infrastructure investments	6	-	(5)
Distributions from and proceeds from sales of private equity investments	6	54'409	101'315
Distributions from and proceeds from sales of private debt investments	6	104	4'161
Distributions from and proceeds from sales of private real estate investments	6	569	655
Distributions from and proceeds from sales of private infrastructure investments	6	-	1'500
Interest & dividends received		996	10'914
Net cash from / (used in) operating activities		**6'574**	**64'519**
Financing activities			
Dividends paid	8	(19'362)	(18'671)
Net cash from / (used in) financing activities		**(19'362)**	**(18'671)**
Net increase / (decrease) in cash and cash equivalents		**(12'788)**	**45'848**
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		(137)	(110)
Cash and cash equivalents at end of period	7	**52'826**	**105'504**

Notes to the unaudited consolidated financial statements

for the period from 1 January 2017 to 30 June 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 6BD. 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 30 June 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

The Board of Directors of Princess Private Equity Holding Limited declared its first interim dividend for the year of EUR 0.28 per ordinary share, which was paid on 30 June 2017, amounted to EUR 19.4 million (2016: EUR 18.7 million).

5 Segment calculation

In thousands of EUR	01.01.2017 30.06.2017	01.01.2016 30.06.2016
Private equity		
Interest & dividend income	391	5'927
Revaluation	77'831	45'462
Net foreign exchange gains / (losses)	(14'887)	(4'681)
Total net income private equity	**63'335**	**46'708**
Segment result private equity	**63'335**	**46'708**
Private debt		
Interest income (including PIK)	862	1'308
Revaluation	1'924	231
Net foreign exchange gains / (losses)	(3'914)	(1'777)
Total net income private debt	**(1'128)**	**(238)**
Segment result private debt	**(1'128)**	**(238)**
Private real estate		
Revaluation	(521)	32
Net foreign exchange gains / (losses)	(1)	-
Total net income private real estate	**(522)**	**32**
Segment result private real estate	**(522)**	**32**
Private infrastructure		
Revaluation	(291)	1'719
Net foreign exchange gains / (losses)	(1'235)	2
Total net income private infrastructure	**(1'526)**	**1'721**
Segment result private infrastructure	**(1'526)**	**1'721**
Non attributable		
Interest & dividend income	-	(37)
Net foreign exchange gains / (losses)	(137)	(110)
Total net income non attributable	**(137)**	**(147)**
Segment result non attributable	**(11'177)**	**(12'885)**
Other financial activities not allocated	12'509	2'328
Surplus / (loss) for the financial period	**61'491**	**37'666**

6 Financial assets at fair value through profit or loss

6.1 PRIVATE EQUITY

In thousands of EUR	30.06.2017	31.12.2016
Balance at beginning of period	539'374	512'404
Purchase of Direct and Indirect Investments	28'881	65'226
Distributions from and proceeds from sales of Direct and Indirect Investments	(54'409)	(140'147)
Reclassification of investments	2'417	-
Accrued cash and PIK interest	24	-
Revaluation	77'831	97'171
Foreign exchange gains / (losses)	(14'887)	4'720
Balance at end of period	**579'231**	**539'374**

6.2 PRIVATE DEBT

In thousands of EUR	30.06.2017	31.12.2016
Balance at beginning of period	78'194	72'376
Purchase of Direct and Indirect Investments	18'167	29'600
Distributions from and proceeds from sales of Direct and Indirect Investments	(104)	(16'538)
Reclassification of investments	(2'417)	(5'108)
Accrued cash and PIK interest	232	535
Interest received	-	(5'087)
Revaluation	1'924	1'731
Foreign exchange gains / (losses)	(3'914)	685
Balance at end of period	**92'082**	**78'194**

6.3 PRIVATE REAL ESTATE

In thousands of EUR	30.06.2017	31.12.2016
Balance at beginning of period	11'397	14'064
Purchase of Direct and Indirect Investments	(90)	(221)
Distributions from and proceeds from sales of Direct and Indirect Investments	(569)	(2'473)
Revaluation	(521)	22
Foreign exchange gains / (losses)	(1)	5
Balance at end of period	**10'216**	**11'397**

6.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	30.06.2017	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	(291)	1'930
Foreign exchange gains / (losses)	(1'235)	839
Balance at end of period	**20'321**	**21'847**

7 Cash and cash equivalents

In thousands of EUR	30.06.2017	31.12.2016
Cash at banks	52'826	65'751
Total cash and cash equivalents	**52'826**	**65'751**

8 Share capital and reserves

8.1 CAPITAL

In thousands of EUR	30.06.2017	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 (2016: nil).

8.2 RESERVES

In thousands of EUR	30.06.2017	31.12.2016
Distributable reserves		
Distributable reserves at beginning of reporting period	448'756	486'098
Dividend payment	(19'362)	(37'342)
Total distributable reserves at end of reporting period	**429'394**	**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 occured.

10 Incentive fees

In thousands of EUR	**30.06.2017**	**31.12.2016**
Balance at beginning of period	19'448	18'447
Change in incentive fees attributable to General Partner	4'068	13'236
Incentive fees paid/payable	(351)	(12'235)
Balance at end of period	**23'165**	**19'448**

11 Commitments to Direct and Indirect Investments

In thousands of EUR	**30.06.2017**	**31.12.2016**
Unfunded commitments translated at the rate prevailing at end of period	125'742	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	30.06.2017	31.12.2016
Net assets of the Group	745'037	702'908
Outstanding shares at the end of the reporting period	69'151'168.00	69'151'168.00
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				
Derivatives used for hedging	-	10'437	-	10'437
Financial assets at fair value through profit or loss - equity securities	52'196	-	557'572	609'768
Financial assets at fair value through profit or loss - debt investments	-	-	92'082	92'082
Total assets	**52'196**	**10'437**	**649'654**	**712'287**
Liabilities				
Total liabilities	**-**	**-**	**-**	**-**

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 30.06.2017	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
Fair value in thousands of EUR						
Direct Investments						
Direct equity investments	170'307	Market comparable companies	Enterprise value to EBITDA multiple	5.90x - 17.30x (12.84x)	15'379	(15'379)
	14'504	Exit price	Recent transaction price	n/a	n/a	n/a
	29'202	Recent financing/ transaction	Recent transaction price	n/a	n/a	n/a
Direct debt investments	9'119	Market comparable companies	Enterprise value to EBITDA multiple	5.90x - 13.00x (11.24x)	n/a	n/a
	38'459	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
Indirect Investments						
	386'662	Adjusted reported net asset value	Reported net asset value	n/a	19'333	(19'333)
	1'401	Adjusted reported net asset value	Fair value adjustments	n/a	70	(70)

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	
Fair value in thousands of EUR						
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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