THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy (for use by holders of Ordinary Shares) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Princess Private Equity Holding Limited

(a closed-ended investment company incorporated in Guernsey with registration number 35241)

Cancellation of Listings on the Official List and the Frankfurt Stock Exchange

Listing on the Irish Stock Exchange

Conversion of the Company into an open-ended fund authorised under the Guernsey Collective Investment Schemes (Class B) Rules, 1990

Conversion of Ordinary Shares into Participating Shares

Notice of Annual General Meeting

It is proposed that applications will be made to (i) the Frankfurt Stock Exchange for the listing and trading of the Company's shares on the Frankfurt Stock Exchange's prime market to be discontinued (ii) the UK Listing Authority for the cancellation of the listing of the Company's entire issued share capital on the Official List; (iii) the London Stock Exchange for trading of the Company's shares on the London Stock Exchange's main market for listed securities to be discontinued; and (iv) the Irish Stock Exchange for the Participating Shares of the Company (issued and to be issued) to be admitted to the official list of the Irish Stock Exchange and to trading on the main market of the Irish Stock Exchange. Subject to Shareholder approval, it is expected that the De-Listing from the Frankfurt Stock Exchange will become effective on 22 September 2010, the Conversion (as defined below) will become effective on 13 December 2010 and the De-listing from the London Stock Exchange and the ISE Admission will become effective on and from 16 December 2010.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Princess Private Equity Holding Limited set out in Part I of this document, which contains the recommendation that you vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below, and in particular to the section headed "Important Considerations for Shareholders and Risk Factors".

Notice of the Annual General Meeting of Princess Private Equity Holding Limited, to be held at 10.30 a.m. on 16 June 2010 at Third Floor, Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1BT, is set out at the end of this document.

A Form of Proxy is enclosed for use in connection with the Annual General Meeting. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon. Duly completed Forms of Proxy must be returned to the Company at Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1BT or faxed to the Company on +44 (0)1481 730 947 as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 14 June 2010. The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you wish to do so.

If you are a holder of Ordinary Shares deliverable in the form of Co-Ownership Interests, please see the additional information in the Notes to the Notice of Annual General Meeting and Form of Instruction and Proxy. Duly completed Forms of Instruction and Proxy must be returned to your depositary bank as soon as possible but in any event so as to arrive no later than 5.00 p.m. on 1 June 2010.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2010
Latest time and date for receipt of Forms of Instruction and Proxy for Annual General Meeting	5.00 p.m. on 1 June 2010
Latest time and date for receipt of Forms of Proxy for Annual General Meeting	10.30 a.m. on 14 June
Annual General Meeting	10.30 a.m. on 16 June
Last day of dealings in the Ordinary Shares deliverable in the form of Co-Ownership Interests on the Frankfurt Stock Exchange	21 September
Cancellation of listing and trading on the prime market of the Frankfurt Stock Exchange becomes effective	22 September
Last day of dealings in the Ordinary Shares on the London Stock Exchange	10 December
Close of register	5.00 p.m. on 10 December
Suspension of listing of the Ordinary Shares on London Stock Exchange	7.30 a.m. on 13 December
Conversion of the Company to an open-ended authorised fund and of the Ordinary Shares to Participating Shares	13 December
Cancellation of listing on the UKLA Official List and trading on the main market of the London Stock Exchange	8.00 a.m. on 16 December
Admission to the Irish Official List and to trading on the main market of the Irish Stock Exchange	16 December

(i) If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through the regulatory information service of the London Stock Exchange and through the DGAP (Deutsche Gesellschaft für Ad-hoc-Publizität) information service based in Germany.

(ii) All events in the above timetable following the Annual General Meeting are conditional upon approval of not less than 75 per cent. of the Shareholders voting at the Annual General Meeting.

(iii) All references in this document are to London time unless otherwise stated.

The Conversion is conditional upon the Guernsey Financial Services Commission issuing final authorisation of the Company as an open-ended Class B investment fund under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "POI Law") and the Collective Investment Schemes (Class B) Rules, 1990 (the "Class B Rules").

PART I

LETTER FROM THE CHAIRMAN OF

Princess Private Equity Holding Limited

(a closed-ended investment company incorporated in Guernsey with registered number 35241)

Directors:
Brian Human *(Chairman)*
Richard Battey
Andreas Billmaier
Fergus Dunlop
Urs Wietlisbach

Registered office:
Third Floor
Tudor House
Le Bordage
St Peter Port
Guernsey

14 May 2010

Dear Shareholder

Proposals for the cancellation of listings on the Official List and the Frankfurt Stock Exchange, Listing on the Irish Stock Exchange, the Conversion of the Company into an open-ended fund authorised under the Collective Investment Schemes (Class B) Rules, 1990 and Notice of Annual General Meeting.

The Company has today announced its intention, to propose to Shareholders a De-listing of the Company from the Frankfurt Stock Exchange and the London Stock Exchange, the Company's Conversion into an open-ended investment company, and the subsequent ISE Admission of the Company on the official list of the Irish Stock Exchange.

Following the Conversion, the Company will cease to be eligible for listing on the Official List as it will no longer satisfy the criteria for listing as a closed-end investment overseas company under Chapter 15 of the Listing Rules. Instead as an open-ended investment company that does not satisfy the criteria for FSA recognised schemes it will not be eligible for listing as an open-ended investment company under Chapter 16 of the Listing Rules. Since one of the objectives of the Proposals is to enable Shareholders to value their Shares at Net Asset Value rather than having to mark-to-market and in view of the fact that the average discount to Net Asset Value on the Frankfurt Stock Exchange has been approximately 55 per cent. in the past twelve months, the Board considers it would no longer be appropriate for the Company to be listed and traded on the Frankfurt Stock Exchange. However the Board is conscious that some Shareholders, while wishing to continue being supportive and long-term investors of the Company, may not be permitted to hold securities in an unlisted company. The Board has therefore decided to apply for the listing of the Participating Shares, which will result on the Conversion, on the Irish Stock Exchange.

The purpose of this document is to provide you with details of the Proposals, including the background to and reasons for the Proposals, to explain why your Board considers the Proposals to be in the best interests of the Shareholders as a whole and to recommend that you vote in favour of the Conversion Resolutions at the Annual General Meeting, which also approve the cancellation of the listing on the Official List. The Notice of the Annual General Meeting includes the Conversion Resolutions, and is set out at the end of this document. The Notice also includes a resolution for the approval of the Company's authority to make market purchases of its own Ordinary Shares.

If the Proposals are approved by the Shareholders, and subject to the GFSC's final authorisation of the Conversion and the approval of the Irish Stock Exchange to the ISE Admission, it is expected that the Proposals will become fully effective on 16 December 2010.

Background

The Company was founded on 12 May 1999 by Partners Group Holding AG and Swiss Reinsurance Company. In 1999 the Company issued convertible bonds with a re-insurance cover provided by Swiss Reinsurance Company. The funds raised by the issue were invested in private equity and private

debt funds. In February 2006 Swiss Reinsurance Company exercised its right to mitigate the likelihood of an outstanding bond loss and directed the Company not to make any further commitments. Therefore, the Company proposed a mandatory early conversion of the convertible bonds into Ordinary Shares of the Company (deliverable in the form of co-ownership interests in a global bearer certificate), which was agreed on 5 December 2006. Subsequently, the Company changed its organisation structure including a termination of the insurance and reinsurance arrangements and Swiss Reinsurance Company sold its shares in the Company. The Ordinary Shares of the Company were admitted to trading on the Frankfurt Stock Exchange on 13 December 2006 and on the London Stock Exchange on 1 November 2007. However, the Company's shares have been trading at a significant discount to the Net Asset Value. Over the past 12 months the average discount to Net Asset Value at which the Shares have traded is approximately 55 per cent. (based on prices of the Frankfurt Stock Exchange). On 11 March 2010, the Directors announced that they were considering a change in the capital structure of the Company and providing Shareholders with limited but regular liquidity within an open-ended investment company format.

The Directors and Investment Adviser have investigated a number of possibilities to address the discount with the goal of enhancing shareholder value. In deciding to ask Shareholders to approve the Proposals, the Directors have considered *inter alia* the following factors:

- the discount of the Company's share price to the Net Asset Value;
- the desire of certain Shareholders to value their holding of the Ordinary Shares at Net Asset Value rather than having to mark-to-market;
- the value to existing Shareholders and potential investors of investing in a company that is listed on a EEA regulated market; and
- the cost of maintaining listings on the London Stock Exchange and the Frankfurt Stock Exchange compared to a listing on the Irish Stock Exchange.

Accordingly, the Board considers that it would be in the interests of Shareholders to seek the Change of Listings to another EEA regulated market but with the likelihood of no active trading so that the shares can be valued at Net Asset Value, whilst offering Shareholders the prospect of some liquidity after Conversion through redeeming their Participating Shares following the expiry of the Lock-Up Period.

The Proposals

Shareholders will be asked to approve special resolutions in order for the Company to effect the Conversion, make the necessary consequential amendments to the Memorandum and Articles of Incorporation together with certain other amendments to assist with the administration of the Company (described further below), to convert the Ordinary Shares to redeemable Participating Shares (on the basis of one Participating Share for every one Ordinary Share) and to approve the cancellation of the listing on the Official List.

Under Guernsey law, the Company may only convert from a closed-ended fund to an open-ended Class B investment fund if it receives consent from its Shareholders and the GFSC to do so. The Company has therefore made application to the GFSC to be approved as an open-ended Class B investment fund and the GFSC has given "in principle" consent to the Company converting to an open-ended Class B investment fund. This consent is conditional upon Shareholder approval of the Conversion by passing the Conversion Resolutions and on the lodgement of the final documents at the GFSC after the Annual General Meeting. If the Conversion Resolutions are passed, the Company will on 13 December 2010 file the requisite documents and apply for final consent from the GFSC for the conversion to an open-ended Class B investment fund under the POI Law and the Class B Rules. If the Shareholders do not approve the Conversion or the GFSC does not issue its final consent the Company will remain as a closed-ended investment company and the Directors will not apply for the cancellation of the listing on the Official List.

After conversion to an open-ended Class B investment fund, the Company's Shares will be redeemable at the option of the Shareholders in certain circumstances. Under Guernsey company law, in order for shares to be able to be redeemed they must either be issued as, or converted to, "redeemable" shares. The Company's Ordinary Shares, as presently constituted, are not redeemable.

Accordingly, a special resolution will be proposed at the Annual General Meeting to convert the Ordinary Shares into redeemable Participating Shares having the rights attached to them in the New Memorandum and Articles. In addition an ordinary resolution will be proposed to increase the capital of the Company by the creation of 100 management shares, which will be issued to the Investment Manager. Whilst any Participating Shares are in issue, the Management Shares carry no dividend or voting rights and are only entitled to a return of capital (but no further distribution) on a winding-up. The management shares will be issued to provide flexibility to the Company on its liquidation to enable an expedient return of capital to Shareholders. Having management shares (which carry no dividend or voting rights whilst Participating Shares are in issue) allows the Company at the end of its life to return cash to Participating Shareholders in a timely manner by redeeming all of the Participating Shares on issue (leaving behind sufficient monies to cover the liquidation). Once all of the Participating Shares have been redeemed there needs to be a shareholder left in the Company who can pass the resolution to place the Company into liquidation and the management shareholders fulfil this role. More details on the share structure of the Company following Conversion are set out below under the heading "The Conversion".

The changes to the Memorandum and Articles of Incorporation include the insertion of provisions necessary for the operation of the Company as an open-ended Class B investment fund; the removal of the requirement for directors to retire by rotation and the extension of the notice period for general meetings from 10 days to 14 days. In addition, the dividend provisions have been simplified to be consistent with the Guernsey Companies Law which gives authority to declare dividends to the directors.

An amended and restated Investment Management Agreement will be entered into between the Company and the Investment Manager to take effect upon Conversion. Under the terms of the amended and restated Investment Management Agreement there will be no changes to the fees payable to the Investment Manager, the costs or expenses payable by the Company or to the term or termination provisions of the agreement. The changes made are to reflect the Conversion and changes to Guernsey Company law and to update certain definitions.

Shareholders will also be asked to approve the cancellation of the listing of the Ordinary Shares on the Official List and the discontinuance of trading on the London Stock Exchange. Under the Listing Rules, it is a requirement that the cancellation be approved by at least 75 per cent. of the Shareholders voting at a general meeting. Accordingly, the notice of the Annual General Meeting set out at the end of this document contains a special resolution to approve the cancellation of the listing of the Ordinary Shares on the Official List and the discontinuance of trading on the London Stock Exchange.

The Proposals include the De-Listing from the Frankfurt Stock Exchange and the ISE Admission which do not require shareholder approval. If the Conversion Resolutions are not passed, the Directors will not apply for the cancellation of the listing on the Frankfurt Stock Exchange. The ISE Admission is conditional on the Conversion. The Irish Stock Exchange has confirmed that, following Conversion, the Company will be eligible for admission to the ISE. If the Conversion Resolutions are passed by the requisite majority at the Annual General Meeting, it is intended that formal requests for the De-listing with effect from 22 September 2010 in the case of the Frankfurt Stock Exchange will be submitted to the Frankfurt Stock Exchange and with effect from 16 December 2010 in the case of the Official List to the UK Listing Authority.

Shareholders will be able to carry out dealings in the Company's Ordinary Shares on the Frankfurt Stock Exchange up to 21 September 2010 and on the London Stock Exchange up to 10 December 2010. The register of members will close at 5.00 p.m. on the last day of dealings on the London Stock Exchange and the London Listing will be suspended on the next following business day (13 December 2010).

Application will be made to the Irish Stock Exchange for the admission of the Participating Shares to the ISE Official List and to trading on the main market of the ISE with effect from the date of the De-listing from the London Stock Exchange which is expected to be on 16 December 2010. However, it is not expected that an active secondary market in the Participating Shares on the ISE will develop and Shareholders should read the section below headed "Important Considerations for Shareholders and Risk Factors".

The Conversion

The Directors believe that the investment objective of the Company, namely to provide Shareholders with capital growth in the mid to long-term by investing in private equity, private debt, other private

market investments and other alternative investments, can be better achieved by the Conversion of the Company into an open-ended investment fund as investments will then be valued at Net Asset Value rather than marked-to-market with a resulting discount. There will be no change to the Company's investment objective and strategy or to its investment policy, including gearing.

Under the Conversion, the Ordinary Shares will be converted into Participating Shares which, like the Ordinary Shares, carry the right to any dividends and to attend and vote at any general meeting, but also have certain redemption rights. No net redemption will be permitted during the Lock-Up Period; i.e. redemptions will be permitted to the extent that they do not exceed subscriptions of new Participating Shares on the same Redemption Day. The Lock-Up Period will extend for as long as is necessary for the Company to ensure compliance with any Credit Facility provided always that the Lock-Up Period may not be longer than three years from the date of Conversion. Thereafter, Participating Shares may be redeemed quarterly, subject to a redemption gate in the event that redemption requests, on a net basis, represent in aggregate more than the Applicable Rate of the number of Participating Shares outstanding at the end of the relevant quarter. A Redemption Fee of up to 5 per cent. of the Net Asset Value per Participating Share may be payable on redemption, as described more fully in Part II under the heading "Redemption Fee". The Redemption Fee may be waived at the discretion of the Directors, who have for the time being waived this fee but it may be imposed without notice.

In addition, the Directors may declare a suspension or postponement of redemptions in exceptional cases where circumstances so require and provided the suspension is justified having regard to the interest of Shareholders. The Directors may also in certain situations compel the redemption of a Shareholder's Participating Shares as described more fully in Part II under the heading "Compulsory Redemption of Participating Shares". As an open-ended fund following Conversion, investors will also be able to subscribe for new Participating Shares in the Company on a quarterly basis.

A draft of the Listing Particulars in connection with the application for ISE Admission is available for inspection at the address mentioned below. In addition, a summary of the key terms of the Listing Particulars is set out in Part II of this document.

The ISE Admission

Certain Shareholders may not be permitted to hold securities in an unlisted company and the Directors understand the value to certain Shareholders and potential investors of the Company of investing in a company that is listed on an EEA regulated market. Accordingly, applications will be made to the Irish Stock Exchange for the Participating Shares (issued and to be issued) to be admitted to the Irish Official List and to trading on the main market of the Irish Stock Exchange. However, it is not expected that an active secondary market for the Participating Shares will develop on the ISE.

Following the ISE Admission, the Company will be required to comply with the ISE Investment Funds' Listing Requirements and Procedures (the "Irish Listed Funds Code"). A summary of these requirements is set out in Part III of this document. Shareholders wishing to view the Irish Listed Funds Code in full can do so online on the ISE's website (http://www.ise.ie/index.asp?locID=85&docID=-1).

Important considerations for Shareholders and Risk Factors

Shareholders who remain shareholders in the Company after the Conversion, De-listing, and ISE Admission should be aware that the value of the Participating Shares could go down as well as up, and investors may not recover their original investment, especially as there is likely to be a limited market and liquidity in the Participating Shares or may even lose their entire investment. The Directors do not anticipate an active secondary market will develop in the Participating Shares. While the ISE has approved in principle the Admission there is a risk that the application for listing could be refused.

In addition, whilst in September 2009 the Company entered into the New Credit Facility for a 3 year term, certain changes to the security arrangements, and, the credit agreements in connection with New Credit Facility will become necessary as a result of the De-listing and Conversion. The Company has informed the lenders and securities agent of the Proposals and they have agreed in principle to grant any necessary consents and make any necessary amendments to the finance documents. However, whilst the

Directors have no reason to believe that such consents and agreements will not be forthcoming, there can be no guarantee that such consents and agreements will be forthcoming; if they were not forthcoming, the monies outstanding under the New Credit Facility could be repayable immediately. If the New Credit Facility became repayable immediately, the Company would need to sell its assets on the secondary market or try to refinance the facility with a credit facility from another lender.

The redemption of Participating Shares is subject to certain restrictions and the Company may suspend the calculation of the Net Asset Value and/or subscription and redemption of Participating Shares. No net redemption will be permitted during the Lock-Up Period i.e. redemptions will be permitted to the extent that they do not exceed subscriptions of new Participating Shares on the same Redemption Day. This restriction is, *inter alia,* because the New Credit Facility does not permit net redemptions. In addition, the redemption of Participating Shares is subject to various restrictions as may be imposed by the Company at the discretion of the Directors and may be suspended or postponed for an undefined period under certain circumstances. After the Lock-Up Period, in the event that redemption requests, on a net basis, represent in aggregate more than the Applicable Rate (or such higher percentage as the Directors may determine) of outstanding Participating Shares on any Redemption Day, then the Company will (unless otherwise determined by the Directors), reduce the requests rateably and *pro rata* amongst Shareholders seeking to redeem Participating Shares on the relevant Redemption Day and carry out only such redemptions as, in aggregate, amount to the Applicable Rate (or such higher percentage as the Directors may determine). Accordingly, the redemption of Participating Shares may be deferred or may not be possible at all. Furthermore, to the extent that there are no new subscriptions, there is no guarantee that Participating Shares can be redeemed during the Lock-Up Period. In addition, whilst the New Credit Facility subsists, Participating Shares can only be redeemed to the extent that there are subscriptions for an equivalent number of new Participating Shares.

In the event that a redemption request is received and accepted, in normal circumstances redemption proceeds will be paid typically within 10 Business Days of publication of the Net Asset Value per Participating Share. However in certain circumstances the Directors are able, at their discretion, to delay settlement of redemptions accepted even if such redemptions relate to less than the Applicable Rate. Further, in extraordinary circumstances, redemption proceeds may not be paid on the basis of the Net Asset Value per Participating Share but based on the Secondary Value Dealing Price, a price which reflects prices in the secondary market for the Company's assets and which may be lower than the Net Asset Value per Participating Share.

In certain circumstances, or on the final liquidation of the Company, the Directors may not be able to identify a purchaser for some or all of the remaining investments held by the Company. In this event the remaining investments may be distributed in specie to Shareholders (subject to Shareholder consent). In this situation Shareholders may become a minority shareholder in a privately operated company or a direct holder of interests of an underlying fund. In addition, it may be difficult to identify a purchaser for such an investment or to obtain reliable independent information about its value.

Substantial redemptions of Participating Shares may cause the liquidation of any investment of the Company at a time which could adversely affect the value of the remaining Participating Shares or the risk profile of the remaining investments.

The Company will issue new Participating Shares and redeem existing ones during its lifetime. Although the simultaneous issue and redemption is expected to have a neutralising effect and the net redemption is restricted: (i) a net issue may have the effect of reducing the investment level which changes the risk/return profile of the Company; and/or (ii) a net redemption may have the effect that assets of the Company have to be liquidated causing a change in the investment level and the risk/return profile.

Shareholders should note that, following the Conversion, the Company will no longer be subject to the provisions of the City Code on Takeovers and Mergers (the "Takeover Code") as the Takeover Code does not apply to open-ended investment companies. In addition, the Company will cease to be a member of the AIC and will no longer follow the AIC Code of Corporate Governance. Shareholders should also note that the regulatory regime (imposed through the Listing Rules and the Disclosure Rules and Transparency Rules of the UK Listing Authority) which applies to companies with shares admitted to the UKLA Official List and to trading on the main market of the London Stock Exchange will no longer apply. Instead, following the ISE Admission, the applicable regulatory regime will be the rules contained in the Irish Listed Funds Code and the ISE Listing Rules. Furthermore as De-Listing

on the Official List is not conditional on Admission to the ISE there is a risk that the Shares of the Company will not be admitted to a regulated market or any market. In that event, Shareholders will only be able to dispose of their Shares using the limited redemption rights described in Part II of this circular ("the Company Following Conversion") and the Company will not be subject to the requirements of the Irish Listed Funds Code.

Options for Shareholders

If the Conversion Resolutions are passed at the AGM, Shareholders will have the following options:

1. to take no further action and remain as a Shareholder in the Company. Following the Conversion Date, Shareholders will hold Participating Shares; **and/or**
2. to sell all or some of their Ordinary Shares in the market in the period between the date of the AGM and the last day of dealings on the London Stock Exchange which is expected to be 10 December 2010 in London. The last day of dealings on the Frankfurt Stock Exchange is expected to be 21 September 2010.

Unwinding of Co-ownership Interests upon De-listing from the Frankfurt Stock Exchange

In December 2006 the Company entered into an agreement with, *inter alia*, Clearstream Banking AG ("Clearstream") pursuant to which Clearstream had issued a global bearer certificate ("Global Bearer Certificate") for the purpose of good delivery of the Ordinary Shares on the Frankfurt Stock Exchange. Shareholders trading their shares on the Frankfurt Stock Exchange hold Co-ownership Interests in the Global Bearer Certificate. This agreement shall terminate subsequent to the de-listing from the Frankfurt Stock Exchange and consequently the Global Bearer Certificate shall be unwound. Pursuant to the terms and conditions of the Global Bearer Certificate Clearstream shall as of the de-listing from the Frankfurt Stock Exchange request from the holders of the Co-ownership Interests instructions through their depositary banks stating to whom the Ordinary Shares being represented by the Co-ownership Interests shall be delivered, respectively, the address to which the certificate evidencing the registration of the previous holder of the Co-ownership Interests in the Company's register shall be mailed by the Company's Registrar and Transfer Agent. In case such instruction is not received by 15 November 2010, the respective Co-ownership Interests will be subject to a compulsory conversion into Ordinary Shares. When the registered shares have been received in the account of Clearstream Banking AG, Frankfurt/Main, those holders of Co-ownership Interests maintaining an account with Clearstream Banking AG will automatically be credited with the Ordinary Shares in their CREATION accounts. Holders of Co-ownership Interests who do not have a CREATION account are requested to instruct Clearstream Banking AG as to where the Ordinary Shares are to be made available.

Registration and settlement procedures from the Conversion Date

Participating Shares will be held in registered form and no share certificates will be issued. Shareholders who currently hold their Ordinary Shares in certificated form should note that their share certificates will no longer be valid. The Company's Registrar and Transfer Agent will change with effect from the Conversion Date from Capita Registrars Guernsey Limited to HSBC Securities Services (Guernsey) Limited ("HSSGL"). Shareholders who hold their Shares in certificated form or registered in their own names will be required to provide HSSGL with such identification as HSSGL considers appropriate in connection with its anti-money laundering procedures.

Shareholders who hold their Ordinary Shares in uncertificated form via CREST should note that following Conversion, the Participating Shares can no longer be held in a CREST Account. The Company has made arrangements with Euroclear S.A./N.V. and HSSGL whereby Shareholders can elect to hold their Participating Shares on Euroclear/FundSettle, Euroclear Bank's platform for fund transaction processing and servicing. Accordingly, if Shareholders wish to continue dealing in Participating Shares electronically, they will need to use an existing Euroclear/FundSettle account or open an account with Euroclear/FundSettle.

There will be no automatic transfer of Ordinary Shares from CREST to Euroclear/FundSettle on the Conversion Date and **Shareholders need to act**. Shareholders who are institutional clients and do not already have a Euroclear/FundSettle account and wish to hold their shareholdings through

Euroclear/FundSettle will have to apply for an account with Euroclear S.A./N.V. To open an account with Euroclear/FundSettle, Shareholders are asked to contact Euroclear/FundSettle as soon as possible. The process of opening an account with Euroclear/FundSettle may take some time and it cannot be guaranteed that the account will be opened in time in order to allow for the transfer of Participating Shares to the new account as of the Conversion Date.

Shareholders who already hold their Ordinary Shares on the Euroclear core platform will be advised by Euroclear if they have to take action to maintain their position on the core.

Please note that Shareholders who do not have an existing relationship with HSSGL or Euroclear S.A./N.V. will be required to provide identification documentation to verify their identity (including of any beneficial owner(s) underlying the account) for anti-money laundering purposes.

For further information on registration and settlement procedures, Shareholders should contact:

(a) the Client Services desk at Euroclear/FundSettle on +32 2 326 4670; or

(b) the Investor Services Department at HSSGL on +44 1481 707 186; or

(c) Kristina Spiridonova at Partners Group on + 41 41 768 8686.

Please note that financial advice will not be given by the above helplines.

Shareholders should submit their instruction at least 15 business days prior to the Conversion Date, in order to enable their Participating Shares to be received into their Euroclear/FundSettle account as of the Conversion Date.

Shareholders holding Ordinary Shares in CREST who have (i) done nothing; (ii) not submitted their instructions for transfer of their Ordinary Shares to a Euroclear/FundSettle account at least 15 days prior to the Conversion Date; or (iii) applied for an account with Euroclear S.A./N.V. but have not had their account opened prior to the Conversion Date; will have their holdings on the Conversion Date automatically transferred from CREST to the register maintained by HSSGL. These Shareholders should note that from the Conversion Date their Participating Shares will no longer appear on any electronic securities account. Shareholders who hold Ordinary Shares in certificated form will also have their holdings transferred to the register maintained by HSSGL. HSSGL will then contact these Shareholders directly to request the relevant identification documentation. Pending verification of such Shareholder's identity (including that of any beneficial owner(s)) to HSSGL's satisfaction, such Shareholder's account will be frozen and no transactions can be effected. **In the event that the identification procedures have not been completed within 60 business days of the Conversion Date, the Company may, at its discretion, compulsorily redeem such Shareholder's interest in the Company in accordance with the redemption procedures summarised in Part II of this document**.

Shareholders should note that where HSSGL have not received any or sufficient identification documentation from Shareholders following the Conversion, these Shareholders will not be able to transfer, redeem or otherwise deal in their Participating Shares.

Shareholders should note that, following the passing of the Conversion Resolutions the Company's listing on the Frankfurt Stock Exchange will be cancelled on or around 22 September 2010, even if the Conversion is not ultimately approved by the GFSC.

Shareholders should also note that following De-Listing on the Official List the Company will no longer be subject to the provisions of the City Code on Takeovers and Mergers (the "Takeover Code") as the Takeover Code does not apply to open-ended investment companies. In addition, the Company will cease to be a member of the AIC and will no longer follow the AIC Code of Corporate Governance. Shareholders should also note that the regulatory regime (imposed through the Listing Rules and the Disclosure Rules and Transparency Rules of the UK Listing Authority) which applies to companies with shares admitted to the UKLA Official List and to trading on the main market of the London Stock Exchange will no longer apply. Furthermore as De-Listing on the Official List is not conditional on Admission to the ISE there is a risk that the Shares of the Company will not be admitted to a regulated market or any market. In that event, Shareholders will only be able to dispose of their Shares using the limited redemption rights described in Part II of this circular ("the Company Following Conversion") and the Company will not be subject to the requirements of the Irish Listed Funds Code.

Annual General Meeting

The Proposals are conditional upon the approval of Shareholders and, accordingly, Resolutions to approve the Proposals will be proposed at the Annual General Meeting to be held at 10.30 a.m. on 16 June 2010 at Third Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, notice of which is set out at the end of this document. Enclosed with this document is a Form of Proxy (for use by holders of Ordinary Shares) for use at the meeting.

Details of the other items of business to be proposed at the Annual General Meeting are set out below:

Ordinary Business

The ordinary business of the Annual General Meeting comprises resolutions 1 to 7 and is to receive and consider the financial statements of the Company for the year ended 31 December 2009, to re-elect certain directors who are retiring by rotation or otherwise, to approve the re-appointment of the auditors, PricewaterhouseCoopers CI LLP, as auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

The special business of the meeting comprises four resolutions (8, 9, 10 and 11). Resolutions 8, 9 and 10 are the Conversion Resolutions.

Set out below is a summary of these resolutions:

Resolution 8 will be proposed as a special resolution (a) to adopt the New Memorandum and Articles to reflect the change in the Company's status from being a closed-ended company to an open-ended authorised fund, together with certain other amendments to assist with the administration of the Company, (b) to approve the conversion of the Company to an open-ended fund authorised under the POI Law and the Class B Rules, 1990 in each case with effect from 13 December 2010 and (c) to approve the cancellation of the listing of the Ordinary Shares on the Official List and the discontinuance of trading on the London Stock Exchange with effect from 16 December 2010. Resolution 8 is conditional upon receipt of the final consent of the GFSC to the Conversion. If Resolution 8 is not passed or is passed but does not become unconditional, the Company will remain as a closed-ended investment company subject to the terms of its existing Memorandum and Articles of Incorporation and the Ordinary Shares will remain listed on the Official List and traded on the London Stock Exchange. In the event that resolution 8 is passed, the listing on the Frankfurt Stock Exchange will be cancelled, even if the Conversion is not ultimately approved by the GFSC.

Resolution 9 will be proposed as a special resolution to approve the conversion of the Ordinary Shares into redeemable Participating Shares having the rights attached them in the New Memorandum and Articles. If Resolution 8 is not passed and Conversion does not take place then Resolution 9 will not come into effect and the Ordinary Shares will remain as Ordinary Shares. Resolution 10 will be proposed as an ordinary resolution to increase the Company's share capital so as to allow for the issue of 100 Management Shares to the Investment Manager. If Resolution 8 is not passed and Conversion does not take place then Resolution 10 will not come into effect and the Company's share capital will not be increased.

Resolution 11 will be proposed as a special resolution to authorise the Company to make market purchases of Ordinary Shares in the Company. The Directors do not intend to use this authority unless the Conversion Resolutions are not passed or if Conversion does not take place following the passing of the Conversion Resolution and in that event will do so only if they consider that such use would be for the benefit of the Company and Shareholders as a whole. Following Conversion, Resolution 11 will not be valid in any event. Any Ordinary Shares that may be purchased will, at the discretion of the Directors, be held in treasury or cancelled.

The Directors intend that Resolutions 8, 9 and 10 will be considered on a poll of those Shareholders present in person or by proxy or (being a corporation) present by a duly authorised representative. To be effective, each special resolution must be passed by a majority of not less than 75 per cent. of those Shareholders represented at the meeting in person or by proxy and voting on the relevant resolution and the Ordinary Resolutions must be passed by more than 50 per cent. of those Shareholders represented at the meeting in person or by proxy and voting on the resolution.

Action to be taken by Shareholders and holders of Co-ownership Interests

You will find enclosed with this document a Form of Proxy for use at the Annual General Meeting by holders of Ordinary Shares.

Whether or not you propose to attend the Annual General Meeting in person, registered holders of Ordinary Shares are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon. Duly completed Forms of Proxy must be returned to the Company at Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1BT or faxed to the Company on +44 (0)1481 730 947 as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 14 June 2010. CREST members should use the CREST electronic appointment service and refer to Note 9 of the Notice of the AGM in relation to the submission of a proxy appointment via CREST. Lodging a Form of Proxy will not preclude you from attending and voting in person at the meeting.

Holders of Ordinary Shares deliverable in the form of Co-ownership Interests will receive Forms of Instruction and Proxy as well as additional information from their depositary banks, which can also be obtained free of charge on the Company's website (http://www.princess-privateequity.net). In order to be valid, the duly completed Forms of Instruction and Proxy must be returned to the depositary banks no later than 5.00 p.m. on 1 June 2010 (receipt by depositary bank).

Lodging a Form of Instruction and Proxy will not preclude holders of Co-ownership Interests from attending and voting in person at the Meeting but you must have completed the Form of Instruction and Proxy so as to have appointed you personally as a proxy in respect of the Ordinary Shares in which you are interested. In such event the Form of Instruction and Proxy, which will be held by the Company at the Meeting, will serve as entrance card for the Meeting.

If you intend to attend the meeting please contact Carol Kilby on +44 1481 743 947 beforehand in order that appropriate arrangements can be made.

If the Conversion Resolutions are duly passed at the Annual General Meeting, and other necessary formalities are completed, this will result in the Resolutions becoming binding on each Shareholder (including holders of Co-Ownership Interests) whether or not they voted in favour of the Conversion Resolutions, or voted at all.

If you have any questions regarding these instructions, or the other contents of this circular, please do not hesitate to contact Carol Kilby on +44 1481 743 947. Please note that financial advice will not be given on this helpline.

Documents for inspection

Copies of the following documents will be available for inspection at the Company's registered office at Third Floor, Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1BT for the period from the date of this circular until the date of the AGM:

(a) a copy of the New Memorandum and Articles, together with a blacklined version, showing the changes from the existing Memorandum and Articles of Incorporation, which will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes before and during the meeting; and

(b) a draft, subject to amendment and to the approval of the ISE, of the Listing Particulars, to be issued by the Company on the Conversion Date.

Recommendation

Your Board considers that the Proposals are in the best interests of Shareholders as a whole. Accordingly, your Board recommends you to vote in favour of the Conversion Resolutions to be proposed at the Annual General Meeting.

Your Board also recommends you to vote in favour of Resolution 11 (general authority to make market purchases of shares), which is a renewal of the Company's current authority, whether or not you vote in

favour of the Conversion Resolutions. Your Board considers this resolution to be in the best interests of Shareholders as a whole.

Resolutions 1 to 7 (inclusive) which comprise the Ordinary Business of the Annual General Meeting are the customary resolutions for an Annual General Meeting. Your Board considers these to be in the best interests of Shareholders as a whole and recommends you to vote in favour of these.

The Directors intend to vote in favour of the Resolutions in respect of the 194,000 Ordinary Shares deliverable in the form of Co-ownership Interests (approximately 0.277 per cent. of the current issued ordinary share capital holding voting rights) in respect of which they are, as at the date of the publication of this letter, entitled to exercise the voting rights. If the Directors acquire the right to exercise the voting rights over any further Ordinary Shares in the capital of the Company prior to the date of the Annual General Meeting, it is their intention that such voting rights would be exercised in favour of the Resolutions.

Yours sincerely

Brian Human
Chairman

PART II

THE COMPANY FOLLOWING CONVERSION

The following is a summary of the principal terms of the Listing Particulars and describes the structure of the Company immediately after Conversion.

The Company	The Company is an open-ended investment company incorporated with limited liability in Guernsey on 12 May 1999. The Company has an unlimited life.
Investment Objective and Strategy	The Company's investment objective is to provide Shareholders with capital growth in the mid to long-term by investing in private equity, private debt, other private market investments such as, for example, private infrastructure, private real estate or PIPE (private investments in public equity) and other alternative investments. The Company pursues a relative value investment strategy, the goal of which is to systematically identify and invest primarily in a broadly diversified portfolio of private markets investments, with a special focus on private equity and private debt (through, *inter alia*, direct investments and fund investments) that Partners Group believes offer superior value at a given point in time. The Company offers diversified private markets exposure through a global platform, leveraging Partners Group's relationships with a wide variety of leading private market firms.
Risk Factors	Investment in the Company involves significant risks. Shareholders' attention is drawn to the risks outlined in pages 7 to 8 of this document under the section "Important Considerations for Shareholders and Risk Factors".
Directors	The Directors of the Company are responsible for the oversight of the management and administration of the Company and for its overall investment objective and strategy. Following Conversion, the Directors of the Company will remain as: ● Mr. Brian Human ● Mr. Andreas Billmaier ● Mr. Richard Battey ● Mr. Fergus Dunlop ● Mr. Urs Wietlisbach
Investment Management	The Company has appointed Princess Management Limited as Investment Manager to manage the Company's investments on a discretionary basis. The Investment Manager has appointed the Investment Adviser to provide investment advisory services including, amongst other things, assisting in sourcing, investigating, analysing, structuring and/or negotiating potential investments and monitoring the performance of the Company's investments.
Administration	The Company has appointed Partners Group (Guernsey) Limited as the Administrator.
Custody	The Company has appointed HSBC Custody Services (Guernsey) Limited as Custodian to take custody or control of the assets of the Company on terms as disclosed in the Listing Particulars.

The Shares	The Company has an authorised share capital of EUR 200,200 divided into 200,100,000 Shares of EUR 0.001 each which may be issued as Participating Shares and 100 Shares of EUR 1.00 each which may be issued as Management Shares. Participating Shares carry the right to any dividends as determined by the Directors and the right to attend and vote at any general meeting.
Subscription of Participating Shares	Applications which are received prior to the Subscription Cut-Off Date will, if accepted, be dealt with on the basis of the Subscription Price per Participating Share calculated as of the immediately following Dealing Valuation Day (being the last Business Day of the calendar quarter in which the Subscription Cut-Off Date falls). Applications received after the Subscription Cut-Off Date, will be dealt with, if accepted, on the basis of the Subscription Price per Participating Share as of the Dealing Valuation Day applicable for the next Subscription Day.
Subscription Fee	A Subscription Fee of up to 5 per cent. of the applicable Net Asset Value per Participating Share may be payable on the subscription for Participating Shares. The Subscription Fee is for the benefit of the Company and is determined by the Directors. The Subscription Fee is currently 0 per cent. This amount is subject to change and prior notice will be given to Shareholders of any change.
Placement Fee	means a placement fee of up to 5 per cent. of the Net Asset Value per Participating Share that is payable by subscribers of Participating Shares to an intermediary upon acceptance by the Company of a subscription for Participating Shares. The Placement Fee and the Subscription Fee combined may not on aggregate exceed 5 per cent. of the Net Asset Value per Participating Share that is payable by subscribers of Participating Shares.
Transfers of Participating Shares	Participating Shares may not be issued, or transferred, to or for the benefit of any person other than an Eligible Investor.
Minimum Initial Investment and Minimum Subsequent Subscription Amounts	A minimum subscription amount of EUR 10,000 is required for new investors. Subsequent subscriptions of existing Shareholders are subject to a minimum subscription requirement of Participating Shares valued at EUR 1,000 or any other amount as the Directors may determine.
Redemptions of Participating Shares	Redemption requests which are received prior to the Redemption Cut-Off Date, will be dealt with on the basis of the Redemption Price per Participating Share calculated as of the immediately following Dealing Valuation Day (being the last Business day of the calendar quarter in which the Redemption Cut-Off Date falls) or on the basis of the Secondary Value Dealing Price (if applicable), provided always that no net redemptions of Participating Shares may be made during the Lock-Up Period but redemptions will be permitted to the extent

	that they do not exceed Subscriptions on the same Redemption Day. The Directors may decide to apply a Secondary Value Dealing Price on the Company's assets, which may be sold in order to satisfy redemptions. Where the Secondary Value Dealing Price is applied, redeeming investors will not receive redemptions based on the Redemption Price but will receive proceeds based on the Secondary Value Dealing Price. The Directors may, in their absolute discretion, waive notice requirements or permit redemptions under such other circumstances or conditions in their sole and absolute discretion. Redemption requests received after the Redemption Cut-Off Date will be dealt with, on the basis of the Redemption Price per Participating Share as of the Dealing Valuation Day applicable for the next Redemption Day or the Secondary Value Dealing Price (as applicable). Partial redemption of an existing Shareholder's holding is only possible where it results in a remaining holding of this Shareholder of no less than EUR 10,000.
Redemption Proceeds	Redemption monies shall be paid 10 Business Days after the Net Asset Value Publication Day or, where applicable and in any case where the Secondary Value Dealing Price is applied, as soon as proceeds are received by the Company from the sale of any underlying investments to meet the redemption. The payment of all redemption proceeds is subject to the Company's receipt of the corresponding proceeds from the sale of underlying investments.
Redemption Fee	A Redemption Fee of up to 5 per cent. of the Net Asset Value per Participating Share may be payable on redemption. The Redemption Fee is for the benefit of the Company and is determined by the Directors from time to time. There will be no Redemption Fee payable where redemptions have been satisfied by applying the Secondary Value Dealing Price. The Redemption Fee will be set between 0 and 5 per cent. but may be waived at the discretion of the Directors. Investors are advised to consult with the Investment Manager prior to redeeming as to the Redemption Fee applied, if any. The Directors have for the time being waived the Redemption Fee but it may be imposed without notice.
Redemption Gate	In the event that redemption requests represent in aggregate more than the Applicable Rate of the number of Participating Shares outstanding on any Redemption Day (after taking account of any subscriptions accepted on that day), then the Company will reduce the requests rateably and *pro rata* amongst Shareholders seeking to redeem Participating Shares on the same Redemption Day and carry out only sufficient redemptions which, in aggregate, amount to the Applicable Rate (unless the Directors determine to accept a higher amount by, fully or partially, waiving this restriction). Participating Shares which are not redeemed but which would otherwise have been redeemed will be carried forward for redemption on the next Redemption Day subject to any further deferral if the aggregate of (a) new redemption requests for that

Redemption Day and (b) the deferred requests themselves exceed the Applicable Percentage of the number of Participating Shares outstanding at the end of the relevant quarter. Deferred requests will be treated on an equal basis to new redemption requests for the respective Redemption Day and be deferred to the next Redemption Day where deferred redemption requests will be treated on an equal basis to new redemption requests for the respective Redemption Day.

During the Lock-Up Period, redemptions may not exceed subscriptions for new Participating received on the same Redemption Day for any Redemption Day. Should redemptions of Participating Shares exceed subscriptions, all redemption requests will be reduced rateably and *pro rata* amongst all Shareholders seeking redemption on the relevant Redemption Day and be deferred to the next Redemption Day where deferred redemption requests will be treated on an equal basis to new redemption requests for the respective Redemption Day.

Participating Shares will be redeemed at the Redemption Price or the Secondary Value Dealing Price (as applicable) at the Redemption Day on which they are accepted for redemption.

Suspension or Postponement of Redemption

The Directors may declare a suspension of the redemption of Participating Shares at any time if:

(a) the Directors are of the opinion that it is not reasonably practicable or in the best interests of the Shareholders for the Company to realise or to dispose of investments; or

(b) the Directors are of the opinion that there is good and sufficient reason to do so having regard to the interests of the continuing Shareholders; or

(c) during any period when the Company has insufficient liquid assets to make payment to those Shareholders that have requested redemptions.

Any such suspension of redemptions shall take effect at such time as the Directors shall declare but no later than the close of business on the next Business Day following the declaration and thereafter there shall be no redemption of Participating Shares until the Directors shall declare the suspension at an end except that such suspension shall in any event terminate on the first Business Day on which

(a) the condition giving rise to the suspension shall have ceased to exist; and

(b) no other condition under which suspension is authorised exists.

Where the redemption of Participating Shares in suspended, the Company may still calculate and publish the Net Asset Value per Participating Share. Notice of any suspension will be given to any Shareholder tendering his Participating Shares for redemption. If the request is not withdrawn, the redemption will take place as of the first Redemption Day following the termination of the suspension.

Any such suspension will be notified to the Irish Stock Exchange immediately and where possible all reasonable steps

will be taken to bring any period of suspension to an end as soon as possible.

In addition, a suspension of redemptions of Participating Shares will result from the suspension of calculation of the Net Asset Value in the circumstances set out under the heading "Suspension of Net Asset Value and Dealing" below.

If the Directors are of the opinion that it is not reasonably likely that all Participating Shares that are the subject of relevant Redemption request will be able to be redeemed out of the realised investments of the Company on the relevant Redemption Day then the redemption of such Participating Shares shall be postponed by the Directors to a subsequent Redemption Day as decided by the Directors. Postponed redemption requests will be treated on an equal basis to new redemption requests for the respective Redemption Day. Notice shall be given to Shareholders of any such postponement. Participating Shares will be redeemed at the Redemption Price or the Secondary Value Dealing Price (as applicable) to the Redemption Day on which they are accepted for redemption.

Compulsory Redemption of Participating Shares

The Directors may in their discretion compel the redemption of all of a Shareholder's Participating Shares at any time, where, among other matters, the Shareholder is not an Eligible Investor or holds less than the minimum holding as may be determined by the Directors from time to time, if any, or otherwise if, in the opinion of the Directors, it is in the interests of the Company to do so, in circumstances where the holding of such Participating Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or it's Shareholders as a whole.

Furthermore, the Directors have the discretion to compel the redemption of all Participating Shares in issue if the NAV falls below EUR 50 million, or if the appointment of the Investment Manager is terminated.

Suspension of Net Asset Value and Dealing

The Directors may temporarily suspend the calculation of the Net Asset Value per Participating Share in exceptional cases where circumstances so require and provided the suspension is justified having regard to the interests of Shareholders, for example in any of the following events:

(a) when one or more recognised markets which provides the basis for valuing a portion of the assets of the Company are closed other than for or during holidays or if dealings therein are restricted or suspended;

(b) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Company, disposal of assets held by the Company is not reasonably practicable without being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors redemption prices cannot fairly be calculated;

(c) in the event of a breakdown of the means of communications normally used for valuing any part of the Company or if for any reason the value of any part of the

Company may not be determined as rapidly and accurately as required;

(d) during any period when the Company is unable to repatriate moneys for the purpose of making payments on the redemption of its Shares or during which any transfer of moneys involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at regular values or normal rates of exchange;

(e) during any period when, in the opinion of the Directors, there exists unusual circumstances which make it impracticable or unfair towards the Shareholders to continue dealing with Participating Shares of the Company;

(f) in the event it is desirable for the protection of the Company or in the interests of the Shareholders as a whole; or

(g) in the event the Companies Law and the Collective Investment Schemes (Class B) Rules, 1990 otherwise permit.

Any such suspension will be notified to the Irish Stock Exchange immediately and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Such suspension shall be publicised by the Directors in such manner as they may deem appropriate to the Shareholders and shall take effect at such time as the Directors shall declare but not later than the close of business on the next Business Day following the declaration and thereafter there shall be no determination of the Net Asset Value per Participating Share until the Directors shall declare the suspension at an end except that the suspension shall terminate in any event on the first Business Day on which:

(a) the condition giving rise to the suspension shall have ceased to exist; and

(b) no other condition under which suspension is authorised shall exist.

In any case, no subscription or redemption of Participating Shares will take place during any period when the calculation of the Net Asset Value per Participating Share is suspended.

Transfers of Shares

Participating Shares are freely transferable to Eligible Investors.

Form of Shares

Shares will be issued in non-certificated form. Shareholders will receive statements of account confirming their holding.

Net Asset Value

The Net Asset Value per Participating Share shall be determined by the Administrator, in accordance with the Articles, as of each Valuation Day. The Net Asset Value per Participating Share shall be calculated (in Euros) to two decimal places. The Net Asset Value per Participating Share will be notified to the Irish Stock Exchange immediately upon its calculation and made available no later than the Net Asset Value Publication Day.

Fees and Expenses of the Company

The Investment Manager is paid a management fee, which is calculated and paid quarterly in arrears at the end of each quarter. The Management Fee equals 0.375 per cent. per quarter of the Company's Private Equity Asset Value calculated at the

end of the respective quarter. In addition, in relation to secondary investments the Investment Manager is entitled to a quarterly secondary investment fee of 0.0625 per cent. of the Secondary Investment Value (the Secondary Fee) and in respect of direct investments to a quarterly direct investment fee of 0.1250 per cent. of the Direct Investment Value, the Direct Fee. Where the Company has invested in any Pooling Vehicle, the Investment Manager shall procure that any management fees and/or performance fees which would be charged by Partners Group or any of its affiliates in connection with such investment will be waived or rebated to the Company.

The Investment Manager may also in certain circumstances be entitled to receive a Performance Fee.

The Investment Adviser is paid by the Investment Manager and will not be separately remunerated by the Company.

The Administrator is entitled to a quarterly fee not exceeding 0.0125 per cent. of the first USD 1 billion (or the equivalent amount in EUR) of the Company's Net Asset Value paid quarterly in advance and 0.005 per cent of the amount by which such Net Asset Value exceeds USD 1 billion (or the equivalent amount in EUR).

The Custodian is entitled to a monthly fee of GBP 3,500. The Custodian is entitled to a launch fee of up to GBP 5,000. Transaction fees are also payable to the Custodian.

The Registrar and Transfer Agent is entitled to an annual fee of a tiered percentage not to exceed 0.02 per cent. of the NAV, accrued monthly and payable quarterly in arrears subject to a minimum monthly fee of GBP 3,000. In addition, the Registrar and Transfer Agent shall be entitled to a launch fee of GBP 5,000.

The Company Secretary is entitled to a fee of GBP 15,000 per annum.

Each service provider shall also be entitled to reasonable out-of-pocket expenses.

Borrowing

Whilst there are no restrictions on borrowing in the Articles, the Directors have resolved that borrowings shall, subject to circumstances, typically not exceed 25 per cent. of the Company's assets. In addition, the Investment Manager may not borrow on behalf of the Company more than 25 per cent. of the value of the Company's assets without the consent of the Directors. Any borrowing shall be for liquidity management purposes.

Dividends

Subject to compliance with the Companies Law, it is intended that income may be distributed in the form of dividends from time to time.

Taxation

The Company is currently exempt from income tax in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended. Under the provisions of the ordinance, exemption is granted by the States of Guernsey Treasury and Resources Department on an annual basis provided the Company continues to comply with the

requirements of the Ordinance and upon the payment of an annual fee which is currently fixed at GBP 600. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it retains such tax exempt status.

Reports, Statements and Meetings

The Company's financial year ends on 31 December.

The audited financial statements of the Company made up to 31 December in each year will be prepared in EUR and sent to the Irish Stock Exchange and made available to Shareholders at their registered address in accordance with applicable law no later than 180 days from the financial year end. The Company will also prepare interim and quarterly reports which will be sent to the Irish Stock Exchange and made available to Shareholders within four months and two months of the respective period end. The accounts will be prepared in accordance with IFRS. The audited financial statements, the interim and quarterly reports will be made available to Shareholders via the Company's website.

The Company is obliged to hold an annual general meeting in each calendar year (provided that no more than 15 months may elapse between each annual general meeting). Notices of meetings will be sent by post and/or email only to Shareholders entitled to attend.

Conflicts of Interest

Certain inherent conflicts of interest may arise from the fact that the Directors may from time to time act as directors in relation to, or otherwise be involved with, other companies established by parties other than the Company which have similar objectives.

The Investment Adviser advises other investment companies which may have similar investment objective, policy and/or strategy.

It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company.

PART III

SUMMARY OF THE KEY LISTING REQUIREMENTS UNDER THE IRISH LISTED FUNDS CODE

Conditions for listing

Conditions relating to the applicant

An applicant applying for a listing on the Official List and to trading on the main securities market of the Irish Stock Exchange must comply with certain eligibility requirements. In summary, these are that the applicant must be a passive investor and must demonstrate a spread of investment risk, which must be adhered to for so long as the units of an applicant are listed on the ISE. Once listed, an applicant must continue to comply with the requirements of the Irish Listed Funds Code.

An applicant must be capable at all times of operating and making decisions independently of any controlling unitholder and all transactions and relationships in the future between the applicant and any controlling unitholder must be at arms length and on a normal commercial basis.

Any dividend payment by an applicant may only be made out of the applicant's accumulated net income plus the net of accumulated realised and unrealised capital gains and accumulated realised and unrealised capital losses.

An applicant must also have a sponsor for the duration of its listing on the ISE. Goodbody Stockbrokers has agreed to be the Company's sponsor.

Conditions relating to the applicant's directors

The directors must have, collectively, appropriate and relevant expertise and experience.

At least two of the directors must be independent. A director will be considered to be independent where:

(a) he has no executive function with the investment manager, investment adviser and/or their affiliated companies; and/or

(b) he has an executive function with any other service provider but is not responsible for carrying out work on behalf of the applicant.

Each of the directors of an applicant must be free of conflicts between duties to the applicant and duties owed by them to third parties and other interests, unless it can be demonstrated to the ISE that suitable arrangements are in place to avoid detriment to the applicant's interests or its unitholders as a whole.

Conditions relating to the Company's investment manager

The investment manager must have adequate and appropriate expertise and experience in the management of investments.

The investment manager, and any other service provider to an applicant, must be free of conflicts between duties to the applicant and duties owed by them to third parties and other interests, unless it can be demonstrated that arrangements are in place to avoid detriment to the applicant's interests. In particular, the investment manager should be able to demonstrate suitable arrangements for the allocation of investment opportunities between the applicant, its other clients and its own account, and satisfy the Exchange that such allocations will be made in a manner which does not unfairly prejudice the interests of the applicant or its unitholders as a whole.

The investment manager may offer unitholders and other entities the opportunity of investing directly in the investments of an applicant ("co-investment opportunities") only where arrangements are in place to avoid any conflicts of interest arising from such investments and the investment manager is satisfied that any such offer does not unfairly prejudice the interests of the applicant or its unitholders as a whole.

Conditions relating to the Company's custodian

An applicant must have a custodian/s which is/are charged with responsibility to take custody or control of the assets of the applicant and for compliance with the specific requirements of the ISE. Any such custodian must be a separate legal entity to the investment manager and any investment adviser. It is permissible that the aforementioned service providers be affiliated companies. There must be a written legal agreement with any custodian outlining the responsibilities of that custodian with regard to the assets of the applicant.

Any custodian appointed must have suitable and relevant experience and expertise in the provision of custody services. The ISE must be satisfied as to a custodian's suitability to act as custodian for the applicant. In assessing such suitability, the Exchange may request any relevant information, and may request such information to be included in the listing particulars, including, *inter alia*, the amount of assets which the custodian already has under custody, the regulatory authority under which the custodian or the applicant operates, the prior experience which the custodian has in providing custody services in respect of the asset type and the jurisdiction/s in which the applicant will invest.

Conditions relating to the Company's service providers

An applicant must appoint an entity, which must be a separate legal entity to the custodian, to be responsible for the determination and calculation of the net asset value of the applicant and notifying that value to the ISE immediately upon calculation. It is permissible that these entities be part of the same group.

An applicant must appoint an independent auditor to carry out the audit of the applicant's financial statements in accordance with the auditing standards.

Continuing obligations

General Obligation of Disclosure

A listed fund has to notify the ISE's Company Announcements Office ("CAO") without delay of

(a) any information which is necessary for the unit holders and the public to appraise the financial position of the listed fund and to avoid the creation of a false market in its listed units;

(b) any major new developments in its activities which are not public knowledge and which may, by virtue of effect of those developments on its financial position or the general cause of business of the listed fund, lead to the substantial movement in the price or net asset value of its units; and

(c) any change, of which the directors are aware, in the financial position, performance or the expected performance of the listed fund where knowledge of the change would lead to a substantial movement in the price or net asset value of the units.

Notification of interests in units

A listed fund must notify the CAO without delay of the following information relating to interests in listed units, of which the listed fund, its directors or investment manager are aware and, where such interests vary from date of first or subsequent notification, such information should be updated at least on a six monthly basis:

(a) any person which would be treated as a controlling unitholder stating the name of the person and the amount of that person's interest;

(b) any interest of any director of a listed fund which is a company, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that director whether or not held by another party, in the units of a listed fund;

(c) any interest of the investment manager in the units of a listed fund.

Rights as between holders of units

A listed fund must ensure equality of treatment of all unitholders who are in the same position. A listed fund must notify the CAO without delay of any proposal to, or development which may, vary the class rights of unitholders.

Notifications relating to the listed fund's operations

A listed fund must also notify the CAO, without delay, of the following information relating to the operation of a listed fund and may in some circumstances listed below require unitholders' prior approval:

(a) any proposed or actual material change in the general character or nature of the operation of the listed fund;

(b) any proposed or actual material change in the investment policy and/or objective and investment strategy;

(c) any proposed or actual material change in investment, borrowing and/or leverage restrictions;

(d) the net asset value per unit, upon calculation;

(e) any change in the frequency of calculation of the net asset value or any material change in the listed fund's redemption policy;

(f) any material change in the tax status of the listed fund;

(g) any general suspension of redemptions, transfers or calculation of net asset value;

(h) any change in administrator, registrar or transfer agent;

(i) in the case of a company, any change in directors or material change in any director's function;

(j) any change in dividend policy;

(k) any intention or proposal to terminate or (where the listed fund is established for a finite period) to renew or extend the life of the listed fund;

(l) any change in the minimum subscription;

(m) any change in the valuation policy;

(n) any change in any investment manager, custodian or prime broker;

(o) any change in the sponsor;

(p) any proposed transaction which might be treated as a reverse takeover under the listing rules of the ISE;

(q) any proposed or actual transaction which would be treated as a transaction with a related party for the purposes of the listing rules of the ISE;

(r) any material change in the listed fund's constitutive documents;

(s) any proposal to change or change in the open or closed ended status of the listed fund;

(t) any dividend paid and to be paid when determined – the announcement should include details of the record date, the period covered and payment date of the dividend and of the amount of any such dividend;

(u) notice of any Annual General Meeting or Extraordinary General Meeting; and

(v) any change in the financial year end of the listed fund;

(w) any material change in the fees payable by the listed fund or material change in its material contacts;

(x) any down-grade in credit rating for certain entities (or one or more of their parent companies) resulting in them ceasing to satisfy the specified credit rating laid down by the Irish Stock Exchange, must be notified to the ISE without delay together with an explanation of what steps the directors propose to make to address the position;

(y) any change in the name of the listed fund, sub-funds, classes or series; and

(z) any decision to cancel the listing of a listed fund, sub-fund, class or series.

Transactions

The ISE may, in its discretion, treat any open-ended listed fund which engages in a transaction which would fall to be classified as a reverse takeover under chapter 11 of the listing rules of the ISE as a new

applicant for listing and may require that listed fund to comply, in all respects with the relevant provisions of that chapter. The provisions of chapter 8 of the listing rules of the ISE (related parties) shall apply to a listed fund and for the purposes of that chapter a related party includes any investment manager of the listed fund. A transaction with a related party which requires prior approval by a majority of unitholders under that chapter shall not require such prior approval where the parties involved are named and the transaction described in the listing particulars.

A transaction shall for the purposes of above:

(a) include any transaction by any subsidiary of a listed fund;

(b) exclude a transaction which is in the ordinary course of business of a listed fund or which falls within a listed fund's stated investment policies or strategy; and

(c) exclude transactions by a listed fund which does not have equity securities listed.

Dealings by directors, investment manager and other interested persons

A listed fund must, by board resolution, adopt rules governing dealings by any interested persons in the listed units of a listed fund which will preclude them from dealing at a time when they are in possession of price sensitive information.

Interested persons include any director or their connected persons, any investment manager or any employee of any investment manager who, because of his office or employment by that investment manager, is likely to be in possession of unpublished price sensitive information in relation to the listed fund.

A listed fund must notify the CAO immediately of any change, of which it is or becomes aware, in the holding of listed units of directors of the listed fund, any of their connected persons and the investment manager.

PART IV

TAXATION

Introduction

The following summary is only intended as a brief and general guide to the main aspects of current UK, Guernsey, Swiss and German tax law and tax authority practice applicable to the Proposals and to the holding and disposal of Shares in the Company following the implementation of the Proposals (assuming they are implemented). Such tax law and practice may change in the future. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. It is not addressed to special classes of Shareholder such as financial institutions or trustees. Accordingly, its applicability will depend upon the particular circumstances of individual Shareholders. The summary is not exhaustive and does not generally consider tax reliefs or exemptions. Any Shareholder who is in any doubt as to his tax position in relation to the Proposals or the Company generally, whether as a result of any recent or proposed changes to tax legislation, certain of which are outlined below, or otherwise, should consult his professional adviser.

In particular, if you are resident in, or are a citizen of, countries other than the UK, Guernsey, Switzerland or Germany you may be subject to the tax laws and requirements of those jurisdictions, and you should seek your own professional advice in respect of your taxation position in those jurisdictions.

Guernsey Tax

The Company is eligible for exemption from income tax in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (the "Tax Ordinance"). Under the provisions of the Tax Ordinance, exemption is granted on an annual basis provided the Company continues to comply with the requirements of the Tax Ordinance and upon the payment of an annual fee which is currently fixed at GBP 600. The Company has been granted exempt status and it is the intention of the Directors to conduct the affairs of the Company in such a way as to retain such status during the life of the Company.

With exempt status, the Company will not be treated as resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice, therefore, the Company will only be liable to tax in Guernsey in respect of income arising in Guernsey, or income derived from a business carried on in Guernsey, other than, by concession, Guernsey source bank deposit interest.

As part of an agreement reached in connection with the European Union ("EU") directive on the taxation of savings income in the form of interest payments, and in line with measures taken by other third countries and dependent and associated territories, Guernsey introduced a retention tax in respect of payments of interest, or similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Guernsey.

The retention tax system is implemented by means of bilateral agreements with each EU Member State, and Regulations and Guidance Notes issued by the States of Guernsey Commerce & Employment Department. Based on these provisions and what is understood to be the current practice of the Guernsey tax authorities, distributions from the Company and proceeds on disposal of Shares in the Company do not constitute interest payments for the purposes of the retention tax system and therefore neither the Company nor any paying agent appointed by them in Guernsey is obliged to levy retention tax in Guernsey under these provisions.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax on Guernsey property), gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration. Document duty of GBP 2000 was payable on the incorporation of the Company. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in 2011/2012, including possibly the introduction of a goods and services tax, depending on the state of Guernsey's public finances at the time.

UK Tax

This UK Tax section does not deal with the tax position of holders of Co-ownership Interests. Such persons should if appropriate seek their own advice on the UK tax implications of the Proposals, including the unwinding of the Co-ownership Interests as described on page [9] of this document.

The Proposals

The De-listing, Conversion and ISE Admission comprised in the Proposals should not give rise to UK tax on income or chargeable gains or to any liability to UK stamp duty or Stamp Duty Reserve Tax ("SDRT").

The holding and disposal of Participating Shares in the Company following implementation of the Proposals

Offshore funds rules

Following the Conversion, it is considered that the Company will be an "offshore fund" within the meaning given in section 355 Taxation (International and Other Provisions) Act 2010 (the "2010 Act").

The legislation dealing with the meaning of "offshore fund" and the consequences of being an "offshore fund" was substantially altered by the Finance Act 2008 (the "2008 Act") and the Finance Act 2009 (the "2009 Act") and, in addition, changes were made by the regulations in SI 2009/3001 made pursuant to the 2008 Act as amended by the 2009 Act (the "Regulations")The majority of these changes took effect from 1 December 2009; however certain changes took effect from 22 April 2009.

Following these recent legislative changes, there remains some uncertainty as to the precise UK tax treatment of interests in "offshore funds" in particular because final HM Revenue & Customs ("HMRC") guidance in relation to the changes in the law has not yet been given. However this section has been prepared on the basis of the information which has been published by HMRC as at 16 April 2010.

It is the current intention of the Directors of the Company to apply to HMRC for the "reporting fund" regime to apply to the Company under the Regulations. However, no final decision has yet been taken and shareholders should therefore consider the possibility that the Company may be a "non-reporting" offshore fund in future.

The sections headed "Reporting fund: Taxation on disposals of interests in the Company", "Reporting fund: Taxation of dividends" and "Reporting fund: Reported income" discuss the UK tax treatment in the event that that the Directors successfully apply for "reporting fund" status around the time of Conversion. The UK tax treatment of the, alternative – that the Directors decide not to apply for "reporting" status around the time of Conversion – is also discussed briefly below under the heading "Non-reporting fund: Taxation on disposals and dividends".

In any event, even if the Directors decide to apply for "reporting fund" status, if the Company becomes an "offshore fund" at a point after the first three months of its accounting period, as would be the case if the Conversion takes place in December 2010, under the Regulations it is not possible for the Company to apply for the "reporting fund" regime to apply to the Company for the remainder of that accounting period. Instead, the Company would only be able to apply for "reporting fund" status with effect from the beginning of the next accounting period and as a result there would be a short period immediately after Conversion during which the Company was a "non-reporting fund".

Reporting fund: Taxation on disposals of interests in the Company

As described above, even if the Directors decide to apply for "reporting fund" status, there would be a short period immediately after Conversion during which the Company is a "non-reporting fund" for the purposes of the UK's offshore funds rules. Certain consequences of this insofar as they relate to disposals of interests in the Company by existing Shareholders who are affected by the UK's offshore

funds rules ("Affected Shareholders") are summarised below. Please note in particular that this summary does not cover the position of Affected Shareholders who are not domiciled in the UK and are remittance basis users (which may involve paying a charge of GBP 30,000 each tax year). Such Affected Shareholders should consult their own advisers on these matters.

(a) Affected Shareholders who dispose of Participating Shares in the Company after Conversion but before the Company becomes a "reporting fund" will be treated as having disposed of an interest in a "non-reporting fund". For these purposes, there is a disposal if there would be a disposal for the purposes of UK tax on chargeable gains subject to certain exceptions, notably that there is deemed to be a disposal for these purposes on the death of an Affected Shareholder who is an individual. If a gain arises on such disposal, such gain would normally be treated as an offshore income gain and charged to UK income tax or corporation tax on income as appropriate. However, it is understood from HMRC that any such Affected Shareholders who acquired, or in certain cases made a legally enforceable agreement to acquire, their Shares in the Company before 1 December 2009 should be able to rely on the exception to the offshore income gain tax liability referred to in (c)(iii) below. Any loss made on such disposal may be treated as an allowable loss for the purposes of UK tax on chargeable gains.

(b) On the Company becoming a "reporting fund", Affected Shareholders may elect for a deemed disposal of their Participating Shares and to be taxed on an offshore income gain at that point accordingly. The deemed disposal will be treated as taking place at market value on the day immediately preceding the beginning of the first period of account for which the Company is a "reporting fund" (the "disposal date"). Such an election may only be made if the deemed disposal would give rise to a gain. Affected Shareholders who make this election will be treated as having acquired an interest in a reporting fund for the same amount as the deemed disposal at the beginning of the first period of account for which the Company is a "reporting fund". For Affected Shareholders who are income tax payers, this election should be made on the income tax return for the tax year current on the disposal date. For Affected Shareholders who are corporation tax payers, this election should be made on the corporation tax return for the accounting period current on the disposal date. Affected Shareholders are urged to seek advice from their own tax advisers on whether they can and should make such an election.

(c) The tax treatment of an Affected Shareholder who makes a disposal of Participating Shares after the Company has become a "reporting fund" should be as follows:

(i) If the Affected Shareholder makes the election referred to in (b) above, he is treated as having acquired an interest in a reporting fund at the beginning of the first period of account for which the Company is a "reporting fund". Any subsequent disposal of his Participating Shares should be subject to the rules for chargeable gains (as described further below).

(ii) If the Affected Shareholder could not have made the election referred to in (b) above because such a deemed disposal on the disposal date would not have given rise to a gain, any disposal of his Participating Shares after the Company has become a "reporting fund" should be subject to the rules for chargeable gains (as described further below).

(iii) In all other circumstances, an Affected Shareholder who acquired, or in certain cases made a legally enforceable agreement to acquire, his Shares in the Company before 1 December 2009 and who makes a gain on a disposal of his Participating Shares after the Company has become a "reporting fund" should also be subject to the rules for chargeable gains (as described further below) and not taxed on an offshore income gain on such disposal. It is understood from HMRC that this should be possible by relying on an exception to the offshore income gain tax liability in the Regulations which applies if the Affected Shareholder acquired his Shares in the Company at a time when the Company did not constitute an "offshore fund" under the law as it applied up to 1 December 2009. Any loss made by such an Affected Shareholder on such a disposal may be treated as an allowable loss for the purposes of UK tax on chargeable gains.

An Affected Shareholder who did not acquire, or in certain cases make a legally enforceable agreement to acquire, his Shares in the Company before 1 December 2009 and who makes a gain on a disposal of his Participating Shares will not be able to rely on the exception described above and will be treated as having made an offshore income gain and be subject

to income tax or corporation tax on income on that gain accordingly. Any loss made by such an Affected Shareholder on such a disposal may be treated as an allowable loss for the purposes of UK tax on chargeable gains.

In relation to any gain which is subject to the rules on chargeable gains, a UK resident or ordinarily resident individual will be subject to capital gains tax on any gains at the rate of 18 per cent. All or part of such gains may fall within their annual capital gains tax exemption (GBP 10,100 for 2010/11). If they are not domiciled within the UK and are a remittance basis user (which may involve paying a charge of GBP 30,000 each tax year), they should only be liable to capital gains tax on such gains to the extent that the gains are remitted to the UK. Conversely, subject to certain exceptions, losses arising on the disposal of Participating Shares by such individuals are not allowable losses for capital gains tax purposes. Shareholders should seek advice before making a claim for the remittance basis of taxation.

UK resident companies are currently subject to corporation tax on chargeable gains generally at the rate of 28 per cent. See, however, the discussion below relating to Shares treated as a loan relationship.

Reporting fund: Taxation of dividends

Dividends and other distributions of an income nature paid on Participating Shares held by UK resident Shareholders may be subject to UK income tax or corporation tax.

UK resident individuals are subject to income tax on foreign dividends at the dividend ordinary rate (currently 10 per cent.) if they are basic rate taxpayers and at the dividend upper rate (currently 32.5 per cent.) if they are higher rate taxpayers who are not subject to the dividend additional rate mentioned below. From tax year 2010/11 onwards UK resident individuals with income in excess of the higher rate limit of GBP 150,000 are subject to tax on the excess, in the case of dividends, at the dividend additional rate (42.5 per cent. for tax year 2010/11). This is subject in all cases to any available double tax relief. Assuming the Company is an "offshore fund", and subject to the discussion below about distributions from certain offshore funds being taxed as interest, a UK resident individual Shareholder should receive a notional 10 per cent. tax credit on receipt of a dividend from the Company that may act to eliminate any further tax for basic rate taxpayers, and reduce the effective overall charge for a higher or additional rate taxpayer to 25 per cent. or 36.11 per cent. respectively.

UK resident Shareholders who are individuals not domiciled within the UK and who are remittance basis users (which may involve paying a charge of GBP 30,000 each tax year) will only be liable to income tax on such a distribution to the extent that the distribution is remitted to the UK. The remitted portion will be charged to income tax at the rate of 40 per cent. where the recipient is a higher rate taxpayer and 50 per cent. where the recipient is an additional rate taxpayer, but it is understood that the recipient should be entitled to the notional 10 per cent. tax credit described above.

Distributions from certain "offshore funds" will be taxed as interest for UK income tax purposes pursuant to provisions introduced in the 2009 Act. The offshore funds affected are those which invest more than 60 per cent. of their investments (by market value) in "qualifying investments", broadly meaning debt-like investments. It is not the Directors' intention to manage the Company's assets such that more than 60 per cent. of the market value of the Company's assets is invested in qualifying investments.

UK resident companies may be eligible for an exemption from corporation tax on dividends received from the Company if they fulfil the detailed criteria for the dividend exemption contained in legislation introduced by the 2009 Act. UK resident companies are subject to similar rules to those described above for individuals in relation to offshore funds which are more than 60 per cent. invested in certain qualifying investments, broadly meaning debt-like investments. In such cases, and in certain other circumstances, the company's shareholding in the offshore fund is treated as a loan relationship of the company. It is not the Directors' intention to manage the Company's assets such that more than 60 per cent. of the market value of the Company's assets are invested in qualifying investments.

Reporting fund: Reported income

As mentioned above, it is the current intention of the Directors of the Company to apply to HMRC for the "reporting fund" regime to apply to the Company for the purposes of the UK's offshore funds rules.

Under the Regulations a reporting fund must calculate its reportable income for each period of account. It must then make a report available to each participant in the fund for each reporting period, which is normally equivalent to the fund's period of account. The report should detail the amounts of and dates of actual distributions made by the reporting fund in respect of the reporting period, and should also detail amount by which the fund's reportable income exceeds the amount actually distributed. For the purposes of UK tax on income, this excess is treated as having been distributed to the participants in proportion to their rights in addition to any actual distributions. The comments in the section above on "Reporting fund: Taxation of dividends" will generally apply to such deemed distributions as they do to actual distributions. Reporting funds must provide certain information to HMRC, including the amount of reported income for and the amount of income distributed to each participant.

Non-reporting fund: Taxation on disposals and dividends

If the Directors of the Company decide not to apply for "reporting fund" status, the Company will be a "non-reporting" fund. Affected Shareholders who dispose of Participating Shares in a "non-reporting fund" and who make a gain on such disposal, would normally be treated as making an offshore income gain and charged to UK income tax or corporation tax on income as appropriate. For these purposes, there is a disposal if there would be a disposal for the purposes of UK tax on chargeable gains subject to certain exceptions, notably that there is deemed to be a disposal for these purposes on the death of an Affected Shareholder who is an individual. However, it is understood from HMRC that any such Affected Shareholders who acquired, or in certain cases made a legally enforceable agreement to acquire, their Shares in the Company before 1 December 2009 should be able to rely on the exception to the offshore income gain tax liability referred to in paragraph (c)(iii) of the section headed "Reporting fund: Taxation on disposals of interests in the Company" above. Any loss made on a disposal of an interest in a "non-reporting" offshore fund may be treated as an allowable loss for the purposes of UK tax on chargeable gains.

If the Directors of the Company decide not to apply for "reporting fund" status, the UK tax treatment of dividends and other income distributions would be as described at the section headed "Reporting fund: Taxation of dividends" above. However, in contrast to the position for a "reporting fund", the Company would not be required to make reports of income and Affected Shareholders would not be taxed on reported income.

Stamp duty and SDRT

No UK stamp duty, and no UK SDRT, should be payable on the issue of Participating Shares. UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the nearest GBP 5 of the amount of consideration for the transfer) is payable on any instrument of transfer of the Participating Shares executed within, or in certain circumstances otherwise relating to, the United Kingdom. Provided that the Participating Shares are not registered in any register of the Company kept in the United Kingdom, an agreement to transfer Participating Shares will not be subject to UK SDRT.

Other UK tax considerations

On the assumption that the Company is not resident in the UK for tax purposes and that its activities do not amount to trading in the UK through a permanent establishment in the UK, it should not be subject to UK income tax or corporation tax on any income or other profits or gains of an income nature which it derives from sources outside the UK and it will not be within the scope of UK capital gains tax or corporation tax in respect of capital gains wherever arising, but the Company will be liable to UK income tax on any income or other profits or gains of an income nature arising within the UK, unless an exemption applies.

A gift of Participating Shares (including settlement on trust) or the death of a holder of Participating Shares may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift. However, an individual who is not domiciled in the UK, and is not deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK, is not generally within the scope of inheritance tax as respects assets situated outside the UK. Participating Shares in the Company should constitute assets situated outside the UK for inheritance tax purposes.

The attention of Shareholders who are individuals ordinarily resident in the UK is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007 ("the 2007 Act"). The sections contained in this Chapter contain provisions to prevent avoidance of UK income tax by such individuals by means of transactions (which could include acquiring Shares in the Company) which result in income arising to persons abroad (such as the Company). These provisions may render such individuals liable to UK income tax in respect of income and profits of the Company not distributed to them. As pointed out elsewhere in this section of this Prospectus relating to taxation, prospective Shareholders should consult their UK professional adviser as to their UK tax position in relation to the Company. This should, in particular, include advice as to whether or not the provisions of Chapter 2 of Part 13 of the 2007 Act will apply to Shares in the Company acquired by them.

The attention of Shareholders within the charge to UK corporation tax is drawn to Part 15 of the Corporation Tax Act 2010 and the attention of Shareholders within the charge to UK income tax is drawn to Chapter 1 of Part 13 of the 2007 Act. These Chapters contain provisions to cancel tax advantages from certain transactions in securities which may render such Shareholders liable to taxation in respect of, *inter alia*, the issue, redemption or sale of Shares or distributions of a capital nature in respect of them.

Persons who have a direct or indirect interest in the Company and who are resident or ordinarily resident in the UK may be affected by certain chargeable gains attributions provisions in section 13 of the Taxation of Chargeable Gains Act 1992 ("the 1992 Act") and associated provisions relating to offshore income gains (were the Company to invest in another offshore fund). If the Company would be a "close" company if it were resident in the UK, the provisions of this section may in certain circumstances have the effect of making such a Shareholder liable to UK capital gains tax (or, in the case of companies, corporation tax on chargeable gains) on an apportioned part of any capital gains accruing to the Company, and the associated provisions may have the effect of making such a Shareholder liable to UK income tax or corporation tax as appropriate on an apportioned part of any offshore income gains arising to the Company. Such charges to tax would not, however, apply where 10 per cent. or less of the capital gain, or offshore income gain in the case of the associated provisions, would be apportioned to the Shareholder concerned and to persons connected with him.

The provisions concerning controlled foreign companies included in Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988 have the effect in certain circumstances of making a Shareholder which is a UK corporation tax payer liable to UK corporation tax on, or by reference to, the profits of the Company. Such charge to tax would not, however, apply where less than 25 per cent. of the Company's "chargeable profits" could be apportioned to the Shareholders and/or to associated or connected persons.

Swiss Tax

The Proposals

The conversion of the Company from a closed-ended into an open-ended collective investment company will be effected by a pure alteration of the articles of incorporation. In particular the conversion does not comprise of a share-buy back of the outstanding shares, nor is there a need to issue new shares. After the conversion the shareholders will hold the same value of shares of the Company but the shares will now be redeemable at the net asset value. It is understood that the conversion should not lead to Swiss tax consequences. An advanced tax ruling is pending with the responsible Swiss tax authorities that will give a binding statement of the Swiss tax treatment of the conversion.

The holding and disposal of Participating Shares in the Company following implementation of the Proposals

Swiss tax considerations for the Company after the conversion

After the conversion the Company will qualify as foreign open-ended collective investment scheme pursuant to art 119 para 1 of the Swiss Federal Act on Collective Investment Scheme (CISA).

As a foreign open-ended collective investment scheme, the Company will be regarded as fiscally transparent from a Swiss income tax perspective.

Tax consideration for Swiss individual investors holding shares in the Company as private assets

Income tax considerations

- The income tax treatment for Swiss resident investors who hold shares in the Company for private investment purposes (private assets) depends on whether the Company's shares are qualified as distributing or as accumulating. This qualification has to be determined on an annual basis. Funds are qualified as distributing in case it distributes at least 70 per cent. of the distributable net investment income; otherwise it will qualify as accumulating. In the following, the tax information provided for shares in the Company are applicable for distributing and accumulating share unless it is stated otherwise.

- Distributing: Capital income distributed by the Company is considered as taxable income at the federal and cantonal/communal level. In case the Company does retain a small proportion (less than 30 per cent.) of the capital income, those retained earnings are, as a rule, not taxable. Capital gains generated by the Company and distributed to investors are tax exempt for the investor, if the capital gains are disclosed separately.

- Accumulating: Retained earnings resulting from capital income are considered as taxable income with respect to direct federal tax and cantonal/communal taxes. Thus, retained capital income of an 'accumulation fund' is taxable income of investors although it will not be distributed. Capital gains are tax exempt for the investor, if the capital gains are disclosed separately.

- Capital gains on the sale of shares held for private investment purposes are in principle neither subject to cantonal/communal taxes nor to federal income taxes.

- The redemption of shares in the Company is not triggering any income taxes at the federal and the cantonal/communal level.

- Liquidation – Distributing share classes: Swiss individual investors will be subject to taxation for their share of the liquidation proceeds received by the Company less the following items: (i) share in the capital of the Company and (ii) capital gains realized by the Company.

- Liquidation – Accumulating share classes: Swiss individual investors will be subject to taxation for their share of the liquidation proceeds received by the the Company less the following items: (i) share in the capital of the Company, (ii) capital gains realized by the Company within the ongoing financial year and (iii) accumulated income that has already been subject to the Swiss individual income tax.

Securities transfer tax considerations

- In the course of a purchase, sale or transfer of shares in the Company through a Swiss securities dealer (e.g. Swiss bank), in general a security transfer tax of 0.30 per cent. will be levied, which has in general to be equally borne by the seller and purchaser.

- The issue of shares in the Company through a Swiss securities dealer is basically subject to a security transfer tax of $^1/_2$ x 0.3 per cent., which is usually borne by the investor.

- Redemption of shares is not subject to any securities transfer tax as long as the Shares are cancelled and not resold.

Tax consideration for Swiss corporate investors and Swiss individual investors holding Shares as business assets

Income tax considerations

Swiss resident corporate investors and Swiss individual investors holding shares in the Company as business assets (if the investment activities of a private investor, due to special circumstances was qualified as having a commercial purpose) would have to include the income generated by the Company in their own financial statements according to Swiss accounting principles. All profit realised by the Company, e.g. interest, dividends and capital gains are subject to direct federal and cantonal taxation at the level of the Swiss resident corporate investors. Swiss resident corporate investors may

not apply for participation relief for dividend income or capital gains derived from their investment in the Company.

Securities transfer tax considerations

The same rules apply as described above ("Tax consideration for Swiss individual investors holding shares in the Company as private assets").

German Tax

The Proposals

Restructuring should not qualify as tax event

The De-listing, Conversion and ISE Admission comprised in the Proposals should not give rise to German tax on income or gains.

Although there is no explicit guidance by the German tax administration or the tax courts with respect to the conversion of non-redeemable Ordinary Shares into redeemable Participating Shares, the respective conversion should not qualify as a tax event. There is guidance by the German tax administration that the exchange of so-called preferred shares (Vorzugsaktien) into common shares (Stammaktien) is not considered as a tax event because such a conversion merely results in a modification of the existing shareholders' rights. The same applies, pursuant to the tax administration, in case of a conversion of bearer shares (Inhaberaktien) into registered shares (Namensaktien). The German tax administration has also confirmed that the mere change of the ISIN itself does not qualify as a disposal of shares with the old ISIN and as acquisition of shares with the new ISIN.

This analysis should also apply to the conversion of Princess' non-redeemable Ordinary Shares into Participating shares in "new" Princess. As a result, there will occur no change in the book value of the shares held by the shareholders merely because of the conversion. Investors holding the shares as private assets should not be treated as having disposed of their Ordinary Shares.

However, it should be noted that there is no case law available to a restructuring as conducted here and that one therefore can not fully exclude that the German tax administration and tax courts come to a different conclusion.

Potential tax consequences of a subsequent write up

Depending on the situation of the individual investor, tax consequences could result from the conversion indirectly because of a subsequent write-up of the Participating Shares in "new" Princess in case the respective investor has previously written down the Ordinary Shares in "old" Princess in his balance sheet to a value below the net asset value of the Participating Shares.

The holding and disposal of Participating Shares in the Company following implementation of the Proposals

Investment Tax Act ("Investmentsteuergesetz")

Also after having converted into an open-ended scheme, the Company should not qualify as a collective investment scheme in the sense of the Investment Tax Act. In case the German tax administration would treat the Company as a collective investment scheme and therefore apply the Investment Tax Act, German investors could face a disadvantageous tax treatment of their investment in the Participating Shares of the Company due to an attribution of deemed dividends even in years the Company has made a loss or the net asset value of the Participating Shares have otherwise decreased.

Pursuant to statements by the German supervisory authorities to which the German tax administration has concurred, private equity funds cannot be qualified as collective investment schemes in the sense of the Investment Tax Act, provided the Company and the underlying funds exercise an entrepreneurial influence on the portfolio companies. Furthermore, the German supervisory authorities have stated that in order to qualify as a collective investment scheme the respective foreign vehicle may not, unlike the Company, invest more than 20 per cent. of its assets in participations in unlisted companies such as the target funds of Princess.

German Legislation on Controlled Foreign Companies ("Außensteuergesetz")

No attribution of deemed profits of the Company to German investors under the German legislation on controlled foreign companies should occur provided German investors collectively do not hold directly or indirectly more that 50 per cent. of the Participating Shares or of the voting rights of the Company and each individual German investor holds directly or indirectly less than 1 per cent. of the Participating Shares and of the voting rights of the Company.

Taxation of Dividends

Individual Shareholders holding shares as private assets

Income from dividends is charged with an income tax rate of up to 25 per cent. (Abgeltungssteuer) plus solidarity surcharge of 5.5 per cent. (Solidaritätszuschlag) of the income tax amount, whereas allowable expenses (Werbungskosten) are not deductible.

Individual shareholders holding the shares as private assets are currently entitled to a saver's tax-exempt allowance for their entire investment income (Sparerfreibetrag) in the annual amount of EUR 801 (for individual filers) or EUR 1,602 (for married couples filing jointly).

Individual Shareholders holding shares as business assets

In case the participating shares are held as business assets, 60 per cent. of the dividends are subject to the marginal income tax rate of the individual share holder (Teileinkünfteverfahren). In this case 60 per cent. of the allowable expenses can be deducted.

Moreover the complete amount of the dividends will be subject to trade tax (Gewerbesteuer) at the rate applicable in the respective municipality.

Corporate Shareholders

Dividends paid to a corporate shareholder subject to corporation tax (Körperschaftsteuer) in Germany will be fully exempt from corporation tax provided that an amount of 5 per cent. of the exempt dividend qualifies as a non-deductible expense. Therefore 5 per cent. of the dividends will be subject to 15.825 per cent. corporation tax including solidarity surcharge. In addition, the dividends will be fully subject to trade tax at the rate applicable in the respective municipality. Special rules for banks, financial services institutions, financial enterprises, life and health insurance companies and pension funds are described further below.

Taxation of Capital Gains

Individual Shareholders

Gains realised by way of disposal of shares acquired after 31 December 2008 are subject to the Abgeltungssteuer mentioned above at a rate of 26.375 per cent. (including solidarity surcharge), provided the shareholder holds the shares as private assets. Gains related to shares acquired prior to 1 January 2009 are not subject to taxation if held as private assets due to a grandfathering provision. Such grandfathering should not be effected by the Proposals since the conversion of Princess' non-redeemable Ordinary Shares into redeemable Participating Shares should, as described further above, not qualify as a tax event.

In case Participating Shares disposed of by an individual shareholder are held as business assets, 60 per cent. of the capital gains will be subject to the marginal income tax rate of the respective individual and the solidarity surcharge of 5.5 per cent. of the income tax.

Corporate Shareholders

Capital gains realised by a corporate shareholder subject to corporation tax in Germany will be fully exempt from corporation tax provided that an amount of 5 per cent. of the exempt capital gain qualifies as a non-deductible expense. Therefore 5 per cent. of the capital gains will be subject to 15.825 per cent. corporation tax including solidarity surcharge. In addition, 5 per cent. of the exempt capital gains will be subject to trade tax at the rate applicable in the respective municipality. Special rules for banks, financial services institutions, financial enterprises, life and health insurance companies and pension funds are described further below.

Special rules for banks, financial services institutions, financial enterprises, life and health insurance companies, pension funds and special funds

To the extent banks and financial service institutions hold shares that are, pursuant to section 1a of the German Banking Act (Kreditwesengesetz), attributable to the trading book (Handelsbuch), neither the tax exemption usually applying to corporations nor the so-called partial income procedure (Teileinkünfteverfahren) apply to dividends received or to capital gains or losses realised on the disposal of shares, i.e. such dividends or gains are fully subject to corporation tax and to trade tax.

The same applies to shares that were acquired by financial enterprises within the meaning of the German Banking Act in order to realise short-term trading gains (kurzfristige Eigenhandelserfolge) and to banks, financial institutions and financial enterprises with their registered office in another Member State of the European Community or another Member State of the European Economic Area to the extent that they hold the shares in a permanent establishment in Germany.

The tax exemption usually applying to corporations does also not apply to dividends received or to capital gains realised on the disposal of shares to the extent that life and health insurance companies or pension funds hold shares that are attributable to their capital investments (Kapitalanlagen), i.e. such dividends or gains are fully taxable for the insurance company or pension fund.

Inheritance and gift tax

The transfer of Participating Shares to other persons by way of gift or inheritance is subject to German inheritance and gift tax only if

(i) the testator, donor, heir, donee or any other beneficiary has his residence, habitual abode, management or registered office in Germany at the time of the transfer or

(ii) the testator's or donor's Participating Shares belong to business assets in relation to which a permanent establishment is maintained in Germany or a permanent representative has been appointed in Germany.

The few double taxation treaties relating to inheritance and gift taxation to which Germany is a party generally provide that German inheritance or gift tax is only levied in case (i) and, with certain restrictions, also in case (ii). Special regulations apply to certain German nationals living outside Germany and former German nationals.

Other taxes

No other German taxes (value-added tax, capital transfer tax (Kapitalverkehrsteuer), etc.) are levied on the acquisition, the sale or other transfer of Participating Shares. However, under certain circumstances it is possible that an entrepreneur may opt to have value added tax levied on a transaction involving the disposal of shares, when such transaction is executed for the enterprise of another entrepreneur. No wealth tax (Vermögensteuer) is at present levied in Germany.

PART V

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Administrator"	Partners Group (Guernsey) Limited and any other person, firm or corporation appointed, and from time to time acting, as administrator of the Company
"AGM" or "Annual General Meeting"	the annual general meeting of the Company convened for 16 June 2010, notice of which is set out at the end of this document and any adjournment thereof
"AIC"	Association of Investment Companies
"Applicable Rate"	a rate to be applied after the end of the Lock-Up Period at (i) 2.5 per cent. during the first eight calendar quarters and (ii) 5 per cent. thereafter
"Board" or "Directors"	the directors of the Company for the time being
"Business Day"	any day where banks in London, Guernsey, Germany and Ireland are open for business (excluding Saturdays and Sundays) and/or such other day or days as the Directors may from time to time determine
"Change of Listings"	the cancellation of the Company's entire issued share capital from the Official List of the UK Listing Authority and to trading on the London Stock Exchange and the Frankfurt Stock Exchange and subsequently for the Company's entire issued share capital to be admitted to the Irish Official List and to trading on the main market of the Irish Stock Exchange
"Class B Rules"	The Guernsey Collective Investment Scheme (Class B) Rules, 1990, as amended from time to time
"Clearstream"	Clearstream Banking AG
"Company Secretary"	Dexion Capital (Guernsey) Limited
"Conversion"	the conversion of the Company into an open-ended authorised fund under the POI Law and the Class B Rules and the conversion of the Ordinary Shares into Participating Shares
"Conversion Date"	the date on which Conversion occurs
"Conversion Resolutions"	special resolutions 8 and 9 and ordinary resolution 10 to be proposed at the Annual General Meeting to give effect to the Proposals
"Co-ownership Interests"	a beneficial interest in an Ordinary Share comprised in the Global Bearer Certificate
"Credit Facility"	any outstanding credit facility between the Company as borrower and one or more parties as lender
"CREST or CREST UK"	the computerised settlement system operated by Euroclear (or such other person as may for the time being be approved by H.M. Treasury as operator under the CREST Regulations) which facilitates the transfer of Shares

"CREST Manual"	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended from time to time
"Custodian"	HSBC Custody Services (Guernsey) Limited and any other person, firm or corporation appointed, and from time to time acting, as custodian of the Company
"Dealing Valuation Day"	the last Valuation Day of each calendar quarter (being the last Business Day of the respective calendar quarter) or such other day or days as the Directors may from time to time determine
"De-listing"	(a) the cancellation of the listing of the Ordinary Shares on the Official List and the discontinuance of trading of the Ordinary Shares on the London Stock Exchange's main market for listed securities and/or (b) the cancellation of listing on the Frankfurt Stock Exchange (as the context may require)
"Direct Fee"	the fee in addition to the Management Fee, which is calculated and paid quarterly in arrears at the end of each quarter in respect of direct investments. The direct fee equals 0.1250 per cent. of the Direct Investment Value
"Direct Investment Value"	the value of the Company's direct investments, plus the amount of the Company's unfunded commitments to such direct investments (calculated, in the case of Pooling Vehicles, as the Company's *pro rata* share in the relevant Pooling Vehicle's unfunded commitments to make underlying direct investments and disregarding Princess' commitment to invest in such Pooling Vehicle)
"Disclosure Rules and Transparency Rules"	the Disclosure Rules and Transparency Rules made pursuant to Part VI of FSMA, as amended from time to time
"EEA"	the European Economic Area
"Euroclear"	Euroclear England and Ireland Limited
"Eligible Investors"	a person not being a US Person or such other person or person as the Directors may from time to time determine
"Form of Instruction and Proxy"	the Form of Instruction and Proxy accompanying this document for use by holders of Ordinary Shares deliverable in the form of Co-ownership Interests in connection with the Annual General Meeting
"Form of Proxy"	the Form of Proxy accompanying this document for use by holders of Shares in connection with the Annual General Meeting
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time
"GFSC"	the Guernsey Financial Services Commission

"Global Bearer Certificate"	as defined on page 9
"IFRS"	International Financial Reporting Standards
"Investment Adviser"	Partners Group AG
"Investment Manager"	Princess Management Limited
"Irish Listed Funds Code"	The Investment Funds' Listing Requirements and Procedures, as made and issued by the Irish Stock Exchange, as amended from time to time
"Irish Official List"	the official list of the ISE
"Irish Stock Exchange" or "ISE"	the Irish Stock Exchange Limited
"ISE Admission"	the admission of the Participating Shares (issued and to be issued) to the Irish Official List and to trading on the main market of the Irish Stock Exchange
"Listing Particulars"	the draft offering memorandum including any supplement or annexure thereto relating to the Company's offer for subscription of Participating Shares as amended from time to time and which will constitute listing particulars to be issued in connection with the ISE Admission
"Listing Rules"	the rules and regulations made by the FSA under Part VI of FSMA, as amended from time to time
"Lock-Up Period"	the period from 13 December 2010 to 30 June 2012 (inclusive) or such longer period not exceeding three (3) years as the Directors may determine is necessary to comply with the terms of the Credit Facility as may be notified to the Shareholders from time to time
"London Stock Exchange" or "LSE"	the London Stock Exchange plc
"Management Fee"	the management fee which is calculated and paid quarterly in arrears at the end of each quarter. The management fee equals 0.375 per cent. per quarter of the Company's Private Equity Asset Value. In addition, the Investment Manager shall receive a Direct Fee and a Secondary Fee, where applicable. Where the Company has invested in any Pooling Vehicle, the Investment Manager shall procure that any fees which would be charged by Partners Group or any of its affiliates in connection with such investment will be waived or rebated to the Company
"Management Share"	a designated non-voting share in the capital of Company of EUR 1.00 each and designated as a Management Share and having the rights provided for under the New Memorandum and Articles
"member account ID"	the identification code or number attached to any member account in CREST
"Net Asset Value" or "NAV"	in relation to the Company, the value of the assets of the Company less its liabilities determined in accordance with the accounting principles adopted by the Company from time to time

"Net Asset Value per Participating Share"	the Net Asset Value of the Company divided by the number of Participating Shares then outstanding as determined by the Administrator
"Net Asset Value Publication Day"	the 15th Business Day of the month following the applicable Valuation Day
"New Memorandum and Articles"	the amended and restated memorandum and articles of incorporation of the Company proposed to be adopted pursuant to Resolution 8 at the AGM
"New Credit Facility"	the agreements comprising a senior term revolving facilities agreement and a junior term facilities agreement and all ancillary agreements entered into by the Company and its subsidiary on 25 September 2009
"Ordinary Resolutions"	the ordinary resolutions to be proposed at the Annual General Meeting
"Ordinary Shares" or "Shares"	as the context may require, ordinary shares of no par value in the capital of the Company, and, following Conversion, the Participating Shares
"Participating Share"	a designated voting participating redeemable share in the Company of EUR 0.001 each and having the rights provided for under the New Memorandum and Articles
"Partners Group"	the Investment Adviser and/or the Investment Manager, as the context requires
"Performance Fee"	the performance fee payable to the Investment Manager. In respect of each direct investment and each secondary investment a performance fee will be charged on a deal-by-deal basis after taking into account a "Preferred Return" calculated at a rate of 8 per cent. per annum compounded. The performance fee for each direct investment equals 15 per cent. and for each secondary investment equals 10 per cent.
"Princess" or the "Company"	Princess Private Equity Holding Limited
"Placement Fee"	means a placement fee of up to 5 per cent. of the Net Asset Value per Participating Share that is payable by subscribers of Participating Shares to an intermediary upon acceptance by the Company of a subscription for Participating Shares. The Placement Fee and the Subscription Fee combined may not on aggregate exceed 5 per cent. of the Net Asset Value per Participating Share that is payable by subscribers of Participating Shares
"POI Law"	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended from time to time
"Pooling Vehicle"	any collective investment vehicle or other pooled investment vehicle that is established, managed and/or advised by the Investment Manager or any affiliate thereof, typically to access direct investments, secondary investments or primary investments
"Princess Subholding"	Princess Private Equity Subholding Limited, a wholly owned subsidiary of the Company

"Private Equity Asset Value"	the higher of (i) the Company's Net Asset Value and (ii) the value of the Company's assets less any Temporary Investments, plus the amount of the Company's unfunded commitments to make investments (calculated, in the case of Pooling Vehicles, as Princess' *pro rata* share in the relevant Pooling Vehicle's unfunded commitments to make underlying investments and disregarding the Company's commitment to invest in such Pooling Vehicle). For the avoidance of doubt, assets held through any Subsidiary shall be included for the purpose of the Private Equity Asset Value
"Proposals"	the proposals for the adoption of the New Memorandum and Articles, De-listing, the Conversion and the ISE Admission
"Redemption Cut-Off Date"	5.00 p.m. (Guernsey time) on the 1st calendar day in February, May, August and November, or, if such day is not a Business Day, the following Business Day
"Redemption Day"	the first Business Day of January, April, July and October, and/or such other day or days as the Directors may from time to time determine
"Redemption Price"	in relation to the applicable Redemption Day, the Net Asset Value per Participating Share as of the immediately preceding the Dealing Valuation Day minus any Redemption Fee, if any
"Registrar and Transfer Agent" or "HSSGL"	HSBC Securities Services (Guernsey) Limited and any other person, firm or corporation appointed, and from time to time acting, as registrar and transfer agent of the Company
"Restricted Jurisdiction"	Australia, Canada, Japan, the United States and any other jurisdiction where participation in the Exchange by shareholders resident therein would or might constitute a violation of the securities laws of such jurisdiction
"RIS"	a Regulatory Information Service as defined in the Glossary published by the FSA
"Secondary Fee"	the fee in addition to the Management Fee, which is calculated and paid quarterly in arrears at the end of each quarter in respect of secondary investments. The secondary fee equals 0.0625 per cent. of the Secondary Investment Value
"Secondary Investment Value"	the value of the Company's secondary investments, plus the amount of the Company's unfunded commitments to such secondary investments (calculated, in the case of Pooling Vehicles, as Princess' *pro rata* share in the relevant Pooling Vehicle's unfunded commitments to make underlying secondary investments and disregarding the Company's commitment to invest in such Pooling Vehicle)
"Secondary Value Dealing Price"	a price based on the Company's NAV, as at the Redemption Day, adjusted by a spread reflecting the expected or actual discount (if any) relative to the net asset values, of prices obtained through secondary sales under the then prevailing market conditions, which may be applied by the Directors in extraordinary circumstances on the Company's assets for the purposes of satisfying redemptions

"Shareholders"	holders of Shares, including where the context requires, Shares deliverable in the form of Co-Ownership Interests
"Subscription Cut-Off Date"	5.00 p.m. (Guernsey time) on the 1st calendar day in February, May, August and November or, if such day is not a Business Day, the following Business Day
"Subscription Day"	the first Business Day of January, April, July and October and/or such other day or days as the Directors may from time to time determine
"Subscription Fee"	a subscription fee, for the benefit of the Company and as determined by the Directors from time to time, of up to 5 per cent. of the Net Asset Value per Participating Share payable by subscribing Shareholders
"Subscription Price"	in relation to the applicable Subscription Day, the Net Asset Value per Participating Share as of the immediately preceding Valuation Point plus any Subscription Fee, if any
"Subsidiary/Subsidiaries"	Princess Subholding and/or any subsidiary which may be established by the Company from time to time
"Temporary Investments"	cash and short-term investments which may, for example, consist of debt investments that have a maturity of twelve months or less; and/or are regularly traded on an established securities market, and in each case are made for the primary purpose of liquidity management.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UKLA" or "UK Listing Authority"	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"UKLA Official List"	the official list of the UK Listing Authority
"US Person"	the meaning given in Regulation S promulgated under the Securities Act of 1933, as amended, supplemented, re-enacted or replaced from time to time
"Valuation Day"	the last Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine
"Valuation Point"	5.00 p.m. (Guernsey time) on each Valuation Day

Princess Private Equity Holding Limited

(the "Company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at 10.30 a.m. on 16 June 2010 at Third Floor, Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1BT to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions

(1) **THAT** the financial reports of the Company for the year ended 31 December 2009 together with the Report of the Directors and Auditors thereon be received and adopted.

(2) **THAT** the appointment of PricewaterhouseCoopers CI LLP as Auditors of the Company for the year ending 31 December 2010 be and is hereby approved and that the directors be authorised to fix their remuneration.

(3) **THAT** Brian Human be re-elected as a Director of the Company.

(4) **THAT** Urs Wietlisbach be re-elected as a Director of the Company.

(5) **THAT** Andreas Billmaier be re-elected as a Director of the Company.

(6) **THAT** Fergus Dunlop be appointed as a Director of the Company.

(7) **THAT** Richard Battey be appointed as a Director of the Company.

Special Resolutions

(8) **THAT**, conditional upon receipt of the final consent of the Guernsey Financial Services Commission to the conversion of the Company to an open-ended authorised fund under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Collective Investment Schemes (Class B) Rules, 1990 ("Conversion"):

   (a) with effect from 13 December 2010, the document produced to the meeting and marked "A" and initialled by the Chairman for the purposes of identification be and is hereby adopted as new Memorandum and Articles of Incorporation (the "New Memorandum and Articles") in substitution for and to the exclusion of the existing Memorandum and Articles of Incorporation;

   (b) with effect from 13 December 2010, the Company be converted to an open-ended authorised fund under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Collective Investment Schemes (Class B) Rules, 1990 and that the Directors be authorised to take all steps which are necessary or desirable in order to effect such Conversion; and

   (c) the cancellation of the listing of the Ordinary Shares on the Official List and the discontinuance of trading of the Ordinary Shares on the London Stock Exchange's Main Market for listed securities with effect from 16 December 2010 is hereby approved;

(9) **THAT**, on Conversion each Ordinary Share (issued and unissued) in the Company be and is hereby converted to and re-designated as a redeemable participating share having the rights attached to Participating Shares in the New Memorandum and Articles.

Ordinary Resolution

(10) **THAT**, on Conversion the Company's share capital be and is hereby increased from EUR 200,100 divided into 200,100,000 Participating Shares of EUR 0.001 each to EUR 200,200 divided into 200,100,000 Participating Shares of EUR 0.001 each and 100 Management Shares of EUR 1.00 each.

Special Resolution

(11) **THAT** the Company be and is hereby authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008, to make market acquisitions of Ordinary Shares in the Company ("Ordinary Shares") provided that:

(a) the maximum number of Ordinary Shares authorised to be acquired is the number equal to 14.99 per cent. of the Ordinary Shares in issue at the date of the passing of this resolution (excluding any Ordinary Shares held in treasury);

(b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is EUR 0.001(being the nominal value of an ordinary share);

(c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of (i) an amount equal to 105 per cent. of the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and

(d) such authority shall expire on the earlier to occur of the Conversion or the date of the Annual General Meeting of the Company in 2011, unless such authority is varied, revoked or renewed prior to such date by a resolution of the Company in a general meeting or the Company has made a contract to acquire its own shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.

By Order of the Board

Princess Private Equity Holding Limited
Third Floor
Tudor House
Le Bordage
St Peter Port
Guernsey

14 May 2010

Notes

1. Shareholders will only be entitled to attend and vote at the Annual General Meeting if they are registered as holders of Shares at 10.30 a.m. on 14 June 2010. This record time is being set for voting at the Annual General Meeting because the procedures for updating the register of members in respect of Shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at the Meeting. The Shares are included for trading in uncertificated (electronic) form in CREST.
2. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more persons as proxy to attend, speak and vote at the meeting instead of such Shareholder provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different shares. A proxy need not also be a Shareholder. The delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the Meeting or at any adjournment thereof.
3. To be a valid and duly completed proxy form (and any power of attorney or other authority (if any) under which the proxy form is signed (or a notarially certified copy thereof)) must be returned to the Company at Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1BT or faxed to the Company on +44 (0)1481 730 947 as soon as possible but, in any event to arrive no later than 10.30 a.m. on 14 June 2010. A proxy form is enclosed.
4. Please see the additional information below and the Form of Instruction and Proxy for holders of Ordinary Shares deliverable in the form of Co-ownership Interests as different rules apply to them.
5. The quorum for the Meeting is two Shareholders present either in person or by proxy. The majority required for the passing of each of the special resolutions is seventy-five per cent. (75 per cent.) or more of the total number of votes cast on each such special resolution. The majority required for the passing of each of the Ordinary Resolutions more than fifty per cent. (50 per cent.) of the total number of votes cast on each such ordinary resolution.
6. At the Meeting the votes may be taken by a show of hands or on a poll, at the option of the Chairman. On a show of hands every Shareholder present, in person or by proxy, shall have one vote. On a poll every Shareholder who is present, in person or by proxy, shall have one vote for every Ordinary Share held by him. On a poll votes may be given either personally or by proxy. A Shareholder entitled to more than one vote need not use all of his votes or cast all of the votes he uses in the same way.
7. If, within fifteen minutes from the appointed time for the Meeting, a quorum is not present, then the Meeting will be adjourned to the same time on 23 June 2010 at the same address. At the adjourned Meeting, those Shareholders present, in person or by proxy, will form a quorum whatever their number and the number of Ordinary Shares held by them. Again, a majority of not less than seventy-five per cent. (75 per cent.) of the total number of votes cast is required to pass the special resolutions and more than fifty per cent. (50 per cent.) of the total number of votes cast to pass the ordinary resolutions.
8. Where there are joint registered holders of any Ordinary Share such persons shall not have the right of voting individually in respect of such Ordinary Share, but shall elect one of their number to represent them and to vote, either in person or by proxy in their name.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. To allow effective constitution of the meeting, if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
12. Shareholders (and any proxies or representatives they appoint) agree, by attending the Meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the Meeting.
13. A list of the names and addresses of all members (other than the Company itself where it holds its own shares as treasury shares) showing the number of shares respectively held by them shall be available for inspection in the Annual General Meeting room at such office from 15 minutes prior to the Annual General Meeting's commencement until its conclusion.
14. At the time of giving this notice of meeting, the Company's issued and outstanding share capital totals 70,100,000 Ordinary Shares with a nominal value of EUR 0.001 each, with all shares giving the registered holder thereof the right to attend and vote.

Additional Information for holders of Ordinary Registered Shares deliverable in the form of co-ownership interests in a global bearer certificate issued by Clearstream Banking AG, Frankfurt am Main

– ISIN DE000A0LBRM2 / WKN A0LBRM –

As a rule, Clearstream Banking AG, Frankfurt am Main ("Clearstream"), will not exercise the voting rights arising from the Ordinary Registered Shares that are held by it as underlying for the co-ownership interests. On demand, however, Clearstream will cause a Proxy Form to be issued to the eligible co-owner or a third party indicated by it with respect to the number of Ordinary Registered Shares represented by the co-ownership interests held by such co-owner.

The holders of Ordinary Shares deliverable in the form of co-ownership interests will receive Forms of Instruction and Proxy as well as additional information from their depositary banks, which can also be obtained free of charge on the Company's website (http://www.princess-privateequity.net). In order to be valid, the duly completed Forms of Instruction and Proxy must be returned to the depositary banks no later than 5.00 p.m. on 1 June 2010 (receipt by depositary bank).

Holders of Ordinary Registered Shares deliverable in the form of co-ownership interests who wish to attend the Meeting in person are requested to indicate their attendance in the Forms of Instruction and Proxy as provided therein. In such event the Form of Instruction and Proxy, which will be held by the Company at the Meeting, will serve as entrance card for the Meeting.