

# Annual Report 2019 / 2020

**Private Equity Holding AG**



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

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

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

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

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## Key Figures for the Financial Year 2019/2020

Share Value	31.03.20 EUR	31.03.19 EUR	Change in % <sup>1</sup>	31.03.20 CHF	31.03.19 CHF	Change in % <sup>1</sup>
Net asset value per share, based on fair values	88.91	84.80	4.8%	94.26	94.76	(0.5%)
Price per share (PEHN.S)	48.10	56.82	(15.3%)	51.00	63.50	(19.7%)

<sup>1</sup> Excl. distributions.

Net Profit for the Period	01.04.19- 31.03.20 EUR 1,000	01.04.18- 31.03.19 EUR 1,000	Change in %
Profit for the period	14,987	22,560	(34%)

Selected Balance Sheet Items (Consolidated) <sup>2</sup>	31.03.20 EUR 1,000	31.03.19 EUR 1,000	Change in %
Current assets	729	2,699	(73%)
Non-current assets	245,635	218,744	12%
Current liabilities	15,698	495	3071%
Non-current liabilities	—	—	n/a
Total equity	230,666	220,948	4%

<sup>2</sup> Information herein is presented in addition to the IFRS Financial Statements.

Asset Allocation	Fair Value 31.03.20 EUR million	Unfunded Commitments 31.03.20 EUR million	Total Exposure <sup>3</sup> 31.03.20 EUR million	Total Exposure <sup>3</sup> 31.03.20 in %
Buyout funds	97.0	44.4	141.4	41%
Venture funds	69.5	21.6	91.1	27%
Special situation funds	35.4	27.3	62.7	18%
<b>Total fund investments</b>	<b>201.9</b>	<b>93.3</b>	<b>295.2</b>	<b>87%</b>
Direct investments and loans	43.7	2.2	45.9	13%
<b>Total direct investments and loans</b>	<b>43.7</b>	<b>2.2</b>	<b>45.9</b>	<b>13%</b>
<b>Total funds, direct investments and loans</b>	<b>245.6</b>	<b>95.5</b>	<b>341.1</b>	<b>100%</b>

<sup>3</sup> Fair value plus unfunded commitments.

Commitments	31.03.20	31.03.19	Change in %
Unfunded commitments (EUR million)	95.5	95.8	0%
Overcommitment <sup>4</sup>	41.5%	42.8%	(3%)
Net current assets / unfunded commitments	(0.4%)	2.3%	(116%)

<sup>4</sup> Overcommitment = (unfunded commitments - net current assets) / (non-current assets - non-current liabilities).

# Chairman's Letter for the Financial Year 2019/2020

Dear Shareholders,

Private Equity Holding AG (PEH) reports a comprehensive income of EUR 15.0 million for the financial year 2019/20. As of March 31, 2020, the net asset value per share (NAV) stood at EUR 88.91 (CHF 94.26), representing an increase of 7% (in EUR, incl. distribution of CHF 2 per share in July 2019) over the course of the financial year.

## Continuous Investment Activity

PEH pursued a very active investment approach in the financial year: six new fund commitments, five commitments within the Emerging Venture Manager Program, one new direct co-investment and two follow-on investments were completed. The list of primary commitments includes familiar names in the PEH portfolio and in several instances marks the latest renewal of investment relationships going back multiple fund generations; these include Cinven VII, TA XIII and Warburg Pincus China Southeast Asia II. This selection represents the PEH portfolio and its balanced approach to diversification along several dimensions (geography, investment stage, investment size) very well.

The Emerging Venture Manager Program was established in the prior financial year and five toe-hold commitments were completed in the last twelve months: Latitude, LocalGlobe, Hoxton Ventures, Balderton and Blossom Capital. These are promising fund managers in the venture space and these commitments secure critical access to funds raised by these fund managers in the future.

In May 2019, PEH completed a direct co-investment in Morgan Motor Company, the iconic British motor car manufacturer hand crafting cars for more than 100 years, best known for utilising wood in the construction process and achieving sports car performance through extreme weight discipline. The investment was completed alongside Investindustrial with the Morgan family retaining a minority shareholding.

Lastly, PEH completed two follow-on investments in direct co-investments Renaissance Learning, a US software as a service and learning analytics company, and Acino, a Swiss pharmaceutical company.

Despite current market turmoil and heightened uncertainty, we are confident that PEH's portfolio and these latest building blocks will weather these storms and provide attractive long-term, risk adjusted returns. Going forward, a lower level of investment activity can be expected as a result of slowing markets on the one hand and a focus on strengthening the balance sheet and capital base on the other hand.

## Strategy Unchanged Since 2010

For a decade, we have been promoting and pursuing a three-pillar strategy: new investments for sustainable growth, active market making and resulting NAV concentration per share, and a continuous dividend policy. The Board of Directors remains committed to this strategy and would like to confirm its belief that this mix provides an attractive combination for shareholders in a private equity investment company. Whenever the strategy was presented during these 10 years, we underlined the importance of a solid foundation for this strategy – the availability of free cash flows and a solid balance sheet.

It is with this in mind that we would like to express a word of caution: The Financials provide for a distribution to shareholders of CHF 2 per share. This proposal should be understood as a potential maximum. With unprecedented circumstances at the time of writing and resulting uncertainty as to the level of M&A activity and resulting cash flows from and to PEH over the next months, the Board of Directors might lower the proposal at the AGM on July 2, 2020. We consider it paramount to maintain the healthy foundation that allows for the three pillars to generate long term growth for shareholders over time and to make short term adjustments to the funds available for the three pillars to safeguard this very foundation.

### Shareholder Dialogue

During the financial year 2019/2020, we have significantly increased PEH's communication efforts and embarked on road shows in Switzerland and held numerous lunch presentations with existing and potential shareholders. We continue to believe that the discount levels between NAV and share price above 30% witnessed throughout the financial year do not accurately reflect the quality of the portfolio, its maturity and the conservative approach to reporting NAVs. However, the Covid-19 pandemic has caused unprecedented events, the consequences of which are not fully comprehensible let alone quantifiable at this stage and therefore neither their potential impact on NAVs. We understand this uncertainty to be a driving force behind the year-end discount of 45.9%.

Especially through periods of market turbulence, we remain convinced the three-pillar strategy will provide for future growth whilst allowing for flexibility in dealing with short- to medium-term implications of the pandemic. The strategic continuity and focus on the NAV per share will allow for positive returns for both loyal and new shareholders alike and discount levels will decrease in line with better visibility on the future NAV development.

We remain at your disposal to discuss any of these matters and thank you for your continued trust and support.

Yours sincerely



Dr. Hans Baumgärtner

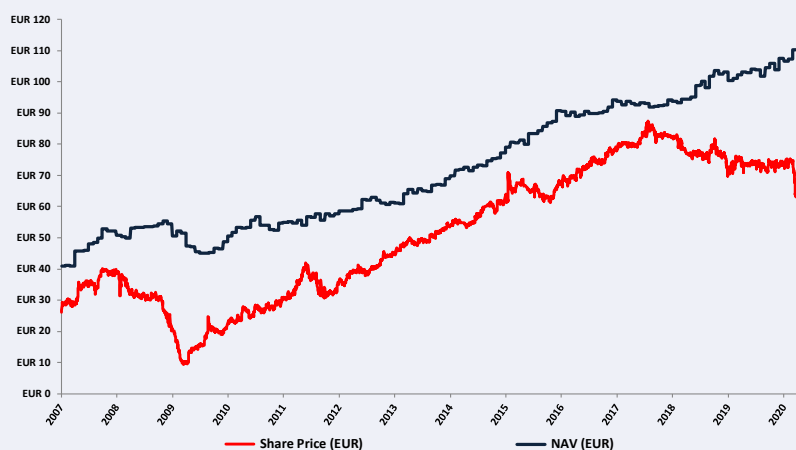
Chairman of the Board of Directors

May 5, 2020

## Development of Net Asset Value and Share Price

### Share Price and NAV per Share

01.01.2007 - 31.03.2020 (in EUR incl. distributions)



NAV per share in EUR: **88.91**

NAV per share in CHF: **94.26**

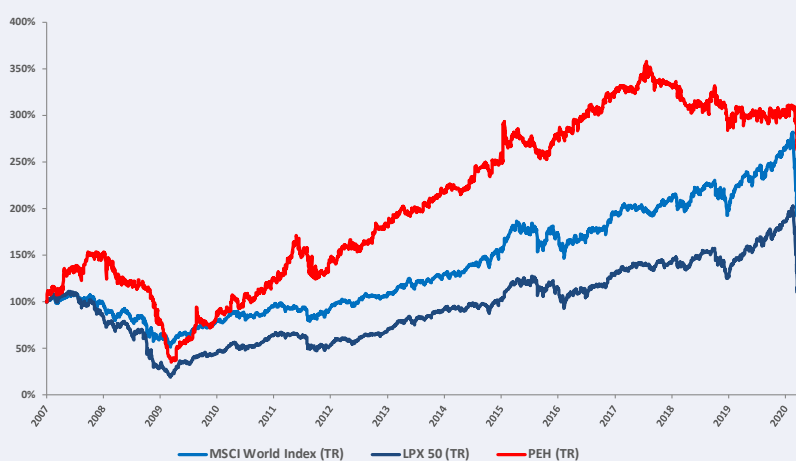
Share price in EUR: **48.10**

Share price in CHF: **51.00**

Discount to NAV as of 31.03.2020: **-45.9%**

### Relative Performance of PEHN

01.01.2007 - 31.03.2020 (in EUR incl. distributions)

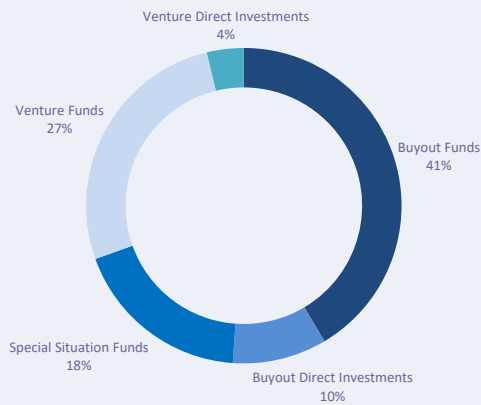


PEHN has outperformed the LPX-50 PE-Index by: **154.6%**

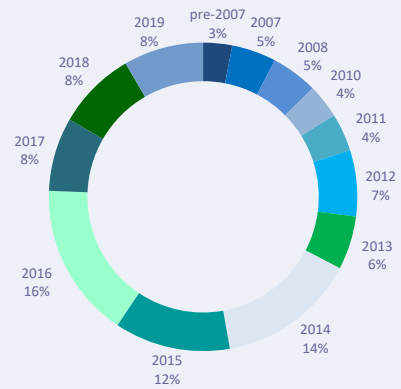
PEHN has outperformed the MSCI World Index by: **72.5%**

# Private Equity Holding Portfolio Overview

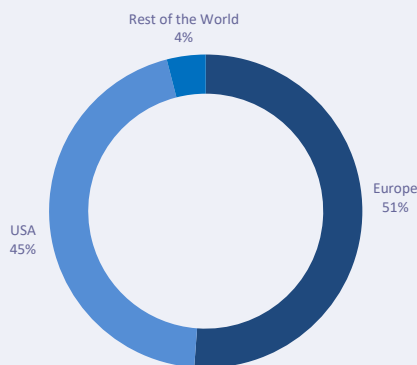
### Allocation by Investment Category<sup>1</sup>



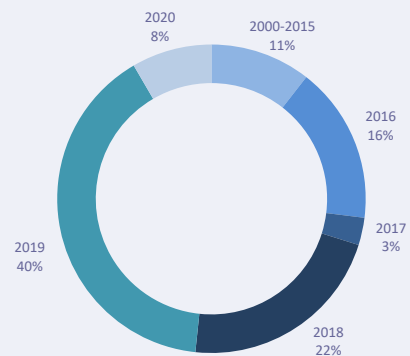
### Fair Value of the Portfolio by Vintage Year



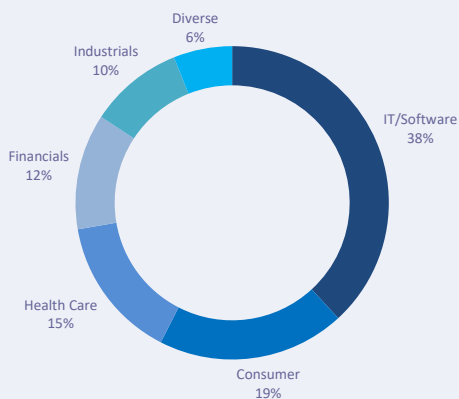
### Allocation by Geography<sup>2</sup>



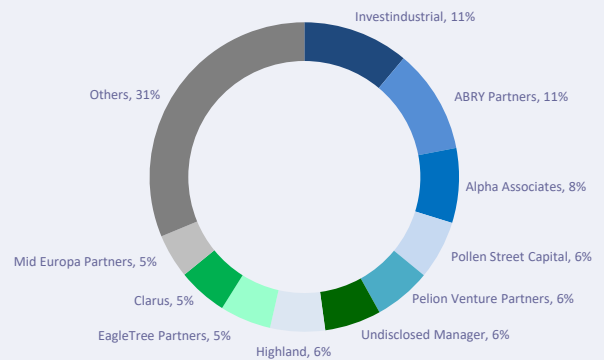
### Unfunded Commitments of the Portfolio by Vintage Year



### Allocation by Industry<sup>2</sup>



### 10 Largest Exposures by Managers



<sup>1</sup> Based on fair values plus unfunded commitments of portfolio holdings

<sup>2</sup> Based on fair values of the underlying companies



## Five Largest Exposures by Fair Value

representing 20.7% of the total fair value of PEH's investment portfolio

### alpha

#### ALPHA CEE Opportunity IV

<i>Fund Size:</i>	EUR 144 million
<i>Type:</i>	Special Situation
<i>Industries:</i>	Various
<i>Region:</i>	Eastern Europe
<i>Fair Value:</i>	EUR 11.4 million 4.6% of PEH Portfolio

### MID EUROPA PARTNERS

#### Mid Europa Fund IV

<i>Fund Size:</i>	EUR 808 million
<i>Type:</i>	Buyout
<i>Industries:</i>	Diverse
<i>Region:</i>	Central & Eastern Europe
<i>Fair Value:</i>	EUR 10.8 million 4.4% of PEH Portfolio



#### Pollen Street III

<i>Fund Size:</i>	GBP 332 million
<i>Type:</i>	Buyout
<i>Industries:</i>	Financials
<i>Region:</i>	Europe
<i>Fair Value:</i>	EUR 9.7 million 4.0% of PEH Portfolio

### DuPont Sustainable Solutions

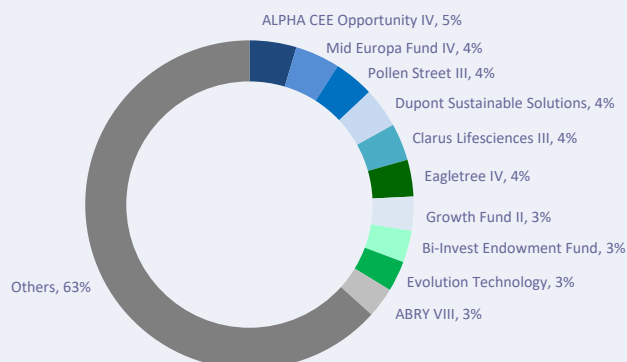
#### Dupont Sustainable Solutions

<i>Type:</i>	Direct Co-Investment
<i>Industries:</i>	Consulting Services
<i>Region:</i>	North America
<i>Fair Value:</i>	EUR 9.7 million 4.0% of PEH Portfolio



#### Clarus Life Sciences III

<i>Fund Size:</i>	USD 375 million
<i>Type:</i>	Venture
<i>Industries:</i>	Life Science / Healthcare
<i>Region:</i>	North America
<i>Fair Value:</i>	EUR 9.0 million 3.7% of PEH Portfolio



## Five Largest Exposures by Unfunded Commitment

representing 31.5% of the total unfunded commitments of PEH's investment portfolio



### Sycamore III

*Fund Size:* USD 4.3 billion  
*Type:* Special Situation  
*Industries:* Consumer  
*Region:* North America  
*Unfunded Commitment:* EUR 7.7 million  
 8.1% of PEH Portfolio



### Procuritas VI

*Fund Size:* EUR 312 million  
*Type:* Buyout  
*Industries:* Diverse  
*Region:* Europe  
*Unfunded Commitment:* EUR 6.9 million  
 7.2% of PEH Portfolio



### ABRY IX

*Fund Size:* USD 2.1 billion  
*Type:* Buyout  
*Industries:* Consumer  
*Region:* North America  
*Unfunded Commitment:* EUR 5.3 million  
 5.6% of PEH Portfolio



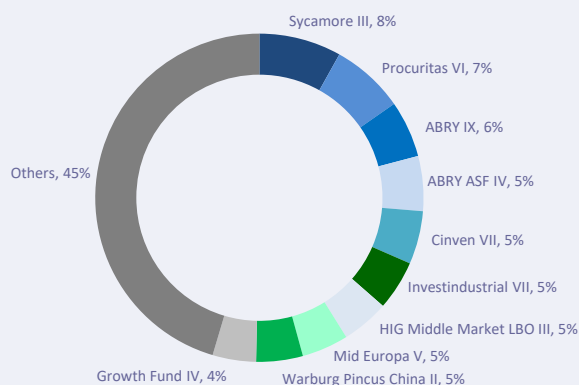
### ABRY ASF IV

*Fund Size:* USD 1.5 billion  
*Type:* Special Situation  
*Industries:* Consumer  
*Region:* North America  
*Unfunded Commitment:* EUR 5.2 million  
 5.4% of PEH Portfolio

## Cinven

### Cinven VII

*Fund Size:* EUR 10.0 billion  
*Type:* Buyout  
*Industries:* Various  
*Region:* Europe  
*Unfunded Commitment:* EUR 5.0 million  
 5.2% of PEH Portfolio



## Selected Direct Investments



*Fair Value:* EUR 3.6 million

*Industry:* Software

*Investment date:* 2018

*Region:* North America

### Cloudflare

Founded in 2009, Cloudflare is a fast growing web performance and security company that delivers online services to protect and accelerate websites online. The company provides content delivery network, internet security services and distributed domain name server services, sitting between the visitor and the Cloudflare user's hosting provider, acting as a reverse proxy for websites. Its network protects, speeds up, and improves availability for a website or mobile application with a change in DNS. Cloudflare was created in 2009.

Private Equity Holding invested USD 2.5 million in Cloudflare in Q3 2018 as part of a co-investment with Pelion Ventures. In September 2019, the company held a very successful listing on the New York Stock Exchange valuing the company at USD 4.4 billion.



## RENAISSANCE®

*Fair Value:* EUR 5.5 million

*Industry:* Software

*Investment date:* 2018

*Region:* North America

### Renaissance Learning

Founded in 1986, with the launch of Accelerated Reader, Renaissance offers digital learning solutions, including math and literacy assessments (Star Assessments), reading practice (Accelerated Reader and myON). Its products are used in approximately one-third of U.S. schools and more than 70 countries worldwide.

The addressable market for Renaissance is approximately USD 2.0 billion in size, representing circa 20% of the total USD 9.0 billion spent on instructional materials. This market is addressed by providers of both print and digital solutions. While print solutions are declining, digital solutions are growing rapidly as digitally delivered assessments allow educators to store, and perform analytics on, student data.

Private Equity Holding invested USD 5.0 million in Renaissance in Q3 2018 as part of a co-investment with Francisco Partners. In May 2019, PEH participated in a follow-on investment in the company to finance an add-on acquisition.



## Selected Direct Investments

### DuPont Sustainable Solutions

*Fair Value:* EUR 9.7 million      *Industry:* Consulting Services  
*Investment date:* 2019                      *Region:* North America

#### DuPont Sustainable Solutions

Founded over 50 years ago as a business unit of Dupont Chemicals, DuPont Sustainable Solutions (DSS) is ranked first amongst 20 consulting firms in the Environmental, Health and Safety (EHS) industry, and can rely on blue-chip clients and recurring revenues in a variety of industries.

Most of the DSS business is less cyclical than other consulting practices as it addresses regulatory-driven activity. DSS is a global firm with a strong franchise in Asia, Europe and the Middle East.

Private Equity Holding invested USD 6.5 million as part of a co-investment with Gyrus Capital to carve out DSS from Dupont Chemicals.



*Fair Value:* EUR 2.4 million      *Industry:* Automotive  
*Investment date:* 2019                      *Region:* Europe

#### Morgan Motor Company

Morgan was founded in 1909 and continues to this day to hand-build premium sports cars with a classic design, best known for utilising wood in the construction process and achieving sports car performance through extreme weight discipline. Morgan has a strong brand underpinned by a portfolio of iconic car designs (including the oldest car in continuous production, the 4/4, as well as a unique 3-wheeler) and a loyal and active owner community of “Moggies” with more than 5,000 members and 50 clubs globally.

PEH completed the co-investment in May 2019 alongside Investindustrial investing EUR 1.9 million in a transactions in which also the Morgan family retained a minority shareholding. PEH has invested alongside Investindustrial in Aston Martin, Flos (now part of International Design Group) and is invested in funds IV to VII.





## IFRS Financial Statements

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## Statement of Comprehensive Income

EUR 1,000	Notes	01.04.19- 31.03.20	01.04.18- 31.03.19
<b>Income</b>			
Net gains from investments in non-consolidated subsidiaries at fair value through profit or loss	9	18,065	28,390
Net gains/(losses) from financial assets at fair value through profit or loss	9	(1)	(2,645)
Foreign exchange gains/(losses)		(1,134)	(1,250)
Interest income calculated using effective interest rate method		80	49
Other income		—	1
<b>Total income</b>		<b>17,010</b>	<b>24,545</b>
<b>Expenses</b>			
Administration expenses	15	457	438
Corporate expenses		764	733
<b>Total expenses</b>		<b>1,221</b>	<b>1,171</b>
<b>Profit from operations</b>		<b>15,789</b>	<b>23,374</b>
Interest expenses		(802)	(814)
<b>Profit for the period attributable to equity holders of the company</b>		<b>14,987</b>	<b>22,560</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of income tax		—	—
<b>Total comprehensive income for the period attributable to equity holders of the company</b>		<b>14,987</b>	<b>22,560</b>
	Notes	01.04.19- 31.03.20	01.04.18- 31.03.19
Basic earnings per share (EUR)	13	5.75	8.65
Diluted earnings per share (EUR)	13	5.75	8.65

Minor differences in totals are due to rounding.

## Balance Sheet

EUR 1,000	Notes	31.03.20	31.03.19
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	20	215
Receivables and prepayments	7	94	93
<b>Total current assets</b>		<b>114</b>	<b>308</b>
<b>Non-current assets</b>			
Investments in non-consolidated subsidiaries at fair value through profit or loss	8.1, 8.2	282,087	264,022
Financial assets at fair value through profit or loss	8.3	2,371	2,372
Interest bearing loans	12.1	1,950	1,832
<b>Total non-current assets</b>		<b>286,408</b>	<b>268,226</b>
<b>Total assets</b>		<b>286,522</b>	<b>268,534</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Payables and other accrued expenses		100	199
Short-term bank borrowings	12.2	14,609	—
<b>Total current liabilities</b>		<b>14,709</b>	<b>199</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	12.2	41,147	47,387
<b>Total non-current liabilities</b>		<b>41,147</b>	<b>47,387</b>
<b>Total liabilities</b>		<b>55,856</b>	<b>47,586</b>
<b>Equity</b>			
Share capital	13	10,311	10,311
Share premium		26,995	30,267
Treasury shares	13	(9,448)	(8,894)
Retained earnings		202,808	189,264
<b>Total equity</b>		<b>230,666</b>	<b>220,948</b>
<b>Total liabilities and equity</b>		<b>286,522</b>	<b>268,534</b>
		<b>31.03.20</b>	<b>31.03.19</b>
Total number of shares as of period end		2,750,000	2,750,000
Number of treasury shares as of period end		(155,689)	(144,423)
<b>Number of shares outstanding as of period end</b>		<b>2,594,311</b>	<b>2,605,577</b>
Net asset value per share (EUR)		88.91	84.80

Minor differences in totals are due to rounding.



## Statement of Changes in Equity

EUR 1,000	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
<b>Opening as of 01.04.18</b>	<b>10,311</b>	<b>33,529</b>	<b>(8,355)</b>	<b>167,927</b>	<b>203,412</b>
Profit/(loss) for the period	—	—	—	22,560	22,560
Total other comprehensive income for the period, net of income tax	—	—	—	—	—
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>22,560</b>	<b>22,560</b>
Purchase of treasury shares	—	—	(652)	—	(652)
Sale of treasury shares	—	(3)	113	—	110
Repayment of share premium (paid-in-capital) <sup>1</sup>	—	(3,259)	—	(1,223)	(4,482)
<b>Total contributions by and distributions to owners of the Company</b>	<b>—</b>	<b>(3,262)</b>	<b>(539)</b>	<b>(1,223)</b>	<b>(5,024)</b>
<b>Total as of 31.03.19</b>	<b>10,311</b>	<b>30,267</b>	<b>(8,894)</b>	<b>189,264</b>	<b>220,948</b>
<b>Opening as of 01.04.19</b>	<b>10,311</b>	<b>30,267</b>	<b>(8,894)</b>	<b>189,264</b>	<b>220,948</b>
Profit/(loss) for the period	—	—	—	14,987	14,987
Total other comprehensive income for the period, net of income tax	—	—	—	—	—
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,987</b>	<b>14,987</b>
Purchase of treasury shares	—	—	(686)	—	(686)
Sale of treasury shares	—	(17)	132	—	115
Repayment of share premium (paid-in-capital) <sup>2</sup>	—	(3,255)	—	(1,443)	(4,698)
<b>Total contributions by and distributions to owners of the Company</b>	<b>—</b>	<b>(3,272)</b>	<b>(554)</b>	<b>(1,443)</b>	<b>(5,269)</b>
<b>Total as of 31.03.20</b>	<b>10,311</b>	<b>26,995</b>	<b>(9,448)</b>	<b>202,808</b>	<b>230,666</b>

Minor differences in totals are due to rounding.

<sup>1</sup> The Annual General Meeting held on July 12, 2018 decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.00 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 18, 2018.

<sup>2</sup> The Annual General Meeting held on July 11, 2019 decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.00 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 17, 2019.

## Statement of Cash Flows

EUR 1,000	Notes	01.04.19- 31.03.20	01.04.18- 31.03.19
<b>Cash flow from operating activities</b>			
Other income		—	1
Interest bearing loans		(80)	(1,759)
Interest received on interest bearing loans		80	49
Administration expenses paid		(457)	(438)
Corporate expenses paid		(582)	(587)
Transaction expenses paid		(4)	—
Net adjustments for other assets and liabilities		(80)	(8)
<b>Net cash (used)/provided by operating activities</b>		<b>(1,123)</b>	<b>(2,742)</b>
<b>Cash flow from financing activities</b>			
Proceeds/(Repayments) from interest bearing borrowings		(7,363)	7,125
Proceeds/(Repayments) from short-term bank borrowings		14,560	—
Interest paid on interest bearing borrowings		(687)	(756)
Interest paid on short-term bank borrowings		(115)	(58)
Commitment fee on borrowings		(178)	(147)
Purchase of treasury shares		(713)	(673)
Sale of treasury shares		115	110
Repayment of share premium (paid-in-capital)	13	(4,698)	(4,482)
<b>Net cash (used)/provided by financing activities</b>		<b>921</b>	<b>1,119</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(202)</b>	<b>(1,623)</b>
Cash and cash equivalents at the beginning of the period		215	1,774
Effects of exchange rate changes on cash and cash equivalents		7	64
<b>Cash and cash equivalents at the end of the period</b>		<b>20</b>	<b>215</b>

Minor differences in totals are due to rounding.

## Notes to the Financial Statements

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### 1. Reporting entity

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

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

The business activity of the Company is the purchase, holding and disposal of investments held in private equity funds and directly in companies with above-average growth potential. The Board of Directors has appointed one of its members as the Board's Delegate (the “Delegate”), who is responsible for managing the day-to-day business of the Company. ALPHA Associates (Cayman) LP, Cayman Islands, and ALPHA Associates AG, Zurich (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.

As of March 31, 2020, the Company had no employees (March 31, 2019: no employees).

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

### 2. Basis of preparation

#### *a) Statement of compliance*

The financial statements of the Company as at and for the year ended March 31, 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). 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 by the Board of Directors on May 5, 2020.

#### *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 (“FVTPL”) and investments in non-consolidated subsidiaries, which are measured at fair value.

#### *c) Functional and presentation currency*

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

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

### 3. Significant accounting policies

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

#### *a) Foreign currency*

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated 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 FVTPL, which are recognised as a component of net gain/(loss) from financial assets at FVTPL and investments in non-consolidated subsidiaries at FVTPL.

The following currency exchange rates were applied as of March 31, 2020 and March 31, 2019 for the retranslation of monetary assets and liabilities into EUR:

Currency	31.03.20	31.03.19
EUR/USD	1.1001	1.1223
EUR/CHF	1.0602	1.1175
EUR/GBP	0.8839	0.8619

#### *b) Financial assets and financial liabilities*

IFRS 9 - *Financial instruments* ("IFRS 9") addresses the classification, measurement and (de)recognition of financial assets and liabilities. The Partnership has classified its financial assets and subsequent measurements at either amortised cost, at FVTPL or at fair value through other comprehensive income ("FVOCI") on the basis of the Partnership's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### *Recognition and initial measurement*

Financial assets and liabilities at FVTPL 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 liabilities at FVTPL are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets or liabilities not at FVTPL 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 FVTPL;
- Financial assets at FVTPL.

Financial assets at amortised cost:

- Cash and cash equivalents;
- Receivables;
- Interest bearing loans.

Financial liabilities at amortised cost:

- Other liabilities - Short term bank borrowings;
- Other liabilities - Accrued expenses;
- Other liabilities - Interest bearing borrowings.

#### *Amortised cost measurement*

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

#### *Impairment*

Loss allowances for the expected credit loss model ("ECL") on cash and cash equivalents and receivables have been measured on a 12-month expected loss basis and reflect the short maturities of the exposures. The Company considers that these exposures have low credit risk when the external credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Company monitors changes in credit risk on these exposures by regularly tracking published external credit ratings of the counterparties.

The Company's interest bearing loans are granted to non-consolidated subsidiaries. Since the subsidiaries fulfil the requirement to have a strong capacity to meet the contractual cash flow obligation, the loans are considered low credit risk and a 12-months ECL is applied.

The economic impacts of Covid-19 do not materially influence the low credit risk assumption for cash and cash equivalents, receivables and interest bearing loans.

Credit risk is deemed low in the cases where the counterparty has a strong capacity to meet its contractual cash flow obligation in the near term. The Company assumes that the credit risk has increased significantly if a financial asset is more than 30 days past due. A financial asset is assumed credit-impaired if there is evidence for events with a detrimental impact on the estimated future cash flow, for example:

- Significant financial difficulty of the borrower;
- Financial asset is more than 90 days past due;
- It is probable that the borrower will enter bankruptcy.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. As of March 31, 2020, there is no material expected credit loss.

#### *Fair value measurement*

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

#### *(i) Quoted direct investments*

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

#### *(ii) Unquoted direct investments and loans*

In estimating the fair value of unquoted direct investments, the Company considers the most appropriate valuation techniques using a maximum of observable inputs, including but not limited to the following:

- Comparable company valuation multiples;
- Discounted cash flow method;
- Recent transaction price paid for an identical or a similar instrument in an investment (including subsequent financing rounds) to the extent that at each measurement date assessment is made whether changes or events subsequent to the transaction date would imply a fair value change of the investment;
- Reference to the valuation of the lead investor or other investors provided that, these were determined in accordance with IFRS 13.

#### *(iii) Unquoted fund investments (primary)*

The valuation method used for unquoted fund investments is the "adjusted net asset method". 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 as the key unobservable input. 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 ("rolled fair value").

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 as of the reporting period;
- Features of the fund agreement that might affect distributions;
- Inappropriate recognition of potential carried interest;
- Changing market or economic conditions to impact the value of the fund's portfolio as of the reporting period;
- 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.

#### *(iv) Unquoted fund investments (secondary)*

At the time of a secondary deal, the same investment might already be held in any of the portfolios of the entities managed by General Partner. Subsequent measurement shall be using the same fair value information as the one obtained for the primary transaction or direct investment. Should it be a first deal or investment, then it shall be kept at cost at the first measurement date.

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;
- Retrospective comparison of rolled fair values to actual audited fair values (backtesting);
- 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.

#### *Derecognition*

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

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

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

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

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

Interest and dividend income from investments is included in "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" (see Note 9).

#### *d) Interest income calculated using effective interest rate method and other incomes*

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

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

#### *e) Administration expenses, corporate and transaction expenses*

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

#### *f) Income taxes*

With the introduction of the new corporate tax law as of January 1, 2020, tax privileges for holding companies in the Canton of Zug have been abolished. As a consequence, income is no longer exempt from taxation at the cantonal and communal level but subject to ordinary taxation. Therefore, income tax at an effective corporate income tax rate of 11.91% is levied across all levels (including Swiss federal taxes). However, dividend income qualifies for the participation exemption if the related investment represents at least 10% of the other company's share capital or has a value of not less than CHF 1 million. The participation exemption is extended to capital gains on the sale of a substantial investment in non-consolidated Subsidiaries (i.e. at least 10%), which was held for a minimum holding period of one year and in case the sales price of the participation exceeds its original acquisition cost. The result of the participation exemption pursuant to the aforementioned requirements is that dividend income and capital gains (except recovered depreciations) are almost fully exempt from taxation across all levels.

#### *g) New standards and interpretations*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2019, and have been applied in preparing these financial statements.

##### *New standards and interpretations effective from January 1, 2019*

Standards, amendments and interpretations that have been adopted by the Company for the year ended March 31, 2020 are:

- IFRS 16, "Leases" – The Company assessed its potential impact and concluded that this new standard has no material impact on the accounting policies and overall results and financial position.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2019 that have a material effect on the financial statements of the Company.

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

- *Amendments to IAS 1 and IAS 8 – Definition of material.* The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS standards. The concept of “obscuring” material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from “could influence” to “could reasonably be expected to influence”. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.
- *Amendments to References to the Conceptual Framework in IFRS Standards* enhances the fundamental qualitative characteristics (relevance and faithful representation) and the enhancing qualitative characteristics (comparability, verifiability, timeliness, and understandability) of useful financial information. It also introduces a separate definition of an economic resource to move the references to future flows of economic benefits out of the definitions of an asset and a liability. Amendments, where they are updates, are effective for annual periods beginning on or after January 1, 2020, with earlier application permitted.

Of those standards and interpretations not yet effective, none is expected to have a significant impact on the Company’s financial statement in the period of initial application.

## **4. Critical accounting estimates and judgments**

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

### **4.1 Critical accounting estimates and assumptions**

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

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

The fair values assigned to financial assets at FVTPL and the investments in non-consolidated subsidiaries at FVTPL 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 FVTPL and the investments in non-consolidated subsidiaries at FVTPL existed, and those differences could be material.

### **4.2 Critical judgements**

As per April 1, 2017, the Company has adopted “Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)”. The decision whether to consolidate the subsidiaries requires judgement as to whether these meet the definition of an investment entity as defined under IFRS 10 and provide investment services in relation to the activities of the Company. Both subsidiaries were formed for a single investor (the Company, a related party) that represents the interests of a wider group of investors. Furthermore, both subsidiaries’ primary service is the provision of investment related services to the Company, both are investing in a wide range of investments measured at fair value, diversifying risks and maximising returns. Since the subsidiaries and the Company qualify individually as investment entity, it was concluded that they are exempt from consolidation.

## **5. Financial risk management**

### **5.1 Introduction and overview**

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

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



On March 11, 2020, the World Health Organisation (“WHO”) declared Covid-19 a pandemic and national governments have acted to implement a range of policies and actions to combat the virus and its economic impact to national markets and the global economy. The Board of Directors has analysed the consequences of Covid-19 on the business and risk situation of the Company. Considering the reporting date March 31, 2020, the Covid-19 outbreak is a current-period event and available information has already been recognized in the current period while the full extent of the economic and financial impact is uncertain as of today and could not reasonably be estimated.

As to market risk, the Company has adjusted NAVs in the reporting period by EUR 4.9 million to account for available information about material valuation changes in fund investments and direct co-investments. Due to the uncertainty of the outcome of the current events, we also doubled the percentage used for the negative scenario in the fair value sensitivity analysis in Note 11. Currency risks are considered medium when including the currency risk on the underlying investment portfolio because a significant part of fund and direct investments held by the subsidiaries are denominated in USD (March 31, 2019: USD 127, 6 million). The outbreak of Covid-19 led to an increased volatility in the EUR/USD rate in March 2020. In case of an estimated 8% volatility of the EUR/USD exchange rate with all other variables held constant, the increase or decrease to profit or loss of the Company would amount to EUR 9.3 million. Given that the Company does not have any fixed rate financial assets or liabilities and variable interests in USD LIBOR decreased in March 2020 (EUR and CHF floored at 0%), Covid-19 has had no adverse impact on the Company’s interest rate risk or on the valuation of the interest bearing loans. As to credit risk, Covid-19 does not have a material effect. The Company did not experience any credit impairments or a material increase in expected credit losses under IFRS 9 as the credit exposures of total EUR 2.6 million as of March 31, 2020, relate to industries and sectors that were not heavily affected by COVID-19 and other market decreases. As to liquidity risk, the Company expects to be able to honour all capital calls from the portfolio based on short-term and long-term cash flow projections. The usage of the credit facility is estimated not to significantly exceed the current level over the next 12 months (see Note 12.2).

## 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.

### *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 period-end values had increased or decreased by 11.3% (5-year average performance of the LPX 50 Total Return Index, whereby annual returns are all in absolute values) with all other variables held constant, the impact on the financial statements would have been EUR 27.8 million (2018/2019: 5-year average of 13.7%, EUR 30.0 million).

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

### *a) Interest rate risk*

If interest rates had changed by 100 basis points with all other variables held constant as of March 31, 2020, the increase or decrease to profit or loss would amount to approximately EUR 0.4 million (March 31, 2019: EUR 0.5 million). The Company may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Company or its non-consolidated Subsidiaries invest, and the impact on the valuation that uses interest rates as an input in the valuation model, such as the discounted cash flow models used in the valuation of unlisted investments. Therefore, the above sensitivity analysis may not indicate the total effect on the Company from future movements in interest rates.

### *b) 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 FVTPL are included in the line item “Net gains/(losses) from financial assets at fair value through profit or loss” in the statement of comprehensive income. The following tables summarise the Company’s exposure to currency risks:



**Currency risk as of March 31, 2020**

	USD 1,000	CHF 1,000	GBP 1,000
<b>Assets</b>			
Cash and cash equivalents	20	1	1
Interest bearing loans	2,145	—	—
Receivables	11	13	—
<b>Total assets</b>	<b>2,176</b>	<b>14</b>	<b>1</b>
<b>Liabilities</b>			
Payables and other accrued expenses	—	129	—
Short-term bank borrowings	8,700	—	—
Interest bearing borrowings	(9,517)	22,748	—
<b>Total liabilities</b>	<b>(817)</b>	<b>22,877</b>	<b>—</b>
<b>Net exposure in accordance with IFRS</b>	<b>2,993</b>	<b>(22,863)</b>	<b>1</b>
<b>Currency risk exposure of non-consolidated subsidiaries at fair value through profit or loss</b>	<b>140,901</b>	<b>25,058</b>	<b>13,979</b>
<b>Net exposure in accordance with the reporting to the Board of Directors</b>	<b>143,894</b>	<b>2,195</b>	<b>13,980</b>

**Currency risk as of March 31, 2019**

	USD 1,000	CHF 1,000	GBP 1,000
<b>Assets</b>			
Cash and cash equivalents	34	166	1
Interest bearing loans	2,056	—	—
Receivables	11	—	—
<b>Total assets</b>	<b>2,101</b>	<b>166</b>	<b>1</b>
<b>Liabilities</b>			
Payables, other accrued expenses	—	223	—
Interest bearing borrowings	5,794	20,760	—
<b>Total liabilities</b>	<b>5,794</b>	<b>20,983</b>	<b>—</b>
<b>Net exposure in accordance with IFRS</b>	<b>(3,693)</b>	<b>(20,817)</b>	<b>1</b>
<b>Financial assets and non-consolidated subsidiaries at fair value through profit or loss</b>	<b>127,647</b>	<b>22,284</b>	<b>11,466</b>
<b>Net exposure in accordance with the reporting to the Board of Directors</b>	<b>123,954</b>	<b>1,467</b>	<b>11,467</b>

As of March 31, 2020, had the exchange rate between the EUR/USD increased or decreased by 2.0% (change in EUR/USD rate between April 1, 2019 and March 31, 2020) with all other variables held constant, the increase or decrease to profit or loss would have amounted to EUR 0.1 million (2018/2019: 8.9%, EUR 0.3 million (excluding currency risk on the underlying investment portfolio)). Including the currency risk on the underlying investment portfolio, the increase or decrease to profit or loss would amount to EUR 2.6 million (2018/2019: 8.9%, EUR 9.8 million).

As of March 31, 2020, had the exchange rate between the EUR/CHF increased or decreased by 5.1% (change in EUR/CHF rate between April 1, 2019 and March 31, 2020) with all other variables held constant, the increase or decrease to profit or loss would have amounted to EUR 1.1 million (2018/2019: 4.9%, EUR 0.9 million (excluding currency risk on the underlying investment portfolio)). Including the currency risk on the underlying investment portfolio, the increase or decrease to profit or loss would amount to EUR 0.1 million (2018/2019: 4.9%, EUR 0.1 million).

As of March 31, 2020, had the exchange rate between the EUR/GBP increased or decreased by 2.5% (change in EUR/GBP rate between April 1, 2019 and March 31, 2020) with all other variables held constant, the increase or decrease to profit or loss would have amounted to Nil (2018/2019: 1.8%, 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 would amount to EUR 0.4 million (2018/2019: 1.8%, EUR 0.2 million).

The Investment Manager monitors the Group's currency position on a monthly basis and reports the currency exposures on the balance sheet and the impact of the currency movements on the performance of the long-term investment portfolio to the Board of Directors monthly. The non-current financial assets at FVTPL and the investments in non-consolidated subsidiaries at FVTPL have therefore been included in the above analysis of March 31, 2020 and March 31, 2019 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 schedules below summarise 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, 2020

EUR 1,000	PEH fully performing	Subsidiaries fully performing	Total	Rating (Fitch)
Cash at Credit Suisse (Switzerland) AG	20	228	248	A
Receivables <sup>1</sup>	—	387	387	n/a
Interest bearing loans	1,950	—	1,950	n/a
<b>Total exposure to credit risk</b>	<b>1,970</b>	<b>615</b>	<b>2,585</b>	

#### Credit risk as of March 31, 2019

EUR 1,000	PEH fully performing	Subsidiaries fully performing	Total	Rating (Fitch)
Cash at Credit Suisse (Switzerland) AG	215	2,251	2,466	A
Receivables <sup>1</sup>	—	125	125	n/a
Interest bearing loans	1,832	—	1,832	n/a
<b>Total exposure to credit risk</b>	<b>2,047</b>	<b>2,376</b>	<b>4,423</b>	

<sup>1</sup> Excludes tax receivables and prepaid expenses.

No financial assets carried at amortised cost were past due or impaired either at March 31, 2020 or March 31, 2019.

### 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, 2020, cash and cash equivalents of the Company amount to EUR 20k, plus the cash holdings of the non-consolidated Subsidiaries at FVTPL of EUR 228k (March 31, 2019: EUR 0.2 million plus EUR 2.3 million). In addition, the Company has access to a EUR 30.0 million credit facility (see also Note 12) which provides for an additional liquidity buffer. As of March 31, 2020, the credit facility was drawn EUR 14.6 million (March 31, 2019: undrawn).

The Company's non-consolidated Subsidiaries at FVTPL are exposed to a total undrawn amount in respect of commitments made on or before March 31, 2020 in the amount of EUR 95.5 million (March 31, 2019: EUR 95.8 million). Unfunded commitments are irrevocable and may be called at any time. Although not expected in the normal course of business, a significant percentage of the unfunded commitments may be due within less than one month. The Company does not have a direct obligation to meet the commitments, however is indirectly exposed to drawdowns, as if they are not met, then the Company would indirectly suffer the respective financial consequences to which the non-consolidated Subsidiaries at FVTPL would be exposed to.

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

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

**Liquidity risk as of March 31, 2020**

EUR 1,000	Less than 1 month	1-3 months	3-12 months	More than 12 months	No stated maturity	Total
Payables and other accrued expenses	—	100	—	—	—	100
Short-term bank borrowings	14,609	—	—	—	—	14,609
Interest bearing borrowings	—	—	—	41,147	—	41,147
<b>Total liabilities (on balance sheet) PEH</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>55,756</b>	<b>—</b>	<b>55,856</b>
Unfunded commitments of the non-consolidated subsidiaries at fair value through profit or loss (off balance sheet)	95,478	—	—	—	—	95,478
<b>Total liabilities of the Group (incl. off balance sheet)</b>	<b>95,478</b>	<b>1,090</b>	<b>—</b>	<b>14,609</b>	<b>—</b>	<b>111,177</b>

**Liquidity risk as of March 31, 2019**

EUR 1,000	Less than 1 month	1-3 months	3-12 months	More than 12 months	No stated maturity	Total
Payables and other accrued expenses	—	199	—	—	—	199
Interest bearing borrowings	—	—	—	47,387	—	47,387
<b>Total liabilities (on balance sheet) PEH</b>	<b>—</b>	<b>199</b>	<b>—</b>	<b>47,387</b>	<b>—</b>	<b>47,586</b>
Unfunded commitments of the non-consolidated subsidiaries at fair value through profit or loss (off balance sheet)	95,757	—	—	—	—	95,757
<b>Total liabilities of the Group (incl. off balance sheet)</b>	<b>95,757</b>	<b>495</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>96,252</b>

The effect of discounting is not material.

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 2019/2020 are listed in Note 13. Helvetische Bank AG, Zurich, acts as the Company's market maker.

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

**6. Cash and cash equivalents**

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

As of March 31, 2020, cash and cash equivalents are freely available.

**7. Receivables and prepayments**

EUR 1,000	31.03.20	31.03.19
Accrued income and prepaid expenses	57	56
Tax receivables	37	37
<b>Total receivables and prepayments</b>	<b>94</b>	<b>93</b>

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

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

	Percentage of capital held	Original currency	Nominal value 1,000	Book value 31.03.20 EUR 1,000	Book value 31.03.19 EUR 1,000
<b>Investments in non-consolidated subsidiaries at fair value through profit or loss</b>					
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	CHF	13,885	252,958	233,810
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	CHF	200,000	29,129	30,212
<b>Total</b>				<b>282,087</b>	<b>264,022</b>

	Private Equity Fund Finance Ltd.	Private Equity Direct Finance Ltd.	Total
Fund investments	201,719	—	201,719
Direct investments	4,854	36,691	41,545
Other balance sheet items	46,385	(7,562)	38,823
<b>Book value 31.03.20</b>	<b>252,958</b>	<b>29,129</b>	<b>282,087</b>

	Private Equity Fund Finance Ltd.	Private Equity Direct Finance Ltd.	Total
Fund investments	179,545	—	179,545
Direct investments	5,889	30,938	36,827
Other balance sheet items	48,376	(726)	47,650
<b>Book value 31.03.19</b>	<b>233,810</b>	<b>30,212</b>	<b>264,022</b>

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.

	Vintage	Original fund currency	Commitments			Book values	
			Original amount FC 1,000	Paid in 31.03.20 FC 1,000	Unfunded commitment 31.03.20 EUR 1,000	Fair value 31.03.19 EUR 1,000	Fair value 31.03.20 EUR 1,000
<b>Buyout Funds</b>							
ABRY Heritage Partners <sup>3</sup>	2016	USD	5,600	2,964	2,396	1,757	2,153
ABRY Partners IX	2019	USD	8,571	2,703	5,335	—	2,381
ABRY Partners VI <sup>3</sup>	2008	USD	7,500	7,481	17	122	139
ABRY Partners VII <sup>3</sup>	2011	USD	7,500	7,960	—	2,186	2,320
ABRY Partners VIII <sup>3</sup>	2014	USD	9,375	9,955	—	7,239	7,320
ALPHA CEE II <sup>2</sup>	2006	EUR	15,000	14,163	837	3,963	3,449
Avista Capital Partners <sup>3</sup>	2006	USD	10,000	11,753	—	270	174
Avista Capital Partners II <sup>3</sup>	2008	USD	10,000	13,122	—	2,080	1,029
Avista Capital Partners III <sup>3</sup>	2011	USD	10,000	11,458	—	3,750	108
Avista Capital Partners IV <sup>3</sup>	2017	USD	5,000	4,918	74	2,934	3,770
Bi-Invest Endowment Fund	2014	EUR	5,000	5,000	—	7,987	7,678
Bridgepoint Europe I B <sup>1</sup>	1998	GBP	15,000	620	—	36	—
Bridgepoint Europe IV <sup>3</sup>	2008	EUR	10,000	10,251	199	3,570	1,985
Capvis Equity III <sup>3</sup>	2008	EUR	10,000	10,857	545	3,657	3,943
Cinven VII	2019	EUR	5,000	—	5,000	—	(13)
Clayton, Dubilier and Rice Fund VI <sup>1</sup>	1998	USD	35,000	9,661	—	8	5
Eagletree Partners III <sup>3</sup>	2012	USD	10,000	10,184	97	4,324	4,287
Eagletree Partners IV <sup>3</sup>	2015	USD	10,000	7,910	1,900	6,950	8,879
Francisco Partners <sup>3</sup>	2000	USD	3,222	2,937	—	35	—
Industri Kapital 2007 Fund <sup>3</sup>	2007	EUR	10,000	10,410	—	140	104
Investindustrial IV <sup>3</sup>	2008	EUR	10,000	10,862	—	4,173	4,468
Investindustrial V	2012	EUR	5,000	5,755	—	4,492	3,989
Investindustrial VI	2016	EUR	5,000	4,123	877	3,283	4,082
Investindustrial VII	2019	EUR	5,000	325	4,675	—	292
Mid Europa Fund IV <sup>3</sup>	2014	EUR	10,000	9,928	72	10,981	10,828
Mid Europa Fund V	2018	EUR	5,000	609	4,391	—	501
Pollen Street Capital III	2016	GBP	9,000	6,646	2,667	7,989	9,717
Procuritas Capital Investors VI	2016	EUR	10,000	3,112	6,888	1,871	3,375
TA Associates XIII	2019	USD	5,000	750	3,863	—	646
Warburg Pincus China-Southeast Asia II	2019	USD	5,000	175	4,386	—	134
Warburg Pincus Private Equity X	2007	USD	15,000	15,263	15	4,881	3,203
Warburg Pincus Private Equity XII	2015	USD	6,000	5,763	215	4,268	6,013
<b>Total Buyout Funds</b>					<b>44,450</b>	<b>92,945</b>	<b>96,960</b>

Minor differences in totals are due to rounding.

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

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

<sup>3</sup> Along with the unfunded commitments, distributions in the total amount of EUR 12.4 million (whereof Eagletree Partners III accounts for EUR 1.7 million, Mid Europa Fund IV accounts for EUR 1.2 million and Avista Capital Partners II accounts for EUR 1.2 million) are recallable from these funds as of September 30, 2019. 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.

<sup>4</sup> Remaining commitment was reduced by the fund manager.

<sup>5</sup> As of March 31, 2020, the EMP portfolio (Emerging Managers Program) consists of six underlying venture capital funds with vintage years 2018 and 2019. Four of these funds are denominated in USD (total original amount: USD 4.5 million; total amount paid-in as of March 31, 2020: USD 1'050k), and the other two are denominated in GBP (total original amount: GBP 1.3 million; total amount paid-in as of March 31, 2020: GBP 655k).

**Investments held by the non-consolidated subsidiaries (continued)**

	Vintage	Original fund currency	Commitments			Book values	
			Original amount FC 1,000	Paid in 31.03.20 FC 1,000	Unfunded commitment 31.03.20 EUR 1,000	Fair value 31.03.19 EUR 1,000	Fair value 31.03.20 EUR 1,000
<b>Venture Funds</b>							
Boulder Ventures IV	2001	USD	11,250	11,516	—	704	943
Carmel Software Fund	2000	USD	10,000	10,293	—	—	—
Carmel Software Fund (Secondary)	2000	USD	782	782	—	—	—
CDC Innovation 2000	2000	EUR	10,002	9,676	326	321	333
Clarus Lifesciences III	2013	USD	7,500	6,773	661	5,723	8,997
Clarus IV <sup>3</sup>	2017	USD	7,500	3,489	3,646	1,798	3,784
Emerging Managers Program <sup>5</sup>	2018-19	Various	Various	Various	3,867	(38)	2,399
Evolution Technology <sup>3</sup>	2016	USD	5,000	4,975	23	5,559	7,373
Growth Fund I	2011	EUR	5,000	5,527	—	4,747	3,678
Growth Fund II	2015	EUR	5,000	5,337	40	6,800	8,248
Growth Fund III	2018	USD	4,500	2,955	1,405	1,114	2,590
Growth Fund IV	2020	USD	4,500	—	4,091	—	—
Highland Europe I <sup>3</sup>	2012	EUR	5,000	5,847	—	5,878	5,897
Highland Europe II <sup>3</sup>	2015	EUR	5,000	4,893	320	5,443	6,244
Highland Europe III	2018	EUR	5,000	2,056	2,944	1,104	1,932
Institutional Venture Partners XII	2007	USD	5,000	5,000	—	1,144	933
Institutional Venture Partners XIII	2010	USD	5,000	5,000	—	2,675	2,203
Kennet III <sup>3</sup>	2007	EUR	5,000	5,625	—	3,112	2,458
Life Sciences Fund	2019	EUR	4,000	65	3,935	—	54
Pelion IV	2007	USD	1,693	1,693	—	2,424	4,006
Pelion V	2012	USD	1,039	1,009	27	707	1,006
Pelion VI	2015	USD	5,000	4,650	318	4,614	6,034
TAT Investments I	1997	USD	24,000	24,289	—	340	179
<b>Total Venture Funds</b>					<b>21,604</b>	<b>54,168</b>	<b>69,289</b>

For footnotes see bottom of page 27.

Minor differences in totals are due to rounding.

## Investments held by the non-consolidated subsidiaries (continued)

	Vintage	Original fund currency	Commitments			Book values	
			Original amount FC 1,000	Paid in 31.03.20 FC 1,000	Unfunded commitment 31.03.20 EUR 1,000	Fair value 31.03.19 EUR 1,000	Fair value 31.03.20 EUR 1,000
<b>Special Situation Funds</b>							
ABRY Advanced Securities Fund <sup>4</sup>	2008	USD	15,000	7,265	445	201	202
ABRY Advanced Securities Fund III	2014	USD	8,000	9,933	—	5,494	4,112
ABRY Advanced Securities Fund IV	2018	USD	10,000	4,318	5,165	292	3,913
ABRY Senior Equity IV <sup>3</sup>	2013	USD	5,000	5,145	—	3,164	1,741
ABRY Senior Equity V <sup>3</sup>	2016	USD	5,500	2,911	2,354	1,264	2,491
ALPHA CEE Opportunity IV <sup>2</sup>	2016	EUR	10,000	9,228	1,251	7,208	11,354
ALPHA Russia & CIS Secondary <sup>2</sup>	2010	USD	15,000	13,890	1,009	5,463	4,379
DB Secondary Opportunities Fund A <sup>4</sup>	2007	USD	5,376	4,327	477	—	—
DB Secondary Opportunities Fund C	2007	USD	9,288	6,957	2,159	44	—
HIG Middle Market LBO III	2019	USD	5,000	80	4,472	—	29
OCM European Principal Opportunities Fund II	2007	EUR	5,000	4,995	5	214	50
OCM Opportunities Fund VII	2007	USD	5,000	5,000	—	219	170
OCM Opportunities Fund VIIb	2008	USD	5,000	4,500	227	114	82
Sycamore II <sup>3</sup>	2014	USD	10,000	8,769	1,119	7,203	5,609
Sycamore III	2018	USD	10,000	1,495	7,732	965	872
WL Ross Recovery Fund IV <sup>3</sup>	2007	USD	10,000	9,056	858	587	467
<b>Total Special Situation Funds</b>					<b>27,273</b>	<b>32,431</b>	<b>35,470</b>
<b>Total Fund Investments</b>					<b>93,327</b>	<b>179,545</b>	<b>201,719</b>

For footnotes see bottom of page 27.

Minor differences in totals are due to rounding.

	Original fund currency	Commitments			Book values	
		Original amount FC 1,000	Unfunded commitment 31.03.20 EUR 1,000	Fair value 31.03.19 EUR 1,000	Fair value 31.03.20 EUR 1,000	
<b>Direct investments</b>						
Acino Holding AG	USD	5,455	—	1,903	3,498	
Applied Spectral Imaging	USD	4,461	—	2,203	2,012	
Aston Martin	EUR	4,737	76	11,625	1,230	
Cloudflare	USD	2,003	—	1,781	3,635	
Dupont Sustainable Solutions	USD	6,513	2,072	693	9,699	
Earnix	USD	201	—	3,374	3,612	
Enanta Pharmaceuticals	USD	7,279	—	2,189	969	
International Design Group (formerly Flos)	EUR	4,172	—	2,835	3,140	
Microfabrica	USD	158	—	28	—	
Morgan Motor	EUR	1,861	—	—	2,353	
Neurotech	USD	2,203	—	486	496	
Prysm	USD	420	—	—	—	
Renaissance Learning	USD	5,088	—	4,596	5,500	
Shawbrook	GBP	4,000	—	5,116	5,402	
<b>Total Direct investments</b>			<b>2,149</b>	<b>36,827</b>	<b>41,545</b>	

Minor differences in totals are due to rounding.

## 8.2 Movements in investments held by the non-consolidated subsidiaries

	Book values					Returns	
	Fair value	Capital	Return	Change in	Fair value	Total	Real.
	01.04.19 EUR 1,000	calls EUR 1,000	of capital EUR 1,000	unrealised gains/(losses) EUR 1,000	31.03.20 EUR 1,000	distrib- utions EUR 1,000	gains/ (losses) EUR 1,000
<b>Fund Investments <sup>1</sup></b>							
Buyout Funds	92,945	12,135	13,320	5,199	96,960	16,946	3,626
Venture Funds	54,168	8,352	3,664	10,433	69,289	10,063	6,398
Special Situation Funds	32,431	12,405	3,618	(5,748)	35,470	6,629	3,010
<b>Total Funds</b>	<b>179,545</b>	<b>32,892</b>	<b>20,603</b>	<b>9,884</b>	<b>201,719</b>	<b>33,637</b>	<b>13,034</b>
<b>Direct Investments <sup>2</sup></b>	<b>36,827</b>	<b>6,294</b>	<b>22</b>	<b>(1,554)</b>	<b>41,545</b>	<b>480</b>	<b>459</b>
<b>Total Investments held by the non-consolidated subsidiaries</b>	<b>216,372</b>	<b>39,186</b>	<b>20,625</b>	<b>8,330</b>	<b>243,264</b>	<b>34,117</b>	<b>13,493</b>

<sup>1</sup> Fund Investments were held by Private Equity Fund Finance (also refer to Note 8.1).

<sup>2</sup> Direct Investments were held by Private Equity Direct Finance and Private Equity Fund Finance (also refer to Note 8.1).

Minor differences in totals are due to rounding.

## 8.3 Financial assets at fair value through profit or loss

	Commitments			Book values				Returns		
	Original currency	Original amount FC 1,000	Unfunded	Fair value	Capital	Return	Change in	Fair value	Total	Real.
			commit- ment 31.03.20 EUR 1,000	01.04.19 EUR 1,000	calls EUR 1,000	of capital EUR 1,000	unrealised gains/ (losses) EUR 1,000	31.03.20 EUR 1,000	distrib- utions EUR 1,000	gains/ (losses) EUR 1,000
Actano Holding AG (Equity)	CHF	8,450	—	2,171	—	—	—	2,171	—	—
Minicap Technology Investments	CHF	10,967	—	—	—	—	—	—	—	—
Strategic European Technologies N.V.	EUR	18,151	—	201	—	—	(1)	200	—	—
<b>Total financial assets at fair value through profit or loss</b>			<b>—</b>	<b>2,372</b>	<b>—</b>	<b>—</b>	<b>(1)</b>	<b>2,371</b>	<b>—</b>	<b>—</b>

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		01.04.19- 31.03.20	01.04.18- 31.03.19
EUR 1,000			
Change in unrealised gains/(losses) on Private Equity Fund Finance Ltd.		19,148	25,495
Change in unrealised gains/(losses) on Private Equity Direct Finance Ltd.		(1,083)	2,895
<b>Total net gains/(losses) from investments in non-consolidated subsidiaries at fair value through profit or loss</b>		<b>18,065</b>	<b>28,390</b>
Financial assets		01.04.19- 31.03.20	01.04.18- 31.03.19
EUR 1,000			
Change in unrealised gains/(losses) from financial assets at fair value through profit or loss		(1)	(2,645)
Realised gains/(losses) from financial assets at fair value through profit or loss		—	—
<b>Total net gains/(losses) from financial assets at fair value through profit or loss</b>		<b>(1)</b>	<b>(2,645)</b>



## 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, 2020 and March 31, 2019 on a look-through basis by the level in the fair value hierarchy into which the fair value measurement is categorised<sup>1</sup>:

As of March 31, 2020				
EUR 1,000	Level I	Level II	Level III	Total
<b>Investments in non-consolidated subsidiaries (look-through)</b>				
Fund investments	—	—	201,719	201,719
Direct investments	2,199	—	39,346	41,545
<b>Total investments in non-consolidated subsidiaries (look-through)</b>	<b>2,199</b>	<b>—</b>	<b>241,065</b>	<b>243,264</b>
<b>Financial assets at fair value through profit or loss</b>				
Fund investments	—	—	200	200
Direct investments	—	—	2,171	2,171
Loans	—	—	—	—
<b>Total financial assets measured at fair value through profit or loss</b>	<b>—</b>	<b>—</b>	<b>2,371</b>	<b>2,371</b>
As of March 31, 2019				
EUR 1,000	Level I	Level II	Level III	Total
<b>Investments in non-consolidated subsidiaries (look-through)</b>				
Fund investments	—	—	179,545	179,545
Direct investments	13,813	—	23,014	36,827
<b>Total investments in non-consolidated subsidiaries (look-through)</b>	<b>13,813</b>	<b>—</b>	<b>202,559</b>	<b>216,372</b>
<b>Financial assets at fair value through profit or loss</b>				
Fund investments	—	—	201	201
Direct investments	—	—	2,171	2,171
Loans	—	—	—	—
<b>Total financial assets measured at fair value through profit or loss</b>	<b>—</b>	<b>—</b>	<b>2,372</b>	<b>2,372</b>

<sup>1</sup> The Company has not disclosed the fair values for financial instruments measured at amortised cost. For short-term financial instruments such as cash and cash equivalent, receivables, interest bearing loans, payables and accrued expenses, the carrying amount is generally considered a reasonable estimate of fair value. The fair value for long-term financial liabilities such as interest-bearing borrowings, estimated by discounting contractual cash flows using current market interest rates is equivalent to the carrying amount.

The financial statements as of March 31, 2020 include Level III financial assets in the amount of EUR 2.4 million (March 31, 2019: EUR 2.4 million), representing approximately 1.0% (March 31, 2019, 1.1%) of the total equity.

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, 2020.

The changes in investments measured at fair value for which the Company has used Level III inputs to determine fair value as of March 31, 2020 and March 31, 2019, are as follows:

As of March 31, 2020	Investments in non-consolidated subsidiaries at fair value through profit or loss	Financial assets at fair value through profit or loss	Total
EUR 1,000			
<b>Fair value of Level III investments at the beginning of the period</b>	<b>202,559</b>	<b>2,372</b>	<b>204,931</b>
Total capital calls from Level III investments	39,186	—	<b>39,186</b>
Total distributions from Level III investments	(33,670)	—	<b>(33,670)</b>
Total gains or losses:			
realised in profit or loss	13,067	—	<b>13,067</b>
unrealised in profit or loss <sup>1</sup>	19,923	(1)	<b>19,922</b>
<b>Fair value of Level III investments at the end of the period</b>	<b>241,065</b>	<b>2,371</b>	<b>243,436</b>

As of March 31, 2019	Investments in non-consolidated subsidiaries at fair value through profit or loss	Financial assets at fair value through profit or loss	Total
EUR 1,000			
<b>Fair value of Level III investments at the beginning of the period</b>	<b>186,248</b>	<b>5,017</b>	<b>191,265</b>
Transfer out of Level III (Aston Martin)	(11,625)	—	<b>(11,625)</b>
Total capital calls from Level III investments	40,730	—	<b>40,730</b>
Total distributions from Level III investments	(37,364)	—	<b>(37,364)</b>
Total gains or losses:			
realised in profit or loss	19,709	—	<b>19,709</b>
unrealised in profit or loss <sup>1</sup>	4,861	(2,645)	<b>2,216</b>
<b>Fair value of Level III investments at the end of the period</b>	<b>202,559</b>	<b>2,372</b>	<b>204,931</b>

<sup>1</sup> Unrealised profit or loss refers to instruments held at the reporting date.

For Level III fund and direct investments, the sensitivity analysis below (as of March 31, 2020 and March 31, 2019) represents the potential absolute change in fair value for each category. The fair values of such investments are valued by using an unobservable input factor and are directly affected by a change in that factor.

As outlined in Note 3.b (iii), the Company utilizes a methodology that uses reported NAV as the key input for fund investments. Thus, the main unobservable input factor would be reported NAV itself. For direct investments, the Company used mainly the following factors relevant to the fair value: a) Reported fair value, b) EBITDA multiples or other earnings metric as appropriate and c) Recent financing transactions adjusted for possible changes between transaction date and reporting date (also refer to Note 3.b (ii)).

The COVID-19 pandemic and the related measures taken have changed the global economic outlook for the foreseeable future. Considering the uncertainty of the outcome of the current events and observable financial market volatility in March 2020, the percentage used for the negative change of the unobservable input factor was doubled from 5% to 10% this year. This percentage currently represents the Board of Directors' best estimate of a reasonable possible shift in the inputs for purposes of this analysis. Hence, should the significant unobservable input increase by 5% or decrease by 10%, the value of each category of investments would follow respectively by the absolute positive or negative amount as shown in the table below.

No interrelationships between unobservable inputs used in the Company's valuation of its Level 3 funds and direct investments have been identified.

The category "Direct investments" in the table below may include certain investments using the valuation technique "Reported fair value". The fair value of such direct investments is based on a reported fair value by the lead investor. Hence, we use the reported fair value rather than a direct investment valuation.

A sensitivity analysis has not been performed for direct investments that have been acquired within the last 9 months of the reporting period and where the acquisition cost was deemed to be the most appropriate fair value in accordance with IFRS 13.

Level III investment	Fair value	Valuation technique	Unobservable input	Sensitivity	
	31.03.20 EUR 1,000			+5%	-10%
<b>Fund investments</b>					
	201,919	Adjusted reported net asset value	Reported net asset value	10,096	(20,192)
<b>Direct investments</b>					
	5,624	Market comparable companies	Enterprise value to EBITDA multiple	281	(562)
	21,175	Reported fair value	Reported fair value	1,059	(2,118)
	14,222	Recent financing/transaction	Recent transaction price	n/a	n/a
	496	Other	Earnout	n/a	n/a
Level III investment	Fair value	Valuation technique	Unobservable input	Sensitivity	
	31.03.19 EUR 1,000			+5%	-5%
<b>Fund investments</b>					
	179,746	Adjusted reported net asset value	Reported net asset value	8,987	(8,987)
<b>Direct investments</b>					
	5,577	Market comparable companies	Enterprise value to EBITDA multiple	279	(279)
	16,230	Reported fair value	Reported fair value	811	(811)
	2,892	Recent financing/transaction	Recent transaction price	n/a	n/a
	486	Other	Earnout	n/a	n/a

n/a = not applicable

## 12. Financial assets and liabilities at amortised cost

### 12.1 Interest bearing loans

Effective on August 29, 2018, the Company (the lender) entered into a loan agreement with Private Equity Direct Finance (a subsidiary, the borrower) to lend the total sum of USD 2.0 million at the existing rate of 1 month LIBOR plus 225 basis points. The borrower shall repay the loan, including accumulated interest, at such time and in a manner to be designated by the lender. The total amount of interest bearing loan as of March 31, 2020, stood at EUR 1.9 million (March 31, 2019: EUR 1.8 million).

### 12.2 Borrowing and credit facility/pledged assets

Effective on June 1, 2017, the Company increased the maximum loan amount with Private Equity Fund Finance Ltd. (a subsidiary) to CHF 70.0 million at the existing interest rate of 1 month LIBOR plus 200 basis points. The lender may extend further loans to the borrower if and as required by the borrower to carry on its business by entering into a letter agreement which shall be governed by the same provisions as set forth in the existing loan agreement. The lender may not request the repayment of any amount outstanding without giving at least 12 months notice. There is no contractually agreed expiry date. The total amount of interest bearing borrowings as of March 31, 2020 stood at EUR 41.1 million (March 31, 2019: EUR 47.4 million).

On December 21, 2018, the Company signed an amended agreement with Credit Suisse (Switzerland) AG for a EUR 20.0 million revolving credit facility, which was subsequently increased to EUR 30.0 million on September 16, 2019. This agreement will expire on December 31, 2021. This facility allows the Company to bridge timing gaps between outflows and inflows, cover short-term liquidity squeezes and manage and hedge market risks. 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 (floored at 0%) plus 185 basis points. The Company is obliged to pay a quarterly commitment fee of 22.5 basis points on the undrawn amount.

As of March 31, 2020, the credit facility drawn was EUR 14.6 million (March 31, 2019: undrawn) and is presented as short-term bank borrowing in the balance sheet. During the financial year 2019/2020, interest expenses of EUR 115k were incurred (2018/2019: EUR 58k). Commitment fees amounted to EUR 178k for the business year 2019/2020 (2018/2019: EUR 147k) and are included in corporate expenses in the statement of comprehensive income.

### 13. Shareholders' equity and movements in treasury shares

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

Shareholders' equity amounts to EUR 230.7 million as of March 31, 2020 (March 31, 2019: EUR 220.9 million).

Share capital and earnings/(loss) per share	31.03.20	31.03.19
Number of shares authorised and issued	2,750,000	2,750,000
Par value per share (CHF)	6.00	6.00
Par value per share (EUR) <sup>1</sup>	3.75	3.75

<sup>1</sup> Converted at historical foreign exchange rate.

The Annual General Meeting held on July 11, 2019 decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.00 per outstanding share (no repayment of share premium (paid-in capital) was made on treasury shares). The repayment of share premium (paid-in capital) was made with value date July 17, 2019.

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.

As of the date of this report, the Board of Directors proposes that a dividend of CHF 2.00 is paid per registered share, which will be paid half from reserves from capital contributions and half from voluntary retained earnings. As a consequence, 50% of the dividend payment will be effected free of Swiss withholding tax for Swiss residents, while the other half will be subject to Swiss withholding tax of 35%. This proposal might be lowered at the AGM on July 2, 2020 depending on updated liquidity projections and the Covid-19 situation.

#### *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	31.03.20	31.03.19
Number of shares outstanding net of treasury shares at the beginning of the year	2,605,577	2,614,954
Purchase of treasury shares	(13,402)	(11,199)
Sale of treasury shares	2,136	1,822
<b>Number of shares outstanding net of treasury shares at the end of the year</b>	<b>2,594,311</b>	<b>2,605,577</b>

Per share data	31.03.20	31.03.19
Weighted average of total number of shares	2,604,593	2,607,422
Profit (EUR 1,000)	14,987	22,560
Basic earnings per share (EUR)	5.75	8.65
Comprehensive income per share (EUR)	5.75	8.65
Net asset value per share (EUR)	88.91	84.80
Book value per share (EUR)	88.91	84.80

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

As of March 31, 2020 and 2019, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.20	31.03.19
Between 5% and 10%	Private Equity Holding AG (Zug, 155,689 shares, registered without voting rights); Dr. Hans Baumgartner (Adliswil, 226,031 shares or 8.22% of the voting rights)	Private Equity Holding AG (Zug, 144,423 shares, registered without voting rights); Dr. Hans Baumgartner (Adliswil, 221,668 shares or 8.06% of the voting rights)
Between 33.33% and 50%	ALPHA Associates Group <sup>1</sup> (Zurich, 939,193 shares or 34.15% of the voting rights)	ALPHA Associates Group <sup>1</sup> (Zurich, 971,359 shares or 35.32% of the voting rights)

<sup>1</sup>The ALPHA Associates Group comprises ALPHA Associates AG, C+E Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and – until April 20, 2019 – Christoph Huber

### 13.2 Net changes in treasury shares

Net changes in treasury shares	Number of shares	Total cost base EUR 1,000	Average cost base EUR
<b>April 1, 2019</b>	<b>144,423</b>	<b>8,894</b>	<b>61.59</b>
April	—	—	61.59
May	500	28	61.56
June	616	34	61.54
July	443	24	61.52
August	—	—	61.52
September	-2,136	-132	61.51
October	—	—	61.51
November	—	—	61.51
December	1,295	69	61.44
January	300	16	61.42
February	1,132	61	61.36
March	9,116	454	60.68
<b>March 31, 2020</b>	<b>155,689</b>	<b>9,448</b>	<b>60.68</b>

## 14. Contingent liabilities and commitments

### Contingent liabilities

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

### Commitments

In addition with the commitments to invest as disclosed in Note 8, distributions in the total amount of EUR 12.4 million are recallable from several funds as of March 31, 2020 (March 31, 2019: EUR 14.2 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 (Switzerland) AG, the Company signed a general pledge agreement in favour of the bank.

The credit facility with Credit Suisse (Switzerland) 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 12.2).

## 15. Related party transactions

The following parties are considered related to the Company as of March 31, 2020 and March 31, 2019:

- 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 13.1));
- Private Equity Fund Finance Ltd., Cayman Islands and Private Equity Direct Finance Ltd., Cayman Islands, as well as its respective subsidiaries.

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, 3rd and 4th quarter of the financial year. No performance fee was earned in the 1st quarter.

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

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

Management and administration fees as well as performance fees paid by the Company and its non-consolidated Subsidiaries are as follows:

	PEH		Non-consolidated subsidiaries		Total	
	01.04.19-31.03.20	01.04.18-31.03.19	01.04.19-31.03.20	01.04.18-31.03.19	01.04.19-31.03.20	01.04.18-31.03.19
Management and administration fees	457	438	3,553	3,609	4,010	4,047
Performance fees	—	—	1,445	2,727	1,445	2,727
<b>Total</b>	<b>457</b>	<b>438</b>	<b>4,998</b>	<b>6,336</b>	<b>5,455</b>	<b>6,774</b>

Total management and administration fees and performance fees payable by the Company and non-consolidated Subsidiaries as of March 31, 2020 amounted to EUR 0.3 million (March 31, 2019: EUR 0.3 million).

Total compensation of the Board of Directors amounted to EUR 159k for the financial year 2019/2020 (2018/2019: EUR 178k). This amount does not include the fee for the Delegate.

Total compensation of the Delegate amounted to EUR 68k for the financial year 2019/2020 (2018/2019: EUR 71k).

There were no transactions between the Company and C+E Holding AG, Zurich in the financial year 2019/2020 (2018/2019: None).

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

The Subsidiaries provided a loan to the Company, which amounted to EUR 41.1 million (2018/2019: EUR 47.4 million). For the terms and conditions refer to Note 12.2. 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	01.04.19- 31.03.20	01.04.18- 31.03.19
Profit/(loss) for the year	14,987	22,560
Applicable tax rate	11.9%	7.8%
Expected income tax expense	1,783	1,760
Effect from non-taxable income	(1,783)	(1,760)
<b>Total income tax for the year</b>	—	—

As at March 31, 2020, the Company had EUR 13,781k remaining tax loss carry forwards on Swiss federal level (March 31, 2019: EUR 10,470k). Unused tax loss carry forwards expire within 7 years, i.e. EUR 2,434k on March 31, 2024, EUR 1,730k on March 31, 2025, EUR 6,306k on March 31, 2026 and EUR 3,311k on March 31, 2027, respectively. On Cantonal level, the Company had EUR 3,311k remaining tax loss carry forwards as at March 31, 2020, expiring on March 31, 2027 (only losses in the financial year 2019/20 are relevant).

## 17. Subsequent events

In light of the current development of the global pandemic, the Board of Directors has conducted an assessment of the possible impact of Covid-19 on the financial and risk situation of the company.

Considering the reporting date March 31, 2020, the Covid-19 outbreak is a current-period event that requires ongoing evaluation to determine the extent to which developments after the reporting date should be recognised in that reporting period. In line with its accounting policy and valuation principles, the Company has adjusted NAVs to reflect available information about material valuation changes in fund investments and direct co-investments in the reporting period (refer to Note 5.1). However, as the effects of the Covid-19 pandemic are likely to continue evolving after the authorisation date of these financial statements, we expect some further impact on the fair value measurement of the financial assets in the subsequent financial year. While the disruption of supply chains and effects on production and sales across a range of industries are currently expected to be temporary, there is considerable uncertainty about the duration and also the consequences on M&A markets, the level of activity of which is a determining factor in valuations. Due to this uncertainty of the outcome of the current events, the Board of Directors cannot reasonably estimate the impact these events will have on the future valuation of the investments in non-consolidated subsidiaries at fair value through profit and loss as well as the financial assets at fair value through profit and loss.



## Report of the Statutory Auditor on the IFRS Financial Statements

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# Report of the Statutory Auditor

To the General Meeting of Private Equity Holding AG, Zug

We have audited the accompanying compensation report of Private Equity Holding AG for the year ended 31 March 2020 which are presented on pages 64 to 65.

### Responsibility of the Board of Directors

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the compensation report for the year ended 31 March 2020 of Private Equity Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

A blue ink signature of Thomas Dorst, consisting of a stylized 'T' and 'D' followed by a horizontal line.

Thomas Dorst  
Licensed Audit Expert  
Auditor in Charge

A blue ink signature of Christoph Hochuli, consisting of a stylized 'C' and 'H' followed by a horizontal line.

Christoph Hochuli  
Licensed Audit Expert

Zurich, 5 May 2020





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KPMG AG

A handwritten signature in blue ink, appearing to read 'T. Dorst', written over a horizontal line.

Thomas Dorst  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in blue ink, appearing to read 'C. Hochuli', written over a horizontal line.

Christoph Hochuli  
Licensed Audit Expert

Zurich, 5 May 2020



# Report of the Statutory Auditor

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KPMG AG

Thomas Dorst  
Licensed Audit Expert  
Auditor in Charge

Christoph Hochuli  
Licensed Audit Expert

Zurich, 5 May 2020



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KPMG AG

Thomas Dorst  
Licensed Audit Expert  
Auditor in Charge

Christoph Hochuli  
Licensed Audit Expert

Zurich, 5 May 2020



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## Income Statement of Private Equity Holding AG

CHF 1,000	Notes	01.04.19- 31.03.20	01.04.18- 31.03.19
<b>Income</b>			
Financial income			
Capital gains on subsidiaries		—	—
Foreign exchange gains	11	1,701	826
Interest income		88	56
Other operating income		—	—
<b>Total income</b>		<b>1,789</b>	<b>882</b>
<b>Expenses</b>			
Financial expense			
Impairment losses on participations	6	138	3,031
Interest expense		879	934
Foreign exchange losses	11	—	—
Transaction expense		4	—
Other operating expense			
Administration expense		501	502
Corporate expense		834	841
Direct taxes		—	—
<b>Total expenses</b>		<b>2,356</b>	<b>5,308</b>
<b>Profit/(loss) for the period</b>		<b>(567)</b>	<b>(4,426)</b>

Minor differences in totals are due to rounding.

## Balance Sheet of Private Equity Holding AG

CHF 1,000	Notes	31.03.20	31.03.19
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		21	240
Other current receivables		—	—
Receivables from group companies		—	—
Receivables from third parties		38	37
Prepaid expenses and accrued income		62	67
<b>Total current assets</b>		<b>121</b>	<b>344</b>
<b>Non-current assets</b>			
Loans due from subsidiaries		2,067	2,047
Participations	3	229,468	229,605
<b>Total non-current assets</b>		<b>231,535</b>	<b>231,652</b>
<b>Total assets</b>		<b>231,656</b>	<b>231,996</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Other current liabilities			
Payables to group companies		8	38
Short-term bank borrowings		15,488	—
Accrued expenses		98	184
<b>Total current liabilities</b>		<b>15,594</b>	<b>222</b>
<b>Non-current liabilities</b>			
Loans due to subsidiaries		43,624	52,954
<b>Total non-current liabilities</b>		<b>43,624</b>	<b>52,954</b>
<b>Total liabilities</b>		<b>59,218</b>	<b>53,176</b>
<b>Shareholders' equity</b>			
Share capital	4	16,500	16,500
Legal reserves from capital contributions:			
General reserves		63,939	69,147
Voluntary retained earnings	14	102,767	103,353
Treasury shares (covered by reserves from capital contributions)	5	(10,768)	(10,179)
<b>Total shareholders' equity</b>		<b>172,438</b>	<b>178,820</b>
<b>Total liabilities and shareholders' equity</b>		<b>231,656</b>	<b>231,996</b>

Minor differences in totals are due to rounding.

## Notes to the Financial Statements

### 1. Company Information

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

The purpose of the Company is to buy, hold, and sell investments, directly, and indirectly, in order to generate long term capital growth for its shareholders. The Company did not have any employees during the reporting period 2019/2020 (2018/2019: no employees).

### 2. Accounting Policy

#### General principles

The financial statements of Private Equity Holding AG have been prepared in accordance with the Swiss law on accounting and financial reporting (32<sup>nd</sup> title of the Swiss Code of Obligations).

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

#### Treasury shares

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

#### Cash flow statement

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

### 3. Participations

	Percentage of capital and voting rights held 31.03.20	Percentage of capital and voting rights held 31.03.19	Original currency	Nominal value FC 1,000	Book value 31.03.20 CHF 1,000	Book value 31.03.19 CHF 1,000
<b>Subsidiaries</b>						
Private Equity Fund Finance Ltd., Cayman Islands (Investment company)	100%	100%	CHF	13,885	204,426	204,426
Private Equity Direct Finance Ltd., Cayman Islands (Investment company)	100%	100%	CHF	200,000	22,528	22,528
<b>Financial investments</b>						
Actano Holding AG, Zurich, Switzerland (Holding company)	17% <sup>1</sup>	16% <sup>1</sup>	CHF	1,213	2,302	2,427
Strategic European Technologies N.V., 's-Hertogenbosch, The Netherlands (Investment company)	10%	10%	EUR	63	212	224
<b>Total</b>					<b>229,468</b>	<b>229,605</b>

<sup>1</sup> Fully diluted

### 4. Share capital

	31.03.20	31.03.19
Number of shares authorised and issued	2,750,000	2,750,000
Par value per share (CHF)	6.00	6.00

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



*Contingent share capital*

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

**5. Treasury shares**

Net changes in treasury shares	Number of shares	Total cost base CHF 1,000	Average cost base CHF
<b>April 1, 2019</b>	<b>144,423</b>	<b>10,179</b>	<b>68.82</b>
April	—	—	68.82
May	500	31	68.94
June	616	38	68.34
July	443	27	68.46
August	—	—	68.46
September	-2,136	-144	66.92
October	—	—	66.92
November	—	—	66.92
December	1,295	75	66.79
January	300	17	65.60
February	1,132	64	65.32
March	9,116	481	64.34
<b>March 31, 2020</b>	<b>155,689</b>	<b>10,768</b>	<b>64.34</b>

**6. Impairment**

CHF 1,000	31.03.20	31.03.19
Impairment losses on subsidiaries	—	—
Impairment losses on financial investments	138	3,031
<b>Total</b>	<b>138</b>	<b>3,031</b>

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

As of March 31, 2020 and 2019, the following major shareholders were known to the Company:

Holding in % of share capital	31.03.20	31.03.19
Between 5% and 10%	Private Equity Holding AG (Zug, 155,689 shares, registered without voting rights); Dr. Hans Baumgartner (Adliswil, 226,031 shares or 8.22% of the voting rights)	Private Equity Holding AG (Zug, 144,423 shares, registered without voting rights); Dr. Hans Baumgartner (Adliswil, 221,668 shares or 8.06% of the voting rights)
Between 33.33% and 50%	ALPHA Associates Group <sup>1</sup> (Zurich, 939,193 shares or 34.15% of the voting rights)	ALPHA Associates Group <sup>1</sup> (Zurich, 971,359 shares or 35.32% of the voting rights)

<sup>1</sup> The ALPHA Associates Group comprises ALPHA Associates AG, C+E Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and – until April 20, 2019 – Christoph Huber

## 8. Pledged assets and guarantees

### *Pledged assets*

On December 20, 2013, the Company signed an agreement with Credit Suisse AG (subsequently transferred to Credit Suisse (Switzerland) AG) for a EUR 16.0 million revolving credit facility. On December 21, 2018, the Company signed an amended agreement with Credit Suisse (Switzerland) AG for a EUR 20.0 million revolving credit facility, which was subsequently increased to EUR 30.0 million on September 16, 2019. This agreement will expire on December 31, 2021. This facility allows the Company to bridge timing gaps between outflows and inflows, cover short-term liquidity squeezes and manage and hedge market risks. 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. As of March 31, 2020, the credit facility drawn was CHF 15.5 million (March 31, 2019: undrawn).

### *Guarantees*

There were no guarantees as per March 31, 2020 and March 31, 2019.

## 9. Management compensation in accordance with Art. 663b<sup>bis</sup> Swiss Code of Obligations

2019/2020	Base Compensation (Shares)	Base Compensation (Cash)
CHF	Number of Shares	CHF
<b>Board of Directors</b>		
Dr. Hans Baumgartner (Chairman & Delegate)	1,235	75,000
Martin Eberhard	411	25,000
Dr. Petra Salesny	—	—
Fidelis Götz	411	25,000
<b>Total</b>	<b>2,057</b>	<b>125,000</b>

2018/2019	Base Compensation (Shares)	Base Compensation (Cash)
CHF	Number of Shares	CHF
<b>Board of Directors</b>		
Dr. Hans Baumgartner (Chairman & Delegate)	1,070	75,000
Martin Eberhard	356	25,000
Dr. Petra Salesny (elected at the AGM 2018)	—	—
Fidelis Götz (elected at the AGM 2018)	273	18,750
Dr. Hans Christoph Tanner (until the AGM 2018)	83	6,250
Bernhard Schürmann (until the AGM 2018)	83	6,250
<b>Total</b>	<b>1,865</b>	<b>131,250</b>

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 compensation 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, 2020	Share ownership	Options	Total
<b>Board of Directors</b>			
Dr. Hans Baumgartner (Chairman and Delegate)	226,031	—	226,031
Dr. Petra Salesny <sup>1</sup>	60,737	—	60,737
Fidelis Götz	1,391	—	1,391
Martin Eberhard	77,338	—	77,338
<b>Total</b>	<b>365,497</b>	<b>—</b>	<b>365,497</b>
<b>Manager (ALPHA Associates AG)</b>			
Dr. Peter Derendinger	177,500	—	177,500
Petr Rojicek	63,730	—	63,730
C+E Holding AG	637,226	—	637,226
Jürg Kägi	320	—	320
<b>Total</b>	<b>878,776</b>	<b>—</b>	<b>878,776</b>

<sup>1</sup> Dr. Petra Salesny is listed in her capacity as member of the Board of Directors. She remains COO of the portfolio manager and member of the shareholder group Alpha Associates.

March 31, 2019	Share ownership	Options	Total
<b>Board of Directors</b>			
Dr. Hans Baumgartner (Chairman and Delegate)	221,668	—	221,668
Dr. Petra Salesny <sup>1</sup>	60,737	—	60,737
Fidelis Götz	964	—	964
Martin Eberhard	76,911	—	76,911
<b>Total</b>	<b>360,280</b>	<b>—</b>	<b>360,280</b>
<b>Manager (ALPHA Associates AG)</b>			
Dr. Peter Derendinger	173,500	—	173,500
Petr Rojicek	62,852	—	62,852
C+E Holding AG and Christoph Huber <sup>2</sup>	674,270	—	674,270
<b>Total</b>	<b>910,622</b>	<b>—</b>	<b>910,622</b>

<sup>1</sup> Dr. Petra Salesny is listed in her capacity as member of the Board of Directors. She remains COO of the portfolio manager and member of the shareholder group Alpha Associates.

<sup>2</sup> On April 20, 2019, Christoph Huber ceded to be a member of the shareholder group.

## 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 1.0602 as of March 31, 2020 (March 31, 2019: 1.1175) 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 1.0961 for 2019/2020 (2018/2019: 1.1468).

## 12. Significant events after the balance sheet date

In light of the current development of the global pandemic, the Board of Directors has conducted an assessment of the possible impact of Covid-19 on the financial and risk situation of the company.

Considering the reporting date March 31, 2020, the Covid-19 outbreak is a current-period event that requires ongoing evaluation to determine the extent to which developments after the reporting date should be recognised in that reporting period. As outlined in the accounting policy, the Company has applied the valuation principle of historical cost. As the effects of the Covid-19 pandemic are likely to evolve after the authorisation date of these financial statements, we will continue to evaluate the participations at cost values and test them for possible impairments. Due to the uncertainty of the outcome of the current events, the Board of Directors cannot reasonably estimate the impact these events will have on the valuation of the participations in the balance sheet.

### 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	(567)
Voluntary retained earnings	103,334
<b>Total voluntary retained earnings</b>	<b>102,767</b>
Reallocation from legal reserves from capital contributions to voluntary retained earnings <sup>1</sup>	2,750
<b>At the disposal of the Annual General Meeting</b>	<b>105,517</b>

<sup>1</sup> The Board of Directors' proposal to the Annual General Meeting to be held on July 2, 2020, 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.

As of the date of this report, the Board of Directors proposes that a dividend of CHF 2.00 is paid per registered share, which will be paid half from reserves from capital contributions and half from voluntary retained earnings. As a consequence, 50% of the dividend payment will be effected free of Swiss withholding tax for Swiss residents, while the other half will be subject to Swiss withholding tax of 35%. This proposal might be lowered at the AGM on July 2, 2020 depending on updated liquidity projections and the Covid-19 situation.

CHF 1,000	
<b>At the disposal of the Annual General Meeting</b>	<b>105,517</b>
Dividend payment <sup>1</sup>	5,500
<b>To be carried forward</b>	<b>100,017</b>

<sup>1</sup> The Board of Directors' proposal to the Annual General Meeting to be held on July 2, 2020, 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

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# 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 2020, 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 50) for the year ended 31 March 2020 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

Christoph Hochuli  
Licensed Audit Expert

Zurich, 5 May 2020



## Corporate Governance

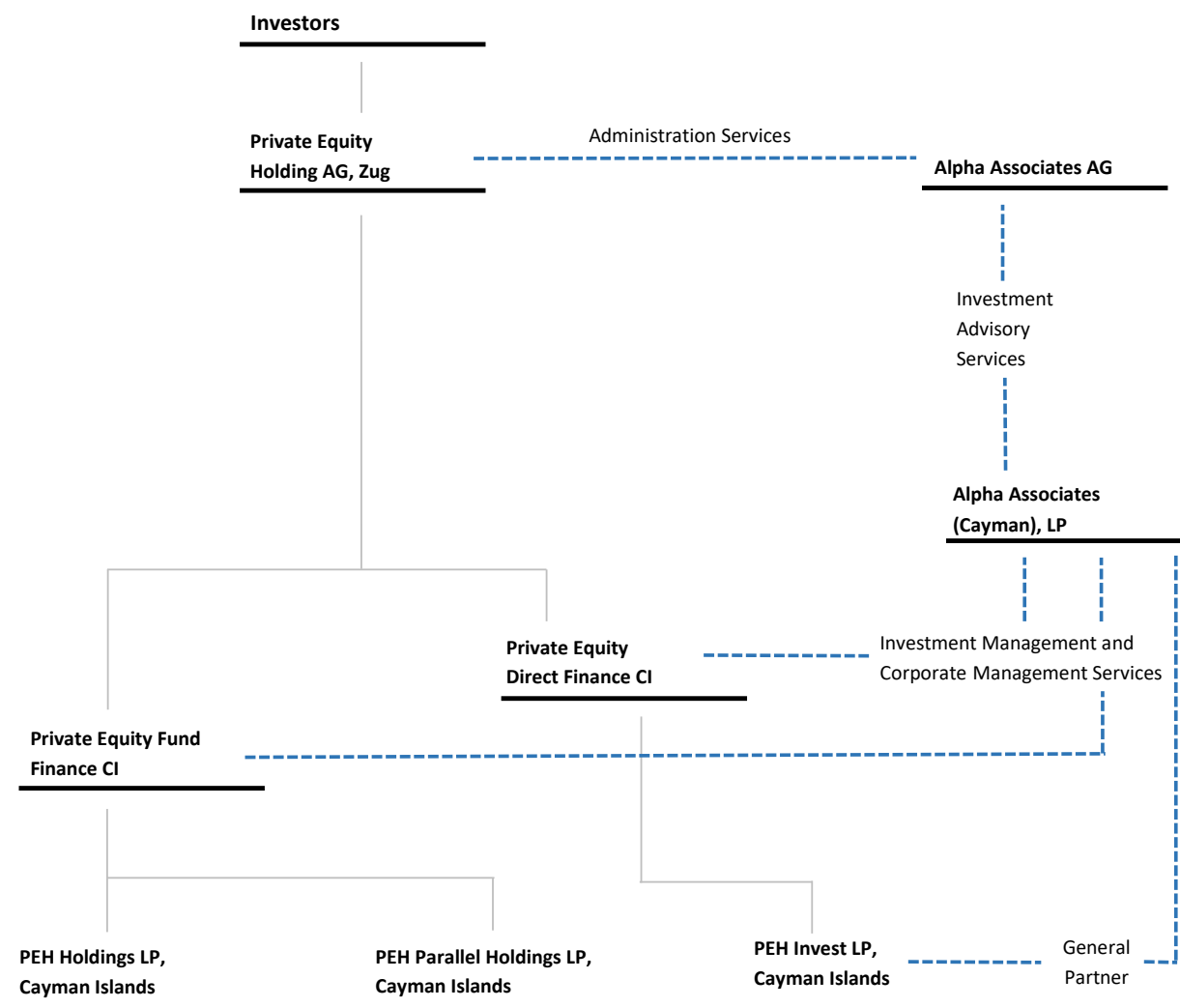
Private Equity Holding AG is committed to good corporate governance and transparency and accountability to its shareholders. The following disclosure follows the structure and is in accordance with the latest Directive on Information relating to Corporate Governance of the SIX Swiss Exchange.

### 1. Group structure and shareholders

#### 1.1 Group structure

##### 1.1.1 Operational group structure

The structure of Private Equity Holding AG (“PEH” or the “Company”), its subsidiaries (together the “Group”) and service providers as of March 31, 2020 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, 2020 is EUR 132.28 million (CHF 140.25 million).

As of March 31, 2020, PEH held 155,689 of its shares in treasury (5.66% 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

With one exception, all subsidiaries of the Company are non-listed holding companies owned 100%, either directly or indirectly, by the Company; PEH Invest LP is indirectly owned 93.04% through Private Equity Direct Finance. The remainder is held by senior employees of Alpha Associates, who participate in direct co-investments through this vehicle, which ensures an increased alignment of interest. The subsidiaries Private Equity Fund Finance Ltd. and Private Equity Direct Finance Ltd. are registered at 4th Floor, One Capital Place, KY1-1103, Grand Cayman, Cayman Islands. The Limited Partnerships PEH Holdings LP and PEH Parallel Holdings LP are registered at the same address; they are pooling vehicles holding immaterial sub-sets of portfolio investments. PEH Invest LP is registered at this address, as well.

Also refer to Note 3 (Participations) to the Statutory Financial Statements of this Annual Report on page 46.

### 1.2 Significant shareholders

As of March 31, 2020 (2019), the following major shareholders were known to the Company:

Holding in % of share capital	31.03.20	31.03.19
Between 5% and 10%	Private Equity Holding AG (Zug, 155,689 shares, registered without voting rights); Dr. Hans Baumgartner (Adliswil, 226,031 shares or 8.22% of the voting rights)	Private Equity Holding AG (Zug, 144,423 shares, registered without voting rights); Dr. Hans Baumgartner (Adliswil, 221,668 shares or 8.06% of the voting rights)
Between 33.33% and 50%	ALPHA Associates Group <sup>1</sup> (Zurich, 939,193 shares or 34.15% of the voting rights)	ALPHA Associates Group <sup>1</sup> (Zurich, 971,359 shares or 35.32% of the voting rights)

<sup>1</sup> The ALPHA Associates Group comprises ALPHA Associates AG, C+E Holding AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and – until April 20, 2019 – 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 2019/2020 (2018/2019) as well as any updates on shareholdings reported thereafter can be obtained from the SIX website at: <https://www.ser-ag.com/de/topics/disclosure-of-shareholdings.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. A contingent capital of CHF 9.0 million is in place, of which nil has been issued.

### 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. At the maximum of CHF 9.0 million, this increase would equate to 54.55% of the existing share capital. For further details, specifically the exclusion of subscription rights, please refer to Art. 3b of the Articles of Association (<https://www.peh.ch/portrait/corporate-documents/>).

### 2.3 Changes in capital since March 31, 2017

Since March 31, 2017, the Company's and the Group's equity capital have developed as follows:

	31.03.17	31.03.18	31.03.19	31.03.20
Share capital (CHF 1,000)	16,500	16,500	16,500	16,500
Contingent capital	9,000 (issued: 0)	9,000 (issued: 0)	9,000 (issued: 0)	9,000 (issued: 0)
Total equity PEH (Statutory capital, CHF 1,000)	206,006	189,101	178,820	167,416
Total equity Group (IFRS capital, EUR 1,000)	214,897	203,412	220,948	230,666

Please refer also to the Statements of Changes in Equity (IFRS financial statements) and Annual Reports of prior reporting periods, which can be downloaded at <https://www.peh.ch/reports/annual-report/>.

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

The 2018 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.00 per outstanding share (no repayment of share premium was made on treasury shares).

The 2019 Annual General Meeting decided on a repayment of share premium (paid-in capital) in the amount of CHF 2.00 per outstanding share (no repayment of share premium was made on treasury shares).

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

### 2.4 Shares and participation certificates

The Company has not issued any participation certificates.

### 2.5 Dividend-right certificates

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

### 2.6 Limitations on transferability and nominee registrations

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

### 2.7 Convertible bonds and warrants/options

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

## 3. Board of Directors

### 3.1 Members

Pursuant to the Company's Articles of Association (available at [www.peh.ch](http://www.peh.ch)), the Board of Directors consists of at least three members. At the end of the financial year 2018/2019, the Board of Directors was composed as follows:

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

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

**Martin Eberhard, Member, 1958, Swiss citizen**

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

**Fidelis Götz, Member, 1966, Liechtenstein citizen**

Fidelis Götz is a Partner at Daniel Gresch & Partner, an independent financial services consultancy, acting as a counsel for boards and management of foundations and family offices. Mr. Götz was Co-Head Private Banking at Bank Sarasin & Cie and Head Private Banking North Asia at Credit Suisse and brings 25 years of experience in investment banking, private banking and asset management as well as non-profit management in emerging markets. Mr. Götz is involved in several non-profit organisations and member of the Board of Directors of VP Bank (Schweiz) AG, Zurich, and PROPBase AG, Neuhausen am Rheinfl. Fidelis Götz holds a Master of Political Science from the University of St.Gallen (HSG) with a major in International Relations.

**Dr. Petra Salesny, Member, 1971, Austrian citizen**

Petra Salesny is a founding partner and COO of Alpha Associates and prior to the team's spin-out from Swiss Life Private Equity Partners (SLPEP) was Chief Operations Officer of SLPEP. Previously, Dr. Petra Salesny was the legal advisor to the private equity team at Bank Vontobel and a consultant for M&A at Helbling CFT International Ltd. in Düsseldorf and Zurich, where she structured and coordinated cross-border transactions of mid-sized companies. Dr. Petra Salesny is admitted to the New York Bar and holds a Master of Laws from New York University. She graduated from the Law School of the University of Vienna and received a Ph.D. in law from the University of Basle.

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. Dr. Petra Salesny is a managing partner of Alpha Associates AG and represents the shareholder group Alpha Associates on the Board of Directors.

The CVs of the two directors which did not stand for re-election at the Annual General Meeting 2018 can be found in the Company's Annual Report 2017/2018 (pages 52/53; <https://www.peh.ch/reports/annual-report/>).

**3.2 Other activities and vested interests**

Please refer to the CVs in section 3.1 above.

**3.3 Statutory limits on other activities**

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

**3.4 Elections and terms of office**

According to Art. 17 of the Company's Articles of Association (available at <https://www.peh.ch/portrait/corporate-documents/>), 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 2020
Martin Eberhard	Member	June 24, 2010	Annual General Meeting 2020
Fidelis Götz	Member	July 12, 2018	Annual General Meeting 2020
Dr. Petra Salesny	Member	July 12, 2018	Annual General Meeting 2020

This Board of Directors has been elected at the Annual General Meeting of Private Equity Holding AG on July 11, 2019.

### 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
Martin Eberhard	Member	Investor relations, banking specialist
Fidelis Götz	Member	Investor relations, banking specialist
Dr. Petra Salesny	Member	Alternative asset specialist

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

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

#### 3.5.2 Composition and tasks of the Compensation Committee

At the Annual General Meeting 2019, the shareholders elected Martin Eberhard, Fidelis Götz and Dr. Petra Salesny to the Compensation Committee. The members of the Committee elected Martin Eberhard 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 on pages 64 and 65).

#### 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 2019/2020, the Board of Directors held six meetings with an average duration of 2 hours.

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

## 4. Executive committee

### 4.1 Members of the executive committee

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

### 4.2 Other activities and vested interests

Not applicable, as the Company has no employees and no executive committee.

### 4.3 Statutory limits on other activities

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

### 4.4 Investment Management Contracts

Since April 1, 2004, ALPHA Group provides investment management services and supports the Delegate of the Board with day-to-day administration services. For the terms of the agreements between PEH and its subsidiaries and ALPHA Group, please refer to Note 15 (Related party transactions) to the IFRS Statements of this Annual Report. Alpha Associates AG (ALPHA) has its registered office at Talstrasse 80, 8001 Zurich, Switzerland.

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

#### 4.4.1 Investment Management Services

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

#### 4.4.2 Description of ALPHA Group

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

ALPHA's Management Team is composed as follows:

#### **Dr. Peter Derendinger, Partner, CEO, 1959, Swiss citizen.**

Peter Derendinger is a founding partner of Alpha Associates and prior to the team's spin-out from Swiss Life Private Equity Partners (SLPEP) was a member and delegate of the board of directors of SLPEP and responsible for the operations of the company from May 2003 to April 2004. After starting his career as an attorney-at-law, Peter Derendinger held several positions with Credit Suisse, where his last assignment was as Chief Financial Officer and Head of the Corporate Center at Credit Suisse Private Banking. Earlier appointments include Managing Director and General Counsel of Credit Suisse Group and Head of Legal and Tax at Credit Suisse First Boston (Europe) in the early 1990s. Peter Derendinger is the Chairman of Credit Suisse (Switzerland) AG and member of the board of several investment and portfolio companies. Peter Derendinger holds a Ph.D. in law from the University of Fribourg and a Master of Laws from Northwestern University, Chicago.

**Petr Rojicek, Partner, CIO, 1961, Czech citizen.**

Petr Rojicek is a founding partner of Alpha Associates and prior to the team's spin-out from Swiss Life Private Equity Partners (SLPEP) was Chief Investment Officer of SLPEP. Prior to this he was a member of the private equity team at Bank Vontobel focused on Central & Eastern Europe and worked in investment banking at UBS in Zurich and London, where he was engaged in corporate finance transactions for financial institutions in Emerging Markets. He began his career as a civil engineer in the construction industry and later on worked for American Appraisal, a worldwide valuation consulting firm, in Prague. Petr Rojicek serves on many advisory boards of private equity funds and as director of portfolio companies. Petr Rojicek holds a M.Sc. degree from the Czech Technical University of Prague and an MBA from the Simon School of the University of Rochester.

**Dr. Petra Salesny, Partner, COO, 1971, Austrian citizen.**

Petra Salesny is a founding partner of Alpha Associates and prior to the team's spin-out from Swiss Life Private Equity Partners (SLPEP) was Chief Operations Officer of SLPEP. Previously, Dr. Petra Salesny was the legal advisor to the private equity team at Bank Vontobel and a consultant for M&A at Helbling CFT International Ltd. in Düsseldorf and Zurich, where she structured and coordinated cross-border transactions of mid-sized companies. Dr. Petra Salesny is admitted to the New York Bar and holds a Master of Laws from New York University. She graduated from the Law School of the University of Vienna and received a Ph.D. in law from the University of Basle.

**Jürg Kägi, Principal, CFO, 1978, Swiss citizen.**

Jürg Kägi joined Alpha Associates in 2018 from Itaú Private Bank Switzerland where he was Head of Finance. Previously, he worked for more than 10 years as Senior Manager at Ernst & Young and as Manager at PwC, serving local and international banks as well as asset managers. He holds a Master in Banking and Finance from the University of Zurich and is a Swiss Certified Public Accountant.

**Peter Wolfers, Principal, CRO, 1981, German citizen.**

Peter Wolfers re-joined Alpha Associates in February 2010. Previously Peter was a private equity investment professional at Horizon21, a Swiss investment manager. Peter Wolfers started his career at Alpha Associates in 2005 as a member of the investment team, first as Analyst and later as Associate. Peter Wolfers is a guest lecturer on private equity and member of the managing board of the Swiss Association of Investment Companies. Peter Wolfers graduated from the University of Zurich and holds an M.A. in Economics and an LL.M. from the University of Münster, Germany.

For further information on ALPHA and its key staff please consult their website at [www.alpha-associates.ch](http://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.

Compensation of the Board of Directors of the Company is effected in accordance with the provisions of the Articles of Association (available at <https://www.peh.ch/portrait/corporate-documents/>), 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 bodily to be fully or partially paid in shares of the Company. In this case, shares are allotted at market price replacing the respective cash compensation. The Board of Directors decides on the timing of allotment and may set lock-up periods for such shares.

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

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

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

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

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

For further information regarding the disclosure of compensation paid to the members of the Board of Directors for the financial years 2019/2020 and 2018/2019, please refer to Note 9 to the Financial Statements of PEH AG (Management compensation) and the separate Compensation Report on pages 64 and 65.



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

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

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

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

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

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

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

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

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

### **5.2.3 Statutory provisions on voting on compensation**

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

The 2019 Annual General Meeting approved a maximum total compensation in the amount of CHF 200,000 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). Dr. Petra Salesny foregoes the compensation for her work as a member of the Board of Directors; at the same time, Dr. Petra Salesny is a Managing Partner and founding shareholder of Alpha Associates AG, which renders administrative services to PEH AG and is compensated for such services as disclosed in Note 15 on page 36 of this report. Alpha Associates AG does not indirectly and separately compensate Dr. Petra Salesny for her work as a member of the Board of Directors of PEH AG.

## **6. Shareholders' participation rights**

### **6.1 Voting-rights and representation restrictions**

There are no voting rights or representation restrictions in the Company's Articles of Association (available at <https://www.peh.ch/portrait/corporate-documents/>). 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 (available at <https://www.peh.ch/portrait/corporate-documents/>).

### 6.2 Statutory quorums

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

### 6.3 Convocation of the General Meeting of shareholders

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

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

### 6.4 Inclusion of item on the agenda

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

### 6.5 Inscriptions into the share register

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

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

## 7. Change of control and defence measures

### 7.1 Duty to make an offer

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

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

### 7.2 Clauses on changes of control

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



## 8. Auditors

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

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

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

### 8.2 Audit fees

The audit fees to KPMG in the financial year ending March 31, 2020 amounted to CHF 129,240 (incl. VAT) for the audit of the statutory and IFRS financial statements of the Company.

### 8.3 Additional fees

The Company paid additional fees to KPMG for tax-related advisory services CHF 27,947 (incl. VAT).

### 8.4 Information instruments pertaining to the external 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](http://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:

<https://www.six-group.com/exchanges/> or <http://www.peh.ch>.

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

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 Gotthardstrasse 28  
 CH-6302 Zug  
 Phone +41 41 726 79 80  
 Fax +41 41 726 79 81  
[info@peh.ch](mailto:info@peh.ch)

The section Information for Investors on page 68 includes information on upcoming events and publications.

## Compensation report

The compensation report for the financial year 2019/2020 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 Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC) and Article 663b<sup>bis</sup> 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. The members of the Compensation Committee were individually elected at the 2019 Annual General Meeting and the committee consists of Martin Eberhard, Fidelis Götz and Dr. Petra Salesny. The members of the Committee elected Martin Eberhard 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, and has met once for quarter of an hour during the reporting year 2019/2020 (once for quarter of an hour in 2018/2019)

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 2019 Annual General Meeting approved a maximum total compensation in the amount of CHF 200,000 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 at the Compensation Committee’s sole discretion taking into account the scope of activities and the responsibility and functions of the individual members. Neither the Board nor the Compensation Committee have consulted external advisors for this purpose.

### 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 (<https://www.peh.ch/portrait/corporate-documents/>). 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 bodily 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 the allotment and may set lock-up periods for such shares.

In accordance with the maximum amounts approved by the 2019 Annual General Meeting, the Compensation Committee determined that the members of the Board of Directors and the Delegate be compensated annually as follows (pro-rata when a mandate is not executed for a full year):

Compensation (unchanged from prior years)	CHF
Chairman	75,000
Member 1	50,000
Delegate (in addition to Chairman’s/Member’s compensation)	75,000

<sup>1</sup> Dr. Petra Salesny foregoes the compensation for her work as a member of the Board of Directors

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

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

### 3.1 Compensation for the financial years 2019/2020 and 2018/2019 (Article 14 OaEC)

The following tables show the compensation for the members of the Board of Directors in the financial years 2019/2020 and 2018/2019. In addition, the Company paid a Directors & Officers liability insurance fee of CHF 31,500 (2018/2019: CHF 31,500). Travel and other out-of-pocket expenses amounted to Nil (2018/2019: CHF 1,830).

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

#### Compensation for the financial year 2019/2020

As of 31 March 2020	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	7,659	157,659
Martin Eberhard, Chairman of the Compensation Committee	25,000	25,000	3,112	53,112
Dr. Petra Salesny, Member of the Compensation Committee <sup>1</sup>	—	—	—	—
Fidelis Götz, Member of the Compensation Committee	25,000	25,000	3,112	53,112
<b>Total</b>	<b>125,000</b>	<b>125,000</b>	<b>13,883</b>	<b>263,883</b>

#### Compensation for the financial year 2018/2019

As of 31 March 2019	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
Martin Eberhard, Chairman of the Compensation Committee	25,000	25,000	3,112	53,112
Dr. Petra Salesny, Member of the Compensation Committee <sup>1</sup>	—	—	—	—
Fidelis Götz, Member of the Compensation Committee	18,750	18,750	2,334	39,834
Dr. Hans Christoph Tanner, Chairman of the Compensation Committee (until the AGM 2018)	6,250	6,250	425	12,925
Bernhard Schürmann, Member of the Compensation Committee (until the AGM 2018)	6,250	6,250	425	12,925
<b>Total</b>	<b>131,250</b>	<b>131,250</b>	<b>15,622</b>	<b>278,122</b>

<sup>1</sup> Dr. Petra Salesny foregoes the compensation for her work as a member of the Board of Directors

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

For the financial year 2019/2020, no loans or credits by the Company or its subsidiaries have been granted to members of the Board of Directors (2018/2019: None).

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

For the financial year 2019/2020, no further compensation, loans or credits by the Company or its subsidiaries have been granted to related parties (2018/2019: None) in addition to the related party transactions described in Note 15 to the IFRS Financial Statements on page 36 of this report. While Petra Salesny foregoes the direct compensation for her work as a member of the Board of Directors, Petra Salesny is a Managing Partner and founding shareholder of Alpha Associates AG, which renders administrative services to PEH AG and is compensated for such services as disclosed in Note 15 on page 36 of this report. Alpha Associates AG does not indirectly and separately compensate Petra Salesny for her work as a member of the Board of Directors of PEH AG.

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

For the financial year 2019/2020, no compensation was paid to former members of governing bodies (2018/2019: None).

## Report of the Statutory Auditor on the Compensation Report

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# Report of the Statutory Auditor

To the General Meeting of Private Equity Holding AG, Zug

We have audited the accompanying compensation report of Private Equity Holding AG for the year ended 31 March 2020 which are presented on pages 64 to 65.

### Responsibility of the Board of Directors

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the compensation report for the year ended 31 March 2020 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

Christoph Hochuli  
Licensed Audit Expert

Zurich, 5 May 2020



## 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

	31.03.20	31.03.19
Number of registered shares	2,750,000	2,750,000
Number of shares outstanding	2,594,311	2,605,577
Nominal value per share (CHF)	6.00	6.00
Comprehensive earnings per share (EUR)	5.75	8.65

### Share price (closing price per share)

	2019/2020 CHF	2018/2019 CHF
High (01-02.04.19/16-26.04.19/02.05.19/06-09.05.19/06.06.19) / (23.-27.04.18/03.10.18)	63.00	72.00
Low (18.03.20) / (27.12.18)	45.20	58.00
Year-end (31.3.20) / (31.3.19)	51.00	63.50

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

	2019/2020 CHFm	2018/2019 CHFm
High (01-02.04.19/16-26.04.19/02.05.19/06-09.05.19/06.06.19) / (23.-27.04.18/03.10.18)	163	188
Low (18.03.20) / (27.12.18)	117	151
Year-end (31.3.20) / (31.3.19)	132	165

### Corporate calendar

July 2, 2020	Annual General Meeting
November 6, 2020	Half-Year Report as of September 30, 2020
April 2021	Preliminary NAV as of March 31, 2021
June 2021	Annual Report 2020/2021

NAV Publication as of the end of every month on [www.peh.ch](http://www.peh.ch) or <https://www.peh.ch/investor-relations/monthly-nav-reporting/>

## Glossary of Terms

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<b>Capital calls</b>	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.
<b>Capital contributed (invested)</b>	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.
<b>Capital gain/(loss)</b>	Difference between total distribution and the cost component of distribution of a specific investment.
<b>Change in unrealised gain/(loss)</b>	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.
<b>Commitment</b>	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.
<b>Cost component of distribution (return of capital)</b>	Portion of distribution which reflects the contributed capital.
<b>Distribution</b>	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.
<b>Fair value (FV)</b>	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.
<b>NAV</b>	Net asset value
<b>Net acquisition cost (NAC)</b>	Capital contributed minus cost component of distributions.
<b>Realised gain/(loss)</b>	Difference between total distribution and the cost component of distribution of a specific investment.
<b>Unfunded commitment</b>	Amount that the Group has not yet contributed to a private equity fund. Difference between original commitment and contributed capital.
<b>Vintage year</b>	Year in which a private equity fund has made its first capital call for investment purposes. In general, this coincides with the first year of a private equity fund's term.

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