

ANNUAL REPORT 2014

Audited consolidated financial statements for the period
from 1 January 2014 to 31 December 2014



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Partners Group
Passion for Private Markets

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PRINCESS PRIVATE EQUITY HOLDING LIMITED

Princess Private Equity Holding Limited ("Princess" or the "Company") is an investment holding company domiciled in Guernsey that invests in private equity and private debt. The portfolio mainly invests directly but also holds primary and secondary fund investments. Princess aims to provide shareholders with long-term capital growth as well as an attractive dividend yield. The shares are traded on the main market of the London Stock Exchange.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the product described herein. This report was prepared using financial information contained in the Company's books and records as of the reporting date. The charts and figures detailed in the Chairman's report, market overview, investment manager's report, portfolio composition, portfolio overview, structural overview and facts and figures have not been audited. This report describes past performance, which may not be indicative of future results. The Company does not accept any liability for actions taken on the basis of the information provided.

KEY FIGURES

IN EUR	31 DECEMBER 2014	31 DECEMBER 2013
Net asset value (NAV)	593'522'580	560'111'437
NAV per share	8.58	8.09
Total dividend per share	0.54	0.53
Closing price	6.97	6.30
Discount to NAV	-18.79%	-22.11%
Cash and cash equivalents	45'348'161	69'761'534
Use of credit facility	0	0
Value of investments	509'880'194	396'182'934
Undrawn commitments	165'038'386	196'793'472
Investment level	85.91%	70.73%
Net liquidity (incl. secondary receivables)	83'642'385	163'928'503
Overcommitment	13.71%	5.87%
Overcommitment incl. credit line	5.29%	-3.05%

Past performance is not indicative of future results.

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1 CHAIRMAN'S REPORT

Dear valued investor

As Chairman of the Board of Princess Private Equity Holding Limited, I present the 2014 Annual Report to you. In 2014 Princess showed a strong NAV performance and passed a significant landmark, with direct investments now comprising the majority of the portfolio.

In 2014 Princess' audited net asset value (NAV) increased by 13.2% to EUR 8.58 per share, adjusted for the total dividend of EUR 0.54 per share distributed over the year. It is encouraging to see that the portfolio is gaining traction with strong performance of underlying portfolio companies feeding through to the NAV of which the outstanding contributors to NAV growth in 2014 were Princess' direct investments. Overall, net revaluation developments across the portfolio during the reporting period amounted to +13.4% and were based on solid earnings results of the Company's underlying portfolio companies.

During 2014, Princess deployed EUR 75.2 million to seven new direct private equity and seven new direct private debt investments. Thanks to this intense activity, the allocation to direct investments reached 56.1% of NAV compared to 39.0% at the end of 2013. Overall, EUR 85.9 million was deployed with the investment level increasing to 85.9% of NAV, up from 70.7% at the start of the year. I believe that the continued focus on new direct investments and disciplined investment approach will be of long-term benefit to Princess shareholders.

Princess' emergence as a leading global mid-market private equity fund should help to narrow the discount to NAV which at the end of 2014 stood at -18.8% (2013: -22.1%).

In addition, the Board's policy of paying an annual aggregate of 5-8% of NAV per share in dividend is expected to have a positive effect on Princess' discount development.

The main contributor to distributions over the reporting period was Princess' legacy third party fund portfolio, which generated a high volume of exits from mature underlying portfolio companies. A number of Princess' direct investments also contributed to the high level of distributions. Such proceeds as well as the monies received from the staggered secondary sale of several third party funds which was signed in 2012, provide Princess with sufficient liquidity to fund further attractive direct investments.

My fellow Directors and I would like to take this opportunity to thank you for the continued confidence you have shown in Princess. It is our belief that the substantial progress made in 2014 with the repositioning of Princess as a direct investment company with a high dividend yield objective has ensured that Princess is well-placed to continue creating value for its shareholders over the years to come.

Brian Human
Chairman

Guernsey, 9 March 2015

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2 MARKET OVERVIEW

Capital markets remain detached from economic fundamentals

Six years after the financial crisis, global growth remained low in 2014. The US economy seemed to have decoupled from this global trend, with strong increases in domestic demand, the rate of unemployment falling to 5.6% and an expected near-term net positive impact from cheaper fuel prices. Meanwhile, Europe was still suffering from unresolved structural problems and ongoing tensions with Russia that were weighing on confidence and dampening trade across the region. Despite years of austerity, government debt levels have climbed to record heights, emphasizing the need for structural reform. In emerging markets, growth was on the lower side of expectations overall. For instance, China's property slowdown had a drag on consumption and private investments, while Russia's perspective grew significantly worse over 2014 as a consequence of the low oil price and international sanctions.

Volatility on financial markets rose in the fourth quarter of 2014 as further concerns around oil price declines, the plunge in the Russian ruble and Greek concerns resurfaced. Equities however posted positive performance across most regions, bringing full-year MSCI World returns (total return in local currency) for advanced economies to 9.8% while emerging market equities gained 5.7%. On fixed income markets, government bond yields divided in the US and for most Eurozone members as the market priced in sovereign quantitative easing by the ECB.

M&A activity reaches post-crisis high

Supported by receptive financing markets, global M&A activity in 2014 increased sharply to USD 3.2 trillion, up by 44.7% compared to the previous year. This value was the third-highest annual total on record (since 2001) and just 11.8% less than the second-highest in 2007.

From a regional perspective, the US continued to dominate the M&A market. 4'782 deals valued at USD 1.4 trillion, up 21.5% and 56.6% compared to the prior year, respectively, set an all-time high. Firms in the region also exhibited some of the highest valuations globally, with average deal value increasing by 30.2% to USD 616.3 million. In Europe, after a subdued 2013, M&A activity increased by 40.5% in 2014 and finished the year at a new post-crisis high of USD 901.4 billion. Interest in larger-scale transactions was notable as deal volume was up by a more modest 4.8% year on year to 6'094 transactions. The most active sector was TMT, as Europe's telecommunication sector continued to consolidate. Meanwhile, Asia-Pacific M&A activity of 3'250 deals valued at USD 591.6 billion was the highest level on record, up 43.4% from 2013.

North America drives global private equity buyout activity

Global private equity buyout activity also benefitted from market liquidity and availability of transaction leverage (particularly at the large cap end of the market), which led to a 9.9% increase in deal value to USD 332 billion across 3'423 announced deals in 2014. The total value was the highest observed since 2007.

Looking at the geographical focus, North America remained the most important buyout region, capturing 54.5% of the global total and nine out of the ten largest deals of the year. However, in contrast to all other regions, buyout volume in North America declined compared to the prior year, easing slightly from USD 185 billion to USD 181 billion. Meanwhile, the Asia-Pacific region displayed the largest increase compared to 2013, gaining 68.0% to finish the year with a total volume of USD 42 billion. Similarly enjoying growth over 2013, albeit at a more moderate level, European buyout volume for the full year increased by 16.0% to USD 94 billion.

Buoyant markets support record exit activity

In 2014, financial sponsors took advantage of attractively valued markets to realize more mature portfolio companies. As a result, 1'604 private equity-backed buyout exits valued at USD 428 billion were completed, increases of 3.5% and 29.7% compared to last year, respectively, and also the highest values on record. In line with the increase in broad M&A numbers for the year, trade sales continued to be the most widely used exit channel, accounting for 50% of the global total.

Private equity sponsors drive global IPO activity

In 2014, with several stock markets across the globe reaching record valuation levels, global IPO activity recorded USD 256.5 billion of capital raised through 1'206 listings, an increase of 50% and 35%, respectively, compared to the previous year. Taking advantage of the encouraging market environment, financial sponsors continued to monetize investments throughout the year. As a result, private equity-backed IPOs accounted for 17% of the number of listings and 43% of the total capital raised in 2014. Compared to the prior

year, this marked an increase of 12% in terms of deal volume and a steep increase of 90% in terms of proceeds, despite the fact that 2013 was already a record year for private equity-sponsored IPOs.

Backed by supportive equity markets, abundant liquidity and low interest rates, US IPO activity was exceptional in 2014. In all, 288 listings - the highest volume since 2000 - raised USD 95.2 billion; steep increases of 27% and 54%, respectively, compared to the prior year. The capital raised on US exchanges exceeded the combined amount raised from all other major IPO markets, including Hong Kong, London, Sydney, Tokyo, Shenzhen and Shanghai. Led by the UK, the EMEIA region (Europe, Middle East, India and Africa) saw 353 IPOs raising USD 74.9 billion, increases of 47% and 121% respectively. In terms of proceeds, 2014 was the most successful year since 2007 for this region. Financial sponsors drove activity in Europe, with 47% of proceeds attributable to private equity and venture capital-backed listings.

With total proceeds exceeding USD 81 billion across 546 deals, the Asia-Pacific region was a key player on the global IPO stage in 2014. The number of listings increased by 45% compared to the prior year, representing approximately 45% of the global total, while funds raised increased by 38%. Although China was responsible for the majority of proceeds in the region (USD 41.7 billion), the Australian IPO market also had a significant impact (USD 16.0 billion) as it profited from the continued privatization of state-owned entities.

Post year-end developments

After year-end, January saw a number of developments with significant and potentially far-reaching repercussions. On 15 January 2015, the Swiss National Bank (SNB) unexpectedly removed the EUR/CHF 1.20 floor and

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further cut the deposit rate to -0.75%, taking markets by surprise. Immediately following the announcement, the CHF rallied by approximately 30% against USD and EUR and by the end of January stabilized somewhat (with high volatility) at a ca 10-15% gain. While the SNB emphasized the decision was taken independently from the prospect of an expansion of the European Central Bank's (ECB) quantitative easing (QE) program expected for 22 January 2015, the timing suggested a connection. The ECB indeed widened its QE program from EUR 10 billion per month to EUR 60 billion and included sovereign bonds into the universe of asset purchases, with the amount exceeding market expectations. Purchases are scheduled to run until at least September 2016, with a potential extension depending on inflation developments, bringing annualized asset purchases to 7.2% of GDP, compared to the Fed's third QE program equivalent of 5.8% of GDP annualized.

Three days later, on 25 January 2015, Syriza, the radical left-wing, anti-austerity party won the Greek elections, immediately reversing some of the terms agreed under the bailout program with the Troika, including scrapping the privatization of certain infrastructure assets. With Greece needing more financing throughout 2015 and the challenging prospect of finding a compromise that matches Troika and Greek government expectations, the risks of a potential Greek sovereign default and a potential "Grexit" moved back into the spotlight. While private sector exposure to the Greek sovereign and Greek banks is relatively small, Portugal, Italy and Spain (and potentially more Eurozone members) are exposed to contagion risk.

Outlook

For the past six years, Partners Group has had a conservative economic outlook and for the past year we have become more cautious with regard to our financial market or "asset-

flation" scenario. The above-mentioned developments further emphasize our views of below-trend growth and increased market and exchange rate volatility, although a geyser of central bank liquidity should put a floor beneath asset prices.

Global growth is still expected to be restrained in the new year. While the US economy seems to have decoupled somewhat from the rest of the world, growth should still remain below the pre-crisis trend as the stronger US dollar, lackluster global growth and the prospect of potential monetary tightening by the Fed should weigh on confidence and investment activity. In the Eurozone, sticky unemployment, sluggish private demand and deleveraging in many private and public sectors are exacerbated by the threat of deflation and an escalation of tensions with Russia. Growth expectations in the emerging markets are also weakening. Particularly oil-exporting countries and countries with high oil-related fiscal revenues are facing difficult times (e.g. Russia, Venezuela, Nigeria). Despite some near-term obstacles, the medium-term perspective for emerging market economies is still favorable, as the secular trends of urbanization and the rise of the middle class remain intact.

Capital markets are likely to remain detached from economic fundamentals. As central bank liquidity continues to flood the market from the ECB, Bank of Japan (BoJ) and even some emerging market central banks, investors' need to deploy cash should continue to provide a lower boundary to pricing. Simultaneously, an increase in volatility is very likely and downside risk significant, as many unresolved obstacles deteriorate further and monetary and exchange rate policy changes may take markets by surprise (as with the SNB in January). As long as prices remain high, financial sponsors will look to capitalize on current conditions and take the opportunity to exit portfolio companies either via the public markets or through trade sales. Strong fun-

draising and investment activity, coupled with a large number of unrealized private equity-owned companies, will likely result in a persistently high frequency of sponsor-to-sponsor transactions.

Sources: mergermarket (January 2015); Preqin (January 2015); Ernst & Young (January 2015); CBA (January 2015); Partners Group Research

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3 INVESTMENT MANAGER'S REPORT

Strong NAV growth of 13.2% in 2014

Princess' audited net asset value (NAV) increased by a strong 13.2% to EUR 8.58 per share over the year, adjusted for the total dividend of EUR 0.54 per share distributed in 2014.

The largest contributors to NAV growth in 2014 were Princess' direct investments. Overall, net revaluation developments during the reporting period amounted to +13.4% and were based on solid earnings results of the Company's underlying portfolio companies. For instance, the last twelve months saw the 50 largest portfolio companies, representing 51.0% of NAV, achieve weighted revenue and earnings (EBITDA) growth of 11.2% and 10.1%, respectively. Over the reporting period, Partners Group has continued to work closely with its portfolio companies in executing value creation initiatives. Several portfolio companies have already achieved tangible results, with the direct investments in Multi-

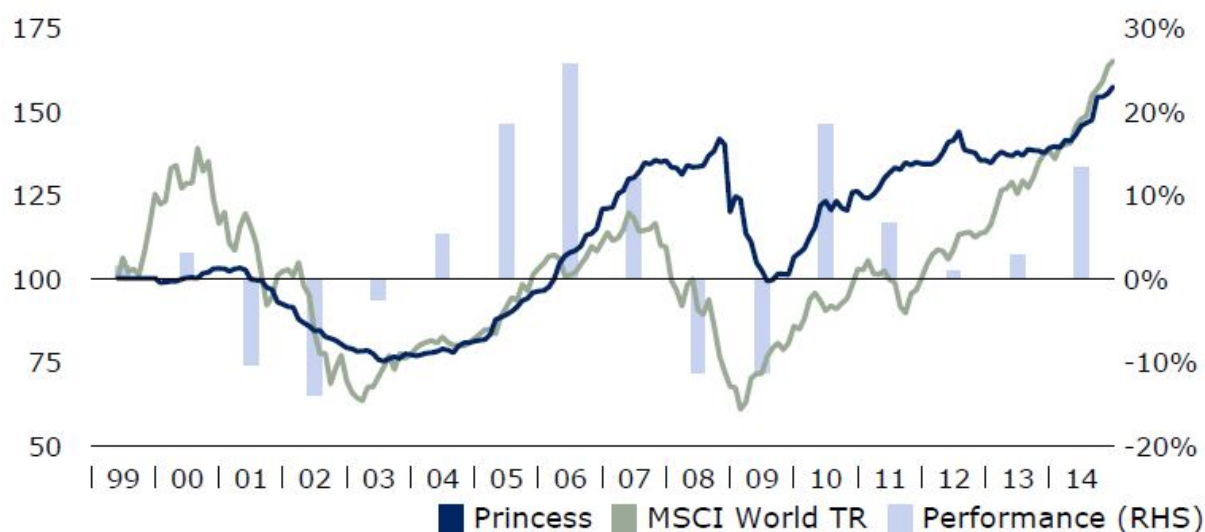
Plan, Fermaca, and Action amongst those companies which were written-up.

■ MultiPlan

MultiPlan, a US-based provider of transaction based solutions to healthcare operators was revalued upward as a result of its strong financial performance over the reporting period. The performance was above the corresponding prior year period and also outperformed forecast, partly driven by the higher value of claims received. In addition, MultiPlan acquired Medical Audit Review Solutions (MARS), a company that develops analytics and clinically-driven processes to identify wasteful or abusive bills and resolve them before payment is made. The addition of MARS is expected to extend MultiPlan's product portfolio.

■ Fermaca

In December, Fermaca was awarded the El Encino – La Laguna natural gas pipeline pro-

NAV PERFORMANCE (SINCE INCEPTION)*

* As per reporting date. Total return.

ject by Mexico's state-owned electric utility, Comisión Federal de Electricidad. Contracted under a USD-denominated, 25-year ship-or-pay contract, the project comprises constructing and operating a 433km pipeline that is designed to transport up to 1'500 million cubic feet of natural gas a day. To facilitate the build-out of the pipeline platform, Fermaca raised additional equity funding from investors. Partners Group wrote up Fermaca's valuation to reflect the price at which the asset had recently transacted in the market.

■ Action

Over the course of 2014, Action, a leading Dutch non-food discount retailer, continued to display robust financial performance. The Dutch retailer remains committed to its store expansion plans by accelerating store openings and thereby focusing on countries outside of the Netherlands.

Fourteen new direct investments closed

Within 2014, Princess deployed EUR 75.2 million directly to seven new direct private equity and seven new direct private debt investments bringing the allocation to direct investments to 56.1% of NAV compared to 39.0% at the end of 2013. Overall, the total investment activity amounted to EUR 85.9 million with the investment level increasing to 85.9% of NAV, up from 70.7% at the start of the year. In the fourth quarter of 2014, Princess completed the new direct private equity investment in Varsity Brands and made add-on investments in the direct infrastructure company Fermaca (as mentioned above) and the direct private debt investment CapitalSpring. All seven direct private debt investments acquired in 2014 have a combined capital weighted target IRR of 11.7%.

■ Varsity Brands

In December, Princess completed a new direct investment in Varsity Brands, a leading manufacturer, marketer and distributor of a range of sports and affinity products to K-12 and college students, primarily in the US. The investment amounts to EUR 5.4 million and was made through its commitment to Partners Group Direct Investments 2012 EUR, partially funded through earlier capital calls. The company is the market leader for the majority of its products, commanding a market share that is significantly larger than its closest competitor. Its combined sales amount to over USD 1.2 billion and Varsity Brands employs the largest "K-through-College" sales force, with more than 1'000 sales professionals dedicated to providing products and services to the school and institutional markets. Going forward, Partners Group intends to assist the company in its international expansion and in the execution of add-on acquisitions.

■ CapitalSpring

In October, the program made an add-on investment in CapitalSpring Finance Company. CapitalSpring is a US government-supported small business specialty financing company that lends to franchisees of quick-service restaurants. Princess initially invested in CapitalSpring in the third quarter of 2013, to support the company's portfolio growth, support originations and provide additional working capital. The company's loan portfolio is diversified across geographies, brands, franchise concepts as well as obligors, and has a low historical principal loss rate. CapitalSpring continues to be an attractive investment, given the company's expertise in the niche quick-service restaurant lending market.

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Total dividend of EUR 0.54 per share paid to investors

Princess paid investors a total dividend of EUR 0.54 per share via two interim dividends, or EUR 37.3 million overall in 2014. This translated to an annualized dividend yield of 6.3% based on the NAV per share as of 31 December 2014, or an annualized dividend yield of 7.7% based on the closing price of EUR 6.97 on the London Stock Exchange at the end of the year.

Also going forward Princess intends to pay dividends with an annual aggregate of 5-8% of NAV per share. The Board of Directors is confident that the strong dividend yield on offer will further enhance the attractiveness of Princess to potential and existing investors alike.

High level of distributions in an attractive exit environment

In 2014, Princess received distribution proceeds from investments of EUR 73.3 million. The main contributor to distributions over the reporting period was Princess' legacy third party fund portfolio, which continued to generate a high volume of exits from mature underlying portfolio companies.

A number of Princess' direct investments also contributed to the high level of distributions. For example, Education Publisher 2, Strategic Partners and CCM Pharma.

■ Education Publisher 2

In the fourth quarter of 2014, Education Publisher 2, an international provider of high-quality educational materials, in digital, print and hybrid formats, made a dividend payment to its investors. The dividend was funded from the cash balances of its subsidiary, arising from the company's focus on cost savings and

an operational shift to asset-light digital products.

■ Strategic Partners

During the fourth quarter of 2014, Princess received proceeds from Strategic Partners, a US-based manufacturer and marketer of uniforms and footwear. The distribution was funded by an increase in Strategic Partners' credit facility and cash on the company's balance sheet. The additional credit facility was accompanied by more favorable terms such as lower interest rates and a longer maturity. Including previous realizations, the investment has now returned nearly the entire invested capital.

■ CCM Pharma

CCM Pharma, a UK pharmaceutical firm, refinanced its debt with an all-senior debt structure and repaid the mezzanine loan provided by the Program. The proceeds from the newly issued senior term loans were also used to fund a dividend payment to existing shareholders, including Princess. The return on the mezzanine investment was enhanced due to the agreed prepayment penalty, while the equity investment in the company remains outstanding.

In addition, Princess received deferred receivables of EUR 51.4 million in cash in March 2014, relating to the sale of partnership interests in the secondary market in 2012. Under the deferred payment structure a further EUR 54.4 million is due to be received in September 2015.

An undrawn EUR 50 million multicurrency credit facility remains available to address short-term funding needs if and when required. As a result, the Company holds sufficient liquidity to fund new direct investments and the ongoing return of capital to shareholders

through semi-annual dividend payments and opportunistic share buybacks.

Price-to-NAV discount

The discount to NAV for Princess narrowed over the course of 2014 and stands at -18.8%, compared with -22.1% at the end of 2013, reflecting the encouraging progress with the repositioning of the portfolio.

Development of unfunded commitments

As of 31 December 2014, Princess' total unfunded commitments amounted to EUR 165.0 million of which EUR 111.1 million related to Partners Group Direct Investments 2012 EUR, Partners Group Direct Mezzanine 2011 and new direct investments in closing.

Unfunded commitments to Princess' legacy fund portfolio amounted to EUR 53.9 million and 64.8% of these unfunded commitments stemmed from funds with vintage year 2006 or older, many of which have already completed their investment period and are unlikely to call down any further capital. No new third party fund commitments are being made under the policy of focusing on direct transactions.

Outlook

Partners Group believes that careful selection, a thorough comprehension of industry specific dynamics and value creations initiatives are keys to success in the current environment. Partners Group intends to overweigh non-cyclical, defensive or niche markets where it will be able to create value by growing acquired assets internationally through its global platform and broad relationship network.

Examples within Princess' portfolio would be Hofmann Menue Manufaktur, Universal Services of America or Permotio International Learning.

Hofmann Menue Manufaktur, a producer and supplier of customized frozen food products to small business canteens and social organizations such as retirement homes, hospitals and schools in Germany, successfully entered the Swiss market in November 2014 through the acquisition of a small catering company from which Hofmann Menue Manufaktur will systematically roll out its offering in Switzerland.

Universal Services of America is a provider of diversified security services to building management companies across the US. The company was written up in 2014 based on strong financial figures, arising from both strong acquisition activity since Partners Group's investment and organic growth.

Permotio International Learning was formed in Q2 2013 to create a leading international private schools group through a "buy & build" strategy and already successfully acquired its first European school in Q2 2014.

After the end of the reporting period, Princess agreed to invest in Dynacast, a US-headquartered manufacturer of small, highly complex precision engineered die cast and metal injection molded components made of zinc, aluminum, magnesium, stainless steel, titanium and copper, with 23 manufacturing plants in 16 countries. The deal funded in January 2015 and fits well into the strategy of growing mid-market leaders internationally, identifying investments with strong downside protection and investing in future growth.

For its mezzanine investments Partners Group sees relative value in the mid-cap space globally, especially in situations such as acquisitions where creative structures are required to support growth strategies.

Therefore, in December 2014, Princess committed to provide add-on financing to Sabre

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Industries, in support of its planned acquisition of a competitor. Sabre's acquisition of its competitor is envisaged to increase revenues through cross-selling opportunities, as well as provide cost synergies by streamlining manufacturing operations. The transaction is anticipated to close in the first quarter of 2015. In 2012, Princess first invested in the mezzanine debt of Sabre, a manufacturer of engineered structures for the power and wireless markets, in support of its acquisition by Kohlberg & Company.

Distributions are anticipated to continue from Princess' mature legacy fund portfolio which continues to generate strong cash flows. While facilitating new direct investments such as Dynacast or Sabre Industries, these distributions are also expected to fund future dividend payments. Overall, the Investment Manager remains confident that the dividend policy and the continued transition towards direct investments will enhance value for the company's shareholders.

PORTFOLIO ALLOCATION

Increased allocation to direct investments

At 56%, the largest allocation in the Company's portfolio as of the end of 2014 was to direct investments, up from 39% as of the end of the previous year. The allocation to primary fund investments decreased to 41% as of year-end 2014 (2013: 57%). The portfolio's allocation to secondary investments decreased by 1% to 3%.

Small- and mid-cap exposure increases by 3 percentage points

The allocation to small- and mid-cap investments rose by 3 percentage points in 2014 to 46% of the portfolio. The allocation to the large- and mega-large-cap buyout segment increased to 18% as of year-end 2014 (2013:

15%). The share of venture capital (8%) and growth (4%) investments in the portfolio decreased to 12% at the end of 2014 from 16% at the end of 2013, reflecting realizations from the mature venture capital portfolio. The allocation of the portfolio to the mezzanine and special situations sector decreased each by 1 percentage point versus the previous year and stand at 11% and 13% respectively.

Regional allocation broadly unchanged

The geographical exposure of the Princess portfolio by value at the end of 2014 was split between Europe (48% against 45% in 2013), North America (unchanged against 35% in 2013), and Asia & Rest of World (17% against 20% in 2013).

Diversified portfolio by industry sectors

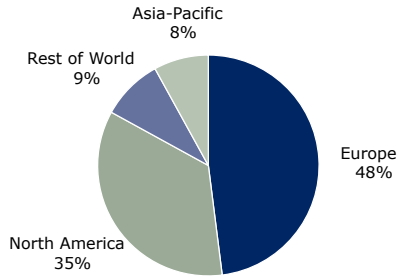
The Princess portfolio is broadly diversified across a range of industries. The highest allocations are to the industrials (25%), consumer discretionary (22%), healthcare (16%), financial (11%) and information technology (8%) sectors, which together represented 82% of the NAV as of the end of 2014.

Well-balanced split by investment year

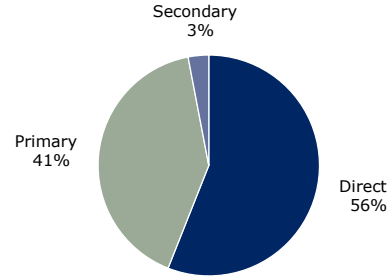
The maturity of the Princess portfolio is further underpinned by a healthy level of diversification across investment years. Around 28% of Princess' current investments were made before 2009. These portfolio companies have been developed in the past years in readiness for exiting over the next few years.

4 PORTFOLIO COMPOSITION

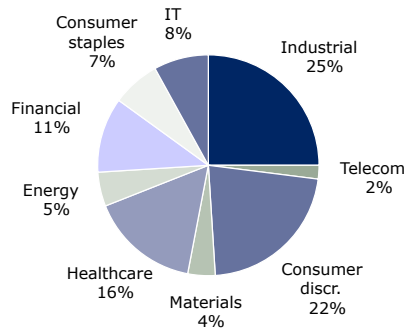
INVESTMENTS BY REGIONAL FOCUS



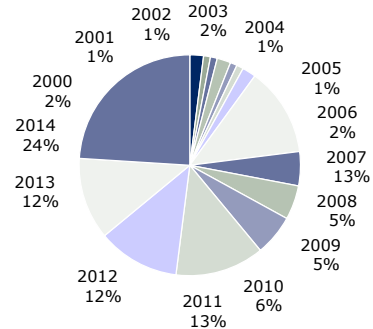
INVESTMENTS BY TRANSACTION TYPE



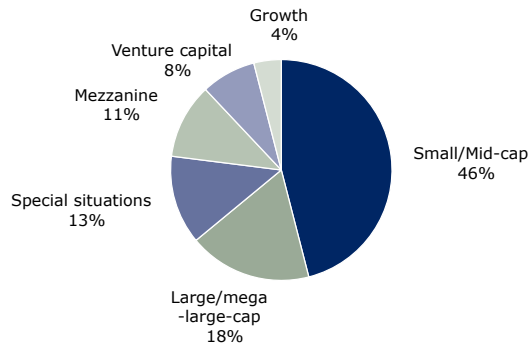
PORTFOLIO ASSETS BY INDUSTRY SECTOR



PORTFOLIO ASSETS BY INVESTMENT YEAR

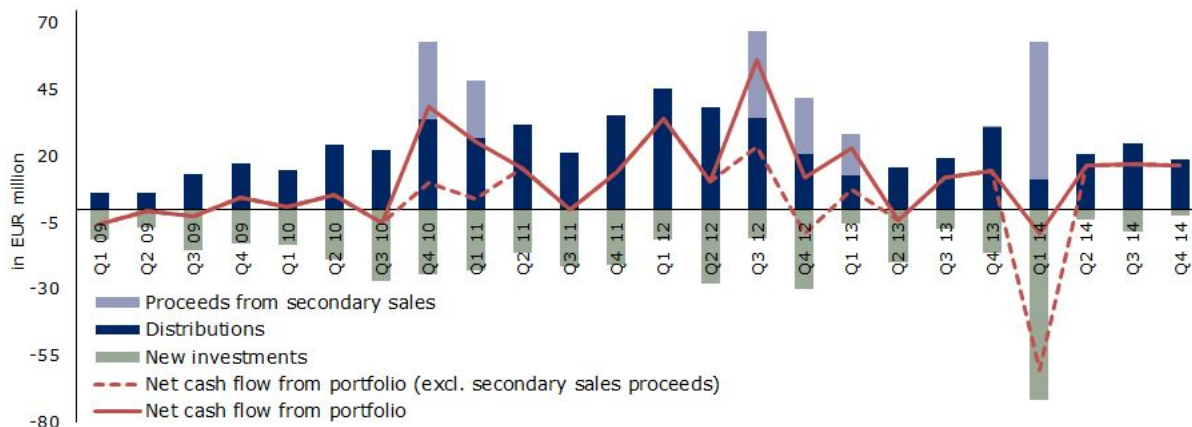


INVESTMENTS BY FINANCING CATEGORY

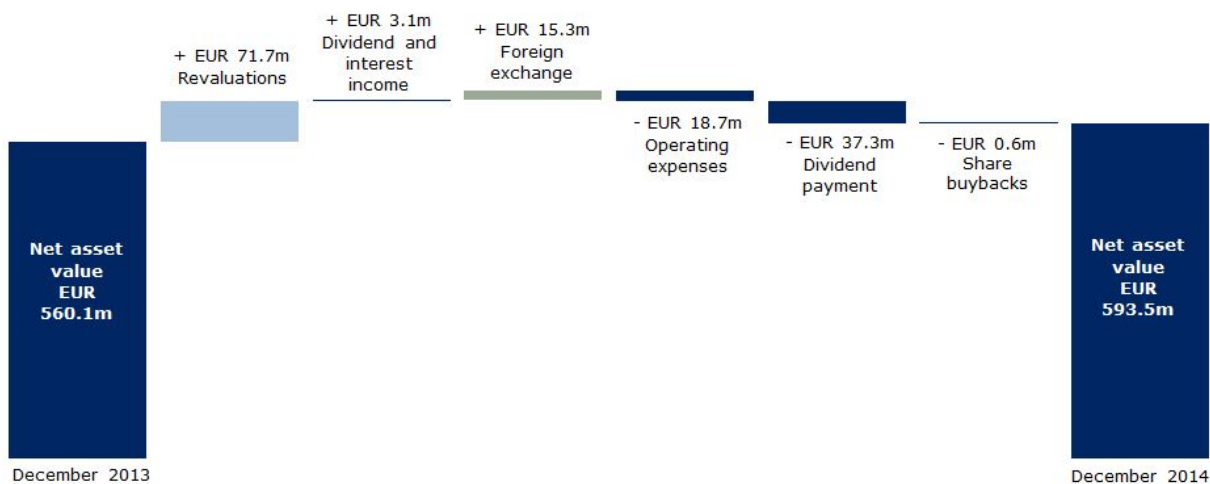


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DEVELOPMENT OF NET CASH FLOWS



NAV DEVELOPMENT



VALUATION METRICS OF THE LARGEST UNDERLYING PORTFOLIO COMPANIES*

	Top 10	Top 20	Top 50
EV/EBITDA	10.8x	10.8x	10.6x
Net debt/EBITDA	4.5x	4.7x	4.7x
Leverage	42.1%	45.3%	45.2%
Average EV	EUR 2.2bn	EUR 2.0bn	EUR 1.9bn
% of NAV	26.7%	37.1%	51.0%

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

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

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

"Investments" refers to the value of investments (beginning of chapter).

5 PORTFOLIO OVERVIEW

Direct Investments

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost	Net asset value	% of NAV
MultiPlan	Healthcare	NAM	Large/mega-large-cap	2014	17'500'436	27'408'165	4.6%
VAT Vakuumentile AG	Industrials	WEU	Small/Mid-cap	2014	18'586'583	21'073'636	3.6%
Action	Consumer discretionary	WEU	Small/Mid-cap	2011	1'078'827	19'254'597	3.2%
Universal Services of America	Industrials	NAM	Small/Mid-cap	2012	9'514'798	17'666'785	3.0%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2014	14'593'373	15'343'048	2.6%
Fermaca	Energy	ROW	Special situations	2014	12'056'454	13'931'187	2.3%
Fermo (Trimco International)	Industrials	APC	Small/Mid-cap	2012	n.a.	12'483'593	2.1%
Caffe Nero	Consumer staples	WEU	Mezzanine	2013	7'685'804	n.a.	n.a.
Global Blue	Financials	WEU	Small/Mid-cap	2012	5'680'330	8'485'539	1.4%
Information service company	Industrials	NAM	Large/mega-large-cap	2007	5'349'307	7'779'652	1.3%
Acino Holding AG	Healthcare	WEU	Small/Mid-cap	2013	7'711'875	7'685'156	1.3%
AWAS Aviation Holding	Financials	WEU	Large/mega-large-cap	2006	5'970'444	7'603'347	1.3%
Voyage Care	Healthcare	WEU	Small/Mid-cap	2014	7'110'902	7'110'902	1.2%
Securitas Direct 2011	Industrials	WEU	Mezzanine	2011	4'070'307	6'418'104	1.1%
Plantasjen ASA	Consumer discretionary	WEU	Mezzanine	2007	2'435'459	6'330'535	1.1%
Varsity Brands	Consumer discretionary	NAM	Small/Mid-cap	2014	5'507'388	5'507'388	0.9%
Kerneos	Materials	WEU	Small/Mid-cap	2014	5'443'563	5'443'563	0.9%
Food company 1	Industrials	NAM	Large/mega-large-cap	2007	2'638'374	4'632'424	0.8%
Essmann	Materials	WEU	Mezzanine	2007	n.a.	4'335'715	0.7%
CSS Corp Technologies (Mauritius) Limited	Telecommunication services	APC	Small/Mid-cap	2013	n.a.	n.a.	n.a.
BarBri	Consumer discretionary	NAM	Small/Mid-cap	2011	3'140'198	4'114'344	0.7%
Lancelot	Financials	NAM	Large/mega-large-cap	2013	2'686'689	4'029'138	0.7%
Permotio International Learning S.à r.l.	Consumer discretionary	WEU	Growth	2013	4'040'674	4'025'150	0.7%
CPA Global	Industrials	WEU	Special situations	2013	3'601'259	3'850'865	0.6%
Universal Hospital Services, Inc.	Healthcare	NAM	Small/Mid-cap	2007	3'594'962	3'072'605	0.5%
South Dakota Systems	Telecommunication services	NAM	Special situations	2014	2'832'915	2'960'109	0.5%
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	409'383	2'870'792	0.5%
Photonis	IT	WEU	Special situations	2011	2'308'407	2'663'411	0.4%
Grupo SBF	Consumer discretionary	ROW	Growth	2013	2'620'826	2'620'826	0.4%
CapitalSpring Finance Company	Financials	NAM	Mezzanine	2013	2'240'395	2'581'860	0.4%
US entertainment company	Consumer discretionary	NAM	Large/mega-large-cap	2008	6'100'707	2'450'095	0.4%
Strategic Partners, Inc.	Consumer discretionary	NAM	Small/Mid-cap	2012	119'603	2'249'282	0.4%
ConvaTec Inc	Healthcare	WEU	Large/mega-large-cap	2008	593'117	2'219'134	0.4%
Project Icon	Consumer discretionary	WEU	Small/Mid-cap	2011	4'317'560	2'055'333	0.3%
Softonic	Consumer discretionary	WEU	Growth	2013	3'877'888	2'002'674	0.3%

Direct Investments

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost	Net asset value	% of NAV
Food and beverage services operator	Consumer staples	WEU	Small/Mid-cap	2006	1'374'389	1'972'576	0.3%
Direct marketing and sales company	Consumer discretionary	ROW	Small/Mid-cap	2007	525'325	1'927'353	0.3%
Schenck Process GmbH	Industrials	WEU	Small/Mid-cap	2007	951'350	1'459'067	0.2%
Megadyne	Industrials	WEU	Mezzanine	2014	n.a.	n.a.	n.a.
Project Artemis	Healthcare	WEU	Mezzanine	2013	1'167'019	1'382'060	0.2%
Quick Service Restaurant Holdings	Consumer discretionary	APC	Mezzanine	2011	n.a.	n.a.	n.a.
BSN medical 2012	Healthcare	WEU	Mezzanine	2012	984'518	1'368'593	0.2%
Labeyrie	Consumer staples	WEU	Mezzanine	2014	1'249'996	n.a.	n.a.
Media and communications company	Consumer discretionary	NAM	Large/mega-large-cap	2008	2'558'179	1'283'607	0.2%
Delsey Group	Consumer discretionary	WEU	Small/Mid-cap	2007	1'440'019	1'277'354	0.2%
M7	Telecommunication services	WEU	Mezzanine	2014	1'168'996	1'211'556	0.2%
Project Heron	Consumer staples	NAM	Mezzanine	2013	883'391	1'184'317	0.2%
Univision Communications, Inc.	Consumer discretionary	NAM	Large/mega-large-cap	2007	805'803	1'175'780	0.2%
Qinterra	Energy	WEU	Mezzanine	2013	1'090'753	1'174'532	0.2%
Fashion company	Consumer discretionary	NAM	Large/mega-large-cap	2007	1'215'128	1'093'615	0.2%
Project Sun	Industrials	WEU	Small/Mid-cap	2011	3'227'091	1'052'093	0.2%
Freescale Semiconductor, Inc.	IT	NAM	Large/mega-large-cap	2006	1'401'787	978'139	0.2%
Medical diagnostic company	Healthcare	NAM	Small/Mid-cap	2008	-131'965	970'137	0.2%
Savers, Inc.	Consumer discretionary	NAM	Mezzanine	2012	740'410	933'322	0.2%
Sabre Industries	Industrials	NAM	Mezzanine	2012	616'562	902'060	0.2%
Super A-Mart	Consumer discretionary	APC	Small/Mid-cap	2006	1'569'448	899'446	0.2%
Aurora Casket	Industrials	NAM	Mezzanine	2012	575'421	877'270	0.1%
Medical device company 1	Healthcare	NAM	Small/Mid-cap	2008	977'637	821'528	0.1%
Telecommunication company	IT	NAM	Large/mega-large-cap	2007	1'726'257	724'557	0.1%
energy research and consulting firm	Industrials	WEU	Mezzanine	2012	509'907	705'503	0.1%
Service company	Industrials	NAM	Large/mega-large-cap	2007	325'600	670'764	0.1%
Indian communications company	Utilities	APC	Large/mega-large-cap	2008	612'081	646'891	0.1%
Kofola S.A.	Consumer staples	ROW	Small/Mid-cap	2008	617'717	509'688	0.1%
Grupo Santillana	Consumer discretionary	ROW	Growth	2010	n.a.	n.a.	n.a.
Kaffee Partner AG	Industrials	WEU	Small/Mid-cap	2010	217'590	392'349	0.1%
Acteon Group, Ltd.	Energy	WEU	Small/Mid-cap	2012	235'312	324'731	0.1%
Chronos Life Group	Financials	NAM	Special situations	2010	184'121	305'641	0.1%
Avio Holding S.p.A	Industrials	WEU	Large/mega-large-cap	2006	-289'627	n.a.	n.a.
Software Developer	IT	WEU	Growth	2009	114'821	256'381	0.0%
Meat producer	Consumer staples	APC	Small/Mid-cap	2010	76'338	216'026	0.0%
Casadoce Industria e Comercio de Alimentos S.A.	Consumer staples	ROW	Small/Mid-cap	2010	179'391	194'754	0.0%
EXCO Resources, Inc.	Industrials	NAM	Large/mega-large-cap	2007	1'429'389	184'188	0.0%
Food Company 3	Consumer staples	ROW	Small/Mid-cap	2010	72'070	136'067	0.0%

Direct Investments

Investment	Industry sector	Regional focus	Financing category	Investment year	Residual cost	Net asset value	% of NAV
Hunter Boot Ltd	Consumer discretionary	WEU	Small/Mid-cap	2012	117'071	133'004	0.0%
Project Power Play	Energy	NAM	Large/mega-large-cap	2011	73'764	121'488	0.0%
Saehwa International Machinery Corporation	Industrials	APC	Growth	2010	n.a.	n.a.	n.a.
The Nielsen Company	Consumer discretionary	WEU	Large/mega-large-cap	2006	-549'681	117'931	0.0%
CCM Pharma	Healthcare	WEU	Mezzanine	2013	-176'760	106'326	0.0%
ET Solar Group Corp.	Industrials	APC	Growth	2008	162'017	97'210	0.0%
BCH	Industrials	APC	Growth	2011	111'990	80'388	0.0%
AOT Bedding Super Holdings LLC	Consumer discretionary	NAM	Special situations	2005	-180'462	73'520	0.0%
RoadLink Holdings, Inc.	Industrials	NAM	Small/Mid-cap	2007	n.a.	n.a.	n.a.
Project Spring	Financials	NAM	Special situations	2010	n.a.	n.a.	n.a.
Project Phoenix	Financials	WEU	Special situations	2010	-44'187	10'217	0.0%
Surgery Partners	Healthcare	NAM	Mezzanine	2009	-314'671	8'358	0.0%
San Antonio Internacional Ltd	Energy	ROW	Special situations	2010	356'842	0	0.0%
Industrial gas containment company	Industrials	NAM	Small/Mid-cap	2007	919'106	0	0.0%
China Forestry Holdings Co. Ltd.	Materials	APC	Growth	2009	182'204	0	0.0%
Diagnostic imaging company	Healthcare	APC	Small/Mid-cap	2007	37'639	0	0.0%
Total direct investments					219'899'935	290'055'170	

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

Fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
Partners Group Global Real Estate 2008 LP	WEU	Special situations	2008	2'195'870	15'664'083	2.6%
Terra Firma Capital Partners III, L.P.	WEU	Large/mega-large-cap	2006	79'547	12'433'751	2.1%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	1'266'897	8'382'059	1.4%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	788'570	7'580'361	1.3%
Quadriga Capital Private Equity Fund III, L.P.	WEU	Small/Mid-cap	2006	490'067	6'717'540	1.1%
GMT Communications Partners III, L.P.	WEU	Small/Mid-cap	2006	1'043'526	6'703'659	1.1%
3i Eurofund Vb	WEU	Small/Mid-cap	2006	410'216	6'693'564	1.1%
August Equity Partners II A, L.P.	WEU	Small/Mid-cap	2007	n.a.	6'425'313	1.1%
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	570'194	6'359'616	1.1%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	1'026'746	5'843'851	1.0%
MatlinPatterson Global Opportunities Partners III	NAM	Special situations	2007	914'977	5'565'818	0.9%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	5'562'413	0.9%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'512'253	5'416'019	0.9%
INVESCO U.S. Buyout Partnership Fund II, L.P.	NAM	Small/Mid-cap	2000	2'086'394	5'319'258	0.9%
INVESCO Venture Partnership Fund II, L.P.	NAM	Venture capital	1999	2'796'238	4'789'335	0.8%
Palamon European Equity 'C', L.P.	WEU	Small/Mid-cap	1999	0	4'243'894	0.7%
Candover 2005 Fund, L.P.	WEU	Large/mega-large-cap	2005	19'791	4'200'459	0.7%
ICG European Fund 2006, L.P.	WEU	Mezzanine	2006	1'639'160	4'166'487	0.7%
Aksia Capital III, L.P.	WEU	Small/Mid-cap	2005	77'447	4'126'491	0.7%
Ares Corporate Opportunities Fund II, L.P.	NAM	Special situations	2006	1'924'412	4'059'325	0.7%
Fenway Partners Capital Fund II, L.P.	NAM	Small/Mid-cap	1998	390'389	3'178'561	0.5%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	599'641	2'956'715	0.5%
Advent Latin American Private Equity Fund IV, L.P.	ROW	Large/mega-large-cap	2007	220'157	2'530'548	0.4%
Advent International GPE VI, L.P.	WEU	Small/Mid-cap	2008	95'950	2'484'555	0.4%
Draper Fisher Jurvetson Fund VII, L.P.	NAM	Venture capital	2000	0	2'463'177	0.4%
Carmel Software Fund (Cayman), L.P.	ROW	Venture capital	2000	0	2'422'426	0.4%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	235'884	2'333'299	0.4%
The Peninsula Fund IV, L.P.	NAM	Mezzanine	2005	404'190	2'226'152	0.4%
Columbia Capital Equity Partners III (Cayman), LP	NAM	Venture capital	2000	120'618	2'204'748	0.4%
Patria - Brazilian Private Equity Fund III, L.P.	ROW	Small/Mid-cap	2007	n.a.	n.a.	n.a.
Levine Leichtman Capital Partners II, L.P.	NAM	Mezzanine	1998	0	2'141'220	0.4%
OCM Mezzanine Fund II, L.P.	NAM	Mezzanine	2005	1'431'682	2'062'323	0.3%
Penta CLO I S.A..	WEU	Special situations	2007	0	1'992'915	0.3%
Index Ventures Growth I (Jersey), L.P.	WEU	Growth	2008	0	1'935'489	0.3%
Menlo Ventures IX, L.P.	NAM	Venture capital	2000	0	1'752'142	0.3%
Clayton, Dubilier & Rice Fund VIII, L.P.	NAM	Large/mega-large-cap	2009	318'324	1'746'753	0.3%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	201'441	1'661'243	0.3%
Anonymized European Buyout Fund 3	WEU	Small/Mid-cap	2008	308'211	1'634'976	0.3%

Fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
Southern Cross Latin America PE Fund III	ROW	Small/Mid-cap	2007	19'475	1'606'502	0.3%
Navis Asia Fund V, L.P.	APC	Small/Mid-cap	2007	21'952	1'534'163	0.3%
EQT Infrastructure (No.1) Limited Partnership	WEU	Special situations	2008	175'874	1'475'457	0.2%
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'422'351	0.2%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	175'641	1'348'028	0.2%
Vortex Corporate Development Fund, L.P.	NAM	Venture capital	2000	118'997	1'327'780	0.2%
Ventizz Capital Fund IV, L.P.	WEU	Growth	2007	0	1'309'270	0.2%
Baring Asia Private Equity Fund IV, L.P.	APC	Small/Mid-cap	2007	228'826	1'229'850	0.2%
SV Life Sciences Fund II, L.P.	WEU	Venture capital	1998	0	1'173'462	0.2%
CVC Capital Partners Asia Pacific III, L.P.	APC	Large/mega-large-cap	2007	264'289	1'113'728	0.2%
Perusa Partners 1, L.P.	WEU	Special situations	2008	217'170	1'113'180	0.2%
Permira Europe II, L.P.	WEU	Large/mega-large-cap	2000	0	1'013'026	0.2%
Lightspeed Venture Partners VI, L.P.	NAM	Venture capital	2000	545'252	1'010'667	0.2%
Summit Partners Europe Private Equity Fund, L.P.	WEU	Growth	2008	707'143	983'175	0.2%
Nmas1 Private Equity Fund II, L.P.	WEU	Small/Mid-cap	2008	70'501	978'539	0.2%
HitecVision V, L.P.	WEU	Small/Mid-cap	2008	99'935	942'077	0.2%
European Equity Partners (III), L.P.	WEU	Venture capital	1999	0	924'211	0.2%
Sofinnova Capital VI FCPR	WEU	Venture capital	2008	99'598	922'893	0.2%
American Securities Partners III, L.P.	NAM	Small/Mid-cap	2001	557'929	869'721	0.1%
ECI 9, L.P.	WEU	Small/Mid-cap	2009	94'827	849'135	0.1%
Hony Capital Fund 2008, L.P.	APC	Small/Mid-cap	2008	50'795	844'368	0.1%
TPG Asia V, L.P.	APC	Large/mega-large-cap	2007	126'277	843'988	0.1%
Partners Group SPP1 Limited	NAM	Special situations	1996	2'090'309	840'144	0.1%
Summit Ventures VI, L.P.	NAM	Growth	2000	0	839'788	0.1%
Anonymized Asian Buyout Fund 3	APC	Large/mega-large-cap	2007	463'048	784'485	0.1%
Blackstone Communications Partners I, L.P.	NAM	Small/Mid-cap	2000	752'020	777'578	0.1%
Standard Chartered IL&FS Asia Infra Growth Fund	APC	Special situations	2008	482'818	699'273	0.1%
Doughty Hanson & Co. Fund III, L.P.	WEU	Small/Mid-cap	1997	96'809	693'799	0.1%
Abris CEE Mid-Market Fund, L.P.	ROW	Small/Mid-cap	2007	0	690'981	0.1%
Affinity Asia Pacific Fund III, L.P.	APC	Large/mega-large-cap	2007	106'370	679'805	0.1%
Advent Latin American Private Equity Fund V, L.P.	ROW	Large/mega-large-cap	2009	220'157	675'427	0.1%
Segulah II, L.P.	WEU	Small/Mid-cap	1999	598'143	653'735	0.1%
Industri Kapital 2000, L.P.	WEU	Small/Mid-cap	1999	1'419'048	649'506	0.1%
TCW/Crescent Mezzanine Partners III, L.P.	NAM	Mezzanine	2001	3'276'146	641'657	0.1%
Enterprise Venture Fund I, L.P.	ROW	Growth	2008	296'691	633'064	0.1%
Providence Equity Partners IV, L.P.	NAM	Large/mega-large-cap	2000	915'583	593'142	0.1%
Advent Central & Eastern Europe IV, L.P.	ROW	Small/Mid-cap	2008	170'506	586'535	0.1%
Astorg V FCPR	WEU	Small/Mid-cap	2011	191'354	554'465	0.1%

Fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
Helios Investors II, L.P.	ROW	Small/Mid-cap	2009	110'343	549'089	0.1%
SBCVC Fund III, L.P.	APC	Venture capital	2008	38'895	531'756	0.1%
DFJ Esprit Capital III, L.P.	WEU	Venture capital	2007	24'755	530'808	0.1%
IDG-Accel China Capital Fund	APC	Growth	2008	23'777	522'800	0.1%
Montagu IV LP	WEU	Small/Mid-cap	2011	249'186	506'044	0.1%
Quadrige Capital Private Equity Fund II, L.P.	WEU	Small/Mid-cap	1999	0	499'044	0.1%
Indium III (Mauritius) Holdings Limited	APC	Small/Mid-cap	2007	1'835	494'670	0.1%
Project GIH/Baring Asia	ROW	Small/Mid-cap	2005	132'459	487'073	0.1%
Behrman Capital IV, L.P.	NAM	Small/Mid-cap	2007	46'973	480'225	0.1%
Anonymized Asian Venture Fund 1	APC	Venture capital	2007	5'450	467'240	0.1%
Centerbridge Capital Partners II, L.P.	NAM	Special situations	2011	150'636	456'676	0.1%
AXA LBO Fund IV	WEU	Small/Mid-cap	2007	50'346	456'404	0.1%
Oaktree Principal Fund V (Cayman) Ltd.	NAM	Special situations	2009	61'418	451'978	0.1%
Southern Cross Latin America PE Fund IV	ROW	Small/Mid-cap	2010	150'594	451'988	0.1%
Marlin Equity III, L.P.	NAM	Special situations	2010	90'400	n.a.	n.a.
Indium IV (Mauritius) Holdings Limited	APC	Small/Mid-cap	2009	175'507	443'672	0.1%
Searchlight Capital PV, L.P.	NAM	Special situations	2010	462'351	426'943	0.1%
Baring Asia Private Equity Fund V, L.P.	APC	Small/Mid-cap	2011	87'031	424'771	0.1%
Comvest Investment Partners IV-A, L.P.	NAM	Special situations	2010	253'605	423'814	0.1%
GP Capital Partners V, L.P.	ROW	Large/mega-large-cap	2008	351'403	423'744	0.1%
European Equity Partners (IV), L.P.	WEU	Venture capital	2004	0	399'800	0.1%
Archer Capital Fund 4, L.P.	APC	Small/Mid-cap	2007	51'537	386'724	0.1%
Anonymized US Buyout Fund 8	NAM	Large/mega-large-cap	2007	57'841	354'670	0.1%
Project Dome EU Buyout	WEU	Small/Mid-cap	2006	40'668	354'547	0.1%
Value Enhancement Partners Special Sit. Fund I	WEU	Special situations	2008	192'693	328'047	0.1%
Esprit Capital I Fund, L.P.	WEU	Growth	2000	29'109	320'080	0.1%
First Reserve Fund XI, L.P.	NAM	Special situations	2006	0	318'965	0.1%
IDFC Private Equity (Mauritius) Fund III	APC	Special situations	2008	35'728	316'181	0.1%
Intermediate Capital Asia Pacific Fund 2008, L.P.	APC	Mezzanine	2008	132'852	312'878	0.1%
ChrysCapital V, LLC	APC	Growth	2007	0	309'302	0.1%
Carlyle Asia Growth Partners IV, L.P.	APC	Growth	2008	113'791	300'987	0.1%
CDH Fund IV, L.P.	APC	Growth	2009	25'714	300'069	0.1%
Quadrige Capital Private Equity Fund IV L.P.	WEU	Small/Mid-cap	2012	497'965	296'547	0.0%
Capital Today China Growth Fund II, L.P.	APC	Growth	2009	42'109	295'522	0.0%
DLJ SAP International, LLC	ROW	Small/Mid-cap	2007	80'827	294'330	0.0%
H.I.G. Bayside Debt & LBO Fund II, L.P.	NAM	Special situations	2008	139'486	262'801	0.0%
Peepul Capital Fund III, LLC	APC	Small/Mid-cap	2010	n.a.	n.a.	n.a.
GP Capital Partners IV, L.P.	ROW	Large/mega-large-cap	2007	0	252'932	0.0%

Fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
Pacific Equity Partners Fund IV, L.P.	APC	Small/Mid-cap	2007	65'278	250'932	0.0%
Advent Latin American Private Equity Fund II, L.P.	ROW	Small/Mid-cap	2001	0	250'119	0.0%
Apollo Overseas Partners (Delaware) VII, L.P.	NAM	Large/mega-large-cap	2008	120'140	240'699	0.0%
Clessidra Capital Partners II	WEU	Small/Mid-cap	2008	139'274	228'755	0.0%
Advanced Technology Ventures VI, L.P.	NAM	Venture capital	2000	0	227'021	0.0%
Warburg Pincus Private Equity X, L.P.	NAM	Large/mega-large-cap	2007	0	214'128	0.0%
Unison Capital Partners III (B), L.P.	APC	Small/Mid-cap	2008	31'825	207'526	0.0%
Doughty Hanson & Co. European Real Estate Fund	WEU	Special situations	1999	161'744	197'883	0.0%
NewMargin Growth Fund, L.P.	APC	Growth	2007	10'568	n.a.	n.a.
Navis Asia Fund VI, L.P.	APC	Small/Mid-cap	2009	14'042	196'869	0.0%
Jiuding China Growth Fund, L.P.	APC	Growth	2010	n.a.	n.a.	n.a.
Apollo European Principal Finance Fund II, L.P.	WEU	Special situations	2012	108'041	180'931	0.0%
Living Bridge 4 L.P.	WEU	Small/Mid-cap	2007	163'871	178'367	0.0%
Vestar Capital Partners IV, L.P.	NAM	Small/Mid-cap	1999	55'827	171'310	0.0%
Strategic Value Global Opportunities Fund I-A, LP	WEU	Special situations	2006	29'246	167'429	0.0%
Apollo European Principal Finance Fund (Feeder)	WEU	Special situations	2008	107'826	166'822	0.0%
3i India Infrastructure Fund D L.P.	APC	Special situations	2007	59'716	161'768	0.0%
Project Dome Distressed	NAM	Large/mega-large-cap	2007	53'576	160'753	0.0%
KKR China Growth Fund L.P.	APC	Growth	2010	n.a.	n.a.	n.a.
AIF Capital Asia IV, L.P.	APC	Small/Mid-cap	2011	n.a.	n.a.	n.a.
Bridgepoint Europe I 'D', L.P.	WEU	Small/Mid-cap	1998	1'466'097	156'868	0.0%
Catterton Partners IV Offshore, L.P.	NAM	Venture capital	1999	0	141'637	0.0%
APAX Excelsior VI, L.P.	NAM	Venture capital	2000	133'413	129'414	0.0%
ICG EOS Loan Fund I Limited	WEU	Special situations	2010	0	129'124	0.0%
Lone Star Real Estate Fund II, L.P.	NAM	Special situations	2009	55'156	128'171	0.0%
Battery Ventures VI, L.P.	NAM	Venture capital	2000	0	124'898	0.0%
Valedo Partners Fund II AB	WEU	Small/Mid-cap	2011	262'720	122'233	0.0%
STIC Korea Integrated-Tech New Growth PE Fund	APC	Growth	2009	23'988	122'123	0.0%
Lone Star Fund VII, L.P.	NAM	Special situations	2009	25'792	114'352	0.0%
Anonymized European Buyout Fund 13	WEU	Small/Mid-cap	2007	32'910	102'816	0.0%
TPG Partners III, L.P.	NAM	Large/mega-large-cap	2000	22'999	97'033	0.0%
Anonymized Asian Buyout Fund 6	APC	Small/Mid-cap	2007	1'157	92'265	0.0%
SBCVC Fund II-Annex, L.P.	APC	Venture capital	2007	31'651	80'563	0.0%
TRG Growth Partnership II, L.P.	APC	Growth	2007	n.a.	n.a.	n.a.
Sun Capital Partners VI, L.P.	NAM	Special situations	2013	496'777	71'375	0.0%
India Equity Partners Fund I, LLC	APC	Growth	2006	4	70'433	0.0%
TA IX, L.P.	NAM	Growth	2000	247'910	54'709	0.0%
Apollo Investment Fund VI, L.P.	NAM	Large/mega-large-cap	2006	4'442	51'080	0.0%

Fund investments

Investment	Regional focus	Financing category	Vintage year	Unfunded commitments	Net asset value	% of NAV
TPG Partners VI, L.P.	NAM	Large/mega-large-cap	2008	6'524	46'277	0.0%
Kelso Place Special Situations Fund L.P.	WEU	Special situations	2009	2'088	40'231	0.0%
William Blair Capital Partners VI, L.P.	NAM	Small/Mid-cap	1998	12'672	38'627	0.0%
CVC Capital Partners Asia Pacific II, L.P.	APC	Large/mega-large-cap	2005	6'871	36'980	0.0%
Carlyle Japan International Partners II, L.P.	APC	Large/mega-large-cap	2006	14'133	33'508	0.0%
3i Europartners IIIA, L.P.	WEU	Small/Mid-cap	1999	1'901'556	29'487	0.0%
OCM Opportunities Fund III, L.P.	NAM	Special situations	1999	0	29'293	0.0%
TRG Growth Partnership (Cayman), L.P.	APC	Small/Mid-cap	2005	n.a.	n.a.	n.a.
Blackstone Mezzanine Partners, L.P.	NAM	Mezzanine	1999	174'505	25'119	0.0%
Coller International Partners III, L.P.	WEU	Special situations	1999	0	21'212	0.0%
Capvis Equity II, L.P.	WEU	Small/Mid-cap	2003	1'044	20'590	0.0%
Newbridge Asia III, L.P.	APC	Small/Mid-cap	2000	785'048	18'885	0.0%
Axcel III K / S 2	WEU	Small/Mid-cap	2005	31'347	18'727	0.0%
Nordic Capital IV, L.P.	WEU	Small/Mid-cap	2000	0	7'313	0.0%
AsiaVest Opportunities Fund IV	APC	Venture capital	2004	0	3'069	0.0%
T3 Partners, L.P.	NAM	Small/Mid-cap	2000	113'012	840	0.0%
Apollo Investment Fund IV, L.P.	NAM	Large/mega-large-cap	1998	172	611	0.0%
Project Razor	APC	Large/mega-large-cap	1999	23'889	442	0.0%
AP Investment Europe Limited	WEU	Mezzanine	2006	0	1	0.0%
Affinity Asia Pacific Fund II, L.P.	APC	Small/Mid-cap	2003	21'494	0	0.0%
Sun Capital Partners IV (Preferred Interest), L.P.	NAM	Special situations	2005	0	0	0.0%
Total partnership investments				50'623'199	227'291'610	

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

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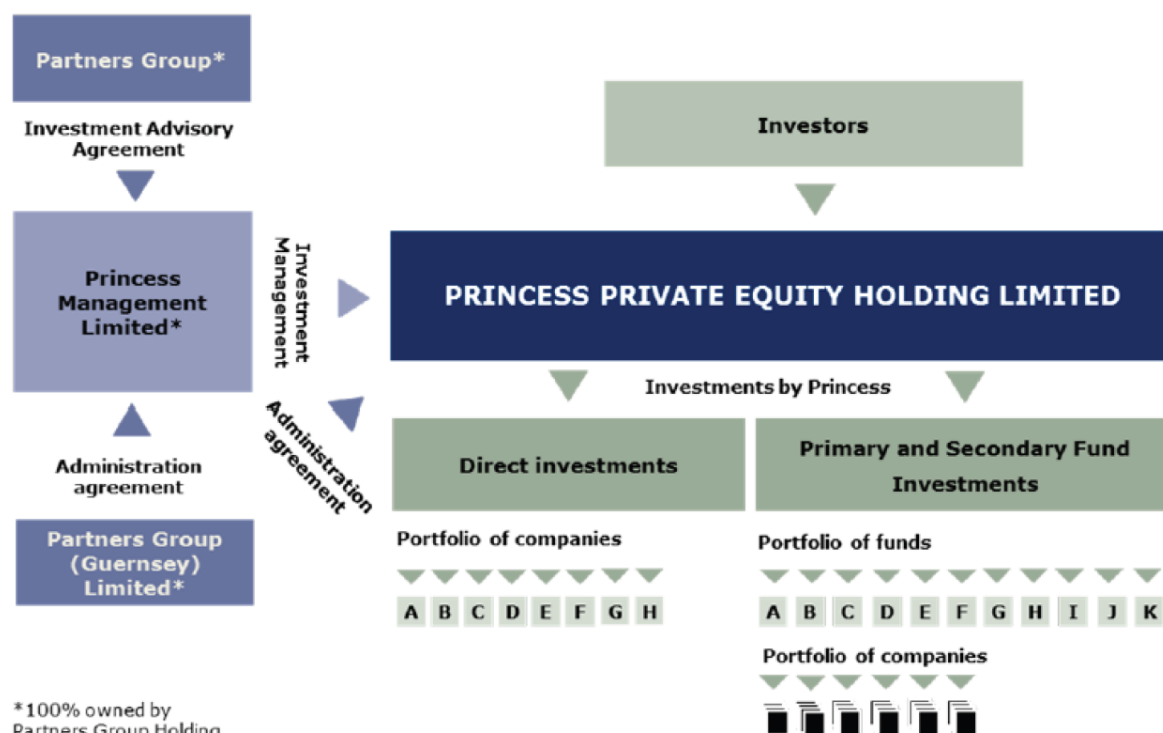
6 STRUCTURAL OVERVIEW

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

Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield. The Company's investments are managed on a discretionary basis by

Princess Management Limited, a wholly-owned subsidiary of Partners Group Holding AG, registered in Guernsey. The Investment Manager is responsible for, inter alia, selecting, acquiring and disposing of investments and carrying out financing and cash management services.

The Investment Manager is permitted to delegate some or all of its obligations and has entered into an advisory agreement with Partners Group AG (the "Investment Advisor"), which is a global private markets investment management firm with over EUR 37 billion in investment programs under management in private equity, private debt, private real estate and private infrastructure. Through the advisory agreement, Princess benefits from the global presence, the size and experience of the investment team and relationships with many of the world's leading private equity firms.



7 FACTS AND FIGURES

Company	Princess Private Equity Holding Limited
Currency denomination	Euro
Joint coporate brokers	JPMorgan Cazenove Numis Securities Ltd.
Dividends	Princess intends to pay a dividend of 5-8% p.a. on NAV
Incentive fee	No incentive fee on primary investments; 10% incentive fee per secondary investment; 15% incentive fee per direct investment; subject in each case to a 8% p.a. preferred return (with catch-up)
Incorporation	1999
Listing	London Stock Exchange
Management fee	1.5% p.a.
Securities	Fully paid-up ordinary registered shares
Structure	Guernsey Company, Authorized closed-ended fund in Guernsey
Trading information	WPK: A0M5MA ISIN: GG00B28C2R28 Trading symbol: PEY Bloomberg: PEY LN Reuters: PEY.L
Voting rights	Each ordinary registered share represents one voting right

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8 BOARD OF DIRECTORS

Brian Human

Brian Human (Chairman) (British, born 1948) was Director of the Company since November 2003 and an independent Director since December 2007. He gained a Bachelor of Arts (Econ) degree from Rhodes University, South Africa. Brian has been in the finance industry since graduating in 1971. He emigrated to England in 1973, joining first Midland Bank and then Grindlays Bank, which was acquired by the ANZ Bank in 1992 and then by Standard Chartered Bank in 2000. He has worked in Thailand, Hong Kong and Australia as well as England, Jersey and Guernsey. Prior to joining Princess in November 2003 he was head of risk management for Standard Chartered Bank (Jersey) Limited, and his previous posts include managing director of ANZ Grindlays Bank (Jersey) Limited, managing director of ANZ Bank Guernsey Limited, Senior Manager Credit ANZ Bank London, Senior Manager Business Banking ANZ Melbourne and general manager of Thailand-based General Finance and Securities Limited.

Richard Battey

Richard Battey (British, born 1952) is a resident of Guernsey. He is a Non-Executive Director of a number of investment companies and funds including Acencia Debt Strategies Limited, Better Capital PCC Limited, Juridica Investments Limited, NB Global Floating Rate Income Fund Limited and Prospect Japan Fund Limited. He is a Chartered Accountant having qualified with Baker Sutton & Co. in London in 1977. Richard was formerly Chief Financial Officer of CanArgo Energy Corporation. Prior to that role he spent 27 years with the Schroder Group and worked first in London with J. Henry Schroder Wagg & Co. Limited

and Schroder Investment Management and then in Guernsey, as a director of Schroders (C.I.) Limited from April 1994 to December 2004, where he served as Finance Director and Chief Operating Officer. He was a director of Pershing Square Holdings, Ltd. and Schroder Group Guernsey companies covering banking, investment management, trusts, insurance and private equity administration retiring from his last Schroder directorship in December 2008.

Henning von der Forst

Henning von der Forst (German, born 1955) is a member of the Executive Board of Directors and Chief Investment Officer of Nuernberger Insurance Group. He has been the Chairman of the Supervisory Board of Fürst Fugger Privatbank KG, Augsburg since 2011, and is a member of the Supervisory Board of various Nuernberger Group participations, real estate and investment companies. Prior to this, Henning worked as a marketing manager at SBCI Swiss Bank Corporation Investment Banking and as head of treasury and finance at VIAG Aktiengesellschaft (E.on today). He holds a master's degree in business administration from the University of Münster.

Fergus Dunlop

Fergus Dunlop (British, born 1958) is a Non-Executive Director of Schroder Oriental Income Limited and Aqua Resources Fund Limited. Between 2002 and 2007 Mr Dunlop joint-owned and managed an advisory business in Munich for institutional investors. From 1997 to 2001 he worked in institutional sales with Mercury Asset Management (later Merrill Lynch, now BlackRock) in Frankfurt. From 1987 to 1997 he was with SGWarburg/Mercu-

ry in London, where he managed a joint venture with Munich Re. Fergus holds a master's degree in management from Oxford University.

Urs Wietlisbach

Urs Wietlisbach (Swiss, born 1961) is a co-founded Partners Group in 1996. He is an executive member of Partners Group Holding AG's board of directors and chairman of the markets committee, based in Zug. He was initially responsible for the firm's partnership investment activities and instrumental in building Partners Group's private equity funds portfolio and a global industry network. Later, he also focused on business development responsibilities, first in Europe, and subsequently in the USA and the Asia-Pacific region. Prior to founding Partners Group, he was an Executive Director at Goldman Sachs & Co. where, after assignments in London and New York, he was appointed head of the firm's institutional clients business in Switzerland. Previously, he was a relationship manager for multinational corporate clients at Credit Suisse in New York and Zurich. He holds a master's degree in business administration from the University of St. Gallen (HSG).

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9 DIRECTORS' REPORT

Directors

B. Human (Chairman)
 R. Battey
 F. Dunlop
 H. von der Forst
 U. Wietlisbach

Secretary

Dexion Capital (Guernsey) Limited

Registered Office

Tudor House
 St. Peter Port
 Guernsey
 GY1 1BT

The Directors present their report and audited consolidated financial statements for the period from 1 January to 31 December 2014.

Incorporation

Princess Private Equity Holding Limited (the "Company"), Princess Private Equity Subholding Limited (the "Subholding") and Princess Direct Investments, L.P. Inc. (the "Sub-Subsidiary and together with the Company and Subholding the "Group") are entities incorporated and domiciled in Guernsey, Channel Islands.

Principal Activity

The principal activity of the Group is the holding of investments for the purpose of capital appreciation. The Investment Manager of the Company is Princess Management Limited (the "Investment Manager" or "Designated Manager") and the Investment Advisor is Partners Group AG (the "Investment Advisor"), a Swiss limited liability company. The

majority of the Board is independent of the Investment Manager and the Investment Advisor.

Investment Objectives and Investment Policy

The Company's investment objective is to provide shareholders with long-term capital growth and an attractive dividend yield through investment in a diversified portfolio of private equity and private debt investments which may be classified as private market investments, with a specific focus on direct investments. Under the Company's investment policy, as approved at the Annual General Meeting dated 12 May 2011, investments may include, inter alia:

- Direct investments: interests in (typically unlisted) assets and operating companies (whether held directly or indirectly) and may include equity, debt or other kinds of securities.
- Fund investments: interests in private investment funds acquired from other investors (secondary investments) or through a commitment to a new fund (primary investments). Private investment funds may include vehicles focusing on buyouts, mezzanine funding, venture capital and special situations such as distressed or turnaround situations, private real estate, private infrastructure investments, PIPE (private investments in public equity) transactions and leveraged debt.
- Listed private equity: interests in vehicles listed on public stock exchanges that invest in private investment transactions or funds.

To achieve the investment objective, the Company intends to continue to pursue

a relative value investment strategy designed to systematically identify and invest in private equity, private debt and listed private equity that the Investment Manager and the Investment Advisor believe offer superior value at a given point in time.

The Investment Manager has complete discretion as to asset allocation within the private investment market and may at any time determine that up to 100% of the Company's assets may be invested in any particular private market segment.

Review of Performance

An outline of the performance, investment activity and developments in the portfolio can be found in the audited consolidated statement of comprehensive income and statement of financial position.

Monitoring Performance

At each board meeting the Directors consider a number of performance indicators to assess the Company's success in achieving its investment objectives. These include:

- Price and NAV developments
- Net cash flow
- Capital calls and distributions
- IRR reports at the underlying fund level
- Unfunded commitments
- Risk management and adherence to investment guidelines
- Corporate governance issues

Principal Risks and Uncertainties

The main focus of the Company is to invest into unquoted companies either directly or through funds together with leading private equity fund managers. The recent macro environment that the Company has operated in as well as views on the more immediate outlook is disclosed in some detail within the

Market Overview section and the Investment Manager's Report. In addition to those discussions on the principal risks and uncertainties faced by the Company, there are also relevant matters to note dealing with the uncertainties in respect of the valuation of unquoted investments as well as the cash flow modeling employed by the Company. The Directors refer you to notes 4 and 18 of the audited consolidated financial statements for further comment on certain other risks connected with the investments and financial assets / liabilities held by the Company and how they are managed.

Share Capital

As part of the authorization granted by Shareholders to the Directors to make market acquisitions of ordinary shares, the Company purchased and redeemed/canceled 167'667 shares (31 December 2013: 131'550 shares) resulting in the Company's issued and paid up share capital as at 31 December 2014 being 69'151'168 ordinary shares of EUR 0.001 each (31 December 2013: 69'318'835 ordinary shares of EUR 0.001 each).

There are no restrictions regarding the transfer of the Company's securities, no special rights with regard to control attached to the Company's securities; no agreements between holders of the Company's securities regarding their transfer known to the Company; and no agreements to which the Company is party that might be affected by a change of control following a takeover bid.

Shareholder Information

The net asset value and the net asset value per share are calculated (in Euro) every month at the last Business Day of each month by Partners Group (Guernsey) Limited acting as Administrator.

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Calculations are made in accordance with International Financial Reporting Standards ("IFRS") which require the Company's direct investments and fund investments to be valued at fair value and are announced by the Company on its website and are submitted to a regulatory information service approved by the UK Listing Authority as soon as practicable after the end of the relevant period.

Dividends

A dividend of EUR 0.27 per share was paid on 18 June 2014 and a dividend of EUR 0.27 per share was paid on 17 December 2014. Previously, dividends of EUR 0.26 and EUR 0.27 were paid on 26 June 2013 and 18 December 2013 respectively.

Results

The results for the period are shown in the audited consolidated statement of comprehensive income.

Directors, Directors' Interests and Directors' Remuneration Report

The Directors of Princess Private Equity Holding Limited are as shown above. The Directors had no beneficial interest in the Share Capital of the Company other than as shown below.

R. Battey: 10'000 shares
 F. Dunlop: 8'000 shares
 B. Human: 2'000 shares
 U. Wietlisbach: 194'000 shares

Messrs. Dunlop, Wietlisbach and Human were re-elected at the 2014 annual general meeting.

The sole Director of Princess Private Equity Subholding Limited, which held office during the period, was Princess Private Equity Holding Limited.

No contract or arrangement existed in the period in which any of the Directors, other than Mr. Wietlisbach, had a material interest. Mr. Wietlisbach is a Director of and Shareholder in Partners Group Holding AG, the beneficial owner of both the Investment Manager and the Administrator.

No Director had a service contract with the Company other than Mr. Human who had a part time employment contract with the Company which ended in March 2008. Directors' remuneration is presented in the notes to these audited consolidated financial statements and is shown below. Mr. Wietlisbach does not receive a fee for the provision of his services as a director of the Board. Directors' remuneration split as follows in EUR:

(31.12.2014 / 31.12.2013)
 R. Battey (52'000 / 52'000)
 F. Dunlop (46'000 / 46'000)
 B. Human (57'500 / 57'500)
 H. von der Forst (46'000 / 46'000)

Length of Service

Each of the Directors was first appointed to the Board on the dates shown below:

R. Battey: 28 May 2009
 F. Dunlop: 28 May 2009
 B. Human: 19 November 2003
 H. von der Forst: 14 November 2012
 U. Wietlisbach: 24 June 1999

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of Directors' and officers' liability in relation to their acts on behalf of the Company. Suitable insurance is in place and due for renewal on 7 December 2015.

Investment Management Arrangements

Princess Management Limited, a wholly owned subsidiary of Partners Group Holding AG, is the Investment Manager to the Company. The Investment Manager is permitted to delegate some or all of its obligations and has entered into an Investment Advisory Agreement (the "Agreement") with Partners Group AG. Mr. Wietlisbach is a founding partner of Partners Group AG and currently serves as that firm's executive vice chairman. Details of the management fees are shown within the audited consolidated financial statements. The Agreement automatically renews every ten years but contains a three year's notice period. Termination will be without penalty or other additional payments save that the Company will pay management and performance fees due and additional expenses incurred. The Directors (other than Mr. Wietlisbach who is not independent of the Investment Manager) have determined that the continuing appointment of the Investment Manager on the terms of the Investment Management Agreement is in the interests of Shareholders as a whole, given the global reach, access to leading private equity houses and expertise of the Investment Manager and through the Investment Manager to the Investment Advisor.

Significant Events

At the Annual General Meeting held on 12 May 2014 the audited consolidated financial statements of the Company for the period ended 31 December 2013 together with the report of the Directors and Independent Auditors were received and adopted. Also on that date, the Shareholders approved (a) the granting to Directors the ability to allot equity securities for cash or sell treasury shares for cash and (b) to give the Directors the general power to allot equity shares for cash or sell treasury shares for cash. Also at that meeting, the Shareholders authorized the Company to

make market acquisitions of ordinary shares up to a maximum number of 14.99% of the ordinary shares in issuance at the date of the meeting, and this authority was still valid as at 31 December 2014.

Substantial Interest

The European Union Transparency Directive came into force on 20 January 2007. The directive requires substantial shareholders to make relevant holding notifications to the Company and the UK Financial Conduct Authority (formerly UK Financial Services Authority). The Company must then disseminate this information to the wider market. Those shareholders who have declared accordingly that they held above 5% of ordinary shares, as at the period end were:

Bayer-Pensionskasse VVaG - 7.56%
 Brewin Dolphin Limited - 5.03
 CCLA Investment Management Limited - 5.05%
 CVP / CAP Coop - 5.07%
 Deutsche Asset Management Investmentgesellschaft - 8.70%
 Société Générale Option Europe - 5.31%
 Vega Invest Fund Plc - 8.56%

This information has been prepared based on disclosures made by Shareholders, to the Company, in accordance with stock exchange rules.

Directors' Responsibilities

The Directors are responsible for preparing financial statements for each financial period which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing those financial statements, the Directors are required to:

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- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

So far as the Board of Directors are aware, there is no relevant audit information of which the Group and Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information. The Directors confirm that they have complied with the above requirements in preparing the audited consolidated financial statements. The Directors of the Group and Company have elected to prepare audited consolidated financial statements for Princess Private Equity Holding Limited for the period ended 31 December 2014 as the parent of the Group in accordance with Section 244(5) of The Companies (Guernsey) Law, 2008. They are not required to prepare individual accounts for Princess Private Equity Holding Limited in accordance with Section 243 of The Companies (Guernsey) Law 2008 for the financial period.

To the best of our knowledge and belief:

- The Annual Report includes information detailed in the Chairman's Report, the Investment Manager's Report, the Directors' Report and the notes to the Audited Consolidated Financial Statements, which includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces as required by DTR 4.1.8 and DTR 4.1.11; and
- The audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the audited consolidated financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors, having taken advice from the Audit Committee, consider that the report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and Company's performance, business model and strategy.

The maintenance and integrity of the Group and Company's website is the responsibility of the Directors. The work carried out by the Independent Auditors does not involve consideration of these matters and accordingly, the Independent Auditors accept no responsibility for any changes that may have occurred to the audited consolidated financial statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The Group closely monitors its future anticipated cash flows and based on these forecasts and the sensitivities which have been run on different scenarios the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Corporate Governance

The Company's statement on corporate governance can be found in the Corporate Governance Statement on pages 38 to 44 of these financial statements. The Corporate Governance Statement forms part of the Directors' Report and is incorporated into it by cross-reference.

Company Secretary

The secretary of the Company as at 31 December 2014 was Dexion Capital (Guernsey) Limited.

Independent Auditors

At a general meeting held on 12 May 2014, PricewaterhouseCoopers CI LLP were re-appointed Independent Auditors of the Company for the period ended 31 December 2014, and the Directors were authorized to fix their remuneration.

R. Battey
Director

F. Dunlop
Director

9 March 2015

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10 CORPORATE GOVERNANCE STATEMENT

Corporate governance report

The Directors have determined to report against the Association of Investment Companies (the "AIC") Code of Corporate Governance for Guernsey companies ("AIC Code"), dated February 2013, and to follow AIC's Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code and AIC Guide are available on the AIC website www.theaic.co.uk. In assessing the Board's corporate governance practice for 2014, the Directors confirm that throughout the period the Company complied with the provisions of the AIC Guide.

The Company has complied with the relevant provisions of the UK Corporate Governance Code (the "UK Code") as issued by the Financial Reporting Council and dated September 2012, except as set out below:

- The role of the Chief Executive
- Executive Directors' remuneration
- The need for an internal audit function and the monitoring and reviewing of the effectiveness of such a function

For the reasons set out in the AIC Guide, and in the preamble to the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an overseas investment company with an appointed Investment Manager. There are no Executives with contractual obligations directly with the Company and thus the Executive Directors' remuneration rules do not apply. The Audit Committee and the Board of Directors regularly consider the risk and operational aspects of the Company. The Investment Manager has an appointed Compliance Officer. As there is delegation of operational activity to appoin-

ted service providers the Audit Committee and the Board have determined there is no requirement for a direct internal audit function.

The Guernsey Financial Services Commission has a standing Code of Corporate Governance for the Finance Sector that was issued in 2011 (the "Guernsey Code"). In the introduction to the Guernsey Code it states that "Companies which report against the UK Corporate Governance Code or the AIC Code are also deemed to comply with the Code". As a company listed on the London Stock Exchange the Company is subject to the Disclosure Rules and Transparency Rules and the UK Code but uses the AIC Code instead as it is a member of AIC and considers this appropriate for a member company. As an AIC member domiciled in Guernsey which reports against the AIC Code, the Company is not required to report separately against the Guernsey Code.

Rules concerning the appointment and replacement of directors are contained in the Company's Articles of Incorporation and are discussed below.

AIFM Directive

In July 2014 the European Alternative Investment Fund Management Directive (AIFMD) came into effect. At present, the Board considers that the Company falls outside the scope of this Directive, in that the number of its shares in issue is static or declining, and accordingly it does not market inside the European Union. The Company will reconsider this in the event that it seeks to raise capital.

The Board

The Board consists of five directors all of whom are non-executive. The independent Chairman of the Board is Mr. Human, who was appointed on 28 May 2009 and is responsible for leading meetings of the Board to ensure that they are efficient and effective. Mr. Human has no other significant business commitments which need to be disclosed and the Board is satisfied that he has sufficient time available to discharge fully his responsibilities as Chairman of the Company. For the purposes of assessing compliance with the AIC Code, the Board considers all of the Directors (other than Mr. Wietlisbach) as independent of the Investment Manager and the Investment Advisor and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

Mr. Human was appointed Managing Director pursuant to a service contract dated 20 March 2007 until March 2008, during which time he was a part time employee of the Company. Mr. Human was formerly employed on a part time basis by Partners Group Global Opportunities Limited, a company which also retains the services of the Investment Advisor, but this employment ceased in December 2007 and the Board now regards Mr. Human as independent. Further, the Board considers Mr. Human independent at the time of his appointment as Chairman.

Mr. Wietlisbach was not considered as independent during the reporting period as he is a Director of and shareholder in Partners Group Holding AG, the beneficial owner of the Investment Manager and the Administrator.

The Board has a breadth of experience relevant to the Company and a balance of skills, experience and age. The Board recognizes the importance of diversity and notes that it continues to evaluate applicants to fill vacant

positions without prejudice. Applicants are assessed on their broad range of skills, expertise and industry knowledge, and business and other experience.

Directors are appointed for a fixed term of no more than three years. The appointment may be renewed for a further period if both the respective Director and the Board believe that a renewal is in the interest of the Company.

The renewal shall always be subject to an assessment of the independence of the Director in question and their continued satisfactory performance. In view of the long-term nature of the Company's investments, the Board believes that a stable board composition is fundamental to run the Company properly. The Board has not stipulated a maximum term of any directorship. Directors retire by rotation, with Mr. Wietlisbach being subject to re-election on an annual basis. Therefore Mr. Wietlisbach together with Mr. Battey and Mr. Human will stand for re-election at the 2015 Annual General Meeting. The Board continues to be satisfied with their performance, with Mr. Wietlisbach being able to provide additional insight into the private markets industry and in particular both investor relations and investment activity

As the Company is not a FTSE 350 company, Directors are not subject to annual election by the shareholders nor is the external audit contract put out to tender at least every ten years.

Details relating to each Director's remuneration are disclosed in the Directors' report.

Directors' Duties and Responsibilities

The Board of Directors has overall responsibility for the Company's affairs and is responsible for the determination of the investment policy of the Company, resolving conflicts and for monitoring the overall portfolio of invest-

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ments of the Company. To assist the Board in the day-to-day operations of the Company, arrangements have been put in place to delegate authority for performing certain of the day-to-day operations of the Company to the Investment Manager, the Investment Advisor and other third-party service providers, such as the Administrator and the Company Secretary. The Board receives full details of the Company's assets, liabilities and other relevant information in advance of Board meetings. The Board meets formally at least four times a year; however, the Investment Manager and Company Secretary stay in more regular contact with the Directors on a less formal basis. These formal and informal discussions allow the non-executive Directors to constructively challenge and assist in the development of strategy. Individual Directors have direct access to the Company Secretary and may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties.

The Directors have adopted a schedule of matters reserved for the Board as part of the London Stock Exchange listing process. This includes strategic discussions, monitoring of the share price (and associated premium or discount), approval of accounts, approval of dividends and the monitoring, evaluation, appointment and removal of service providers. The consent of the Board is required if the Investment Manager wishes to borrow more than 20% of the value of the Company assets or take a control position, in an underlying investment (excluding investments in pooling vehicles).

The Board confirms that it has considered and authorized any conflicts or potential conflicts of interest in accordance with the Company's existing procedures.

Board Meetings

The Board considers agenda items laid out in the Notice and Agenda which are formally circulated to the Board in advance of any meeting as part of the board papers. Such items include but are not limited to; leverage, investment performance, share price performance, review of marketing and shareholder communication. The Directors may request any Agenda items to be added that they consider appropriate for Board discussion. In addition, each Director is required to inform the Board of any potential or actual conflict of interest prior to Board discussion. Board meetings are attended by representatives of the Investment Manager and the Investment Advisor. The Company's corporate brokers also attend to assist the Directors in understanding the views of major shareholders about the Company. Below is a summary of the Director attendance at Board meetings held in 2014, compared against those for which they were eligible:

R. Battey (4/4)
F. Dunlop (4/4)
B. Human (4/4)
H. von der Forst (4/4)
U. Wietlisbach (3/4)

During the period no ad hoc meetings were held.

Committee of the Board

The Board has established an Audit & Management Engagement Committee (A&ME Committee), which meets at least four times a year and is responsible for ensuring that the financial performance of the Company is properly reported on and monitored and provides a forum through which the Company's external auditors may report to the Board. Furthermore it ensures that any reports issued by the Board present a fair, balanced and understandable assessment of the Company's position

and prospects. The A&ME Committee reviews the annual, half yearly and quarterly accounts, results, announcements, internal control systems and procedures and accounting policies of the Company, together with the recommendation to appoint Independent Auditors.

The Board recognizes the importance of a sound risk management solution to safeguard Company's assets, protect the interests of the shareholders and meet its responsibilities as a listed company.

Therefore it considers on a quarterly basis the review undertaken by the A&ME Committee and in particular the risks and controls with regard to investment and strategic risk, regulatory risk, reputational risk, operational risk, financial risk and market abuse.

The A&ME Committee is responsible for ensuring appropriate internal controls are in place and monitors the risks and their potential impact on the Company.

The risk management framework includes a sound system of internal control that is designed to:

- identify and appraise all risks related to achieving the Company's objectives including all investment, regulatory, reputational, operational and financial risk; manage and control risk appropriately rather than eliminate it;
- ensure the appropriate internal controls are embedded within the business processes and form part of the Company's culture which emphasizes clear management responsibility and accountabilities;
- respond quickly to evolving risks within the Company and the external business environment; and
- include procedures for reporting any control failings or weaknesses to the appropriate level of management together with the details of corrective action.

The Group's and Company's external auditors are PricewaterhouseCoopers CI LLP. The A&ME Committee is responsible for reviewing the independence and objectivity of the external auditors, and ensuring this is safeguarded notwithstanding any provision of any other services to the Group or Company. The Board of Directors recognizes the importance of safeguarding auditor objectivity and has taken the following steps to ensure that auditor independence is not compromised:

- The A&ME Committee carries out each year an evaluation of the external auditor as to its independence from the Group and Company and relevant officers of the Group and Company in all material respects, and that it is adequately resourced and technically capable to deliver an objective audit to shareholders. Based on this review the A&ME Committee recommends to the Board for the continuation, removal or replacement, of the external auditor. The external auditors may provide audit related services such as regulatory and statutory reporting and may also provide assistance on tax and regulatory matters given its knowledge of the Group's and Company's business. Such services will however be assessed on a case-by-case basis so that the best placed adviser is retained. Where the auditors are engaged to provide additional services, different teams are utilized by the auditors in providing these services.
- The A&ME Committee gives careful consideration before appointing the auditors to provide other services. These other services are generally limited to work that is closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group's and Company's business is necessary. The external auditors did not provide any non-audit services during the year;
- The external auditors' report to the directors and the A&ME Committee confirming

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their independence in accordance with International Standards on Auditing. In addition to the steps taken by the board to safeguard auditor objectivity, PricewaterhouseCoopers CI LLP operates a five-year rotation policy for audit engagement leaders on listed companies such as Princess;

- PricewaterhouseCoopers CI LLP have remained in place as auditors for a considerable number of years and the audit contract has not been put out to tender in the last 10 years. Their performance is reviewed annually by the A&ME Committee; and
- As part of its review the A&ME Committee notes that the audit engagement leader was rotated in 2013. Although PricewaterhouseCoopers CI LLP follows a five-year rotation policy, the current audit engagement leader's five-year term will end in 2016 as a result of his prior involvement as a key audit team member in the prior year audits of the Group and Company.

Although the Directors believe that the Company and the Group have a robust framework of internal control in place, this can only provide reasonable and not absolute assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

Below is a summary of the Director attendance at A&ME Committee meetings held in 2014, compared against those for which they were eligible:

R. Battey (4/4)
 F. Dunlop (4/4)
 H. von der Forst (2/2)
 B. Human (4/4)

With the exception of Mr. von der Forst, who resigned on 30 June 2014 from the A&ME Committee and Mr. Wietlisbach, the A&ME Committee is composed of all the members of the Board, and has been chaired by Mr. Battey following his appointment on 28 May

2009. Although Mr. Human is Independent Chairman of the Company, he is also a member of the A&ME Committee. The Board considers that all independent Directors should sit on this Committee, to bring the widest range of experience to its deliberations.

The A&ME Committee has determined that the continuing appointment of the Investment Manager on the terms of the Investment Management Agreement is in the interests of Shareholders as a whole, given the global reach, access to leading private equity houses and expertise of the Investment Manager and through the Investment Manager to the Investment Advisor.

The Board undertakes an annual evaluation of its own performance and the performance of its committee and individual Directors, to ensure that they continue to act effectively and efficiently and to fulfill their respective duties, and to identify any training requirements. During this evaluation the Directors also reconfirmed that they continue to be able to allocate sufficient time to the Company in order to discharge their responsibilities. A full corporate governance review has been undertaken since the publication of the previous financial statements, which was facilitated by the Company Secretary. There were no matters of significance raised within the findings of the review and, as mentioned within this report, the non-independent director is considered to be Mr. Wietlisbach.

The Board has undertaken an annual review of the effectiveness of the Company's and the Group's system of internal controls and the safeguarding of shareholders' investments and the Company's assets. There were no significant matters raised within the findings of the review.

The Directors acknowledge that the Administrator has appropriate systems, controls and processes that are used in the production of

the consolidated financial statements and that these are re-evaluated at the end of the financial reporting period through the approval of the relevant financial statements. Given the size and nature of the Company, it is not deemed necessary to form a separate remuneration or nomination committee. The Board, as a whole, will also consider new Board appointments.

In determining the process for the identification of suitable candidates to fill open positions within the Board of Directors, the Board recognizes the importance of diversity and that it is a much wider issue than gender. The Board expects that its members should collectively possess the broad range of skills, expertise and industry knowledge, and business and other experience necessary for the effective oversight of the Company's business.

The significant areas considered by the A&ME Committee and discussed with the external auditors during the year were:

- Unquoted investments: reports from the Investment Manager are received on a quarterly basis on the portfolio development and the impact on the Direct and Indirect Investments, together with the significant unobservable valuation inputs for the level 3 investments. The A&ME Committee was content after due challenge and debate with the assumptions and judgments applied in relation to the Investment Manager's recommendations adopted by the Directors in respect of the valuation of unquoted investments.
- Presumed risk of fraud and management override of controls: The A&ME Committee considered the presumed risks of fraud as defined by auditing standards and was content that there were no issues arising.
- Financial statements: the presentation of the financial statements is considered, and in particular, the disclosures in connection with International Financial Reporting

Standards. The A&ME Committee is satisfied with the presentation of the audited consolidated financial statements of the Group.

Shareholder Communication

The Directors place great importance on shareholder communication while the Investment Manager and the Investment Advisor also carry out a program of regular meetings with shareholders and potential investors. The Company publishes a monthly report with key financial data and issues affecting the portfolio, and publishes quarterly financial statements as well as unaudited semi-annual and audited annual accounts. Conference calls are arranged on a quarterly basis at which the Investment Advisor provides an in-depth review of developments in the portfolio and gives a market overview. In order to ensure that the Directors are aware of shareholders' views and concerns, at least one independent Director attends these quarterly conference calls. In addition the brokers also present a summary of shareholders' sentiment at the quarterly board meetings. These initiatives in combination assist the Board to develop a balanced understanding of the issues and concerns of major shareholders. In addition the Directors propose a separate resolution on each substantial issue tabled at the annual general meeting, including the approval of the financial statements, and publish on the Company's website, shortly after the Annual General Meeting, details of the valid proxies received, votes for and against and withheld in relation to each resolution. Regular news releases are also published.

R. Battey
Director

F. Dunlop
Director

9 March 2015

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11 INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of Princess Private Equity Holding Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements (the "financial statements") of Princess Private Equity Holding Limited (the "Group") which comprise the consolidated statement of financial position as of 31 December 2014 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group as of 31 December 2014, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other Legal and Regulatory Requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Key figures, the Chairman's report, the Market overview, the Investment manager's report, the Portfolio composition, the Portfolio overview, the Structural overview, the Facts and figures, the Board of Directors, the Directors' report and the Corporate governance statement.

In our opinion:

- the information given in the Directors' Report is consistent with the financial statements; and
- the information given in the Corporate governance statement set out on pages 36 to 41 of the financial statements with respect to the internal control and risk management systems, is consistent with the financial statements

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of the Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Matters on which we are required to report by exception

We have nothing to report in respect to the following matters which we are required to review under the Listing Rules:

- the Directors' statement in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specific for our review.

Roland C Mills

For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands
March 2015

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12 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January 2014 to 31 December 2014

In thousands of EUR

	Notes	01.01.2014 31.12.2014	01.01.2013 31.12.2013
Net income from financial assets at fair value through profit or loss		103'248	26'478
<i>Private equity</i>		86'472	22'022
Interest & dividend income	20	811	355
Revaluation	10,21	63'340	28'307
Net foreign exchange gains / (losses)	10,22	22'321	(6'640)
<i>Private debt</i>		12'448	3'132
Interest income (including PIK)	20	2'313	2'246
Revaluation	10,21	4'560	3'859
Net foreign exchange gains / (losses)	10,22	5'575	(2'973)
<i>Private real estate</i>		1'738	1'238
Revaluation	10,21	1'713	1'246
Net foreign exchange gains / (losses)	10,22	25	(8)
<i>Private infrastructure</i>		2'590	86
Revaluation	10,21	2'047	86
Net foreign exchange gains / (losses)	10,22	543	-
Net income from short-term investments		-	2
Revaluation	21	-	2
Net income from cash & cash equivalents and other income		111	(147)
Interest income / (expense)	20	(33)	20
Net foreign exchange gains / (losses)	22	144	(167)
Total net income		103'359	26'333
Operating expenses		(12'718)	(16'008)
Management fees	23	(9'333)	(8'704)
Incentive fees	14,23	(7'654)	(2'104)
Administration fees	23	(288)	(295)
Service fees	23	(250)	(250)
Other operating expenses		(917)	(1'055)
Other net foreign exchange gains / (losses)	22	5'724	(3'600)
Other financial activities		(19'271)	4'704
Setup expenses - credit facilities		(571)	(1'271)
Interest expense - credit facilities	20	(364)	-

Other finance cost		691	930
Net gains / (losses) from hedging activities	11,21	(19'027)	5'045
Surplus / (loss) for the financial period		71'370	15'029
Other comprehensive income for the period; net of tax		-	-
Total comprehensive income for the period		71'370	15'029
Weighted average number of shares outstanding		69'168'769.45	69'395'451.63
Basic surplus per share for the financial period		1.03	0.22
Diluted surplus per share for the financial period		1.03	0.22

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

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AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

<i>In thousands of EUR</i>	Notes	31.12.2014	31.12.2013
ASSETS			
<i>Financial assets at fair value through profit or loss</i>			
Private equity	10	406'628	317'049
Private debt	10	74'954	57'882
Private real estate	10	15'862	15'985
Private infrastructure	10	12'436	5'267
Deferred receivables on investments	15	-	50'346
Other long-term receivables	23	2'646	-
Non-current assets		512'526	446'529
Other short-term receivables		558	1'497
Deferred receivables on investments	15	56'512	51'292
Hedging assets	11	-	345
Cash and cash equivalents	12	45'348	69'761
Current assets		102'418	122'895
TOTAL ASSETS		614'944	569'424
EQUITY AND LIABILITIES			
Share capital	13	69	69
Treasury shares	13	-	(432)
Retained earnings		70'013	(1'357)
Reserves	13	523'440	561'832
Total equity		593'522	560'112
Other long term payables		209	205
Liabilities falling due after one year		209	205
Hedging liabilities	11	5'794	-
Accruals and other short-term payables		15'419	9'107
Liabilities falling due within one year		21'213	9'107
TOTAL EQUITY AND LIABILITIES		614'944	569'424

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2014 to 31 December 2014

<i>In thousands of EUR</i>	Share capital	Treasury shares	Retained earnings	Reserves	Total
Balance at the beginning of reporting period	69	(432)	(1'357)	561'832	560'112
Dividend paid during the period	-	-	-	(37'343)	(37'343)
Other comprehensive income for the period; net of tax	-	-	-	-	-
Treasury shares cancelled	-	432	-	(432)	-
Share buyback and cancellation	-	-	-	(617)	(617)
Surplus / (loss) for the financial period	-	-	71'370	-	71'370
Equity at end of reporting period	69	-	70'013	523'440	593'522

for the period from 1 January 2013 to 31 December 2013

<i>In thousands of EUR</i>	Share capital	Treasury shares	Retained earnings	Reserves	Total
Balance at the beginning of reporting period	70	-	(16'386)	599'459	583'143
Dividend paid during the period	-	-	-	(36'763)	(36'763)
Other comprehensive income for the period; net of tax	-	-	-	-	-
Share buyback and cancellation	(1)	-	-	(864)	(865)
Share buyback for cancellation	-	(432)	-	-	(432)
Surplus / (loss) for the financial period	-	-	15'029	-	15'029
Equity at end of reporting period	69	(432)	(1'357)	561'832	560'112

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AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January 2014 to 31 December 2014

In thousands of EUR

	Notes	01.01.2014	01.01.2013
		31.12.2014	31.12.2013
Operating activities			
Surplus / (loss) for the financial period before interest expense		71'734	15'029
<i>Adjustments:</i>			
Net foreign exchange (gains) / losses	22	(34'332)	13'388
Investment revaluation	21	(71'660)	(33'500)
Net (gain) / loss on interest	20	(2'732)	(2'621)
Net (gain) / loss on dividends	20	(359)	-
Revaluation on forward hedges	11	19'027	(5'045)
(Increase) / decrease in receivables		49'278	(3'847)
Increase / (decrease) in payables		5'818	894
Realized gains / (losses) from forward hedges	11	(12'889)	9'866
Purchase of private equity investments	10	(56'927)	(37'813)
Purchase of private debt investments	10	(23'843)	(8'251)
Purchase of private real estate investments	10	(323)	(170)
Purchase of private infrastructure investments	10	(4'765)	(286)
Distributions from and proceeds from sales of private equity investments	10	53'009	72'681
Distributions from and proceeds from sales of private debt investments	10	17'915	13'798
Distributions from and proceeds from sales of private real estate investments	10	2'184	4'589
Distributions from and proceeds from sales of private infrastructure investments	10	186	-
Purchase of short-term investments		(75'000)	(44'998)
Sale of short-term investments		75'000	45'000
Interest & dividends received		2'082	3'549
Net cash from / (used in) operating activities		13'403	42'263
Financing activities			
Dividends paid	13	(37'343)	(36'763)
Share buyback and cancellation	13	(617)	(864)
Treasury shares buyback	13	-	(432)
Net cash from / (used in) financing activities		(37'960)	(38'059)
Net increase / (decrease) in cash and cash equivalents		(24'557)	4'204
Cash and cash equivalents at beginning of reporting period	12	69'761	65'724
Effects of foreign currency exchange rate changes on cash and cash equivalents	22	144	(167)
Cash and cash equivalents at end of reporting period	12	45'348	69'761

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NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 January 2014 to 31 December 2014

1 ORGANIZATION AND BUSINESS ACTIVITY

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

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

On 19 September 2012 the Company announced the sale of a limited portfolio of mainly large cap buyout fund positions in the secondary market. The aim of the transaction is to accelerate the phased transition of the portfolio towards global direct investments.

2 BASIS OF PREPARATION

The consolidated financial statements comprise the financial statements of the Group. The consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") and under the historical cost convention as modified by the revaluation of "financial assets and financial liabilities at fair value through profit or loss".

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas where assumptions, judgments and estimates are significant to the consolidated financial statements are disclosed in a subsequent note; "critical accounting estimates and judgments".

The Directors of the Company have elected to prepare consolidated financial statements for Princess Private Equity Holding Limited for the period ended 31 December 2014 as the parent of the Group in accordance with Section 244(5) of The Companies (Guernsey) Law, 2008. They are not required to prepare individual accounts for Princess Private Equity Holding Limited in accordance with Section 243 of The Companies (Guernsey) Law 2008 for the financial period.

3 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently, except where otherwise noted, in dealing with items which are considered material in relation to the Group's audited consolidated financial statements.

From 1 January 2014 the following existing revised IFRS and interpretations to existing standards were required to be adopted. The Group has consequently adopted all relevant and below mentioned standards since 1 January 2014.

IAS 32 (Amendment effective 1 January 2014) - Financial instruments: Presentation - offsetting financial assets and financial liabilities

The Directors of the Company have assessed the impact of implementing this amendment and concluded that this amendment did not affect the Group's result of operations or financial position either in current or prior period as presented.

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

IFRS 9 (effective 1 January 2018) - Financial instruments

IFRS 15 (effective 1 January 2017) - Revenue from Contracts with Customers

IFRS 10, IFRS 12 and IAS 28 (Amendment effective 1 January 2016) - Clarifications and interpretations to requirements when accounting for investment entities

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

Segmental reporting

IFRS 8 - Operating segments requires segments to be identified and presented following a 'management approach' under which segment information is presented on the same basis as that used for internal reporting and monitoring purposes. Operating segments are reported in a manner consistent with internal reporting of the Partners Group AG (the "Investment Advisor"), who have also been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, and is appointed by the Directors. Operating segments have been identified as: private equity, private debt, private real estate, private infrastructure and private resources. Only those segments applicable within the reporting periods have been reflected in these audited consolidated financial statements.

Consolidation

The Directors of the Company have determined that the Company is an investment entity in accordance with IFRS 10 based on the fact that it meets the relevant definition criteria. The Company:

- (a) obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- (b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

As a result, the Group does not consolidate any entities other than the Subsidiaries, as these entities provide services to the Company which relate to the Company's investment activities.

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Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated on consolidation.

A list of the Group's subsidiaries is set out in a subsequent note. The consolidation is performed using the purchase method. All Group companies have 31 December as the end of their reporting periods.

Net income from short-term investments and cash and cash equivalents

Income from bank deposits and interest income from short-term investments are included on an accruals basis. Gains and losses from short-term investments and gains and losses from cash and cash equivalents also include the increase or decrease in the value of short-term investments purchased at a discount or a premium. All realized and unrealized surpluses and losses are recognized in the audited consolidated statement of comprehensive income. Dividend income is recognized when the right to receive payment is established.

Expenditure

All items of expenditure are included in the audited consolidated financial statements on an accruals basis.

Foreign currency translation

(a) Functional and presentation currency

Items included in the audited financial statements of each of the Group's entities are measured using the currency of the economic environment in which the entity operates (the "Functional Currency") that most faithfully represents the economic effect of the underlying transactions, events and conditions. The audited consolidated financial statements are presented in Euros, which is the Company's Functional and the Group's presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end of the reporting period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the audited consolidated statement of comprehensive income.

Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Group classifies its investments in private equity, private debt, private real estate, private infrastructure and private resources, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Directors of the Company at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the short-term.

Where the Group has hedged the value of non-Functional Currency investments against the Functional Currency the Group does not use hedge accounting as defined in IAS 39. Derivative financial instruments are classified as financial assets and liabilities held for trading. They are initially recognized in the audited consolidated statement of financial position at fair value and are subsequently remeasured to fair value. As a result, the realized gains/losses and the unrealized changes in fair value are recognized in the audited consolidated statement of comprehensive income under the heading "Other financial activities". The fair values of various derivative instruments used for hedging purposes, if any, are disclosed in the notes.

Financial assets and financial liabilities at fair value through profit or loss at inception consist of interests which are acquired by the Group (including all related securities) in (typically unlisted) direct private equity investments ("Direct Investments") and all other types of investments, which comprise of investments in other investment vehicles ("Indirect Investments"). These are managed and their performance is evaluated on a fair value basis in accordance with the Group's documented investment strategy. The Group's policy is used by the Investment Manager and the Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

In setting the Group's investment policy the Directors have determined their intention to focus on making investments in entities that adopt an internationally recognized standard of accounting.

(b) Recognition and derecognition

All transactions relating to financial assets and financial liabilities at fair value through profit or loss are recognized on the settlement date or when all risks and rewards of ownership have been transferred.

Any distributions, including return of principal of investment, received from the underlying Direct and Indirect Investments are recognized when the Group's right to receive payment has been established.

Financial assets and financial liabilities at fair value through profit or loss are derecognized when the right to receive cash flows has expired or where substantially all risks and rewards of ownership have been transferred.

Cash and PIK interest relating to debt investments held at fair value through profit or loss are recognized on an accruals basis within interest income (including PIK) in the audited consolidated statement of comprehensive income when the Group's right to receive payment is established.

(c) Measurement

As a matter of principle, financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss in accordance with IFRS 13 - Fair value measurement are presented in the audited consolidated statement of comprehensive income in the period in which they arise.

Distributions from Indirect Investments held at fair value through profit or loss are recognized in the audited consolidated statement of financial position when the Group's right to receive payment is established. Distributions

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received from Indirect Investments are recognized first as a repayment of the original capital contributed to the Indirect Investments which is substantially in keeping with the distribution arrangements prescribed by the constituent documents of the Indirect Investments. On repayment of any of the original capital contributed in full to the Indirect Investments, all subsequent distributions are recognized in the audited consolidated statement of comprehensive income within revaluation.

Any interest and dividend distributions derived from Direct Investments are recognized when the Group's right to receive payment is established and included within interest and dividend income in the audited consolidated statement of comprehensive income.

(d) Fair value estimation

The fair values of financial instruments whose principal markets are actively traded exchange markets are based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of market and income methods such as time of last financing, earnings and multiple analysis, discounted cash flow method and third party valuation and makes assumptions that are based on market conditions and expected market participant assumptions existing at the end of each reporting period. Quoted market prices or dealer quotes for specific similar instruments are also used for long-term debt where appropriate. Other information used in determining the fair value of non-traded financial instruments include latest financial reports, subsequent cash flows and internally performed monitoring of triggering events (such as exits and IPOs) as well as pricing movements in comparable investments together with techniques, such as, option pricing models and estimated discounted value of future cash flows.

Short-term investments

Short-term investments consist of investments in treasury bills and money-market funds with a stated maturity between 3 and 12 months at the date of acquisition. Short-term investments are initially recognized at fair value and subsequently measured at fair value through profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the audited consolidated statement of financial position where there is currently a legally and contractually enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. A current legally and contractually enforceable right to offset must not be contingent on a future event. Furthermore, it must be legally and contractually enforceable in (i) the normal course of business; (ii) the event of default; and (iii) the event of insolvency or bankruptcy of the Group and all of the counterparties.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, term deposits and treasury bills with a maturity of three months or less. Cash and cash equivalents are stated at the carrying amount as this is a reasonable approximation of fair value. Bank overdrafts are included within liabilities falling due within one year in the audited consolidated statement of financial position.

Other short-term and long-term receivables

Other short-term receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets unless the maturities are more than 12 months after the end of the reporting period where they are classified as non-current assets. Other short-term and long-term receivables are stated at the contractual amount less impairment, if any, as this is a reasonable approximation of fair value.

Other long-term receivables also include amounts receivable by the Group at the reporting date which represent distributions from underlying investments that are held through special purpose vehicles that could be subject to corporate tax in jurisdictions different to that of the Group. In certain cases, all distributions received from underlying investments must be retained in such vehicles until the investment is fully realized in order to benefit from such structuring. It has been determined that future payments may need to be made by the special purpose vehicles to tax authorities in the jurisdictions in which these are based, and as such not all of the amounts paid by the underlying investment may be recoverable in full by the Group should the distributions be taxed. As a result, these long-term receivable balances are assessed for taxes owing and the resulting revaluation of these long-term receivables is recorded under 'revaluation of long-term receivables' in the audited statement of comprehensive income. These underlying investments and related calls and distributions have been accounted for on a look-through basis.

Deferred receivables on investments

Deferred receivables on investments meet the definition of a financial asset as they are a contractual right for a specified amount at a specified date. Initially deferred receivables on investments which represent a financial asset are recognized at fair value. Subsequently these are measured at amortized cost using the effective interest method. They are classified as assets falling due within one year unless the maturities are more than 12 months after the end of the reporting period where they are classified as non-current assets. A deferred receivable on investments is derecognized when the obligation under the asset is received or discharged.

Accruals and other short-term payables

Accruals and other short-term payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They are classified as liabilities falling due within one year unless the maturities are more than 12 months after the end of the reporting period where they are classified as liabilities falling due after one year. Accruals and other short-term payables are stated at the carrying amount as this is a reasonable approximation of fair value.

Borrowings

Borrowings consist of credit facilities and loans received either from financial institutions or from related parties. Such borrowings are initially recognized at fair value and subsequently measured at amortized cost. Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. In the audited consolidated statement of financial position borrowings are classified as liabilities falling due within one year unless the maturities are more than 12 months after the end of the reporting period where they are classified as liabilities falling due after one year.

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Deferred payments

Deferred payments meet the definition of a financial liability as they are a contractual obligation for a specified amount at a specified date. Initially deferred payments which represent a financial liability are recognized at fair value. Subsequently these are measured at amortized cost using the effective interest method. They are classified as liabilities falling due within one year unless the maturities are more than 12 months after the end of the reporting period where they are classified as liabilities falling due after one year. A deferred payment is derecognized when the obligation under the liability is paid or discharged.

Equity

Shares are classified as equity. Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Company's equity holders.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There is significant subjectivity in the valuation of Direct and Indirect Investments with very little transparent market activity to provide support for fair value levels at which willing buyers and sellers would transact. In addition there is subjectivity in the cash flow modeling due to the fact that the underlying investments, in many cases, require funding based on the future development of their investments. The estimates and judgments employed therein are therefore continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Unquoted investments

For the valuation of such investments the Investment Manager reviews the latest information provided by underlying investments and other business counterparties, which frequently does not coincide with the valuation date, and applies widely recognized market and income valuation methods to such information such as time of last financing, earnings and multiple analysis, discounted cash flow method and third party valuation as well as market prices to estimate a fair value as at the end of the reporting period. In order to determine the underlying assumptions of such methods significant judgment is required. The areas of such judgment include, but are not limited to:

- Selection of the valuation technique;
 - Selection of a set of comparable listed companies;
 - Selection of performance measures of such listed companies in order to determine comparable trading multiples;
 - Determination of adjustments to comparable trading multiples based on qualitative factors;
 - Determination of future cash flows;
 - Determination of applicable discount rates;
 - Selection of recent transactions for the sales comparison method; and
 - Determination of applicable capitalization rates for the income method.
-

As part of the fair valuation of such investments, the Investment Manager uses observable market data (whenever possible), unobservable data and cash flow data to consider and determine the fair values of the underlying investments. Furthermore the Investment Manager considers the overall portfolio against observable data and general market developments to determine if the values attributed appear to be fair based on the current market environment. The Investment Manager makes practical efforts to obtain the latest available information pertaining to the underlying unquoted investments.

As part of the continuous evaluation of the fair value of the underlying unquoted investments, the fair value assessment procedures are determined by the Investment Manager independent of the Investment Advisor's investment committee. In addition, the Investment Manager is also responsible for ensuring that these procedures are adhered to during the assessment of the fair values.

Based on an assessment of relevant applicable indicators of fair value, the Group estimates the fair values as at the valuation date. Such indicators may include, but are not limited to:

- An underlying investment's most recent reporting information including a detailed analysis of underlying company performance and investment transactions with the Indirect Investments between the latest available reporting of the underlying investment and the end of the reporting period of the Group;
- Review of a Direct Investment's most recent accounting and cash flow reports and models, including data supplied by both the sponsor and the company and any additional available information between the date of these reports and the end of the reporting period of the Group;
- Review of recent transaction prices and merger and acquisition activity for similar Direct Investments;
- Review of the Indirect Investment's application of generally accepted accounting principles and the valuation method applied for its underlying investments such as discounted cash flow and multiple analysis, which are based on available information; and
- Review of current market environment and the impact of it on the Direct and Indirect Investments.

The variety of valuation bases adopted, quality of management information provided by the underlying Indirect Investments and the lack of liquid markets for the investments held mean that there are inherent difficulties in determining the fair values of these investments that cannot be eliminated. There are significant estimates and assumptions that are used in establishing the fair value of financial assets and liabilities. As a result, the actual amounts realized on the sale of these instruments may differ from the fair values reflected in these financial statements and these differences may be significant as a result of the judgments applied.

Cash flow modeling

In addition to the review of historical data within the cash flow modeling, the Investment Manager also takes into account current portfolio data together with the expected development of the market environment based on observable market information and subjects this to simulations and stress-tests to consider certain scenarios which could occur and their potential impact on the Group and its investment commitment and funding strategy.

The results of such observations are included within the investment models to provide an insight into future expected cash flows and the liquidity requirements of the Group.

As at the end of the reporting period, the Group estimates the cash flow requirements based on an assessment of all applicable indicators, which may include but are not limited to the following:

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- Historical statistical data: external and internal data serve as the statistical basis of the quantitative model;
- Current portfolio company information: the model is updated to take into account current data from the Group's Direct and Indirect Investments;
- Input from the Investment Advisor's investment professionals: qualitative and quantitative inputs from the general market environment and the specific portfolio in the model; and
- Monte-Carlo simulations and stress-tests: stochastic behavior of private market cash flows combined with valuations and tailor-made scenario analyses provide the basis for commitment decisions and quantitative risk management.

There is uncertainty in the estimates and judgment in the cash flow modeling assumptions concerning the future and as such the Investment Manager, on instruction from the Board of Directors, continuously compares these assumptions against actual developments and adjusts and reports the cash flow model accordingly, including the short term credit facility.

5 EXPENSES

Management fees

Under the Investment Management Agreement ("IMA") between the Company and Princess Management Limited ("the Investment Manager") the Company pays, in arrears, to the Investment Manager quarterly management fees. The quarterly management fees are calculated as 0.375% of the higher of the sum of Private Equity Net Assets which is the higher of (i) the net asset value of the Company and (ii) the value of the assets less any temporary investments of the Company, plus the amount of the unfunded commitment of the Company or the Net Assets of the Group at the end of the quarter.

Until 31 December 2012 and in respect of secondary investments, the Company had paid additional quarterly fees equal to 0.0625% of the Secondary Investment Value which is equal to the value of the secondary investments of the Company, plus the amount of the unfunded commitment to such secondary investments of the Company. Until 31 December 2012 and in respect of Direct Investments, the Company had paid additional quarterly fees equal to 0.125% of the Direct Investment Value which is equal to the value of the Direct Investments of the Company, plus the amount of the unfunded commitment to such Direct Investments of the Company. With effect from 1 January 2013 the Company has ceased to pay these additional quarterly management fees due to a change in the terms of the quarterly management fee calculation.

Administration fees

The administration fees are paid quarterly in advance pursuant to the Administration Agreement between the Company and Partners Group (Guernsey) Limited (the "Administrator"). The quarterly administration fees are calculated as 0.0125% of the first USD 1 billion of Net Assets and 0.005% of the amount by which such Net Assets exceed USD 1 billion.

Service fees

For the services provided, the Company shall pay Princess Management Limited a quarterly compensation of EUR 62'500 excluding VAT, if any, including any overhead, travel, out-of-pocket, IT and other infrastructure expenses in connection with the provision of services under the Investor Relations Agreement.

Incentive fees

In accordance with the IMA, the Investment Manager is entitled to receive a share of the realized profits of the Company, otherwise referred to as incentive fees ("Incentive Fees"). In accordance with the IMA, Incentive Fees are calculated on each reporting date, taking into account the required performance conditions and distribution arrangements of the Company.

Distributions of cash proceeds derived from each secondary investment are distributed to the Company or due to the Investment Manager as Incentive Fees in the following order of priority: (i) The Company shall receive distributions equal to its aggregate secondary investment contributions in respect of the relevant secondary investment plus an amount (the "Preferred Return") calculated at the rate of 8% per annum compounded annually on their contributions and distributions derived from the relevant secondary investment. (ii) Thereafter the Investment Manager shall receive Incentive Fees until such time as the Investment Manager has received 10% of the sum of the distributed Preferred Returns and the Incentive Fees made under this clause. (iii) Thereafter, 90% shall be distributed to the Company and 10% shall be allocated to the Investment Manager as additional Incentive Fees.

Distributions of cash proceeds derived from each Direct Investment are distributed to the Company or due to the Investment Manager as Incentive Fees in the following order of priority: (i) The Company shall receive distributions equal to its aggregate Direct Investment contributions in respect of the relevant Direct Investment plus an amount (the "Preferred Return") calculated at the rate of 8% per annum compounded annually on their contributions and distributions derived from the relevant Direct Investment. (ii) Thereafter the Investment Manager shall receive Incentive Fees until such time as the Investment Manager has received 15% of the sum of the distributed Preferred Returns and the Incentive Fees made under this clause. (iii) Thereafter, 85% shall be distributed to the Company and 15% shall be allocated to the Investment Manager as additional Incentive Fees.

Incentive Fees are calculated on an annual basis based on the value of each direct and secondary investment as measured at the reporting date, whether or not such investments are made through a pooling vehicle. This calculation is performed separately for each direct and secondary investment.

The foreign currency exchange fluctuations are included in this calculation.

The change in Incentive Fees is accounted for on an accruals basis and is presented separately in the audited consolidated statement of comprehensive income.

During the reporting period EUR 660'000 in Incentive Fees were paid (2013: EUR 2'026'356).

6 TAXATION

The Company and the Subsidiaries are exempt from taxation in Guernsey under The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and are each liable for the payment of an annual fixed rate of GBP 600 per annum for the granting of the exemption.

The Group may incur withholding taxes imposed by certain countries on income from underlying investments. Such income is recorded gross of withholding taxes in the audited consolidated statement of comprehensive income.

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7 DIVIDENDS

The Board of Directors of Princess Private Equity Holding Limited declared a dividend of EUR 0.27 paid on 18 June 2014 and EUR 0.27 on 17 December 2014 on each Ordinary Share which together accounted to EUR 37.3m (2013: 36.8m).

8 SHORT-TERM CREDIT FACILITIES

On 12 November 2013, the Company renewed a multi-currency revolving credit facility with Lloyds TSB Bank plc for EUR 50m, which ends on the 26 July 2017.

In relation to the interest charged, on drawn amounts, this is calculated at a margin of 2.95% to 3.25% per annum above the applicable LIBOR rate or, in relation to any loan in EUR, EURIBOR. In addition there is a commitment fee of 0.90% per annum calculated on the daily undrawn amounts plus a fee of EUR 450'000 paid over three years and a monitoring fee in the amount of EUR 25'000 per annum.

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

The Company must maintain a total net asset value of at least, EUR 350m and a total asset ratio (total debt plus current liabilities as a percentage of restricted net asset value) not greater than 25%.

9 SEGMENT CALCULATION

The Investment Advisor makes strategic allocations of assets between segments on behalf of the Group. The Group has determined the operating segments based on the internal reporting provided by the Investment Advisor to the Board of Directors on a regular basis.

The Investment Advisor considers that the investment portfolio of the Group may consist of up to five sub-portfolios, which are managed by specialist teams within the Investment Advisor. Only those segments applicable within the reporting period have been reflected in these audited consolidated financial statements and the notes below. There were no changes in the reportable segments during the period.

The Investment Advisor assesses the performance of the reportable segments based on the net income from and capital appreciation of the financial assets at fair value through profit or loss by segment, based on the fair value methodologies adopted by the Group. This measurement basis excludes any additional general income and expenses which are not allocated to segments but are managed by the Administrator on a central basis.

Total assets allocated to reportable segments are those financial instruments presented in the audited consolidated statement of financial position by segment, and the Group's other assets, receivables, liabilities and cash are not considered to be segment assets or liabilities and are managed centrally by the Administrator. Hedging gains and losses are attributable to hedging activities of the Group and managed on a central basis by the Investment Advisor and Administrator and the Group's management and performance fees paid are not considered to be segment expenses.

The segment information provided by the Investment Advisor with respect to reportable segments for the period is as follows:

In thousands of EUR

	01.01.2014	01.01.2013
	31.12.2014	31.12.2013
Private equity		
Interest & dividend income	811	355
Revaluation	63'340	28'307
Net foreign exchange gains / (losses)	22'321	(6'640)
Total net income private equity	86'472	22'022
Segment result private equity	86'472	22'022
Private debt		
Interest income (including PIK)	2'313	2'246
Revaluation	4'560	3'859
Net foreign exchange gains / (losses)	5'575	(2'973)
Total net income private debt	12'448	3'132
Segment result private debt	12'448	3'132
Private real estate		
Revaluation	1'713	1'246
Net foreign exchange gains / (losses)	25	(8)
Total net income private real estate	1'738	1'238
Segment result private real estate	1'738	1'238
Private infrastructure		
Revaluation	2'047	86
Net foreign exchange gains / (losses)	543	-
Total net income private infrastructure	2'590	86
Segment result private infrastructure	2'590	86
Non attributable		
Interest & dividend income	(33)	20
Revaluation	-	2
Net foreign exchange gains / (losses)	144	(167)
Total net income non attributable	111	(145)
Segment result non attributable	(12'607)	(16'153)
Other financial activities not allocated	(19'271)	4'704
Surplus / (loss) for the financial period	71'370	15'029

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10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

10.1 PRIVATE EQUITY

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Balance at beginning of period	317'049	330'260
Purchase of Direct and Indirect Investments	56'927	37'813
Distributions from and proceeds from sales of Direct and Indirect Investments	(53'009)	(72'681)
Reclassification of investments	-	(10)
Revaluation	63'340	28'307
Foreign exchange gains / (losses)	22'321	(6'640)
Balance at end of period	406'628	317'049

The movement in unrealized gains/losses on financial assets at fair value through profit or loss still held at the end of the reporting period amounts to EUR 89'169'306 (2013: EUR 12'621'170).

There were no reclassifications from private equity to private debt during the period (2013: one investment representing an amount of EUR 10'194 was reclassified from private equity to private debt).

The balance at the beginning of the period includes investments classified as level 1 in accordance with IFRS 13 with a fair value of EUR 2'231'628. The balance at the end of the period includes investments classified as level 1 in accordance with IFRS 13 with a fair value of EUR 1'964'734. During the period, no investments were transferred out of level 3 into any other level (2013: nil).

During the period, there were no Subsidiary transfers (2013: EUR 42'065'123 via in-kind distribution).

10.2 PRIVATE DEBT

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Balance at beginning of period	57'882	63'462
Purchase of Direct and Indirect Investments	23'843	8'251
Distributions from and proceeds from sales of Direct and Indirect Investments	(17'915)	(13'798)
Reclassification of investments	-	10
Accrued cash and PIK interest	1'327	1'083
Interest received	(318)	(2'012)
Revaluation	4'560	3'859
Foreign exchange gains / (losses)	5'575	(2'973)
Balance at end of period	74'954	57'882

The movement in unrealized gains/losses on financial assets at fair value through profit or loss still held at the end of the reporting period amounts to EUR 4'918'767 (2013: EUR -596'469).

There were no reclassifications from private equity to private debt during the period (2013: one investment representing an amount of EUR 10'194 was reclassified from private equity to private debt).

During the period, there were no Subsidiary transfers (2013: EUR 42'065'123 via in-kind distribution).

10.3 PRIVATE REAL ESTATE

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Balance at beginning of period	15'985	19'166
Purchase of Direct and Indirect Investments	323	170
Distributions from and proceeds from sales of Direct and Indirect Investments	(2'184)	(4'589)
Revaluation	1'713	1'246
Foreign exchange gains / (losses)	25	(8)
Balance at end of period	15'862	15'985

The movement in unrealized gains/losses on financial assets at fair value through profit or loss still held at the end of the reporting period amounts to EUR 1'737'734 (2013: EUR 1'237'812).

10.4 PRIVATE INFRASTRUCTURE

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Balance at beginning of period	5'267	4'895
Purchase of Direct and Indirect Investments	4'765	286
Distributions from and proceeds from sales of Direct and Indirect Investments	(186)	-
Revaluation	2'047	86
Foreign exchange gains / (losses)	543	-
Balance at end of period	12'436	5'267

The movement in unrealized gains/losses on financial assets at fair value through profit or loss still held at the end of the reporting period amounts to EUR 2'590'265 (2013: EUR 85'515).

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11 FOREIGN EXCHANGE FORWARD / OPTION CONTRACTS

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Foreign exchange forward contracts		
Unrealized gains / (losses)	(6'138)	(4'821)
Realized gains / (losses)	(12'889)	9'866
Total gains / (losses) from forward contracts	(19'027)	5'045
Foreign exchange option contracts		

All contracts captured in the table below may be settled on a gross basis.

Open foreign exchange forward/option contracts	Volume of currency sold (in thousands)	Volume of currency bought (in thousands)	Value date	Fair value at (in thousands of EUR)
As at 31.12.2014				
Foreign exchange forward contract	USD 208'100	EUR 166'101	19.03.2015	-5'794
As at 31.12.2013				
Foreign exchange forward contract	USD 158'800	EUR 115'590	20.03.2014	345

12 CASH AND CASH EQUIVALENTS

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Cash at banks	6'348	28'756
Cash equivalents	39'000	41'005
Total cash and cash equivalents	45'348	69'761

13 SHARE CAPITAL, TREASURY SHARES AND RESERVES

13.1 CAPITAL

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Authorized		
200'100'000 Ordinary shares of EUR 0.001 each	200	200
Total authorized shares	200	200
Issued and fully paid		
69'318'835 Ordinary shares of EUR 0.001 each out of the bond conversion	-	69
69'151'168 Ordinary shares of EUR 0.001 each out of the bond conversion	69	-
Total issued and fully paid shares	69	69

During the reporting period, the Company purchased 98'667 of its own shares at an average price of EUR 6.25. During the period 167'667 shares have been cancelled (2013: 131'550). Following these purchases and cancellation, the Company's issued share capital consists of 69'151'168 shares (2013: 69'318'835 shares).

13.2 TREASURY SHARES

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Share buyback for cancellation	-	(432)

Treasury shares are recognized at cost and presented separately within equity. The Company may hold treasury shares in relation to the approved share buyback program until such shares are cancelled in the share register. During the reporting period, 69'000 shares bought back during the previous reporting period were cancelled. At the end of the reporting period the Company did not hold any treasury shares (2013: 69'000). The Company's outstanding share capital consists of 69'151'168 shares as at the end of the reporting period (2013: 69'249'835).

13.3 RESERVES

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Distributable reserves		
Distributable reserves at beginning of reporting period	561'832	599'459
Dividend payment	(37'343)	(36'763)
Treasury shares cancelled	(432)	-
Share buyback and cancellation	(617)	(864)
Total distributable reserves at end of reporting period	523'440	561'832

At the annual general meeting held in May 2014, the shareholders renewed the authority granted to the Directors to purchase up to 14.99 per cent of the issued share capital of the Company. During the reporting period the Company continued to buy back shares. As disclosed in the table above, 167'667 shares were cancelled during the reporting period and no shares were held as treasury shares at the end of the reporting period.

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14 INCENTIVE FEES

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Balance at beginning of period	4'413	4'334
Change in incentive fees attributable to Investment Manager	7'654	2'104
Incentive fees paid/payable	(660)	(2'026)
Balance at end of period	11'407	4'412
Incentive fees accrued	14'333	5'593
Incentive fees rebates accrued	(2'927)	(1'180)
Total net incentive fees	11'406	4'413

The incentive fee balance as at the end of each period presented above represents a net amount which consists of incentive fees accrued and incentive fee rebates accrued. Both net incentive fee balance, as well as gross incentive fees accrued and incentive fee rebates accrued as at the end of each period are presented separately.

15 PROJECT ALEXANDER

In September 2012, the Company entered into a sale and purchase agreement, relating to Project Alexander, with a single third party buyer (the "Buyer") to sell 17 limited partnership interests ("Investments") held by the Company.

The transaction was settled in four installments between 30 September 2012 and the end of January 2013. By the end of December 2014 USD 103'747'029 and EUR 24'252'872 had been received from the Buyer, which reflected 2/3 of the purchase price, adjusted for subsequent calls paid and distributions received by the Company since the transaction cut-off date of 31 December 2011.

The remaining 1/3 proceeds of USD 55'881'063 and EUR 10'848'825 are due to be received after 36 months from the dates of transfer. These will be settled as per the predefined timelines.

These amounts were initially recognized in the audited consolidated statement of financial position as financial assets at fair value and were then measured at amortized cost using the effective interest method and have been recognized as receivables in the audited consolidated statement of financial position.

The Investments were derecognized from the Company's portfolio when substantially all risks and rewards associated with them had been transferred to the Buyer, being at the date that the general partner of the Investments formally recognized the Buyer as the owner of the respective Investments.

By 31 January 2013 the Company derecognized all of the investments included in the transaction.

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Deferred receivables on investments	56'512	101'638

16 COMMITMENTS TO DIRECT AND INDIRECT INVESTMENTS

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Unfunded commitments translated at the rate prevailing at the end of the reporting period	165'038	196'793

17 EARNINGS PER SHARE AND NET ASSETS PER SHARE

Basic earnings per share are calculated by dividing the surplus or loss for the financial period attributable to the shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares, if any. There were no dilutive effects on the Company's shares during 2014 and 2013.

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

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Net assets of the Group	593'522	560'112
Outstanding shares at the end of the reporting period	69'151'168.00	69'249'835.00
Net assets per share at period-end	8.58	8.09

18 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments such as foreign currency exchange forward or option contracts to hedge certain exposures.

18.1 FOREIGN CURRENCY EXCHANGE RISK

The Group holds assets and liabilities denominated in currencies other than its Functional Currency. The value of assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The main currency risk for the Group results from assets and liabilities held in other currencies where a change of exchange rates can have a material impact on the value of assets and liabilities. The Investment Manager's hedging committee meets on a quarterly basis to review the foreign currency exchange rate risk and decides on the use of derivative financial instruments such as foreign currency exchange forward and option contracts to hedge certain exposures at its discretion. Furthermore, the Investment Advisor's risk management committee reviews the foreign currency exchange risk on a monthly basis and proposes changes to the actual hedging positions if necessary.

The annual volatility uses cross-currency rates from 1 January 2001 to the respective period end and based on the assumption that the non-Functional Currency fluctuates by the annual volatility, shows below the amount by which the value of those applicable net assets and the corresponding results would fluctuate either higher or lower. The foreign currency exposures below are presented net of any foreign currency hedging instruments outstanding as at the end of the reporting period.

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The Group has used the volatility analysis since 1 January 2001 as this provides an analysis of long term trends.

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Net assets denominated in AUD	85	5'305
Net assets denominated in CHF	11'719	(37)
Net assets denominated in GBP	14'301	9'418
Net assets denominated in SEK	666	712
Net assets denominated in USD	104'731	148'697
Net assets denominated in NOK	6'344	6'207
Applicable annual volatility AUD	9.49%	9.69%
Applicable annual volatility CHF	5.82%	6.04%
Applicable annual volatility GBP	7.91%	8.11%
Applicable annual volatility SEK	5.76%	5.90%
Applicable annual volatility USD	10.30%	10.50%
Applicable annual volatility NOK	6.96%	6.82%
Fluctuation of net assets and corresponding results depending on above mentioned volatility	13'088	17'354

18.2 INTEREST RATE RISK

The Group may invest in interest-bearing mezzanine investments that are exposed to cash flow interest rate risk due to changes in market interest rates. The interest on mezzanine loans is partially based on LIBOR and EURIBOR rates. A decrease in the market interest rates can lead to a decrease in interest income of the Group. The overall interest rate risk is considered to be limited as only a small part of the portfolio depends on variable interest rates.

Cash and cash equivalents are only short-term and therefore interest rate exposure is limited. At 31 December 2014 and 2013, all term deposits invested had fixed interest rates.

As part of the Investment Manager's continuous monitoring of liquidity it analyzes the interest rates quoted against the general market to ensure that these are competitive and takes action as appropriate.

Other than as stated herein, the income and operating cash flows are substantially independent from changes in market interest rates.

A change of 25 basis points in interest rates at the reporting date would have resulted in either an increase or a (decrease) in surplus or loss by the amounts stated below. This analysis assumes that all other variables in particular foreign currency rates remain constant and is performed on the same basis for the previous period.

The table 'Variable Rate Instruments' presents the exposure of the Group to variable rate instruments at the end of each period presented. The tables 'Sensitivity Analysis Current Period' and 'Sensitivity Analysis Previous Period' present the sensitivity of the Group's variable rate instruments to movement in interest rates as at the end of each reporting period, respectively.

18.3 VARIABLE RATE INSTRUMENTS

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Mezzanine investments	31'330	19'689
Cash and cash equivalents	6'348	69'761
Total variable rate instruments	37'678	89'450

18.4 SENSITIVITY ANALYSIS CURRENT PERIOD

<i>In thousands of EUR</i>	25bp	25bp
	increase	decrease
Impact on variable rate instruments	94	(94)

18.5 SENSITIVITY ANALYSIS PREVIOUS PERIOD

<i>In thousands of EUR</i>	25bp	25bp
	increase	decrease
Impact on variable rate instruments	224	(224)

18.6 CREDIT RISK

Whilst the Group intends to diversify its portfolio of investments, the Group's investment activities may result in credit risk relating to investments in which the Group has direct or indirect (through underlying investments and investments in subsidiaries) exposure. A negative credit development or a default of an investment in which the Group has direct or indirect exposure will lead to a lower net asset value and to lower dividend and interest income from assets within the private debt operating segment or where the Group holds a direct interest.

It is expected that investments will include those made in private debt funds. Many of the private debt funds may be wholly unregulated investment vehicles. In addition, certain of the private debt funds may have limited or no operational history and have no proven track record in achieving their stated investment objective. The investment risk is managed by an investment strategy that diversifies the investments in terms of geography, financing stage, industry or time.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions with a minimal rating of P-1 (Moody's). The Investment Manager ensures that surplus cash is invested in temporary investments. In addition, where the Group holds significant amounts of cash the Investment Manager may seek to diversify this exposure across multiple financial institutions.

In addition Partners Group AG regularly conducts a concentration risk analysis on the underlying investments and has concluded that no action needs to be taken.

The Group may also invest in mezzanine and senior debt facilities of alternative investment backed underlying investments. These underlying investments' financial performance is monitored on a monthly basis and classified by an internal rating system, which consists of five categories; too early, with issues, on plan, above plan and outperformer. When assessing the investment the Investment Manager takes into account a number of factors including the financial position and actual versus expected performance. The term "too early" is used during the period just after the initial investment when there is insufficient information to assess the actual performance of the underlying investment. If

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an underlying investment's performance is classified as "with issues", the mezzanine or senior debt facility will be closely and regularly monitored by Partners Group AG with regular communications being held with the manager of the underlying investment so that the actual value can be assessed and, if necessary, written down. The amount of any unrealized loss is disclosed herein and the change of credit quality, if any, is reflected in the fair value of the instrument.

The Group provides mezzanine and senior debt facilities to private companies which are represented as debt instruments. No collateral is received from the underlying companies. The credit quality of these investments is based on the financial performance of the individual portfolio company. For those assets that are not past due, it is believed that the risk of default is small and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions. No terms or conditions were renegotiated during the period.

As part of the quarterly fair value assessment Partners Group AG takes into consideration any breaches in covenants and any changes in general market conditions.

As at 31 December 2014 and 2013 and excluding the effect of foreign currency exchange rates there are no unrealized losses on mezzanine or senior debt investments.

The Group has no significant concentration of credit risk other than as detailed herein.

The table 'Rating of Mezzanine and Senior Debt Investments' presents the classification of the Group's mezzanine and senior debt investments in the categories described above at the end of each reporting period presented. The tables 'Duration of Credit Risk Current Period' and 'Duration of Credit Risk Previous Period' present the duration of credit risk of the Group as at the end of each reporting period, respectively.

18.7 RATING OF MEZZANINE AND SENIOR DEBT INVESTMENTS

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Too early	-	-
With issues	-	-
On plan	31'330	19'689
Above plan	-	-
Outperformer	-	-
Total	31'330	19'689

18.8 DURATION OF CREDIT RISK CURRENT PERIOD

<i>In thousands of EUR</i>	Not past due	Past due less than 1 year	Past due more than 1 year
Cash and cash equivalents	45'348	-	-
Other short-term receivables	558	-	-
Other long-term receivables	2'646	-	-
Deferred receivables on investments	56'512	-	-
Mezzanine instruments	31'330	-	-

As at the end of the reporting period, the Group held cash and cash equivalents of EUR 45'309'161 (2013: EUR 27'906'094) with an international Swiss based banking group which at that date had a rating of A1 (Moody's), and EUR 67'034 (2013: EUR 850'113) with a Swiss based bank which at that date had a rating of Aaa (Moody's). Further cash and cash equivalents at the end of the reporting period of EUR 39'000'000 (2013: EUR 850'113) were held as fixed deposit at a Swiss based bank which at that date had a rating of Aaa (Moody's). There was no cash and cash equivalents held at with an international Swiss based banking group (2013: EUR 16'000'000). As at the end of the reporting period, the Group held deferred receivables on investments of EUR 56'511'554 (2013: EUR 101'637'306) with a counterparty affiliated with an international Swiss based banking group which at that date had a rating of A1 (Moody's).

18.9 DURATION OF CREDIT RISK PREVIOUS PERIOD

In thousands of EUR

	Not past due	Past due less than 1 year	Past due more than 1 year
Hedging assets	345	-	-
Cash and cash equivalents	69'761	-	-
Other short-term receivables	1'497	-	-
Deferred receivables on investments	101'638	-	-
Mezzanine instruments	19'689	-	-

18.10 LIQUIDITY RISK

Liquidity risk arises where the Group may not be able to meet the obligations as and when these fall due for settlement.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

As the unfunded commitments can be drawn at any time, the Group's over-commitment strategy could result in periods in which the Group has inadequate liquidity to fund its investments or to pay other amounts payable by the Group. The liquidity risk arising from the over-commitment strategy is managed through the use of quantitative models by the Investment Advisor's internal risk committee on a quarterly basis. If the risk committee concludes that there is a risk of insufficient liquidity to fund investments, actions are taken into consideration such as entering into a credit facility, reducing the amount of listed private equity, if any, or the selling of investments on the secondary market.

The Group's financial instruments include investments in unlisted securities, which are not traded in an organized public market and may generally be illiquid. As a result, the Group may not be able to quickly liquidate its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to specific events such as deterioration in their creditworthiness.

The table 'Overcommitment Strategy' presents the Group's exposure at the end of each period presented. The tables 'Liquidity Risk Current Period' and 'Liquidity Risk Previous Period' present the maturity bands of the Group's assets and liabilities at the end of each period, respectively.

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18.11 OVERCOMMITMENT STRATEGY

In thousands of EUR

	31.12.2014	31.12.2013
Unfunded commitments to Direct and Indirect Investments	(165'038)	(196'793)
Liabilities falling due after one year	(209)	(205)
Liabilities falling due within one year	(15'419)	(9'107)
Hedging liabilities	(5'794)	-
Hedging assets	-	345
Current assets	45'906	71'258
Other long-term receivables	2'646	-
Current deferred receivables on investments	56'512	51'292
Total	(81'396)	(83'210)

18.12 LIQUIDITY RISK CURRENT PERIOD

In thousands of EUR

	Less than 3 months	3 to 12 months	More than 12 months
Unfunded commitments to Direct and Indirect Investments	(165'038)	-	-
Liabilities falling due within one year	(15'419)	-	-
Hedging liabilities	(5'794)	-	-
Other long term payables	-	-	(209)
Current assets	45'906	-	-
Other long-term receivables	-	-	2'646
Deferred receivables on investments	-	56'512	-
Undrawn credit facility	50'000	-	-
Total	(90'345)	56'512	2'437

18.13 LIQUIDITY RISK PREVIOUS PERIOD

In thousands of EUR

	Less than 3 months	3 to 12 months	More than 12 months
Unfunded commitments to Direct and Indirect Investments	(196'793)	-	-
Liabilities falling due within one year	(4'695)	(4'412)	-
Other long term payables	-	-	(205)
Hedging assets	345	-	-
Current assets	71'258	-	-
Deferred receivables on investments	-	51'292	50'346
Undrawn credit facility	50'000	-	-
Total	(79'885)	46'880	50'141

18.14 CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base so as to retain investor, creditor and market confidence with regards to the investment objectives of the Group. The Group's capital is represented by the Equity of the Company. The Board of Directors also monitors and manages where appropriate the level of discount between the market price of its equity and the Group's net asset value per share in open market transactions.

As a result of the outstanding credit facility agreement, the Group is required to meet certain covenants as described in the Short-term credit facilities note. The Group monitors compliance with these externally imposed restrictions and during 2014 and 2013 there were no breaches with respect to these covenants.

18.15 MARKET PRICE RISK

Financial assets at fair value through profit or loss held directly or indirectly bear a risk of loss of capital. The Investment Manager moderates this through a careful selection of investments within specified limits. The Group's investments are monitored on a regular basis by the Investment Manager and are reviewed on a quarterly basis by the Board of Directors. The Group checks its performance against the Thomson Reuters' Private Equity Performance Index (that is calculated based on quarterly cash flows from the Europe, Middle East and Africa all private equity data in Euros and the United States all private equity data in US dollars that have both been given equal weighting) which it uses as its benchmark. The Group checks on a regular basis the weightings of the index, its composition, price development and volatility.

The annual volatility of the benchmark is shown for the period from 1 January 2001 to the relevant period end by using the quarterly data. Under the assumption that financial assets at fair value through profit or loss fluctuate with the annual volatility the value and the result of such assets, if any, would be impacted by the values shown which could be either higher or lower.

18.16 MARKET PRICE RISK

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Financial assets at fair value through profit or loss	509'880	396'183
Total assets subject to market risk	509'880	396'183
Annual expected volatility	10.84%	8.16%
Potential impact on statement of financial position and statement of comprehensive income	55'271	32'329

18.17 OFFSETTING FINANCIAL INSTRUMENTS

As at 31 December 2013 and 2014 the Group was subject to master netting arrangements (typically one per counterparty) with one or more derivative counterparties as specified in the tables below. All of the derivative assets and liabilities of the Group are held with these counterparties. No margin balance is maintained by the Group for the purpose of providing collateral on derivative positions. The following tables present the Group's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

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Amounts in "D" below relate to amounts subject to set-off that do not qualify for offsetting under "B" below. This includes amounts which are subject to set-off against the financial asset or financial liability disclosed in "A" which have not been offset in the audited statement of financial position.

The Group and its counterparties have elected to generally settle all transactions on a gross basis however, each party has the option to settle all open contracts on a net basis in an early termination event as defined in the relevant master netting agreement. Per the terms of the master netting agreements, an early termination event includes the following:

- Failure by a party to make payment when due;
- Failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within 20 business days after such failure;
- Bankruptcy of a party.

18.18 OFFSETTING CURRENT PERIOD

Financial liabilities subject offsetting, enforceable master netting arrangements and similar agreements:

<i>In thousands of</i>	A	B	C = A-B	D	E = C-D
<i>EUR</i>					
31.12.2014	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set-off in the audited statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position	Net amount
Description					
Derivative liabilities	5'794	-	5'794	-	5'794
Counterparty A					

18.19 OFFSETTING PRIOR PERIOD

Financial assets subject offsetting, enforceable master netting arrangements and similar agreements:

<i>In thousands of</i>	A	B	C = A-B	D	E = C-D
<i>EUR</i>					
31.12.2013	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets set-off in the audited statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position	Net amount
Description					
Derivative Assets	345	-	345	-	345
Couterparty A					

18.20 STRUCTURED ENTITIES

IFRS 12 - Disclosure of interests in other entities requires the Group to disclose details regarding structured entities invested into by the Group. A structured entity in accordance with IFRS 12 is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- Restricted activities.
- A narrow and well-defined objective, such as to provide a source of capital for funding to an entity or provide investment opportunities to investors by passing on risks and rewards associated with the assets of the structured entity to investors.
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support.
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

All Indirect Investments held by the Group are considered by the Directors of the Company to be structured entities as determined by IFRS 12. Income generated from such Indirect Investments is accounted for within the line item Revaluation in the audited consolidated statement of comprehensive income. The tables 'Structured Entities Current Period' and 'Structured Entities Previous Period' below disclose the risk concentration with respect to geographic region and investment strategy of the underlying Indirect Investments. The net asset values of each line represent the fair value of the respective Indirect Investments as well as the maximum exposure to loss resulting from such investments. Such Indirect Investments are included within the line item Financial assets at fair value through profit or loss in the audited consolidated statement of financial position.

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18.21 STRUCTURED ENTITIES CURRENT PERIOD

<i>NAV in thousands of EUR</i>	31.12.2014
Region & Strategy	
Asia-Pacific	
Buyout	19
North America	
Buyout	32'074
Special situations	132'672
Venture capital	23'318
Western Europe	
Buyout	110'099
Real estate	15'862
Special situations	12'726
Venture capital	10'731
Rest of World	
Buyout	29'299
Venture capital	13'600

18.22 STRUCTURED ENTITIES PREVIOUS PERIOD

<i>NAV in thousands of EUR</i>	31.12.2013
Region & Strategy	
Asia-Pacific	
Buyout	26
North America	
Buyout	20'347
Special situations	95'446
Venture capital	24'803
Western Europe	
Buyout	94'014
Real estate	15'985
Special situations	17'646
Venture capital	12'057
Rest of World	
Buyout	26'778
Venture capital	12'359

19 FAIR VALUE MEASUREMENT

IFRS 13 - Fair value measurement requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as observable prices or firm broker quotes) or indirectly (that is, derived from observable prices including discount adjustments to quoted prices in the case of regulatory restrictions to sell such securities) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. For this purpose the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination to what constitutes "observable" requires significant judgment by the responsible entity. The responsible entity considers the observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The tables below analyse within the fair value hierarchy the Group's financial assets measured at fair value at the end of the reporting period.

In the event that the Group holds any quoted investments including any shares received as a result of an IPO or listed private market investments these are valued based on quoted market prices in active markets and therefore classified in level 1.

The Directors have assessed that any derivatives used for hedging and short-term investments valued based on market dealer quotes, can be redeemed at the value stated and are therefore classified in level 2.

Level 3 comprises unquoted investments where the Investment Manager reviews the latest information provided by underlying investments and other business partners, which may not coincide with the reporting date of the Group or the valuation date of the investments, and applies widely recognized valuation methods to value such investments as detailed in the note on critical accounting estimates and judgments.

The reconciliation of each class of financial instrument designated as level 3 is presented in the note on financial assets at fair value through profit or loss.

The tables 'Fair Value Estimation Current Period' and 'Fair Value Estimation Previous Period' present the Group's classification of investments in each of the three levels as described above.

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19.1 FAIR VALUE ESTIMATION CURRENT PERIOD

<i>In thousands of EUR</i>	Level 1	Level 2	Level 3	Total balance
Assets				
Financial assets at fair value through profit or loss - equity securities	1'965	-	432'961	434'926
Financial assets at fair value through profit or loss - debt investments	-	-	74'954	74'954
Total assets	1'965	-	507'915	509'880
Liabilities				
Total liabilities	-	(5'794)	-	(5'794)

During the period, no investments were transferred out of level 3 into any other level (2013: nil).

The Directors of the Company have determined that any of the Group's transfers between levels 1, 2 and 3 are deemed to have happened at the end of the respective reporting period.

19.2 FAIR VALUE ESTIMATION PREVIOUS PERIOD

<i>In thousands of EUR</i>	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	345	-	345
Financial assets at fair value through profit or loss - equity securities	2'232	-	336'069	338'301
Financial assets at fair value through profit or loss - debt investments	-	-	57'882	57'882
Total assets	2'232	345	393'951	396'528
Liabilities				
Total liabilities	-	-	-	-

The Directors of the Company have determined that any of the Group's transfers between levels 1, 2 and 3 are deemed to have happened at the end of the respective reporting period.

19.3 FINANCIAL STATEMENT LINE ITEMS NOT HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

All assets and liabilities presented in the audited consolidated statement of financial position, except for those presented in the tables above, are presented at either amortized cost or their face value, both of which are deemed to be a reasonable approximation of their fair values.

- Cash and cash equivalents as well as bank overdrafts are measured at values that would be reflective of level 1 prices in accordance with the fair value hierarchy presented above. These include cash in hand, deposits held with banks, other short-term investments in active markets and bank overdrafts.
- Other receivables are measured at values that would be reflective of level 2 prices in accordance with the fair value hierarchy presented above. These include contractual amounts for settlement of trades and other obligations due to the Group.
- Accruals and other short-term payables represent the contractual amounts and obligations due by the Group for settlement of trades and expenses and are measured at values that would be reflective of level 2 prices in accordance with the fair value hierarchy presented above, except for incentive fee accruals due by the Group which are reflective of level 3 prices in accordance with such hierarchy.
- Deferred payments and deferred receivables are measured at values that would be reflective of level 2 prices in accordance with the fair value hierarchy presented above. These consist of payments for financial assets purchased and receivables for financial assets sold for which it was agreed with the contractual counterparty to defer one or more payment installments.
- Borrowings include credit facilities and loans granted to the Group and are measured at values that would be reflective of level 2 prices in accordance with the fair value hierarchy presented above.
- Other long-term receivables are measured at values that would be reflective of level 3 prices in accordance with the fair value hierarchy presented above. They include amounts received in the form of distributions from underlying investments that are held through special purpose vehicles that could be subject to corporate taxation in jurisdictions different to that of the Group.
- Equity is a residual amount calculated by subtracting the total liabilities of the Group from the total assets of the Group. As the lowest level of input that is significant to the fair value measurement of the inputs into this equation is level 3 in accordance with the fair value hierarchy presented above, the values at which equity is measured would be reflective of level 3 prices in accordance with such hierarchy.

19.4 SIGNIFICANT UNOBSERVABLE VALUATION INPUTS

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

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

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In order to assess level 3 valuations in accordance with the Investment Management Agreement, the Investment Advisor reviews the performance of the Direct and Indirect Investments held on a regular basis. The valuations are reviewed on an ongoing basis by the Investment Advisor's investment committee who report to the Investment Manager. The investment committee considers the appropriateness of the valuation model inputs as well as the valuation result using various valuation methods and techniques generally recognized within the industry.

The Group utilizes comparable trading multiples in arriving at the valuation for the Direct Investments. Comparable companies multiple techniques assume that the valuation of unquoted Direct Investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. The Investment Advisor determines comparable public companies based on industry, size, development stage, strategy, etc. Subsequently the most appropriate performance measure for determining the valuation of the relevant Direct Investment is selected (these include but are not limited to EBITDA, price/earnings ratio for earnings or price/book ratio for book values). Trading multiples for each comparable company identified are calculated by dividing the market capitalization of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate or quality of customer base between the valued Direct Investment and the comparable company set. The indicated fair value of the Direct Investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company.

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

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

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

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

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

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

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

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

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

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unobservable valuation input into such an enterprise valuation be changed in either direction, the value of a respective Direct debt Investment would not fluctuate proportionately. Any fluctuation in the enterprise value of a lender's company would only have an impact on the value of a Direct debt Investment in case the results of such a valuation would provide sufficient evidence that the enterprise value of the company is not sufficient to fully cover the outstanding debt instrument, where the Group is invested in.

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

A sensitivity analysis has not been presented for Direct Investments that have been acquired within the last three months of the financial period and where the acquisition cost was deemed to be fair value in accordance with IFRS 13 as it is the view of the Investment Advisor that insufficient time has passed to determine a reliable sensitivity range based on appropriate valuation inputs that would be considered appropriate by market participants.

19.5 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE CURRENT PERIOD

Type of security	Fair value at 31.12.2014	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity Investments	114'020	Market comparable companies	Enterprise value to EBITDA multiple	4.20x - 13.50x (10.51x)	11'688	-11'688
	6'918	Market comparable companies	Price to book ratio	1.06x - 1.10x (1.07x)	909	-909
Direct debt Investments	22'243	Market comparable companies	Enterprise value to EBITDA multiple	7.80x - 13.58x (10.38x)	n/a	n/a
	3'851	Broker quotes	Bid quotes for an inactive market	n/a	n/a	n/a
	5'236	Market comparable companies	Price to book ratio	1.06x - 1.06x (1.06x)	n/a	n/a
Indirect Investments						
	357'418	Adjusted reported net asset value	Reported net asset value	n/a	17'871	-17'871
	-1'764	Adjusted reported net asset value	Fair value adjustments	n/a	-88	88

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19.6 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE PRIOR PERIOD

Type of security	Fair value at 31.12.2013	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity Investments	54'588	Market comparable companies	Enterprise value to EBITDA multiple	4.20x - 11.60x (8.79x)	5'298	-5'298
	213	Reported fair value	Reported fair value	n/a	11	-11
Direct debt Investments	14'431	Market comparable companies	Enterprise value to EBITDA multiple	6.78x - 10.08x (8.47x)	n/a	n/a
	5'258	Replacement cost	Recent transaction price	n/a	n/a	n/a
Indirect Investments						
	321'555	Adjusted reported net asset value	Reported net asset value	n/a	16'078	-16'078
	-2'093	Adjusted reported net asset value	Fair value adjustments	n/a	-105	105

20 DIVIDEND AND INTEREST INCOME AND EXPENSE

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Interest income		
From financial assets at fair value through profit or loss	2'765	2'601
From cash and cash equivalents	(33)	20
Dividend income		
From financial assets at fair value through profit or loss	359	-
Total dividend and interest income	3'091	2'621
Interest expense		
Interest expense - credit facilities	(364)	-
Total interest expense	(364)	-
Net result from dividends and interest	2'727	2'621

21 REVALUATION AND REALIZED GAINS AND (LOSSES)

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
On financial assets at fair value through profit or loss	71'660	33'498
On short-term investments	-	2
On option and forward hedges	(19'027)	5'045
Total revaluation and realized gains and (losses)	52'633	38'545

22 FOREIGN EXCHANGE GAINS AND (LOSSES)

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
On financial assets at fair value through profit or loss	28'464	(9'621)
On payables and receivables	5'724	(3'600)
On cash and cash equivalents	144	(167)
Total foreign exchange gains and (losses)	34'332	(13'388)

23 RELATED PARTY TRANSACTIONS

A related party to the Group, is an entity which has the ability to, directly or indirectly, control the Group, or vice versa, or to exercise significant influence over the Group in making financial and operating decisions or is a member of the key management team, including their immediate families, of the Group. Entities are also related where they are members of the same group. In this regard the following are considered related parties in the context of these financial statements; all entities owned and controlled by Partners Group Holding AG, all entities advised by Partners Group AG, and the Board of Directors and key management of each entity within the Group.

The following represents the transactions and balances of the Group with related parties:

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23.1 TRANSACTIONS

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Management fee expenses:		
Princess Management Limited	9'333	8'704
Administration fee expenses:		
Partners Group (Guernsey) Limited	288	295
Service fee expenses:		
Princess Management Limited	250	250
Incentive fee expenses:		
Princess Management Limited	7'654	2'104
Incentive fee paid:		
Princess Management Limited	660	2'026
Reimbursement of fees due to investments:		
From affiliated entities	4'484	4'440
Other expenses to related parties:		
Partners Group AG	79	77
Directors fee expenses:	202	213
Invested amounts and distributions to/from Partners Group advised products (investment side), net.	46'975	3'394

Commitments made to funds or limited partnerships advised by Partners Group amounting to EUR 37'111'000 (2013: EUR 16'874'000).

23.2 PERIOD-END BALANCES

<i>In thousands of EUR</i>	31.12.2014	31.12.2013
Other short-term receivables:		
Fermaca	2'623	-
Accruals and other short-term payables:		
Princess Management Limited	(2'589)	(3'418)
Partners Group (Guernsey) Limited	(3)	(21)
Penta CLO I S.A.	-	(430)
Accrued incentive fee:		
Princess Management Limited	(11'407)	(4'412)
Commitments to Partners Group advised products (investment side)	441'449	404'338
Fair value of investments advised by Partners Group or related parties	267'182	166'504

24 NUMBER OF EMPLOYEES

As at 31 December 2014 and 2013 no persons were employed by the Group.

25 PENSION SCHEME

The Group does not operate a pension scheme.

26 GROUP ENTERPRISES- SIGNIFICANT SUBSIDIARIES

Princess Private Equity Subholding Limited

Incorporated in Guernsey

Ownership interest as at 31 December 2014 and 31 December 2013: 100%

Activity: Investment holding company

Princess Direct Investments, L.P. Inc.

Incorporated in Guernsey

Ownership interest as at 31 December 2014 and 31 December 2013: 100%

Activity: Investment holding company

27 EVENTS AFTER THE REPORTING DATE

The Board of Directors is of the opinion that no events took place between the end of the reporting period and the approval of these consolidated financial statements that would require disclosure in or adjustments to the amounts recognized in these audited consolidated financial statements.

28 APPROVAL OF THESE FINANCIAL STATEMENTS

The Directors of the Company approved these consolidated financial statements on 9 March 2015.

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PRINCESS PRIVATE EQUITY HOLDING LIMITED

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Email: princess@princess-privateequity.net
Info: www.princess-privateequity.net

Registered number: 35241

Investment Manager

Princess Management Limited
Guernsey, Channel Islands

Administrator

Partners Group (Guernsey) Limited
Guernsey, Channel Islands

Trading Information

Listing
ISIN
WKN
Valor
Trading symbol
Bloomberg
Reuters
Joint corporate brokers

London Stock Exchange
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Partners Group
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