

Annual Report 2015 / 2016

Private Equity Holding AG





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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 fund-of-funds manager and advisor, building and managing globally diversified private equity fund portfolios for institutional and private clients.



Key Figures

Share Value

	31.03.16 EUR	31.03.15 EUR	Change in % ¹	31.03.16 CHF	31.03.15 CHF	Change in % ¹
Net asset value per share, based on fair values	77.50	72.40	7.0%	84.60	75.56	12.0%
Price per share (PEHN.S)	57.26	58.93	(2.8%)	62.50	61.50	1.6%

¹ excl. distributions.

Income Statement

	01.04.15- 31.03.16 EUR 1,000	01.04.14- 31.03.15 EUR 1,000	Change in %
Profit/(loss) for the period	16,415	22,936	(28%)
Total comprehensive income for the period	16,415	22,936	(28%)

Balance Sheet

	31.03.16 EUR 1,000	31.03.15 EUR 1,000	Change in %
Net current assets	6,313	6,054	4%
Total non-current assets	205,976	210,429	(2%)
Non-current liabilities	—	—	n/a
Total equity	212,289	216,483	(2%)

Asset Allocation

	Fair Value 31.03.16 EUR million	Unfunded Commitments 31.03.16 EUR million	Total Exposure ² 31.03.16 EUR million	Total Exposure ² 31.03.16 in %
Buyout funds	111.6	46.1	152.7	53%
Venture funds	37.0	19.1	56.1	19%
Special situation funds	23.1	21.6	44.7	15%
Total fund investments	171.7	86.8	253.5	88%
Direct investments and loans	34.3	0.7	35.0	12%
Total direct investments and loans	34.3	0.7	35.0	12%
Total funds, direct investments and loans	206.0	87.5	288.5	100%

² Fair value plus unfunded commitments.

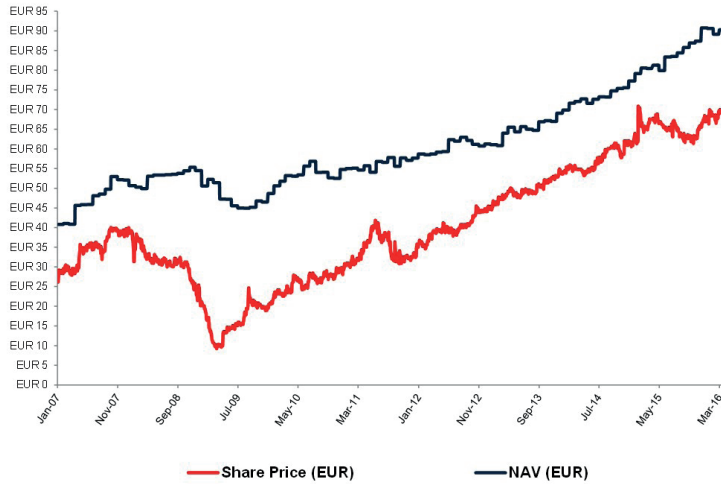
	31.03.16	31.03.15	Change in %
Unfunded commitments (EUR million)	87.5	74.9	10%
Overcommitment ³	39.4%	32.7%	13%
Net current assets / unfunded commitments	7.2%	8.1%	(5%)

³ Overcommitment = (unfunded commitments - net current assets) / (non-current assets - non-current liabilities).



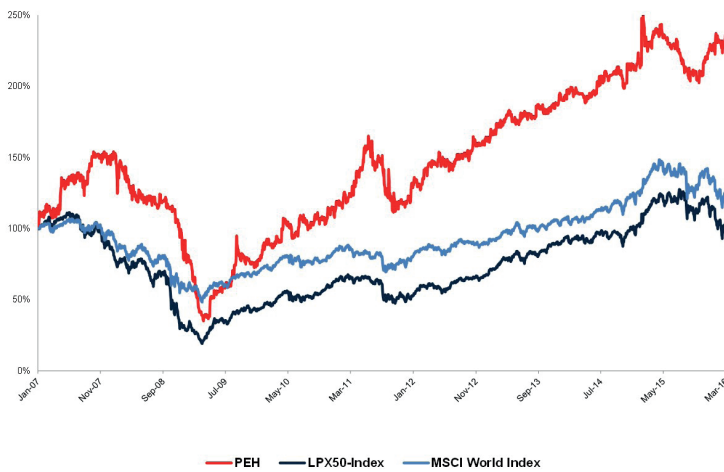
Development of Net Asset Value and Share Price

Share Price and NAV per Share 01.01.2007 – 31.03.2016 (in EUR)



NAV 01.01.07 - 31.03.16 (in EUR, incl. distributions):	117.9%
NAV 01.01.07 - 31.03.16 (in CHF, incl. distributions):	49.5%
Share Price 01.01.07 - 31.03.16 (in EUR, incl. distributions):	163.0%
Share Price 01.01.07 - 31.03.16 (in CHF, incl. distributions):	81.0%
Discount to NAV as of 31.03.16:	-26.1%

Relative Performance of PEHN 01.01.2007 – 31.03.2016



Outperformance PEHN vs. LPX-50 PE-Index:	122.4%
Outperformance PEHN vs. MSCI World:	103.8%



Chairman's Letter for the Financial Year 2015/2016

Dear Shareholders

Private Equity Holding AG (PEH) reports a comprehensive income of EUR 16.4 million for the financial year 2015/16. PEH's net asset value increased in 8 out of 12 months. As of March 31, 2016, the net asset value per share (NAV) stood at EUR 77.50 (CHF 84.60), representing an increase of 10.7% (in EUR) over the course of the financial year (including the distribution of CHF 2.75 per share in July 2015). Whilst this development is positive, the weakening of the USD versus the EUR since March 2015 significantly constrained NAV growth. At constant rates, the NAV growth would have been 14.3%.

Portfolio Development and Share Price

PEH's portfolio showed a strong performance throughout the year. The portfolio was cash flow positive by EUR 27.9 million (EUR 31.5 million called for new investments and portfolio level expenses versus EUR 59.4 million received in distributions). The largest distributions were received from Industri Kapital 2007 Fund, Avista Capital Partners II, and from the sale of shares of NASDAQ-listed Enanta Pharmaceuticals Inc.

Including the distribution of CHF 2.75 in September 2015, the share price increased by 6.1% during the financial year.

Investment Activity

PEH completed five new investments in the financial year, of which one direct co-investment into Jamberry, a US-based producer and social and direct seller of proprietary decorative nail products. The most recent investment was a commitment of EUR 5.0 million to Investindustrial VI, an independent mid-market firm focused on taking control positions in industrially driven management buyouts and leveraged build-ups principally in Italy and the Iberian Peninsula. PEH is an existing investor in Investindustrial, having previously committed EUR 10.0 million to its predecessor fund Investindustrial IV, as well as EUR 5.0 million to Investindustrial V, and EUR 5.0 million to BI-Invest, as well as co-investing alongside Investindustrial in British car manufacturer Aston Martin and Italian lighting company Flos. We look forward to continuing this successful investment relationship.

Annual General Meeting 2016

The company's Annual General Meeting (AGM) will take place on July 8, 2016. The Board of Directors will propose a seventh consecutive distribution of CHF 2.75 per share. At the time of writing, this represents a dividend yield of 4.2%. We remain committed to continuing our successful three-fold strategy. Further details can be found in the invitation to the AGM, which will be distributed to shareholders and published today.

As always, we are 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 16, 2016



Portfolio Report for the Financial Year 2015/2016

The Year in Review

Private Equity Holding AG reports a total comprehensive income of EUR 16.4 million for the financial year 2015/2016.

As of March 31, 2016, the net asset value per share stood at EUR 77.50. This represents an increase of EUR 5.10 or 7.0% compared to March 31, 2015 (excl. distribution; 10.7% incl. distribution).

As of March 31, 2016, the fair value of the long-term investment portfolio amounted to EUR 206.0 million (March 31, 2015: EUR 210.4 million). The decrease of EUR 4.4 million since the beginning of the financial year results from capital calls of EUR 31.5 million, distributions of EUR 59.4 million and positive valuation adjustments of EUR 23.6 million.

The Group's net current assets increased from EUR 6.1 million to EUR 6.3 million since the beginning of the financial year.

Fund Investments

As of March 31, 2016, the fair value of the fund portfolio stood at EUR 171.7 million (March 31, 2015: EUR 180.5 million). The change results from capital calls of EUR 24.5 million, distributions of EUR 51.0 million and positive valuation adjustments of EUR 17.7 million.

Noteworthy portfolio events in the fourth quarter of the financial year 2015/2016 included the following:

PEH made a new EUR 10.0 million commitment to *ALPHA CEE Opportunity IV*, a fund acquiring mature fund positions in secondary transactions and direct co-investments in Central and Eastern Europe and Russia, and a EUR 5.0 million commitment to *Investindustrial VI*, a mid-market buyout fund investing in management buyouts and leveraged build-ups principally in Italy and the Iberian Peninsula.

ABRY Partners VIII called capital to fund the acquisition of FLS Transportation, one of the fastest growing and most profitable non-asset based freight brokerage companies in North America, as well as an undisclosed new investment.

ABRY Senior Equity IV called capital to fund various new investments including Edgile, a security strategy and implementation firm, Casamba, a leading SaaS record and resource planning solutions business, Offsite Archive Storage and Integrated Services Holding (OASIS), one of the leading providers of records and information management services in Europe, as well as Wyless Group Holdings, one of the 3 largest pure-play M2M management connectivity services providers in the world.

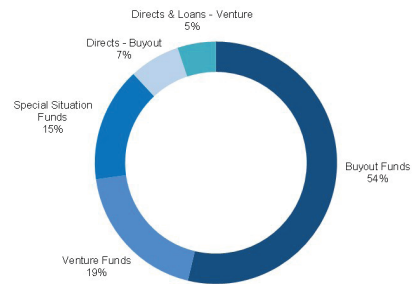
Alpha CEE II distributed proceeds received from several of its underlying investments.

Alpha Russia & CIS Secondary distributed proceeds received from several of its underlying investments.

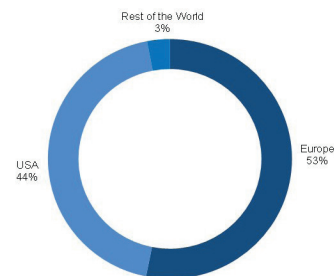
Avista Capital Partners III called capital to fund a follow-on investment in Osmotica Holdings, a global specialty pharmaceutical company.

Bridgepoint Europe IV distributed proceeds received from its sale of Borawind, one of Spain's largest independent wind energy generators.

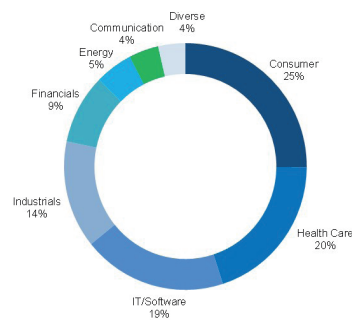
Allocation by Investment Category¹



Allocation by Geography²



Allocation by Industry²



¹ Based on fair values plus unfunded commitments (basis: non-current financial assets at fair value through profit or loss).

² Based on fair values of the underlying companies (basis: non-current financial assets at fair value through profit or loss).



Capvis Equity III called capital to fund follow-on investments in Hessnatur Textilien, an organic clothing manufacturer, Arena S.P.A., one of the world's reference brands in aquatic sports, and Ondal Medical Systems, a developer and manufacturer of high-quality medical equipment.

Carmel Software Fund distributed proceeds received from the partial sale of Skybox Security, a leading cybersecurity management solutions provider.

Clarus Lifesciences III called capital to fund a new investment in Lumos Pharma, a biopharmaceutical company, as well as a follow-on investment in Gritstone Oncology, a cancer immunotherapy company.

Francisco Partners distributed proceeds received from its underlying funds.

Highland Europe I called capital to make follow-on investments in New Voice Media, a cloud contact centre and sales platform designed specifically for Salesforce, in German fitness app eGym, and in WeTransfer, a cloud based file transfer service based in Amsterdam.

Highland Europe II called capital to fund an investment in Oro, a leading global provider of open-source business platforms, as well as an additional investment in DoveConviene, a digital shopping platform developer.

Sycamore II distributed proceeds from the partial sale of Express, an American fashion retailer.

Warburg Pincus Private Equity X distributed proceeds received from the sale of China Biologic Products, a leading biopharmaceutical developer, as well as the sale of QuEST Global Services, a Singapore-based provider of outsourced engineering services to companies across the globe.

Warburg Pincus Private Equity XII called capital to fund an investment in a U.S.-based provider of tech-enabled outsourcing services, Terra Energy Partners, an independent oil and natural gas exploration company, as well as an investment in Gemini, a leading discount pharmacy retailer in Poland.

Wasserstein Partners III distributed proceeds received from its investment in Aristotle Corporation, a leading developer and distributor of educational, healthcare, laboratory testing and agricultural products.

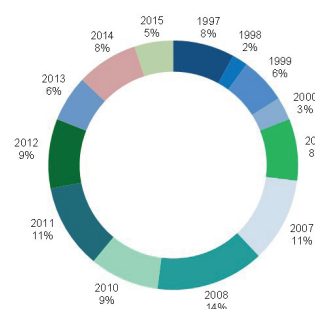
Direct Investments

As of March 31, 2016, the fair value of the direct portfolio (incl. loans) stood at EUR 34.3 million (March 31, 2015: EUR 29.9 million). During the financial year 2015/2016, positive valuation adjustments of EUR 5.8 million were recorded on the portfolio and EUR 8.4 million were distributed. Capital calls amounted to EUR 7.0 million.

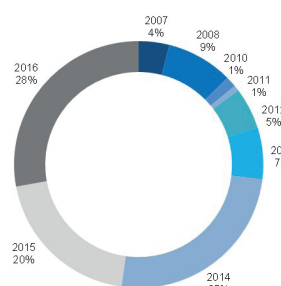
In Q1 2016 PEH invested EUR 1 million in *Actano Holding*, a project management software company, to accelerate the development of its next generation of SaaS based offering. In addition, PEH increased its investment in *Aston Martin* by EUR 0.8 million in March 2016.

CyDex, Inc. distributed proceeds received from an earn-out payment.

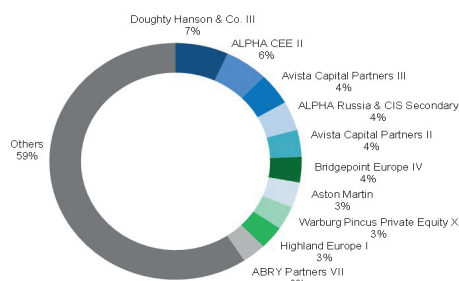
Fair Value of the Portfolio by Vintage Year



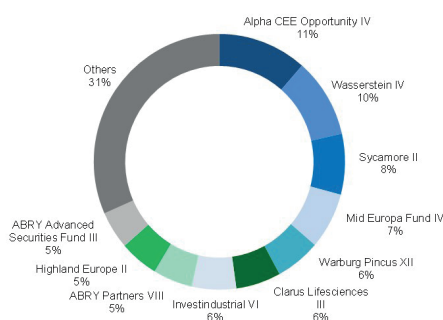
Unfunded Commitment of the Portfolio by Vintage Year



10 Largest Exposures by Fair Value



10 Largest Exposures by Unfunded Commitment





Largest Exposures

The ten largest investments by fair value

Together they account for 40.1% of the total fair value of the investment portfolio of the Private Equity Holding Group.



Fund Size: USD 2.7 billion
Type: Buyout
Industries: Diverse
Region: Europe
Fair Value: EUR 14.2 million
 6.7% of PEH Portfolio

Doughty Hanson & Co III

Doughty Hanson & Co III is fully drawn and there is only one company remaining in the portfolio: LM Wind Power, a world leading wind-turbine components manufacturer and servicing company. The company employs a highly skilled workforce of 6,332 people in 13 locations around the world. Almost 20% of the installed wind turbines in the world have LM Wind Power blades.



Fund Size: EUR 208 million
Type: Buyout & Expansion
Industries: Diverse
Region: Central & Eastern Europe
Fair Value: EUR 11.5 million
 5.4% of PEH Portfolio

ALPHA CEE II

Alpha CEE II is the second diversified private equity fund for Central and Eastern Europe managed by Alpha Associates, the leading private equity fund-of-funds manager for Central and Eastern Europe and Russia/CIS with more than 15 years of investment experience in the region. The fund makes primary commitments to top tier private equity funds in the region with a focus on the new EU member countries, purchases mature fund interests on the secondary market and makes selective direct co-investments. The stage focus is on conservatively leveraged small and mid-market buyouts as well as expansion financing, primarily of businesses in the consumer-oriented sectors. The fund is fully drawn and as of December 31, 2015, the portfolio consists of 12 primary commitments, eight secondary positions and eight direct co-investments.



Fund Size: USD 1.3 billion
Type: Buyout
Industries: Diverse
Region: USA & Canada
Fair Value: EUR 9.1 million
 4.3% of PEH Portfolio

Avista Capital Partners III

Avista Capital Partners was formed in 2005 by the spin-out of the core team from DLJ Merchant Banking Partners. The investment team of more than 20 investment professionals operates out of New York, Houston and London. The fund makes controlling or influential minority buyout investments in US companies in the energy, healthcare and media sectors. Its focus is on companies with enterprise values between USD 150 million and USD 2 billion, investing equity between USD 50 million and USD 300 million. The fund is fully invested in 13 portfolio companies.



Fund Size: EUR 107 million
Type: Secondary
Industries: Diverse
Region: Russia & CIS
Fair Value: EUR 8.3 million
 3.9% of PEH Portfolio

Alpha Russia & CIS Secondary

ALPHA Russia & CIS Secondary L.P. is managed by Alpha Associates and focuses on the acquisition of mature private equity fund interests in the secondary market in Russia, Central Europe and Turkey. The fund aims to capitalise on the attractive opportunities post crisis to purchase high quality private equity assets at attractive discounts to net asset value from investors in distress or that are restructuring their portfolios. The fund also makes selective primary commitments to leading funds in the region as well as direct co-investments. As of December 31, 2015, the portfolio consists of 18 secondary positions, three primary commitments and five direct co-investments.



Fund Size: USD 1.8 billion
Type: Buyout
Industries: Diverse
Region: USA & Canada
Fair Value: EUR 7.7 million
 3.6% of PEH Portfolio

Avista Capital Partners II

Avista Capital Partners was formed in 2005 by the spin-out of the core team from DLJ Merchant Banking Partners. The investment team of more than 20 investment professionals operates out of New York, Houston and London. The fund makes controlling or influential minority buyout investments in US companies in the energy, healthcare and media sectors. Its focus is on companies with enterprise values between USD 150 million and USD 2 billion, investing equity between USD 50 million and USD 300 million. The fund is fully invested in 15 portfolio companies.



Bridgepoint

<i>Fund Size:</i>	EUR 4.8 billion
<i>Type:</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	Europe
<i>Fair Value:</i>	EUR 7.2 million 3.4% of PEH Portfolio



<i>Type:</i>	Direct Co-Investment
<i>Industries:</i>	Automotive
<i>Region:</i>	Global
<i>Fair Value:</i>	EUR 7.2 million 3.4% of PEH Portfolio

WARBURG PINCUS

<i>Fund Size:</i>	USD 15.1 billion
<i>Type:</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	Global
<i>Fair Value:</i>	EUR 6.7 million 3.2% of PEH Portfolio

HIGHLAND CAPITAL PARTNERS

<i>Fund Size:</i>	EUR 246 million
<i>Type:</i>	Venture
<i>Industries:</i>	Technology
<i>Region:</i>	Europe
<i>Fair Value:</i>	EUR 6.6 million 3.1% of PEH Portfolio



<i>Fund Size:</i>	USD 1.6 billion
<i>Type:</i>	Buyout
<i>Industries:</i>	Media
<i>Region:</i>	USA & Canada
<i>Fair Value:</i>	EUR 6.4 million 3.0% of PEH Portfolio

Bridgepoint Europe IV

Bridgepoint is one of the leading pan-European mid-market buyout fund manager with a team of over 80 investment professionals and over 20 partners. It was founded in 1984 as part of the UK commercial bank NatWest and has been independent since 2000. The fund makes European buyout investments at the upper end of the mid-market. The focus is on controlling positions in enterprises valued between EUR 200 million and EUR 1 billion. The fund is fully invested in 24 portfolio companies.

Aston Martin

Established in 1913 and headquartered in Gaydon (UK), Aston designs, manufactures and distributes luxury performance motor cars. Aston is one of the most exclusive sports car brands in the world and the only independent luxury brand in its industry. Its iconic status and global footprint has been built through its performance and elegant design, successfully marketed by featuring as James Bond's car in many 007 movies over the past 50 years.

Private Equity Holding invested EUR 3.0 million in Aston Martin as part of a co-investment with Investindustrial in Q2 2013. In March 2016, Private Equity Holding increased its investment by EUR 0.8 million.

Warburg Pincus Private Equity X

Warburg Pincus was founded in 1966 and is one of the most established private equity firms in the world. Warburg Pincus has more than 160 investment professionals with headquarters in New York and further offices around the globe. Warburg Pincus Private Equity X focuses on growth investments. The activity includes conceiving and creating venture capital opportunities, providing expansion capital, and investing in leveraged buyouts. The fund is fully invested in 69 remaining portfolio companies.

Highland Europe Technology Growth

Highland Europe is a venture/growth stage investor with offices in London and Geneva. Highland Europe was launched in 2012 and closely collaborates with Highland Capital Partners, an independent global venture capital firm with a twenty-seven year investment experience and offices in Boston, Palo Alto and Shanghai. Highland Europe Technology Growth makes growth stage technology investments in Europe and focuses on companies with enterprise values between EUR 20 million and EUR 200 million with equity ticket sizes between EUR 10 million and EUR 30 million.

ABRY Partners VII

ABRY is one of the most experienced investment firms in North America focusing on media, communications as well as business and information services. Founded in 1989, ABRY Partners has invested over USD 42 billion in high quality companies and partnered with management to help build their businesses. This includes leveraged transactions and other private equity, mezzanine or preferred equity placements, representing investments in more than 450 properties. ABRY Partners VII focuses primarily on companies with enterprise value of between USD 160 million and USD 600 million, investing equity of between USD 25 million and USD 150 million. The fund is 95% drawn and invested in 15 portfolio companies.



The ten largest fund investments by unfunded commitment

Together they account for 68.4% of the total unfunded commitments of the Private Equity Holding Group.

alpha

<i>Fund Size:</i>	In fundraising
<i>Type</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	Central & Eastern Europe / Russia & CIS
<i>Unfunded Commitment:</i>	EUR 10.0 million 12.1% of total unfunded

Alpha CEE Opportunity IV

Alpha CEE Opportunity IV is the fourth pooled investor vehicle dedicated to private equity in CEE and Russia/CIS managed by Alpha Associates, the leading private equity fund-of-funds manager for Central and Eastern Europe and Russia/CIS with more than 15 years of investment experience in the region. The fund aims to buy mature private equity fund interests in secondary transactions in the region and make direct co-investments. The stage focus is on small and mid-market buyouts and expansion financing, with a broadly diversified industry focus, primarily on consumer, industrials, financials, healthcare, IT, and communication. Private Equity Holding has committed USD 10 million to the fund.

WASSERSTEIN & CO.

<i>Fund Size:</i>	In fundraising
<i>Type</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	USA
<i>Unfunded Commitment:</i>	EUR 8.8 million 10.6% of total unfunded

Wasserstein Partners IV

Wasserstein & Co. is a US mid-market buyout fund manager and has executed more than 60 platform and add-on transactions. The Senior Partners were formerly partners at Wasserstein Perella and have worked together for nearly 20 years. The fund targets US mid-market buyout investments in the Media and Communications, Consumer Products, Water Equipment and Services sectors. The fundraising is ongoing and the investment activity has not yet started. Private Equity Holding has committed USD 10 million to the fund.

SYCAMORE PARTNERS

<i>Fund Size:</i>	USD 2.5 billion
<i>Type</i>	Special Situations
<i>Industries:</i>	Consumer
<i>Region:</i>	USA & Canada
<i>Unfunded Commitment:</i>	EUR 6.7 million 8.1% of total unfunded

Sycamore II

Sycamore Partners is a private equity firm founded in 2011 by a team of former executives at Golden Capital, a private equity firm in San Francisco. The firm is now based in New York. Sycamore II focuses on buyout and turnaround investments in mid-market businesses across the consumer and retail sectors located in the US. Its focus is on equity investments between USD 50 million and USD 500 million in companies with enterprise values between USD 200 million and USD 2 billion. The fund has made two investment to date and is 26% drawn.

MID EUROPA PARTNERS

<i>Fund Size:</i>	EUR 808 million
<i>Type</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	Central & Eastern Europe
<i>Unfunded Commitment:</i>	EUR 6.2 million 7.6% of total unfunded

Mid Europa Fund IV

Mid Europa Partners is a leading buyout investor focused on the growth markets of Central and Eastern Europe and Turkey with over EUR 4.2 billion of funds raised and managed since inception. Mid Europa Fund IV makes controlling or influential investments between EUR 25 million and EUR 200 million in companies with enterprise values between EUR 200 million and EUR 1 billion. The fund will focus on the following sectors: basic industries, cable TV, fixed-line telephony, general manufacturing, mobile telephony/wireless, oil & gas, and rail. The fund is 14% drawn.

WARBURG PINCUS

<i>Fund Size:</i>	USD 12 billion
<i>Type</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	Global
<i>Unfunded Commitment:</i>	EUR 5.1 million 6.2% of total unfunded

Warburg Pincus Private Equity XII

Warburg Pincus was founded in 1966 and is one of the most established private equity firms in the world. Warburg Pincus has more than 160 investment professionals with headquarters in New York and further offices around the globe. Warburg Pincus Private Equity XII will follow the firms strategy of growth-oriented investing on a global basis, including emerging markets. Within that theme, the fund will invest in the following stages: venture capital, growth, buyouts, recapitalisations and other special situations.



Fund Size: USD 375 million
Type: Venture
Industries: Health Care
Region: USA & Canada
Unfunded Commitment: EUR 5.0 million
 6.1% of total unfunded

Clarus Lifesciences III

Clarus Ventures is a life sciences venture capital firm established in 2005. The firm is headquartered in Cambridge and has a second office in San Francisco. The fund manager is composed of a 12 person investment team, whereof the senior partners all have at least 20 years of industrial experience. Clarus Lifesciences III is the team's third fund and focuses on investments in early, mid and late stage biotechnology and medical device companies across the US with target amounts of USD 20 million to USD 30 million per company. The fund is 14% drawn and invested in four portfolio companies.



Fund Size: EUR 2.0 billion
Type: Buyout
Industries: Diverse
Region: Western Europe
Unfunded Commitment: EUR 5.0 million
 5.7% of total unfunded

Investindustrial VI

Founded in 1990 out of an industrial group, Investindustrial is a leading independent mid-market firm focused on taking control positions in industrially driven management buyouts and leveraged build-ups principally in Italy and the Iberian Peninsula. The fund makes control investments in mid-market companies based in Italy and Spain. Its focus is on equity investments between EUR 50 million to 350 million in companies with enterprise values between EUR 100 million and EUR 1.5 billion. Private Equity Holding has committed EUR 5 million to the fund.



Fund Size: USD 1.9 billion
Type: Buyout
Industries: Media
Region: USA
Unfunded Commitment: EUR 4.5 million
 5.4% of total unfunded

ABRY Partner VIII

ABRY is one of the most experienced investment firms in North America focusing on media, communications as well as business and information services. Founded in 1989, ABRY Partners has invested over USD 42 billion in high quality companies and partnered with management to help build their businesses. This includes leveraged transactions and other private equity, mezzanine or preferred equity placements, representing investments in more than 450 properties. ABRY Partners VIII makes control investments in mid-market companies in the media, communication, business and information services sector predominantly in the US. Its focus is on equity investments between USD 40 million and USD 175 million in companies with enterprise values between USD 100 million and USD 500 million.



Fund Size: EUR 332 million
Type: Venture
Industries: Technology
Region: Europe
Unfunded Commitment: EUR 4.3 million
 5.3% of total unfunded

Highland Europe Technology Growth II

Highland Europe was launched in 2012 and is a venture/growth stage investor with offices in London and Geneva. The company closely collaborates with Highland Capital Partners, an independent global venture capital firm with a twenty-seven year investment experience and offices in Boston, Palo Alto and Shanghai. Highland Capital Partners has raised approximately USD 3.4 billion of committed capital and has completed over 250 investments. Highland Europe Technology Growth makes growth stage technology investments in Europe and focuses on companies with enterprise values between EUR 20 million and EUR 200 million with equity ticket sizes between EUR 5 million and EUR 20 million.



Fund Size: USD 1.6 billion
Type: Special Situations
Industries: Media
Region: USA & Canada
Unfunded Commitment: EUR 4.2 million
 5.1% of total unfunded

ABRY Advanced Securities Fund III

ABRY is one of the most experienced investment firms in North America focusing on media, communications as well as business and information services. Founded in 1989, ABRY Partners has invested over USD 42 billion in high quality companies and partnered with management to help build their businesses. This includes leveraged transactions and other private equity, mezzanine or preferred equity placements, representing investments in more than 450 properties. ABRY Advanced Securities Fund III will acquire more than 150 performing, senior debt securities in the North American media, communication, business and information services sector of non-investment grade companies through total return swap-structures, investing USD 10 million to USD 100 million per position.



Selected Direct Investments



<i>Fair Value:</i>	EUR 3.7 million
<i>Date:</i>	2013
<i>Type:</i>	Direct Investment
<i>Industry:</i>	Pharmaceuticals
<i>Region:</i>	Europe

Acino

Acino is a Swiss-based pharmaceutical company that develops, manufactures and internationally markets well-proven and innovative pharmaceuticals in novel drug delivery forms. As a partner of pharmaceutical companies worldwide, Acino supplies finished in-house developed products and/or provides customised one-stop solutions from product development and registration to contract manufacturing, packaging and logistics.

Acino was delisted from the Swiss stock exchange on September 17, 2014 following the successful completion of a public tender offer by Avista Capital Partners and Nordic Capital. Private Equity Holding invested in Acino in Q4 2013 as part of a co-investment with Avista.



<i>Fair Value:</i>	EUR 7.2 million
<i>Date:</i>	2013
<i>Type:</i>	Direct Investment
<i>Industry:</i>	Industrials
<i>Region:</i>	Europe

Aston Martin

Established in 1913 and headquartered in Gaydon (UK), Aston designs, manufactures and distributes luxury performance motor cars. Aston is one of the most exclusive sports car brands in the world and the only independent luxury brand in its industry. Its iconic status and global footprint has been built through its performance and elegant design, successfully marketed by featuring as James Bond's car in many 007 movies over the past 50 years.

Private Equity Holding invested in Aston Martin as part of a co-investment with Investindustrial in Q2 2013. In March 2016 Private Equity Holding increased its investment.

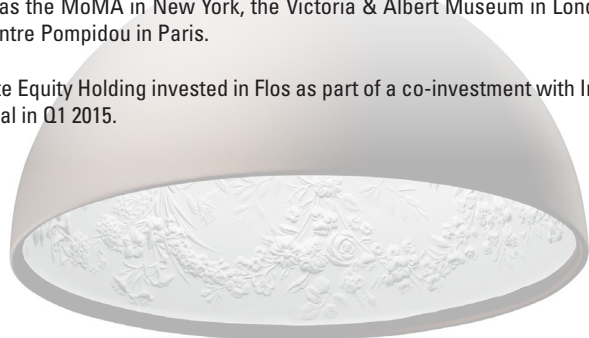


<i>Fair Value:</i>	EUR 4.8 million
<i>Date:</i>	2015
<i>Type:</i>	Direct Investment
<i>Industry:</i>	Consumer
<i>Region:</i>	Europe

Flos

Flos is the leading Italian high-end lighting brand, known globally for its iconic design and technological innovation, both in the decorative and architectural segments. Since its foundation in 1962, Flos products have been recognised with a number of design awards and are collection items for leading museums such as the MoMA in New York, the Victoria & Albert Museum in London and Le Centre Pompidou in Paris.

Private Equity Holding invested in Flos as part of a co-investment with Investindustrial in Q1 2015.





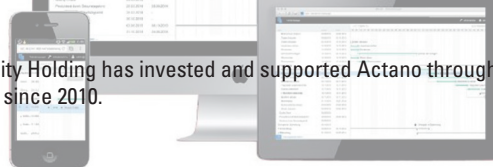
ACTANO

Fair Value: EUR 4.6 million
Date: 2010
Type: Direct Investment
Industry: Software
Region: Europe

Actano

Actano is Germany's most successful provider of solutions for transparency and efficiency during product development. The company is developing and selling a collaborative program and project management software specialised for large companies, with multiple locations and several hundred users working on complex integrated projects. The software is built on the latest technology and usable for the intra- or internet, allowing for special application hosting services. For implementation of the software package the respective IT and consulting services are offered. The software manages product development processes in the automobile, aerospace and chemical/pharmaceutical industries.

Private Equity Holding has invested and supported Actano through its development stage since 2010.



WE MAKE COMPLEX PROJECTS EASIER



Fair Value: EUR 3.6 million
Date: 2015
Type: Direct Investment
Industry: Consumer
Region: USA

Jamberry

Jamberry is a US-based producer and social seller of proprietary decorative nail products. The company was founded in 2010 and is headquartered in Lindon, Utah. Jamberry's primary products consist of nail wraps in a large assortment of styles, sold online and through its network of over 46'000 active sales consultants.

Private Equity Holding invested in Jamberry, as part of a co-investment alongside Wasserstein Partners in Q2 2015.



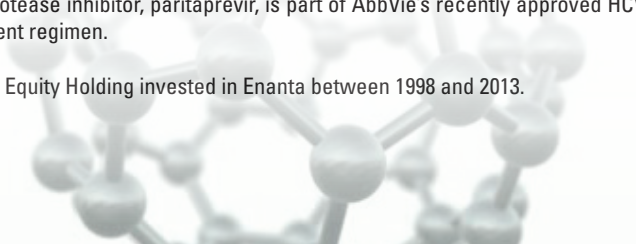
ENANTA Pharmaceuticals

Fair Value: EUR 6.0 million
Date: 1998
Type: Direct Investment
Industry: Pharmaceuticals
Region: USA

Enanta

Enanta Pharmaceuticals is a research and development-focused biotechnology company that uses its robust chemistry-driven approach and drug discovery capabilities to create small molecule drugs for viral infections and liver diseases. Enanta is discovering, and in some cases developing, novel inhibitors designed for use against the hepatitis C virus (HCV). These inhibitors include members of the direct acting antiviral (DAA) inhibitor classes – protease (partnered with AbbVie), NS5A, and nucleotide polymerase – as well as a host-targeted antiviral (HTA) inhibitor class targeted against cyclophilin. Enanta's lead protease inhibitor, paritaprevir, is part of AbbVie's recently approved HCV treatment regimen.

Private Equity Holding invested in Enanta between 1998 and 2013.





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Consolidated Statement of Comprehensive Income

EUR 1,000	Notes	01.04.15- 31.03.16	01.04.14- 31.03.15
Income			
Net gains/(losses) from financial assets at fair value through profit or loss	9	23,554	29,173
Other interest income		3	12
Foreign exchange gains/(losses)		(289)	1,088
Other income		201	125
Total income		23,469	30,398
Expenses			
Administration expenses	15	6,078	6,296
Corporate expenses		976	1,082
Transaction expenses		—	84
Total expenses		7,054	7,462
Profit/(loss) from operations		16,415	22,936
Income tax expenses		—	—
Profit/(loss) for the period attributable to equity holders of the company		16,415	22,936
Other comprehensive income			
Other comprehensive income/(loss) for the period, net of income tax		—	—
Total comprehensive income/(loss) for the period attributable to equity holders of the company		16,415	22,936
Weighted average number of shares outstanding during period			
		2,855,163	3,093,972
Basic earnings per share (EUR)		5.75	7.41
Diluted earnings per share (EUR)		5.75	7.41

Minor differences in totals are due to rounding.

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



Consolidated Balance Sheet

EUR 1,000	Notes	31.03.16	31.03.15
Assets			
Current assets			
Cash and cash equivalents	6	6,253	5,999
Financial assets at fair value through profit or loss - securities	8.1	—	585
Receivables and prepayments	7	182	177
Total current assets		6,435	6,761
Non-current assets			
Financial assets at fair value through profit or loss	8.2	205,976	210,429
Total non-current assets		205,976	210,429
Total assets		212,411	217,190
Liabilities and equity			
Current liabilities			
Payables and other accrued expenses	12	122	707
Total current liabilities		122	707
Non-current liabilities			
Total non-current liabilities		—	—
Total liabilities		122	707
Equity			
Share capital		11,249	11,624
Share premium		55,426	65,422
Treasury shares	13	(13,621)	(6,081)
Retained earnings		159,235	145,518
Total equity		212,289	216,483
Total liabilities and equity		212,411	217,190
		31.03.16	31.03.15
Total number of shares as of period end		3,000,000	3,100,000
Number of treasury shares as of period end		(260,786)	(109,900)
Number of shares outstanding as of period end		2,739,214	2,990,100
Net asset value per share (EUR)		77.50	72.40

Minor differences in totals are due to rounding.
The accompanying notes are an integral part of these consolidated financial statements.



Consolidated Statement of Changes in Equity

EUR 1,000	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Opening as of 01.04.14	12,842	83,999	(10,368)	124,117	210,590
Profit/(loss) for the period	—	—	—	22,936	22,936
Total other comprehensive income/(loss) for the period, net of income tax	—	—	—	—	—
Total comprehensive income/(loss) for the period	—	—	—	22,936	22,936
Purchase of treasury shares	—	—	(10,939)	—	(10,939)
Sale of treasury shares	—	22	243	—	265
Cancellation of treasury shares ¹	(1,218)	(13,765)	14,983	—	—
Repayment of share premium ¹	—	(4,834)	—	(1,535)	(6,369)
Total contributions by and distributions to owners of the Company	(1,218)	(18,577)	4,287	(1,535)	(17,043)
Total as of 31.03.15	11,624	65,422	(6,081)	145,518	216,483

Opening as of 01.04.15	11,624	65,422	(6,081)	145,518	216,483
Profit/(loss) for the period	—	—	—	16,415	16,415
Total other comprehensive income/(loss) for the period, net of income tax	—	—	—	—	—
Total comprehensive income/(loss) for the period	—	—	—	16,415	16,415
Purchase of treasury shares	—	—	(12,942)	—	(12,942)
Sale of treasury shares	—	(3)	142	—	139
Cancellation of treasury shares ²	(375)	(4,885)	5,260	—	—
Repayment of share premium ²	—	(5,108)	—	(2,698)	(7,806)
Total contributions by and distributions to owners of the Company	(375)	(9,996)	(7,540)	(2,698)	(20,609)
Total as of 31.03.16	11,249	55,426	(13,621)	159,235	212,289

Minor differences in totals are due to rounding.

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

¹ The Annual General Meeting held on July 4, 2014 decided to reduce the share capital by cancelling 325,000 treasury shares. The capital reduction was effective in the commercial register as of September 19, 2014. The Annual General Meeting decided further on a repayment of share premium (paid-in capital) in the amount of CHF 2.50 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, 2014.

² The Annual General Meeting held on July 3, 2015 decided to reduce the share capital by cancelling 100,000 treasury shares. The capital reduction was effective in the commercial register as of September 15, 2015. 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 9, 2015.



Consolidated Statement of Cash Flows

EUR 1,000	Notes	01.04.15- 31.03.16	01.04.14- 31.03.15
Cash flow from operating activities			
Capital contributed to investments		(31,492)	(28,415)
Distributions received from investments ¹		59,376	41,674
Quoted securities sold		707	138
Interest received		3	12
Administration expenses paid		(6,666)	(6,438)
Corporate expenses paid		(801)	(904)
Transaction expenses paid		—	(81)
Change in other working capital items		192	(44)
Net cash (used)/provided by operating activities		21,319	5,942
Cash flow from financing activities			
Purchase of treasury shares		(12,939)	(11,353)
Sale of treasury shares		143	271
Repayment of share premium	13	(7,806)	(6,369)
Commitment fee on bank borrowings		(175)	(178)
Net cash (used)/provided by financing activities		(20,777)	(17,629)
Net increase/(decrease) in cash and cash equivalents		542	(11,687)
Cash and cash equivalents at the beginning of the period		5,999	16,592
Effects of exchange rate changes on cash and cash equivalents		(288)	1,094
Cash and cash equivalents at the end of the period		6,253	5,999

Minor differences in totals are due to rounding.

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

¹ Distributions received from investments include dividends from investments in the amount of EUR 1,049k (01.04.14 - 31.03.15: EUR 815k) and interest income from investments in the amount of EUR 737k (01.04.14 - 31.03.15: EUR 937k).

Notes to the Consolidated 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 its Cayman Islands subsidiaries (together referred to as the "Group").

The business activity of the Group 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 and the Group. 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 Group has no employees.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group as at and for the year ended March 31, 2016 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 consolidated financial statements were authorised for issue on June 16, 2016 by the Board of Directors.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

c) Functional and presentation currency

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

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

a) Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Scope of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, after the elimination of all significant intercompany accounts and transactions. All subsidiaries are owned 100%, either directly or indirectly, by the Company. The scope of consolidation includes the following entities:



Company	Domicile	Percentage	Share Capital (EUR 1,000)
Private Equity Holding AG	Zug, Switzerland	n/a	11,624
Private Equity Holding Cayman Ltd. ¹	Grand Cayman, Cayman Islands	—	—
Private Equity Fund Finance Ltd.	Grand Cayman, Cayman Islands	100%	8,677
Private Equity Direct Finance Ltd.	Grand Cayman, Cayman Islands	100%	124,984
Private Equity Co-Finance Ltd.	Grand Cayman, Cayman Islands	100%	46,869
Private Equity Holdings LP	Grand Cayman, Cayman Islands	100%	17,135 ²
Private Equity Parallel Holdings LP	Grand Cayman, Cayman Islands	100%	4,337 ²

¹ Private Equity Holding Cayman Ltd. has been liquidated as of January 22, 2016 in course of the simplification of the Group structure. In preparation of the liquidation, its fully owned subsidiaries Private Equity Fund Finance Ltd., Cayman Islands and Private Equity Direct Finance Ltd., Cayman Islands were transferred to the sole shareholder Private Equity Holding AG, Zug as a dividend in kind.

² Limited Partners' capital.

b) Earnings per share

The Group presents basic and diluted 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. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

c) 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.

d) Foreign currency translation

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 from financial instruments at fair value through profit or loss.

The following currency exchange rates were applied as of March 31, 2016 and March 31, 2015 for the retranslation of monetary assets and liabilities into EUR:

Currency	31.03.16	31.03.15
EUR/USD	1.1388	1.0732
EUR/CHF	1.0916	1.0436
EUR/GBP	0.7907	0.7242

e) Financial assets and financial liabilities

As of April 2011, the Group has adopted IFRS 9 Financial Instruments ("IFRS 9") (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of its effective date. The impact of the application of IFRS 9 was that the cumulative net gains in relation to the Group's long-term investments have been reclassified from the fair value reserve to retained earnings as of April 1, 2011.

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 Group 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 Group classifies financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss:

- Designated as at fair value through profit or loss - fund investments, direct investments, loans and traded securities

Financial assets at amortised cost:

- Loans and receivables - Other receivables
- Cash and cash equivalents

Financial liabilities and payables at amortised cost:

- Other liabilities - Payables and other accrued expenses

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

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 Group 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 and loans, the Group 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 Group 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 Group 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 Group 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 Group 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 Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

f) Net gain from financial assets at fair value through profit or loss

Net gain 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.

g) Interest and dividend income

Net gain from financial assets at fair value through profit or loss includes interest and dividend income from investments (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.

h) Administration expenses and other expenses

Administration expenses and other expenses are recognised in profit or loss as the related services are performed.

i) 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.

j) Income taxes

Private Equity Holding AG

The Company is taxed as a holding company in the Canton of Zug. Income, including dividend income and capital gains from its participations, 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 participation (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. Should the Company have an accumulated tax loss at the end of the period, a deferred tax asset, equal to the loss carried forward multiplied by the applicable tax rate, is recorded in the consolidated balance sheet unless it appears unlikely that the Company will realise sufficient future taxable profits to take advantage of the tax loss carried forward. This determination is made annually. Provisions for taxes payable on profits earned in other Group companies are calculated and recorded based on the applicable tax rate in the relevant country, as outlined below.

Cayman Subsidiaries

Profits generated by the Cayman subsidiaries are currently not taxable.

Private Equity Holding (Netherlands) BV

Dividend and interest income and capital gains realised by the Netherlands subsidiary are generally subject to taxation in the Netherlands at the rate of 20% for the first EUR 200,000 of profit, and 25% for the profit above EUR 200,000. However, there is no income tax due on dividends and capital gains if the related investment qualifies for the participation exemption. Private Equity Holding (Netherlands) BV has been liquidated as of March 27, 2015.

Private Equity Holding (Luxembourg) SA

Dividend and interest income and capital gains realised by the Luxembourg subsidiary are generally subject to taxation in Luxembourg at the rate of approximately 30%. However, there is no income tax due on dividends and capital gains if the related investment qualifies for the participation exemption. To date, there is no final ruling from the Luxembourg tax authorities regarding the application of the tax relief for dividends and capital gains. Private Equity Holding (Luxembourg) SA has been liquidated as of March 2, 2015.

k) New standards and interpretations

The following amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have been applied in preparing these consolidated financial statements. None of these had a significant effect on the measurement of the amounts recognised in the consolidated financial statements of the Group.

- Annual Improvements 2012 were issued in May 2012 and contain several amendments to IFRS which address eight issues in the 2010-2012 reporting cycle. These improvements comprise amendments to share-based payments, business combinations, property plant and equipment, operating segments, fair value measurement, related party disclosures and statement of cash flow. The amendments are effective for accounting periods commencing on or after July 1, 2014
- Annual Improvements 2013 were issued in November 2012 and contain several amendments to IFRS which address four issues in the 2011-2013 reporting cycle. These improvements comprise amendments to first time adoption, business combinations, fair value measurement and investment property. The amendments are effective for accounting periods commencing on or after July 1, 2014

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

- Annual Improvements 2014 were issued in September 2014 and contain several amendments to IFRS which address five issues in the 2012-2014 reporting cycle. These improvements comprise amendments to non-current assets held for sale and discontinued operations, financial instruments: disclosures, employee benefits and interim financial reporting. The amendments are effective for accounting periods commencing on or after January 1, 2016
- Investment Entities Amendments to IFRS 10, IFRS 12 and IAS 28. The amendments confirm that the exemption from preparing financial statements continues to be available to a parent entity that is a subsidiary of an investment entity. This is the case even if the investment entity measured all of its subsidiaries at fair value in accordance with IFRS 10. It also clarifies when the subsidiary of an investment entity parent is consolidated; such a subsidiary is only consolidated if it is not itself an investment entity and its main activities are to provide services related to the investment activities of the investment entity parent otherwise the subsidiary cannot be consolidated and needs to be measured at fair value. It is subject to assessment whether Private Equity Holding AG will have to continue to consolidate its subsidiaries. If these do not have to be consolidated, then they will be held at fair value and are reported on the balance sheet going forward. No direct impact on the Group's equity is expected by such accounting policy change. The amendments are effective for accounting periods commencing on or after January 1, 2016
- IAS 1, 'Presentation of Financial Statements', (amendments) - The amendments clarify that; aggregation or disaggregation of information should not obscure useful information; materiality requirements apply to all financial statements, notes and specific disclosure requirements; line items to be presented in the financial statements can be aggregated and disaggregated as relevant; there is flexibility as to the order of the notes to the accounts; an entity should present its share of other comprehensive income of associates and joint ventures accounted for using the equity method by whether those items will be subsequently reclassified to profit or loss and presented in aggregate as a single line item within that classification; and in addition the amendments propose to remove guidance for identifying significant accounting policies. The amendments are effective for accounting periods commencing on or after January 1, 2016
- 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. The Group has already adopted IFRS 9 (2010). There are no adjustments to be expected on classification and measurement. The standard also results in one impairment method based on an expected loss impairment model, replacing the numerous impairment methods in IAS 39 that arise from the different classes of financial assets. The effective date of IFRS 9 has been set for accounting periods commencing on or after January 1, 2018. Early application of IFRS 9 is permitted
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12); effective date: January 1, 2017
- Disclosure Initiative (Amendments to IAS 7); effective date: January 1, 2017

The Group is currently in the process of analysing the impact of these new standards, amendments to standards and annual improvements to IFRS in detail.



4. Financial risk management

4.1 Introduction and overview

The Group has exposures to the following risks from financial instruments: market risk (including market 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 Group'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.

4.2 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 optimizing the return on risk.

a) Market 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 7.7% (change in LPX Indirect Index between April 1, 2015 and March 31, 2016) with all other variables held constant, the impact on consolidated equity would have been EUR 16.3 million (2014/2015: 32.6%, EUR 68.6 million).

The LPX Indirect 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

The majority of the Group's financial assets and liabilities are non-interest bearing. As a result, the Group is not subject to a significant amount of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market 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 consolidated net income and consolidated 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 consolidated statement of comprehensive income.



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

Currency risk as of March 31, 2016

	USD 1,000	CHF 1,000	GBP 1,000
Assets			
Cash and cash equivalents	1,276	99	24
Other current assets	34	—	—
Total assets	1,310	99	24
Liabilities			
Payables and other accrued expenses	—	59	—
Total liabilities	—	59	—
Net exposure in accordance with IFRS	1,310	40	24
Financial assets at fair value through profit or loss (non-current)	131,167	2,774	2,570
Net exposure in accordance with the reporting to the Board of Directors	132,477	2,814	2,594

Currency risk as of March 31, 2015

	USD 1,000	CHF 1,000	GBP 1,000
Assets			
Cash and cash equivalents	4,423	28	28
Other current assets	658	155	—
Total assets	5,081	183	28
Liabilities			
Payables and other accrued expenses	—	36	—
Total liabilities	—	36	—
Net exposure in accordance with IFRS	5,081	147	28
Financial assets at fair value through profit or loss (non-current)	126,494	2,874	2,709
Net exposure in accordance with the reporting to the Board of Directors	131,575	3,021	2,737

As of March 31, 2016, had the exchange rate between the USD/EUR increased or decreased by 6.1% (change in USD/EUR rate between April 1, 2015 and March 31, 2016) with all other variables held constant, the increase or decrease to profit or loss and shareholders' equity would have amounted to EUR 0.071 million (2014/2015: 22.1%, EUR 1.0 million (excluding currency risk on non-current financial assets at fair value through profit or loss)). Including the currency risk on non-current financial assets at fair value through profit or loss, the increase or decrease to profit or loss and shareholders' equity would have amounted to EUR 7.1 million (2014/2015: 22.1%, EUR 26.4m).

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 have therefore been included in the above analysis as of March 31, 2016 and March 31, 2015 and will be included going forward.



4.3 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, 2016

EUR 1,000	Fully performing	Total	Rating (Moody's)
Cash at Credit Suisse AG	6,253	6,253	A2
Receivables and prepayments	182	182	n/a
Loan Investments	2,062	2,062	n/a
Total exposure to credit risk	8,497	8,497	

Credit risk as of March 31, 2015

EUR 1,000	Fully performing	Total	Rating (Moody's)
Cash at Credit Suisse AG	5,999	5,999	A1
Receivables and prepayments	762	762	n/a
Loan investments	850	850	n/a
Total exposure to credit risk	7,611	7,611	

No financial assets carried at amortised cost were past due or impaired either at March 31, 2016 or March 31, 2015.

4.4 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, 2016, cash and cash equivalents of the Group amount to EUR 6.3 million (March 31, 2015: EUR 6.0 million). The total undrawn amount in respect of commitments made on or before March 31, 2016 is EUR 87.5 million (March 31, 2015: EUR 74.9 million). Unfunded commitments are off balance sheet items and will be drawn over time. They will be financed with the Group's cash position and out of future distributions. In addition, the Group has access to a EUR 16.0 million credit facility (see also Note 12).

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 fair values, 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.



Liquidity risk as of March 31, 2016

EUR 1,000	Less than 1 month	1-3 months	More than 3 months	No stated maturity	Total
Payables and other accrued expenses	—	122	—	—	122
Total liabilities (on balance sheet)	—	122	—	—	122
Unfunded commitments (off balance sheet)	87,461	—	—	—	87,461
Total	87,461	122	—	—	87,583

Liquidity risk as of March 31, 2015

EUR 1,000	Less than 1 month	1-3 months	More than 3 months	No stated maturity	Total
Payables and other accrued expenses	—	707	—	—	707
Total liabilities (on balance sheet)	—	707	—	—	707
Unfunded commitments (off balance sheet)	74,916	—	—	—	74,916
Total	74,916	707	—	—	75,623

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.

The Group made the following new investments and commitments, respectively during the financial year 2015/2016:

	Currency	Amount 1,000
Alpha CEE Opportunity IV	EUR	10,000
Highland Europe II	EUR	5,000
Jamberry (co-investment)	USD	3,400
Pelion VI	USD	5,000
Warburg Pincus XII	USD	6,000
Wasserstein IV	USD	10,000
Investindustrial VI	EUR	5,000

4.5 Capital management

The Company's 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 issue and re-purchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

The Group'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 Group sets the amount of capital in proportion to risk. The Group 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 Group 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 2015/2016 are listed in Note 13. Neue 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.



5. Critical accounting estimates and judgments

5.1 Critical accounting estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires 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.

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.

The fair values assigned to financial assets 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 existed, and those differences could be material.

5.2 Critical judgments

Consolidation

As a result of the amendments of IFRS 10, Investment entities are exempted from consolidating controlled investees. Private Equity Holding AG meets the definition of an investment entity, as the following conditions are met:

- The Company provides investment management services
- The business purpose 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 with the goal to achieve returns from capital appreciation and investment income
- The performance of these investments is measured and evaluated on a fair value basis
- The company holds multiple investments

Private Equity Holding AG holds - directly and indirectly - multiple investments in the form of private equity funds and direct investments. Following the requirements of IFRS 10, the Company applies the investment entity exemption. Investments exceeding 20% of the share capital are not consolidated but classified as financial assets at fair value through profit or loss.

As described in Note 3.a), the Company consolidated its wholly owned subsidiaries. The investment entity exemption is not applicable to its wholly owned subsidiaries as they provide services that relate to the Company's investment activities.

Due to the amendment "Investment Entities: Applying the consolidation exemption (Amendments to IFRS10, IFRS 12 and IAS 28)" as issued in December 2014, the Group has to reassess whether or not to consolidate its wholly owned subsidiaries going forward. The Group is currently in the process of analysing the impact of the most recent amendment to IFRS 10 in detail.

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 Group measures its performance and reports its results. This determination is derived from the following conditions: The Group's main focus area of investment is Europe, with the larger part of the portfolio being invested in Europe (based on underlying portfolio valuation). The distributions (dividends, interest, realizations) received by Private Equity Holding's subsidiaries are mainly in EUR. Expenses of Private Equity Holding are also mainly in EUR. The Subsidiaries are largely financed in EUR.



6. Cash and cash equivalents

As of March 31, 2016, cash and cash equivalents are freely available.

7. Receivables and prepayments

EUR 1,000	31.03.16	31.03.15
Accrued income and prepaid expenses	125	147
Tax receivables	57	30
Total receivables and prepayments	182	177

8. Financial assets

8.1 Financial assets at fair value through profit or loss – securities

EUR 1,000	Fair value 01.04.15	Purchases	Sales (Cost)	Change in unrealised gains/ (losses)	Fair value 31.03.16	Total proceeds	Realised gains/ (losses)
Antero ¹	—	—	—	—	—	84	4
Barracuda ²	—	—	—	—	—	85	(4)
Rally Software Development Corp. ³	585	—	(620)	35	—	707	87
Twitter Inc. ⁴	—	—	—	—	—	307	(8)
Yodlee Inc. ⁵	—	—	—	—	—	66	(7)
58.com Inc. ¹	—	—	—	—	—	167	6
Total Securities	585	—	(620)	35	—	1,416	76

Minor differences in totals are due to rounding.

¹Distribution in kind from Warburg Pincus Private Equity X.

²Distribution in kind from Francisco Partners, L.P.

³Distribution in kind from Boulder Ventures IV.

⁴Distribution in kind from Institutional Venture Partners XII.

⁵Distribution in kind from Institutional Venture Partners XI.

The quoted securities which are classified as current assets are mandatorily measured at fair value in accordance with IFRS 9.



8.2 Financial assets at fair value through profit or loss - non-current assets

	Vintage	Original fund currency	Commitments			Book values				Returns 01.04.15-31.03.16		
			Original amount FC 1,000	Paid in 31.03.16 FC 1,000	Unfunded commit- ment 31.03.16 EUR 1,000	Fair value 01.04.15 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.16 EUR 1,000	Total distrib- utions EUR 1,000	Real. gains/ (losses) EUR 1,000
Buyout Funds												
ABRY Partners VI ³	2008	USD	7,500	7,426	65	2,562	86	391	162	2,418	842	451
ABRY Partners VII ³	2011	USD	7,500	7,610	—	7,218	464	939	(366)	6,377	2,242	1,304
ABRY Partners VIII	2014	USD	9,375	4,306	4,451	—	3,908	—	(341)	3,567	—	—
ALPHA CEE II ²	2006	EUR	15,000	14,163	837	12,633	—	2,063	948	11,518	2,400	337
ALPHA CEE Opportunity IV ²	2016	EUR	10,000	—	10,000	—	—	—	—	—	—	—
Apax Europe IV ¹	1999	EUR	50,000	4,623	*	1,075	—	3,022	1,947	—	2,259	(763)
Avista Capital Partners ³	2006	USD	10,000	11,593	—	5,926	259	203	(1,462)	4,519	841	604
Avista Capital Partners II ³	2008	USD	10,000	11,806	—	11,602	341	1,434	(2,801)	7,709	3,800	2,198
Avista Capital Partners III ³	2011	USD	10,000	10,417	—	6,657	2,305	191	355	9,126	404	163
Bi-Invest Endowment Fund	2014	EUR	5,000	5,000	—	5,213	—	—	686	5,898	—	—
Bridgepoint Europe I B ¹	1998	GBP	15,000	620	*	383	—	82	(104)	196	161	79
Bridgepoint Europe IV ³	2008	EUR	10,000	9,666	334	7,652	827	1,682	448	7,245	2,937	762
Capvis Equity III ³	2008	EUR	10,000	10,525	487	7,216	288	269	(1,036)	6,200	1,887	1,550
Clayton, Dubilier and Rice Fund VI ¹	1998	USD	35,000	9,661	*	85	—	—	(10)	76	—	—
Doughty Hanson & Co. III No. 12 ¹	1997	USD	65,000	46,037	*	6,987	—	—	7,210	14,198	—	—
Francisco Partners	2000	USD	3,222	2,929	259	1,207	2	141	(601)	467	514	357
Industri Kapital 2007 Fund ³	2007	EUR	10,000	10,386	—	7,657	56	3,349	(1,311)	3,052	6,345	2,451
Investindustrial IV ³	2008	EUR	10,000	10,533	—	6,185	120	1,885	(24)	4,396	3,019	981
Investindustrial V ³	2012	EUR	5,000	3,513	1,487	1,784	1,304	—	541	3,629	9	—
Investindustrial VI	2016	EUR	5,000	—	5,000	—	—	—	—	—	—	—
Mid Europa Fund IV	2014	EUR	10,000	3,767	6,233	1,430	2,338	—	(125)	3,642	—	—
Milestone 2008	2008	EUR	3,690	2,554	1,136	3,082	4	1,145	(1,941)	—	3,155	2,010
Palamon European CP ^{1/5}	1999	EUR	10,000	7,745	*	4,146	—	—	448	4,594	—	—
Procuritas Capital Partners II ⁴	1997	SEK	40,000	38,900	—	5	—	—	23	27	—	—
Warburg Pincus Private Equity X	2007	USD	15,000	14,987	11	10,177	(17)	693	(2,738)	6,729	2,802	2,094
Warburg Pincus Private Equity XII	2015	USD	6,000	222	5,074	—	201	—	(15)	185	—	—
Wasserstein Partners III ³	2012	USD	10,000	7,777	1,952	3,857	2,557	820	218	5,812	1,970	1,039
Wasserstein Partners IV	2015	USD	10,000	—	8,781	—	—	—	—	—	—	—
Total Buyout Funds					46,104	114,739	15,041	18,308	109	111,581	35,588	15,615

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 10.6 million (whereof Avista Capital Partners II accounts for EUR 2.0 million, Capvis Equity III accounts for EUR 1.7 million and Industri Kapital 2007 Fund accounts for EUR 1.5 million) are recallable from these funds as of March 31, 2016. 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 drawdowns expected. Unfunded commitment reduced to 0.

⁵ ABRY Advanced Securities Fund's portfolio is in realisation. It is unlikely that more than an insignificant portion of the unfunded commitment of EUR 5.0 million will be called.

⁶ Remaining commitment was reduced by the fund manager.



8.2 Financial assets at fair value through profit or loss - non-current assets (continued)

			Commitments			Book values				Returns 01.04.15-31.03.16		
	Vin- tage	Original fund currency	Original amount FC 1,000	Paid in 31.03.16 FC 1,000	Unfunded commit- ment 31.03.16 EUR 1,000	Fair value 01.04.15 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.16 EUR 1,000	Total distrib- utions EUR 1,000	Real. gains/ (losses) EUR 1,000
Venture Funds												
Boulder Ventures IV	2001	USD	11,250	11,516	—	1,122	—	—	(107)	1,015	—	—
Carmel Software Fund	2000	USD	10,000	10,293	—	2,727	—	7,218	5,129	637	2,515	(4,707)
Carmel Software Fund (Secondary)	2000	USD	782	782	—	810	—	591	(30)	189	747	155
CDC Innovation 2000	2000	EUR	10,002	9,676	326	1,557	—	511	(193)	854	350	(161)
Clarus Lifesciences III	2013	USD	7,500	1,755	5,045	955	618	—	31	1,605	—	—
Highland Europe I	2012	EUR	5,000	4,802	198	4,265	1,005	39	1,374	6,604	53	(3)
Highland Europe II	2015	EUR	5,000	661	4,339	—	661	—	(61)	600	—	—
InSight Capital Partners (Cayman) III ¹	1999	USD	30,000	5,147	*	939	—	1,370	431	(0)	921	(449)
Institutional Venture Partners XI	2004	USD	5,000	5,000	—	401	—	1,128	844	116	261	(867)
Institutional Venture Partners XII	2007	USD	5,000	5,000	—	2,465	—	77	(605)	1,784	473	396
Institutional Venture Partners XIII	2010	USD	5,000	4,750	220	5,488	—	144	(85)	5,259	651	507
Kennet III ³	2007	EUR	5,000	5,408	—	4,246	234	—	(655)	3,824	284	284
Minicap Technology Investment	1997	CHF	10,967	10,967	—	213	—	—	(213)	—	—	—
Partech International Ventures IV ¹	2000	USD	15,000	8,145	*	1,787	—	37	658	2,409	36	(1)
Pelion VI	2015	USD	5,000	1,100	3,425	—	987	—	(57)	930	—	—
Renaissance Venture	1998	GBP	5,486	5,162	410	1,919	—	—	(174)	1,745	—	—
Renaissance Venture (Secondary)	1998	GBP	514	271	307	1,439	—	—	(130)	1,309	—	—
Strategic European Technologies	1997	EUR	18,151	18,151	—	701	—	—	(331)	369	1,280	1,280
TAT Investments I	1997	USD	24,000	24,289	—	1,279	—	—	(87)	1,192	—	—
TAT Investments II	1999	USD	15,000	15,001	—	1,382	—	4,352	3,458	488	1,163	(3,189)
Undisclosed Growth Fund I	2011	EUR	5,000	4,593	616	4,394	392	n/d	n/d	5,224	n/d	n/d
Undisclosed Growth Fund II	2015	EUR	5,000	843	4,157	—	843	n/d	n/d	811	n/d	n/d
Total Venture Funds					19,042	38,088	4,740	15,681	9,819	36,965	10,044	(5,658)

			Commitments			Book values				Returns 01.04.15-31.03.16		
	Vin- tage	Original fund currency	Original amount FC 1,000	Paid in 31.03.16 FC 1,000	Unfunded commit- ment 31.03.16 EUR 1,000	Fair value 01.04.15 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.16 EUR 1,000	Total distrib- utions EUR 1,000	Real. gains/ (losses) EUR 1,000
Special Situation Funds												
17 Capital Fund	2008	EUR	5,000	4,893	221	1,537	94	186	(1,291)	154	1,228	1,042
ABRY Advanced Securities Fund ⁵	2008	USD	15,000	7,218	4,685	285	12	152	27	172	121	(31)
ABRY Advanced Securities Fund III	2014	USD	8,000	3,219	4,198	1,391	1,481	—	(262)	2,610	—	—
ABRY Senior Equity IV ³	2013	USD	5,000	3,832	1,026	2,082	1,374	189	(73)	3,195	348	113
ALPHA Russia & CIS Secondary ²	2010	USD	15,000	13,890	975	10,801	—	332	(2,184)	8,285	470	138
DB Secondary Opp. Fund A ⁶	2007	USD	5,376	4,327	461	750	—	658	205	297	328	(339)
DB Secondary Opp. Fund C	2007	USD	9,288	6,905	2,092	2,392	—	268	(335)	1,789	870	559
OCM EPOF II	2007	EUR	5,000	4,995	5	3,079	120	153	(810)	2,235	246	92
OCM Opportunities Fund VII	2007	USD	5,000	5,000	—	914	—	96	(256)	562	206	110
OCM Opportunities Fund VIIb	2008	USD	5,000	4,500	439	632	—	39	(198)	395	98	59
Sycamore II	2014	USD	10,000	2,367	6,702	571	1,627	219	(365)	1,614	291	72
WL Ross Recovery Fund IV ³	2007	USD	10,000	9,056	829	3,248	—	525	(924)	1,799	1,162	637
Total Special Situation Funds					21,634	27,682	4,708	2,818	(6,466)	23,107	5,369	2,452
Total Fund investments					81,780	180,509	24,489	36,807	3,462	171,653	51,002	12,409

For footnotes see bottom of page 32.



8.2 Financial assets at fair value through profit or loss - non-current assets (continued)

	Commitments		Book values					Returns 01.04.15- 31.03.16		
	Original currency	Original amount FC 1,000	Unfunded commit- ment 31.03.16 EUR 1,000	Fair value 01.04.15 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.16 EUR 1,000	Total distri- butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Direct investments										
Acino Holding AG	USD	4,500	605	2,796	725	—	136	3,657	—	—
Actano Holding AG	CHF	4,108	—	2,541	—	—	—	2,541	—	—
Applied Spectral Imaging	USD	4,162	—	1,992	—	—	(115)	1,877	—	—
Aston Martin	EUR	4,737	76	3,191	1,588	—	2,464	7,243	—	—
Cydex	USD	3,000	—	—	—	—	—	—	332	332
Earnix	USD	201	—	187	—	—	1,349	1,536	—	—
Enanta Pharmaceuticals	USD	7,279	—	12,350	—	831	(5,514)	6,005	8,054	7,222
Evotec	EUR	250	—	174	—	—	(29)	144	—	—
Flos	EUR	4,172	—	3,997	175	—	595	4,767	—	—
Jamberry	USD	3,400	—	—	3,044	—	578	3,622	—	—
Neurotech	USD	2,203	—	1,841	259	—	(1,233)	867	—	—
Wilex	EUR	892	—	—	—	162	162	—	—	(162)
Total Direct investments			682	29,070	5,791	993	(1,606)	32,261	8,386	7,392

Minor differences in totals are due to rounding.

	Commitments		Book values					Returns 01.04.15- 31.03.16		
	Original currency	Original amount FC 1,000	Unfunded commit- ment 31.03.16 EUR 1,000	Fair value 01.04.15 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.16 EUR 1,000	Total distri- butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Loan investments										
Actano Holding AG	EUR	2,062	—	850	1,212	—	—	2,062	—	—
Total Loan investments			—	850	1,212	—	—	2,062	—	—
Total Portfolio			87,461	210,429	31,492	37,800	1,856	205,976	59,387	19,801

Minor differences in totals are due to rounding.

The following table shows the aging of the underlying reports as provided by the fund managers which served as a basis for the year end valuations:

Date of underlying report	Number of reports	Fair value EUR 1,000	Percentage of fair value
December 31, 2015	56	171,626	100.0%
September 30, 2015 and older	1	27	0.0%
Total fund investments	57	171,653	100.0%

The valuation of unquoted fund investments 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 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 Group. 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 Group.



9. Net gains/(losses) from financial assets at fair value through profit or loss

EUR 1,000	01.04.15- 31.03.16	01.04.14- 31.03.15
Change in unrealised gains/(losses) from quoted securities	35	200
Realised gains/(losses) from quoted securities	76	(50)
Change in unrealised gains/(losses) from non-current financial assets	1,856	7,850
Realised gains/(losses) from non-current financial assets	19,801	19,421
Interest income from non-current financial assets	737	937
Dividend income from non-current financial assets	1,049	815
Total net gains/(losses) from financial assets at fair value through profit or loss	23,554	29,173



10. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided by ALPHA to the Board of Directors.

The Group has two reportable segments, as described below. For each of them, the Board of Directors receives detailed reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Fund investments: Includes primary and secondary commitments/investments in funds
- Direct Investments & Loans: Includes purchases of equity stakes in companies and the granting of loans to companies with high growth potential

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Unallocated" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation with the risk being taken. The return consists of interest, dividends and/or (un)realised capital gains.

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. The assessment of the performance of the operating segments is based on measures consistent with IFRS.

There have been no transactions between the reportable segments during the business year 2015/2016.

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are not considered to be segment liabilities but rather managed at corporate level.

The segment information provided to the Board of Directors for the reportable segments for the year ended March 31, 2016 is as follows:

EUR 1,000	Fund investments	Direct investments & Loans	Total operating segments	Un- allocated	Total
Net gains/(losses) from financial assets at fair value through profit or loss	17,657	5,786	23,443	111	23,554
Other interest income	—	—	—	3	3
Administration expense	—	—	—	(6,078)	(6,078)
Corporate and transaction expense	—	—	—	(976)	(976)
Interest expense	—	—	—	—	—
Foreign exchange gains/(losses)	—	—	—	(289)	(289)
Other income/(expense)	—	—	—	201	201
Profit/(loss) from operations	17,657	5,786	23,443	(7,028)	16,415
Total assets	171,653	34,323	205,976	6,435	212,411
Total liabilities	—	—	—	122	122
Total assets include:					
Financial assets at fair value through profit or loss	171,653	34,323	205,976	—	205,976
Others	—	—	—	6,435	6,435



The segment information provided to the Board of Directors for the reportable segments for the period ended March 31, 2015 is as follows:

EUR 1,000	Fund investments	Direct investments & Loans	Total operating segments	Un- allocated	Total
Net gains/(losses) from financial assets at fair value through profit or loss	26,029	2,994	29,023	150	29,173
Other interest income	—	—	—	12	12
Administration expense	—	—	—	(6,296)	(6,296)
Corporate and transaction expense	—	—	—	(1,166)	(1,166)
Interest expense	—	—	—	—	—
Foreign exchange gains/(losses)	—	—	—	1,088	1,088
Other income/(expense)	—	—	—	125	125
Profit/(loss) from operations	26,029	2,994	29,023	(6,087)	22,936
Total assets	180,509	29,920	210,429	6,761	217,190
Total liabilities	—	—	—	707	707
Total assets include:					
Financial assets at fair value through profit or loss	180,509	29,920	210,429	585	211,014
Others	—	—	—	6,176	6,176

11. Disclosures about fair value of financial instruments

The table below analyses recurring fair value measurements for the Group'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 Group. The Group 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 Group's investments measured at fair value as of March 31, 2016 and March 31, 2015 by the level in the fair value hierarchy into which the fair value measurement is categorised:

As of March 31, 2016				
EUR 1,000	Level I	Level II	Level III	Total
Financial assets at fair value through profit or loss				
Quoted securities	—	—	—	—
Fund investments	—	—	171,653	171,653
Direct investments	6,150	—	26,111	32,261
Loans	—	—	2,062	2,062
Total financial assets measured at fair value	6,150	—	199,826	205,976
As of March 31, 2015				
EUR 1,000	Level I	Level II	Level III	Total
Financial assets at fair value through profit or loss				
Quoted securities	585	—	—	585
Fund investments	—	—	180,509	180,509
Direct investments	12,524	—	16,546	29,070
Loans	—	—	850	850
Total financial assets measured at fair value	13,109	—	197,905	211,014

Level I

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level I include active listed equities. The Group does not adjust the quoted price for these investments.

Level II

None.

Level III

The Group has determined that unquoted private equity investments ('unlisted investments') fall into the category Level III. The financial statements as of March 31, 2016 include Level III financial assets in the amount of EUR 199.8 million, representing approximately 94.1% of equity (March 31, 2015: EUR 197.9 million, 91.4%).

Unquoted direct investments and loans

In estimating the fair value of unquoted direct investments and loans, the Group 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 Group 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 Group 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 Group. 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 Group. 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 Group 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 Group 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 Group 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, 2016.

The changes in investments measured at fair value for which the Company has used Level III inputs to determine fair value as of March 31, 2016 and 2015 are as follows:

As of March 31, 2016				
EUR 1,000	Fund investments	Direct investments	Loans	Total
Fair value of Level III investments at the beginning of the period	180,509	16,546	850	197,905
Total capital calls from Level III investments	24,489	5,791	1,212	31,492
Total distributions from Level III investments	(51,002)	(332)	—	(51,334)
Total gains or losses:				
realised in profit or loss	14,195	170	—	14,365
unrealised in profit or loss	3,462	3,936	—	7,398
in other comprehensive income	—	—	—	—
Fair value of Level III investments at the end of the period	171,653	26,111	2,062	199,826



As of March 31, 2015				
EUR 1,000	Fund investments	Direct investments	Loans	Total
Fair value of Level III investments at the beginning of the period	168,060	8,150	1,067	177,277
Total capital calls from Level III investments	22,005	6,624	(217)	28,412
Total distributions from Level III investments	(35,585)	(302)	(2)	(35,889)
Total gains or losses:				
realised in profit or loss	16,154	302	2	16,458
unrealised in profit or loss	9,875	1,772	—	11,647
in other comprehensive income	—	—	—	—
Fair value of Level III investments at the end of the period	180,509	16,546	850	197,905

12. Financial liabilities measured at amortised cost

EUR 1,000	31.03.16	31.03.15
Payables to third parties	7	—
Payables to related parties	13	607
Accrued expenses	102	100
Total financial liabilities measured at amortised cost	122	707

On December 20, 2013, the Company signed an agreement with Credit Suisse 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% (2.500% until December 31, 2015). The Company is obliged to pay a quarterly commitment fee of 0.250% (0.275% until December 31, 2015) per quarter 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 consolidated NAV. Hence, the NAV cannot be lower than EUR 80 million for full utilisation.

As of March 31, 2016, the credit facility was not drawn and no interest expenses for the financial year 2015/2016 were incurred (2014/2015 EUR 0k). Commitment fees amounted to EUR 175k for the business year 2015/2016 (2014/2015 EUR 178k) and are included in corporate expenses in the consolidated statement of comprehensive income. The credit facility expires on December 31, 2018.

13. Shareholders' equity and movements in treasury shares

The Group regards shareholders' equity as the capital that it manages. Shareholders' equity amounts to EUR 212.3 million as of March 31, 2016 (March 31, 2015: EUR 216.5 million).

Share capital and earnings/(loss) per share	31.03.16	31.03.15
Number of shares authorised and issued	3,000,000	3,100,000
Par value per share (CHF)	6.00	6.00
Par value per share (EUR)*	3.75	3.75

*Converted at historical foreign exchange rate.

The Annual General Meeting held on July 3, 2015 decided to reduce the share capital by cancelling 100,000 treasury shares. The capital reduction was effective in the commercial register as of September 15, 2015. 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 9, 2015.



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.

Reconciliation of number of shares outstanding	31.03.16	31.03.15
Number of shares outstanding net of treasury shares at the beginning of the year	2,990,100	3,195,280
Purchase of treasury shares	(253,590)	(210,279)
Sale of treasury shares	2,704	5,099
Number of shares outstanding net of treasury shares at the end of the year	2,739,214	2,990,100

Per share data	31.03.16	31.03.15
Weighted average of total number of shares (1,000)	2,855	3,094
Profit (EUR 1,000)	16,415	22,936
Profit per share (EUR)	5.75	7.41
Comprehensive income per share (EUR)	5.75	7.41
Net asset value per share (EUR)	77.50	72.40
Book value per share (EUR)	77.50	72.40

Shareholders with shares and voting rights of 3% and more

As of March 31, 2016 and 2015, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.16	31.03.15
Between 3% and 5%	Bernhard Schürmann (Langnau am Albis)	Bernhard Schürmann (Langnau am Albis) Private Equity Holding AG (Zug) (registered without voting rights)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil) Private Equity Holding AG (Zug, registered without voting rights)	Dr. Hans Baumgartner (Adliswil)
Between 10% and 15%	—	—
Between 15% and 20%	—	Asset Value Investors (London, UK; incl. British Empire Securities and General Trust Plc) ¹
Between 20% and 25%	—	—
Between 25% and 33.33%	ALPHA Associates Group (Zurich) ¹	ALPHA Associates Group (Zurich) ¹

¹ The ALPHA Associates Group is represented by ALPHA Associates AG, C+E Investment AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.



Net changes in treasury shares

Net changes in treasury shares	Number of shares	Average cost base EUR	Total cost base EUR 1,000
April 1, 2015	109,900	55.33	6,081
April	12,757	55.66	746
May	4,900	55.73	282
June	—	55.73	—
July	100	55.73	5
August	19,981	55.11	1,021
September (cancellation)	(100,000)	52.60	(5,260)
September	156,780	52.59	7,877
October	22,250	52.31	1,107
November	28,550	52.15	1,450
December	3,521	52.20	198
January	1,408	52.22	78
February	639	52.23	36
March	—	52.23	—
March 31, 2016	260,786	52.23	13,621

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, 2018 or any subsequent termination date by giving timely notice. If the agreement was to be terminated prior to March 31, 2018 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 10.6 million are recallable from several funds as of March 31, 2016 (March 31, 2015: EUR 13.3 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 AG, the Group signed a general pledge agreement in favor of the bank.

The credit facility with Credit Suisse 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 Group as of March 31, 2016 and March 31, 2015:

- 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 Investment AG, Zurich (affiliate of the ALPHA Group and significant shareholder (see also Note 13))



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.

The management agreement may be terminated by either party as of March 31, 2018 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).

EUR 1,000	01.04.15- 31.03.16	01.04.14- 31.03.15
Management and administration fees	3,922	3,747
Performance fees	2,156	2,549
Total	6,078	6,296

Total management and administration fees and performance fees payable as of March 31, 2016 amounted to EUR 0.01 million (March 31, 2015: EUR 0.6 million).



Total compensation of the Board of Directors amounted to EUR 221k for the financial year 2015/2016 (2014/2015: EUR 226k).

Total compensation of the Delegate of the Board of Directors amounted to EUR 70k for the financial year 2015/2016 (2014/2015: EUR 64k).

There were no transactions between the Group and C+E Investment AG in the financial year 2015/2016 (2014/2015: None).

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

16. Tax expenses

Reconciliation of income tax calculated with the applicable tax rate:

EUR 1,000	01.04.15- 31.03.16	01.04.14- 31.03.15
Profit/(loss) for the year	16,415	22,936
Applicable tax rate	7.8%	7.8%
Expected income tax expense	1,280	1,789
Effect from non-taxable income	(1,280)	(1,789)
Total income tax for the year	—	—

As at March 31, 2016, the Company had no remaining tax loss carry forwards (March 31, 2015: EUR 7.8 million).

17. Subsequent events

There are no subsequent events which could have a material impact on these consolidated financial statements.



Report of the Statutory Auditor on the Consolidated Financial Statements



KPMG AG
Audit Financial Services
Badenerstrasse 172
CH-8036 Zurich

Postfach
CH-8036 Zurich

Telephone +41 58 249 31 31
Fax +41 58 249 44 06
Internet www.kpmg.ch

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of Shareholders of

Private Equity Holding AG, Zug

As statutory auditor, we have audited the accompanying consolidated financial statements of Private Equity Holding AG, which are presented on pages 16 to 44 and comprise the balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes for the year ended 31 March 2016.

Board of Directors' Responsibility

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended 31 March 2016 give a true and fair view of the financial position, the results of operations and the cash flows 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.

KPMG AG/SA, a Swiss corporation, is a subsidiary of KPMG Holding AG/SA, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity.

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*Private Equity Holding AG, Zug
Report of the Statutory Auditor
on the Consolidated Financial Statements
to the General Meeting of Shareholders*

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

KPMG AG

Christoph Gröbli
*Licensed Audit Expert
Auditor in Charge*

Stefan Biland
Licensed Audit Expert

Zurich, 16 June 2016



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Income Statement of Private Equity Holding AG

CHF 1,000	Notes	01.04.15- 31.03.16	01.04.14- 31.03.15
Income			
Financial income			
Net liquidation dividend income Private Equity Holding Cayman	3	10'103	—
Reversed impairment	6	—	39,636
Capital gains on subsidiaries		1,374	—
Capital gains on financial assets		—	143
Capital losses on treasury shares		—	(832)
Foreign exchange gains	11	10,345	—
Other operating income		18	18
Total income		21,840	38,965
Expenses			
Financial expense			
Impairment losses on subsidiaries	6	356	—
Impairment losses on financial assets	6	228	—
Interest expense		1,837	1,886
Foreign exchange losses	11	—	46,572
Other operating expense			
Administration expense		499	505
Corporate expense		981	1,451
Transaction expense		—	8
Direct taxes		17	—
Total expenses		3,918	50,422
Profit/(loss) for the period		17,922	(11,457)



Balance Sheet of Private Equity Holding AG

CHF 1,000	Notes	31.03.16	31.03.15
Assets			
Current assets			
Cash and cash equivalents		201	88
Treasury shares	5	—	6,759
Other current receivables			
Receivables from third parties		64	47
Prepaid expenses and accrued income		103	116
Total current assets		368	7,010
Non-current assets			
Financial assets		—	4,493
Loans due from subsidiaries		2,252	—
Subsidiaries	3	231,679	348,188
Total non-current assets		233,931	352,681
Total assets		234,299	359,691
Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities			
Payables to group companies		12,436	126,897
Payables to third parties		8	7
Accrued expenses		110	105
Total current liabilities		12,554	127,009
Total liabilities		12,554	127,009
Shareholders' equity			
Share capital	4	18,000	18,600
Legal reserves from capital contributions:			
General reserves		102,838	109,839
Reserves for treasury shares		—	6,346
Other legal reserves		—	1,729
Free reserves		—	2,130
Voluntary retained earnings	14	115,816	94,038
Treasury shares (covered by reserves from capital contributions)	5	(14,909)	—
Total shareholders' equity		221,745	232,682
Total liabilities and shareholders' equity		234,299	359,691

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 2015/2016.

2. New Accounting Policy

General principles

The financial statements of Private Equity Holding AG have been prepared in accordance with the new provisions and accounting principles as set out in the Swiss Code of Obligations. The new accounting rules have been adopted for the current reporting period. However, the previous reporting period's figures have not been restated which may result in restrictions concerning their comparability to the current reporting period's figures.

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

Foregoing a cash flow statement and additional disclosures in the notes

As the Company has prepared its consolidated financial statements in accordance with the recognized accounting standard IFRS, it has decided to opt out of presenting additional information on audit fees in the notes as well as of preparing a cash flow statement.

3. Subsidiaries

	Percentage of capital held	Original currency	Nominal value FC 1,000	Book value 31.03.16 CHF 1,000	Book value 31.03.15 CHF 1,000
Holding companies					
Private Equity Holding Cayman Ltd., Cayman Islands (Investment company)	100%	CHF	—	—	348,188
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	CHF	13,885	205,821	—
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	CHF	200,000	22,681	—
Portfolio investments					
Actano Holding AG, Zurich, Switzerland (Software company)*	31%	CHF	322	2,774	—
Strategic European Technologies N.V., 's-Hertogenbosch, The Netherlands (Investment company)*	10%	EUR	63	403	—
Total				231,679	348,188

*Reclassified from financial investments to subsidiaries during the reporting period 2015/2016.

Private Equity Holding Cayman Ltd. has been liquidated as of January 22, 2016, in course of the simplification of the Group structure. In preparation of the liquidation, its fully owned subsidiaries Private Equity Fund Finance Ltd., Cayman Islands and Private Equity Direct Finance Ltd., Cayman Islands were transferred to the sole shareholder Private Equity Holding AG, Zug as a dividend in-kind. The amount of the net liquidation dividend as presented in the income statement is composed as follows:



	31.03.16 CHF 1,000
Dividend in-kind Private Equity Fund Finance*	202,390
Dividend in-kind Private Equity Direct Finance*	22,303
Intercompany loan forgiveness in course of the liquidation	143,541
Write off Private Equity Holding Cayman	(358,131)
Total net liquidation dividend	10,103

* The slight difference to the book values of the subsidiaries presented above is due to the currency conversion from the functional currency EUR to the presentation currency CHF. Assets were converted by using the closing rate as of March 31, 2016 whereas income statement items were converted with the average rate for the reporting period 2015/2016.

4. Share capital

	31.03.16	31.03.15
Number of shares authorised and issued	3,000,000	3,100,000
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.

Authorised share capital

The Board of Directors is authorised to increase the share capital of the Company until July 3, 2016, by a maximum 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.

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

	Number of shares	Book value 31.03.16 CHF 1,000
Balance brought forward	109,900	6,759
Change	150,886	8,150
Balance as of March 31, 2016	260,786	14,909

For additional disclosures in respect to treasury shares refer to Note 13 of the consolidated financial statements.

6. Impairment

CHF 1,000	31.03.16	31.03.15
Impairment/(reversal)	—	(39,636)
Impairment losses on subsidiaries	356	—
Impairment losses on financial investments	228	—
Total	584	(39,636)

During the previous year, the Company reversed impairments on its investment in Private Equity Holding Cayman Ltd. in the amount of CHF 39.6 million.



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

As of March 31, 2016 and 2015, the following major shareholders were known to the Company:

Holding in % of share capital		31.03.16	31.03.15
Between 3% and 5%	Bernhard Schürmann (Langnau am Albis)		Bernhard Schürmann (Langnau am Albis) Private Equity Holding AG (Zug) (registered without voting rights)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil) Private Equity Holding AG (Zug, registered without voting rights)		Dr. Hans Baumgartner (Adliswil)
Between 10% and 15%	—	—	—
Between 15% and 20%	—	—	Asset Value Investors (London, UK; incl. British Empire Securities and General Trust Plc)
Between 20% and 25%	—	—	—
Between 25% and 33.33%	ALPHA Associates Group (Zurich)*		ALPHA Associates Group (Zurich)*

* The ALPHA Associates Group is represented by ALPHA Associates AG, C+E Investment 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 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 consolidated financial statements). As of March 31, 2016, the credit facility was undrawn (March 31, 2015: undrawn).

Guarantees

In course of the liquidation of Private Equity Holding (Netherlands) BV on March 27, 2015, Private Equity Holding AG has taken over all its assets and liabilities. The guarantee issued on October 14, 2013, in favour of Private Equity Holding (Netherlands) BV has consequently been terminated at the end of the reporting period 2014/2015.

9. Management compensation in accordance with Art. 663b^{bis} Swiss Code of Obligations

2015/2016				
CHF	Base compensation (Cash)	Base compensation (Shares)	Other compensation (Social security)	Total
Board of Directors				
Dr. Hans Baumgartner (Chairman)	37,500	37,500	4,616	79,616
Dr. Hans Christoph Tanner	25,000	25,000	3,126	53,126
Martin Eberhard	25,000	25,000	3,126	53,126
Bernhard Schürmann	25,000	25,000	1,710	51,710
Paul Garnett (until July 4, 2015)	12,500	—	—	12,500
Total	125,000	112,500	12,578	250,078



2014/2015				
CHF	Base compensation (Cash)	Base compensation (Shares)	Other compensation (Social security)	Total
Board of Directors				
Dr. Hans Baumgartner (Chairman)	37,500	37,500	4,616	79,616
Dr. Hans Christoph Tanner	25,000	25,000	3,126	53,126
Martin Eberhard	25,000	25,000	3,126	53,126
Bernhard Schürmann	25,000	25,000	1,710	51,710
Paul Garnett (from July 4, 2014)	37,500	—	—	37,500
Total	150,000	112,500	12,578	275,078

2015/2016				
CHF	Base compensation (Cash)	Base compensation (Shares)	Other compensation (Social security)	Total
Delegate of the Board of Directors				
Dr. Hans Baumgartner	37,500	37,500	4,616	79,616
Total	37,500	37,500	4,616	79,616

2014/2015				
CHF	Base compensation (Cash)	Base compensation (Shares)	Other compensation (Social security)	Total
Delegate of the Board of Directors				
Dr. Hans Baumgartner	37,500	37,500	4,616	79,616
Total	37,500	37,500	4,616	79,616

No guarantees, loans, advances or credits were granted to any member of the Board of Directors or to the Delegate of the Board of Directors during the period under review (prior reporting period: none).

Private Equity Holding AG does not have an Advisory Board.

The Company's share of social security contributions is shown under other compensation.

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, 2016	Share ownership	Options	Total
Board of Directors			
Dr. Hans Baumgartner (Chairman and Delegate)	216,132	—	216,132
Dr. Hans Christoph Tanner	6,598	—	6,598
Martin Eberhard	60,864	—	60,864
Bernhard Schürmann	122,244	—	122,244
Total	405,838	—	405,838
Manager (ALPHA Associates AG)			
Dr. Peter Derendinger	160,453	—	160,453
Dr. Petra Salesny	50,737	—	50,737
Petr Rojicek	52,752	—	52,752
C+E Investment AG and Christoph Huber	592,307	—	592,307
Total	856,249	—	856,249

March 31, 2015	Share ownership	Options	Total
Board of Directors			
Dr. Hans Baumgartner (Chairman and Delegate)	210,204	—	210,204
Dr. Hans Christoph Tanner	6,156	—	6,156
Martin Eberhard	40,422	—	40,422
Bernhard Schürmann	110,552	—	110,552
Paul Garnett	—	—	—
Total	367,334	—	367,334
Investment Manager (ALPHA Associates Group)			
Dr. Peter Derendinger	140,453	—	140,453
Dr. Petra Salesny	50,737	—	50,737
Petr Rojicek	52,752	—	52,752
C+E Investment AG and Christoph Huber	572,307	—	572,307
Total	816,249	—	816,249

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 1.0916 as of March 31, 2016 (March 31, 2015: 1.0436) 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 1.0734 for 2015/2016 (2014/2015: 1.1779). The high volatility of the EUR/CHF exchange rate in the reporting period 2014/2015, which led to the significant foreign exchange losses in course of the conversion of the financial statements into the presentation currency, was mainly due to the fact that the Swiss National Bank (SNB) decided to stop supporting the minimum EUR/CHF exchange rate of CHF 1.20 per EUR on January 15, 2015.

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	17,922
Voluntary retained earnings ¹	97,894
Total voluntary retained earnings	115,816
Reallocation from legal reserves from capital contributions to voluntary retained earnings ²	8,250
At the disposal of the Annual General Meeting	124,066

¹ The freely available other legal reserves and the free reserves have been reclassified to voluntary retained earnings as of March 31, 2016.

² The Board of Directors' proposal to the Annual General Meeting to be held on July 8, 2016, 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 2.75 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	124,066
Dividend payment ²	(8,250)
To be carried forward	115,816

² The Board of Directors' proposal to the Annual General Meeting to be held on July 8, 2016, 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



KPMG AG
Audit Financial Services
Badenerstrasse 172
CH-8004 Zurich

P.O. Box
CH-8036 Zurich

Telephone +41 58 249 31 31
Fax +41 58 249 44 06
www.kpmg.ch

Report of the Statutory Auditor to the General Meeting of Shareholders of
Private Equity Holding AG, Zug

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Private Equity Holding AG, which are presented on page 48 to 56 and comprise the balance sheet, income statement and notes for the year ended 31 March 2016.

Board of Directors' Responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended 31 March 2016 comply with Swiss law and the company's articles of incorporation.



*Private Equity Holding AG, Zug
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders*

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and 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

Christoph Gröbli
*Licensed Audit Expert
Auditor in Charge*

Stefan Biland
Licensed Audit Expert

Zurich, 16 June 2016



Corporate Governance

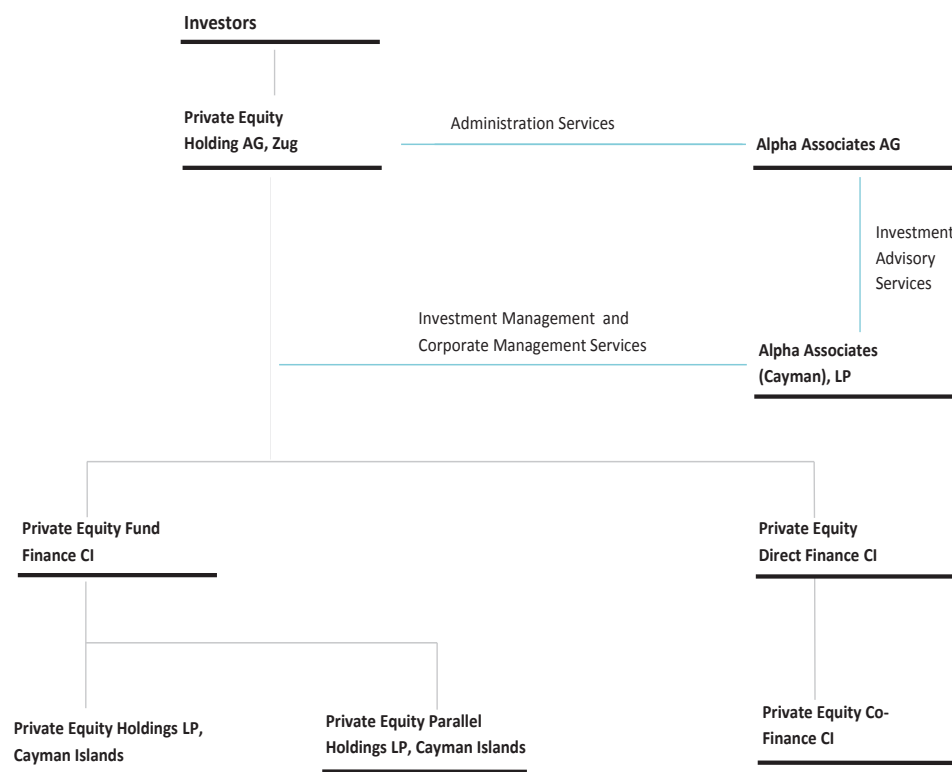
Private Equity Holding AG (“PEH” or the “Company”) is committed to good corporate governance and transparency and accountability to its shareholders. The following disclosure follows the structure and is in accordance with the latest Directive on Information relating to Corporate Governance of the SIX Swiss Exchange of January 1, 2016 (in force since April 1, 2016).

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, 2016 is depicted in the following diagram:



Private Equity Holding Cayman Ltd. has been liquidated as of January 22, 2016, in course of the simplification of the Group structure. In preparation of the liquidation, its fully owned subsidiaries Private Equity Fund Finance Ltd., Cayman Islands and Private Equity Direct Finance Ltd., Cayman Islands were transferred to the sole shareholder Private Equity Holding AG, Zug as a dividend in-kind.

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: 3,000,000) as of March 31, 2016 is EUR 171.8 million (CHF 187.5 million).

As of March 31, 2016, PEH held 260,786 of its shares in treasury (8.69% 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 (Principles of consolidation) to the Consolidated Financial Statements of this Annual Report.

1.2 Significant shareholders

As of March 31, 2016, the following major shareholders were known by the Company:

Holding in % of share capital	31.03.16	31.03.15
Between 3% and 5%	Bernhard Schürmann (Langnau am Albis)	Bernhard Schürmann (Langnau am Albis) Private Equity Holding AG (Zug) (registered without voting rights)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil) Private Equity Holding AG (Zug, registered without voting rights)	Dr. Hans Baumgartner (Adliswil)
Between 10% and 15%	—	—
Between 15% and 20%	—	Asset Value Investors (London, UK; incl. British Empire Securities and General Trust Plc)
Between 20% and 25%	—	—
Between 25% and 33.33%	ALPHA Associates Group (Zurich)*	ALPHA Associates Group (Zurich)*

* The ALPHA Associates Group is represented by ALPHA Associates AG, C+E Investment 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. 9 and Art. 21 of the Stock Exchange Ordinance-FINMA (SESTO-FINMA) during the financial year 2015/2016 as well as any updates on share holdings 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 18.0 million, divided into 3,000,000 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 Board of Directors is authorised to increase the share capital of the Company by CHF 9.0 million anytime until July 3, 2016, by issuing a maximum of 1,500,000 registered shares to be fully paid in and having a nominal value of CHF 6 each. Increases by firm underwriting as well as partial increases are authorised. The respective amount to be issued, the time of entitlement to dividends and the type of contribution will be determined by the Board of Directors. For further details, please refer to Art. 3a of the Articles of Association.

Further, 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, 2013

Since March 31, 2013, the Company's and the Group's equity capital have developed as follows:

	31.03.13	31.03.14	31.03.15	31.03.16
Share capital (CHF 1,000)	22,800	20,550	18,600	18,000
Total equity PEH (CHF 1,000)	272,657	269,979	232,682	232,682
Total equity Group (EUR 1,000)	207,218	210,590	216,483	216,483

Please refer also to the Statements of Changes in Equity (consolidated and parent company).

The 2013 Annual General Meeting approved a capital decrease by cancelling 375'000 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 22,800,000 to CHF 20,550,000. Furthermore, the 2013 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.25 per outstanding share (no repayment of share premium was made on treasury shares).

The 2014 Annual General Meeting approved a capital decrease by cancelling 325'000 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 20,550,000 to CHF 18,600,000. In addition, the 2014 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.50 per outstanding share (no repayment of share premium was made on treasury shares). Further, the 2014 Annual General Meeting approved the creation of new authorised and also contingent capital giving the Company increased flexibility and enabling the Company to benefit from market opportunities when they arise. Please see also section 2.2 above.

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).

Private Equity Holding AG has an issued share capital of CHF 18,000,000 (EUR 11,249,000, converted at historical exchange rate), divided into 3,000,000 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, the Board of Directors consists of at least three members. At the end of the financial year 2015/2016, 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.

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

Dr. Hans Christoph Tanner is CFO and a member of the board of directors of Cosmo Pharmaceuticals SA, Luxembourg (SIX:COPN), 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. 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 finished his studies and 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 Bank Cantrade for 10 years 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 ten 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.

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 2016
Dr. Hans Christoph Tanner	Member	December 7, 2006	Annual General Meeting 2016
Martin Eberhard	Member	June 24, 2010	Annual General Meeting 2016
Bernhard Schürmann	Member	June 14, 2011	Annual General Meeting 2016

This Board of Directors has been elected in globo at the Annual General Meeting of Private Equity Holding AG on July 3, 2015.

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 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
- Relationship with shareholders

3.5.2 Composition and tasks of the Compensation Committee

At the Annual General Meeting 2015, 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 2015/2016, 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 ("APHA", 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 portfolio manager

The management of ALPHA works closely with the Chairman of the Board of Directors, who meets with ALPHA's senior staff as business requires discussing corporate and 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 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. 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 ten 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.



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 16 (Related party transactions) to the Consolidated Financial 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.

4.4.2 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.

4.3.3 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. The ALPHA Group manages and advises various private equity investment programs including 5E Holding Group, an investment company investing in private equity funds and companies in Central and Eastern Europe, its successor funds ALPHA CEE II L.P. and ALPHA CEE II (Ins.) L.P., ALPHA 2001, L.P., a fund-of-funds investing worldwide in a diversified private equity fund portfolio, ALPHA Russia & CIS Secondary L.P., a fund-of-funds investing in secondary opportunities in Russia and other former CIS countries and Private Equity Holding AG.

ALPHA's Management Team is composed as follows:

Dr. Peter Derendinger, Partner, Chairman & 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; member of the Board of Directors of a number of non-listed financial institutions.

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.

Yessin Schiegg, Principal, CFO; M.A. University of St. Gallen, Swiss Certified Accountant, CFA and CAIA; prior experience with algorithmic trading firm Source Capital, the private equity businesses of BlackRock, Swiss Reinsurance Company, and Horizon21, and as a senior auditor at PwC, serving banks as well as asset managers.

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 Incorporation, 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.

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 guarantees 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 2015/2016 and 2014/2015, 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 16 to the Consolidated Financial Statements (Related party transactions).

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

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.

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. 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 needs not be a shareholder. Shareholders may be represented by a Company representative ("Organvertreter"), a specially designated independent shareholders' representative ("unabhängiger Stimmrechtsvertreter") or by a depository institution ("Depotvertreter"). 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 represented at the meeting. Voting is secret if so requested by one or more shareholders representing 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, 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 prior to the dispatch of the invitation to the General Meeting. 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 stock ledger 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) and is also stated in the invitation. 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 defense measures

7.1 Duty to make an offer

According to Art. 32 of the Swiss Stock Exchange Act, 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. 32 SESTA in accordance with Art. 22 SESTA. Accordingly, the obligation described above does not apply. For further details please see article 6bis of the Company’s Articles of Association.

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 consolidated accounts of the Company since June 25, 2009. The lead auditor (since June 25, 2009) on the mandate is Mr. Christoph Gröbli, 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. As a result, from the financial year 2016/17 onward Mr. Thomas Dorst will be the lead auditor on the mandate.

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).

8.2 Audit fees

The audit fees to KPMG in the financial year ending March 31, 2016 amounted to CHF 130,000 (incl. VAT) for the audit of the statutory and consolidated financial statements of the Company. In addition, CHF 10,800 (incl. VAT) were paid for the report on the capital reduction in 2015.

CHF 8,640 (incl. VAT) were paid for the mandatory audit ensuring compliance with the anti-money laundering act.

8.3 Additional fees

The Company paid additional fees to KPMG for audit-related services (advisory services) on accounting standards in connection with the quarterly financial statements of CHF 15,000 (incl. VAT) and for tax-related advisory services CHF 36,664 (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 quarterly basis. The Company's financial year ends on March 31. The annual result is stated both on a consolidated basis and for the Company as a standalone entity. The year-end figures are audited.

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

Financial information is also sent, on a quarterly basis, to the Company's shareholders registered in the Company's register of shareholders.

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 quarterly 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 actual 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:

Private Equity Holding AG
Gotthardstrasse 28
CH-6302 Zug
Phone +41 41 726 79 80
Fax +41 41 726 79 81
info@peh.ch

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

Compensation report

The compensation report for the financial year 2015/16 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 2015 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 2015 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 2015 Annual General Meeting, the Compensation Committee determined that its members 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 2015/16 and 2014/2015 (Article 14 VegüV)

The following tables show the remuneration for the members of the Board of Directors in the financial years 2015/2016 and 2014/2015. In addition, the Company paid a Directors & Officers liability insurance fee of CHF 46,725 (2014/2015: CHF 53,421). Travel and other out-of-pocket expenses amounted to CHF 8,742 (2014/2015: CHF 4,290).

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

Compensation for financial year 2015/2016

As of 31 March 2016	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	9,232	159,232
Dr. Hans Christoph Tanner, Chairman of the Compensation Committee	25,000	25,000	3,126	53,126
Martin Eberhard, Member of the Compensation Committee	25,000	25,000	3,126	53,126
Bernhard Schürmann, Member of the Compensation Committee	25,000	25,000	1,710	51,710
Paul Garnett, Member (until July 3, 2015)	12,500	—	—	12,500
Total	162,500	150,000	17,194	329,694

Compensation for financial year 2014/2015

As of 31 March 2015	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	9,232	159,232
Dr. Hans Christoph Tanner, Chairman of the Compensation Committee	25,000	25,000	3,126	53,126
Martin Eberhard, Member of the Compensation Committee	25,000	25,000	3,126	53,126
Bernhard Schürmann, Member of the Compensation Committee	25,000	25,000	1,710	51,710
Paul Garnett, Member (from July, 4, 2014)	37,500	—	—	37,500
Total	187,500	150,000	17,194	354,694

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

For the financial year 2015/2016, no loans or credits by the Company or its subsidiaries have been granted to members of the Board of Directors (2014/2015: None).

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

For the financial year 2015/2016, no further compensation, loans or credits by the Company or its subsidiaries have been granted to related parties (2014/2015: None).

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

For the financial year 2015/2016, no compensation was paid to former members of governing bodies (2014/2015: None).



Report of the Statutory Auditor on the Compensation Report



KPMG AG
Audit Financial Services
Badenerstrasse 172
CH-8004 Zurich

P.O. Box
CH-8036 Zurich

Telephone +41 58 249 31 31
Fax +41 58 249 44 06
www.kpmg.ch

Report of the Statutory Auditor on the remuneration report to the General Meeting of Shareholders of **Private Equity Holding AG, Zug**

We have audited the remuneration report of Private Equity Holding AG for the year ended 31 March 2016. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies which are presented on pages 71 to 72.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration 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 remuneration 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 remuneration 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 remuneration 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 remuneration 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 remuneration 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 remuneration report for the year ended 31 March 2016 of Private Equity Holding AG complies with Swiss law and articles 14-16 of the Ordinance.

KPMG AG

Christoph Gröbli
Licensed Audit Expert
Auditor in Charge

Stefan Biland
Licensed Audit Expert

Zurich, 16 June 2016



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

	31.03.16	31.03.15
Number of registered shares	3,000,000	3,100,000
Number of shares outstanding	2,739,214	2,990,100
Nominal value per share (CHF)	6.00	6.00
Comprehensive earnings per share (EUR)	5.75	7.41

Share price (per share)

	2015/2016 CHF	2014/2015 CHF
High (16.03.16/29.12.14)	64.00	66.25
Low (21.10.15/14.04.14)	54.25	56.50
Year-end (31.3.)	62.50	61.50

Market capitalisation (Basis: Number of shares outstanding at year-end)

	2015/2016 CHFm	2014/2015 CHFm
High (16.03.16/29.12.14)	192	198
Low (21.10.15/14.04.14)	163	169
Year-end (31.3.)	188	184

Corporate calendar

July 8, 2016	Annual General Meeting
July 29, 2016	Quarterly Report as of June 30, 2016
November 4, 2016	Half Year Report as of September 30, 2016
February 2017	9-Month Report as of December 31, 2016
April 2017	Preliminary NAV as of March 31, 2016
June 2017	Annual Report 2016/2017

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.

Private Equity Holding AG
Gotthardstrasse 28
CH-6302 Zug
Phone +41 41 726 79 80
Fax +41 41 726 79 81

www.peh.ch
info@peh.ch