

Monthly report as of 31 January 2018

NAV increases by 0.2%

- Princess Private Equity Holding Limited's (Princess) net asset value increased by 0.2% to EUR 10.75 per share
- Portfolio developments were positive (0.7%) and currency movements (-0.5%) were negative
- Princess received distributions of EUR 19.2 million and invested EUR 2.7 million over the reporting period

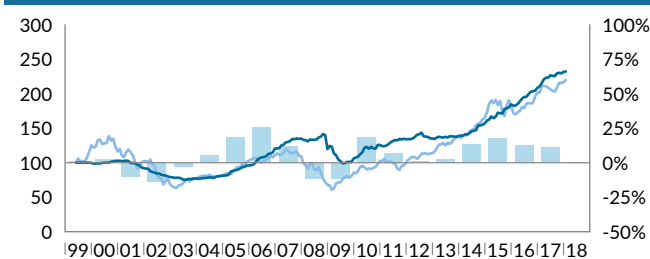
Princess received distributions of EUR 19.2 million during the month, including EUR 12.4 million of proceeds from the sale of its remaining shares in VAT Group AG (VAT). After four years of ownership, the investment generated a multiple of 6x on invested capital and an IRR of 74%. Since the acquisition of the company in February 2014, Partners Group has driven forward a wide range of value creation initiatives to strengthen VAT's organizational, process and financial capabilities. Princess also received a dividend of EUR 2.7 million from Varsity Brands, a US-based manufacturer and distributor of sports and affinity products to the K-12 and collegiate student market. The dividend, which represents 53% of invested capital, was funded by the issuance of new term loans and balance sheet cash. Between December 2014 and November 2017, Varsity Brands' revenue increased significantly, mainly driven by strong organic growth and several add-on acquisitions in the BSN Sports and Varsity Spirits business segments. EUR 2.1 million stemmed from the sale of the remaining shares in a US entertainment company (name withheld due to a confidentiality agreement), a global leisure corporation that owns and operates casinos, hotels and golf courses. The remaining distributions of EUR 2.0 million came predominantly from Princess' mature legacy fund portfolio.

Princess invested a total of EUR 2.7 million during the month, the majority of which was allocated to liquid loans for liquidity management purposes.

Key figures			
In EUR	31.12.2017	31.01.2018	YTD
NAV per share	10.73	10.75	
NAV per share incl. dividends	17.58	17.61	0.2%
Total fund size (in million)	742.05	743.37	
Investment level	88.1%	84.9%	
Net liquidity	11.9%	15.1%	
Over-commitment ratio	4.1%	0.9%	
Over-commitment ratio incl. credit line	-2.6%	-5.8%	
Share price	10.58	10.00	-5.5%
Discount	-1.4%	-7.0%	

Key figures in GBP		
In GBP	31.12.2017	31.01.2018
NAV per share	9.52	9.42
Share price	9.59	9.00

NAV performance since inception (total return)



■ Princess ■ MSCI World TR ■ Performance (RHS)

In %	2013	2014	2015	2016	2017	2018	5 yr. cum.	5 yr. ann.	5 yr. Sharpe ratio
Princess	2.7	13.2	17.5	12.9	11.2	0.2	72.8	11.6	2.74
MSCI World TR	21.2	19.6	10.3	10.8	7.6	1.5	89.4	13.6	1.33

Largest ten direct investments

				% of NAV
1. Action	WEU	Consumer discretionary		7.8
2. Permotio International Learning SarL	WEU	Consumer discretionary		5.5
3. Form Technologies	NAM	Materials		4.7
4. Foncia	WEU	Financials		3.0
5. KinderCare Education	NAM	Consumer discretionary		2.8
6. Trimco International Holdings Ltd	APC	Industrials		2.6
7. Fermaca	ROW	Energy		2.5
8. IDEMIA	WEU	Information technology		2.2
9. Hofmann Menue Manufaktur	WEU	Consumer staples		2.1
10. Global Blue	WEU	Financials		1.9

Monthly net performance (total return)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	-0.6%	1.5%	1.0%	-0.6%	-0.3%	0.8%	-0.7%	1.3%	-0.2%	-0.1%	-0.5%	1.1%	2.7%
2014	0.3%	-0.3%	1.6%	-0.2%	1.4%	1.9%	0.6%	0.5%	4.7%	0.0%	0.6%	1.3%	13.2%
2015	2.6%	0.8%	2.8%	-1.5%	1.4%	3.4%	-0.3%	-0.4%	3.9%	0.5%	0.7%	2.5%	17.5%
2016	-1.1%	0.1%	1.2%	2.0%	2.1%	1.3%	-0.0%	2.1%	1.8%	0.3%	0.6%	1.8%	12.9%
2017	1.0%	2.1%	2.7%	1.1%	-0.0%	1.6%	-0.4%	-0.2%	1.8%	0.4%	-0.5%	1.1%	11.2%
2018	0.2%												0.2%

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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 includes direct, 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.

The Board of Directors of Princess passed a resolution to implement a share buyback program on 13 December 2010. During January 2018, 0 shares were repurchased under the share buyback program. As of 31 January 2018, there were 69'151'168 shares outstanding, and the NAV was thus calculated based on a total of 69'151'168 shares outstanding.

Information

For further information please visit:
www.princess-privateequity.net

Investor Relations

Phone: +44 (0) 1481 711 690
 Fax: +44 (0) 1481 730 947
princess@partnersgroup.com

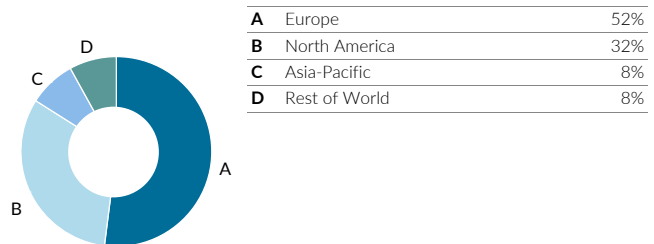
Registered Office

Princess Private Equity Holding Limited
 Tudor House
 P.O. Box 477
 Guernsey, GY1 1BT

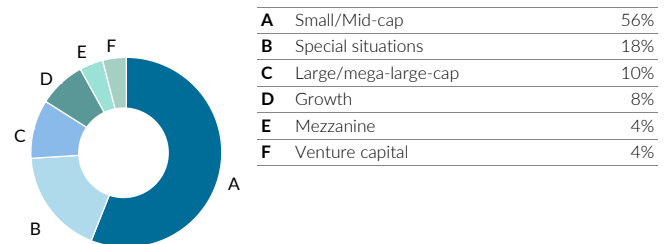
Key facts	
Stock exchange	London
Reuters Euro Quote	PEY.L
Reuters Sterling Quote	PEYS.L
Bloomberg Euro Quote	PEY LN
Bloomberg Sterling Quote	PEYS LN
ISIN (Euro and Sterling Quote)	GG00B28C2R28
Sedol Euro Quote	B28C2R2
Sedol Sterling Quote	BF012D4
Product life start date	12.05.1999
Dividend YTD (EUR)	0.00

Portfolio composition

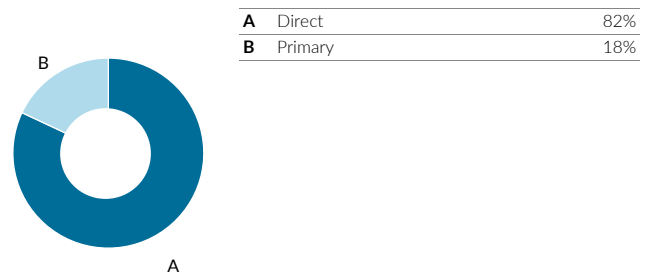
Investments by regional focus



Investments by financing category



Investments by transaction type



Key figures Over-commitment ratio: Unfunded commitments less the sum of net current assets divided by NAV (Over-commitment ratio incl. credit line includes undrawn balance on credit line). **Key figures in GBP** EUR NAV converted to GBP at month-end GBP/EUR exchange rate from Bloomberg. **NAV performance since inception (total return)** Indexed to 100. Since inception of Princess Private Equity Holding Limited, Princess; based on monthly total return valuations. MSCI World TR; Bloomberg NDDUWI Index in EUR. Sharpe ratio: risk-free rate based on 3-month EURIBOR (Bloomberg: ECCOTR03 Index). **Largest ten direct investments** Based on net asset value. **Monthly net performance (total return)** Based on monthly total return valuations. **Portfolio composition** Based on total value of investments.

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