Annual Report 2016 / 2017

Private Equity Holding AG

Table of Contents

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

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

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

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

Key Figures for the Financial Year 2016/2017

Share Value	31.03.17 EUR	31.03.16 EUR	Change in %[1]	31.03.17 CHF	31.03.16 CHF	Change in %[1]
Net asset value per share, based on fair values	**79.15**	77.50	**2.1%**	**84.66**	84.60	**0.1%**
Price per share (PEHN.S)	**66.01**	57.26	**15.3%**	**70.60**	62.50	**13.0%**

[1] Excl. distributions.

Net Profit for the Period	01.04.16-31.03.17 EUR 1,000	01.04.15-31.03.16 EUR 1,000	Change in %
Profit for the period	**10,763**	16,415	**(34%)**

Selected Balance Sheet Items (Consolidated)[2]	31.03.17 EUR 1,000	31.03.16 EUR 1,000	Change in %
Current assets	**5,836**	6,435	**(9%)**
Non-current assets	**209,492**	205,976	**2%**
Current liabilities	**431**	122	**253%**
Non-current liabilities	**—**	—	**n/a**
Total equity	**214,897**	212,289	**1%**

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

Asset Allocation	Fair Value 31.03.17 EUR million	Unfunded Commitments 31.03.17 EUR million	Total Exposure[3] 31.03.17 EUR million	Total Exposure[3] 31.03.17 in %
Buyout funds	117.6	45.9	163.5	56%
Venture funds	38.5	13.5	52.0	18%
Special situation funds	20.6	22.2	42.8	15%
Total fund investments	**176.7**	**81.6**	**258.3**	**89%**
Direct investments and loans	32.8	0.7	33.5	11%
Total direct investments and loans	**32.8**	**0.7**	**33.5**	**11%**
Total funds, direct investments and loans	**209.5**	**82.3**	**291.8**	**100%**

[3] Fair value plus unfunded commitments.

Commitments	31.03.17	31.03.16	Change in %
Unfunded commitments (EUR million)	**82.3**	87.5	(6%)
Overcommitment[4]	**36.7%**	39.4%	(7%)
Net current assets / unfunded commitments	**6.6%**	7.2%	(9%)

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

Highlights of the Financial Year 2016/2017

17.4% share price PERFORMANCE	5.4% NAV GROWTH
EUR 25 million commitments to NEW INVESTMENTS	13.1 million portfolio level CASH FLOW
CHF 3.00 DIVIDEND proposed	250,000 TREASURY SHARES cancelled

Chairman's Letter for the Financial Year 2016/2017

Dear Shareholders,

Private Equity Holding AG (PEH) reports a comprehensive income of EUR 10.8 million for the financial year 2016/17. As of March 31, 2017, the net asset value per share (NAV) stood at EUR 79.15 (CHF 84.66), representing an increase of 5.4% (in EUR) over the course of the financial year (including the distribution of CHF 2.75 per share in July 2016). PEH's net asset value increased in 7 out of 12 months.

Portfolio Development

PEH's portfolio showed a strong performance throughout the year. The portfolio was cash flow positive by EUR 13.1 million (EUR 31.0 million called for new investments and portfolio level expenses versus EUR 44.1 million received in distributions). The largest distributions were received from Palamon European Capital Partners, distributing proceeds received from the sale of Towry, one of the largest independent wealth managers in the UK with more than 9 billion pounds of client assets. Other noteworthy distributions came from Capvis III, Alpha CEE II and from Avista Capital Partners II. Including the dividend of CHF 2.75 in July 2016, the share price increased by 17.4% during the financial year.

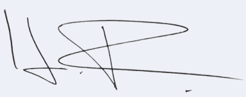
Investment Activity

PEH completed several new investments in the financial year. The most recent investment was a commitment of USD 5.5 million to ABRY Senior Equity V, one of the most experienced media investment firms in North America. PEH is an existing investor in ABRY Partners, having previously committed USD 5.0 million to its predecessor fund ABRY Senior Equity IV, as well as six other funds managed by ABRY Partners. We look forward to continuing this successful investment relationship.

Annual General Meeting 2017

The company's Annual General Meeting (AGM) will take place on July 10, 2017. The Board of Directors will propose an eighth consecutive distribution, for the first time amounting to CHF 3.00 per share. At the time of writing, this represents a dividend yield of approximately 4%. We remain committed to continuing our successful three-fold strategy of ensuring long-term growth, NAV accretion, and achieving a regular yield. 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.



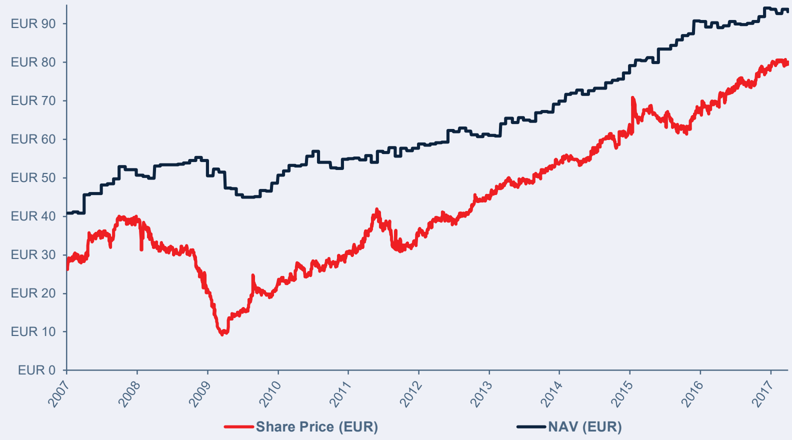
Dr. Hans Baumgartner

Chairman of the Board of Directors

June 16, 2017

Development of Net Asset Value and Share Price

Share Price and NAV per Share
01.01.2007 - 31.03.2017 (incl. distributions)



NAV per share in EUR: **+128.1%**

NAV per share in CHF: **+53.8%**

Share price in EUR: **+206.1%**

Share price in CHF: **+106.8%**

Discount to NAV as of March 31: **-16.6%**

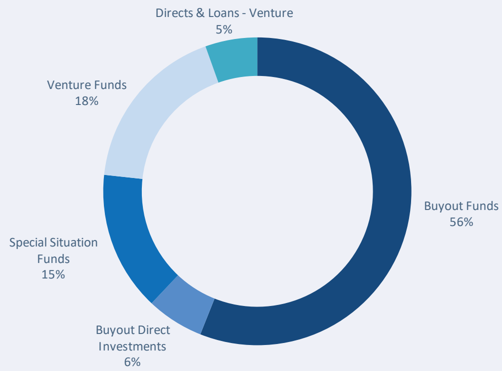
Relative Performance of PEHN
01.01.2007 - 31.03.2017 (incl. distributions)

PEHN has outperformed the LPX-50 PE-Index by: **+132.6%**

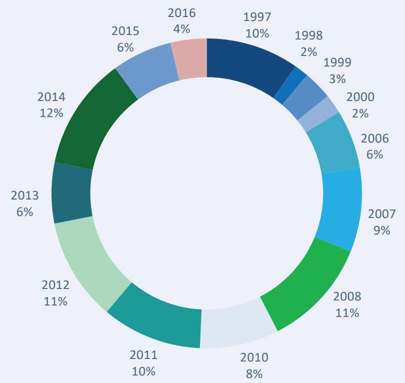
PEHN has outperformed the MSCI World Index by: **+114.4%**

Private Equity Holding Portfolio Overview

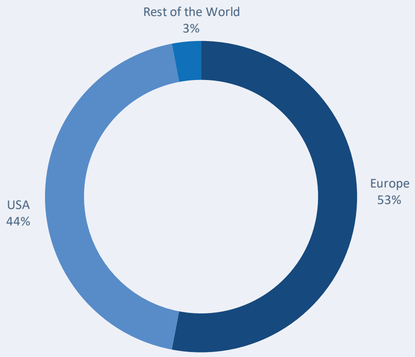
Allocation by Investment Category[1]



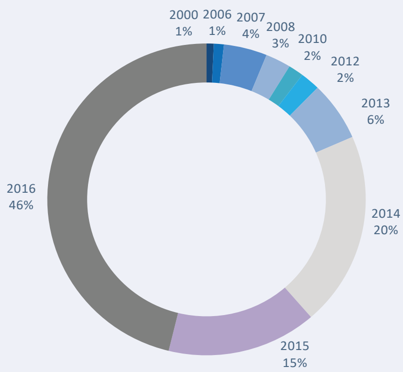
Fair Value of the Portfolio by Vintage Year



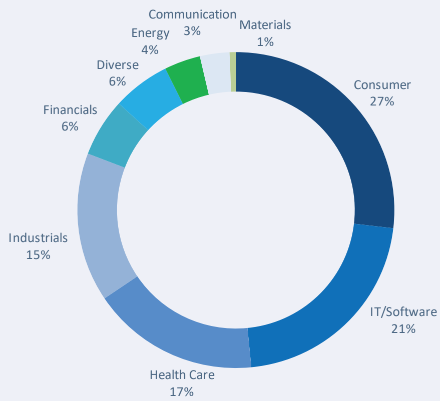
Allocation by Geography[2]



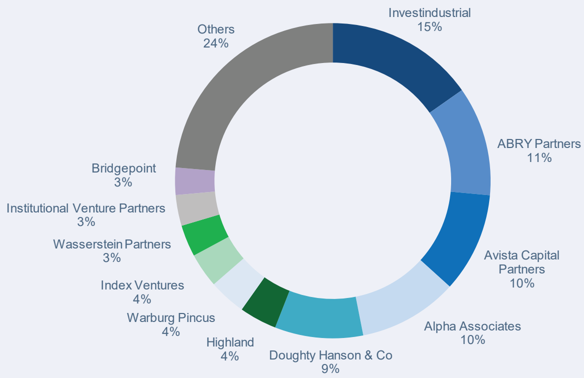
Unfunded Commitments of the Portfolio by Vintage



Allocation by Industry[2]



10 Largest Exposures by Managers



[1] Based on fair values plus unfunded commitments of portfolio holdings

[2] Based on fair values of the underlying companies

Five Largest Exposures by Fair Value

representing 24.8% of the total fair value of PEH's investment portfolio

Doughty Hanson & Co III

Fund Size:	USD 2.7 billion
Type:	Buyout
Industries:	Diverse
Region:	Europe
Fair Value:	EUR 19.0 million 9.1% of PEH Portfolio

Avista Capital Partners III

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

ALPHA CEE II

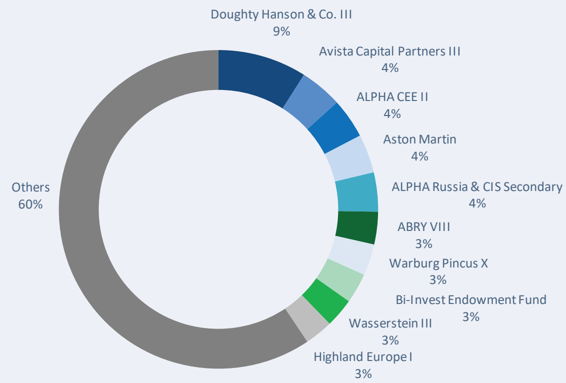
Fund Size:	EUR 208 million
Type:	Buyout & Expansion
Industries:	Diverse
Region:	Central & Eastern Europe
Fair Value:	EUR 8.5 million 4.1% of PEH Portfolio

Aston Martin

Type:	Direct Co-Investment
Industries:	Automotive
Region:	Europe
Fair Value:	EUR 8.3 million 4.1% of PEH Portfolio

ALPHA Russia & CIS Secondary

Fund Size:	USD 107 million
Type:	Secondary
Industries:	Diverse
Region:	Russia & CIS
Fair Value:	EUR 7.2 million 3.5% of PEH Portfolio



Five Largest Exposures by Unfunded Commitment

representing 43.7% of the total unfunded commitments of PEH's investment portfolio

Procuritas Capital Investors VI

Fund Size:	EUR 311 million
Type:	Buyout
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 10.0 million 12.1% of PEH Portfolio

Wasserstein Partners IV

Fund Size:	USD 790 million
Type:	Buyout
Industries:	Diverse
Region:	USA
Unfunded Commitment:	EUR 8.5 million 10.4% of PEH Portfolio

Sycamore II

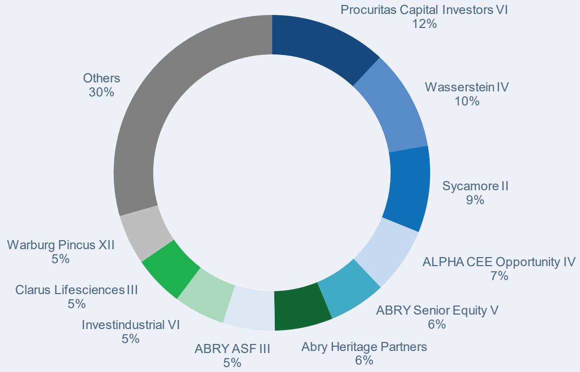
Fund Size:	USD 2.5 billion
Type:	Special Situations
Industries:	Consumer
Region:	USA & Canada
Unfunded Commitment:	EUR 6.9 million 8.5% of PEH Portfolio

ALPHA CEE Opportunity IV

Fund Size:	In fundraising
Type:	Buyout
Industries:	Diverse
Region:	Central & Eastern Europe/ Russia & CIS
Unfunded Commitment:	EUR 5.7 million 6.9% of PEH Portfolio

ABRY Senior Equity V

Fund Size:	USD 1.1 billion
Type:	Buyout
Industries:	Diverse
Region:	USA & Canada
Unfunded Commitment:	EUR 4.9 million 5.9% of PEH Portfolio



Selected Direct Investments

FLOS

Italian high-end lighting brand

Fair Value:	EUR 5.8 million
Investment date:	2015
Type:	Direct Investment
Industry:	Consumer
Region:	Europe

ASTON MARTIN

iconic sports car brand

Fair Value:	EUR 8.3 million
Investment date:	2013
Type:	Direct Investment
Industry:	Automotive
Region:	Europe

acino

Swiss generics company

Fair Value:	EUR 2.9 million
Investment date:	2013
Type:	Direct Investment
Industry:	Pharmaceuticals
Region:	Europe

ENANTA Pharmaceuticals

listed research and development-focused biotechnology company

Fair Value:	EUR 5.6 million
Investment date:	1998
Type:	Direct Investment
Industry:	Pharmaceuticals
Region:	USA

IFRS Financial Statements

Notes to the Financial Statements

Statement of Comprehensive Income

EUR 1,000	Notes	01.04.16-31.03.17	01.04.15-31.03.16 (Restated)[1]
Income			
Net gains from investments in non-consolidated subsidiaries at fair value through profit or loss	9	13,144	18,565
Net gains/(losses) from financial assets at fair value through profit or loss	9	(701)	736
Foreign exchange gains/(losses)		(98)	202
Other income		—	17
Total income		**12,345**	**19,520**
Expenses			
Administration expenses	15	462	465
Corporate expenses		819	929
Total expenses		**1,281**	**1,394**
Profit from operations		**11,064**	**18,126**
Interest expenses		(301)	(1,711)
Income tax expenses		—	—
Profit for the period attributable to equity holders of the company		**10,763**	**16,415**
Other comprehensive income			
Other comprehensive income for the period, net of income tax		—	—
Total comprehensive income for the period attributable to equity holders of the company		**10,763**	**16,415**

	Notes	01.04.16-31.03.17	01.04.15-31.03.16
Weighted average number of shares outstanding during period		2,714,884	2,855,163
Basic earnings per share (EUR)	13	3.96	5.75

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

[1] As a result of the adoption of IFRS 10 and the Amendments to IFRS 10, the Company has changed its accounting policy with respect to its investments in its Subsidiaries. The Subsidiaries, which were previously consolidated are now accounted for at fair value through profit or loss. Therefore, the previous year's figures were restated to be in line with the accounting policy applied in the current year. See Note 3h and Note 4.2.

Balance Sheet

EUR 1,000	Notes	31.03.17	31.03.16 (Restated)[1]	01.04.15 (Restated)[1]
Assets				
Current assets				
Cash and cash equivalents	6	96	184	84
Receivables and prepayments	7	123	153	150
Total current assets		**219**	**337**	**234**
Non-current assets				
Investments in non-consolidated subsidiaries at fair value through profit or loss	8	231,625	218,480	333,641
Financial assets at fair value through profit or loss	8	5,870	4,973	4,305
Total non-current assets		**237,495**	**223,453**	**337,946**
Total assets		**237,714**	**223,790**	**338,180**

Liabilities and equity				
Current liabilities				
Payables and other accrued expenses		129	109	102
Total current liabilities		**129**	**109**	**102**
Non-current liabilities				
Borrowings	12	22,688	11,392	121,595
Total non-current liabilities		**22,688**	**11,392**	**121,595**
Total liabilities		**22,817**	**11,501**	**121,697**
Equity				
Share capital	13	10,311	11,249	11,624
Share premium		38,594	55,426	65,422
Treasury shares	13	(1,838)	(13,621)	(6,081)
Retained earnings		167,830	159,235	145,518
Total equity		**214,897**	**212,289**	**216,483**
Total liabilities and equity		**237,714**	**223,790**	**338,180**

	31.03.17	31.03.16
Total number of shares as of period end	2,750,000	3,000,000
Number of treasury shares as of period end	(34,992)	(260,786)
Number of shares outstanding as of period end	**2,715,008**	**2,739,214**
Net asset value per share (EUR)	79.15	77.50

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

[1] As a result of the adoption of IFRS 10 and the Amendments to IFRS 10, the Company has changed its accounting policy with respect to its investments in its Subsidiaries. The Subsidiaries, which were previously consolidated are now accounted for at fair value through profit or loss. Therefore, the previous year's figures were restated to be in line with the accounting policy applied in the current year. See Note 3h and Note 4.2.

Statement of Changes in Equity

EUR 1,000	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Opening as of 01.04.15	**11,624**	**65,422**	**(6,081)**	**145,518**	**216,483**
Profit for the period	—	—	—	16,415	16,415
Total other comprehensive income for the period, net of income tax	—	—	—	—	—
Total comprehensive income 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[1]	(375)	(4,885)	5,260	—	—
Repayment of share premium[1]	—	(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**

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

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

[1] 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.

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

Statement of Cash Flows

EUR 1,000	Notes	01.04.16-31.03.17	01.04.15-31.03.16 (Restated)[1]
Cash flow from operating activities			
Capital contributed to investments		(3,729)	(1,212)
Distributions received from investments		2,064	1,280
Interest received		67	—
Administration expenses paid		(462)	(465)
Corporate expenses paid		(660)	(745)
Transaction expenses paid		(9)	(9)
Change in other working capital items		49	13
Net cash (used)/provided by operating activities		**(2,680)**	**(1,138)**
Cash flow from financing activities			
Proceeds from loans and borrowings		11,296	23,523
Interest paid on loans and borrowings		(301)	(1,711)
Commitment fee on borrowings		(150)	(175)
Purchase of treasury shares		(1,463)	(12,939)
Sale of treasury shares		138	143
Repayment of share premium	13	(6,830)	(7,806)
Net cash (used)/provided by financing activities		**2,690**	**1,035**
Net increase/(decrease) in cash and cash equivalents		**10**	**(103)**
Cash and cash equivalents at the beginning of the period		184	84
Effects of exchange rate changes on cash and cash equivalents		(98)	203
Cash and cash equivalents at the end of the period		**96**	**184**

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

[1] As a result of the adoption of IFRS 10 and the Amendments to IFRS 10, the Company has changed its accounting policy with respect to its investments in its Subsidiaries. The Subsidiaries, which were previously consolidated are now accounted for at fair value through profit or loss. Therefore, the previous year's figures were restated to be in line with the accounting policy applied in the current year. See Note 3h and Note 4.2.

Notes to the Financial Statements

1. Reporting entity

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

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

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

The Company has no employees.

2. Basis of preparation

a) Statement of compliance

The financial statements of the Company as at and for the year ended March 31, 2017 have been prepared in accordance with International Financial Reporting Standards (IFRSs). They comply with Swiss law and Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange.

These financial statements were authorised for issue on June 16, 2017 by the Board of Directors.

b) Basis of measurement

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

c) Functional and presentation currency

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

3. Significant accounting policies

a) General principles

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except of the first time adoption of Amendment to IFRS 10 “Applying the Investment Entity Exemption” as described in Note 3h.

b) 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/loss from financial assets at fair value through profit or loss and investments in non-consolidated subsidiaries at fair value through profit or loss.

The following currency exchange rates were applied as of March 31, 2017 and March 31, 2016 for the retranslation of monetary assets and liabilities into EUR:

Currency	31.03.17	31.03.16
EUR/USD	1.0693	1.1388
EUR/CHF	1.0696	1.0916
EUR/GBP	0.8541	0.7907

c) Financial assets and financial liabilities

Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated. Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Classification

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

Fair value through profit or loss:

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

Financial assets at amortised cost:

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

Financial liabilities at amortised cost:

- Other liabilities - Payables and other accrued expenses
- Borrowings

Derecognition

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

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

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

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

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

e) Interest and dividend income

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

f) Administration expenses, corporate and transaction expenses

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

g) Income taxes

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.

h) New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2016, and have been applied in preparing these financial statements.

Standards, amendments and interpretations that have been adopted by the Company for the year ended March 31, 2017 are:

- ”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 were effective for the Company for the accounting period commencing on April 1, 2016. The adoption of the amendments did not have any impact on the Company's financial statements.
- 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 were effective for the company for the accounting period commencing on April 1, 2016. The adoption of the amendment did not have any impact on the Company's financial statements.

Impact of the adoption of Amendments to IFRS 10, 12 and IAS 28: Applying the Investment Entity Exemption

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.

As a result of the adoption of IFRS 10 and the Amendments to IFRS 10, the Company has changed its accounting policy with respect to its investment in its Subsidiaries. The Subsidiaries, which were previously consolidated are now accounted for at fair value through profit or loss. The management applied judgement in its assessment if the Company and its subsidiaries are investment entities (please see Note 4.2). The transition provisions require retrospective application in accordance with IAS 8. Comparative amounts have been restated in accordance with the transition guidance. The following tables show the adjustments made to each financial statement line item for the comparative period:

Restatement of Comprehensive Income 2015/2016

EUR 1,000	Presented for 01.04.2015 to 31.03.2016	Adjustments	01.04.2015 to 31.03.2016 (Restated)
Income			
Net gains from investments in non-consolidated subsidiaries at fair value through profit or loss	—	18,565	18,565
Net gains from financial assets at fair value through profit or loss	23,554	(22,818)	736
Interest income	3	(3)	—
Foreign exchange gains/(losses)	(289)	491	202
Other income	201	(184)	17
Total income	**23,469**	**(3,949)**	**19,520**

Expenses			
Administration expenses	6,078	(5,613)	465
Corporate expenses	976	(56)	920
Transaction expenses	—	9	9
Total expenses	**7,054**	**(5,660)**	**1,394**
Profit from operations	**16,415**	**1,711**	**18,126**
Interest expenses	—	(1,711)	(1,711)
Profit for the period attributable to equity holders of the company	**16,415**	—	**16,415**

Other comprehensive income			
Other comprehensive income for the period, net of income tax	—	—	—
Total comprehensive income for the period attributable to equity holders of the company	**16,415**	—	**16,415**

Restatement of Balance Sheet 2015/2016

Closing balance sheet

EUR 1,000	Presented as at 31.03.2016	Adjustments	31.03.2016 (Restated)
Assets			
Current assets			
Cash and cash equivalents	6,253	(6,069)	184
Receivables and prepayments	182	(29)	153
Total current assets	**6,435**	**(6,098)**	**337**
Non-current assets			
Investments in non-consolidated subsidiaries at fair value through profit or loss	—	218,480	218,480
Financial assets at fair value through profit or loss	205,976	(201,003)	4,973
Total non-current assets	**205,976**	**17,477**	**223,453**
Total assets	**212,411**	**11,379**	**223,790**
Liabilities and equity			
Current liabilities			
Payables and other accrued expenses	122	(13)	109
Total current liabilities	**122**	**(13)**	**109**
Non-current liabilities			
Borrowings	—	11,392	11,392
Total non-current liabilities	**—**	**11,392**	**11,392**
Total liabilities	**122**	**11,379**	**11,501**
Equity			
Share capital	11,249	—	11,249
Share premium	55,426	—	55,426
Treasury shares	(13,621)	—	(13,621)
Retained earnings	159,235	—	159,235
Total equity	**212,289**	**—**	**212,289**
Total liabilities and equity	**212,411**	**11,379**	**223,790**

Opening balance sheet

EUR 1,000	Presented as at 31.03.2015	Adjustments	01.04.2015 (Restated)
Assets			
Current assets			
Cash and cash equivalents	5,999	(5,915)	84
Financial assets at fair value through profit or loss - securities	585	(585)	—
Receivables and prepayments	177	(27)	150
Total current assets	**6,761**	**(6,527)**	**234**
Non-current assets			
Investments in non-consolidated subsidiaries at fair value through profit or loss	—	333,641	333,641
Financial assets at fair value through profit or loss	210,429	(206,124)	4,305
Total non-current assets	**210,429**	**127,517**	**337,946**
Total assets	**217,190**	**120,990**	**338,180**
Liabilities and equity			
Current liabilities			
Payables and other accrued expenses	707	(605)	102
Total current liabilities	**707**	**(605)**	**102**
Non-current liabilities			
Borrowings	—	121,595	121,595
Total non-current liabilities	**—**	**121,595**	**121,595**
Total liabilities	**707**	**120,990**	**121,697**
Equity			
Share capital	11,624	—	11,624
Share premium	65,422	—	65,422
Treasury shares	(6,081)	—	(6,081)
Retained earnings	145,518	—	145,518
Total equity	**216,483**	**—**	**216,483**
Total liabilities and equity	**217,190**	**120,990**	**338,180**

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

- IAS 7, ”Statement of Cash Flows”, (amendments) - Entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows are included in cash flows from financing activities. For example this could be the case for assets that hedge liabilities arising from financing liabilities. Entities may include changes in other items as part of this disclosure, for example by providing a ”net debt” reconciliation. However, in this case, the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities. The amendment is effective for the Company for the accounting period commencing on April 1, 2017. The adoption of the amendment is not expected to have a significant impact on the Company’s financial statements.
- IFRS 9, ”Financial instruments” - the final version of IFRS 9 was issued in July 2014, superseding all previous versions and addresses the classification, measurement and recognition, impairment and general hedge accounting of financial instruments. As of April 2011, the Company has adopted IFRS 9 Financial Instruments (“IFRS 9”) (as issued in 2009 and revised in October 2010) and the related consequential amendments in advance of its effective date. The impact of the application of IFRS 9 was that the cumulative net gains in relation to the Company’s long-term investments have been reclassified from the fair value reserve to retained earnings as of April 1, 2011. There are no adjustments to be expected on classification and measurement due to the application of IFRS 9 (2014). However, the standard also replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model, which means that a loss event will no longer need to occur before an impairment allowance is recognised which will accelerate recognition of losses. The new model will apply to financial assets that are debt instruments recognised on-balance sheet, such as loans or bonds; and classified as measured at amortised cost. The amendment is effective for the Company for the accounting period commencing on April 1, 2018. The Company is currently assessing the impact which the new standard will have on the financial statements.

4. Critical accounting estimates and judgments

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.

4.1 Critical accounting estimates and assumptions

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

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

Fair Value of investments

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

4.2 Critical judgments

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, realisations) received by the Company’s subsidiaries are mainly in EUR. Expenses of the Company are also mainly in EUR. The Subsidiaries are largely financed in EUR.

Application of the Investment Entity Exemption of IFRS 10

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

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

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

The Company and its subsidiaries meet the definition of an investment entity. As a result, the Company has changed its accounting policy on accounting for its investment in the subsidiaries. The subsidiaries, which were previously consolidated are now accounted for at fair value through profit or loss. The adoption is performed retrospectively as at the beginning of the earliest period presented, i.e. April 1, 2015. See Note 3h.

The tables disclosed on pages 20 and 21 show the adjustments made to each financial statement line item for the comparative period.

5. Financial risk management

5.1 Introduction and overview

The Company manages its risk on a Group level by looking through its non-consolidated subsidiaries. This holistic approach is necessary in order to identify and manage risks appropriately. The Group has exposures to the following risks from financial instruments: market risk (including 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 Company's financial performance.

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

5.2 Market risk

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

a) Equity price risk on non-current assets

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

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

If the value of the investments (based on year-end values) had increased or decreased by 32.2% (change in LPX Indirect Index between April 1, 2016 and March 31, 2017) with all other variables held constant, the impact on the Company's equity would have been EUR 69.2 million (2015/2016: 7.7%, EUR 16.3 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 any material 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 net income and equity. Foreign exchange differences on financial assets at fair value through profit or loss are included in the line item "Net gain from financial assets at fair value through profit or loss" in the statement of comprehensive income.

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

Currency risk as of March 31, 2017

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

Currency risk as of March 31, 2016 (restated)

	USD 1,000	CHF 1,000	GBP 1,000
Assets			
Cash and cash equivalents	—	91	—
Other current assets	—	439	—
Total assets	**—**	**530**	—
Liabilities			
Payables and other accrued expenses	—	795	—
Total liabilities	**—**	**795**	**—**
Net exposure in accordance with IFRS	**—**	**(265)**	**—**
Currency risk exposure of non-consolidated subsidiaries at fair value through profit or loss	**132,377**	**3,125**	**—**
Net exposure in accordance with the reporting to the Board of Directors	**132,377**	**2,860**	**2,594**

As of March 31, 2017, had the exchange rate between the USD/EUR increased or decreased by 6.5% (change in USD/EUR rate between April 1, 2016 and March 31, 2017) with all other variables held constant, the increase or decrease to profit or loss and shareholders' equity would have amounted to EUR 0.025 million (2015/2016: 6.1%, EUR nil (excluding currency risk on the underlying investment portfolio)). Including the currency risk on the underlying investment portfolio, the increase or decrease to profit or loss and shareholders' equity would amount to EUR 7.6 million (2015/2016: 6.1%, EUR 7.1 million).

The Investment Manager monitors the Group's currency position in a monthly basis and reports the currency exposures on the balance sheet and the impact of the currency movements on the performance of the long term investment portfolio to the Board of Directors monthly. The non-current financial assets at fair value through profit or loss and the investments in non-consolidated subsidiaries at fair value through profit or loss have therefore, been included in the above analysis of March 31, 2017 and March 31, 2016 and will be included going forward.

5.3 Credit risk on current assets

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

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

Credit risk as of March 31, 2017

EUR 1,000	PEH fully performing	Subsidiaries fully performing	Total	Rating (Fitch)
Cash at Credit Suisse (Schweiz) AG	96	5,602	5,698	A
Receivables and prepayments	123	15	138	n/a
Total exposure to credit risk	**219**	**5,617**	**5,836**	

Credit risk as of March 31, 2016 (restated)

EUR 1,000	PEH fully performing	Subsidiaries fully performing	Total	Rating (Fitch)
Cash at Credit Suisse AG	184	6,068	6,253	A
Receivables and prepayments	152	30	182	n/a
Total exposure to credit risk	**336**	**6,098**	**6,435**	

No financial assets carried at amortised cost were past due or impaired either at March 31, 2017 or March 31, 2016.

5.4 Liquidity risk

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

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

As of March 31, 2017, cash and cash equivalents of the Company amount to EUR 0.1 million, plus the holdings of the non-consolidated subsidiaries at fair value through profit or loss of EUR 5.7 million (March 31, 2016: EUR 0.2 million plus EUR 6.1 million). In addition, the Company has access to a EUR 16.0 million credit facility (see also Note 12), which is undrawn as of March 31, 2017 (March 31, 2016: undrawn), which provides for an additional liquidity buffer.

The Company's non-consolidated subsidiaries at fair value through profit or loss are exposed to a total undrawn amount in respect of commitments made on or before March 31, 2017 in the amount of EUR 82.3 million (March 31, 2016: EUR 87.5 million). Unfunded commitments are irrevocable and may be called at any time. Although not expected in the normal course of business, unfunded commitments may be due within less than one month. The Company does not have a direct obligation to meet the commitments, however is indirectly exposed to drawdowns, as if they are not met, then the Company would suffer respective financial consequences to which the non-consolidated subsidiaries at fair value through profit or loss would be exposed to.

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

The schedule below analyses the Group's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their 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. The Company's standalone liquidity risk is as follows:

Liquidity risk as of March 31, 2017

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

Liquidity risk as of March 31, 2016 (restated)

EUR 1,000	Less than 1 month	1-3 months	More than 3 months	No stated maturity	Total
Payables and other accrued expenses	—	109	—	—	109
Borrowings	—	**11,392**	—	—	**11,392**
Total liabilities (on balance sheet) PEH	**—**	**11,501**	**—**	**—**	**11,501**
Unfunded commitments of the Subsidiaries (off balance sheet)	87,461	—	—	—	87,461
Total liabilities of the Group (incl. off balance sheet)	**87,461**	**122**	**—**	**—**	**122**

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

5.5 Capital management

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

The effects of the repurchases and resales of treasury shares as a result of market making activities in 2016/2017 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.

6. Cash and cash equivalents

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

As of March 31, 2017, cash and cash equivalents are freely available.

7. Receivables and prepayments

EUR 1,000	31.03.17	31.03.16 (restated)
Accrued income and prepaid expenses	96	96
Tax receivables	27	57
Total receivables and prepayments	**123**	**153**

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

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

	Percentage of capital held	Original cur-rency	Nominal value 1,000	Book value 31.03.17 EUR 1,000	Book value 31.03.16 EUR 1,000
Investments in non-consolidated subsidiaries at fair value through profit or loss					
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	CHF	13,885	212,375	199,888
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	CHF	200,000	19,250	18,592
Total				**231,625**	**218,480**

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

Investments held by the non-consolidated subsidiaries

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

		Commitments				Book values					Returns 01.04.16 - 31.03.17	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.17 FC 1,000	Unfunded commitment 31.03.17 EUR 1,000	Fair value 01.04.16 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.17 EUR 1,000	Total distributions EUR 1,000	Real. gains/ (losses) EUR 1,000
Buyout Funds												
ABRY Heritage Partners	2016	USD	5,600	777	4,510	—	698	—	36	734	—	—
ABRY Partners VI [3]	2008	USD	7,500	7,445	51	2,418	17	532	(418)	1,486	1,768	1,236
ABRY Partners VII [3]	2011	USD	7,500	7,635	—	6,377	24	400	(134)	5,867	1,491	1,091
ABRY Partners VIII	2014	USD	9,375	7,463	1,788	3,567	2,895	—	517	6,979	—	—
ALPHA CEE II [2]	2006	EUR	15,000	14,163	837	11,518	—	2,733	(269)	8,516	3,225	492
ALPHA CEE Opportunity IV [2]	2016	EUR	10,000	4,340	5,660	—	4,340	—	1,299	5,639	—	—
Avista Capital Partners [3]	2006	USD	10,000	11,644	—	4,519	46	720	387	4,232	1,130	387
Avista Capital Partners II [3]	2008	USD	10,000	12,173	—	7,709	327	1,258	(1,340)	5,439	3,201	1,943
Avista Capital Partners III [3]	2011	USD	10,000	10,543	—	9,126	119	161	(26)	9,058	825	662
Bi-Invest Endowment Fund	2014	EUR	5,000	5,000	—	5,898	—	—	536	6,435	—	—
Bridgepoint Europe I B [1]	1998	GBP	15,000	620	—	196	—	—	(16)	181	—	—
Bridgepoint Europe IV [3]	2008	EUR	10,000	9,924	199	7,245	258	953	(866)	5,683	2,623	1,368
Capvis Equity III [3]	2008	EUR	10,000	10,672	672	6,200	147	1,787	43	4,603	3,676	1,890
Clayton, Dubilier and Rice Fund VI [1]	1998	USD	35,000	9,661	—	76	—	—	52	128	—	—
Doughty Hanson & Co. III No. 12 [1]	1997	USD	65,000	46,037	—	14,198	—	—	4,758	18,955	—	—
Francisco Partners	2000	USD	3,222	2,937	275	467	7	21	(378)	74	347	326
Industri Kapital 2007 Fund [3]	2007	EUR	10,000	10,386	—	3,052	—	1,497	(330)	1,225	2,381	649
Investindustrial IV [3]	2008	EUR	10,000	10,642	—	4,396	108	18	1,373	5,859	20	1
Investindustrial V [3]	2012	EUR	5,000	4,366	638	3,629	853	—	517	4,999	—	—
Investindustrial VI	2016	EUR	5,000	653	4,347	—	653	—	(74)	579	—	—
Mid Europa Fund IV3	2014	EUR	10,000	6,585	3,415	3,642	2,818	500	(156)	5,805	497	(77)
Palamon European Capital Partners [1,3]	1999	EUR	10,000	7,745	—	4,594	—	31	(4,214)	349	3,970	3,939
Procuritas Capital Investors VI	2016	EUR	10,000	40	9,960	—	40	—	—	40	—	—
Procuritas Capital Partners II [4]	1997	SEK	40,000	38,900	—	27	—	—	(27)	—	23	23
Warburg Pincus Private Equity X	2007	USD	15,000	14,987	12	6,729	—	361	348	6,716	988	627
Warburg Pincus Private Equity XII	2015	USD	6,000	1,434	4,270	185	1,115	—	(53)	1,248	—	—
Wasserstein Partners III [3]	2012	USD	10,000	9,276	677	5,812	1,341	—	(921)	6,232	728	141
Wasserstein Partners IV	2015	USD	10,000	860	8,547	—	756	—	(163)	593	—	—
Total Buyout Funds					**45,859**	**111,581**	**16,563**	**10,972**	**479**	**117,651**	**26,894**	**14,698**

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-own 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 1.9 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, 2017. As the investment period of most of these funds has already expired, recallable distributions can in general only be recycled for follow-on investments and are therefore not expected to be drawn in full.

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

[5] Remaining commitment was reduced by the fund manager.

Investments held by the non-consolidated subsidiaries (continued)

		Commitments				Book values					Returns 01.04.16 - 31.03.17	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.17 FC 1,000	Unfunded commit-ment 31.03.17 EUR 1,000	Fair value 01.04.16 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.17 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Venture Funds												
Boulder Ventures IV	2001	USD	11,250	11,516	—	1,015	—	—	(221)	794	—	—
Carmel Software Fund	2000	USD	10,000	10,293	—	637	—	2	(514)	121	488	486
Carmel Software Fund (Secondary)	2000	USD	782	782	—	189	—	—	(153)	36	145	145
CDC Innovation 2000	2000	EUR	10,002	9,676	326	854	—	335	455	973	478	143
Clarus Lifesciences III	2013	USD	7,500	2,873	4,327	1,605	1,011	316	(19)	2,280	725	409
Highland Europe I	2012	EUR	5,000	5,083	—	6,604	281	518	(349)	6,019	777	260
Highland Europe II	2015	EUR	5,000	2,137	2,863	600	1,476	—	(58)	2,018	—	—
Institutional Venture Partners XI	2004	USD	5,000	5,000	—	116	—	—	12	128	—	—
Institutional Venture Partners XII	2007	USD	5,000	5,000	—	1,784	—	2	315	2,098	43	41
Institutional Venture Partners XIII	2010	USD	5,000	4,750	234	5,259	—	605	(264)	4,391	1,116	512
Kennet III [3]	2007	EUR	5,000	5,625	—	3,824	217	526	17	3,533	706	180
Partech International Ventures IV [1]	2000	USD	15,000	8,145	—	2,409	—	2,042	(367)	—	2,722	680
Pelion IV	2007	USD	1,693	1,693	—	—	1,533	—	330	1,863	—	—
Pelion V	2012	USD	1,039	874	154	—	796	—	65	860	—	—
Pelion VI	2015	USD	5,000	2,100	2,712	930	912	—	(9)	1,833	—	—
Renaissance Venture	1998	GBP	5,486	5,162	—	1,745	—	—	(134)	1,612	—	—
Renaissance Venture (Secondary)	1998	GBP	514	271	—	1,309	—	—	(100)	1,209	—	—
TAT Investments I	1997	USD	24,000	24,289	—	1,192	—	—	(88)	1,104	—	—
TAT Investments II	1999	USD	15,000	15,001	—	488	—	332	(155)	—	404	72
Undisclosed Growth Fund I	2011	EUR	5,000	4,940	269	5,224	347	n/d	n/d	5,229	n/d	n/d
Undisclosed Growth Fund II	2015	EUR	5,000	2,358	2,642	811	1,515	n/d	n/d	2,190	n/d	n/d
Total Venture Funds					**13,528**	**36,596**	**8,088**	**4,678**	**(1,715)**	**38,290**	**7,604**	**2,925**

For footnotes see bottom of page 28.
Minor differences in totals are due to rounding.

Investments held by the non-consolidated subsidiaries (continued)

			Commitments			Book values					Returns 01.04.16 - 31.03.17	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.17 FC 1,000	Unfunded commit-ment 31.03.17 EUR 1,000	Fair value 01.04.16 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.17 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Special Situation Funds												
17 Capital Fund	2008	EUR	5,000	4,905	221	154	12	376	210	—	135	(241)
ABRY Advanced Securities Fund [5]	2008	USD	15,000	7,218	502	172	—	—	47	220	—	—
ABRY Advanced Securities Fund III	2014	USD	8,000	3,260	4,433	2,610	42	30	1,031	3,652	91	61
ABRY Senior Equity IV [3]	2013	USD	5,000	4,807	181	3,195	886	228	440	4,294	362	79
ABRY Senior Equity V	2016	USD	5,500	297	4,865	—	280	—	(2)	278	—	—
ALPHA Russia & CIS Secondary [2]	2010	USD	15,000	13,890	1,038	8,285	—	814	(280)	7,190	1,075	261
DB Secondary Opportunities Fund A [5]	2007	USD	5,376	4,327	491	297	—	302	14	8	232	(71)
DB Secondary Opportunities Fund C	2007	USD	9,288	6,913	2,221	1,789	7	712	(769)	315	997	205
OCM European POF II	2007	EUR	5,000	4,995	5	2,235	—	964	(378)	893	1,149	184
OCM Opportunities Fund VII	2007	USD	5,000	5,000	—	562	—	68	(7)	486	131	63
OCM Opportunities Fund VIIb	2008	USD	5,000	4,500	468	395	—	46	12	361	89	42
Sycamore II	2014	USD	10,000	2,607	6,913	1,614	224	211	12	1,640	380	71
WL Ross Recovery Fund IV [3]	2007	USD	10,000	9,056	882	1,799	—	448	(92)	1,260	714	238
Total Special Situation Funds					**22,219**	**23,107**	**1,451**	**4,201**	**239**	**20,596**	**5,353**	**893**
Total Fund investments					**81,606**	**171,284**	**26,102**	**19,851**	**(997)**	**176,538**	**39,851**	**18,517**

For footnotes see bottom of page 28.
Minor differences in totals are due to rounding.

	Commitments			Book values					Returns 01.04.16 - 31.03.17	
	Original cur-rency	Original amount FC 1,000	Unfunded commit-ment 31.03.17 EUR 1,000	Fair value 01.04.16 EUR 1,000	Capital calls EUR 1,000	Return of capital EUR 1,000	Change in unrealised gains/ (losses) EUR 1,000	Fair value 31.03.17 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Direct investments										
Acino Holding AG	USD	4,500	644	3,657	—	—	(918)	2,738	—	—
Applied Spectral Imaging	USD	4,462	—	1,877	269	—	166	2,313	—	—
Aston Martin	EUR	4,737	76	7,243	—	—	1,018	8,261	—	—
Cydex	USD	3,000	—	—	—	—	—	—	523	523
Earnix	USD	201	—	1,536	—	—	107	1,644	—	—
Enanta Pharmaceuticals	USD	7,279	—	6,005	—	220	(519)	5,266	1,409	1,190
Evotec	EUR	250	—	144	—	71	(73)	—	279	208
Flos	EUR	4,172	—	4,767	—	—	1,044	5,811	—	—
Jamberry	USD	3,400	—	3,622	353	—	(3,975)	—	—	—
Microfabrica	USD	158	—	—	149	—	(2)	148	—	—
Neurotech	USD	2,203	—	868	—	—	(358)	510	—	—
Prysm	USD	420	—	—	397	—	(5)	393	—	—
Total Direct investments			**721**	**29,720**	**1,169**	**291**	**(3,514)**	**27,083**	**2,212**	**1,922**

Minor differences in totals are due to rounding.

8.2 Financial assets at fair value through profit or loss

	Commitments			Book values					Returns 01.04.16 - 31.03.17	
	Original currency	**Original amount FC 1,000**	**Unfunded commitment 31.03.17 EUR 1,000**	**Fair value 01.04.16 EUR 1,000**	**Capital calls EUR 1,000**	**Return of capital EUR 1,000**	**Change in unrealised gains/ (losses) EUR 1,000**	**Fair value 31.03.17 EUR 1,000**	**Total distributions EUR 1,000**	**Real. gains/ (losses) EUR 1,000**
Actano Holding AG (Equity)	CHF	6,026	—	2,541	1,762	—	(906)	3,398	—	—
Actano Holding AG (Convertible notes)	EUR	4,029	—	2,062	1,967	1,762	—	2,267	1,762	—
Minicap Technology Investments	CHF	10,967	—	—	—	—	—	—	—	—
Strategic European Technologies N.V.	EUR	18,151	—	370	—	—	(165)	205	302	302
Total financial assets at fair value through profit or loss				**4,973**	**3,729**	**1,762**	**(1,071)**	**5,870**	**2,064**	**302**

Minor differences in totals are due to rounding.

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

Non-consolidated subsidiaries **EUR 1,000**	**01.04.16-31.03.17**	**01.04.15-31.03.16 (Restated)**
Change in unrealised gains/(losses) on Private Equity Fund Finance Ltd.	12,487	11,338
Change in unrealised gains/(losses) on Private Equity Direct Finance Ltd.	658	(2,186)
Realised gains/(losses) on Private Equity Holding Cayman	—	9,412
Total net gains/(losses) from investments in non-consolidated subsidiaries at fair value through profit or loss	**13,145**	**18,564**

Financial assets **EUR 1,000**	**01.04.16-31.03.17**	**01.04.15-31.03.16 (Restated)**
Change in unrealised gains/(losses) from financial assets at fair value through profit or loss	(1,070)	(544)
Realised gains/(losses) from financial assets at fair value through profit or loss	302	1,280
Interest income	67	—
Total net gains/(losses) from financial assets at fair value through profit or loss	**(701)**	**736**

10. Segment information

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

11. Disclosures about fair value of financial instruments

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level III measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses the Company's investments measured at fair value as of March 31, 2017 and March 31, 2016 on a look-through basis by the level in the fair value hierarchy into which the fair value measurement is categorised:

As of March 31, 2017

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

As of March 31, 2016 (restated)

EUR 1,000	Level I	Level II	Level III	Total
Investments in non-consolidated subsidiaries (look-through)				
Fund investments	—	—	171.284	171,284
Direct investments	6,150	—	23,570	29,720
Total investments in non-consolidated subsidiaries (look-through)	**6,150**	**—**	**194,854**	**201,004**
Financial assets at fair value through profit or loss				
Fund investments	—	—	370	370
Direct investments	—	—	2,541	2,541
Loans	—	—	2,062	2,062
Total financial assets measured at fair value through profit or loss	**—**	**—**	**4,973**	**4,973**

Unquoted direct investments and loans

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

These include but are not limited to the following:

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

Unquoted fund investments

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

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between the levels during the twelve months ended March 31, 2017.

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

As of March 31, 2016 (restated) EUR 1,000	Investments in non-consolidated subsidiaries at fair value through profit or loss	Financial assets at fair value through profit or loss	Total
Fair value of Level III investments at the beginning of the period	**193,600**	**4,305**	**197,905**
Total capital calls from Level III investments	30,280	1,212	**31,492**
Total distributions from Level III investments	(50,054)	(1,280)	**(51,334)**
Total gains or losses:			
realised in profit or loss	13,247	1,280	**14,527**
unrealised in profit or loss	7,781	(544)	**7,237**
Fair value of Level III investments at the end of the period	**194,854**	**4,973**	**199,827**

12. Financial liabilities measured at amortised cost

The borrowings of EUR 22,688k (2015/2016: EUR 11,392k) relate to a credit line provided by the non-consolidated subsidiary Private Equity Fund Finance Ltd. According to the agreement, Private Equity Fund Finance has agreed to lend the borrower (Private Equity Holding AG) the total sum of up to CHF 40.0 million (at an interest rate of 1 month LIBOR plus 200 basis points). During the financial year 2016/2017 interest expenses of EUR 274k were incurred (2015/2016: EUR 1.7 million).

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

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

As of March 31, 2017, the credit facility was not drawn. During the financial year 2016/2017, interest expenses of EUR 27k were incurred (2015/2016: EUR 0k). Commitment fees amounted to EUR 150k for the business year 2016/2017 (2015/2016: EUR 175k) and are included in corporate expenses in the statement of comprehensive income.

13. Shareholders' equity and movements in treasury shares

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

Shareholders' equity amounts to EUR 214.9 million as of March 31, 2017 (March 31, 2016: EUR 212.3 million).

Share capital and earnings/(loss) per share	**31.03.17**	**31.03.16**
Number of shares authorised and issued	2,750,000	3,000,000
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 8, 2016 decided to reduce the share capital by cancelling 250,000 treasury shares. The capital reduction was effective in the commercial register as of September 23, 2016. The Annual General Meeting decided further on a repayment of share premium (paid-in capital) in the amount of CHF 2.75 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 14, 2016.

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.

Earnings per share

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

Net asset value per share

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

Reconciliation of number of shares outstanding	**31.03.17**	**31.03.16**
Number of shares outstanding net of treasury shares at the beginning of the year	2,739,214	2,990,100
Purchase of treasury shares	(26,489)	(253,590)
Sale of treasury shares	2,283	2,704
Number of shares outstanding net of treasury shares at the end of the year	**2,715,008**	**2,739,214**

Per share data	**31.03.17**	**31.03.16**
Weighted average of total number of shares (1,000)	2,715	2,855
Profit (EUR 1,000)	10,763	16,415
Profit per share (EUR)	3.96	5.75
Comprehensive income per share (EUR)	3.96	5.75
Net asset value per share (EUR)	79.15	77.50
Book value per share (EUR)	79.15	77.50

Shareholders with shares and voting rights of 3% and more

As of March 31, 2017 and 2016, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.17	31.03.16
Between 3% and 5%	Bernhard Schürmann (Langnau am Albis)	Bernhard Schürmann (Langnau am Albis)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil)	Dr. Hans Baumgartner (Adliswil) Private Equity Holding AG (Zug, registered without voting rights)
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 Holding 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, 2016	**260,786**	**52.23**	**13,621**
April	26,074	52.50	1,438
May	—	52.50	—
June	50	52.50	3
July	50	52.50	3
August	50	52.50	3
September (cancellation)	(250,000)	52.50	(13,126)
September	(2,163)	52.49	(112)
October	—	52.49	—
November	45	52.50	3
December	50	52.52	3
January	—	52.52	—
February	—	52.52	—
March	50	52.54	3
March 31, 2017	**34,992**	**52.54**	**1,839**

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, 2017 (March 31, 2016: EUR 10.6 million). As the investment period of most of these funds has already expired, recallable distributions can in general only be recycled for follow-on investments and are therefore not expected to be drawn in full. In certain circumstances capital calls can exceed total commitment mainly due to payment of management fees to investee fund managers, short-term borrowings or reinvestment by investee funds.

Pledges

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

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

15. Related party transactions

The following parties are considered related to the Company as of March 31, 2017 and March 31, 2016:

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

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

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

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

Performance fees were earned in the 2nd and 3rd quarter of the financial year. No performance fee was earned in the 1st and 4th quarter. Performance fee would have been earned in the 4th quarter if the NAV per share would have been above EUR 79.68 as at March 31, 2017 (high watermark).

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).

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

	PEH		Subsidiaries		Total	
EUR 1,000	**01.04.16-31.03.17**	**01.04.15-31.03.16**	**01.04.16-31.03.17**	**01.04.15-31.03.16**	**01.04.16-31.03.17**	**01.04.15-31.03.16**
Management and administration fees	462	465	3,451	3,457	3,913	3,922
Performance fees	—	—	1,020	2,156	1,020	2,156
Total	**462**	**465**	**4,471**	**5,613**	**4,933**	**6,078**

Total management and administration fees and performance fees payable as of March 31, 2017 amounted to 0 (March 31, 2016: EUR 0.01 million).

Total compensation of the Board of Directors amounted to EUR 210k for the financial year 2016/2017 (2015/2016: EUR 221k). This amount does not include the fee for the Delegate of the Board of Directors.

Total compensation of the Delegate of the Board of Directors amounted to EUR 70k for the financial year 2016/2017 (2015/2017: EUR 70k).

There were no transactions between the Company and C+E Holding AG in the financial year 2016/2017 (2015/2016: None).

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

The Subsidiaries provided a loan to the Company, which amounted to EUR 22.7 million (2015/2016: EUR 11.4 million). For the terms and conditions refer to Note 12. The transaction has been conducted at arm's length.

16. Tax expenses

Reconciliation of income tax calculated with the applicable tax rate:

EUR 1,000	**01.04.16-31.03.17**	**01.04.15-31.03.16**
Profit/(loss) for the year	10,763	16,415
Applicable tax rate	7.8%	7.8%
Expected income tax expense	840	1,280
Effect from non-taxable income	(840)	(1,280)
Total income tax for the year	**—**	**—**

As at March 31, 2017, the Company had EUR 2,413k remaining tax loss carry forwards (March 31, 2016: EUR 0k).

17. Subsequent events

On April 28, 2017, Doughty Hanson III distributed USD 19.1 million in respect of its investment in LM Windpower.

On May 5, 2017, the Company, through one of its non-consolidated subsidiaries, entered into a new commitment (USD 7.5 million) to Clarus IV.

Report of the Statutory Auditor on the IFRS Financial Statements

KPMG

Statutory Auditor's Report

To the General Meeting of Private Equity Holding AG, Zug

Report on the Audit of the Financial Statements (IFRS)

Opinion

We have audited the financial statements of Private Equity Holding AG (the Company), which comprise the balance sheet as at 31 March 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 12 to 38) give a true and fair view of the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange and with Swiss law.

Basis for Opinion

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

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

Key Audit Matters

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

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

KPMG

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

Key Audit Matter

The Company invests, predominantly through its non-consolidated subsidiaries, in private equity funds and direct co-investments respectively. Total investments in non-consolidated subsidiaries at fair value through profit or loss amount to EUR 209.5m as of 31 March 2017 (31 March 2016: EUR 206.0m) and mainly consist of fund and direct investments. For the majority of these investments, no market prices are available.

Unquoted fund investments amounting to EUR 176.5m as of 31 March 2017 are generally valued on the basis of the latest available net asset values ("NAVs") of the fund reported by the relevant fund manager. NAVs of unquoted fund investments are based on the respective valuation of underlying direct investments that are mainly unquoted and therefore valued based on different valuation techniques. Such NAVs are adjusted for capital calls and distributions falling between the latest NAV date of the fund and the reporting date of the Company. Also, valuation changes in underlying investee companies are considered and adjusted for if known of.

Unquoted direct investments amounting to EUR 27.1m as of 31 March 2017 are valued based on different valuation techniques according to international standards. The valuation models used have little or no observable input factors and therefore require significant judgement.

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

Our response

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

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

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

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

We tested the legal ownership for unquoted direct and fund investments by confirming investment holdings with the administrator or the fund manager as appropriate.

For further information on the valuation and ownership of investments in non-consolidated subsidiaries at fair value through profit and loss refer to note 8.1 to the financial statements on pages 27 to 30.

KPMG

Other Information in the Annual Report

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

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

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

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

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

Zurich, 16 June 2017

Financial Statements March 31, 2017

Notes to the Financial Statements

Income Statement of Private Equity Holding AG

CHF 1,000	Notes	01.04.16-31.03.17	01.04.15-31.03.16
Income			
Financial income			
Net liquidation dividend income Private Equity Holding Cayman	3	—	10’103
Capital gains on subsidiaries		327	1,374
Foreign exchange gains	11	—	10,345
Other operating income		—	18
Total income		**327**	**21,840**

Expenses			
Financial expense			
Impairment losses on subsidiaries	6	1,088	356
Impairment losses on financial assets	6	—	228
Interest expense		326	1,837
Foreign exchange losses	11	4,361	—
Other operating expense			
Administration expense		501	499
Corporate expense		876	981
Transaction expense		10	—
Direct taxes		—	17
Total expenses		**7,162**	**3,918**
Profit/(loss) for the period		**(6,835)**	**17,922**

Balance Sheet of Private Equity Holding AG

CHF 1,000	Notes	31.03.17	31.03.16
Assets			
Current assets			
Cash and cash equivalents		103	201
Other current receivables			
Receivables from third parties		29	64
Prepaid expenses and accrued income		103	103
Total current assets		**234**	**368**
Non-current assets			
Loans due from subsidiaries		2,425	2,252
Subsidiaries	3	227,751	231,679
Total non-current assets		**230,176**	**233,931**
Total assets		**230,410**	**234,299**

Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities			
Payables to group companies		24,267	12,436
Payables to third parties		12	8
Accrued expenses		125	110
Total current liabilities		**24,404**	**12,554**
Total liabilities		**24,404**	**12,554**
Shareholders' equity			
Share capital	4	16,500	18,000
Legal reserves from capital contributions:			
General reserves		82,507	102,838
Voluntary retained earnings	14	109,001	115,816
Treasury shares (covered by reserves from capital contributions)	5	(2,002)	(14,909)
Total shareholders' equity		**206,006**	**221,745**
Total liabilities and shareholders' equity		**230,410**	**234,299**

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 2016/2017.

2. Accounting Policy

General principles

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

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

Treasury shares

Treasury shares are 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 recognised directly in equity (voluntary retained earnings).

Cash flow statement

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

3. Subsidiaries

	Percentage of capital held	Original currency	Nominal value FC 1,000	Book value 31.03.17 CHF 1,000	Book value 31.03.16 CHF 1,000
Holding companies					
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	CHF	13,885	201,673	205,821
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	CHF	200,000	22,224	22,681
Portfolio investments					
Actano Holding AG, Zurich, Switzerland (Software company)*	31%	CHF	322	3,635	2,774
Strategic European Technologies N.V., 's-Hertogenbosch, The Netherlands (Investment company)*	10%	EUR	63	219	403
Total				**227,751**	**231,679**

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

The subsidiaries Private Equity Fund Finance Ltd. and Private Equity Direct Finance Ltd. currently held by Private Equity Holding AG were previously held by Private Equity Holding Cayman Ltd., which 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 form 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

	31.03.17	**31.03.16**
Number of shares authorised and issued	2,750,000	3,000,000
Par value per share (CHF)	6.00	6.00

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

Contingent share capital

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

5. Treasury shares

	Number of shares	**Book value 31.03.17 CHF 1,000**
Balance brought forward	260,786	14,909
Change	(225,794)	(12,907)
Balance as of March 31, 2017	**34,992**	**2,002**

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

6. Impairment

CHF 1,000	**31.03.17**	**31.03.16**
Impairment losses on subsidiaries	1,088	356
Impairment losses on financial investments	—	228
Total	**1,088**	**584**

During the year, the Company incurred impairment losses of CHF 175k on Strategic European Technologies N.V. and CHF 913k on Actano Holding AG.

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

As of March 31, 2017 and 2016, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.17	31.03.16
Between 3% and 5%	Bernhard Schürmann (Langnau am Albis)	Bernhard Schürmann (Langnau am Albis)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil)	Dr. Hans Baumgartner (Adliswil) Private Equity Holding AG (Zug, registered without voting rights)
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 Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

8. Pledged assets and guarantees

Pledged assets

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

Guarantees

There were no guarantees as per March 31, 2017 and March 31, 2016.

9. Management compensation in accordance with Art. 663b[bis] Swiss Code of Obligations

2016/2017

CHF	Base compensation (Cash)	Base compensation (Shares)	Other compensation (Social security)	Total
Board of Directors				
Dr. Hans Baumgartner (Chairman)	37,500	37,500	4,663	79,663
Dr. Hans Christoph Tanner	25,000	25,000	2,407	52,407
Martin Eberhard	25,000	25,000	3,112	53,112
Bernhard Schürmann	25,000	25,000	1,701	51,701
Total	**112,500**	**112,500**	**11,883**	**236,883**

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 (from July 4, 2014)	12,500	—	—	12,500
Total	**125,000**	**112,500**	**12,578**	**250,078**

2016/2017

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	4,663	79,663
Total	**37,500**	**37,500**	**4,663**	**79,663**

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**

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

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 Holding AG and Christoph Huber	592,307	—	592,307
Total	**856,249**	**—**	**856,249**

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 1.0696 as of March 31, 2017 (March 31, 2016: 1.0916) 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 1.0834 for 2016/2017 (2015/2016: 1.0734).

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	(6,835)
Voluntary retained earnings	115,836
Total voluntary retained earnings	**109,001**
Reallocation from legal reserves from capital contributions to voluntary retained earnings[1]	8,250
At the disposal of the Annual General Meeting	**117,251**

[1] The Board of Directors' proposal to the Annual General Meeting to be held on July 10, 2017, 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 3.00 is paid per registered share, which will be paid out of reserves from capital contributions. As a consequence, the dividend payment will be effected free of Swiss withholding tax for Swiss residents.

CHF 1,000	
At the disposal of the Annual General Meeting	**117,251**
Dividend payment[1]	(8,250)
To be carried forward	**109,001**

[1] The Board of Directors' proposal to the Annual General Meeting to be held on July 10, 2017, 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

Statutory Auditor's Report

To the General Meeting of Private Equity Holding AG, Zug

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Private Equity Holding AG, Zug, which comprise the balance sheet as at 31 March 2017, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 44 to 52) for the year ended 31 March 2017 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

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

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

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

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

Responsibility of the Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

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

Zurich, 16 June 2017

Corporate Governance

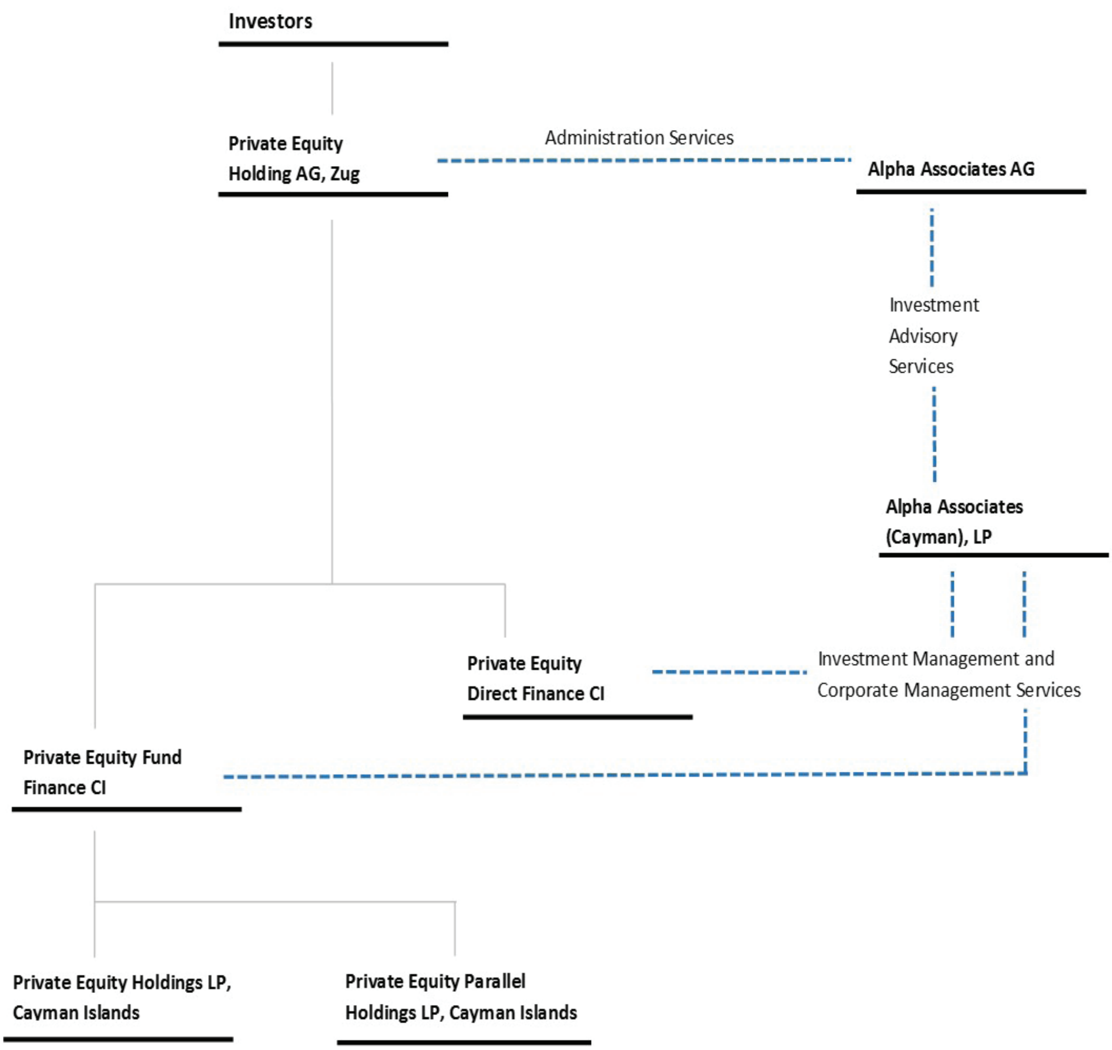
Private Equity Holding AG ("PEH" or the "Company") is committed to good corporate governance and transparency and accountability to its shareholders. The following disclosure follows the structure and is in accordance with the latest Directive on Information relating to Corporate Governance of the SIX 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, 2017 is depicted in the following diagram:



1.1.2 Listed company

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

The market capitalisation of the Company (based on total number of shares: 2,750,000) as of March 31, 2017 is EUR 181.5 million (CHF 194.2 million).

As of March 31, 2017, PEH held 34,992 of its shares in treasury (1.27% 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 statutory Financial Statements of this Annual Report.

1.2 Significant shareholders

As of March 31, 2017, the following major shareholders were known by the Company:

Holding in % of share capital	31.03.17	31.03.16
Between 3% and 5%	Bernhard Schürmann (Langnau am Albis)	Bernhard Schürmann (Langnau am Albis)
Between 5% and 10%	Dr. Hans Baumgartner (Adliswil)	Dr. Hans Baumgartner (Adliswil) Private Equity Holding AG (Zug, registered without voting rights)
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 Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

All changes in the Company's shareholder base that were reported and disclosed in accordance with Art. 120 FINFRAG during the financial year 2016/2017 as well as any updates on shareholdings reported thereafter can be obtained from the SIX website at: https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

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

2.2 Authorised and contingent capital

The 2014 Annual General Meeting approved the creation of new authorised and also contingent capital.

The authorised capital expired on July 3, 2016, while the contingent capital remains in place:

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

2.3 Changes in capital since March 31, 2014

Since March 31, 2014, the Company's and the Group's equity capital have developed as follows:

	31.03.14	31.03.15	31.03.16	31.03.17
Share capital (CHF 1,000)	20,550	18,600	18,000	16,500
Total equity PEH (CHF 1,000)	269,979	232,682	221,744	206,006
Total equity Group (EUR 1,000)	210,590	216,483	212,289	214,897

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

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).

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

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

2.4 Shares and participation certificates

The Company has not issued any participation certificates.

2.5 Dividend-right certificates

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

2.6 Limitations on transferability and nominee registrations

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

2.7 Convertible bonds and warrants/options

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

3. Board of Directors

3.1 Members

Pursuant to the Company's Articles of Association, the Board of Directors consists of at least three members. At the end of the financial year 2016/2017, 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 Head of IR and a member of the board of directors of Cosmo Pharmaceuticals NV, Amsterdam (SIX:COPN), CFO & Head of IR of Cassiopea SpA (SIX:SKIN), a member of the board and head of audit committee of DKSH AG (SIX:DKSH), a member of the board and head of the audit committee of CureVac AG, Tuebingen, a company developing mRNA based therapeutics, on the advisory board of Joimax GmbH, Karlsruhe, a market leader in endoscopy based back surgery, member of the Board of Qvanteq AG, Zuerich, a med tech company involved in the development of surfaces for stents, member of the Board of PAION AG, a publicly listed specialty pharmaceutical company. He graduated from the University of St. Gallen in 1975 with a degree in economics and completed his PhD in 1979. Dr. Hans Christoph 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. Hans Christoph 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. He is also a Board member of a major Swiss Charity foundation.

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 2017
Dr. Hans Christoph Tanner	Member	December 7, 2006	Annual General Meeting 2017
Martin Eberhard	Member	June 24, 2010	Annual General Meeting 2017
Bernhard Schürmann	Member	June 14, 2011	Annual General Meeting 2017

This Board of Directors has been elected at the Annual General Meeting of Private Equity Holding AG on July 8, 2016.

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 2016, 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 2016/2017, the Board of Directors held five meetings.

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

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

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

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

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

3.6 Definition of areas of responsibility

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

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

The management of ALPHA works closely with the Delegate 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 generally in attendance at meetings of the Board of Directors. ALPHA further issues monthly reports to the Board of Directors of the Company inclung 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 Delegate of the Board of Directors is 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 15 (Related party transactions) to the IFRS 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.

4.4.3 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 and a FINMA authorised asset manager of collective investment schemes. 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 Russia & CIS Secondary L.P. and ALPHA CEE Opportunity IV L.P., ALPHA 2001, L.P., a fund-of-funds investing worldwide in a diversified private equity fund portfolio, and ALPHA European Private Debt S.A., a fund-of-funds investing in private debt funds focused on senior secured lending and unitranche financing for mid-sized companies in Europe, and Private Equity Holding AG.

ALPHA's Management Team is composed as follows:

Dr. Peter Derendinger, Partner, Member of the Board of Directors & 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 Credit Suisse (Schweiz) AG and a number of private equity financed companies.

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

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

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 them discharging their duties to 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 2016/2017 and 2015/2016, please refer to Note 9 to the statutory Financial Statements of PEH AG (Management compensation) and the separate Compensation Report.

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

For further information regarding the disclosure of administration, management and performance fees under the administration and management agreements between PEH and its subsidiaries with ALPHA and ALPHAC, please refer to Note 15 to the 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 does not need to be a shareholder. Shareholders may be represented by a specially designated independent shareholders' representative ("unabhängiger Stimmrechtsvertreter"). Proxies must be in writing.

6.1.1 Restrictions on voting rights

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

6.1.2 Voting through shareholders' representative

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

6.2 Statutory quorums

There are no statutory quorums in the Company's Articles of Association. Except as provided for a limited number of important decisions as set forth in Art. 704 CO, which require a qualified majority, the General Meeting adopts all resolutions with a majority of the votes 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 30 days prior to the General Meeting in writing. Proposals regarding items not included in the agenda may be admitted for discussion by shareholder resolution, but may be voted on only at the following General Meeting, except a motion for the calling of an Extraordinary General Meeting or a motion for a special audit. Proposals regarding items on the agenda may be made without prior request.

6.5 Inscriptions into the share register

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

Only shareholders registered in the Company's register of shareholder as of the cut-off date are entitled to attend and vote at General Meetings. The cut-off date for each meeting is the date on which the invitation for the General Meeting is mailed to the shareholders (Art. 6.2 of the Company's Articles of Association). 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. 135 Financial Markets Infrastructure Act FMIA (FINFRAG), any person, whether acting directly, indirectly or in concert with third parties, acquiring shares in a company established and listed in Switzerland, which shares when added to any shares already owned by such person exceed the threshold of 33 1/3% of the voting rights of the company, must offer to acquire all listed shares of the company. This obligation does not apply if the shares have been acquired as a result of donation, succession or partition of an estate, by operation of matrimonial property law or through execution of a judgment.

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

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 July 8, 2016) on the mandate is Mr. Thomas Dorst, Swiss Certified Accountant. The rotation interval that applies to the lead auditor is the statutory maximum of seven years, according to Art. 730a par. 2 of the Swiss Code of Obligations.

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

8.2 Audit fees

The audit fees to KPMG in the financial year ending March 31, 2017 amounted to CHF 140,400 (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 2016.

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 10,800 (incl. VAT) and for tax-related advisory services CHF 6,144 (incl. VAT).

8.4 Supervisory and control instruments pertaining to the audit

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

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

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

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

9. Information policy

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

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

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

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

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

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

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

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 2016/17 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 2016 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 2016 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 2016 Annual General Meeting, the Board of Directors 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 them discharging their duties to the Company.

3.1 Compensation for the financial years 2016/2017 and 2015/2016 (Article 14 VegüV)

The following tables show the remuneration for the members of the Board of Directors in the financial years 2016/2017 and 2015/2016. In addition, the Company paid a Directors & Officers liability insurance fee of CHF 39,267 (2015/2016: CHF 46,725). Travel and other out-of-pocket expenses amounted to CHF 2,528 (2015/2016: CHF 8,742).

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

Compensation for the financial year 2016/2017

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

Compensation for the 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**

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

For the financial year 2016/2017, no loans or credits by the Company or its subsidiaries have been granted to members of the Board of Directors (2015/2016: None).

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

For the financial year 2016/2017, no further compensation, loans or credits by the Company or its subsidiaries have been granted to related parties (2015/2016: None).

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

For the financial year 2016/2017, no compensation was paid to former members of governing bodies (2015/2016: 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 compensation report to the General Meeting of Shareholders of

Private Equity Holding AG, Zug

We have audited the compensation report of Private Equity Holding AG for the year ended 31 March 2017. 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 67 to 68.

Responsibility of the Board of Directors

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the compensation report for the year ended 31 March 2017 of Private Equity Holding AG complies with Swiss law and articles 14-16 of the Ordinance.

KPMG AG

Thomas Dorst
Licensed Audit Expert
Auditor in Charge

Patricia Bielmann
Licensed Audit Expert

Zurich, 16 June 2017

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

	31.03.17	31.03.16
Number of registered shares	2,750,000	3,000,000
Number of shares outstanding	2,715,008	2,739,214
Nominal value per share (CHF)	6.00	6.00
Comprehensive earnings per share (EUR)	3.96	5.75

Share price (per share)

	2016/2017 CHF	2015/2016 CHF
High (16.03.17/16.03.16)	71.25	64.00
Low (06.04.16/21.10.15)	61.90	54.25
Year-end (31.3.)	70.60	62.50

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

	2016/2017 CHFm	2015/2016 CHFm
High (16.03.17/16.03.16)	193	175
Low (06.04.16/21.10.15)	168	149
Year-end (31.3.)	192	171

Corporate calendar

July 10, 2017	Annual General Meeting
November 6, 2017	Half Year Report as of September 30, 2017
April 2018	Preliminary NAV as of March 31, 2017
June 2018	Annual Report 2017/2018

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