Annual Report
2017 / 2018

Private Equity Holding AG

Table of Contents

Private Equity Holding offers institutional and private investors the opportunity to invest in a broadly diversified private equity portfolio.

The objective of Private Equity Holding is to generate long term capital growth for its shareholders.

Private Equity Holding's Investment Portfolio is managed by Alpha Associates.

Alpha Associates is an independent private equity, private debt and infrastructure manager and advisor, building and managing globally diversified private equity fund portfolios for institutional and private clients.

Key Figures for the Financial Year 2017/2018

Share Value	31.03.18 EUR	31.03.17 EUR	Change in %[1]	31.03.18 CHF	31.03.17 CHF	Change in %[1]
Net asset value per share, based on fair values	**77.79**	79.15	**(1.7%)**	**91.39**	84.66	**7.9%**
Price per share (PEHN.S)	**60.43**	66.01	**(8.5%)**	**71.00**	70.60	**0.6%**

[1] Excl. distributions.

Net Profit for the Period	01.04.17-31.03.18 EUR 1,000	01.04.16-31.03.17 EUR 1,000	Change in %
Profit for the period	**2,391**	10,763	**(78%)**

Selected Balance Sheet Items (Consolidated)[2]	31.03.18 EUR 1,000	31.03.17 EUR 1,000	Change in %
Current assets	**10,372**	5,836	**78%**
Non-current assets	**193,611**	209,492	**(8%)**
Current liabilities	**571**	431	**32%**
Non-current liabilities	**—**	—	**n/a**
Total equity	**203,412**	214,897	**(5%)**

[2] Information herein is presented in addition to the IFRS Financial Statements.

Asset Allocation	Fair Value 31.03.18 EUR million	Unfunded Commitments 31.03.18 EUR million	Total Exposure[3] 31.03.18 EUR million	Total Exposure[3] 31.03.18 in %
Buyout funds	89.0	37.1	126.1	46%
Venture funds	38.2	15.3	53.5	20%
Special situation funds	25.0	28.4	53.4	19%
Total fund investments	**152.2**	**80.8**	**233.0**	**85%**
Direct investments and loans	41.4	0.6	42.0	15%
Total direct investments and loans	**41.4**	**0.6**	**42.0**	**15%**
Total funds, direct investments and loans	**193.6**	**81.4**	**275.0**	**100%**

[3] Fair value plus unfunded commitments.

Commitments	31.03.18	31.03.17	Change in %
Unfunded commitments (EUR million)	**81.4**	82.3	(1%)
Overcommitment[4]	**37.0%**	36.7%	1%
Net current assets / unfunded commitments	**12.0%**	6.6%	82%

[4] Overcommitment = (unfunded commitments - net current assets) / (non-current assets - non-current liabilities).

Chairman's Letter for the Financial Year 2017/2018

Dear Shareholders,

Private Equity Holding AG (PEH) reports a comprehensive income of EUR 2.4 million for the financial year 2017/18. As of March 31, 2018, the net asset value per share (NAV) stood at EUR 77.79 (CHF 91.39), showing a stable development over the course of the financial year despite the challenging foreign exchange environment. In July 2017, PEH made the eighth consecutive distribution to its shareholders. The share price advanced 4.8% during the financial year (CHF, incl. distribution).

Portfolio Development

PEH's portfolio performance showed strong resilience amid volatile market conditions and FX-related headwinds throughout the year. The portfolio was cash flow positive by EUR 24.7 million with EUR 61.4 million in distributions received versus EUR 36.8 million called for new investments and portfolio level expenses. The largest distribution came from Doughty Hanson & Co III following the sale of LM Wind Power, the world's largest independent manufacturer of wind blades. Other noteworthy distributions were received from ABRY Partners VII that sold CIBT Global, a global travel visa and immigration services provider, as well as Inmar Investment Holdings, a consulting and digital services provider.

Investment Activity

PEH completed several new investments during the financial year in line with its strategy to deliver long-term NAV growth: PEH committed capital to Clarus IV, Avista Capital Partners IV, Sycamore Partners III, the Evolution Technology Fund and Pollen Street Capital III, with whom PEH also completed a direct co-investment in the public-to-private transaction of Shawbrook, a UK specialist savings and lending bank.

Sycamore Partners is an excellent example of PEH continuing a successful relationship by committing USD 10 million to Sycamore Partners III having previously invested into fund II. Sycamore Partners is an experienced manager focusing on buy-out and turnaround situations in the consumer and retail sector.

Private equity fundraising activity reached a new record high over the past 12 months with more fund managers in the market than ever before. The key to successful investing is a continuation of PEH's selective investment approach, with a view to ensure the continued shareholder value growth enjoyed to date.

Annual General Meeting 2018

The company's Annual General Meeting (AGM) will take place on July 12, 2018. The Board of Directors will propose a distribution of CHF 2.00 per share. At the time of writing, this represents a dividend yield of approximately 3 per cent. Further details can be found in the invitation to the AGM.

My colleagues Hans Christoph Tanner and Bernhard Schürmann will not stand for re-election. I would like to thank them for their strong contribution as members of the Board of Directors over the last 12 and 7 years, respectively. Their time, expertise and active participation has allowed the Company to operate in a very consistent and successful way. I am confident that we will be able to continue this success story based on that foundation and wish my colleagues Chris and Bernhard all the best for the future.

As always, we remain committed to continue our efforts for the benefit of our shareholders and thank you for your continued trust and support.

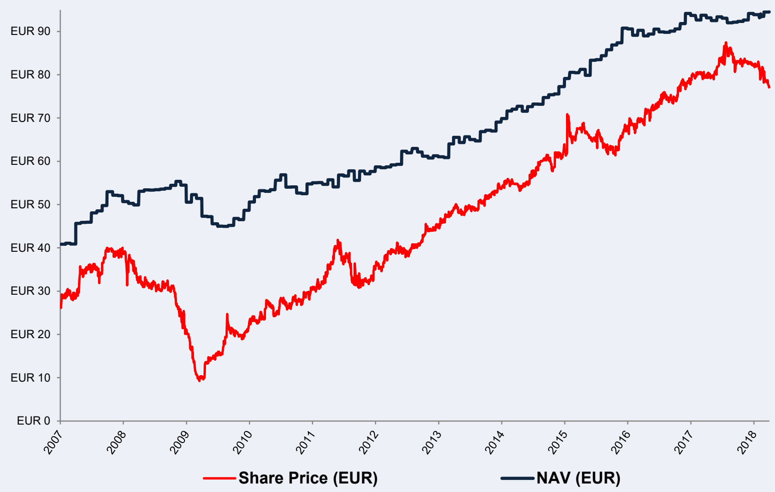
Dr. Hans Baumgartner

Chairman of the Board of Directors

June 15, 2018

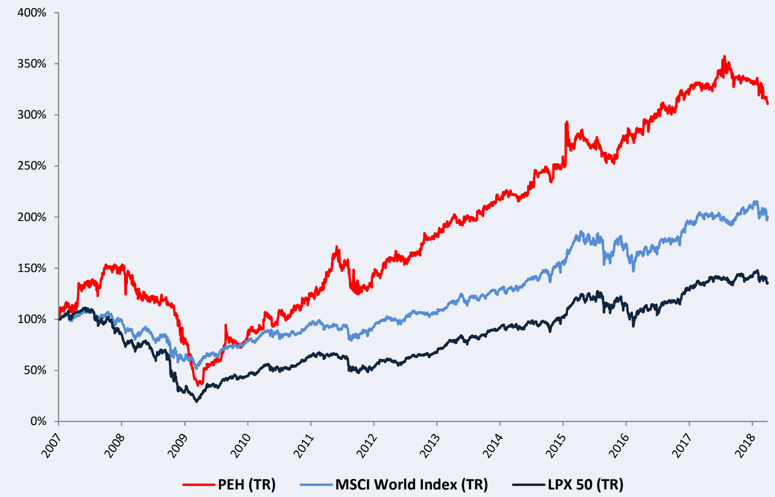
Development of Net Asset Value and Share Price

Share Price and NAV per Share
01.01.2007 - 31.03.2018 (in EUR incl. distributions)



NAV per share in EUR:	77.79
NAV per share in CHF:	91.39
Share price in EUR:	60.43
Share price in CHF:	71.00
Discount to NAV as of 31.03.2018:	-22.3%

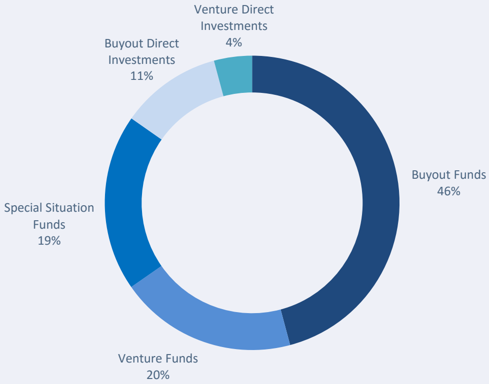
Relative Performance of PEHN
01.01.2007 - 31.03.2018 (in EUR incl. distributions)



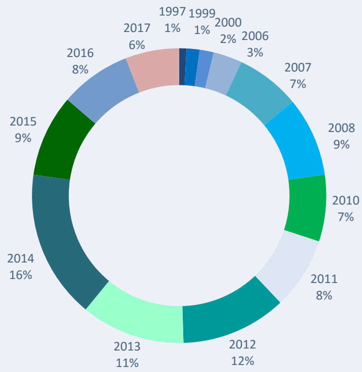
PEHN has outperformed the LPX-50 PE-Index by:	175.4%
PEHN has outperformed the MSCI World Index by:	110.7%

Private Equity Holding Portfolio Overview

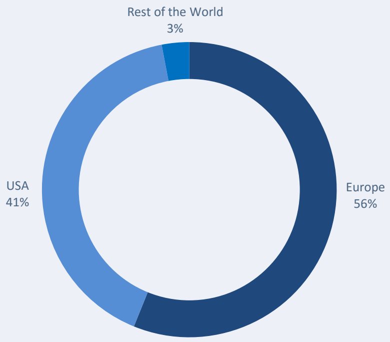
Allocation by Investment Category[1]



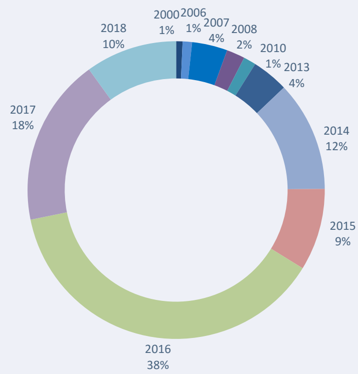
Fair Value of the Portfolio by Vintage Year



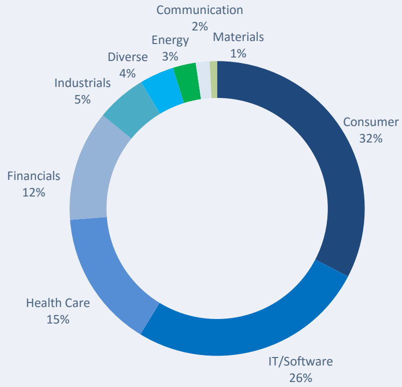
Allocation by Geography[2]



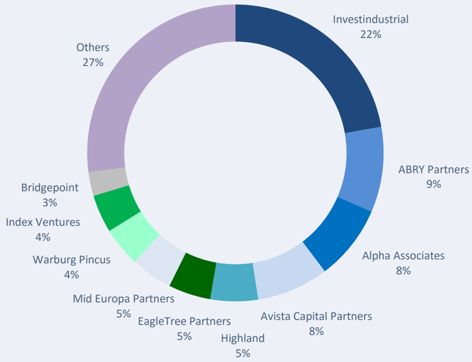
Unfunded Commitments of the Portfolio by Vintage



Allocation by Industry[2]



10 Largest Exposures by Managers[2]



[1] Based on fair values plus unfunded commitments of portfolio holdings
[2] Based on fair values of the underlying companies

Selected Direct Investments

FLOS

Fair Value:	EUR 6.2 million
Investment date:	2015
Type:	Direct Investment
Industry:	Consumer
Region:	Europe

ASTON MARTIN

Fair Value:	EUR 16.3 million
Investment date:	2013
Type:	Direct Investment
Industry:	Automotive
Region:	Europe

acino

Fair Value:	EUR 2.8 million
Investment date:	2013
Type:	Direct Investment
Industry:	Pharmaceuticals
Region:	Europe

ENANTA Pharmaceuticals

Fair Value:	EUR 2.3 million
Investment date:	1998
Type:	Direct Investment
Industry:	Pharmaceuticals
Region:	USA

Five Largest Exposures by Fair Value

representing 23.8% of the total fair value of PEH's investment portfolio

Aston Martin

Type:	Direct Co-Investment
Industries:	Automotive
Region:	Europe
Fair Value:	EUR 16.3 million 8.4% of PEH Portfolio

Mid Europa Fund IV

Fund Size:	EUR 808 million
Type:	Buyout
Industries:	Diverse
Region:	Central & Eastern Europe
Fair Value:	EUR 8.8 million 4.5% of PEH Portfolio

Bi-Invest Endowment Fund

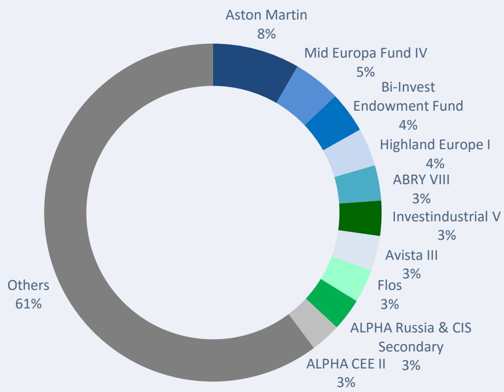
Fund Size:	EUR 263 million
Type:	Buyout
Industries:	Diverse
Region:	Europe
Fair Value:	EUR 7.7 million 4.0% of PEH Portfolio

Highland Europe I

Fund Size:	EUR 246 million
Type:	Venture
Industries:	Diverse
Region:	Europe
Fair Value:	EUR 6.7 million 3.5% of PEH Portfolio

ABRY VIII

Fund Size:	USD 1,900 million
Type:	Buyout
Industries:	Consumer
Region:	North America
Fair Value:	EUR 6.6 million 3.4% of PEH Portfolio



Five Largest Exposures by Unfunded Commitment

representing 42.1% of the total unfunded commitments of PEH's investment portfolio

Procuritas Capital Investors VI

Fund Size:	EUR 312 million
Type:	Buyout
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 8.4 million 10.4% of PEH Portfolio

Sycamore III

Fund Size:	USD 4,300 million
Type:	Special Situation
Industries:	Consumer
Region:	North America
Unfunded Commitment:	EUR 8.1 million 10.0% of PEH Portfolio

Pollen Street III

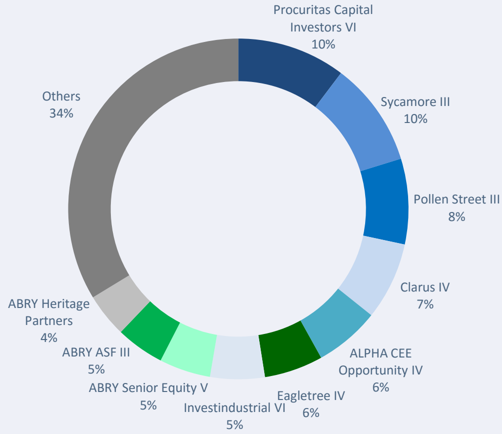
Fund Size:	GBP 332 million
Type:	Buyout
Industries:	Financials
Region:	Europe
Unfunded Commitment:	EUR 6.6 million 8.1% of PEH Portfolio

Clarus IV

Fund Size:	USD 910 million
Type:	Venture
Industries:	Healthcare
Region:	Global
Unfunded Commitment:	EUR 6.0 million 7.4% of PEH Portfolio

ALPHA CEE Opportunity IV

Fund Size:	EUR 144 million
Type:	Buyout
Industries:	Diverse
Region:	Central & Eastern Europe/ Russia & CIS
Unfunded Commitment:	EUR 5.1 million 6.2% of PEH Portfolio



IFRS Financial Statements

Notes to the Financial Statements

Statement of Comprehensive Income

EUR 1,000	Notes	01.04.17-31.03.18	01.04.16-31.03.17
Income			
Net gains from investments in non-consolidated subsidiaries at fair value through profit or loss	9	4,007	13,144
Net gains/(losses) from financial assets at fair value through profit or loss	9	(853)	(701)
Foreign exchange gains/(losses)		1,026	(98)
Other income		34	-
Total income		**4,214**	**12,345**

Expenses			
Administration expenses	15	439	462
Corporate expenses		781	819
Total expenses		**1,220**	**1,281**
Profit from operations		**2,994**	**11,064**
Interest expenses		(603)	(301)
Profit for the period attributable to equity holders of the company		**2,391**	**10,763**

Other comprehensive income		
Other comprehensive income for the period, net of income tax	—	—
Total comprehensive income for the period attributable to equity holders of the company	**2,391**	**10,763**

	Notes	01.04.17-31.03.18	01.04.16-31.03.17
Basic earnings per share (EUR)	13	0.89	3.96

Minor differences in totals are due to rounding.

Balance Sheet

EUR 1,000	Notes	31.03.18	31.03.17
Assets			
Current assets			
Cash and cash equivalents	6	1,774	96
Receivables and prepayments	7	149	123
Total current assets		**1,923**	**219**
Non-current assets			
Investments in non-consolidated subsidiaries at fair value through profit or loss	8	235,631	231,625
Financial assets at fair value through profit or loss	8	5,017	5,870
Total non-current assets		**240,648**	**237,495**
Total assets		**242,571**	**237,714**

Liabilities and equity			
Current liabilities			
Payables and other accrued expenses		218	129
Total current liabilities		**218**	**129**
Non-current liabilities			
Interest bearing borrowings	12	38,941	22,688
Total non-current liabilities		**38,941**	**22,688**
Total liabilities		**39,159**	**22,817**
Equity			
Share capital	13	10,311	10,311
Share premium		33,529	38,594
Treasury shares	13	(8,355)	(1,838)
Retained earnings		167,927	167,830
Total equity		**203,412**	**214,897**
Total liabilities and equity		**242,571**	**237,714**

	31.03.18	31.03.17
Total number of shares as of period end	2,750,000	2,750,000
Number of treasury shares as of period end	(135,046)	(34,992)
Number of shares outstanding as of period end	**2,614,954**	**2,715,008**
Net asset value per share (EUR)	77.79	79.15

Minor differences in totals are due to rounding.

Statement of Changes in Equity

EUR 1,000	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Opening as of 01.04.16	**11,249**	**55,426**	**(13,621)**	**159,235**	**212,289**
Profit/(loss) for the period	—	—	—	10,763	10,763
Total other comprehensive income for the period, net of income tax	—	—	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**	**10,763**	**10,763**
Purchase of treasury shares	—	—	(1,463)	—	(1,463)
Sale of treasury shares	—	18	120	—	138
Cancellation of treasury shares[1]	(938)	(12,188)	13,126	—	—
Repayment of share premium (paid-in capital)[1]	—	(4,662)	—	(2,168)	(6,830)
Total contributions by and distributions to owners of the Company	**(938)**	**(16,832)**	**11,783**	**(2,168)**	**(8,155)**
Total as of 31.03.17	**10,311**	**38,594**	**(1,838)**	**167,830**	**214,897**

Opening as of 01.04.17	**10,311**	**38,594**	**(1,838)**	**167,830**	**214,897**
Profit/(loss) for the period	—	—	—	2,391	2,391
Total other comprehensive income for the period, net of income tax	—	—	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**	**2,391**	**2,391**
Purchase of treasury shares	—	—	(6,622)	—	(6,622)
Sale of treasury shares	—	25	105	—	130
Repayment of share premium (paid-in capital)[2]	—	(5,090)	—	(2,294)	(7,384)
Total contributions by and distributions to owners of the Company	**—**	**(5,065)**	**(6,517)**	**(2,294)**	**(13,876)**
Total as of 31.03.18	**10,311**	**33,529**	**(8,355)**	**167,927**	**203,412**

Minor differences in totals are due to rounding.

[1] The Annual General Meeting held on July 8, 2016 decided to reduce the share capital by cancelling 250,000 treasury shares. The capital reduction was effective in the commercial register as of September 23, 2016. The Annual General Meeting decided further on a repayment of share premium (paid-in capital) in the amount of CHF 2.75 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 14, 2016.

[2] The Annual General Meeting held on July 10, 2017 decided on a repayment of share premium (paid-in capital) in the amount of CHF 3.00 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 18, 2017.

Statement of Cash Flows

EUR 1,000	Notes	01.04.17-31.03.18	01.04.16-31.03.17
Cash flow from operating activities			
Capital contributed to investments		—	(3,729)
Distributions received from investments		—	2,064
Interest received		34	67
Administration expenses paid		(439)	(462)
Corporate expenses paid		(616)	(660)
Transaction expenses paid		(4)	(9)
Change in other working capital items		68	49
Net cash (used)/provided by operating activities		**(957)**	**(2,680)**
Cash flow from financing activities			
Proceeds from interest bearing borrowings		18,202	11,296
Interest paid on interest bearing borrowings		(603)	(301)
Commitment fee on borrowings		(162)	(150)
Purchase of treasury shares		(6,625)	(1,463)
Sale of treasury shares		130	138
Repayment of share premium (paid-in capital)	13	(7,384)	(6,830)
Net cash (used)/provided by financing activities		**3,558**	**2,690**
Net increase/(decrease) in cash and cash equivalents		**2601**	**10**
Cash and cash equivalents at the beginning of the period		96	184
Effects of exchange rate changes on cash and cash equivalents		(923)	(98)
Cash and cash equivalents at the end of the period		**1,774**	**96**

Minor differences in totals are due to rounding.

Notes to the Financial Statements

1. Reporting entity

Private Equity Holding AG (the "Company") is a stock company incorporated under Swiss law with registered address at Gotthardstrasse 28, 6302 Zug, Switzerland. The business activity of the Company is mainly conducted through investing the Company's assets directly and indirectly through its Cayman Islands non-consolidated subsidiaries (together referred to as the "Group").

The Company controls 100% of the voting rights and ownership interests in Private Equity Fund Finance Ltd. and Private Equity Direct Finance Ltd (the "Subsidiaries"). The non-consolidated Subsidiaries are incorporated in the Cayman Islands.

The business activity of the Company is the purchase, holding and disposal of investments held in private equity funds and directly in companies with above-average growth potential. The Board of Directors has appointed one of its members as the Board's Delegate, who is responsible for managing the day-to-day business of the Company. ALPHA Associates (Cayman) LP, Cayman Islands ("ALPHAC"), and ALPHA Associates AG, Zurich ("ALPHA", together "ALPHA Group" or the "Investment Manager"), act as investment manager and investment adviser, respectively and provide certain support services to the Company. See also Note 15.

The Company has no employees.

2. Basis of preparation

a) Statement of compliance

The financial statements of the Company as at and for the year ended March 31, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRSs). They comply with Swiss law and Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange.

These financial statements were authorised for issue on June 15, 2018 by the Board of Directors.

The accompanying notes are an integral part of these financial statements.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss and investments in non-consolidated subsidiaries, which are measured at fair value.

c) Functional and presentation currency

These financial statements are presented in EUR, which is the Company's functional currency.

The Board of Directors considers the EUR the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The EUR is the currency in which the Company measures its performance and reports its results. This determination also considers the competitive environment in which the Company is compared to other investment products.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Foreign currency

Transactions in foreign currencies are translated into EUR at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into EUR at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into EUR at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange gain/(loss), except for those arising on financial assets at fair value through profit or loss, which are recognised as a component of net gain/loss from financial assets at fair value through profit or loss and investments in non-consolidated subsidiaries at fair value through profit or loss.

The following currency exchange rates were applied as of March 31, 2018 and March 31, 2017 for the retranslation of assets and liabilities into EUR:

Currency	31.03.18	31.03.17
EUR/USD	1.2320	1.0693
EUR/CHF	1.1749	1.0696
EUR/GBP	0.8779	0.8541

b) Financial assets and financial liabilities

Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Classification

The Company classifies financial assets and financial liabilities into the following categories:

Fair value through profit or loss:

- Investments in non-consolidated subsidiaries at fair value through profit or loss
- Financial assets at fair value through profit or loss

Financial assets at amortised cost:

- Cash and cash equivalents
- Held to collect - Receivables and prepayments

Financial liabilities at amortised cost:

- Other liabilities - Payables and other accrued expenses
- Other liabilities - Interest bearing borrowings

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Partnership has access at that date.

The fair value of quoted direct investments is determined by reference to their quoted market prices, defined as the “bid” price on the principal securities exchange or market on which such investments are traded as of close of business on the valuation date, or in the absence thereof, the last available price quotation from such exchange or market.

In estimating the fair value of unquoted direct investments, the General Partner considers the most appropriate market valuation techniques, using a maximum of observable inputs. These include but are not limited to the following:

- Cost basis;
- Result of multiple analysis;
- Result of discounted cash flow analysis;
- Reference to transaction prices, including subsequent financing rounds;
- Reference to the valuation of the lead investor or other investors;
- Result of operational and environmental assessment.

In estimating the fair value of unquoted fund investments, the General Partner considers all appropriate and applicable factors relevant to their value, including but not limited to the following:

- Reference to the fund investment’s reporting information;
- Reference to transaction prices;
- Result of operational and environmental assessment.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest on such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

c) Net gains/losses from investments in non-consolidated subsidiaries at fair value through profit or loss and from financial assets at fair value through profit or loss

Net gains/losses from investments in non-consolidated subsidiaries at fair value through profit or loss and from financial assets at fair value through profit or loss includes all realised and unrealised fair value changes, dividends and interest income from investments and foreign exchange differences.

d) Interest and dividend income

Interest and dividend income from investments is included in net gains from investments in non-consolidated subsidiaries at fair value through profit or loss and financial assets at fair value through profit or loss (see Note 9).

Interest income and expenses are recognised in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the right to receive payment is established.

e) Administration expenses, corporate and transaction expenses

Administration expenses, corporate and transaction expenses are recognised in profit or loss as the related services are performed.

f) Income taxes

The Company is taxed as a holding company in the Canton of Zug. Income, including dividend income and capital gains from its investments in non-consolidated subsidiaries, is exempt from taxation at the cantonal and communal level. For Swiss federal tax purposes, income tax at an effective tax rate of approximately 7.8% is levied. However, dividend income qualifies for the participation exemption if the related investment represents at least 10% of the other company's share capital or has a value of not less than CHF 1 million. The participation exemption is extended to capital gains on the sale of a substantial investment in non-consolidated subsidiaries (i.e. at least 10%), which was held for a minimum holding period of one year and in case the sales price of the participation exceeds its original acquisition cost. The result of the participation exemption pursuant to the aforementioned requirements is that dividend income and capital gains (except recovered depreciations) are almost fully exempt from taxation.

g) New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2017, and have been applied in preparing these financial statements. None of these had a significant effect on the measurement of the amounts recognised in the balance sheet and income statement or on the presentation and disclosure of the financial statements of the Company. Standards, amendments and interpretations that have been adopted by the Company for the year ended March 31, 2018 are:

- The IASB issued "Annual Improvements to IFRS Standards 2014-2016 Cycle" on 8 December 2016, amending the standards IFRS 1, IFRS 12, and IAS 28 of which only IFRS 12 is applicable as of 1 January 2017. In IFRS 12, disclosure requirements for interests classified as held for sale, as held for distribution or as discontinued operations were specified.
- IAS 7, "Statement of Cash Flows", (amendments) - Entities are required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows are included in cash flows from financing activities. For example this could be the case for assets that hedge liabilities arising from financing liabilities. Entities may include changes in other items as part of this disclosure, for example by providing a "net debt" reconciliation. However, in this case, the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities. The amendments are effective for accounting periods commencing on or after 1 January 2017.

New standards, amendments and interpretations that are not yet effective and might be relevant for the Company:

- IFRS 9, "Financial instruments" - the final version of IFRS 9 was issued in July 2014, superseding all previous versions and addresses the classification, measurement and recognition, impairment and general hedge accounting of financial instruments. As of April 2011, the Company has adopted IFRS 9 Financial Instruments ("IFRS 9") (as issued in 2009 and revised in October 2010) and the related consequential amendments in advance of its effective date. There are no adjustments to be expected on classification and measurement due to the application of IFRS 9 (2014). However, the standard also replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model, which means that a loss event will no longer need to occur before an impairment allowance is recognised which will accelerate recognition of losses. The new model will apply to financial assets that are debt instruments recognised on-balance sheet, such as loans or bonds; and classified as measured at amortised cost. The Company mainly classifies its investment at fair value through profit or loss which is a category that does not require an impairment allowance. The amendment is effective for the Company for the accounting period commencing on April 1, 2018.

There are no other relevant standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

4. Critical accounting estimates and judgments

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

4.1 Critical accounting estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair Value of investments

The fair values assigned to financial assets at fair value through profit or loss and the investments in non-consolidated subsidiaries at fair value through profit or loss are based upon available information and do not necessarily represent amounts which might ultimately be realised. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the financial assets at fair value through profit or loss and the investments in non-consolidated subsidiaries at fair value through profit or loss existed, and those differences could be material.

4.2 Critical judgements

As per April 1, 2017, the Company has adopted Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) (the "Amendment"). The amendments clarify that an investment entity only consolidates its subsidiaries if both the following criteria are met:

(a) The subsidiary is not itself an investment entity, and

(b) The subsidiary's main purpose is to provide services that relate to the investment entity's investment activities.

The Company and its subsidiaries meet the definition of an investment entity. The subsidiaries, which were consolidated before March 31, 2017, are now accounted for at fair value through profit or loss.

5. Financial risk management

5.1 Introduction and overview

The Company manages its risk on a Group level by looking through its non-consolidated subsidiaries. This holistic approach is necessary in order to identify and manage risks appropriately. The Group has exposures to the following risks from financial instruments: market risk (including equity price risk, interest rate risk, currency risk), credit risk and liquidity risk. The Group's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Company's financial performance.

The Board of Directors, the Delegate and the Investment Manager attribute great importance to professional risk management, beginning with careful diversification, the sourcing of access to premier private equity investment opportunities, proper understanding and negotiation of appropriate terms and conditions and active monitoring including ongoing interviews with fund managers, thorough analysis of reports and financial statements and ongoing review of investments made. It is also key to structure the proper investment vehicles for the portfolio taking into account issues such as liquidity or tax related issues. The Group has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Investment Manager provides the Board of Directors with recommendations as to the Group's asset allocation and annual investment level that are consistent with the Group's objectives. The Board of Directors reviews and agrees policies for managing each of these risks as summarised below.

5.2 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

a) Equity price risk on non-current assets

The Group invests in financial assets to take advantage of their long-term growth. All investments present a risk of loss of capital. The Investment Manager moderates the risk through a careful selection of financial assets within specified limits. All of the companies in which the Group and its investee funds invest are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and, therefore, they are considered illiquid (excluding listed direct investments).

The Group also invests a significant proportion of its assets in high-technology and biotechnology companies and funds, which represents a concentration of risk in two highly volatile industries. The Group attempts to minimise such risks by engaging in extensive investment due diligence and close monitoring.

If the value of the investments (based on year-end values) had increased or decreased by 0.04% (change in LPX 50 Total Return Index between April 1, 2017 and March 31, 2018) with all other variables held constant, the impact on the Company's profit or loss would have been EUR 0.1 million (2016/2017: 23.4%, EUR 50.3 million).

The LPX 50 Total Return Index has become widely used in the private equity industry and serves as a relevant performance benchmark. However, the Group is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the underlying investments.

b) Interest rate risk

If interest rates had changed by 100 basis points with all other variables held constant as of March 31, 2018, the increase or decrease to profit or loss would amount to approximately EUR 0.4 million. The Company may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Company or its non-consolidated subsidiaries invest, and the impact on the valuation that uses interest rates as an input in the valuation model, such as the discounted cash flow models used in the valuation of unlisted investments. Therefore, the above sensitivity analysis may not indicate the total effect on the Company from future movements in interest rates.

c) Currency risk

The Group holds assets and liabilities denominated in currencies other than its functional currency, which expose the Group to the risk that the exchange rate of those currencies against the EUR will change in a manner which adversely impacts the Group's net income and equity. Foreign exchange differences on financial assets at fair value through profit or loss are included in the line item "Net gain from financial assets at fair value through profit or loss" in the statement of comprehensive income.

The table below summarises the Company's exposure to currency risks:

Currency risk as of March 31, 2018

	USD 1,000	CHF 1,000	GBP 1,000
Assets			
Cash and cash equivalents	744	109	—
Receivables	—	990	—
Total assets	**744**	**1,099**	—
Liabilities			
Payables and other accrued expenses	—	123	—
Interest bearing borrowings	6,805	14,697	
Total liabilities	**6,805**	**14,820**	—
Net exposure in accordance with IFRS	**(6,061)**	**(13,721)**	—
Financial assets and non-consolidated subsidiaries at fair value through profit or loss	**117,209**	**19,418**	**9,450**
Net exposure in accordance with the reporting to the Board of Directors	**111,148**	**5,697**	**9,450**

Currency risk as of March 31, 2017

	USD 1,000	CHF 1,000	GBP 1,000
Assets			
Cash and cash equivalents	25	73	—
Receivables	379	900	—
Total assets	**404**	**973**	**—**
Liabilities			
Payables and other accrued expenses	—	151	—
Interest bearing borrowings	—	5,305	
Total liabilities	**—**	**5,456**	**—**
Net exposure in accordance with IFRS	**404**	**(4,483)**	**—**
Financial assets and non-consolidated subsidiaries at fair value through profit or loss	**125,276**	**8,117**	**2,587**
Net exposure in accordance with the reporting to the Board of Directors	**125,680**	**3,634**	**2,587**

As of March 31, 2018, had the exchange rate between the EUR/USD increased or decreased by 15.2% (change in EUR/USD rate between April 1, 2017 and March 31, 2018) with all other variables held constant, the increase or decrease to profit or loss would have amounted to EUR 0.7 million (2016/2017: 6.5%, EUR 0.025 million (excluding currency risk on the underlying investment portfolio)). Including the currency risk on the underlying investment portfolio, the increase or decrease to profit or loss would amount to EUR 13.7 million (2016/2017: 6.5%, EUR 7.6 million).

The Investment Manager monitors the Group's currency position on a monthly basis and reports the currency exposures on the balance sheet and the impact of the currency movements on the performance of the long term investment portfolio to the Board of Directors monthly. The non-current financial assets at fair value through profit or loss and the investments in non-consolidated subsidiaries at fair value through profit or loss have therefore been included in the above analysis of March 31, 2018 and March 31, 2017 and will be included going forward.

5.3 Credit risk on current assets

The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due resulting in a loss for the Group. Impairment allowances are provided for losses that have been incurred by the balance sheet date, if any. The schedule below summarises the Group's exposure to credit risk.

In accordance with the Group's policy, the Investment Manager monitors the Group's credit position on a monthly basis and the Board of Directors reviews it on a regular basis.

Credit risk as of March 31, 2018

EUR 1,000	PEH fully performing	Subsidiaries fully performing	Total	Rating (Fitch)
Cash at Credit Suisse (Schweiz) AG	1,774	8,123	9,897	A
Receivables[1]	—	326	326	n/a
Total exposure to credit risk	**1,774**	**8,449**	**10,223**	

Credit risk as of March 31, 2017 (restated)

EUR 1,000	PEH fully performing	Subsidiaries fully performing	Total	Rating (Fitch)
Cash at Credit Suisse (Schweiz) AG	96	5,602	5,698	A
Receivables[1]	—	15	15	n/a
Total exposure to credit risk	**96**	**5,617**	**5,713**	

[1] Excludes tax receivables and prepaid expenses.

No financial assets carried at amortised cost were past due or impaired either at March 31, 2018 or March 31, 2017.

5.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Group. The Group's policy and the Investment Manager's approach to managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated capital calls, without incurring undue losses or risking damage to the Group's reputation.

Unfunded commitments are irrevocable and can exceed cash and cash equivalents available to the Group. Based on current short-term cash flow projections and barring unforeseen events, the Group expects to be able to honor all capital calls.

As of March 31, 2018, cash and cash equivalents of the Company amount to EUR 1.8 million, plus the cash holdings of the non-consolidated subsidiaries at fair value through profit or loss of EUR 8.1 million (March 31, 2017: EUR 0.1 million plus EUR 5.7 million). In addition, the Company has access to a EUR 16.0 million credit facility (see also Note 12), which is undrawn as of March 31, 2018 (March 31, 2017: undrawn), which provides for an additional liquidity buffer.

The Company's non-consolidated subsidiaries at fair value through profit or loss are exposed to a total undrawn amount in respect of commitments made on or before March 31, 2018 in the amount of EUR 81.4 million (March 31, 2017: EUR 82.3 million). Unfunded commitments are irrevocable and may be called at any time. Although not expected in the normal course of business, a significant percentage of the unfunded commitments may be due within less than one month. The Company does not have a direct obligation to meet the commitments, however is indirectly exposed to drawdowns, as if they are not met, then the Company would indirectly suffer the respective financial consequences to which the non-consolidated subsidiaries at fair value through profit or loss would be exposed to.

The majority of the investments which the Group makes are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Group might not be able to readily dispose of its holdings in such markets or investments when it chooses and also that the price attained on a disposal is below the amount at which such investments are included in the Group's balance sheet.

The schedule below analyses the Group's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant. In accordance with the Group's policy, the Investment Manager monitors the Group's liquidity position on a daily basis, and the Board of Directors reviews it on a regular basis. The Company's standalone liquidity risk is as follows:

Liquidity risk as of March 31, 2018

EUR 1,000	Less than 1 month	1-3 months	More than 12 months	No stated maturity	Total
Payables and other accrued expenses	—	218	—	—	218
Borrowings	—	—	38,941	—	38,941
Total liabilities (on balance sheet) PEH	**—**	**218**	**38,941**	**—**	**39,159**
Unfunded commitments of the non-consolidated subsidiaries at fair value through profit or loss (off balance sheet)	81,438	—	—	—	81,438
Total liabilities of the Group (incl. off balance sheet)	**81,438**	**571**	**—**	**—**	**571**

Liquidity risk as of March 31, 2017

EUR 1,000	Less than 1 month	1-3 months	More than 3 months	No stated maturity	Total
Payables and other accrued expenses	—	129	—	—	129
Borrowings	—	22,688	—	—	22,688
Total liabilities (on balance sheet) PEH	**—**	**22,817**	**—**	**—**	**22,817**
Unfunded commitments of the non-consolidated subsidiaries at fair value through profit or loss (off balance sheet)	82,327	—	—	—	82,327
Total liabilities of the Group (incl. off balance sheet)	**82,327**	**430**	**—**	**—**	**430**

Unfunded commitments are irrevocable and may be called at any time. Although not expected in the normal course of business, unfunded commitments are categorised as due within one month.

5.5 Capital management

In terms of capital management, the Company considers the equity of the holding company as described in Note 13. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern and to achieve positive returns in all market environments. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders through tax efficient repayments of paid-in capital, share capital reductions or repurchases and cancellation of own shares.

The effects of the repurchases and resales of treasury shares as a result of market making activities in 2017/2018 are listed in Note 13. Helvetische Bank AG, Zurich, acts as the Company's market maker.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6. Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with original maturities of three months or less that are subject to an insignificant risk of changes in their fair value.

As of March 31, 2018, cash and cash equivalents are freely available.

7. Receivables and prepayments

EUR 1,000	31.03.18	31.03.17
Accrued income and prepaid expenses	97	96
Tax receivables	52	27
Total receivables and prepayments	**149**	**123**

8. Investments in non-consolidated subsidiaries at fair value through profit or loss and financial assets at fair value through profit or loss

8.1 Investments in non-consolidated subsidiaries at fair value through profit or loss

	Percentage of capital held	Original currency	Nominal value 1,000	Book value 31.03.18 EUR 1,000	Book value 31.03.17 EUR 1,000
Investments in non-consolidated subsidiaries at fair value through profit or loss					
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	CHF	13,885	208,314	212,375
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	CHF	200,000	27,317	19,250
Total				**235,631**	**231,625**

The functional currency of the non-consolidated subsidiaries at fair value through profit or loss is EUR.

Investments held by the non-consolidated subsidiaries

The Company, predominantly through its non-consolidated subsidiaries, invests in private equity fund investments and in direct co-investments, respectively. The following tables provide details as to such investments, as required by the SIX exchange listing rules.

			Commitments			Book values					Returns 01.04.17 - 31.03.18	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.18 FC 1,000	Unfunded commit-ment 31.03.18 EUR 1,000	Fair value 01.04.17 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.18 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Buyout Funds												
Abry Heritage Partners	2016	USD	5,600	1,404	3,406	734	529	—	(79)	1,184	—	—
ABRY Partners VI [3]	2008	USD	7,500	7,458	34	1,486	11	6	(1,330)	161	105	99
ABRY Partners VII [3]	2011	USD	7,500	7,685	—	5,867	43	1,676	(1,875)	2,359	4,335	2,659
ABRY Partners VIII [3]	2014	USD	9,375	7,714	1,348	6,979	207	449	(151)	6,587	798	(17)
ALPHA CEE II [2]	2006	EUR	15,000	14,163	837	8,516	—	2,660	(191)	5,665	3,180	520
Avista Capital Partners [3]	2006	USD	10,000	11,748	—	4,232	91	1,005	(2,893)	426	3,148	2,021
Avista Capital Partners II [3]	2008	USD	10,000	12,782	—	5,439	546	375	(2,821)	2,789	2,296	1,913
Avista Capital Partners III [3]	2011	USD	10,000	10,936	—	9,058	329	799	(2,047)	6,542	2,033	1,187
Avista Capital Partners IV [3]	2017	USD	5,000	2,326	2,171	-	1,898	—	691	2,589	165	—
Bi-Invest Endowment Fund	2014	EUR	5,000	5,000	—	6,435	—	—	1,246	7,681	—	—
Bridgepoint Europe I B [1]	1998	GBP	15,000	620	—	181	—	—	(35)	146	—	—
Bridgepoint Europe IV [3]	2008	EUR	10,000	9,924	199	5,683	—	168	(679)	4,837	236	27
Capvis Equity III [3]	2008	EUR	10,000	10,857	545	4,603	185	727	(1,053)	3,009	2,249	1,456
Clayton, Dubilier and Rice Fund VI [1]	1998	USD	35,000	9,661	—	128	—	83	(36)	10	97	15
Doughty Hanson & Co. III [1]	1997	USD	65,000	46,121	—	18,955	77	27,164	8,555	424	18,764	(8,400)
Eagletree Partners III [3]	2012	USD	10,000	9,654	281	6,232	355	—	(1,688)	4,898	594	—
Eagletree Partners IV [3]	2015	USD	10,000	4,576	4,402	593	3,150	191	503	4,055	184	(7)
Francisco Partners	2000	USD	3,222	2,937	239	74	—	19	(36)	19	30	(3)
Industri Kapital 2007 Fund [3]	2007	EUR	10,000	10,410	—	1,225	24	406	(657)	186	594	(31)
Investindustrial IV [3]	2008	EUR	10,000	10,754	5	5,859	113	601	136	5,507	675	44
Investindustrial V [3]	2012	EUR	5,000	5,235	—	4,999	869	660	1,337	6,544	1,383	708
Investindustrial VI	2016	EUR	5,000	765	4,235	579	112	—	4	694	—	—
Mid Europa Fund IV	2014	EUR	10,000	7,956	2,044	5,805	1,371	—	1,635	8,810	—	—
Palamon ECP [1,3]	1999	EUR	10,000	7,751	—	349	6	753	397	—	352	(400)
Pollen Street Capital III	2016	GBP	9,000	3,173	6,637	—	3,613	—	558	4,172	—	—
Procuritas Capital Investors VI	2016	EUR	10,000	1,571	8,429	40	1,531	—	(168)	1,403	—	—
Warburg Pincus Private Equity X	2007	USD	15,000	15,263	13	6,716	235	888	(421)	5,642	1,508	597
Warburg Pincus Private Equity XII	2015	USD	6,000	3,195	2,277	1,248	1,518	42	(61)	2,663	41	(1)
Total Buyout Funds					**37,100**	**112,013**	**16,814**	**38,670**	**(1,157)**	**89,000**	**42,768**	**2,387**

Minor differences in totals are due to rounding.

1 Fund investments included in the former Earn-out portfolio. These funds are reaching the end of their life and are fully or almost fully paid in. A few earn-out funds could re-call a portion of previous distributions for follow-on investments. Future fund expenses, if any, are likely to be deducted from future distributions. Therefore, no unfunded commitment is shown for the former earn-out funds.

2 Funds managed by ALPHA Associates (Cayman) LP. These funds are excluded from the NAV for the purpose of calculating the management fee.

3 Along with the unfunded commitments, distributions in the total amount of EUR 13.3 million (whereof Capvis Equity III accounts for EUR 2.0 million, Industri Kapital 2007 Fund accounts for EUR 1.5 million and ALPHA CEE Opportunity IV accounts for EUR 1.4 million) are recallable from these funds as of March 31, 2018. As the investment period of most of these funds has already expired, recallable distributions can in general only be recycled for follow-on investments and are therefore not expected to be drawn in full.

4 Fund in liquidation, no further draw downs expected. Unfunded commitment reduced to 0.

5 Remaining commitment was reduced by the fund manager.

Investments held by the non-consolidated subsidiaries (continued)

		Commitments			Book values					Returns 01.04.17 - 31.03.18	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.18 FC 1,000	Unfunded commit-ment 31.03.18 EUR 1,000	Fair value 01.04.17 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.18 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Venture Funds												
Boulder Ventures IV	2001	USD	11,250	11,516	—	794	—	1,594	1,359	560	114	(1,480)
Carmel Software Fund	2000	USD	10,000	10,293	—	121	—	—	(109)	12	406	406
Carmel Software Fund (Secondary)	2000	USD	782	782	—	36	—	—	(32)	4	121	121
CDC Innovation 2000	2000	EUR	10,002	9,676	326	973	—	—	(58)	915	—	—
Clarus Lifesciences III	2013	USD	7,500	4,815	2,179	2,280	1,657	228	(845)	2,864	765	538
Clarus IV	2017	USD	7,500	75	6,027	—	61	—	—	61	—	—
Evolution Technology	2016	USD	5,000	3,244	1,425	—	2,689	—	290	2,980	—	—
Highland Europe I	2012	EUR	5,000	5,262	-	6,019	179	202	709	6,705	1,859	1,657
Highland Europe II [3]	2015	EUR	5,000	3,290	1,710	2,018	1,153	—	186	3,357	—	—
Institutional Venture Partners XI	2004	USD	5,000	5,000	—	128	—	82	(46)	—	131	49
Institutional Venture Partners XII	2007	USD	5,000	5,000	—	2,098	—	476	(101)	1,520	715	239
Institutional Venture Partners XIII	2010	USD	5,000	4,750	203	4,391	—	427	(757)	3,207	531	104
Kennet III [3]	2007	EUR	5,000	5,625	—	3,533	—	737	(207)	2,588	601	(136)
Pelion IV	2007	USD	1,693	1,693	—	1,863	—	47	(210)	1,606	58	11
Pelion V	2012	USD	1,039	989	41	860	102	—	(226)	736	—	—
Pelion VI	2015	USD	5,000	2,875	1,725	1,833	660	—	(521)	1,972	—	—
Renaissance Venture	1998	GBP	5,486	5,162	—	1,612	—	—	(1,612)	—	—	—
Renaissance Venture (Secondary)	1998	GBP	514	271	—	1,209	—	—	(1,209)	—	—	—
TAT Investments I	1997	USD	24,000	24,289	—	1,104	—	—	(195)	909	—	—
Undisclosed Growth Fund I	2011	EUR	5,000	5,121	129	5,229	181	n/d	n/d	4,887	n/d	n/d
Undisclosed Growth Fund II	2015	EUR	5,000	3,445	1,555	2,190	1,087	n/d	n/d	3,129	n/d	n/d
Total Venture Funds					**15,318**	**38,290**	**7,770**	**4,045**	**(4,002)**	**38,013**	**5,611**	**1,566**

For footnotes see bottom of page 24.
Minor differences in totals are due to rounding.

Investments held by the non-consolidated subsidiaries (continued)

			Commitments			Book values					Returns 01.04.17 - 31.03.18	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.18 FC 1,000	Unfunded commit-ment 31.03.18 EUR 1,000	Fair value 01.04.17 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.18 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Special Situation Funds												
ABRY Advanced Securities Fund [5]	2008	USD	15,000	7,218	435	220	—	—	(39)	180	—	—
ABRY Advanced Securities Fund III [3]	2014	USD	8,000	3,577	3,590	3,652	275	214	(138)	3,576	245	31
ABRY Senior Equity IV [3]	2013	USD	5,000	5,025	—	4,294	189	770	(272)	3,440	1,272	431
ABRY Senior Equity V [3]	2016	USD	5,500	586	3,988	278	245	—	(66)	458	2	—
ALPHA CEE Opportunity IV [2, 3]	2016	EUR	10,000	4,940	5,060	5,639	601	1,430	(558)	4,251	1,752	322
ALPHA Russia & CIS Secondary [2]	2010	USD	15,000	13,890	901	7,190	—	580	(562)	6,048	705	125
DB Secondary Opportunities Fund A [5]	2007	USD	5,376	4,327	426	8	—	—	5	13	—	—
DB Secondary Opportunities Fund C	2007	USD	9,288	6,913	1,928	315	—	500	461	276	—	(507)
OCM European POF II	2007	EUR	5,000	4,995	5	893	—	—	(163)	730	—	—
OCM Opportunities Fund VII	2007	USD	5,000	5,000	—	486	—	25	(91)	370	50	25
OCM Opportunities Fund VIIb	2008	USD	5,000	4,500	406	361	—	33	(33)	296	65	33
Sycamore II	2014	USD	10,000	6,599	2,761	1,640	3,418	—	(316)	4,742	—	—
Sycamore III	2018	USD	10,000	—	8,117	—	—	—	—	—	—	—
WL Ross Recovery Fund IV [3]	2007	USD	10,000	9,056	766	1,260	—	407	(210)	643	474	67
Total Special Situation Funds					**28,382**	**26,235**	**4,729**	**3,958**	**(1,982)**	**25,023**	**4,565**	**527**
Total Fund investments					**80,801**	**176,538**	**29,313**	**46,674**	**(7,141)**	**152,036**	**52,944**	**4,480**

For footnotes see bottom of page 24.
Minor differences in totals are due to rounding.

		Commitments		Book values					Returns 01.04.17 - 31.03.18	
	Original currency	Original amount FC 1,000	Unfunded commit-ment 31.03.18 EUR 1,000	Fair value 01.04.17 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.18 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Direct investments										
Acino Holding AG	USD	4,500	559	2,738	—	—	76	2,814	—	—
Applied Spectral Imaging	USD	4,462	—	2,313	—	—	(305)	2,007	—	—
Aston Martin	EUR	4,737	76	8,261	—	405	8,450	16,305	405	—
Cydex	USD	3,000	—	—	—	—	—	—	6	6
Earnix	USD	201	—	1,644	—	—	(241)	1,403	—	—
Enanta Pharmaceuticals	USD	7,279	—	5,267	—	633	(2,288)	2,346	5,795	5,162
Flos	EUR	4,172	—	5,811	—	—	410	6,221	—	—
Jamberry	USD	4,670	—	—	811	—	(811)	—	—	—
Microfabrica	USD	158	—	148	—	—	(19)	128	—	—
Neurotech	USD	2,203	—	510	—	—	(67)	443	—	—
Prysm	USD	420	—	393	—	—	(52)	341	—	—
Shawbrook	GBP	4,000	—	—	4,361	—	189	4,550	—	—
Total Direct investments			**636**	**27,084**	**5,172**	**1,039**	**5,341**	**36,558**	**6,207**	**5,168**

Minor differences in totals are due to rounding.

8.2 Financial assets at fair value through profit or loss

	Commitments			Book values					Returns 01.04.17 - 31.03.18	
	Original currency	**Original amount FC 1,000**	**Unfunded commitment 31.03.18 EUR 1,000**	**Fair value 01.04.17 EUR 1,000**	**Capital calls EUR 1,000**	**Return of capital EUR 1,000**	**Change in unrealised gains/ (losses) EUR 1,000**	**Fair value 31.03.18 EUR 1,000**	**Total distri-butions EUR 1,000**	**Real. gains/ (losses) EUR 1,000**
Actano Holding AG (Equity)	CHF	8,450	—	3,398	2,267	—	(850)	4,815	—	—
Actano Holding AG (Convertible notes)	EUR	4,029	—	2,267	—	2,267	—	—	2,267	—
Minicap Technology Investments	CHF	10,967	—	—	—	—	—	—	—	—
Strategic European Technologies N.V.	EUR	18,151	—	205	—	—	(3)	202	—	—
Total financial assets at fair value through profit or loss			—	**5,870**	**2,267**	**2,267**	**(853)**	**5,017**	**2,267**	—

Minor differences in totals are due to rounding.

9. Net gains/(losses) from investments in non-consolidated subsidiaries at fair value through profit or loss and from financial assets at fair value through profit or loss

Non-consolidated subsidiaries **EUR 1,000**	**01.04.17-31.03.18**	**01.04.16-31.03.17**
Change in unrealised gains/(losses) on Private Equity Fund Finance Ltd.	(4,060)	12,487
Change in unrealised gains/(losses) on Private Equity Direct Finance Ltd.	8,067	658
Total net gains/(losses) from investments in non-consolidated subsidiaries at fair value through profit or loss	**4,007**	**13,145**

Financial assets **EUR 1,000**	**01.04.17-31.03.18**	**01.04.16-31.03.17**
Change in unrealised gains/(losses) from financial assets at fair value through profit or loss	(853)	(1,070)
Realised gains/(losses) from financial assets at fair value through profit or loss	—	302
Interest income	—	67
Total net gains/(losses) from financial assets at fair value through profit or loss	**(853)**	**(701)**

10. Segment information

Due to the nature of the business (all private equity investments), the Board of Directors has decided that there are no separate reporting segments.

11. Disclosures about fair value of financial instruments

The table below analyses recurring fair value measurements for the Company's financial instruments. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical instruments that the Group can access at the measurement date
- Level II inputs are inputs other than quoted prices included within Level I that are observable for the instrument, either directly or indirectly
- Level III inputs are unobservable inputs for the instrument

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level 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 III measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be 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 following table analyses the Company's investments measured at fair value as of March 31, 2018 and March 31, 2017 on a look-through basis by the level in the fair value hierarchy into which the fair value measurement is categorised:

As of March 31, 2018

EUR 1,000	Level I	Level II	Level III	Total
Investments in non-consolidated subsidiaries (look-through)				
Quoted Securities	310	—	—	310
Fund investments	—	—	152,035	152,035
Direct investments	2,346	—	34,213	36,559
Total investments in non-consolidated subsidiaries (look-through)	**2,656**	**—**	**186,248**	**188,904**
Financial assets at fair value through profit or loss				
Fund investments	—	—	202	202
Direct investments	—	—	4,815	4,815
Loans	—	—	—	—
Total financial assets measured at fair value through profit or loss	**—**	**—**	**5,017**	**5,017**

As of March 31, 2017

EUR 1,000	Level I	Level II	Level III	Total
Investments in non-consolidated subsidiaries (look-through)				
Fund investments	—	—	176,538	176,538
Direct investments	5,267	—	21,817	27,084
Total investments in non-consolidated subsidiaries (look-through)	**5,267**	**—**	**198,355**	**203,622**
Financial assets at fair value through profit or loss				
Fund investments	—	—	205	205
Direct investments	—	—	3,398	3,398
Loans	—	—	2,267	2,267
Total financial assets measured at fair value through profit or loss	**—**	**—**	**5,870**	**5,870**

Unquoted direct investments and loans

In estimating the fair value of unquoted direct investments and loans, the Company considers the most appropriate market valuation techniques, using a maximum of observable inputs.

These include but are not limited to the following:

- Transaction price paid for an identical or a similar instrument in an investment, including subsequent financing rounds
- Comparable company valuation multiples
- Discounted cash flow method
- Reference to the valuation of the lead investor or other investors, provided that these were determined in accordance with IFRS 13

Unquoted fund investments

In estimating the fair value of unquoted fund investments, the Company considers all appropriate and applicable factors relevant to their value, including but not limited to the following:

- Reference to the fund investment's reporting information
- Reference to transaction prices

The valuation method used for unquoted fund investments is the "adjusted net asset method". The Company does not utilise valuation models with model inputs to calculate the fair value for its Level III investments. The valuation is generally based on the latest available net asset value ("NAV") of the fund reported by the corresponding fund manager, provided that the NAV has been appropriately determined by using proper fair value principles in accordance with IFRS 13. In terms of IFRS 13, the NAV is considered to be the key unobservable input. No reasonably possible change in the inputs used in determining the fair value would cause the fair value of Level III investments to significantly change. In general, NAV is adjusted by capital calls and distributions falling between the date of the latest NAV of the fund and the reporting date of the Company. In addition, the valuations of listed underlying investee companies which are valued mark-to-market by the fund manager are adjusted to reflect the current share price on their primary stock exchange as of the reporting date of the Company. The adjusted net asset method is the single technique used across all fund investment types (Buyout, Venture, Special Situations). Other reasons for adjustments include but are not limited to the following:

- The Company becoming aware of subsequent changes in the fair values of underlying investee companies
- Features of the fund agreement that might affect distributions
- Inappropriate recognition of potential carried interest
- Market changes or economic conditions changing to impact the value of the fund's portfolio
- Materially different valuations by fund managers for common companies and identical securities
- NAV reported by the fund has not been appropriately determined by using proper fair value principles in accordance with IFRS 13

In addition, the Company has the following control procedures in place to evaluate whether the NAV of the underlying fund investments is calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence process and ongoing monitoring procedures
- Comparison of historical realisations to last reported fair values
- Qualifications, if any, in the auditor's report or whether there is a history of significant adjustments to NAV reported by the fund manager as a result of its annual audit or otherwise

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between the levels during the twelve months ended March 31, 2018.

As of March 31, 2018 EUR 1,000	Investments in non-consolidated subsidiaries at fair value through profit or loss	Financial assets at fair value through profit or loss	Total
Fair value of Level III investments at the beginning of the period	**198,355**	**5,870**	**204,225**
Total capital calls from Level III investments	34,485	—	**36,752**
Total distributions from Level III investments	(53,356)	—	**(55,623)**
Total gains or losses:			
realised in profit or loss	6,276	—	**6,276**
unrealised in profit or loss	488	(853)	**(365)**
Fair value of Level III investments at the end of the period	**186,248**	**5,017**	**191,265**

As of March 31, 2017 EUR 1,000	Investments in non-consolidated subsidiaries at fair value through profit or loss	Financial assets at fair value through profit or loss	Total
Fair value of Level III investments at the beginning of the period	**194,854**	**4,973**	**199,827**
Total capital calls from Level III investments	27,270	3,729	**30,999**
Total distributions from Level III investments	(40,374)	(2,064)	**(42,438)**
Total gains or losses:			
realised in profit or loss	20,523	302	**20,825**
unrealised in profit or loss	(3,918)	(1,070)	**(4,988)**
Fair value of Level III investments at the end of the period	**198,355**	**5,870**	**204,225**

12. Financial liabilities measured at amortised cost

With effect from June 1, 2017, the Company amended the loan agreement with Private Equity Fund Finance (a Subsidiary) to increase the maximum loan amount to CHF 70.0 million at the existing interest rate of 1 month LIBOR plus 200 basis points. The lender may extend further loans to the borrower if and as required by the borrower to carry on its business by entering into a letter agreement which shall be governed by the same provisions as set forth in the existing loan agreement. The lender may not request the repayment of any amount outstanding without giving at least 12 months notice. There is no contractually agreed expiry date. The total amount of interest bearing borrowings as of March 31, 2018 stood at EUR 38.9 million (March 31, 2017: EUR 22.7 million).

As mentioned above, the company re-negotiated the agreement with Private Equity Fund Finance Ltd. during the current reporting period. The existing agreement was terminated and a new (amended) agreement was signed. From an accounting perspective, the existing liability was required to be derecognised and a new liability was recognised. The exchange of the liability did not result in any cash flows. As a result, the Statement of Cash Flows only includes a cash inflow of EUR 18,202k, which was a draw-down on the loan facility during the current period, within financing cash flows. The other items that had an impact on the carrying amount of the interest bearing borrowings were an FX gain of EUR 1,949k and effective interest expense on the liability of EUR 603k (2016/2017: EUR 274k), which was offset by the interest payments of EUR 603k (2016/2017: EUR 274k).

On December 20, 2013, the Company signed an agreement with Credit Suisse AG (subsequently transferred to Credit Suisse (Schweiz) AG) for an EUR 16.0 million revolving credit facility. This facility allows the Company to bridge timing gaps between outflows and inflows, cover short-term liquidity squeezes and manage and hedge market risks. On February 2, 2016, the credit facility was prolonged until December 31, 2018. The credit facility, if and when drawn, is secured by the Company's ownership interests in Private Equity Fund Finance Ltd. and Private Equity Direct Finance Ltd.

The applicable interest rate on any amounts outstanding under the facility is LIBOR for the requested currency term plus 2.125% (2016/2017: 2.125%). The Company is obliged to pay a quarterly commitment fee of 0.250% (2016/2017: 0.250%) on the undrawn amount. There was no arrangement fee for the credit facility. The actual level of utilisation is limited to 20% of the Company's NAV. Hence, the NAV cannot be lower than EUR 80 million for full utilisation.

As of March 31, 2018, the credit facility was not drawn. No interest expenses were incurred during the financial year 2017/2018 (2016/2017: EUR 27k). Commitment fees amounted to EUR 162k for the business year 2017/2018 (2016/2017: EUR 150k) and are included in corporate expenses in the statement of comprehensive income.

13. Shareholders' equity and movements in treasury shares

The Company's share capital is represented by ordinary shares with CHF 6.00 par value and carrying one vote each. They are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and re-purchase of ordinary shares. The movements of share capital are shown in the statement of changes in equity.

Shareholders' equity amounts to EUR 203.4 million as of March 31, 2018 (March 31, 2017: EUR 214.9 million).

Share capital and earnings/(loss) per share	31.03.18	31.03.17
Number of shares authorised and issued	2,750,000	2,750,000
Par value per share (CHF)	6.00	6.00
Par value per share (EUR)[1]	3.75	3.75

[1] Converted at historical foreign exchange rate.

The Annual General Meeting held on July 10, 2017 decided on a repayment of share premium (paid-in capital) in the amount of CHF 3.00 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 18, 2017.

All shares have equal rights to vote and to receive dividends, as well as to share in the distribution of the net assets of the Company upon liquidation.

The Board of Directors proposes that a dividend of CHF 2.00 is paid per registered share, which will be paid out of reserves from capital contributions. As a consequence, the dividend payment will be effected free of Swiss withholding tax for Swiss residents.

Earnings per share

The Company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Net asset value per share

Net asset value per share is calculated by dividing total shareholders' equity with the number of ordinary shares in issue, net of treasury shares.

Reconciliation of number of shares outstanding	31.03.18	31.03.17
Number of shares outstanding net of treasury shares at the beginning of the year	2,715,008	2,739,214
Purchase of treasury shares	(102,053)	(26,489)
Sale of treasury shares	1,999	2,283
Number of shares outstanding net of treasury shares at the end of the year	**2,614,954**	**2,715,008**

Per share data	31.03.18	31.03.17
Weighted average of total number of shares	2,699,371	2,714,884
Profit (EUR 1,000)	2,391	10,763
Basic earnings per share (EUR)	0.89	3.96
Comprehensive income per share (EUR)	0.89	3.96
Net asset value per share (EUR)	77.79	79.15
Book value per share (EUR)	77.79	79.15

13.1 Shareholders with shares and voting rights of 3% and more

As of March 31, 2018 and 2017, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.18	31.03.17
Between 3% and 5%	Private Equity Holding AG (Zug, registered without voting rights)	Bernhard Schürmann (Langnau am Albis)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil)	Dr. Hans Baumgartner (Adliswil)
Between 25% and 33.33%		ALPHA Associates Group (Zurich)[1]
Between 33.33 and 50%	ALPHA Associates Group (Zurich)[1]	

[1] The ALPHA Associates Group comprises ALPHA Associates AG, C+E Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

13.2 Net changes in treasury shares

Net changes in treasury shares	Number of shares	Total cost base EUR 1,000	Average cost base EUR
April 1, 2017	**34,992**	**1,839**	**52.54**
April	—	—	52.54
May	—	—	52.54
June	—	—	52.54
July	—	—	52.54
August	688	48	52.86
September	-1,984	-105	52.87
October	—	—	52.87
November	—	—	52.87
December	—	—	52.87
January	100,000	6,489	61.86
February	1,050	66	61.87
March	300	18	61.87
March 31, 2018	**135,046**	**8,355**	**61.87**

14. Contingent liabilities and commitments

Contingent liabilities

On December 9, 2010, the Group amended and restated the management agreement with ALPHA Associates (Cayman), L.P. The restated agreement came into force on April 1, 2012 (refer to Note 15). It can be terminated as of March 31, 2021 or any subsequent termination date by giving timely notice. If the agreement was to be terminated prior to March 31, 2021 or any subsequent termination date for a reason other than a default of the Investment Manager or a distribution exceeding 5% of the Group's total net asset value is made in any one financial year, the Group shall pay the Investment Manager the respective amount of fees which the Investment Manager would otherwise have earned in the period from the date of termination or excess distribution to the next termination date. In case of termination of the agreement for a reason other than a default, the Investment Manager shall have the right, for a period of 10 years from the date of termination, to receive payment of any performance fee that would have been payable to the Investment Manager following the date of termination on the portfolio held as of the date of termination, had the agreement not been terminated.

Commitments

Along with the commitments to invest as disclosed in Note 8, distributions in the total amount of EUR 13.3 million are recallable from several funds as of March 31, 2018 (March 31, 2017: EUR 10.6 million). As the investment period of most of these funds has already expired, recallable distributions can in general only be recycled for follow-on investments and are therefore not expected to be drawn in full. In certain circumstances capital calls can exceed total commitment mainly due to payment of management fees to investee fund managers, short-term borrowings or reinvestment by investee funds.

Pledges

In connection with a standard banking relationship with Credit Suisse (Schweiz) AG, the Company signed a general pledge agreement in favour of the bank.

The credit facility with Credit Suisse (Schweiz) AG, if and when drawn, is secured by the Company's ownership interest in Private Equity Fund Finance Ltd. and Private Equity Direct Finance Ltd. (refer to Note 12).

15. Related party transactions

The following parties are considered related to the Company as of March 31, 2018 and March 31, 2017:

- ALPHA Associates AG, Zurich
- ALPHA Associates (Cayman), LP
- Members of the Board of Directors of the Company and the Delegate of the Board
- C+E Holding AG, Zurich (affiliate of the ALPHA Group and significant shareholder (see also Note 13))
- Private Equity Fund Finance Ltd., Cayman Islands and Private Equity Direct Finance Ltd., Cayman Islands

Pursuant to a management agreement dated April 1, 2004, as amended as of January 1, 2007 and on December 9, 2010 with effect from April 1, 2012, respectively, ALPHA Associates (Cayman), LP renders investment management and certain support services to the Group. The management fee is partially linked to the market capitalisation of the Company (1.5% * 75% * adjusted net assets plus 2% * 25% * market capitalisation plus 1% of the fair value of the direct portfolio).

Funds managed by ALPHA Associates (Cayman), LP (i.e. ALPHA CEE II, ALPHA Russia & CIS Secondary and ALPHA CEE Opportunity IV) are excluded from the net asset value for the purpose of calculating the management fee.

The performance fee is 10% of the increase in shareholders' equity (adjusted for distributions and treasury share transactions) since April 1, 2004, subject to a 6% hurdle equity test (compounded annually) and a high watermark test.

Performance fees were earned in the 3rd and 4th quarter of the financial year. No performance fee was earned in the 1st and 2nd quarter.

The management agreement may be terminated by either party as of March 31, 2021 and runs for subsequent periods of three years unless notice of termination is given in a timely way. If a de facto termination event was to occur prior to any regular termination date for a reason other than a default of the Investment Manager or a distribution exceeding 5% of the Group's total net asset value is made in any one financial year ending on or before the next termination date, the Investment Manager could claim liquidated damages equal to the amount of fees which the Investment Manager would otherwise have earned in the period from the date of de facto termination or excess distribution to the next regular termination date. In case of termination of the agreement for a reason other than a default, the Investment Manager shall have the right, for a period of 10 years from the date of termination, to receive trailing performance fees equal to the amount of performance fees that would have been payable to the Investment Manager following the date of termination on the portfolio held as of the date of termination as if the agreement had not been terminated, i.e. subject to the hurdle equity and high watermark test.

ALPHA Associates AG provides certain support services to the Company for an administration fee of CHF 125'000 per quarter (administration agreement dated April 1, 2004, as amended effective April 1, 2006).

Management and Administration fees as well as Performance fees paid by the Company and its non-consolidated subsidiaries are as follows:

	PEH		Non-consolidated subsidiaries		Total	
EUR 1,000	**01.04.17-31.03.18**	**01.04.16-31.03.17**	**01.04.17-31.03.18**	**01.04.16-31.03.17**	**01.04.17-31.03.18**	**01.04.16-31.03.17**
Management and administration fees	439	462	3,467	3,451	3,906	3,913
Performance fees	—	—	109	1,020	109	1,020
Total	**439**	**462**	**3,576**	**4,471**	**4,015**	**4,933**

Total management and administration fees and performance fees payable by the Company and non-consolidated subsidiaries as of March 31, 2018 amounted to EUR 0.05 million (March 31, 2017: EUR nil).

Total compensation of the Board of Directors amounted to EUR 201k for the financial year 2017/2018 (2016/2017: EUR 210k). This amount does not include the fee for the Delegate of the Board of Directors.

Total compensation of the Delegate of the Board of Directors amounted to EUR 68k for the financial year 2017/2018 (2016/2017: EUR 70k).

There were no transactions between the Company and C+E Holding AG in the financial year 2017/2018 (2016/2017: None).

The Board of Directors, the Delegate of the Board and the Investment Manager are the key management functions of the Group.

The Subsidiaries provided a loan to the Company, which amounted to EUR 38.9 million (2016/2017: EUR 22.7 million). For the terms and conditions refer to Note 12. The transaction has been conducted at arm's length.

16. Tax expenses

Reconciliation of income tax calculated with the applicable tax rate:

EUR 1,000	01.04.17-31.03.18	01.04.16-31.03.17
Profit/(loss) for the year	2,391	10,763
Applicable tax rate	7.8%	7.8%
Expected income tax expense	186	840
Effect from non-taxable income	(186)	(840)
Total income tax for the year	—	—

As at March 31, 2018, the Company had EUR 3,759k remaining tax loss carry forwards (March 31, 2017: EUR 2,413k). Unused tax loss carry forwards expire within 7 years, i.e. EUR 2,413k on March 31, 2024 and EUR 1,346k on March 31, 2025, respectively.

17. Subsequent events

There were no subsequent events.

Report of the Statutory Auditor on the IFRS Financial Statements

KPMG

Statutory Auditor's Report

To the General Meeting of Private Equity Holding AG, Zug

Report on the Audit of the Financial Statements (IFRS)

Opinion

We have audited the financial statements of Private Equity Holding AG (the Company), which comprise the balance sheet as at 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 12 to 34) give a true and fair view of the financial position of the Company as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange and with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Valuation and ownership of investments in non-consolidated subsidiaries and financial assets at fair value through profit or loss

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Valuation and ownership of investments in non-consolidated subsidiaries and financial assets at fair value through profit or loss

Key Audit Matter

The Company invests, predominantly through its non-consolidated subsidiaries, in private equity funds and direct co-investments respectively. Total investments in non-consolidated subsidiaries at fair value through profit or loss (31 March 2018: CHF 235.6m) and financial assets at fair value through profit or loss (31 March 2018: CHF 5.0m) amount to EUR 240.6m as of 31 March 2018 (31 March 2017: EUR 237.5m) and mainly consist of fund and direct investments. For the majority of these investments, no market prices are available.

Unquoted fund investments amounting to EUR 152.2m as of 31 March 2018 (31 March 2017: EUR 176.7m) are generally valued on the basis of the latest available net asset values ("NAVs") of the fund reported by the relevant fund manager. NAVs of unquoted fund investments are based on the respective valuation of underlying direct investments that are mainly unquoted and therefore valued based on different valuation techniques. Such NAVs are adjusted for capital calls and distributions falling between the latest NAV date of the fund and the reporting date of the Company. Also, valuation changes in underlying investee companies are considered and adjusted for if known of.

Unquoted direct investments amounting to EUR 39.0m as of 31 March 2018 (31 March 2017: EUR 25.2m) are valued based on different valuation techniques according to international standards. The valuation models used have little or no observable input factors and therefore require significant judgement.

Unquoted direct and fund investments are not safeguarded by an independent custodian bank. There is a risk that the legal ownership to these investments is not sufficient.

Our response

Our procedures included amongst others obtaining an understanding of management's processes and controls around the valuation of and accounting for unquoted direct and fund investments by performing walkthrough procedures, testing relevant controls and reviewing the valuation governance structure.

For unquoted fund investments we obtained counterparty confirmations on NAV and commitments from the respective fund administrator. We recalculated and vouched adjustments to the NAV to transaction records and substantively tested any adjustments subsequent to the date of confirmation. For fund investments that did not provide a counterparty confirmation, we performed alternative procedures including inspection and recalculation of valuation adjustments between latest NAV reporting date and balance sheet date. We also conducted back-testing on the accuracy of reported NAV by comparing those to the final NAV disclosed in the audited financial statements of the investment funds. We tested the legal ownership for unquoted direct and fund investments by confirming investment holdings with the administrator or the fund manager as appropriate.

With the assistance of our valuation specialists, we performed substantive procedures regarding unquoted direct investments by challenging the appropriateness of the valuation techniques and key input factors which includes but not limited to the following:

- Assessment of valuation techniques used in regards of international standards;
- assessment of multiples used compared to valuation of similar companies;
- testing of input parameter and required fair value adjustments based on recent transaction data and other observable information; and
- recalculation of valuation with input data provided by investment administrator;
- for a sample of transactions reconciliation of recorded amount to contracts, draw down notices and bank statements.

For further information on the valuation and ownership of investments in non-consolidated subsidiaries and financial assets at fair value through profit and loss refer to notes 8 and 11 to the financial statements on pages 23 to 30.

KPMG

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

KPMG AG

Thomas Dorst
Licensed Audit Expert
Auditor in Charge

Patricia Bielmann
Licensed Audit Expert

Zurich, 14 June 2018

Financial Statements March 31, 2018

Notes to the Financial Statements

Income Statement of Private Equity Holding AG

CHF 1,000	Notes	01.04.17-31.03.18	01.04.16-31.03.17
Income			
Financial income			
Capital gains on subsidiaries		—	327
Foreign exchange gains	11	1,754	—
Other operating income		11	—
Total income		**1,765**	**327**

Expenses			
Financial expense			
Impairment losses on participations	6	940	1,088
Interest expense		685	326
Foreign exchange losses	11	—	4,361
Other operating expense			
Administration expense		500	501
Corporate expense		887	876
Transaction expense		—	10
Direct taxes		—	—
Total expenses		**3,012**	**7,162**
Profit/(loss) for the period		**(1,247)**	**(6,835)**

Minor differences in totals are due to rounding.

Balance Sheet of Private Equity Holding AG

CHF 1,000	Notes	31.03.18	31.03.17
Assets			
Current assets			
Cash and cash equivalents		2,084	103
Other current receivables			
Receivables from third parties		56	29
Prepaid expenses and accrued income		119	102
Total current assets		**2,259**	**234**
Non-current assets			
Loans due from subsidiaries		—	2,425
Participations	3	232,848	227,751
Total non-current assets		**232,848**	**230,176**
Total assets		**235,107**	**230,410**

Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities			
Payables to group companies		45,750	24,267
Payables to third parties		15	12
Accrued expenses		241	125
Total current liabilities		**46,006**	**24,404**
Total liabilities		**46,006**	**24,404**
Shareholders' equity			
Share capital	4	16,500	16,500
Legal reserves from capital contributions:			
General reserves		74,362	82,507
Voluntary retained earnings	14	107,782	109,001
Treasury shares (covered by reserves from capital contributions)	5	(9,543)	(2,002)
Total shareholders' equity		**189,101**	**206,006**
Total liabilities and shareholders' equity		**235,107**	**230,410**

Minor differences in totals are due to rounding.

Notes to the Financial Statements

1. Company Information

Private Equity Holding AG (the "Company") was incorporated in Switzerland and has its principle office at Gotthardstrasse 28 in Zug. The Company is listed on the SIX Swiss Exchange.

The purpose of the Company is to buy, hold, and sell investments, directly, and indirectly, in order to generate long term capital growth for its shareholders. The Company did not have any employees during the reporting period 2017/2018.

2. Accounting Policy

General principles

The financial statements of Private Equity Holding AG have been prepared in accordance with the provisions and accounting principles as set out in the Swiss Code of Obligations.

The valuation principles applied remain unchanged for both the current as well as the previous year. The financial statements have been prepared according to the valuation principle of historical cost. However, impairments are recognised when the useful values of reporting items permanently fall below their cost values.

Treasury shares

Treasury shares are recognised at acquisition cost and deducted from shareholder's equity at the time of acquisition. In case of a resale, the gain or loss is recognised directly in equity (voluntary retained earnings).

Cash flow statement

As the Company has prepared its financial statements in accordance with the recognised accounting standard IFRS, it has decided to opt out of preparing a cash flow statement on a statutory basis.

3. Participations

	Percentage of voting rights held	Percentage of capital held	Original currency	Nominal value FC 1,000	Book value 31.03.18 CHF 1,000	Book value 31.03.17 CHF 1,000
Subsidiaries						
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	100%	CHF	13,885	204,426	201,673
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	100%	CHF	200,000	22,528	22,224
Financial investments						
Actano Holding AG, Zurich, Switzerland (Software company)	21%[1]	21%[1]	CHF	322	5,657	3,635
Strategic European Technologies N.V., 's-Hertogenbosch, The Netherlands (Investment company)	10%	10%	EUR	63	237	219
Total					**232,848**	**227,751**

[1] Fully diluted

4. Share capital

	31.03.18	31.03.17
Number of shares authorised and issued	2,750,000	2,750,000
Par value per share (CHF)	6.00	6.00

All shares have equal rights to vote and to receive dividends, as well as to share in the distribution of the net assets of the Company upon liquidation.

Contingent share capital

The share capital of the Company may be increased by a maximum amount of CHF 9,000,000 through the issue of a maximum of 1,500,000 nominal shares to be fully paid-in with a nominal value of CHF 6.00 each, thereof a maximum amount of CHF 3,000,000 through the exercise of option rights granted to shareholders and a maximum amount of CHF 6,000,000 through the exercise of conversion or option rights in connection with bonds or similar instruments that may be issued by the Company or its subsidiaries.

5. Treasury shares

Net changes in treasury shares	Number of shares	Total cost base CHF 1,000	Average cost base CHF
April 1, 2017	**34,992**	**2,002**	**56.20**
April	—	—	56.20
May	—	—	56.20
June	—	—	56.20
July	—	—	56.20
August	688	54	60.40
September	-1,984	-121	60.54
October	—	—	60.54
November	—	—	60.54
December	—	—	60.54
January	100,000	7,511	71.60
February	1,050	76	71.30
March	300	22	72.69
March 31, 2018	**135,046**	**9,544**	**72.69**

6. Impairment

CHF 1,000	31.03.18	31.03.17
Impairment losses on subsidiaries	—	—
Impairment losses on financial investments	940	1,088
Total	**940**	**1,088**

7. Shareholders with shares and voting rights of 3% and more

As of March 31, 2018 and 2017, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.18	31.03.17
Between 3% and 5%	Private Equity Holding AG (Zug, registered without voting rights)	Bernhard Schürmann (Langnau am Albis)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil)	Dr. Hans Baumgartner (Adliswil)
Between 25% and 33.33%		ALPHA Associates Group (Zurich)[1]
Between 33.33 and 50%	ALPHA Associates Group (Zurich)[1]	

[1] The ALPHA Associates Group comprises ALPHA Associates AG, C+E Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

8. Pledged assets and guarantees

Pledged assets

On December 20, 2013, the Company signed an agreement with Credit Suisse AG for a EUR 16.0 million revolving credit facility. On February 2, 2016, the credit facility was prolonged until December 31, 2018. The granting party of the credit facility changed from Credit Suisse AG to Credit Suisse (Schweiz) AG as per November 21, 2016, due to the separation of the bank. The credit facility, if and when drawn, is secured by the Company's ownership interests in Private Equity Fund Finance Ltd. and Private Equity Direct Finance Ltd. (see Note 12 to the IFRS financial statements). As of March 31, 2018, the credit facility was undrawn (March 31, 2017: undrawn).

Guarantees

There were no guarantees as per March 31, 2018 and March 31, 2017.

9. Management compensation in accordance with Art. 959c Swiss Code of Obligations

2017/2018	Number of Shares	CHF
Board of Directors		
Dr. Hans Baumgartner (Chairman & Delegate)	1,000	75,000
Dr. Hans Christoph Tanner	333	25,000
Martin Eberhard	333	25,000
Bernhard Schürmann	333	25,000
Total	**1,999**	**150,000**

2016/2017	Number of Shares	CHF
Board of Directors		
Dr. Hans Baumgartner (Chairman & Delegate)	1,132	75,000
Dr. Hans Christoph Tanner	377	25,000
Martin Eberhard	377	25,000
Bernhard Schürmann	377	25,000
Total	**2,263**	**150,000**

Private Equity Holding AG does not have an Advisory Board.

During the period under review, Private Equity Holding AG did not pay any direct or indirect compensation or allocate any shares or options to former members of governing bodies (prior reporting period: none).

During the period under review, no compensations that are not customary in the market were paid directly or indirectly to persons, who are close to members of governing bodies or close to former members of governing bodies (prior reporting period: none).

10. Management share ownership in accordance with Art. 663c Swiss Code of Obligations

March 31, 2018	Share ownership	Options	Total
Board of Directors			
Dr. Hans Baumgartner (Chairman and Delegate)	218,274	—	218,274
Dr. Hans Christoph Tanner	—	—	—
Martin Eberhard	73,574	—	73,574
Bernhard Schürmann	—	—	—
Total	**291,848**	**—**	**291,848**
Manager (ALPHA Associates AG)			
Dr. Peter Derendinger	173,500	—	173,500
Dr. Petra Salesny	60,737	—	60,737
Petr Rojicek	62,852	—	62,852
C+E Holding AG and Christoph Huber	674,270	—	674,270
Total	**971,359**	**—**	**971,359**

March 31, 2017	Share ownership	Options	Total
Board of Directors			
Dr. Hans Baumgartner (Chairman and Delegate)	217,274	—	217,274
Dr. Hans Christoph Tanner	6,975	—	6,975
Martin Eberhard	61,241	—	61,241
Bernhard Schürmann	122,621	—	122,621
Total	**408,111**	**—**	**408,111**
Manager (ALPHA Associates AG)			
Dr. Peter Derendinger	170,000	—	170,000
Dr. Petra Salesny	50,737	—	50,737
Petr Rojicek	52,752	—	52,752
C+E Holding AG and Christoph Huber	597,307	—	597,307
Total	**870,796**	**—**	**870,796**

11. Foreign exchange gains/losses due to conversion into presentation currency

The foreign exchange gains recorded in the income statement mainly result from the translation of the financial statements from EUR (which is the functional currency of the Company) into the presentation currency CHF. Assets and liabilities are converted into CHF with the period-end EUR/CHF exchange rate, which was 1.1749 as of March 31, 2018 (March 31, 2017: 1.0696) whereas equity positions (excl. profit/(loss) for the period) are converted at historical exchange rates. The income statement is converted at the average exchange rate for the reporting period which was 1.1359 for 2017/2018 (2016/2017: 1.0834).

12. Significant events after the balance sheet date

There were no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which require disclosure.

13. Risk assessment

Private Equity Holding AG runs a centralised risk management system which separates strategic risks from operative ones. This risk schedule is the objective of an annual detailed discussion process in the meetings of the Board of Directors. The permanent observation and control of the risks is a management objective.

For identified risks, which arise from the accounting and financial reporting, a risk assessment is performed. Within the Internal Control System framework on financial reporting relevant control measures are defined, which reduce the financial risk. Remaining risks are categorised depending on their possible impact (low, average, high) and appropriately monitored.

14. Appropriation of available earnings

CHF 1,000	
Profit/(loss) for the period	(1,247)
Voluntary retained earnings	109,029
Total voluntary retained earnings	**107,782**
Reallocation from legal reserves from capital contributions to voluntary retained earnings[1]	5,500
At the disposal of the Annual General Meeting	**113,282**

[1] The Board of Directors' proposal to the Annual General Meeting to be held on July 12, 2018, is subject to the actual number of shares entitled to dividends at the time of dividend payment. Own shares held by Private Equity Holding AG are not entitled to dividends.

The Board of Directors proposes that a dividend of CHF 2.00 is paid per registered share, which will be paid out of reserves from capital contributions. As a consequence, the dividend payment will be effected free of Swiss withholding tax for Swiss residents.

CHF 1,000	
At the disposal of the Annual General Meeting	**113,282**
Dividend payment[1]	(5,500)
To be carried forward	**107,782**

[1] The Board of Directors' proposal to the Annual General Meeting to be held on July 12, 2018, is subject to the actual number of shares entitled to dividends at the time of dividend payment. Own shares held by Private Equity Holding AG are not entitled to dividends.

Report of the Statutory Auditor on the Financial Statements

Statutory Auditor's Report

To the General Meeting of Private Equity Holding AG, Zug

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Private Equity Holding AG, Zug, which comprise the balance sheet as at 31 March 2018, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 41 to 46) for the year ended 31 March 2018 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

We have determined that there are no key audit matters to communicate in our report.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Thomas Dorst
Licensed Audit Expert
Auditor in Charge

Patricia Bielmann
Licensed Audit Expert

Zurich, 14 June 2018

Corporate Governance

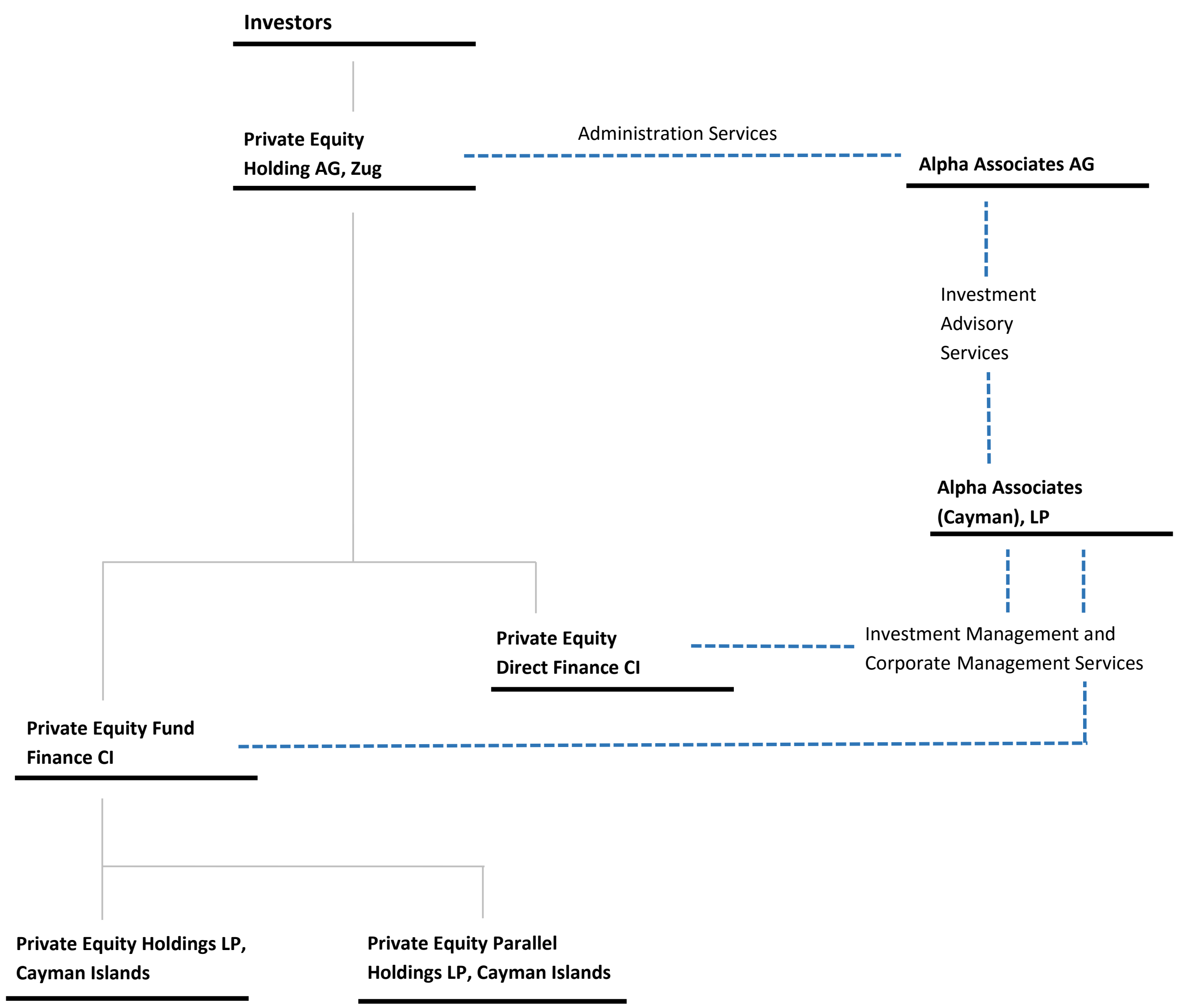
Private Equity Holding AG is committed to good corporate governance and transparency and accountability to its shareholders. The following disclosure follows the structure and is in accordance with the latest Directive on Information relating to Corporate Governance of the SIX Swiss Exchange.

1. Group structure and shareholders

1.1 Group structure

1.1.1 Operational group structure

The structure of Private Equity Holding AG ("PEH" or the "Company"), its subsidiaries (together the "Group") and service providers as of March 31, 2018 is depicted in the following diagram:



1.1.2 Listed company

The only listed company in the Group is Private Equity Holding AG. PEH is a stock company incorporated under Swiss law with its registered office at Gotthardstrasse 28, 6302 Zug. The Company is listed on the SIX Swiss Exchange under Swiss security number 608 992 as well as the ISIN code CH 000 608 9921 (short code PEHN).

The market capitalisation of the Company (based on total number of shares: 2,750,000) as of March 31, 2018 is EUR 166.2 million (CHF 192.3 million).

As of March 31, 2018, PEH held 135,046 of its shares in treasury (4.91% of the total issued share capital). The subsidiaries do not hold any shares in the parent company.

1.1.3 Non-listed companies in the Group

All subsidiaries of the Company are non-listed holding companies owned 100%, either directly or indirectly, by the Company. For the names of the subsidiaries, their domiciles and their share capital, please see Note 3 (Subsidiaries) to the Statutory Financial Statements of this Annual Report.

1.2 Significant shareholders

As of March 31, 2018, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.18	31.03.17
Between 3% and 5%	Private Equity Holding AG (Zug, registered without voting rights)	Bernhard Schürmann (Langnau am Albis)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil)	Dr. Hans Baumgartner (Adliswil)
Between 25% and 33.33%		ALPHA Associates Group (Zurich)[1]
Between 33.33 and 50%	ALPHA Associates Group (Zurich)[1]	

[1] The ALPHA Associates Group comprises ALPHA Associates AG, C+E Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

All changes in the Company's shareholder base that were reported and disclosed in accordance with Art. 120 FINFRAG during the financial year 2017/2018 as well as any updates on shareholdings reported thereafter can be obtained from the SIX website at: https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

Private Equity Holding AG has an issued ordinary share capital of CHF 16.5 million, divided into 2,750,000 registered shares with a nominal value of CHF 6 per share. All shares are fully paid-in.

2.2 Authorised and contingent capital

The 2014 Annual General Meeting approved the creation of new authorised and also contingent capital. The authorised capital expired on July 3, 2016, while the contingent capital remains in place:

The share capital of the Company may be increased by a maximum of CHF 9.0 million by issuing a maximum of 1,500,000 registered shares to be fully paid-in and having a nominal value of CHF 6 each, of which (a) up to CHF 3.0 million as a result of the exercise of option rights granted to existing shareholders and (b) up to CHF 6.0 million as a result of the exercise of option or conversion rights granted in connection with bond issues or other financial market instruments by the Company or any of its subsidiaries. For further details, specifically the exclusion of subscription rights, please refer to Art. 3b of the Articles of Association.

2.3 Changes in capital since March 31, 2015

Since March 31, 2015, the Company's and the Group's equity capital have developed as follows:

	31.03.15	31.03.16	31.03.17	31.03.18
Share capital (CHF 1,000)	18,600	18,000	16,500	16,500
Total equity PEH (Statutory capital, CHF 1,000)	232,682	221,745	206,006	189,101
Total equity Group (IFRS capital, EUR 1,000)	216,483	212,289	214,897	203,412

Please refer also to the Statements of Changes in Equity (IFRS financial statements).

The 2015 Annual General Meeting approved a capital decrease by cancelling 100,000 shares, which had been purchased by the Company on the SIX stock exchange in prior years and, accordingly, the nominal share capital was reduced from CHF 18,600,000 to CHF 18,000,000. In addition, the 2015 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.75 per outstanding share (no repayment of share premium was made on treasury shares).

The 2016 Annual General Meeting approved a capital decrease by cancelling 250,000 shares, which had been purchased by the Company on the SIX stock exchange in prior years and, accordingly, the nominal share capital was reduced from CHF 18,000,000 to CHF 16,500,000. In addition, the 2016 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.75 per outstanding share (no repayment of share premium was made on treasury shares).

The 2017 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 3.00 per outstanding share (no repayment of share premium was made on treasury shares).

Private Equity Holding AG has an issued share capital of CHF 16,500,000 (EUR 10,311,000, converted at historical exchange rate), divided into 2,750,000 fully paid-up registered shares with a par value of CHF 6 each. Each share, if and when registered in the Company's register of shareholders, carries one vote and all shares enjoy the same dividend rights in accordance with Swiss law. There are no preferential rights of any nature attached to any of the shares.

2.4 Shares and participation certificates

The Company has not issued any participation certificates.

2.5 Dividend-right certificates

The Company has not issued any profit sharing certificates (Genussscheine).

2.6 Limitations on transferability and nominee registrations

There are no transfer restrictions whatsoever. There are no restrictions on nominee registrations.

2.7 Convertible bonds and warrants/options

No convertible bonds, warrants or options to purchase shares have been issued by the Company or any of its subsidiaries. The Group has no employees, and no employee stock option plan is in place.

3. Board of Directors

3.1 Members

Pursuant to the Company's Articles of Association (available at www.peh.ch), the Board of Directors consists of at least three members. At the end of the financial year 2017/2018, the Board of Directors was composed as follows:

Dr. Hans Baumgartner, Chairman and Delegate, 1954, Swiss citizen

Dr. Hans Baumgartner is an attorney-at-law in Zurich. He graduated from the University of Zurich in 1978 with a degree in law and obtained a PhD in 1990. He also holds an LL.M. from the European Institute of the University of Zurich in banking and insurance law. From 1981 until 1992, Dr. Hans Baumgartner was district attorney in Zurich, from 1986 he specialised in economic crime. In 1992 he became judge at the District Court of Zurich. Since 1994, Dr. Hans Baumgartner works as an independent attorney-at-law in Zurich. He is Senior Partner at the law office Baumgartner Mächler. In addition, he has been a judge at the Military Court of Appeals from 1988 to 2004. He also serves as Chairman of miniswys AG, a technology company in Biel, and of Elster Verlagsbuchhandlung AG, Zürich, and is a member of the Board of Directors of Coozzy AG, Neuhausen am Rheinfall.

Dr. Hans Christoph Tanner, Member, 1951, Swiss citizen

Dr. Chris Tanner is Head of Transactions and a member of the board of directors of Cosmo Pharmaceuticals NV, Amsterdam (SIX:COPN), CFO & Head of IR of Cassiopea SpA (SIX:SKIN), a member of the board and head of audit committee of DKSH AG (SIX:DKSH), a member of the board and head of the audit committee of CureVac AG, Tuebingen, a company developing mRNA based therapeutics, on the advisory board of Joimax GmbH, Karlsruhe, a market leader in endoscopy based back surgery, member of the Board of Qvanteq AG, Zuerich, a med tech company involved in the development of surfaces for stents, member of the Board of PAION AG, a publicly listed specialty pharmaceutical company. He graduated from the University of St. Gallen in 1975 with a degree in economics and completed his PhD in 1979. Dr. Chris Tanner joined UBS in 1977, where he worked on different assignments in Zurich, Madrid and Los Angeles. In 1987 he became a member of the Global Credit Committee and in 1988 Head of Corporate Banking for Australia, Asia and Africa and subsequently Southern Europe. In 1992 he became Head of Corporate Finance & Capital Markets in Zurich and in 1996 additionally Head of the UBS European Investment Banking Origination and Industry Teams in London. From 1999 to 2002, Dr. Chris Tanner was a Managing Partner at A&A Investment Management. He also co-founded and was an active board member of 20 Minuten Holding AG and 20 Minuten Schweiz AG.

Martin Eberhard, Member, 1958, Swiss citizen

Martin Eberhard works as an entrepreneur specialising in project financing. From 2000 until 2009 Martin Eberhard served as founder and CEO of Neue Zürcher Bank. Prior, Mr. Eberhard held various senior positions at Bank Julius Baer, Zurich; in 1996 he became a Member of the Management Board and in 1998 a member of the Executive Board Brokerage Europe. Before joining Julius Baer he worked for Swiss Bank Corporation in Zurich, Geneva and New York. Mr. Eberhard completed the Swiss Banking School and an Advanced Executive Program at Kellogg Graduate School of Management, USA.

Bernhard Schürmann, Member, 1947, Swiss citizen

Since 1997, Bernhard Schürmann is an independent asset manager and Senior Partner at a Zurich-based investment company. Prior, Bernhard Schürmann worked for 10 years for Bank Cantrade as a Director for Client Relationship Management and in the same capacity for 10 years at Privatbank und Verwaltungsgesellschaft, Zurich. During this period, Bernhard Schürmann also led the listed company Allgemeine Finanzgesellschaft for seven years as a Managing Director. Bernhard Schürmann studied economics at the University of Zurich (lic. oec. publ.). Following his education, he spent a year in the USA working for several banks and brokers.

Apart from Dr. Hans Baumgartner in his capacity as Delegate of the Board of Directors, none of the Directors has had an operational role within the Company in the three financial years prior to the reporting period.

None of the Directors have significant business relationships with Private Equity Holding AG or any of its subsidiaries.

3.2 Other activities and vested interests

Please refer to the CVs in section 3.1 above.

3.3 Statutory limits on other activities

The Directors are not allowed to carry out more than 10 other mandates, of which not more than five in companies publicly listed on a stock exchange. Please refer to article 17 of the Articles of Association (available at www.peh.ch).

3.4 Elections and terms of office

According to Art. 17 of the Company's Articles of Association, the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee as well as the independent proxy (Art. 13a) are elected by the shareholders of the Company for a term of one year, ending with the end of the subsequent Annual General Meeting. Directors may be re-elected for one or more subsequent periods. Directors may be dismissed by shareholders' vote or resign before the end of their term.

The terms of office of the Board of Directors are as follows:

Name	Function	Date of first election to Board	Expiration of Term
Dr. Hans Baumgartner	Chairman & Delegate	December 7, 2006	Annual General Meeting 2018
Dr. Hans Christoph Tanner	Member	December 7, 2006	Annual General Meeting 2018
Martin Eberhard	Member	June 24, 2010	Annual General Meeting 2018
Bernhard Schürmann	Member	June 14, 2011	Annual General Meeting 2018

This Board of Directors has been elected at the Annual General Meeting of Private Equity Holding AG on July 10, 2017.

3.5 Internal organisational structure

3.5.1 Allocation of tasks within the Board of Directors

The tasks within the Board of Directors are allocated as follows:

Name	Function	Tasks and Main Focus
Dr. Hans Baumgartner	Chairman & Delegate	Day to day management
Dr. Hans Christoph Tanner	Member	Regular contact with ALPHA's CFO
Martin Eberhard	Member	Investor relations, banking specialist
Bernhard Schürmann	Member	Investor relations, banking specialist

The Board of Directors is responsible for the ultimate direction, supervision and control of the Company and the Group's investment manager and administrator. The core tasks of the Board of Directors according to the Swiss Code of Obligations ("CO") and the regulations of Private Equity Holding AG are:

- Organisational regulations
- Investment strategy and asset allocation
- Strategic & financial planning
- Overall supervision
- Relationships with shareholders.

3.5.2 Composition and tasks of the Compensation Committee

At the Annual General Meeting 2017, the shareholders elected Dr. Hans Christoph Tanner, Martin Eberhard and Bernhard Schürmann to the Compensation Committee. The members of the Committee elected Dr. Hans Christoph Tanner as Chairperson of the Committee.

The Compensation Committee supports the Board of Directors in the determination and implementation of the guidelines and rules for the Compensation of the members of the Board of Directors and the Delegate of the Board and prepares all board matters referring to Compensation. In particular, the Committee approves, within the total compensation limits as approved by the shareholders, the compensation of the individual members of the Board (including the Chairman) and the Delegate of the Board (please also refer to the Compensation Report).

3.5.3 Mode of operation of the Board of Directors and the Compensation Committee

The Board of Directors convenes whenever business requires, but at least four times a year, and resolves all matters by majority vote in the presence of a majority of its members. In the financial year 2017/2018, the Board of Directors held five meetings.

Meetings are convened by the Chairman or upon the request of a member of the Board. Board members may participate in person or by telephone. Unless a member of the Board requests otherwise, decisions may be taken by circular resolution. Matters resolved by circular resolution require unanimity.

The Compensation Committee also convenes whenever business requires and resolves all matters by majority vote. Decisions may be taken by circular resolution.

The Board of Directors delegated the management of PEH's portfolio to ALPHA Associates AG ("ALPHA") and ALPHA Associates Cayman, LP ("ALPHAC"), which in turn is advised by ALPHA's private equity specialists in Zurich ("ALPHA", together "ALPHA Group").

The Delegate of the Board, with the support of ALPHA, prepares all matters to be handled by the Board and implements the Board's resolutions. The Board of Directors retains its primary, inalienable and non-transferable responsibilities according to Art. 716a CO and monitors all financial and operational matters of the Company, thereby maintaining a close working relationship with ALPHA.

The competencies of the Board of Directors, the Delegate of the Board, ALPHA and ALPHAC are set forth in the Organisational Regulations issued by the Board of Directors.

3.6 Definition of areas of responsibility

The Board of Directors is responsible for all tasks allocated to it by Swiss Law, but has delegated certain matters to its Delegate and ALPHA and ALPHAC, respectively (as described in section 3.5.3. above).

3.7 Information and control instruments vis-à-vis the investment manager

The management of ALPHA works closely with the Chairman and Delegate of the Board of Directors, who meets with ALPHA's senior staff as business requires discussing portfolio matters. The management team of ALPHA is in attendance at all meetings of the Board of Directors. ALPHA further issues monthly reports to the Board of Directors of the Company including balance sheet, income statement, cash-flow planning and fair value development per investment. Detailed investment, financial and performance data is recorded and maintained by ALPHA Group, as investment manager, in a customised IT database and monitoring tool. Extracts are made available to the Board of Directors on a regular basis.

4. Management

4.1 Management Board

The Company has no employees and no Management Board. The Delegate of the Board of Directors is responsible for the day-to-day management of the Company. Please see section 3.1. above for the detailed CV of Dr. Hans Baumgartner.

4.2 Other activities and vested interests

Not applicable, as the Company has no employees and no Management Board.

4.3 Statutory limits on other activities

The Directors are not allowed to carry out more than 10 other mandates, of which not more than five in companies publicly listed on a stock exchange. Please refer to article 17 of the Articles of Association (available at www.peh.ch).

4.4 Investment Management Contracts

Since April 1, 2004, ALPHA Group provides investment management services and supports the Delegate of the Board with day-to-day administration services. For the terms of the agreements between PEH and its subsidiaries and ALPHA Group, please refer to Note 15 (Related party transactions) to the IFRS Statements of this Annual Report.

ALPHA supports the Delegate of the Board in providing administration support services to PEH for an annual fee of CHF 500,000 (excl. VAT). Administration services include accounting, corporate, legal and regulatory services and investor relations.

4.4.1 Investment Management Services

Investment management services are performed by ALPHAC in the Cayman Islands and include asset allocation, investment advice, the selection, execution and divestment of private equity fund and direct investments in accordance with the Company's investment strategy, cash management, arrangement of banking services, and all administrative and financial tasks of the Cayman Islands companies of the Group. ALPHA provides investment advisory services to ALPHAC. Such services include research, the identification and evaluation of investment opportunities, the monitoring of portfolio investments and the evaluation and presentation to the investment manager of potential exit strategies from investments.

4.4.2 Description of ALPHA Group

ALPHAC is a Cayman Islands limited partnership controlled by ALPHA and employs local professionals with knowledge and experience in accounting, financial management and investment management. ALPHA is a company incorporated under Swiss law with its registered office in Zurich. ALPHA is a fully independent private equity manager owned by the senior members of its team and a FINMA authorised asset manager of collective investment schemes. The ALPHA Group manages and advises various private equity, infrastructure and private debt investment programs and separate managed accounts.

ALPHA's Management Team is composed as follows:

Dr. Peter Derendinger, Partner, CEO; Dr. iur., LL.M., attorney-at-law; 13-year career at Credit Suisse as General Counsel, Head Corporate Center and CFO Private Banking; led the restructuring of Private Equity Holding AG in 2003; Vice-Chairman of Credit Suisse (Switzerland) AG and member of the board of several investment and portfolio companies.

Petr Rojicek, Partner, CIO; Dipl.Ing., MBA; career in engineering and corporate finance, at UBS and Bank Vontobel; worked on corporate finance transactions since 1995; led, negotiated and executed many private equity investments in Western Europe, the US and Eastern Europe; serves on many advisory boards of private equity funds and as director of portfolio companies; strong relationship network in the industry.

Dr. Petra Salesny, Partner, COO; Dr. iur, LL.M., admitted to the NY bar; career in law and M&A; active in private equity investing since 2001; due diligence, negotiation, structuring and execution of fund and direct investments and secondary acquisitions; structuring, launch and marketing of new products and programs.

Jürg Kägi, Principal, CFO; lic. oec. publ, Swiss CPA; joined Alpha Associates in February 2018. Previous work experience include Head Finance of Itaú Private Bank Switzerland, Senior Manager Ernst & Young AG and Audit Manager at PwC.

Peter Wolfers, Principal, CRO; MA Econ., LL.M.; joined Alpha Associates in 2005 and again in 2010, having spent two years at Horizon21, a Swiss investment manager. Member of the managing board of the Swiss Association of Investment Companies.

For further information on ALPHA and its key staff please consult their website at www.alpha-associates.ch

5. Compensation, shareholdings and loans

5.1 Content and method of determining the compensation and share-ownership programs

The compensation awarded to the members of the Board of Directors is determined in accordance with the scope of activities and the responsibility and functions of the individual members and based on sector and market comparisons.

Compensation of the Board of Directors of the Company is effected in accordance with the provisions of the Articles of Association, in particular Art. 26. Compensation is fixed and does not contain any variable components dependent on the financial performance of the Company; further, the Company does not grant credits or loans to the Directors. While the Board of Directors is compensated in cash for all its duties, it may elect collectively to be fully or partially paid in shares of the Company. In this case, shares are allotted at market price replacing the respective cash compensation. The Board of Directors decides on the timing of allotment, and may set lock-up periods for such shares.

The Compensation Committee determined that the members of the Board of Directors shall be compensated as follows (pro-rata when a mandate is not executed for a full year):

Compensation	CHF
Chairman	75,000 p.a.
Member	50,000 p.a.
Delegate (in addition to Chairman's/Member's Compensation)	75,000 p.a.

The compensation is paid annually. The employer's share of the AHV/ALV contribution is borne by the Company.

Travel and other reasonable out-of-pocket expenses related to the attendance of Board meetings are covered by the Company. Directors may furthermore be paid all other expenses properly incurred by them in connection with the business of the Company.

The Company does not grant any loans to or guarantee any liabilities of the members of the Board of Directors. None of the Directors is entitled to any special compensation upon departure.

For further information regarding the disclosure of compensation paid to the members of the Board of Directors for the financial years 2017/2018 and 2016/2017, please refer to Note 9 to the Financial Statements of PEH AG (Management compensation) and the separate Compensation Report.

The management, administration and performance fee arrangements between the Company and its subsidiaries and ALPHA Group are set forth in an administrative services agreement and an investment management agreement, respectively; the calculation of the fees follows industry standards and is audited by the Group's auditors.

For further information regarding the disclosure of administration, management and performance fees under the administration and management agreements between PEH and its subsidiaries with ALPHA and ALPHAC, please refer to Note 15 to the IFRS Financial Statements (Related party transactions).

5.2 Statutory provisions on compensation and performance-based incentives in specific

5.2.1 Statutory provisions on performance-based incentives, the allotment of shares and additional amounts available for newly elected members of Management

The compensation paid to the Members and Chairman/Delegate of the Board of Directors is fixed and does not contain any variable components dependent on the financial performance of the Company.

The Board of Directors is compensated in cash for all its duties, however, it may elect collectively to be fully or partially paid in shares of the Company. In this case, shares are allotted at market price replacing the respective cash compensation. The Board of Directors decides on the timing of allotment, and may set lock-up periods for such shares.

If the total amount of compensation approved by the Annual General Meeting does not suffice to cover for the compensation of a newly elected Delegate of the Board or Member of the Management, the Company may pay any such person an additional amount which in total is limited to 50% of the average total compensation paid to the Delegate of the Board and Management over the last three years. The Annual General Meeting does not vote retroactively on this additional compensation. If the capped amount does not suffice to compensate the newly elected individuals, any additional compensation can only be paid with the decision of the next ordinary Annual General Meeting.

5.2.2 Statutory provisions on loans and credits to Board Members and Management

The Company does not grant credits or loans to the Directors or Management, i.e. the Delegate of the Board of Directors.

5.2.3 Statutory provisions on voting on compensation

The Annual General Meeting approves a maximal total compensation for the members of the Board of Directors as well as a maximal amount paid in addition to the Delegate of the Board of Directors for the current financial year. If the Annual General Meeting declines a compensation proposal by the Board of Directors, the Board of Directors is entitled to make a modified proposal with a lower total compensation. If this revised proposal is also declined by the Annual General Meeting, the Board of Directors has to call an extraordinary Annual General Meeting to discuss and vote on this item again.

The 2017 Annual General Meeting approved a maximum total compensation in the amount of CHF 275,000 p.a. for the members of the Board of Directors and a maximum total compensation in the amount of CHF 100,000 p.a. for the Delegate of the Board of Directors (in addition to Chairman's/Member's compensation).

6. Shareholders' participation rights

6.1 Voting-rights and representation restrictions

There are no voting rights or representation restrictions in the Company's Articles of Association (available at www.peh.ch). Each shareholder whose shares are registered in the Company's register of shareholders is entitled to participate in the Company's General Meetings and vote his or her shares at his or her discretion.

Instead of attending a meeting in person, a registered shareholder may appoint a proxy, who does not need to be a shareholder. Shareholders may be represented by a specially designated independent shareholders' representative ("unabhängiger Stimmrechtsvertreter"). Proxies must be in writing.

6.1.1 Restrictions on voting rights

Each share, if and when registered in the Company's register of shareholders, carries one vote and all shares enjoy the same dividend rights in accordance with Swiss law. There are no preferential rights of any nature attached to any of the shares, neither any restrictions on voting.

6.1.2 Voting through shareholders' representative

Shareholders may be represented by a specially designated independent shareholders' representative ("unabhängiger Stimmrechtsvertreter"). Proxies must be given in writing or submitted through an electronic system. The invitation to the Annual General Meeting contains further information on this; please also refer to article 13a of the Company's Articles of Association.

6.2 Statutory quorums

There are no statutory quorums in the Company's Articles of Association. Except as provided for a limited number of important decisions as set forth in Art. 704 CO, which require a qualified majority, the General Meeting adopts all resolutions with a majority of the votes cast at the meeting; abstentions are not counted as votes cast. Voting is secret if so requested by one or more shareholders representing at least 5% of the represented shares or upon direction of the Chairman of the meeting.

6.3 Convocation of the General Meeting of shareholders

In accordance with Swiss company law and the Articles of Association (available at www.peh.ch), General Meetings of shareholders are convened by the Board of Directors or, if necessary, by the auditors of the Company. Ordinary General Meetings are convened annually within 6 months after financial year-end. Extraordinary General Meetings are convened upon resolution of the shareholders or the Board of Directors, upon request of the auditors, or upon written request to the Board of Directors by one or more shareholders holding an aggregate of at least 10% of the Company's share capital.

Notice of General Meetings is given to the registered shareholders by letter at least 20 days prior to such meeting by the Board of Directors. The notice states the place and time of the meeting, the items on the agenda and the proposals of the Board of Directors with respect to each item and any items and proposals placed on the agenda by shareholders, the type of proof of ownership of shares and notice that the business report and auditors' report are available for inspection by the shareholders at the registered office of the Company.

6.4 Inclusion of item on the agenda

Shareholders holding shares with an aggregate nominal value of at least CHF 1 million have the right to request in writing that a specific item be put on the agenda. Such requests have to be received by the Board of Directors 30 days prior to the General Meeting in writing. Proposals regarding items not included in the agenda may be admitted for discussion by shareholder resolution, but may be voted on only at the following General Meeting, except a motion for the calling of an Extraordinary General Meeting or a motion for a special audit. Proposals regarding items on the agenda may be made without prior request.

6.5 Inscriptions into the share register

Following the purchase of PEH shares on- or off-exchange, the purchaser (normally through its bank) may request that his or her shares shall be registered in the Company's register of shareholders. The Company recognises only one holder per share. The register contains, i.a., the name and address of the registered shareholders.

Only shareholders registered in the company's register of shareholder as of the cut-off date are entitled to attend and vote at General Meetings. The cut-off date for each meeting is the date on which the invitation for the General Meeting is mailed to the shareholders (Art. 6.2 of the Company's Articles of Association, please refer to www.peh.ch). The dates of the Company's General Meetings and the meeting invitations are published on its website for ease of reference.

7. Change of control and defence measures

7.1 Duty to make an offer

According to Art. 135 Financial Markets Infrastructure Act (FMIA), any person, whether acting directly, indirectly or in concert with third parties, acquiring shares in a company established and listed in Switzerland, which shares when added to any shares already owned by such person exceed the threshold of 33 1/3% of the voting rights of the company, must offer to acquire all listed shares of the company. This obligation does not apply if the shares have been acquired as a result of donation, succession or partition of an estate, by operation of matrimonial property law or through execution of a judgment.

Since the Annual General Meeting 2014, the Articles of Association of Private Equity Holding AG provide for a statutory "opting out" from Art. 135 FMIA in accordance with Art. 125 par. 4 FMIA. Accordingly, the obligation described above does not apply. For further details please see article 6bis of the Company's Articles of Association, which are available at www.peh.ch.

7.2 Clauses on changes of control

There are no specific clauses on change of control in the Company's Articles of Association. In particular, neither the members of the Board of Directors nor ALPHA Group are entitled to any additional compensation specifically as a result of any person acquiring control over the Company.

8. Auditors

8.1 Duration of the mandate and term of office of the Auditors

The auditors of the Company and the Group are KPMG AG, Zurich ("KPMG"). KPMG have been acting as statutory auditors and auditors of the IFRS accounts of the Company since June 25, 2009. The lead auditor (since July 8, 2016) on the mandate is Mr. Thomas Dorst, Swiss Certified Accountant. The rotation interval that applies to the lead auditor is the statutory maximum of seven years, according to Art. 730a par. 2 of the Swiss Code of Obligations.

The auditors are elected by the Annual General Meeting for the term of one year, which ends with the date of the next Annual General Meeting. Re-election is possible (Art. 27 of the Company's Articles of Association; please refer to www.peh.ch).

8.2 Audit fees

The audit fees to KPMG in the financial year ending March 31, 2018 amounted to CHF 124,030 (incl. VAT) for the audit of the statutory and IFRS financial statements of the Company.

8.3 Additional fees

The Company paid additional fees to KPMG for tax-related advisory services CHF 19,775 (incl. VAT).

8.4 Supervisory and control instruments pertaining to the audit

The Board of Directors and ALPHA provide the auditors with all the necessary information in connection with the audit and the financial statements, which are prepared by ALPHA and ALPHAC, respectively.

The auditors are updated on the decisions that have been taken in the meetings of the Board of Directors and review the relevant documents on a regular basis. The auditors also keep the Board of Directors regularly informed about the audit process. Information is exchanged, as the case may be, by way of written communication, telephone conferences or in private sessions.

The Board of Directors and the auditors meet at least once a year to discuss the audit services provided by the auditors during the year as well as the annual financial statements. The Board of Directors also assesses the adequacy of the auditors' fees by examining the fees of the previous year and the expected fees for the current business year. Moreover, it assesses the independence of the auditors as well as the audit plan for the next audit period.

The auditors inform the Board of Directors once a year about their findings regarding the Company's and ALPHA's Internal Control System.

9. Information policy

The Group reports on its financial performance on a semi-annual basis. The Company's financial year ends on March 31. The annual result is stated according to IFRS and for the stand-alone entity. The year-end figures are audited.

The Group prepares semi-annual reports and publishes them in full on the Company's website www.peh.ch.

The net asset value per PEH share and additional key information are published on a monthly basis, normally within six working days of the end of each month.

In between the semi-annual report publications, all relevant information (including information subject to ad-hoc publicity according to sec. 53 of the listing rules) is published in the form of news releases, which are available on the Company's website.

Information about the current and historical prices of the Company's shares, which are listed under short code PEHN on the SIX Swiss Exchange, can be obtained free of charge under the following links:

http://www.six-swiss-exchange.com or http://www.peh.ch.

Shareholders and other interested parties may subscribe to press releases at www.peh.ch to receive information automatically upon publication by e-mail. For further information, please contact:

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The section Information for Investors includes information on upcoming events and publications.

Compensation report

The compensation report for the financial year 2017/2018 contains information about the compensation system, procedures for determining compensation, and the compensation paid to members of the Board of Directors and the Delegate of the Board of Directors of Private Equity Holding AG ("PEH" or the "Company").

The content and scope of the information provided is based on the Articles of Incorporation of PEH, the transparency requirements set out in Articles 13-16 of the Swiss Ordinance against Excessive Compensation in Listed Companies (VegüV) and Article 663b^{bis} of the Swiss Code of Obligations, the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance drawn up by Economiesuisse.

1. Governance

On February 7, 2014, the Board of Directors of PEH established a Compensation Committee consisting of Dr. Hans Christoph Tanner (Chairperson), Bernhard Schürmann and Martin Eberhard. The members of the Compensation Committee were individually re-elected at the 2017 Annual General Meeting. The members of the Committee elected Dr. Hans Christoph Tanner as Chairperson of the Committee.

The Compensation Committee supports the Board of Directors in the determination and implementation of the guidelines and rules for the compensation of the members of the Board of Directors and the Delegate of the Board and prepares all board matters referring to Compensation. In particular, the Committee approves the compensation of the individual members of the Board (including the Chairman) and the Delegate of the Board.

The Committee meets upon invitation of the Chairperson of the Compensation Committee or at the request of another member of the Compensation Committee, as frequently as necessary.

Dr. Hans Baumgartner is Chairman of the Board of Directors and also Delegate of the Board of Directors with overall responsibility for the day-to-day management of the Company. See also section 3.5.1 of the Corporate Governance report.

2. Procedures for determining compensation

The 2017 Annual General Meeting approved a maximum total compensation in the amount of CHF 275,000 p.a. for the members of the Board of Directors and a maximum total compensation in the amount of CHF 100,000 p.a. for the Delegate of the Board of Directors (in addition to Chairman's/Member's compensation). The compensation awarded to the members of the Board of Directors and to the Delegate of the Board of Directors is determined within this range in accordance with the scope of activities and the responsibility and functions of the individual members and based on sector and market comparisons.

3. Compensation policy

The compensation of the Board of Directors of the Company is effected in accordance with the provisions of the Articles of Association, in particular Art. 26. Compensation is fixed and does not contain any variable components dependent on the financial performance of the Company; further, the Company does not grant credits or loans to the Directors. While the Board of Directors is compensated in cash for all its duties, it may elect to be fully or partially paid in shares of the Company. In this case, shares are allotted at market price replacing the respective cash compensation. The Board of Directors decides on the timing of allotment, and may set lock-up periods for such shares.

In accordance with the maximum amounts approved by the 2017 Annual General Meeting, the Compensation Committee determined that the members of the Board of Directors and the Delegate be compensated annually as follows (pro-rata when a mandate is not executed for a full year):

Compensation	CHF
Chairman	75,000
Member	50,000
Delegate (in addition to Chairman's/Member's compensation)	75,000

The compensation is paid annually. The employer's share of the AHV/ALV contribution is borne by the Company.

Travel and other reasonable out-of-pocket expenses related to the attendance of Board meetings are covered by the Company. Directors may furthermore be paid all other expenses properly incurred by them in connection with the business of the Company.

3.1 Compensation for the financial years 2017/2018 and 2016/2017 (Article 14 VegüV)

The following tables show the remuneration for the members of the Board of Directors in the financial years 2017/2018 and 2016/2017. In addition, the Company paid a Directors & Officers liability insurance fee of CHF 31,414 (2016/2017: CHF 39,267). Travel and other out-of-pocket expenses amounted to CHF 3,100 (2016/2017: CHF 2,528).

The Board of Directors compensation is defined and paid out in CHF:

Compensation for the financial year 2017/2018

As of 31 March 2018	Base Compensation (Cash) CHF	Base Compensation (Shares) CHF	Social security payments CHF	Total compensation CHF
Dr. Hans Baumgartner, Chairman & Delegate of the Board of Directors	75,000	75,000	9,326	159,326
Dr. Hans Christoph Tanner, Chairman of the Compensation Committee	25,000	25,000	1,701	51,701
Martin Eberhard, Member of the Compensation Committee	25,000	25,000	3,112	53,112
Bernhard Schürmann, Member of the Compensation Committee	25,000	25,000	1,701	51,701
Total	**150,000**	**150,000**	**15,840**	**315,840**

Compensation for the financial year 2016/2017

As of 31 March 2017	Base Compensation (Cash) CHF	Base Compensation (Shares) CHF	Social security payments CHF	Total compensation CHF
Dr. Hans Baumgartner, Chairman & Delegate of the Board of Directors	75,000	75,000	9,326	159,326
Dr. Hans Christoph Tanner, Chairman of the Compensation Committee	25,000	25,000	2,407	52,407
Martin Eberhard, Member of the Compensation Committee	25,000	25,000	3,112	53,112
Bernhard Schürmann, Member of the Compensation Committee	25,000	25,000	1,701	51,701
Total	**150,000**	**150,000**	**16,546**	**316,546**

3.2 Loans and credits to Board Members and Management (Article 15 VegüV)

For the financial year 2017/2018, no loans or credits by the Company or its subsidiaries have been granted to members of the Board of Directors (2016/2017: None).

3.3 Compensation, loans and credits to related parties (Article 16 VegüV)

For the financial year 2017/2018, no further compensation, loans or credits by the Company or its subsidiaries have been granted to related parties (2016/2017: None).

3.4 Compensation to former Members of the Board of Directors or Management

For the financial year 2017/2018, no compensation was paid to former members of governing bodies (2016/2017: None).

Report of the Statutory Auditor on the Compensation Report

KPMG

Report of the Statutory Auditor

To the General Meeting of Private Equity Holding AG, Zug

We have audited the accompanying compensation report of Private Equity Holding AG for the year ended 31 March 2018 which are presented on pages 60 to 61.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report for the year ended 31 March 2018 of Private Equity Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Thomas Dorst Licensed Audit Expert Auditor in Charge	Patricia Bielmann Licensed Audit Expert

Zurich, 14 June 2018

KPMG AG, Badenerstrasse 172, PO Box, CH-8036 Zurich

Information for Investors

The registered shares of Private Equity Holding AG are traded on SIX Swiss Exchange since January 18, 1999.

Stock exchange listing

Telekurs ticker symbol	PEHN
Swiss security no.	608 992
ISIN code	CH 000 608 9921
German security no.	906 781

Share data	31.03.18	31.03.17
Number of registered shares	2,750,000	2,750,000
Number of shares outstanding	2,614,954	2,715,008
Nominal value per share (CHF)	6.00	6.00
Comprehensive earnings per share (EUR)	0.89	3.96

Share price (per share)	2017/2018 CHF	2016/2017 CHF
High (12.07.17/16.03.17)	80.00	71.25
Low (10.04.17/06.04.16)	69.75	61.90
Year-end (31.3.)	71.00	70.60

Market capitalisation (Basis: Number of shares outstanding at year-end)	2017/2018 CHFm	2016/2017 CHFm
High (12.07.17/16.03.17)	209	193
Low (10.04.17/06.04.16)	182	168
Year-end (31.3.)	186	192

Corporate calendar

July 12, 2018	Annual General Meeting
November 6, 2018	Half Year Report as of September 30, 2018
April 2019	Preliminary NAV as of March 31, 2019
June 2019	Annual Report 2018/2019

NAV Publication as of the end of every month on **www.peh.ch**

Glossary of Terms

Capital calls	Amount of capital called from the Group by a private equity fund. Each transaction is translated into EUR by using the foreign exchange rate as of the transaction date.
Capital contributed (invested)	Amount of capital contributed (invested) by the Group to direct or indirect investments since inception. Each transaction is translated into EUR by using the foreign exchange rate as of the transaction date.
Capital gain/(loss)	Difference between total distribution and the cost component of distribution of a specific investment.
Change in unrealised gain/(loss)	Temporary increase or decrease in value of a fund or direct investment. Equal to the difference between the fair value of an investment and the net acquisition cost.
Commitment	Amount that the Group has committed to make available to a private equity fund or direct investment. In accordance with IFRS, this amount is not recorded in the balance sheet. The translation into EUR is made by using the foreign exchange rate as of the relevant reporting date.
Cost component of distribution (return of capital)	Portion of distribution which reflects the contributed capital.
Distribution	Amount of net proceeds (including cost component, capital gains and interest/dividends) received by the Group. Each transaction is translated into EUR by using the foreign exchange rate as of the transaction date.
Fair value (FV)	The price at which an investment would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or sell and both having a reasonable knowledge of relevant facts. Fair value of a private equity fund, i.e. fair value of assets minus liabilities. The translation into EUR is made by using the foreign exchange rate as of the relevant reporting date.
NAV	Net asset value
Net acquisition cost (NAC)	Capital contributed minus cost component of distributions.
Realised gain/(loss)	Difference between total distribution and the cost component of distribution of a specific investment.
Unfunded commitment	Amount that the Group has not yet contributed to a private equity fund. Difference between original commitment and contributed capital.
Vintage year	Year in which a private equity fund has made its first capital call for investment purposes. In general, this coincides with the first year of a private equity fund's term.

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