

Semi-annual Report

June 2017

Publication date

This report was released for publication on 18 August 2017.

The subsequent event note in the financial statements has been updated to 16 August 2017.

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

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Castle Private Equity semi-annual report 2017

(All amounts in USD, unless when indicated otherwise)

	Six months to 30 June 2017	Six months to 30 June 2016	
Net asset value per share	17.77	16.40	
Net asset value	445 million	477 million	
Share price in USD	—	16.20	US Dollar trading line terminated 31.10.2016
Share price in CHF	16.80	15.60	
Private equity assets	280 million	376 million	
Capital calls	3 million	4 million	
In per cent of initial uncalled	6 per cent	7 per cent	
Distributions	82 million	51 million	
As per cent of initial PE assets	25 per cent	12 per cent	
Investment degree	63 per cent	79 per cent	
Uncalled commitments	51 million	53 million	
Uncalled as per cent of NAV	11 per cent	11 per cent	
Credit facility	—	5 million	
Cash position	177 million	102 million	
Treasury shares 2 nd line (bought for cancellation)	1,839,686	741,725	
Cancelled shares		9,736,000	
Shares in circulation	25,068,703	29,063,100	

Net asset value per share up 4.3 per cent for the first half of 2017

Successful realisations supported by positive currency effects boosts net asset value during the first half of the year

Fifth anniversary of Castle's harvesting strategy

Dear shareholders

The tailwinds of the last few years also supported Castle Private Equity over the course of the first half of 2017. The patient harvesting approach that remained the Company's primary focus during the first six months of the year paid off. The company's net asset value (NAV) per share increased by 4.3 per cent to USD 17.77. Castle's share price grew by 8.6 per cent, closing the first half of 2017 at CHF 16.80 per share, representing a discount to NAV of 1.3 per cent.

Although competitive, the macro backdrop for private equity remains favourable, mainly attributable to ongoing low interest rates, steady economic growth and strong stock markets, despite Brexit and other global macroeconomic issues. The exit environment for private equity remains attractive, underpinned by significant volumes of dry powder and accommodative credit markets.

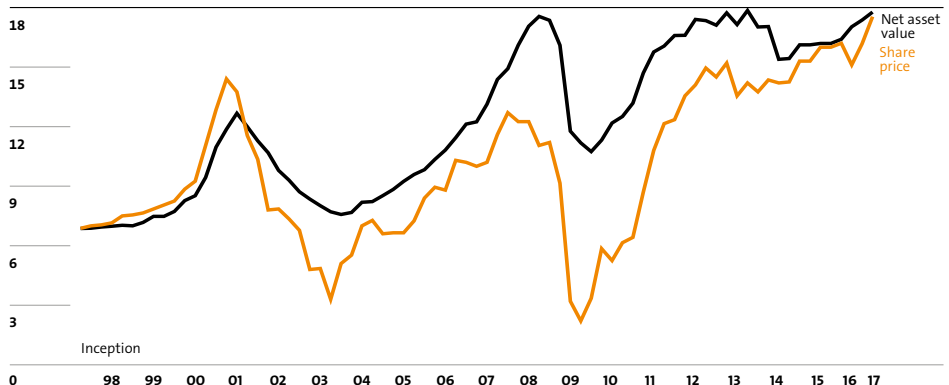
Consequently, Castle Private Equity's mature and broadly diversified portfolio once more demonstrated its quality, with a number of successful realisations above their carrying values. These exits had a positive impact on the Company's NAV and were responsible for the bulk of NAV growth over the first six months of the year. During the period under review, Castle Private Equity received distribution proceeds of over USD 82 million versus USD 51 million during the same period last year. Cash was typically generated from a number of transactions, including initial public offerings (IPO's) and trade sales. In addition, the strengthening of the Euro against the US Dollar led to over USD 9 million of positive valuation adjustments in US Dollars during the first half of 2017.

With capital calls of only USD 3 million during the first six months, Castle Private Equity's net liquidity position increased during the period to USD 165 million, after taking account of investment activity within the portfolio and share buybacks.

In April 2017, Castle reached its fifth anniversary of the adoption of the harvesting strategy. Retrospectively, the harvesting strategy adopted has played out well for shareholders. The realisation of Investments combined with regular share buyback programs has significantly enhanced NAV per share. As a result, Castle has returned a total of over USD 450 million to its shareholders since August 2011. Furthermore, the Company's value grew to over USD 24 per share, when combining the current NAV per share of USD 17.77 with cumulative distributions.

On 30 May 2017 Castle Private Equity announced a new share buyback programme by issuing put options followed by a new buyback programme over the Company's second trading line at SIX Swiss

Share price and net asset value since inception
in USD per share



Launch of a new share buyback program and evaluating feasibility of fixed price share buybacks

Exchange, which was launched on 26 June 2017. A maximum of 5.9 per cent of the share capital and voting rights will be purchased for cancellation purposes. Furthermore, the board of directors of Castle Private Equity instructed its general managers to evaluate the feasibility of share buybacks via a fixed price offer, in addition to the already known and well established distribution mechanisms. The purpose of the share buyback is to return liquidity to the shareholders of Castle Private Equity and to allow shareholders to reduce their holding in Castle Private Equity at a fixed price. The required funds will not be paid out of capital contribution reserves. Approval for the buyback and for the respective subsequent cancellation of shares bought back and the pertinent capital reduction would be sought at one of the next shareholders’ meetings.

The Company’s maturity profile of the portfolio 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,

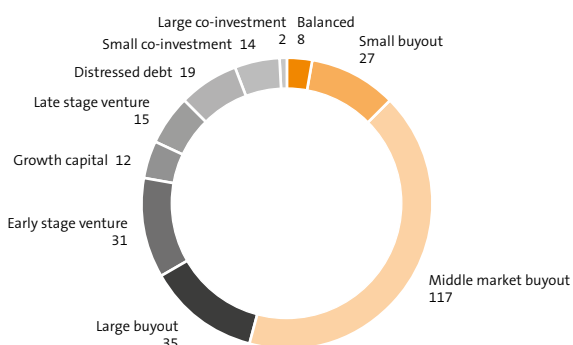
LGT Private Equity Advisers AG

Major exits in the second quarter of 2017

Partnership	Company	Sector, location	Exit channel
Polish Enterprise Fund VI, L.P.	Profi Rom	supermarket chain, Romania	secondary sale to Mid Europa Partners
Summit Partners Europe Private Equity Fund, L.P.	Independent Vetcare	vetinary care, UK	trade sale to EQT
Doughty Hanson & Co III, L.P. 15	LM Wind Power	wind turbines, Denmark	trade sale to GE
EOS Capital Partners IV, L.P.	Country Fresh	food production, US	secondary sale to Kainos Capital
STG III, L.P.	Symphony Teleca	telecommunications, US	trade sale to Harman
OCM Principal Opportunities Fund IV, L.P.	AdvancePierre Foods	food production, US	trade sale to Tyson Foods

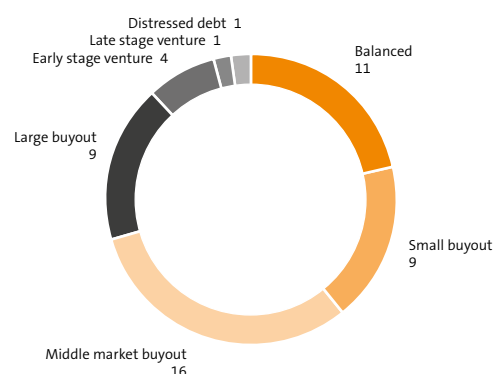
Private equity assets by financing stage

in USD millions



Uncalled commitments by financing stage

in USD millions



Unaudited consolidated statement of comprehensive income

For the period ended 30 June 2017 (all amounts in USD thousands unless otherwise stated)

	Note	1 January – 30 June 2017	1 January – 30 June 2016
Income			
Income from non-current assets:			
Net gain on investments designated at fair value through profit or loss	4	30,055	11,270
Net loss on derivative financial instruments designated at fair value through profit or loss	4	—	(427)
Total gains from non-current assets		30,055	10,843
Income from current assets:			
Net loss on marketable securities designated at fair value through profit or loss	4	(3)	(8)
Loss on foreign exchange net		(62)	(28)
Interest income		24	2
Other income		—	8
Total losses from current assets		(41)	(26)
Total income		30,014	10,817
Expenses			
Management and performance fees	9	(8,324)	(2,661)
Expenses from investments		(1,048)	(433)
Other operating expenses		(684)	(592)
Total operating expenses		(10,056)	(3,686)
Operating profit		19,958	7,131
Finance costs		(2)	—
Profit for the period before taxes		19,956	7,131
Tax expense	6	(308)	(870)
Profit for the period after taxes		19,648	6,261
Total comprehensive income for the period		19,648	6,261
Profit attributable to:			
Shareholders		19,648	6,261
Non-controlling interests		—	—
		19,648	6,261
Total comprehensive income attributable to:			
Shareholders		19,648	6,261
Non-controlling interests		—	—
		19,648	6,261
Earnings per share (USD) attributable to equity holders			
Weighted average number of shares outstanding during the period		26,429,025	29,444,647
Basic profit per share		USD 0.74	USD 0.21
Diluted profit per share		USD 0.74	USD 0.21

The accompanying notes on pages 10 to 32 form an integral part of these consolidated financial statements.

Unaudited consolidated balance sheet

As of 30 June 2017 (all amounts in USD thousands unless otherwise stated)

	Note	30 June 2017	31 December 2016
Assets			
Current assets:			
Cash and cash equivalents		177,299	129,750
Accrued income and other receivables		364	63
Total current assets		177,663	129,813
Non-current assets:			
Investments designated at fair value through profit or loss	4	280,449	330,591
Derivative financial instruments designated at fair value through profit or loss	4	—	—
Total non-current assets		280,449	330,591
Total assets		458,112	460,404
Liabilities			
Current liabilities:			
Accrued expenses and other payables		12,760	2,263
Total current liabilities		12,760	2,263
Equity			
Shareholders' equity:			
Share capital		99,434	99,434
Additional paid-in capital		62,965	62,965
Less treasury shares at cost (bought for cancellation)	8	(71,715)	(39,278)
Retained earnings		354,667	335,019
Total shareholders' equity before non-controlling interests		445,351	458,140
Non-controlling interests		1	1
Total equity		445,352	458,141
Total liabilities and equity		458,112	460,404
Net asset value per share (USD)			
Number of shares issued as at period end		29,228,461	29,228,461
Number of treasury shares (bought for cancellation) as at period end	8	(4,159,758)	(2,320,072)
Number of shares outstanding net of treasury shares as at period end		25,068,703	26,908,389
Net asset value per share		17.77	17.03

The accompanying notes on pages 10 to 32 form an integral part of these consolidated financial statements.

Unaudited consolidated statement of cash flows

For the period ended 30 June 2017 (all amounts in USD thousands unless otherwise stated)

	1 January – 30 June 2017	1 January – 30 June 2016
Cash flows from/(used in) operating activities:		
Purchase of investments	(1,001)	(3,573)
Proceeds from callable return of invested capital in investments	897	412
Proceeds from return of invested capital in investments	31,534	24,014
Proceeds from realised gains on investments	49,569	25,983
Proceeds from sales of securities	49	1,201
Interest received	24	2
Proceeds from other realised income	—	9
Investment expenses paid	(1,904)	(433)
Withholding taxes paid for investments	(693)	(938)
Withholding taxes refunded from investments	165	68
Other operating expenses paid	(3,108)	(11,074)
Capital tax paid	(31)	(31)
Net cash flows from operating activities	75,501	35,640
Cash flows from/(used in) financing activities:		
Finance costs	(16)	(2)
Purchase of treasury shares (bought for cancellation)	(27,982)	(12,112)
Net cash flows used in financing activities	(27,998)	(12,114)
Net increase in cash and cash equivalents	47,503	23,526
Cash and cash equivalents at beginning of period	129,750	78,261
Exchange gain/(loss) on cash and cash equivalents	46	(19)
Cash and cash equivalents at end of period	177,299	101,768
Cash and cash equivalents consist of the following as at 30 June:		
Cash at banks	177,299	98,768
Time deposits < 90 days	—	3,000
Total	177,299	101,768

The accompanying notes on pages 10 to 32 form an integral part of these consolidated financial statements.

Unaudited consolidated statement of changes in equity

For the period ended 30 June 2017 (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 2016	113,844	62,965	(67,777)	373,408	1	482,441
Total comprehensive income for the period	—	—	—	6,261	—	6,261
Purchase of treasury shares (bought for cancellation)	—	—	(11,941)	—	—	(11,941)
30 June 2016	113,844	62,965	(79,718)	379,669	1	476,761
1 January 2017	99,434	62,965	(39,278)	335,019	1	458,141
Total comprehensive income for the period	—	—	—	19,648	—	19,648
Purchase of treasury shares (bought for cancellation)	—	—	(32,437)	—	—	(32,437)
30 June 2017	99,434	62,965	(71,715)	354,667	1	445,352

The accompanying notes on pages 10 to 32 form an integral part of these consolidated financial statements.

Notes to the unaudited consolidated financial statements

For the period ended 30 June 2017

(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. On 31 October 2016 the US Dollar trading line was terminated.

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.

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 2017 correspond to those of the annual report 2016, 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 2016, 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 2017

There were no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that would be expected to have a material impact on the Group.

b) Standards and amendments to published standards effective after 1 January 2017 that have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these interim financial statements. None of these are expected to have a significant effect on the financial statements of the Group, except the following set out below:

- IFRS 9, “Financial instruments”, for annual periods beginning on or after 1 January 2018, retrospective application, earlier application permitted): The complete version of IFRS 9 “Financial Instruments” includes requirements on the classification and measurement of financial assets and liabilities; it defines three classification categories for debt instruments: amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVPL”). Classification for investments in debt instruments is driven by the entity’s business model for managing financial assets and their contractual cash flows. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. No changes were introduced for the classification and measurement of financial liabilities, except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss.

IFRS 9 also contains a new impairment model which will result in earlier recognition of losses. The expected credit losses (ECL) model is a “three-stage” model for impairment based on changes in credit quality since initial recognition. In addition, the new standard contains amendments to general hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The Group is currently assessing the full impact of this standard. The implementation of this standard would not lead to any changes in the consolidated net asset value of the Group.

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 2017 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 2016.

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; and
- Castle Private Equity (International) plc, Ireland

4. Investments, marketable securities and derivative financial instruments designated at fair value through profit or loss

As of 30 June 2017 the Group had subscribed interests in 105 (31 December 2016: 105) 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 1,235,470 (31 December 2016: TUSD 1,213,643) of which TUSD 1,184,726 (31 December 2016: TUSD 1,163,351) was paid in. The details of the investments are shown in the investment schedule on pages 15 to 19 and the investment movement schedule on pages 13 to 14.

Movements in investments, marketable securities and derivative instruments designated at fair value through profit or loss¹⁾

For the period ended 30 June 2017 (all amounts in USD thousands unless otherwise stated)

2017	Value per 1 January 2017	Additions (capital calls) ²⁾	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2017	Total real- ised gains/ (losses) per 30.6.2017 ³⁾	Net gains/ (losses) per 30.6.2017	Uncalled commit- ment amount ⁴⁾
Marketable securities	—	52	(52)	—	—	—	(3)	(3)	—
Balanced stage	8,744	—	—	407	(999)	8,152	998	406	10,858
Buyout stage									
large buyout stage	48,290	301	(7,873)	353	(5,744)	35,327	7,835	2,444	9,379
middle market buyout stage	142,083	78	(16,025)	7,754	(16,036)	117,854	23,224	14,942	15,881
small buyout stage	28,129	195	(6,116)	4,728	(300)	26,636	(10)	4,418	8,567
Total buyout stage	218,502	574	(30,014)	12,835	(22,080)	179,817	31,049	21,804	33,827
Special situations stage									
distressed debt stage	25,479	—	(46)	10	(6,823)	18,620	5,243	(1,570)	1,090
Total special situations stage	25,479	—	(46)	10	(6,823)	18,620	5,243	(1,570)	1,090
Venture stage									
early stage venture	32,038	(378)	(1,189)	1,260	(989)	30,742	889	1,160	3,653
growth capital stage	12,243	(58)	(1,396)	1,084	—	11,873	2,054	3,138	901
late stage venture	16,642	—	(374)	32	(1,649)	14,651	2,547	930	415
Total venture stage	60,923	(436)	(2,959)	2,376	(2,638)	57,266	5,490	5,228	4,969
Co-Investment									
large buyout stage	4,719	—	(1,445)	—	(866)	2,408	3,091	2,225	—
small buyout stage	12,224	—	—	2,643	(681)	14,186	—	1,962	—
Total Co-Investment	16,943	—	(1,445)	2,643	(1,547)	16,594	3,091	4,187	—
Total investments	330,591	138	(34,464)	18,271	(34,087)	280,449	45,871	30,055	50,744
Total investments, marketable securities and derivative financial instruments	330,591	190	(34,516)	18,271	(34,087)	280,449	45,868	30,052	50,744

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.

2016	Value per 1 January 2016	Additions (capital calls) ¹⁾	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2016	Total real- ised gains/ (losses) per 30.6.2016 ²⁾	Net gains/ (losses) per 30.6.2016	Uncalled commit- ment amount ⁴⁾
Marketable securities	—	1,209	(1,209)	—	—	—	(8)	(8)	—
Balanced stage	10,245	—	(300)	136	(978)	9,103	1,110	268	10,858
Buyout stage									
large buyout stage	69,956	193	(7,474)	965	(9,516)	54,124	8,078	(473)	9,801
middle market buyout stage	165,465	961	(7,449)	7,953	(7,014)	159,916	9,085	10,024	17,752
small buyout stage	37,735	720	(1,288)	2,092	(430)	38,829	1,342	3,004	8,603
Total buyout stage	273,156	1,874	(16,211)	11,010	(16,960)	252,869	18,505	12,555	36,156
Special situations stage									
distressed debt stage	34,481	—	(1,418)	138	(3,032)	30,169	1,425	(1,469)	1,746
Total special situations stage	34,481	—	(1,418)	138	(3,032)	30,169	1,425	(1,469)	1,746
Venture stage									
early stage venture	36,135	222	(3,068)	1,833	(3,751)	31,371	3,471	1,553	3,441
growth capital stage	12,261	1,099	—	144	(760)	12,744	34	(582)	311
late stage venture	26,175	—	(3,591)	1	(2,705)	19,880	1,015	(1,689)	574
Total venture stage	74,571	1,321	(6,659)	1,978	(7,216)	63,995	4,520	(718)	4,326
Co-Investment									
large buyout stage	7,321	—	(504)	60	(445)	6,432	589	204	—
small buyout stage	13,144	—	—	430	—	13,574	—	430	—
Total Co-Investment	20,465	—	(504)	490	(445)	20,006	589	634	—
Total investments	412,918	3,195	(25,092)	13,752	(28,631)	376,142	26,149	11,270	53,086
Derivative financial instruments									
Deferred put option (currency hedge)	712	—	—	—	(427)	285	—	(427)	—
Total derivative financial instruments	712	—	—	—	(427)	285	—	(427)	—
Total investments, marketable securities and derivative financial instruments	413,630	4,404	(26,301)	13,752	(29,058)	376,427	26,141	10,835	53,086

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 20 shows the portfolio's non cash transactions and provides a reconciliation to the movement schedules.

Investments, marketable securities and derivative financial instruments designated at fair value through profit or loss¹⁾

As of 30 June 2017 (all amounts in USD thousands unless otherwise stated)

	Deal currency	Vintage year	Geography	Commitment 31.12.2016	Cost 1.1.2016	Cost 31.12.2016	Fair value 31.12.2016	Commitment 30.6.2017	Cost 30.6.2017	Fair value 30.6.2017	FMV in %
Balanced stage											
Chancellor Offshore Partnership Fund, L.P.	USD	1997	North America	235,000	—	—	3,809	235,000	—	2,811	1.00%
Chancellor Partnership Fund, L.P.	USD	1997	North America	14,518	—	—	—	14,518	—	—	0.00%
Landmark Equity Partners III, L.P. (Secondary – Vinegar) ^{2),5)}	USD	1998	North America	12,171	—	—	—	12,171	—	—	0.00%
Crown Global Secondaries plc	USD	2004	North America	30,000	5,917	5,257	4,935	30,000	5,257	5,341	1.90%
Total balanced stage				291,689	5,917	5,257	8,744	291,689	5,257	8,152	2.91%
Buyout stage											
Large buyout											
Doughty Hanson & Co III, L.P. 15	USD	1997	Europe	10,000	2,292	2,292	3,207	10,000	734	254	0.09%
Clayton, Dubilier & Rice Fund VI, L.P.	USD	1998	North America	10,000	2,600	2,600	24	10,000	2,600	39	0.01%
BC European Capital VII ³⁾	EUR	2000	Europe	10,550	2,132	2,132	51	11,403	2,133	56	0.02%
Permira Europe II, L.P. II ³⁾	EUR	2000	Europe	10,550	2,280	2,280	94	11,403	2,280	103	0.04%
TPG Parallel III, L.P.	USD	2000	North America	5,000	1,253	1,218	75	5,000	1,218	53	0.02%
T3 Parallel II, L.P.	USD	2001	North America	5,000	1,239	1,030	98	5,000	1,030	98	0.03%
Warburg Pincus Private Equity VIII, L.P.	USD	2001	North America	15,000	—	—	2,190	15,000	—	1,661	0.59%
Permira Europe III, L.P. II ³⁾	EUR	2003	Europe	10,550	3,298	3,227	384	11,403	2,880	131	0.05%
TPG Partners IV, L.P.	USD	2003	North America	13,954	6,509	5,045	1,830	13,954	4,749	1,502	0.54%
Silver Lake Partners II, L.P.	USD	2004	North America	10,000	2,271	1,625	1,581	10,000	1,548	1,333	0.48%
Clayton, Dubilier & Rice Fund VII, L.P.	USD	2005	North America	15,000	2,889	1,712	5,152	15,000	890	3,430	1.22%
Greenhill Capital Partners II, L.P.	USD	2005	North America	10,000	4,590	4,090	1,508	10,000	3,787	1,200	0.43%
KKR European Fund II, L.P. ³⁾	EUR	2005	Europe	10,550	6,332	3,068	430	11,403	2,765	157	0.06%
First Reserve XI, L.P.	USD	2006	North America	15,000	10,182	10,094	1,529	15,000	9,641	1,238	0.44%
Permira IV, L.P. 2 ³⁾	EUR	2006	Europe	11,077	3,253	2,094	20	11,973	2,095	62	0.02%
TPG Partners V, L.P.	USD	2006	North America	28,727	18,978	15,794	11,272	28,727	14,266	8,919	3.18%
Clayton, Dubilier & Rice Fund VII (Co-Investment), L.P.	USD	2007	North America	3,000	796	132	1,463	3,000	—	645	0.23%
Bain Capital Fund X, L.P.	USD	2008	North America	12,000	6,735	5,474	5,827	12,000	4,615	4,552	1.62%
Bain Capital X Coinvestment Fund, L.P.	USD	2008	North America	420	279	238	197	420	214	157	0.06%
TPG Partners VI, L.P.	USD	2008	North America	18,000	11,291	10,465	11,358	18,000	9,593	9,737	3.47%
Total large buyout				224,378	89,199	74,610	48,290	228,686	67,038	35,327	12.60%
Middle market buyout											
Carlyle II Co-Investments ⁶⁾	USD	1997	North America	395	108	108	3	395	108	3	0.00%
Carlyle International Partners II, L.P.	USD	1997	North America	—	71	—	—	—	—	—	0.00%
The Triton Fund (No. 9) L.P. ³⁾	EUR	1999	Europe	9,170	720	720	139	9,911	720	150	0.05%
Warburg Pincus International Partners, L.P.	USD	2000	Europe	10,000	—	—	1,759	10,000	—	1,194	0.43%

	Deal currency	Vintage year	Geography	Commitment 31.12.2016	Cost 1.1.2016	Cost 31.12.2016	Fair value 31.12.2016	Commitment 30.6.2017	Cost 30.6.2017	Fair value 30.6.2017	FMV in %
Bain Capital Fund VII-E, L.P.	USD	2002	Europe	8,000	1,205	1,205	46	8,000	1,205	48	0.02%
J.W. Childs Equity Partners III, L.P.	USD	2002	North America	12,000	952	952	—	12,000	952	1	0.00%
Bain Capital Fund VIII-E, L.P. ³⁾	EUR	2004	Europe	10,550	5,069	3,527	805	11,403	3,528	763	0.27%
Odyssey Investment Partners III, L.P.	USD	2004	North America	10,000	1,736	1,736	3,041	10,000	1,736	3,091	1.10%
Newbridge Asia IV, L.P.	USD	2005	Asia	10,000	3,722	3,722	963	10,000	3,722	1,009	0.36%
SB Asia Investment Fund II, L.P.	USD	2005	Asia	7,000	2,499	2,063	6,291	7,000	1,989	4,383	1.56%
Chequers XV, FCPR ³⁾	EUR	2006	Europe	8,440	4,076	3,126	1,427	9,122	2,659	1,474	0.53%
Court Square Capital Partners II, L.P.	USD	2006	North America	15,000	6,800	5,416	3,701	15,000	5,448	3,894	1.39%
Polish Enterprise Fund VI, L.P. ³⁾	EUR	2006	Europe	10,550	9,261	9,333	14,191	11,403	5,518	1,797	0.64%
The Triton Fund II, L.P. ³⁾	EUR	2006	Europe	12,660	6,250	5,288	3,317	13,684	5,288	4,767	1.70%
Wellspring Capital Partners IV, L.P.	USD	2006	North America	10,000	4,152	4,152	4,993	10,000	3,706	4,940	1.76%
Advent Latin American Private Equity											
Fund IV, L.P.	USD	2007	Other	10,000	6,039	5,193	4,140	10,000	5,193	4,497	1.60%
CDH China Fund III, L.P.	USD	2007	Asia	9,000	1,962	—	5,760	9,000	—	4,926	1.76%
CDH Supplementary Fund III, L.P.	USD	2007	Asia	3,000	1,562	234	2,220	3,000	—	781	0.28%
Crown Asia-Pacific Private Equity plc	USD	2007	Asia	40,000	21,875	19,255	25,673	40,000	14,975	20,835	7.43%
EOS Capital Partners IV, L.P.	USD	2007	North America	15,000	8,444	8,718	12,556	15,000	7,593	10,756	3.84%
Genstar Capital Partners V, L.P.	USD	2007	North America	10,000	4,035	3,606	4,252	10,000	2,874	3,139	1.12%
SAIF Partners III, L.P.	USD	2007	Asia	10,000	6,936	6,204	14,699	10,000	6,204	16,304	5.81%
STG III, L.P.	USD	2007	North America	9,450	6,291	4,211	6,684	9,450	1,534	6,146	2.19%
Bain Capital Europe Fund III, L.P. ³⁾	EUR	2008	Europe	10,550	7,211	3,648	5,017	11,403	2,543	2,583	0.92%
Hahn & Company I, L.P.	USD	2011	Asia	10,000	7,273	6,772	12,525	10,000	6,068	11,788	4.20%
Bain Capital Asia Fund II, L.P.	USD	2012	Asia	10,000	7,353	6,417	7,881	10,000	6,097	8,585	3.06%
Total middle market buyout				270,765	125,602	105,606	142,083	275,771	89,660	117,854	42.02%
Small buyout											
Chequers Capital FCPR ³⁾	EUR	2002	Europe	8,967	2,661	1,933	207	9,693	1,933	535	0.19%
MBO Capital FCPR ³⁾	EUR	2002	Europe	5,275	—	—	125	5,702	—	63	0.02%
Nmas ¹ Private Equity Fund No.2 L.P. ³⁾	EUR	2002	Europe	5,275	1,256	1,255	158	5,702	918	125	0.04%
Arsenal Capital Partners QP II-B, L.P.	USD	2006	North America	13,000	4,899	3,724	5,480	13,000	3,853	5,454	1.94%
Bancroft II, L.P. (Secondary – Atlantic) ³⁾ ⁵⁾	EUR	2006	Europe	3,688	—	—	215	3,986	—	132	0.05%
J.P. Morgan Italian Fund III (Secondary – Atlantic) ³⁾ ⁵⁾	EUR	2006	Europe	7,160	6,183	6,183	—	7,739	6,183	—	0.00%
Wynnchurch Capital Partners II, L.P.	USD	2006	North America	7,500	3,570	2,827	2,087	7,500	2,735	2,281	0.81%
Crown European Buyout Opportunities II plc ³⁾	EUR	2007	Europe	31,650	16,584	14,346	15,755	34,209	8,725	13,565	4.84%
PortPEP Limited (Secondary – Port) ³⁾	EUR	2011	Europe	11,394	—	—	4,102	12,315	—	4,481	1.60%
Total small buyout				93,909	35,153	30,268	28,129	99,846	24,347	26,636	9.50%
Total buyout stage				589,052	249,954	210,484	218,502	604,303	181,045	179,817	64.12%

	Deal currency	Vintage year	Geography	Commitment 31.12.2016	Cost 1.1.2016	Cost 31.12.2016	Fair value 31.12.2016	Commitment 30.6.2017	Cost 30.6.2017	Fair value 30.6.2017	FMV in %
Special situations stage											
Distressed debt											
OCM Opportunities Fund IV, L.P.	USD	2001	North America	5,000	—	—	16	5,000	—	1	0.00%
OCM Principal Opportunities Fund II, L.P.	USD	2001	North America	5,000	—	—	5	5,000	—	10	0.00%
OCM Opportunities Fund IVb, L.P.	USD	2002	North America	5,000	—	—	13	5,000	—	—	0.00%
Sun Capital Securities Offshore Fund, Ltd.	USD	2004	North America	10,000	4,724	4,255	497	10,000	4,249	277	0.10%
OCM European Principal Opportunities Fund, L.P.	USD	2006	Europe	15,000	—	—	1	15,000	—	—	0.00%
OCM Principal Opportunities Fund IV, L.P.	USD	2006	North America	10,000	—	—	4,434	10,000	—	668	0.24%
Sun Capital Securities Offshore Fund, Ltd. (Second Tranche)	USD	2006	North America	10,000	1,930	1,837	826	10,000	1,797	398	0.14%
Fortress Investment Fund V (Coinvestment Fund D), L.P.	USD	2007	North America	7,200	5,481	4,689	2,634	7,200	4,689	2,317	0.83%
Fortress Investment Fund V (Fund D), L.P.	USD	2007	North America	7,500	3,926	3,320	7,532	7,500	3,320	6,768	2.41%
OCM Opportunities Fund VII, L.P.	USD	2007	North America	10,000	—	—	1,131	10,000	—	926	0.33%
Castlelake I, L.P.	USD	2007	North America	15,000	—	—	5,348	15,000	—	4,583	1.63%
Oaktree European Credit Opportunities Fund, L.P. ³⁾	EUR	2008	Europe	10,550	4,688	4,688	81	11,403	4,688	84	0.03%
OCM European Principal Opportunities Fund II, L.P. ³⁾	EUR	2008	Europe	7,912	1,718	—	1,614	8,551	—	1,504	0.54%
OCM Opportunities Fund VIIb, L.P.	USD	2008	North America	13,500	—	—	1,347	13,500	—	1,084	0.39%
Total distressed debt				131,662	22,467	18,789	25,479	133,154	18,743	18,620	6.64%
Total special situations stage				131,662	22,467	18,789	25,479	133,154	18,743	18,620	6.64%
Venture stage											
Early stage venture											
Strategic European Technologies N.V. ³⁾	EUR	1997	Europe	7,229	—	—	27	7,813	—	88	0.03%
Invesco Venture Partnership Fund II, L.P.	USD	1999	North America	15,000	1,658	1,355	90	15,000	1,355	90	0.03%
Balderton Capital I, L.P.	USD	2000	Europe	5,333	3,315	3,180	1,072	5,333	3,180	1,179	0.42%
Chancellor V, L.P.	USD	2000	North America	20,000	3,493	3,493	1,921	20,000	3,404	1,950	0.70%
Galileo III FCPR ³⁾	EUR	2000	Europe	6,666	2,775	1,024	2,627	7,205	—	950	0.34%
Jerusalem Venture Partners IV, L.P.	USD	2000	Other	8,000	—	—	293	8,000	—	293	0.10%
Global Life Science Venture Fund II, L.P. ³⁾	EUR	2002	Europe	5,275	3,429	3,174	15	5,702	3,174	16	0.01%
Amadeus II Fund C GmbH & Co. KG (Secondary – Vermont) ^{4),5)}	GBP	2005	Europe	972	820	820	738	1,020	820	775	0.28%
Balderton Capital II, L.P.	USD	2005	Europe	4,000	3,416	3,416	546	4,000	3,416	569	0.20%
Battery Ventures VII, L.P.	USD	2005	North America	3,000	1,117	620	73	3,000	537	51	0.02%
BCPI I, L.P. (Secondary – Vermont) ³⁾	USD	2005	Other	1,833	1,057	895	194	1,833	811	107	0.04%
Benchmark Israel II, L.P.	USD	2005	Other	4,602	1,852	1,787	2,032	4,602	1,787	1,750	0.62%
H.I.G. Venture Partners II, L.P.	USD	2005	North America	5,000	4,107	4,107	2,240	5,000	4,107	2,328	0.83%

	Deal currency	Vintage year	Geography	Commitment 31.12.2016	Cost 1.1.2016	Cost 31.12.2016	Fair value 31.12.2016	Commitment 30.6.2017	Cost 30.6.2017	Fair value 30.6.2017	FMV in %
Early stage venture											
Jerusalem Venture Partners IV, L.P. (Secondary – Vermont) ⁵⁾	USD	2005	Other	662	—	—	40	662	—	40	0.01%
Battery Ventures VIII, L.P.	USD	2007	North America	4,000	2,321	2,330	2,404	4,000	2,330	2,669	0.95%
Battery Ventures VIII Side Fund, L.P.	USD	2008	North America	1,050	356	378	289	1,050	397	257	0.09%
Carmel Ventures III, L.P.	USD	2008	Other	6,000	5,201	5,450	12,180	6,000	5,144	12,145	4.33%
Mangrove III S.C.A. SICAR ³⁾	EUR	2008	Europe	5,275	5,666	5,558	5,257	5,702	5,558	5,485	1.96%
Total early stage venture				103,897	40,583	37,587	32,038	105,922	36,020	30,742	10.96%
Growth capital											
Kennet III A, L.P. ³⁾	EUR	2007	Europe	8,440	9,153	8,646	5,806	9,122	8,071	5,962	2.13%
Summit Partners Europe Private Equity Fund, L.P. ³⁾	EUR	2009	Europe	7,385	5,269	6,554	6,437	7,982	5,675	5,911	2.11%
Total growth capital				15,825	14,422	15,200	12,243	17,104	13,746	11,873	4.23%
Late stage venture											
WCAS Capital Partners III, L.P.	USD	1997	North America	15,000	616	—	—	15,000	—	—	0.00%
TCV III (Q), L.P.	USD	1999	North America	3,500	556	556	73	3,500	556	73	0.03%
TCV IV, L.P.	USD	1999	North America	7,000	2,589	2,589	8	7,000	2,589	8	0.00%
Columbia Capital Equity Partners III (Cayman), L.P.	USD	2000	North America	5,000	1,551	1,310	160	5,000	1,310	192	0.07%
New Enterprise Associates 10, L.P.	USD	2000	North America	10,000	6,964	7,114	3,337	10,000	7,114	3,275	1.17%
Index Ventures II (Jersey), L.P.	USD	2001	Europe	—	2,928	—	—	—	—	—	0.00%
Columbia Capital Equity Partners IV (Non-US), L.P.	USD	2005	North America	10,000	4,257	—	3,239	10,000	—	2,141	0.76%
Index Ventures III (Jersey), L.P. ³⁾	EUR	2005	Europe	7,385	4,274	4,274	4,555	7,982	4,086	4,361	1.56%
New Enterprise Associates 12, L.P.	USD	2006	North America	5,000	4,255	4,219	2,288	5,000	4,153	1,849	0.66%
Index Ventures IV (Jersey), L.P. ³⁾	EUR	2007	Europe	5,275	4,070	3,554	2,982	5,702	3,432	2,752	0.98%
Total late stage venture				68,160	32,060	23,616	16,642	69,184	23,240	14,651	5.22%
Total venture stage				187,882	87,065	76,403	60,923	192,210	73,006	57,266	20.42%
Co-Investment and other											
Large buyout											
Co-Investment 1 ³⁾	EUR	2011	Europe	3,160	2,156	1,651	2,226	3,415	663	1,209	0.43%
Co-Investment 2	USD	2011	Asia	4,000	1,785	456	2,493	4,000	—	1,199	0.43%
Total large buyout				7,160	3,941	2,107	4,719	7,415	663	2,408	0.86%

	Deal currency	Vintage year	Geography	Commitment 31.12.2016	Cost 1.1.2016	Cost 31.12.2016	Fair value 31.12.2016	Commitment 30.6.2017	Cost 30.6.2017	Fair value 30.6.2017	FMV in %
Small buyout											
Co-Investment 4 ³⁾	EUR	2011	Europe	1,978	2,526	2,527	3,494	2,138	2,526	2,812	1.00%
Co-Investment 5 ³⁾	EUR	2011	Europe	4,220	5,440	5,440	8,730	4,561	5,440	11,374	4.06%
Total small buyout				6,198	7,966	7,967	12,224	6,699	7,966	14,186	5.06%
Total Co-Investment and other				13,358	11,907	10,074	16,943	14,114	8,629	16,594	5.92%
Total investments designated at fair value through profit or loss				1,213,643	377,310	321,007	330,591	1,235,470	286,680	280,449	100.00%
Derivative financial instruments designated at fair value through profit or loss											
Deferred put option (currency hedge) ⁷⁾	USD	2011	Asia	—	129	—	—	—	—	—	0.00%
Total derivative financial instruments designated at fair value through profit or loss				—	129	—	—	—	—	—	0.00%
Total				1,213,643	377,439	321,007	330,591	1,235,470⁸⁾	286,680	280,449	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 1.140300 as of 30 June 2017 and 1.055000 as of 31 December 2016.

⁴⁾ Total commitment translated from GBP value at 1.298200 as of 30 June 2017 and 1.235800 as of 31 December 2016.

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 1,184,726 (31 December 2016: TUSD 1,163,351).

5. Cash flow reconciliation

The following is a reconciliation between the cash flow statement on page 8 and the investments movement schedules on pages 13 and 14.

1 January 2017 – 30 June 2017	Investments			Marketable securities	
	Additions (capital calls)	Disposals (return of capital)	Realised gains and losses	Additions (capital calls)	Disposals (return of capital) and realised losses
Movement schedule (page 13)	138	(34,464)	(45,871)	52	(52)
Cash flows from investment activities	—	31,534	49,569	—	—
Purchase of investments	(1,001)	—	—	—	—
Proceeds from callable return of invested capital in investments	897	—	—	—	—
Purchase of marketable securities	—	—	—	—	—
Sales of marketable securities	—	—	—	—	52
Non-cash transactions					
Deemed distributions and account reclassification ¹⁾	(34)	1	(821)	—	—
In kind distributions ²⁾	—	—	52	(52)	—
Revaluation of foreign currency positions ³⁾	—	2,929	(2,929)	—	—
Total cash and non-cash transactions	(138)	34,464	45,871	(52)	52
Reconciliation	—	—	—	—	—

1 January 2016 – 30 June 2016	Investments			Marketable securities	
	Additions (capital calls)	Disposals (return of capital)	Realised gains and losses	Additions (capital calls)	Disposals (return of capital) and realised losses
Movement schedule (page 14)	3,195	(25,092)	25,731	1,209	(1,209)
Cash flows from investment activities	—	24,014	(25,983)	—	—
Purchase of investments	(3,573)	—	—	—	—
Proceeds from callable return of invested capital in investments	412	—	—	—	—
Purchase of marketable securities	—	—	—	—	—
Sales of marketable securities	—	—	—	—	1,209
Non-cash transactions					
Deemed distributions and account reclassification ¹⁾	(34)	34	87	—	—
In kind distributions ²⁾	—	118	1,091	(1,209)	—
Revaluation of foreign currency positions ³⁾	—	926	(926)	—	—
Accounts receivable/payable	—	—	—	—	—
Total cash and non-cash transactions	(3,195)	25,092	(25,731)	(1,209)	1,209
Reconciliation	—	—	—	—	—

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	30.6.2017 TUSD	30.6.2016 TUSD
Profit for the period before taxes	19,956	6,261
Applicable tax rate	7.8%	7.8%
Income tax	1,557	488
Effect from: non-taxable income	(1,557)	(488)
Total	—	—

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

Taxes	30.6.2017 TUSD	30.6.2016 TUSD
Withholding tax expense	308	870
Total	308	870

7. Borrowings

As of 30 June 2015 the Overseas Subsidiary had terminated a credit facility with LGT Bank Ltd., Vaduz (related party).

As of 30 June 2017 the Ireland Subsidiary had terminated a credit facility with LGT Bank (Ireland) Ltd., Dublin (related party).

As of 30 June 2017 the Ireland Subsidiary had no borrowings from LGT Bank (Ireland) Ltd., Dublin (31 December 2016: Nil).

8. Shareholders' equity

The share capital of the Company at 30 June 2017 amounts to TCHF 146,142 (TUSD 99,434) (31 December 2016: TCHF 146,142 (TUSD 99,434)) consisting of 29,228,461 (31 December 2016: 29,228,461) 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 445,351 as of 30 June 2017 (31 December 2016: TUSD 458,140).

The following capital repayments have been paid out:

Date of payment	CHF/share	USD/share
23.5.2013	0.75	0.77
6.12.2013	1.25	1.37
22.5.2014	1.25	1.40
5.12.2014	1.40	1.43

There were no capital repayments made in 2015, 2016 and 2017.

For the capital repayments to investors 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 31 December 2015 Castle Private Equity (International) plc had sold 575,885 treasury shares. These treasury shares were treated as a deduction from the consolidated shareholders' equity using cost values of TUSD 4,856 (31 December 2016: TUSD Nil). The gains and losses on sales of treasury shares were credited/debited to the retained earnings account. As at 30 June 2017 the Ireland Subsidiary held no treasury shares (31 December 2016: Nil).

Share buyback 2nd line (bought for cancellation) and share buyback via tradable put options (bought for cancellation)

Since 2011, the Company has announced openings of second trading lines on a yearly basis for the Company's shares on the SIX Swiss Exchange. The Company is always the exclusive buyer on these trading lines and repurchases shares for the purpose of subsequently reducing its share capital. The Company has purchased treasury shares on its second trading lines according to the following summaries. These treasury shares are treated as a deduction from shareholders' equity using cost values. On 12 October 2015, 13 June 2016 and 30 May 2017 the Company purchased further treasury shares via tradable put options according to the following summaries. These treasury shares are treated as a deduction from shareholder's equity using cost values. On 30 May 2017, every 20 put options entitled shareholders to tender one registered share with a nominal value of CHF 5 at the exercise price of CHF 18.15 until 19 June 2017. The put options were traded from 1 June 2017 till 19 June 2017. (On 13 June 2016, every 20 put options entitled shareholders to tender one registered share with a nominal value of CHF 5 at the exercise price of CHF 17.50 till 29 June 2016. The put options were traded from 16 June 2016 till 29 June 2016).

Treasury shares

Buyback programs	From	To	Cancelled	Number of shares	Cost TUSD
Total shares bought until 1 January 2015				9,052,000	124,298
Program initiated on 3 June 2013, announced on 15 May 2013					
Additions 2015	01.01.2015	08.05.2015	13.08.2015	684,000	10,298
Additions 2015	11.05.2015	31.12.2015	05.08.2016	1,305,070	19,948
Additions 2015 via tradable put option	15.10.2015	28.10.2015	05.08.2016	2,354,105	47,827
Additions 2016	01.01.2016	04.05.2016	09.05.2016	576,364	9,251
Total				4,919,539	87,324
Program initiated on 5 July 2016, announced on 11 May 2016					
Additions 2016	05.05.2016	31.12.2016	—	1,126,158	17,666
Additions 2016 via tradable put option	16.06.2016	29.06.2016	—	1,193,914	21,612
Additions 2017	01.01.2017	12.05.2017	—	584,439	9,211
Additions 2017	15.05.2017	31.05.2017	—	151,116	2,551
Total				3,055,627	51,040
Program initiated on 26 June 2017, announced on 21 June 2017					
Additions 2017	26.06.2017	30.06.2017	—	1,104,131	20,675
Total				1,104,131	20,675
Total shares bought until 30 June 2017				18,131,297	283,337
Movement of treasury shares 2nd line and tradable put options (bought for cancellation)				Number of shares	Cost TUSD
Shares held as of 1 January 2016				3,659,175	67,777
Additions 2016 via 2 nd line				1,702,522	26,914
Additions 2016 via tradable put options				1,193,914	21,613
Cancellation on 5 August 2016				(4,235,539)	(77,026)
Shares held as of 31 December 2016				2,320,072	39,278
Additions 2017 via 2 nd line				755,555	12,115
Additions 2017 via tradable put options				1,084,131	20,322
Shares held as of 30 June 2017				4,159,758	71,715

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	30.6.2017 TUSD	31.12.2016 TUSD	30.6.2016 TUSD	
Castle Private Equity (International) PLC	LGT Bank Ltd./					
	Administrator Services Agreement/direct	Cash at banks	—	569	63	
	LGT Private Equity Advisers AG/	Management fees	2,284	4,716	2,414	
	Investment Management Agreement/direct	Management fees payable	1,131	1,148	1,196	
		Performance fees	6,040	—	247	
		Performance fees payable	6,040	—	247	
	LGT Fund Managers (Ireland) Ltd./	Administration fees	62	149	78	
	Management Agreement/direct	Administration fees payable	30	34	78	
	LGT Bank (Ireland) Ltd./	Interest income on time deposits	2	1	—	
	Loan Agreement/direct	Credit facility standby fees	8	23	15	
		Credit facility standby fees payable	4	4	8	
	LGT Fund Managers (Ireland) Ltd./	Investment Management Agreement/indirect	Investment management fees	—	—	—
	LGT Capital Partners Ltd./					
	LGT Private Equity Advisers AG/	Advisory Agreement/ indirect	Advisory fees	—	—	—
Directors/indirect	Directors' fees	—	2	—		
Castle Private Equity (Overseas) Limited	LGT Fund Managers (Ireland) Ltd./	Administration fees	16	45	25	
	Administration Services Agreement/direct	Administration fees payable	7	9	25	
	LGT Bank Ltd./	Cash at banks	107	137	178	
	Loan Agreement/ direct	Interest income	1	1	—	
	LGT Private Equity Advisers AG/					
	Investment Management Agreement/direct	Management fees	—	—	—	
	LGT Capital Partners Ltd./					
	LGT Private Equity Advisers AG/ Consulting Agreement/indirect	Consulting fees	—	—	—	
	LGT Bank (Cayman) Ltd./					
	LGT Private Equity Advisers AG/Advisory Agreement/indirect	Advisory fees	—	—	—	
Directors/indirect	Directors' fees	5	5	—		
Castle Private Equity AG	LGT Bank Ltd./	Administration fees	—	30	15	
	Administrator Services Agreement/ direct	Cash at banks	132	379	283	
	LGT Group Holding Ltd./					
	Administrative Services Agreement/direct	Administration fees	30	—	—	
	LGT Capital Partners Ltd./	General managers expenses	48	98	—	
	Management Agreement/direct	General managers expenses payable	—	98	—	
	Directors/direct	Directors' fees	120	240	121	

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	Asia TUSD	Other TUSD	Total TUSD
As of 30 June 2017					
Income					
Net gain on investments designated at fair value through profit or loss	6,271	18,908	4,083	793	30,055
Net loss on marketable securities investments designated at fair value through profit or loss	(3)	—	—	—	(3)
Accrued income and other receivables	—	(38)	—	—	(38)
Total income	6,268	18,870	4,083	793	30,014
As of 30 June 2016					
Income					
Net gain on investments designated at fair value through profit or loss	3,252	3,984	3,269	765	11,270
Net loss on derivative investments designated at fair value through profit or loss	—	—	(427)	—	(427)
Net loss on marketable securities investments designated at fair value through profit or loss	(8)	—	—	—	(8)
Accrued income and other receivables	—	(18)	—	—	(18)
Total income	3,244	3,966	2,842	765	10,817

The assets are geographically allocated as follows:

	30.6.2017 TUSD		31.12.2016 TUSD	
Assets				
North America	93,925	20.5%	109,953	23.9%
Europe	269,236	58.8%	244,817	53.2%
Asia	69,807	15.2%	78,504	17.0%
Other	25,144	5.5%	27,130	5.9%
Total assets	458,112	100.0%	460,404	100.0%

11. Fair value estimation

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Group’s financial assets (by class) measured at fair value at 30 June 2017 and 31 December 2016.

As of 30 June 2017	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
Assets				
Assets designated at fair value through profit or loss:				
Investments	–	–	280,449	280,449
Total	–	–	280,449	280,449
As of 31 December 2016	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
Assets				
Assets designated at fair value through profit or loss:				
Investments	–	–	330,591	330,591
Total	–	–	330,591	330,591

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Group does not adjust the quoted price for these investments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources, supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity investments for which observable prices are not available.

Private equity investments for which market quotations are not readily available are valued at their fair values as described in the process below. The sole responsibility for determining the fair values lies with the board of directors. In estimating the fair value of fund investments, the investment manager in its valuation recommendation to the board of directors considers all appropriate and applicable factors (including a sensitivity to non-quantifiable market factors) relevant to their value, including but not limited to the following:

- reference to the fund investment's reporting information including consideration of any time lags between the date of the latest available reporting and the balance sheet date of the Group in those situations where no December valuation of the underlying fund is available. This includes a detailed analysis of exits (trade sales, initial public offerings, etc.) which the fund investments have gone through in the period between the latest available reporting and the balance sheet date of the Group, as well as other relevant valuation information. This information is a result of continuous contact with the investment managers and, specifically, by monitoring calls made to the investment managers, distribution notices received from the investment managers in the period between the latest available report and the balance sheet date of the Group, as well as the monitoring of other financial information sources and the assessment thereof;
- reference to recent transaction prices;
- result of operational and environmental assessments: periodic valuation reviews are made of the valuations of the underlying investments as reported by the investment managers to determine if the values are reasonable, accurate and reliable. These reviews include a fair value estimation using widely recognised valuation methods such as multiples analysis and discounted cash flow analysis;
- review of management information provided by the managers/administrators of the fund investments on a regular basis; and
- mark-to-market valuations for quoted investments held by the managers/administrators of the fund investments which make up a significant portion of the Group's net asset value.

If the board of directors comes to the conclusion upon recommendation of the investment manager after applying the above-mentioned valuation methods, that the most recent valuation reported by the manager/administrator of a fund investment is materially misstated, it will make the necessary adjustments using the results of its own review and analysis.

The Group can also invest in derivative instruments. Options are derivative contracts where the future payoffs to the buyer and seller of the contract are determined by the price of another security. A put option is an agreement in which the buyer has the right (but not the obligation) to exercise by selling an asset at a set price at a future date. Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques such as discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the consolidated statement of comprehensive income.

The following table shows the allocation of the level 3 investments according to financing stage, in percentage of the total fair value of these investments.

Diversification by financing stage (FV)	30.6.2017	31.12.2016
	%	%
Balanced stage	3%	3%
Buyout stage		
Large buyout stage	13%	14%
Middle market buyout stage	42%	43%
Small buyout stage	9%	9%
Special situations stage		
Distressed debt stage	7%	8%
Venture stage		
Early stage venture	11%	9%
Growth capital stage	4%	4%
Late stage venture	5%	5%
Co-Investment		
Large buyout stage	1%	1%
Small buyout stage	5%	4%
Total	100%	100%

During the period ended 30 June 2017 there were no transfers (31 December 2016: Nil) between the three levels of financial assets and liabilities.

The following table presents a reconciliation disclosing the changes during the period ended 30 June 2017 for financial assets classified as being level 3.

As of 30 June 2017	Investments designated at fair value through profit or loss TUSD
Assets	
At 1 January	330,591
Net unrealised loss	(15,816)
Purchase of investments	138
Returns of capital	(34,464)
Transfers in/out	—
At 30 June 2017	280,449
Total unrealised loss for the period included in the statement of comprehensive income for investments held at the end of the period	(15,816)
As of 31 December 2016	
Assets	
At 1 January	412,918
Net unrealised loss	(26,095)
Purchase of investments	5,256
Returns of capital	(61,488)
Transfers in/out	—
At 31 December 2016	330,591
Total unrealised loss for the year included in the statement of comprehensive income for investments held at the end of the year	(26,095)

12. Subsequent events

Since the balance sheet date of 30 June 2017 Castle Private Equity AG purchased 168,880 treasury shares on its second trading line at a cost amount of TUSD 2,935. As at 16 August 2017 the Company held in total 4,328,638 (31 December 2016: 2,320,072) treasury shares on its second trading line at a cost amount of TUSD 74,650 (31 December 2016: TUSD 39,278).

On 30 May 2017, the Company announced its decision to issue put options tradable on the SIX Swiss Exchange. Every 20 put options entitled shareholders to tender one registered share with a nominal value of CHF 5 at the exercise price of CHF 18.15. The put options were traded from 1 June 2017 up to and including 19 June 2017. On 1 June 2017, the Company announced that a total of 21,682,620 put options were declared for exercise. The net purchase price (exercise price minus 35 per cent withholding tax calculated on the difference between exercise price and the nominal value) was paid on 22 June 2017. It is intended that approval for the cancellation of all registered shares repurchased will be sought at the Annual General Meeting in 2018.

Since the balance sheet date of 30 June 2017, 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: 0.9579

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	June 2017	Since inception
Share information													
Number of issued shares													
at year end (ooo) ¹⁾	43,200 ²⁾	43,200 ²⁾	43,200	43,200	43,200 ³⁾	43,200 ⁴⁾	41,700 ⁵⁾	37,530 ⁶⁾	35,630 ⁷⁾	33,464 ⁸⁾	29,228 ⁹⁾	29,228 ¹⁰⁾	
USD net asset value ¹⁾	13.13	17.06	11.77	12.18	14.70	15.76	17.40	17.13	15.39	16.19	17.03	17.77	
CHF closing price ¹⁾	12.50	13.81	3.43	5.40	8.11	10.10	13.00	11.95	14.35	16.40	15.35	16.80	
Share performance¹⁾													
USD net asset value	21.4%	29.9%	(31.0%)	3.5%	20.7%	7.2%	10.4%	10.6%	6.3%	5.2%	5.2%	4.3%	158.8% ^{12),13)}
USD closing price	15.9%	20.1%	(73.9%)	64.1%	65.7%	24.1%	30.6%	11.5%	6.6%	12.7%			
CHF closing price	8.6%	10.5%	(75.2%)	57.4%	50.2%	24.5%	28.7%	7.3%	20.1%	14.3%	(6.4%)	9.4%	61.5%

¹⁾ Adjusted for the ten for one share split.

²⁾ Of which 800,000 owned by the Group.

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 programs 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 programs were cancelled.

⁷⁾ Of which 2,057,885 owned by the Group (575,885 in treasury and 1,482,000 for cancellation). On 12 August 2014, 1,900,000 shares purchased on the 2013/2014 share buyback programs were cancelled.

⁸⁾ Of which 3,659,175 owned by the Group (3,659,175 for cancellation). On 6 August 2015, 2,166,000 shares purchased on the 2013/2014 share buyback programs were cancelled.

⁹⁾ Of which 2,320,072 owned by the Group. On 5 August 2016, 4,235,539 shares purchased via share buyback programs were cancelled.

¹⁰⁾ Of which 4,159,758 owned by the Group.

¹¹⁾ Trading on Castle's USD trading line (ticker: CPED SW) was terminated on 31 October 2016.

¹²⁾ Adjusted for capital repayments of CHF 0.75 cents/USD 0.77 cents on 23 May 2013, CHF 1.25 cents/USD 1.37 cents on 6 December 2013.

¹³⁾ Adjusted for capital repayments of CHF 1.25/USD 1.40 on 22 May 2014, and CHF 1.40/USD 1.43 on 5 December 2014.

Listing

SIX Swiss Exchange 4885474 (Swiss)

Price information

Reuters: CPE.S

Bloomberg: CPEN SW <Equity>

Publication of net asset value

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