

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Monthly report as of 28 February 2014

New direct investments completed

- Princess' net asset value (NAV) decreased by 0.3% to EUR 8.09 per share
- Princess deployed EUR 22.5 million to new direct investments and received EUR 1.9 million in distributions
- Although operational improvements in underlying companies continued to positively impact performance over the month (+0.3%), negative currency movements more than offset these gains (-0.6%)

In February, Princess completed the previously announced direct investments in Fermaca, a Latin American pipeline operator and Swiss-based VAT Holding AG.

The latter is the global market leader in high-end vacuum valves and has a strong market position in these mission-critical parts for the vacuum industry. The company offers its clients the largest product portfolio available globally and generates an annual turnover of more than CHF 300 million. Despite the underlying end markets such as semiconductors having faced challenging market environments at times, VAT has constantly increased its market share whilst delivering stable and attractive margins, due in part to its flexible cost structure and best-in-class engineering and production capabilities.

Furthermore, Princess invested in Fermaca, a leading provider of gas transportation infrastructure in Mexico. The company currently owns and operates pipelines capable of shipping about 20% of Mexico's natural gas needs. Fermaca is also finishing the construction of an additional pipeline which will transport cheap shale gas from the United States to serve the rapidly rising demand in Mexico, primarily driven by power generation needs. Its customers include Mexico's largest natural energy companies while the bulk of Fermaca's capacity is contracted under long-term agreements, providing the business with stable and predictable cash flows.

Also in February, Partners Group agreed to acquire MultiPlan Inc., a provider of comprehensive healthcare cost management solutions. The transaction is subject to regulatory approvals and customary closing conditions.

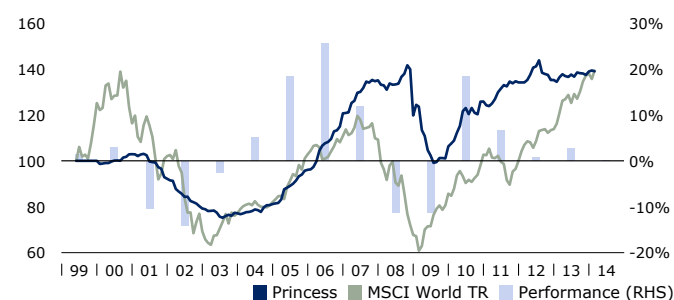
Monthly net performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	3.9%	-0.6%	-8.3%	-2.3%	-5.6%	-2.2%	-3.1%	0.4%	1.8%	0.0%	-0.2%	5.2%	-11.3%
2010	1.2%	1.2%	3.2%	2.6%	5.6%	1.1%	-2.2%	2.2%	-1.7%	-0.6%	4.6%	0.1%	18.4%
2011	-1.3%	-0.3%	1.0%	1.5%	2.3%	1.2%	1.2%	-0.4%	1.6%	-0.6%	0.7%	-0.4%	6.6%
2012	0.0%	0.0%	0.8%	1.7%	2.3%	0.4%	1.9%	-3.8%	-0.4%	-0.3%	-1.6%	0.0%	0.8%
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%											0.1%

Key figures

In EUR	28.02.2014	31.01.2014	YTD
NAV per share	8.09	8.11	
NAV per share incl. dividends	10.54	10.57	0.1%
Total fund size (in million)	560.02	561.91	
Investment level	77.4%	73.8%	
Deferred receivables	18.1%	18.5%	
Net liquidity	4.5%	7.7%	
Commitment ratio	11.2%	10.4%	
Gross commitment ratio	2.2%	1.5%	
Share price	6.30	6.35	0.0%
Discount	-22.2%	-21.8%	

Net performance since inception



In %	2009	2010	2011	2012	2013	2014	5 yr. cum.	5 yr. ann.	5 yr. Sharpe ratio
Princess	-11.3	18.4	6.6	0.8	2.7	0.1	12.5	2.4	0.21
MSCI World TR	26.6	19.8	-2.6	13.7	21.2	1.0	128.9	18.0	1.61

Largest ten direct investments

% of NAV			
1. VAT Holding AG	WEU	Industrials	3.2
2. Hofmann Menue	WEU	Consumer staples	2.7
3. Universal Services of America	NAM	Industrials	2.0
4. Fermaca	ROW	Energy	1.7
5. Fermo (Trimco International)	APC	Industrials	1.6
6. Action	WEU	Consumer discretionary	1.5
7. Caffe Nero	WEU	Consumer staples	n.a.
8. Global Blue	WEU	Financials	1.3
9. Pharmaceutical developer	WEU	Healthcare	1.2
10. AWAS Aviation Holding	WEU	Financials	1.2



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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 February 2014, 49'639 shares were repurchased under the share buyback program. As of 28 February 2014, there were 69'198'188 shares outstanding, and the NAV was thus calculated based on a total of 69'198'188 shares outstanding.

Deferred receivables relate to a sale and purchase agreement with a single third party buyer to sell 17 partnership interests. The agreement was entered in September 2012 and payment will be settled in three instalments, with 1/3 of proceeds having been received upon transfer of the partnership interests. The remaining 2/3 of proceeds are due to be received 18 and 36 months thereafter.

Information

- For further information please visit:
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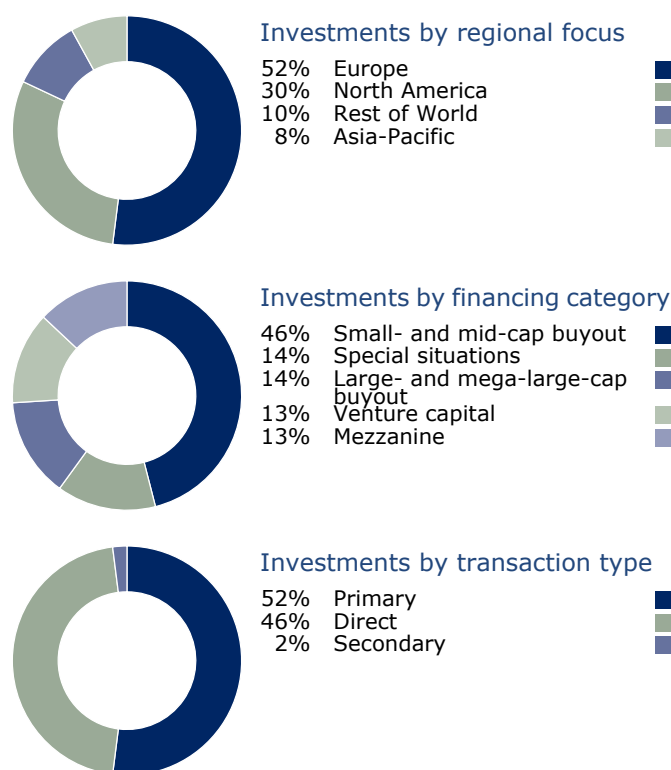
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Key facts

Stock exchange	London
Reuters	PEY.L
Bloomberg	PEY LN
ISIN	GG00B28C2R28
Sedol	B28C2R2
Product life start date	12.05.1999
Currency	EUR
Dividend YTD	0.00

Portfolio composition



Key figures Commitment ratio: Unfunded commitments less the sum of net current assets and deferred receivables divided by NAV (Gross commitment ratio includes undrawn balance on credit line). Deferred receivables: The value of deferred receivables divided by NAV. **Net performance since inception** 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: ECC0TR03 Index). **Largest ten direct investments** Based on net asset value. **Monthly net performance** Based on monthly total return valuations. **Portfolio composition** Based on total value of investments.

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