

Semi-annual Report

June 2014

Publication date

This report was released for publication on 15 August 2014.

The subsequent event note in the financial statements has been updated to 15 August 2014.

Amounts in this report are stated in USD thousands (TUSD) unless otherwise stated.

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Castle Private Equity in the second quarter of 2014

(All amounts in USD, unless when indicated otherwise)

	Quarter to June 2014	Quarter to March 2014	
Net asset value per share	17.02	17.85	
Net asset value	592 million	629 million	
Capital repayment to investors	49 million	—	Capital repayment of USD 1.40 / CHF 1.25 per share on 22 May 2014
Share price ¹⁾	13.75	14.20	
Discount to net asset value	19 per cent	20 per cent	
Private equity assets	576 million	581 million	
Capital calls	12 million	7 million	
In per cent of initial uncalled	13 per cent	7 per cent	
Distributions	41 million	41 million	
In per cent of initial PE assets	7 per cent	7 per cent	
New commitments	—	—	No new commitments
Investment degree	97 per cent	92 per cent	
Uncalled commitments	82 million	93 million	
Uncalled as per cent of NAV	14 per cent	15 per cent	
Credit facility	50 million	50 million	From July 2014 the credit facility will be reduced to USD 30 million until June 2015
Credit facility use	—	—	
Cash position	24 million	59 million	
Treasury shares	575,885	575,885	
Treasury shares 2 nd line (bought for cancellation)	2,175,500	1,700,500	In August 2014 1,900,000 shares were cancelled
Shares in circulation	34,778,615	35,253,615	

¹⁾ Representing the closing trade price on the last day of the quarter.

Dear shareholders

So far, 2014 has provided a continuation of the favourable market conditions from which Castle Private Equity's portfolio benefitted during 2013, with a gradually improving economic environment, increasing deal activity, supportive debt markets and a positive realisation environment.

Net asset value per share up 3.0 per cent for the quarter

In the second quarter of the year, Castle Private Equity's net asset value (NAV) per share grew by 3.0 per cent to USD 17.02, adjusted for the May 2014 capital repayment of CHF 1.25 (USD 1.40) per share distributed to shareholders in May 2014. Performance for the first half of the year amounts to 7.0 per cent.

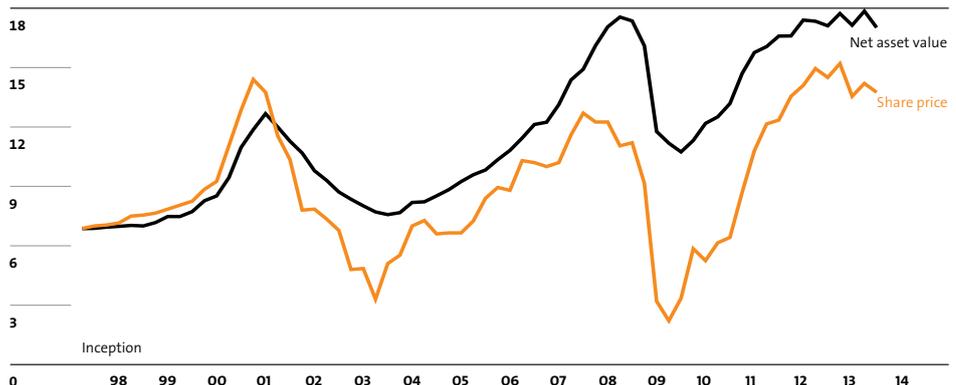
Only minor valuation adjustments during the first half of 2014

The results are largely based on 31 March 2014 underlying fund valuations and cover a quarter in which the underlying managers typically make only minimal changes to the valuations of their portfolio companies. Macro factors were ambiguous in the quarter, with negative developments such as the Ukraine crisis, growth concerns and devaluation pressure on currencies of a number of emerging countries being offset with an improving outlook for a number of European economies. As a consequence, the quarter's NAV increase is mainly attributable to various realisations throughout the portfolio.

Maturity of the portfolio and healthy exit conditions boost distribution activity

During the period under review, Castle Private Equity received distribution proceeds of USD 41 million. Funds managed by Oaktree Capital Management and J.W. Childs Associates were the most active in terms of distributions. These comprise the IPO and subsequent sale of Oaktree's stake in Stock Spirits, a leading spirits business in Central and Eastern Europe, the disposal of Tekni-Plex and the partial disposal or refinancing proceeds from Chesapeake Corporation, Fu Sheng, Cyano and Dayton Superior. J.W. Childs Associates completed the sale of its five remaining interests in Mattress Firm, Sunny Delight Beverages, Esselte Group Holdings SA, W/S Packaging Group and Brookstone Inc.

Share price and net asset value in US Dollar since inception



Healthy liquidity position despite capital repayment and regular share buybacks

With capital calls of only USD 12 million during the quarter, Castle Private Equity’s net liquidity position increased during the period to USD 17 million, a gain of USD 29 million after taking account of investment activity within the portfolio, share buybacks as well as the USD 49 million capital repayment in May 2014.

Given the maturity profile of the portfolio there are several exit opportunities in the portfolio which may be expected to complete over the next two to three years. These further realisations, coupled with Castle Private Equity’s strong balance sheet and cash position, suggest that further significant progress with the harvesting strategy can be anticipated.

Yours sincerely,

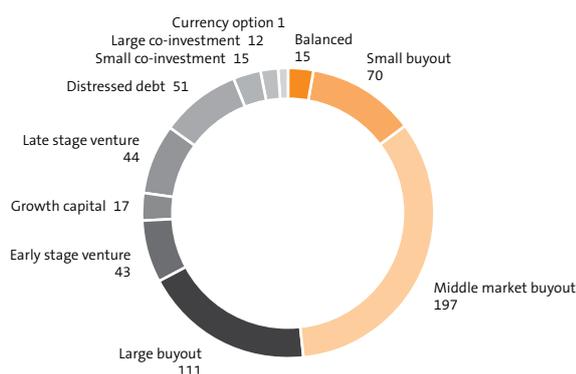
LGT Private Equity Advisers AG

Major exits in the second quarter of 2014

Partnership	Company	Sector, location	Exit channel
Genstar Capital Partners V, L.P.	TravelClick	hospitality IT, US	sale to Thoma Bravo
Chequers XV, FCPR	Deutsche Telekom	telecommunication, Germany	sale to PrimaCom
OCM European Principal Opportunities Fund, L.P.	Stock Spirits	beverage producer, UK	public markets
Bain Capital Fund VIII-E, L.P.	NXP	semiconductors, US	public markets
Newbridge Asia IV, L.P.	Bank Tabungan Pensiunan Nasional	banking, Indonesia	partial sale to Sumitomo Mitsui
TPG Partners IV, L.P.	GPK	packaging, US	public markets

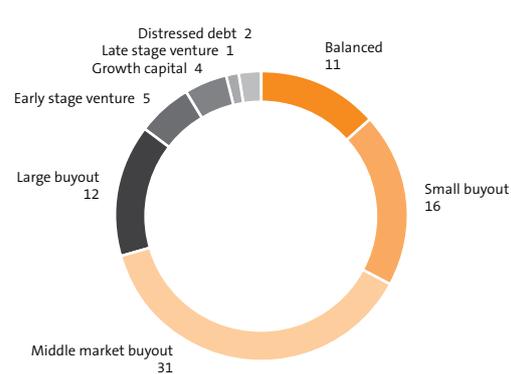
Private equity assets by financing stage

in USD millions



Uncalled commitments by financing stage

in USD millions



Unaudited consolidated statement of comprehensive income

For the period ended 30 June 2014 (all amounts in USD thousands unless otherwise stated)

	Note	1 April – 30 June 2014	1 April – 30 June 2013	1 January – 30 June 2014	1 January – 30 June 2013
Income from non-current assets					
Net gain on investments designated at fair value through profit or loss	4	25,291	22,623	54,184	23,299
Net (loss)/gain on derivative financial instruments designated at fair value through profit or loss	4	(130)	308	(321)	664
Total gains from non-current assets		25,161	22,931	53,863	23,963
Income from current assets:					
Net loss on securities designated at fair value through profit or loss	4	(118)	—	(118)	(2)
(Loss)/Gain on foreign exchange net		(267)	249	(224)	219
Interest income		3	6	10	14
Other income		33	—	33	—
Total (losses)/gains from current assets		(349)	255	(299)	231
Total income		24,812	23,186	53,564	24,194
Expenses					
Management and performance fees	9	(4,848)	(3,278)	(8,767)	(7,698)
Expenses from investments		(504)	(602)	(1,144)	(1,877)
Other operating expenses		(451)	(435)	(834)	(869)
Total operating expenses		(5,803)	(4,315)	(10,745)	(10,444)
Operating profit		19,009	18,871	42,819	13,750
Finance costs		(5)	—	(5)	—
Profit for the period before taxes		19,004	18,871	42,814	13,750
Taxes	6	(716)	(783)	(682)	(1,816)
Profit for the period after taxes		18,288	18,088	42,132	11,934
Total comprehensive income for the period		18,288	18,088	42,132	11,934
Profit attributable to:					
Shareholders		18,288	18,088	42,132	11,934
Non-controlling interests		—	—	—	—
Total profit attributable		18,288	18,088	42,132	11,934
Total comprehensive income attributable to:					
Shareholders		18,288	18,088	42,132	11,934
Non-controlling interests		—	—	—	—
Total comprehensive income attributable		18,288	18,088	42,132	11,934
Earnings per share (USD) attributable to equity holders					
Weighted average number of shares outstanding during the period		35,259,756	36,764,115	35,259,756	36,764,115
Basic profit per share		USD 0.52	USD 0.49	USD 1.19	USD 0.32
Diluted profit per share		USD 0.52	USD 0.49	USD 1.19	USD 0.32

The accompanying notes on pages 10 to 26 form an integral part of these consolidated financial statements.

Unaudited consolidated balance sheet

As of 30 June 2014 (all amounts in USD thousands unless otherwise stated)

	Note	30 June 2014	31 March 2014	31 December 2013
Assets				
Current assets:				
Cash and cash equivalents		24,350	58,854	34,947
Securities designated at fair value through profit or loss	4	100	45	—
Other current assets		190	879	224
Total current assets		24,640	59,778	35,171
Non-current assets:				
Investments designated at fair value through profit or loss	4	574,781	579,946	585,112
Derivative financial instruments designated at fair value through profit or loss	4	748	878	1,069
Total non-current assets		575,529	580,824	586,181
Total assets		600,169	640,602	621,352
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities		8,133	11,159	8,830
Total current liabilities		8,133	11,159	8,830
Equity				
Shareholders' equity:				
Share capital		127,677	127,677	127,677
Additional paid-in capital		90,990	121,210	121,210
Less treasury shares at cost		(4,856)	(4,856)	(4,856)
Less treasury shares 2 nd line at cost (bought for cancellation)	8	(31,579)	(24,882)	(17,959)
Retained earnings	8	409,803	410,293	386,449
Total shareholders' equity before non-controlling interests		592,035	629,442	612,521
Non-controlling interests		1	1	1
Total equity		592,036	629,443	612,522
Total liabilities and equity		600,169	640,602	621,352
Net asset value per share (USD)				
Number of shares outstanding as at period end		37,530,000	37,530,000	37,530,000
Number of treasury shares as at period end	8	(575,885)	(575,885)	(575,885)
Number of treasury shares 2 nd line (bought for cancellation) as at period end	8	(2,175,500)	(1,700,500)	(1,206,500)
Number of shares outstanding net of treasury shares as at period end		34,778,615	35,253,615	35,747,615
Net asset value per share		17.02	17.85	17.13

The accompanying notes on pages 10 to 26 form an integral part of these consolidated financial statements.

Unaudited consolidated statement of cash flows

For the period ended 30 June 2014 (all amounts in USD thousands unless otherwise stated)

	1 April – 30 June 2014	1 April – 30 June 2013	1 January – 30 June 2014	1 January – 30 June 2013
Cash flows from/(used in) operating activities:				
Purchase of investments	(9,875)	(6,025)	(16,330)	(10,006)
Purchase of securities	(515)	(270)	(791)	(501)
Proceeds from callable return of invested capital in investments	1,446	1,297	2,267	3,490
Proceeds from return of invested capital in investments	19,749	15,172	34,943	40,456
Proceeds from realised gains on investments	19,135	21,215	43,635	41,275
Proceeds from sales of securities	342	1,740	573	2,637
Interest received	3	7	10	14
Proceeds from other realised income	20	(1)	20	–
Investment expenses paid	(504)	(601)	(1,144)	(1,846)
Withholding tax for investments	(729)	(783)	(665)	(1,816)
Other operating expenses paid	(7,513)	(6,850)	(10,196)	(7,907)
Capital tax paid	(28)	(27)	(50)	(27)
Net cash flows from operating activities	21,531	24,874	52,272	65,769
Cash flows from/(used in) financing activities:				
Finance costs	(92)	(91)	(93)	(93)
Purchase of treasury shares 2 nd line (bought for cancellation)	(6,684)	(19,091)	(13,555)	(40,490)
Capital repayment to investors	(48,997)	(28,592)	(48,997)	(28,592)
Net cash flows used in financing activities	(55,773)	(47,774)	(62,645)	(69,175)
Net decrease in cash and cash equivalents	(34,242)	(22,900)	(10,373)	(3,406)
Cash and cash equivalents at beginning of period	58,854	62,317	34,947	42,877
Exchange (loss)/gain on cash and cash equivalents	(262)	207	(224)	153
Cash and cash equivalents at end of period	24,350	39,624	24,350	39,624
Cash and cash equivalents consist of the following as at 30 June:				
Cash at banks	13,850	11,124	13,850	11,124
Time deposits < 90 days	10,500	28,500	10,500	28,500
Total	24,350	39,624	24,350	39,624

The accompanying notes on pages 10 to 26 form an integral part of these consolidated financial statements.

Unaudited consolidated statement of changes in equity

For the period ended 30 June 2014 (all amounts in USD thousands unless otherwise stated)

	Share capital	Additional paid-in capital	Less treasury shares	Retained earnings	Non-controlling interests	Total equity
1 January 2013 (as previously published)	138,648	171,296	(28,003)	403,414	1	685,356
Adjustment due to change in accounting policy ¹⁾	3,215	—	—	(3,215)	—	—
1 January 2013 (restated)¹⁾	141,863	171,296	(28,003)	400,199	1	685,356
Total comprehensive income for the period	—	—	—	11,934	—	11,934
Purchase of treasury shares 2 nd line (bought for cancellation)	—	—	(39,806)	—	—	(39,806)
Capital repayment to investors	—	(19,115)	—	(9,477)	—	(28,592)
30 June 2013	141,863	152,181	(67,809)	402,656	1	628,892
1 January 2014	127,677	121,210	(22,815)	386,449	1	612,522
Total comprehensive income for the period	—	—	—	42,132	—	42,132
Purchase of treasury shares 2 nd line (bought for cancellation)	—	—	(13,620)	—	—	(13,620)
Capital repayment to investors	—	(30,220)	—	(18,778)	—	(48,998)
30 June 2014	127,677	90,990	(36,435)	409,803	1	592,036

¹⁾ The previous years figures have been adjusted to bring the USD amounts into line with the historical CHF/USD foreign exchange rates for share capital. See note 2 for further information.

The accompanying notes on pages 10 to 26 form an integral part of these consolidated financial statements.

Notes to the unaudited consolidated financial statements

For the period ended 30 June 2014

(All amounts in USD thousands unless otherwise stated)

1. Organisation and business activity

Castle Private Equity AG, Pfäffikon (“the Company”), is a stock corporation established for an indefinite period by deed dated 19 February 1997. The Company’s registered office is Schützenstrasse 6, CH-8808 Pfäffikon. The Company’s business is principally conducted through two fully consolidated subsidiaries (“the Subsidiaries”); Castle Private Equity (Overseas) Ltd. (“the Overseas Subsidiary”) and Castle Private Equity (International) plc (“the Ireland Subsidiary”). Since 4 September 1998 the shares of the Company have been listed in Swiss Francs on the SIX Swiss Exchange. On 21 January 2002 a listing in US Dollar on the SIX Swiss Exchange followed.

2. Basis of preparation

The accompanying consolidated interim financial statements of Castle Private Equity AG, Pfäffikon and its Subsidiaries (together the “Group”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and comply with Swiss Law and the accounting guidelines laid down in the SIX Swiss Exchange’s Directive on Financial Report (DFR) for investment companies.

In years previous to 2013 the US Dollar amounts for the cancellation of treasury shares on the Company’s second trading line were converted from Swiss Francs to US Dollars using the exchange rates from the time of purchase of these treasury shares instead of the historical rates from when the share capital was paid in. During 2013, the Group changed its accounting policy for the treatment of the exchange rates for the cancellation of treasury shares from exchange rates from the time of purchase of treasury shares to historical rates. Management judges that the new policy is preferable as it results in better presentation of the individual accounts of the shareholders’ equity. The resulting differences between the two different exchange rates have been recognised in retained earnings (decrease of TUSD 12,692), share capital (increase of TUSD 3,215) and additional paid in capital (increase TUSD 9,477), as shown in the consolidated statement of changes in equity on page 9. This change in accounting policy has not led to changes to the net asset values of previous periods.

The consolidated interim financial statements of the Group have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The principles of accounting applied in the interim consolidated financial statements as per 30 June 2014 correspond to those of the annual report 2013, unless otherwise stated. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB).

a) Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2014

- Amendments to IAS 32, “Offsetting financial assets and financial liabilities”, (effective 1 January 2014). These amendments clarify the offsetting criteria in IAS 32 and address inconsistencies in their application. This includes clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. These amendments did not have an impact on the Group’s consolidated interim financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2014 that would be expected to have a material impact on the Group.

b) Standards and amendments to published standards effective after 1 January 2014 that have not been early adopted

- IFRS 9, “Financial instruments”, (effective date open). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace IAS 39, “Financial instruments: Recognition and measurement”. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group has yet to assess the full impact of this standard and has not yet decided when to adopt it.

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

c) Segment reporting

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the chief operating decision-maker. The investment manager is considered to be the chief operating decision-maker. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The sole operating segment of the Group is investing in private equity. The investment manager works as a team for the entire portfolio, asset allocation is based on a single, integrated investment strategy and the Group’s performance is evaluated on an overall basis. Thus the results published in this report correspond to the sole operating segment of investing in private equity.

3. Basis of consolidation

The consolidated interim financial statements per 30 June 2014 are based on the financial statements of the individual Group companies prepared using the same accounting principles applied in the consolidated financial statements for the year ended 31 December 2013.

The consolidated interim financial statements include all assets and liabilities of Castle Private Equity AG and its direct and indirect subsidiaries:

- Castle Private Equity (Overseas) Ltd., Cayman Islands
- Castle Private Equity (International) plc, Ireland

4. Investments and securities designated at fair value through profit or loss

As of 30 June 2014 the Group had subscribed interests in 114 (31 December 2013: 114) private equity investments vehicles (mainly limited partnerships), domiciled in the United States of America, the Cayman Islands, Europe and other jurisdictions. The total committed capital amounted to TUSD 1,384,141 (31 December 2013: TUSD 1,388,515) of which TUSD 1,302,159 (31 December 2013: TUSD 1,288,558) was paid in. The details of the investments are shown in the investment schedule on pages 14 to 18 and the investment movement schedule below and on page 13.

Movements in investments and securities designated at fair value through profit or loss¹⁾

For the period ended 30 June 2014 (All amounts in USD thousands unless otherwise stated)

2014	Value per 1 January 2014	Additions (capital calls) ²⁾	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2014	Total real- ised gains/ (losses) per 30.6.2014 ³⁾	Net gains/ (losses) per 30.6.2014	Uncalled commit- ment amount ⁴⁾
Marketable securities	—	791	(695)	4	—	100	(123)	(118)	—
Balanced stage	16,429	—	(495)	—	(888)	15,046	1,640	752	10,933
Buyout stage									
large buyout stage	117,542	1,400	(8,346)	5,380	(4,773)	111,203	7,523	8,129	11,847
middle market buyout stage	200,774	5,987	(12,387)	12,414	(10,089)	196,699	16,651	18,976	31,556
small buyout stage	65,248	2,702	(3,817)	6,327	(203)	70,258	1,279	7,403	15,656
Total buyout stage	383,564	10,089	(24,550)	24,121	(15,065)	378,160	25,453	34,508	59,059
Special situations stage									
distressed debt stage	55,897	393	(6,273)	5,288	(4,083)	51,223	4,418	5,623	1,993
Total special situations stage	55,897	393	(6,273)	5,288	(4,083)	51,223	4,418	5,623	1,993
Venture stage									
early stage venture	43,257	516	(1,949)	3,065	(2,157)	42,732	1,229	2,136	5,147
growth capital stage	22,951	1,339	(681)	189	(7,292)	16,506	6,233	(870)	3,612
late stage venture	41,107	614	(1,269)	4,041	(634)	43,859	5,348	8,755	1,237
Total venture stage	107,315	2,469	(3,899)	7,295	(10,083)	103,097	12,810	10,021	9,996
Co-Investment									
large buyout stage	9,711	—	—	2,134	—	11,845	—	2,134	—
small buyout stage	12,196	2,069	—	1,145	—	15,410	—	1,146	—
Total Co-Investment	21,907	2,069	—	3,279	—	27,255	—	3,280	—
Total investments	585,112	15,020	(35,217)	39,983	(30,119)	574,781	44,321	54,184	81,981
Derivative financial instruments									
Deferred put option (Currency Hedge)	1,069	—	—	—	(321)	748	—	(321)	—
Total derivative financial instruments	1,069	—	—	—	(321)	748	—	(321)	—
Total investments, marketable securities and derivative financial instruments	586,181	15,811	(35,912)	39,987	(30,440)	575,629	44,198	53,745	81,982

¹⁾ Numbers may not fully add up due to rounding.

²⁾ Includes callable returns of capital and adjustments due to sales of investments.

³⁾ Includes callable distributed realised gains.

⁴⁾ Does not include paid in capital for deferred put option.

2013	Value per 1 January 2013	Additions (capital calls) ¹⁾	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2013	Total real- ised gains/ (losses) per 30.6.2013 ²⁾	Net gains/ (losses) per 30.6.2013	Uncalled commit- ment amount ⁴⁾
Marketable securities	—	2,637	(2,637)	—	—	—	(2)	(2)	—
Balanced stage	26,896	—	(6,332)	896	(87)	21,373	434	1,243	10,933
Buyout stage									
large buyout stage	127,822	242	(6,389)	4,718	(4,463)	121,930	8,220	8,475	17,654
middle market buyout stage	226,690	1,454	(13,897)	4,397	(17,714)	200,930	21,521	8,204	42,579
small buyout stage	68,031	1,898	(2,805)	1,557	(6,473)	62,208	4,890	(26)	23,258
Total buyout stage	422,543	3,594	(23,091)	10,672	(28,650)	385,068	34,631	16,653	83,491
Special situations stage									
distressed debt stage	80,029	—	(9,037)	2,440	(2,890)	70,542	3,752	3,302	2,375
turnaround stage	—	—	—	—	—	—	—	—	—
Total special situations stage	80,029	—	(9,037)	2,440	(2,890)	70,542	3,752	3,302	2,375
Venture stage									
early stage venture	43,993	1,333	(561)	1,539	(3,477)	42,827	947	(991)	7,163
growth capital stage	17,610	1,476	(731)	—	(426)	17,929	746	320	4,524
late stage venture	40,205	858	(1,407)	1,011	(888)	39,779	2,014	2,137	2,174
Total venture stage	101,808	3,667	(2,699)	2,550	(4,791)	100,535	3,707	1,466	13,861
Co-Investment									
large buyout stage	9,571	—	(397)	215	(68)	9,321	559	706	—
small buyout stage	8,598	—	—	10	(81)	8,527	—	(71)	1,976
Total Co-Investment	18,169	—	(397)	225	(149)	17,848	559	635	1,976
Total investments	649,445	7,261	(41,556)	16,783	(36,567)	595,366	43,083	23,299	112,636
Derivative financial instruments									
Deferred put option (Currency Hedge)	328	—	—	664	—	991	—	664	—
Total derivative financial instruments	328	—	—	664	—	991	—	664	—
Total investments, marketable securities and derivative financial instruments	649,773	9,898	(44,193)	17,447	(36,567)	596,357	43,081	23,961	112,636

¹⁾ Numbers may not fully add up due to rounding.

²⁾ Includes callable returns of capital and adjustments due to sales of investments.

³⁾ Includes callable distributed realised gains.

⁴⁾ Does not include paid in capital for deferred put option.

In general, movements in investments and securities designated at fair value through profit or loss, except for unrealised gains and losses, directly result in cash flows for the Group. In certain cases, such transactions may not be settled in cash. The consolidated statement of cash flows on page 8 shows the cash transactions in the portfolio and the cash flow reconciliation on page 19 shows the portfolio's non cash transactions and provides a reconciliation to the movement schedules.

Investments and securities designated at fair value through profit or loss¹⁾

As of 30 June 2014 (All amounts in USD thousands unless otherwise stated)

	Deal currency	Vintage year	Geography	Commitment 31.12.2013	Cost 1.1.2013	Cost 31.12.2013	Fair value 31.12.2013	Commitment 30.6.2014	Cost 30.6.2014	Fair value 30.6.2014	FMV in %
Balanced stage											
Chancellor Offshore Partnership Fund, L.P.	USD	1997	North America	235,000	—	—	4,748	235,000	—	4,225	0.73%
Chancellor Partnership Fund, L.P.	USD	1997	North America	14,518	—	—	386	14,518	—	163	0.03%
Landmark Equity Partners III, L.P. (Secondary – Vinegar) ^{2),5)}	USD	1998	North America	12,171	—	—	154	12,171	—	16	0.00%
Crown Global Secondaries plc	USD	2004	North America	30,000	11,511	9,412	11,141	30,000	8,917	10,642	1.85%
Conversus Capital, L.P.	USD	2007	North America	—	6,729	—	—	—	—	—	0.00%
Total balanced stage				291,689	18,240	9,412	16,429	291,689	8,917	15,046	2.61%
Buyout stage											
Large buyout											
Doughty Hanson & Co III, L.P. 15	USD	1997	Europe	10,000	2,292	2,292	1,899	10,000	2,292	1,716	0.30%
Clayton, Dubilier & Rice Fund VI, L.P.	USD	1998	North America	10,000	4,427	3,414	853	10,000	2,600	28	0.00%
Silver Lake Partners, L.P.	USD	1999	North America	—	1,087	—	—	—	—	—	0.00%
BC European Capital VII ³⁾	EUR	2000	Europe	13,780	2,177	2,159	247	13,691	2,132	70	0.01%
Permira Europe II, L.P. II ³⁾	EUR	2000	Europe	13,780	2,576	2,340	481	13,691	2,340	558	0.10%
T3 Parallel, L.P.	USD	2000	North America	3,740	—	—	10	3,740	—	10	0.00%
TPG Parallel III, L.P.	USD	2000	North America	5,000	1,469	1,300	428	5,000	1,300	157	0.03%
T3 Parallel II, L.P.	USD	2001	North America	5,000	1,520	1,520	609	5,000	1,520	689	0.12%
Warburg Pincus Private Equity VIII, L.P.	USD	2001	North America	15,000	2,816	193	8,324	15,000	—	9,011	1.57%
Permira Europe III, L.P. II ³⁾	EUR	2003	Europe	13,780	6,290	6,087	3,976	13,691	6,087	3,861	0.67%
TPG Partners IV, L.P.	USD	2003	North America	15,000	9,673	8,200	7,111	13,954	7,298	5,472	0.95%
Silver Lake Partners II, L.P.	USD	2004	North America	10,000	5,665	4,734	4,579	10,000	4,232	4,315	0.75%
Silver Lake Partners, L.P. (Secondary – Silver) ⁵⁾	USD	2004	North America	—	178	—	—	—	—	—	0.00%
Clayton, Dubilier & Rice Fund VII, L.P.	USD	2005	North America	15,000	10,077	7,561	10,744	15,000	6,202	9,477	1.65%
Greenhill Capital Partners II, L.P.	USD	2005	North America	10,000	5,439	5,502	3,737	10,000	5,472	2,827	0.49%
KKR European Fund II, L.P. ³⁾	EUR	2005	Europe	13,780	11,117	8,835	8,458	13,691	7,718	6,635	1.15%
First Reserve XI, L.P.	USD	2006	North America	15,000	12,247	10,873	10,658	15,000	10,646	8,720	1.51%
Permira IV, L.P. 2 ³⁾	EUR	2006	Europe	14,469	10,657	8,776	6,999	14,376	8,009	6,671	1.16%
TPG Partners V, L.P.	USD	2006	North America	30,000	23,711	23,213	20,561	30,000	21,996	21,392	3.72%
Clayton, Dubilier & Rice Fund VII (Co-Investment), L.P.	USD	2007	North America	3,000	2,735	2,320	2,928	3,000	2,130	3,094	0.54%
Bain Capital Fund X, L.P.	USD	2008	North America	12,000	9,757	10,046	11,197	12,000	9,349	10,490	1.82%
Bain Capital X Coinvestment Fund, L.P.	USD	2008	North America	420	364	329	307	420	329	351	0.06%
TPG Partners VI, L.P.	USD	2008	North America	18,000	10,555	11,443	13,436	18,000	12,540	15,659	2.72%
Total large buyout				246,749	136,829	121,137	117,542	245,254	114,192	111,203	19.32%
Middle market buyout											
Carlyle II Co-Investments ⁶⁾	USD	1997	North America	395	108	108	15	395	108	3	0.00%
Carlyle International Partners II, L.P.	USD	1997	North America	3,000	73	73	36	3,000	73	33	0.01%
3i Europartners IIIA, L.P. ³⁾	EUR	1999	Europe	13,780	1,461	1,456	68	13,691	1,403	10	0.00%
The Triton Fund (No. 9) L.P. ³⁾	EUR	1999	Europe	11,978	1,221	1,213	1,292	11,900	720	629	0.11%
Newbridge Asia III, L.P.	USD	2000	Other	10,000	1,225	1,225	73	10,000	1,217	47	0.01%

	Deal currency	Vintage year	Geography	Commitment 31.12.2013	Cost 1.1.2013	Cost 31.12.2013	Fair value 31.12.2013	Commitment 30.6.2014	Cost 30.6.2014	Fair value 30.6.2014	FMV in %
Warburg Pincus International Partners, L.P.	USD	2000	Europe	10,000	1,679	877	5,241	10,000	877	5,359	0.93%
Bain Capital Fund VII-E, L.P.	USD	2002	Europe	8,000	1,642	1,205	63	8,000	1,205	77	0.01%
J.W. Childs Equity Partners III, L.P.	USD	2002	North America	12,000	4,660	4,346	5,804	12,000	962	1,350	0.23%
Bain Capital Fund VIII-E, L.P. ³⁾	EUR	2004	Europe	13,780	8,327	6,710	6,243	13,691	6,413	5,105	0.89%
Odyssey Investment Partners III, L.P.	USD	2004	North America	10,000	3,784	3,784	5,514	10,000	3,784	5,388	0.94%
Asia Opportunity Fund II, L.P.	USD	2005	Other	7,000	3,434	2,903	2,976	7,000	2,153	88	0.02%
Newbridge Asia IV, L.P.	USD	2005	Other	10,000	6,904	5,914	8,902	10,000	5,434	6,788	1.18%
SB Asia Investment Fund II, L.P.	USD	2005	Other	7,000	3,925	3,362	11,032	7,000	3,165	13,450	2.34%
Chequers XV, FCPR ³⁾	EUR	2006	Europe	11,024	8,240	8,139	10,249	10,953	5,999	5,552	0.96%
Court Square Capital Partners II, L.P.	USD	2006	North America	15,000	11,127	8,853	9,609	15,000	8,153	8,419	1.46%
Polish Enterprise Fund VI, L.P. ³⁾	EUR	2006	Europe	13,780	9,895	9,812	10,463	13,691	9,896	11,247	1.95%
The Triton Fund II, L.P. ³⁾	EUR	2006	Europe	16,536	11,327	9,982	7,519	16,429	10,109	8,532	1.48%
Wellspring Capital Partners IV, L.P.	USD	2006	North America	10,000	5,951	5,448	6,459	10,000	5,496	5,877	1.02%
Advent Latin American Private Equity											
Fund IV, L.P.	USD	2007	Other	10,000	8,688	6,736	6,005	10,000	6,736	5,960	1.04%
CDH China Fund III, L.P.	USD	2007	Other	9,000	5,415	3,085	8,180	9,000	3,085	9,182	1.60%
CDH Supplementary Fund III, L.P.	USD	2007	Other	3,000	1,757	1,645	2,789	3,000	1,645	3,167	0.55%
Crown Asia-Pacific Private Equity plc	USD	2007	Other	40,000	27,689	27,115	32,017	40,000	26,595	33,192	5.77%
EOS Capital Partners IV, L.P.	USD	2007	North America	15,000	7,589	8,422	10,725	15,000	9,574	12,624	2.19%
Genstar Capital Partners V, L.P.	USD	2007	North America	10,000	7,356	5,871	7,268	10,000	5,548	6,590	1.14%
SAIF Partners III, L.P.	USD	2007	Other	10,000	9,650	9,650	12,451	10,000	8,907	12,390	2.15%
STG III, L.P.	USD	2007	North America	9,450	7,994	7,744	9,965	9,450	7,205	9,719	1.69%
Bain Capital Europe Fund III, L.P. ³⁾	EUR	2008	Europe	13,780	7,838	9,283	9,840	13,691	8,775	10,555	1.83%
Hahn & Company I, L.P.	USD	2011	Other	10,000	5,375	4,849	6,965	10,000	6,957	10,851	1.89%
Bain Capital Asia Fund II, L.P.	USD	2012	Other	10,000	1,775	2,675	3,011	10,000	3,893	4,515	0.78%
Total middle market buyout				323,503	176,109	162,485	200,774	322,891	156,087	196,699	34.17%
Small buyout											
Chequers Capital FCPR ³⁾	EUR	2002	Europe	11,713	4,888	4,182	4,025	11,637	4,182	4,193	0.73%
MBO Capital FCPR ³⁾	EUR	2002	Europe	6,890	—	—	1,377	6,846	—	1,419	0.25%
Nmas ¹ Private Equity Fund No.2 L.P. ³⁾	EUR	2002	Europe	6,890	1,401	1,381	306	6,846	1,381	320	0.06%
Arsenal Capital Partners QP II-B, L.P.	USD	2006	North America	13,000	8,692	8,907	14,604	13,000	8,805	16,859	2.93%
Bancroft II, L.P. (Secondary – Atlantic) ^{3),5)}	EUR	2006	Europe	5,202	1,373	—	762	5,168	—	567	0.10%
J.P. Morgan Italian Fund III (Secondary – Atlantic) ^{3),5)}	EUR	2006	Europe	10,273	6,183	6,183	964	9,292	6,183	957	0.17%
Wynnchurch Capital Partners II, L.P.	USD	2006	North America	7,500	4,602	4,223	4,528	7,500	4,041	5,553	0.96%
Crown European Buyout Opportunities II plc ³⁾	EUR	2007	Europe	41,340	18,542	19,936	24,433	41,073	20,131	26,063	4.53%
PortPEP Limited (Secondary – Port) ³⁾	EUR	2011	Europe	14,882	8,165	8,794	14,249	14,786	7,769	14,327	2.49%
Total small buyout				117,690	53,846	53,606	65,248	116,148	52,492	70,258	12.21%
Total buyout stage				687,942	366,784	337,228	383,564	684,293	322,771	378,159	65.69%

	Deal currency	Vintage year	Geography	Commitment 31.12.2013	Cost 1.1.2013	Cost 31.12.2013	Fair value 31.12.2013	Commitment 30.6.2014	Cost 30.6.2014	Fair value 30.6.2014	FMV in %
Special situations stage											
Distressed debt											
OCM Opportunities Fund IV, L.P.	USD	2001	North America	5,000	—	—	19	5,000	—	10	0.00%
OCM Principal Opportunities Fund II, L.P.	USD	2001	North America	5,000	—	—	20	5,000	—	10	0.00%
OCM Opportunities Fund IVb, L.P.	USD	2002	North America	5,000	—	—	13	5,000	—	8	0.00%
Sun Capital Securities Offshore Fund, Ltd.	USD	2004	North America	10,000	6,159	5,581	2,626	10,000	5,581	3,105	0.54%
OCM European Principal Opportunities Fund, L.P.	USD	2006	Europe	15,000	9,253	—	4,728	15,000	—	1,295	0.22%
OCM Principal Opportunities Fund IV, L.P.	USD	2006	North America	10,000	5,109	1,117	5,880	10,000	29	4,964	0.86%
Sun Capital Securities Offshore Fund, Ltd. (Second Tranche)	USD	2006	North America	10,000	3,263	2,294	2,409	10,000	2,294	2,893	0.50%
Fortress Investment Fund V (Coinvestment Fund D), L.P.	USD	2007	North America	7,200	6,722	6,158	4,134	7,200	6,073	4,642	0.81%
Fortress Investment Fund V (Fund D), L.P.	USD	2007	North America	7,500	6,725	6,002	7,441	7,500	5,396	8,523	1.48%
OCM Opportunities Fund VII, L.P.	USD	2007	North America	10,000	571	—	2,492	10,000	—	2,214	0.38%
Castlelake I, L.P.	USD	2007	North America	15,000	12,838	7,664	13,941	15,000	5,469	13,468	2.34%
Oaktree European Credit Opportunities Fund, L.P. ³⁾	EUR	2008	Europe	13,780	4,764	4,764	219	13,691	4,764	218	0.04%
OCM European Principal Opportunities Fund II, L.P. ³⁾	EUR	2008	Europe	10,335	8,545	4,970	8,334	10,268	3,065	6,580	1.14%
OCM Opportunities Fund VIIb, L.P.	USD	2008	North America	13,500	—	—	3,641	13,500	—	3,293	0.57%
Total distressed debt				137,315	63,949	38,550	55,897	137,159	32,671	51,223	8.90%
Total special situations stage				137,315	63,949	38,550	55,897	137,159	32,671	51,223	8.90%
Venture stage											
Early stage venture											
Chancellor Private Capital Offshore Partners II, L.P.	USD	1997	North America	25,000	—	—	—	25,000	—	—	0.00%
Strategic European Technologies N.V. ³⁾	EUR	1997	Europe	9,442	—	—	259	9,381	—	243	0.04%
Invesco Venture Partnership Fund II, L.P.	USD	1999	North America	15,000	2,455	2,111	1,643	15,000	2,018	1,441	0.25%
Balderton Capital I, L.P.	USD	2000	Europe	5,333	3,877	3,329	2,150	5,333	3,329	2,012	0.35%
Chancellor V, L.P.	USD	2000	North America	20,000	6,284	5,132	3,516	20,000	4,202	2,954	0.51%
Galileo III FCPR ³⁾	EUR	2000	Europe	8,707	3,272	3,157	3,239	8,650	3,157	3,206	0.56%
Jerusalem Venture Partners IV, L.P.	USD	2000	Other	8,000	1,510	1,061	1,731	8,000	1,061	1,621	0.28%
Galileo IIB FCPR ³⁾	EUR	2002	Europe	—	114	—	—	—	—	—	0.00%
Global Life Science Venture Fund II, L.P. ³⁾	EUR	2002	Europe	6,890	4,122	4,028	1,677	6,846	4,028	1,568	0.27%
Amadeus II Fund C GmbH & Co. KG (Secondary – Vermont) ^{4),5)}	GBP	2005	Europe	1,302	969	895	895	1,345	895	904	0.16%
Balderton Capital II, L.P.	USD	2005	Europe	4,000	3,639	3,639	674	4,000	3,578	997	0.17%
Battery Ventures VII, L.P.	USD	2005	North America	3,000	1,698	1,755	1,596	3,000	1,220	1,543	0.27%
BCPI I, L.P. (Secondary – Vermont) ⁵⁾	USD	2005	Other	1,833	1,583	1,510	563	1,833	1,510	498	0.09%
Benchmark Israel II, L.P.	USD	2005	Other	4,602	1,973	2,125	6,274	4,601	2,125	4,711	0.82%
Cipio Partners Fund III GmbH & Co. KG (Secondary – Vermont) ^{3),5)}	EUR	2005	Europe	13,129	4,212	4,212	6	13,044	4,212	6	0.00%
H.I.G. Venture Partners II, L.P.	USD	2005	North America	5,000	4,323	4,240	3,071	5,000	4,398	3,427	0.60%

	Deal currency	Vintage year	Geography	Commitment 31.12.2013	Cost 1.1.2013	Cost 31.12.2013	Fair value 31.12.2013	Commitment 30.6.2014	Cost 30.6.2014	Fair value 30.6.2014	FMV in %
Jerusalem Venture Partners IV, L.P.											
(Secondary – Vermont) ⁵⁾	USD	2005	Other	662	—	—	234	662	—	219	0.04%
Battery Ventures VIII, L.P.	USD	2007	North America	4,000	2,875	2,767	3,545	4,000	2,555	3,655	0.63%
Battery Ventures VIII Side Fund, L.P.	USD	2008	North America	1,350	702	631	984	1,350	513	1,046	0.18%
Carmel Ventures III, L.P.	USD	2008	Other	6,000	3,792	4,556	6,611	6,000	4,794	7,073	1.23%
Mangrove III S.C.A. SICAR ³⁾	EUR	2008	Europe	6,890	4,318	5,399	4,589	6,846	5,519	5,608	0.97%
Total early stage venture				150,140	51,718	50,547	43,257	149,891	49,114	42,732	7.42%
Growth capital											
Kennet III A, L.P. ³⁾	EUR	2007	Europe	11,024	7,946	9,220	19,040	10,953	9,265	11,793	2.05%
Summit Partners Europe Private Equity Fund, L.P. ³⁾	EUR	2009	Europe	9,646	4,222	3,858	3,911	9,584	4,471	4,713	0.82%
Total growth capital				20,670	12,168	13,078	22,951	20,537	13,736	16,506	2.87%
Late stage venture											
WCAS Capital Partners III, L.P.	USD	1997	North America	15,000	1,983	1,828	1,272	15,000	1,813	1,218	0.21%
TCV III (Q), L.P.	USD	1999	North America	3,500	556	557	74	3,500	556	73	0.01%
TCV IV, L.P.	USD	1999	North America	7,000	3,074	2,701	—	7,000	2,622	27	0.00%
Columbia Capital Equity Partners III											
(Cayman), L.P.	USD	2000	North America	5,000	2,260	2,133	1,598	5,000	1,843	1,194	0.21%
MPM BioVentures II-QP, L.P.	USD	2000	North America	5,000	3,700	3,426	315	5,000	3,196	—	0.00%
New Enterprise Associates 10, L.P.	USD	2000	North America	10,000	7,405	7,379	3,208	10,000	7,180	3,225	0.56%
Index Ventures II (Jersey), L.P.	USD	2001	Europe	7,500	3,069	3,069	1,429	7,500	3,068	1,342	0.23%
Columbia Capital Equity Partners IV											
(Non-US), L.P.	USD	2005	North America	10,000	5,652	4,863	10,019	10,000	4,986	11,636	2.02%
Index Ventures III (Jersey), L.P. ³⁾	EUR	2005	Europe	9,646	5,980	5,537	12,613	9,584	5,150	13,125	2.28%
New Enterprise Associates 12, L.P.	USD	2006	North America	5,000	4,325	4,575	4,357	5,000	4,544	4,015	0.70%
Index Ventures IV (Jersey), L.P. ³⁾	EUR	2007	Europe	6,890	3,756	4,177	6,222	6,846	4,630	8,004	1.39%
Total late stage venture				84,536	41,760	40,245	41,107	84,430	39,588	43,859	7.62%
Total venture stage				255,346	105,646	103,870	107,315	254,858	102,438	103,096	17.91%
Co-Investment and other											
Large buyout											
Co-Investment 1 ³⁾	EUR	2011	Europe	4,127	4,292	4,292	5,755	4,100	4,291	6,737	1.17%
Co-Investment 2	USD	2011	Other	4,000	4,000	3,275	3,956	4,000	3,275	5,108	0.89%
Total large buyout				8,127	8,292	7,567	9,711	8,100	7,566	11,845	2.06%

	Deal currency	Vintage year	Geography	Commitment 31.12.2013	Cost 1.1.2013	Cost 31.12.2013	Fair value 31.12.2013	Commitment 30.6.2014	Cost 30.6.2014	Fair value 30.6.2014	FMV in %
Small buyout											
Co-Investment 4 ³⁾	EUR	2011	Europe	2,584	2,526	2,526	3,285	2,567	2,526	4,083	0.71%
Co-Investment 5 ³⁾	EUR	2011	Europe	5,512	3,371	3,371	8,911	5,475	5,440	11,327	1.97%
Total small buyout				8,096	5,897	5,897	12,196	8,042	7,966	15,410	2.68%
Total Co-Investment and other				16,223	14,189	13,464	21,907	16,142	15,532	27,255	4.73%
Total investments designated at fair value through profit or loss				1,388,515	568,808	502,524	585,112	1,384,141	482,329	574,781	99.85%
Marketable securities											
BazaarVoice 12,706 shares				—	—	—	—	—	96	100	0.02%
Total marketable securities				—	—	—	—	—	96	100	0.02%
Derivative financial instruments designated at fair value through profit or loss											
Deferred put option (Currency Hedge) ⁷⁾	USD	2011	Other	—	338	338	1,069	—	338	748	0.13%
Total derivative financial instruments des- ignated at fair value through profit or loss				—	338	338	1,069	—	338	748	0.13%
Total				1,388,515	569,146	502,862	586,181	1,384,141⁸⁾	482,763	575,629	100.00%

¹⁾ Numbers may not fully add up due to rounding.

²⁾ Additionally, a commitment of TUSD 359 is maintained as a contingency reserve, should Landmark Equity Partners III, L.P. require capital for operating expenses.

³⁾ Total commitment translated from EUR value at 1,369,100 as of 30 June 2014 and 1,378,000 as of 31 December 2013.

⁴⁾ Total commitment translated from GBP value at 1,709,700 as of 30 June 2014 and 1,656,101 as of 31 December 2013.

⁵⁾ For the secondary investments no realised profit is recognised for capital distributions received until the cumulative returns on invested capital exceed the cost of a particular investment.

⁶⁾ Total paid in amounted is maintained as the commitment.

⁷⁾ Deferred put option in JPY/USD due to Co-Investment 2.

⁸⁾ Total paid in amounted to TUSD 1,302,159 (31 December 2013: TUSD 1,288,558).

5. Cash flow reconciliation

The following is a reconciliation between the cash flow statement on page 8 and the investments movement schedules on pages 12 and 13.

1 January 2014 – 30 June 2014	Investments			Marketable securities	
	Additions (capital calls)	Disposals (returns of capital)	Realised gains and losses	Additions (capital calls)	Disposals (returns of capital) and realised losses
Movement schedule (page 12)	15,020	(35,217)	(44,321)	791	(572)
Cash flows from investment activities	—	34,943	43,635	(791)	572
Purchase of investments	(16,330)	—	—	—	—
Proceeds from callable return of invested capital in investments	2,267	—	—	—	—
Non-cash transactions					
Deemed distributions and account reclassification ¹⁾	(920)	680	240	—	—
In kind distributions ²⁾	—	—	—	—	—
Revaluation of foreign currency positions ³⁾	—	(446)	446	—	—
Accounts receivable/payable	(37)	40	—	—	—
Total cash and non cash transactions	15,020	35,217	44,321	(791)	572
Reconciliation	—	—	—	—	—

1 January 2013 – 30 June 2013	Investments			Marketable securities	
	Additions (capital calls)	Disposals (returns of capital)	Realised gains and losses	Additions (capital calls)	Disposals (returns of capital) and realised losses
Movement schedule (page 13)	7,261	(41,556)	(43,083)	2,637	(2,637)
Cash flows from investment activities	—	40,456	41,275	(501)	2,637
Purchase of investments	10,006	—	—	—	—
Proceeds from callable return of invested capital in investments	(3,490)	—	—	—	—
Non cash transactions					
Deemed distributions and account reclassification ¹⁾	745	1,150	1,758	—	—
In kind distributions ²⁾	—	—	—	(2,136)	—
Revaluation of foreign currency positions ³⁾	—	(50)	50	—	—
Accounts receivable/payable	—	—	—	—	—
Total cash and non cash transactions	7,261	41,556	43,083	(2,637)	2,637
Reconciliation	—	—	—	—	—

The accompanying notes on page 10 to 26 form an integral part of these consolidated financial statements.

¹⁾ Deemed distributions and account reclassification – when a general partner determines to retain and use distributable cash for a future contribution, the amount of such cash will be treated as a non-cash contribution and distribution. Account reclassification is required when such a deemed distribution is reported by the general partner.

²⁾ In kind distributions – a distribution of marketable securities instead of a cash distribution.

³⁾ Revaluation of foreign currency positions – as at every month-end the Group revalues the cumulative return of capital amount for foreign currency investments based on the average paid-in capital exchange rate. The resulting adjustment is booked as realised forex gain/(loss) on investments.

6. Taxes

General: taxes are provided based on reported income. Capital taxes paid are recorded in other operating expenses.

The Group currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Taxes are shown as a separate item in the consolidated statement of comprehensive income.

Castle Private Equity AG, Pfäffikon: for Schwyz cantonal and communal tax purposes, the Company is taxed as a holding company and is as such only liable for capital taxes. All relevant income of the Company, including the dividend income and capital gains from its investments, is exempt from taxation at the cantonal and communal level. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation.

Castle Private Equity (Overseas) Ltd., Grand Cayman: the activity of the Overseas Subsidiary is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Generally, the Overseas Subsidiary intends to conduct its affairs so as not to be liable to taxation in any other jurisdiction.

Castle Private Equity (International) plc, Dublin: the Ireland Subsidiary is not liable to Irish tax on its income or gain.

Reconciliation of income tax calculated with the applicable tax rate:

Income tax reconciliation	30.6.2014 TUSD	30.6.2013 TUSD
Profit for the period before income tax	42,132	11,934
Applicable tax rate	7.8%	7.8%
Income tax	3,286	931
Effect from: non-taxable income	(3,286)	(931)
Total	—	—

The applicable tax rate is the same as the effective tax rate.

Taxes	30.6.2014 TUSD	30.6.2013 TUSD
Withholding tax for investments	665	1,816
Income tax	17	—
Total	682	1,816

7. Due to banks

The Overseas Subsidiary has access to a TUSD 30,000 (31 December 2013: TUSD 30,000) credit facility with LGT Bank Ltd., Vaduz (related party) based on a loan agreement dated 3 October 2012, effective from 1 September 2012 (in replacement of the loan agreement dated 12 November 2010) and expiring on 30 June 2015. The loan amount was limited to a maximum of TUSD 30,000 from 1 July 2013 to 30 June 2014 and TUSD 18,000 from 1 July 2014 to 30 June 2015, or to 9 per cent of the consolidated NAV, whichever is lower.

The Ireland Subsidiary also has access to a TUSD 20,000 (31 December 2013: TUSD 20,000) credit facility with LGT Bank (Ireland) Ltd. (related party) based on a loan agreement dated 3 October 2012, effective from 1 September 2012 (in replacement of the loan agreement dated 12 November 2010) and expiring on 30 June 2015. The loan amount was limited to a maximum of TUSD 20,000 from 1 July 2013 to 30 June 2014 and TUSD 12,000 from 1 July 2014 to 30 June 2015, or to 6 per cent of the consolidated NAV, whichever is lower. For both facilities, a standby fee of 0.3 per cent per annum based on the credit facility amount is due on a quarterly basis. The credit facility standby fee charged by LGT Bank as per 30 June 2014 was in total TUSD 75 (30 June 2013: TUSD 113). A variable interest margin, currently between 1 and 2 per cent per annum, is due depending on the consolidated NAV and on the market capitalisation of the Company.

As of 30 June 2014 the Overseas Subsidiary had no borrowings from LGT Bank Ltd., Vaduz (31 December 2013: Nil).

As of 30 June 2014 the Ireland Subsidiary had no borrowings from LGT Bank (Ireland) Ltd., Dublin (31 December 2013: Nil).

8. Shareholders' equity

The share capital of the Company at 30 June 2014 amounts to TCHF 187,650 (TUSD 127,677) (31 December 2013: TCHF 187,650 (TUSD 127,677)) consisting of 37,530,000 (31 December 2013: 37,530,000) issued and fully paid registered shares with a par value of CHF 5 each. The translation into US Dollar has been done at the corresponding historical foreign exchange rate. Each share entitles the holder to participate in any distribution of income and capital. The Group regards shareholders' equity as the capital that it manages. Shareholders' equity amounts to TUSD 592,035 as of 30 June 2014 (31 December 2013: TUSD 612,521). The following capital repayments have been paid out:

- 23rd May 2013 of CHF 0,75 per share/USD 0,77 per share (at the date of payment),
- 6th December 2013 of CHF 1,25 per share/USD 1,37 per share (at the date of payment) and
- 22nd May 2014 of CHF 1,25 per share/USD 1,40 per (date of payment).

In years previous to 2013 the US Dollar amounts for the cancellation of treasury shares on the Company's second trading line were converted from Swiss Francs to US Dollars using the exchange rates from the time of purchase of these treasury shares instead of the historical rates from when the share capital was paid in. During 2013, the Group changed its accounting policy for the treatment of the exchange rates for the cancellation of treasury shares from exchange rates from the time of purchase of treasury shares to historical rates. Management judges that the new policy is preferable as it results in better presentation of the individual accounts of the shareholders' equity. The resulting differences between the two different exchange rates have been recognised in retained earnings (decrease of TUSD 12,692), share capital (increase of TUSD 3,215) and additional paid in capital (increase TUSD 9,477), as shown in the consolidated statement of changes in equity on page 9. This change in accounting policy has not led to changes to the net asset values of previous periods.

For the capital repayments to investors and treasury shares cancellations which took place in 2013, the resulting differences between the historical rates and the rates at the time of the transactions have been recognised in retained earnings.

Treasury shares

The Company can buy and sell treasury shares in accordance with the Company's articles of association, Swiss company law and in compliance with the listing rules of the SIX Swiss Exchange.

During the period from 1 January to 30 June 2014 Castle Private Equity (International) plc has purchased no treasury shares and no treasury shares were sold. As at 30 June 2014 the Ireland Subsidiary held in total 575,885 treasury shares (31 December 2013: 575,885). These treasury shares are treated as a deduction from the consolidated shareholders' equity using cost values of TUSD 4,856 (31 December 2013: TUSD 4,856). The gains and losses on sales of treasury shares are credited/debited to the retained earnings account.

Share buyback 2nd line (bought for cancellation)

On 12 April 2012, the Company announced the opening of a further second trading line for the Company's shares on the SIX Swiss Exchange starting from 30 May 2012. The Company was the exclusive buyer on this trading line and repurchased shares for the purpose of subsequently reducing its share capital. During the period from 30 May 2012 to 26 April 2013 Castle Private Equity purchased 4,170,000 treasury shares on this second trading line to the amount of TUSD 59,885. These second line treasury shares were cancelled in August 2013.

On 29 April 2013, the Company announced the opening of a second trading line for the Company's shares on the SIX Swiss Exchange starting from 15 May 2013. The Company is the exclusive buyer on this trading line and is repurchasing shares for the purpose of subsequently reducing its share capital. During the period from 15 May 2013 to 30 June 2014 Castle Private Equity purchased 2,175,500 treasury shares on this second trading line to the amount of TUSD 31,579.

As at 30 June 2014 the Company held in total 2,175,500 treasury shares (31 December 2013: 1,206,500) on its second trading line. These treasury shares are treated as a deduction from the consolidated shareholders' equity using cost values of TUSD 31,579 (31 December 2013: TUSD 17,959).

Altogether the Group holds 2,751,385 treasury shares as at 30 June 2014 (31 December 2013: 1,782,385).

9. Significant transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise considerable influence over the other party in making financial or operating decisions. In the opinion of the board of directors, the parties referred to in the schedule accompanying this note are related parties under IAS 24 "Related Party Disclosures". All related party transactions have been carried out within the normal course of business.

Related party transactions

Entity	Related party Relationship/Agreement(s) Direct/indirect	Transaction type	30.6.2014 TUSD	31.12.2013 TUSD	30.6.2013 TUSD		
Castle Private Equity (International) PLC	LGT Bank Ltd./Administrator Services Agreement/direct	Cash at banks	1	2	(1)		
		LGT Private Equity Advisers AG/ Investment Management Agreement/direct	Management fees	3,123	6,505	3,285	
			Management fees payable	1,518	1,570	1,608	
			Performance fees	5,644	6,235	4,413	
			Performance fees payable	5,644	6,235	4,413	
			LGT Fund Managers (Ireland) Ltd./ Management Agreement/direct	Administration fees	121	255	129
			Administration fees payable	59	62	63	
			LGT Bank (Ireland) Ltd./ Loan Agreement/direct	Due to banks	—	—	—
			Time deposits at banks	—	30,000	11,000	
			Interest income	1	10	5	
			Credit facility standby fees	30	76	45	
			Credit facility standby fees payable	15	15	23	
			Interest expense	—	1	—	
			Interest expense payable	—	—	—	
			LGT Fund Managers (Ireland) Ltd./ Investment Management Agreement/indirect	Management fees	—	—	—
			LGT Capital Partners Ltd./LGT Private Equity Advisers AG/Advisory Agreement/indirect	Advisory fees	—	—	—
			Directors/indirect	Directors' fees	—	—	—
Castle Private Equity (Overseas) Limited			LGT Fund Managers (Ireland) Ltd./ Administration Services Agreement/direct	Administration fees	45	98	49
	Administration fees payable	22		24	49		
	LGT Bank Ltd./Loan Agreement/direct		Cash at banks	131	50	105	
			Time deposit at banks	—	—	—	
			Interest income	—	2	1	
			Due to banks	—	—	68	
			Credit facility standby fees	45	114	34	
			Credit facility standby fees payable	23	23	—	
			Interest expense	—	—	—	
			Interest expense payable	—	—	—	
			LGT Private Equity Advisers AG/ Investment Management Agreement/direct	Management fees	—	—	—
			LGT Capital Partners Ltd./LGT Private Equity Advisers AG/Advisory Agreement/indirect	Advisory fees	—	—	—
	Directors/indirect	Directors' fees	10	13	—		
	Castle Private Equity AG	LGT Bank Ltd./ Administrator Services Agreement/direct	Administration fees	15	30	15	
			Administration fees payable	—	—	8	
				Cash at banks	924	388	195
				Time deposit at banks	—	—	—
Interest expense				—	—	—	
Interest expense payable				—	—	—	
LGT Capital Partners Ltd./Domicile Agreement/direct				Domicile fees	—	11	—
Directors/direct	Directors' fees	118	251	140			

10. Segment reporting

The sole operating segment of the Group reflects the internal management structure and is evaluated on an overall basis. Revenue is derived by investing in a portfolio of private equity investments with a view to achieving significant value growth and to help shareholders maximise long-term returns. The following results correspond to the sole operating segment of investing in private equity. Items which can not be directly contributed to the operating segment are listed as "other".

The income/(loss) is geographically allocated as follows:

	North America TUSD	Europe TUSD	Other TUSD	Total TUSD
As of 30 June 2014				
Income				
Net gain on investments designated at fair value through profit or loss	20,844	20,311	13,029	54,184
Net loss on derivative financial instruments designated at fair value through profit or loss	—	—	(321)	(321)
Net loss on securities designated at fair value through profit or loss	—	—	(118)	(118)
Other income	—	(181)	—	(181)
Total income	20,844	20,130	12,590	53,564
As of 30 June 2013				
Income				
Net gain on investments designated at fair value through profit or loss	8,326	4,205	10,768	23,299
Net gain on derivative financial instruments designated at fair value through profit or loss	—	—	664	664
Net loss on securities designated at fair value through profit or loss	(2)	—	—	(2)
Other income	—	233	—	233
Total income	8,324	4,438	11,432	24,194

The assets are geographically allocated as follows:

	30.6.2014		31.12.2013	
	TUSD	in %	TUSD	in %
Assets				
North America	208,356	34.6%	214,491	34.5%
Europe	254,410	42.4%	274,414	44.2%
Other	137,403	23.0%	132,447	21.3%
Total assets	600,169	100.0%	621,352	100.0%

11. Subsequent events

Since the balance sheet date of 30 June 2014 Castle Private Equity AG purchased 294,500 treasury shares on its second trading line at a cost amount of TUSD 4,300. As at 13 August 2014 the Company held in total 2,470,000 treasury shares on its second trading line at a cost amount of TUSD 35,880.

Altogether the Group holds 3,045,885 treasury shares as at 13 August 2014 (31 December 2013: 1,782,385).

At the 14 May 2014 general meeting of shareholders the cancellation of 1,900,000 shares was approved and has been registered by the commercial register on 12 August 2014. With regards to the listing of the company's shares at the SIX Swiss Exchange, the cancellation becomes effective as of 13 August 2014 (date of exchange adjustment). From then on, the issued share capital of the company amounts to 35,630,000 registered shares with a par value of CHF 5 each.

Since the balance sheet date of 30 June 2014, there have been no material events that could impair the integrity of the information presented in the consolidated interim financial statements.

Share information

Exchange rate CHF/USD: 0.8867

	2005	2006	2007	2008	2009	2010	2011	2012	2013	June 2014	Since inception
Share information											
Number of issued shares											
at year end (ooo) ¹⁾	43,200 ¹⁾	43,200 ¹⁾	43,200 ¹⁾	43,200	43,200	43,200 ³⁾	43,200 ⁴⁾	41,700 ⁵⁾	37,530 ⁶⁾	37,530 ⁷⁾	
USD net asset value ²⁾	10.82	13.13	17.06	11.77	12.18	14.70	15.76	17.40	17.14	17.02	
USD closing price ³⁾	8.80	10.20	12.25	3.20	5.25	8.70	10.80	14.10	13.55	13.75	
CHF closing price ²⁾	11.51	12.50	13.81	3.43	5.40	8.11	10.10	13.00	11.95	12.45	
Share performance											
USD net asset value	17.1%	21.4%	29.9%	(31.0%)	3.5%	20.7%	7.2%	10.4%	10.6% ⁷⁾	7.0% ⁸⁾	148.0% ⁸⁾
USD closing price	32.3%	15.9%	20.1%	(73.9%)	64.1%	65.7%	24.1%	30.6%	11.5% ⁷⁾	(3.2%) ⁸⁾	97.8% ⁸⁾
CHF closing price	48.5%	8.6%	10.5%	(75.2%)	57.4%	50.2%	24.5%	28.7%	7.3% ⁷⁾	(2.0%) ⁸⁾	19.7% ⁸⁾

¹⁾ Of which 800,000 owned by the Group.

²⁾ Adjusted for the ten for one share split.

³⁾ Of which 191,853 owned by the Group.

⁴⁾ Of which 1,726,060 owned by the Group.

⁵⁾ Of which 3,771,129 owned by the Group (575,885 in treasury and 3,195,244 for cancellation).

On 12 July 2012, the 1,500,000 shares purchased in the 2011 share buyback program were cancelled.

⁶⁾ Of which 1,782,385 owned by the Group (575,885 in treasury and 1,206,500 for cancellation).

On 22 August 2013, the 4,170,000 shares purchased on the 2012/2013 share buyback program were cancelled.

⁷⁾ Of which 2,751,385 owned by the Group (575,885 in treasury and 2,175,500 for cancellation).

⁸⁾ Adjusted for capital repayments of CHF 0.75 cents/USD 0.77 cents on 23 May 2013, CHF 1.25 cents/USD 1.40 cents on 6 December 2013 and CHF 1.25 cents/USD 1.40 cents on 22 May 2014.

Listing

SIX Swiss Exchange 4885474 (Swiss)

Price information

Reuters: CPE.S, CPEu.S

Bloomberg: CPEN SW <Equity>, CPED SW <Equity>

Publication of net asset value

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