

Semi-annual Report

June 2019

Publication date

This report was released for publication on 19 August 2019.

The subsequent event note in the financial statements has been updated to 15 August 2019.

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

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Castle Private Equity in 2019

(All amounts in USD, unless when indicated otherwise)

	Six months to 30 June 2019	Six months to 30 June 2018	
Net assets value	158 million	318 million	
Net asset value per share	14.86	18.04	
Share price in CHF ¹⁾	14.40	16.45	
Private equity assets	149 million	183 million	
Capital calls	1 million	1 million	
Distributions	18 million	41 million	
Investment degree	94 per cent	58 per cent	
Uncalled commitments	46 million	48 million	
Uncalled as per cent of NAV	29 per cent	15 per cent	
Cash position	3 million	119 million	
Treasury shares 2 nd line (brought for cancellation)	7,367,056	8,684,499	
Shares in circulation	10,655,439	17,639,451	

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

Net asset value per share up 0.8 per cent for the first half of 2019

A number of realisations coupled with positive revaluation events boost net asset value during the first half of the year

Dear shareholders

During the course of the first six months of the year, the company continued to focus on returning cash to investors. A distribution from general legal reserves of CHF 3.00 per share in May was quickly followed by a share buyback via tradeable put options in June. When adjusted for the above events, Castle's net asset value (NAV) per share increased by 0.8 per cent, ending the period at USD 14.86, whereas the share price closed the first half of 2019 at CHF 14.40 per share, representing a discount to NAV of only 0.7 per cent.

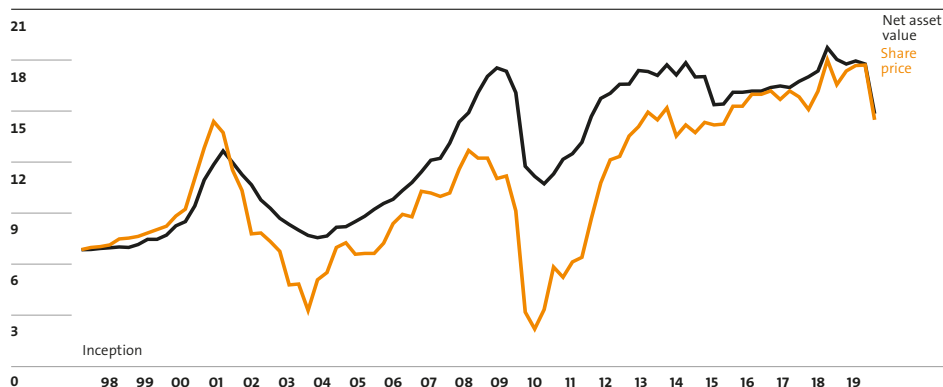
Although competitive, the macro backdrop for private equity remains favourable, mainly attributable to ongoing low interest rates, steady economic growth and strong stock markets, despite Brexit and some other global macroeconomic issues. The exit environment for private equity remains attractive, underpinned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

The positive development of the portfolio seen in 2018 continued throughout the first six months of the year. As a response to high valuations, underlying fund managers continued to capitalize on prevalent market conditions and take the opportunity to exit portfolio companies. In the process, further positive valuation adjustments were recorded. Valuation gains depended to some extent on higher public market comparables, but also equally resulted as a consequence of strategic and operational improvements of underlying portfolio companies.

During the period under review, Castle Private Equity received distribution proceeds of USD 18 million. Cash was typically generated from a number of transactions, including initial public offerings (IPO's) and trade sales. The slight weakening of the Euro versus the US Dollar led to a currency loss of USD 0.2 million during the first half of 2019.

With capital calls of less than USD 1 million during the first six months, Castle Private Equity's net liquidity position ended the period at USD 9 million, after taking account of investment activity within the portfolio, capital distributions and share buybacks.

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



Seventh anniversary of Castle's harvesting strategy

Since Castle introduced its harvesting strategy seven years ago, a total of over USD 700 million has been returned to shareholders. As a result, Castle's value grew to over USD 26 per share, when combining the current NAV per share of USD 14.86 with cumulative distributions and share buybacks.

Further share buybacks and a distribution of CHF 3.00 per share from general legal reserves

At the Company's annual general meeting in May 2019, shareholders authorised Castle to launch a further share buyback program via a second trading line and/or through the issuance of put options. In addition, shareholders approved a distribution of CHF 3.00 per share from general legal reserves from capital contributions, which was paid on Monday, 20 May 2019.

Given Castle's advanced maturity profile of the portfolio coupled with its strong balance sheet and cash position, we expected further significant progress with the harvesting strategy.

Yours sincerely,

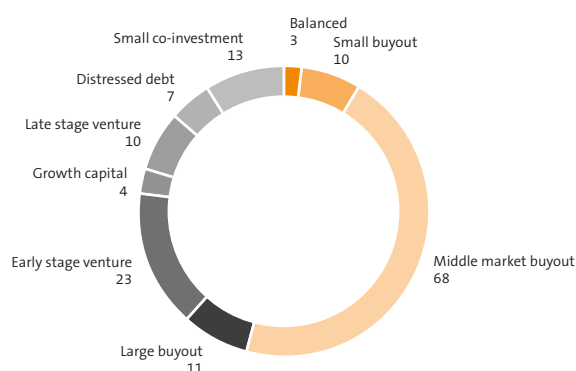
LGT Private Equity Advisers AG

Major exits in the first half of 2019

Partnership	Company	Sector, location	Exit channel
Carmel Ventures III, L.P.	Samange	software, US	sale to SolarWinds
Hahn & Company I, L.P.	Woongjin Foods	beverages, South Korea	sale to Uni-President Enterprises
Summit Partners Europe Private Equity Fund, L.P.	Acturis	insurance software, UK	trade sale to Astorg
New Enterprise Associates 10, L.P.	Luxtera	technology, US	sale to Cisco
TPG Partners VI, L.P.	Lenta	retail, Russia	sale to Severgroup

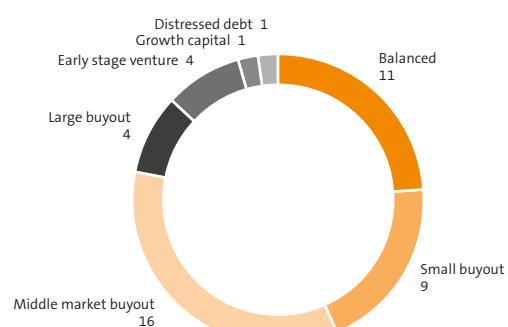
Private equity assets by financing stage

in USD millions



Uncalled commitments by financing stage

in USD millions



Unaudited consolidated statement of comprehensive income

For the period ended 30 June 2019 (all amounts in USD thousands unless otherwise stated)

	Note	1 January – 30 June 2019	1 January – 30 June 2018
Income			
Income from non-current assets:			
Net gain on investments at fair value through profit or loss	4	3,855	13,892
Total gains from non-current assets		3,855	13,892
Income from current assets:			
Net gain/(loss) on marketable securities at fair value through profit or loss	4	35	(9)
Gain/(Loss) on foreign exchange net		1,209	(3,411)
Interest income		217	107
Other income		—	36
Total gains/(losses) from current assets		1,461	(3,277)
Total income		5,316	10,615
Expenses			
Management and performance fees	8	(1,955)	(1,651)
Expenses from investments		(304)	(424)
Other operating expenses		(749)	(732)
Total operating expenses		(3,008)	(2,807)
Operating profit		2,308	7,808
Finance costs		(24)	(2)
Profit for the period before taxes		2,284	7,806
Tax expense	6	(188)	(441)
Profit for the period after taxes		2,096	7,365
Total comprehensive income for the period		2,096	7,365
Profit attributable to:			
Shareholders		2,096	7,365
Non-controlling interests		—	—
		2,096	7,365
Total comprehensive income attributable to:			
Shareholders		2,096	7,365
Non-controlling interests		—	—
		2,096	7,365
Earnings per share (USD) attributable to equity holders			
Weighted average number of shares outstanding during the period		18,442,213	20,415,846
Basic and diluted profit per share		USD 0.11	USD 0.36

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

Unaudited consolidated balance sheet

As of 30 June 2019 (all amounts in USD thousands unless otherwise stated)

	Note	30 June 2019	31 December 2018
Assets			
Current assets:			
Cash and cash equivalents		3,473	43,315
Accrued income and other receivables		7,410	7,343
Total current assets		10,883	50,658
Non-current assets:			
Investments at fair value through profit or loss	4	149,470	162,565
Total non-current assets		149,470	162,565
Total assets		160,353	213,223
Liabilities			
Current liabilities:			
Accrued expenses and other payables		1,969	1,486
Total current liabilities		1,969	1,486
Equity			
Shareholders' equity:			
Share capital		467	467
Additional paid-in capital		84,057	128,079
Less treasury shares at cost (bought for cancellation)	8	(133,222)	(112,392)
Retained earnings		207,081	195,582
Total shareholders' equity before non-controlling interests		158,383	211,736
Non-controlling interests		1	1
Total equity		158,384	211,737
Total liabilities and equity		160,353	213,223
Net asset value per share (USD)			
Number of shares issued as at period end		18,022,495	18,022,495
Number of treasury shares (bought for cancellation) as at period end	7	(7,367,056)	(6,231,357)
Number of shares outstanding net of treasury shares as at period end		10,655,439	11,791,138
Net asset value per share		14.86	17.96

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

Unaudited consolidated statement of cash flows

For the period ended 30 June 2019 (all amounts in USD thousands unless otherwise stated)

	1 January – 30 June 2019	1 January – 30 June 2018
Cash flows from/(used in) operating activities:		
Purchase of investments	(727)	(138)
Proceeds from callable return of invested capital in investments	267	—
Proceeds from return of invested capital in investments	8,016	16,252
Proceeds from realised gains on investments	8,579	24,167
Proceeds from sales of securities	852	651
Interest received	217	105
Investment expenses paid	(304)	(418)
Withholding taxes paid for investments	(191)	(443)
Withholding taxes refunded from investments	3	2
Other operating expenses paid	(1,733)	(7,745)
Net cash flows from operating activities	14,979	32,433
Cash flows from/(used in) financing activities:		
Finance costs	(23)	(208)
Purchase of treasury shares (bought for cancellation)	(21,365)	(122,272)
Distribution of legal reserves to the investors	(33,458)	(11,548)
Net cash flows used in financing activities	(54,846)	(134,028)
Net decrease in cash and cash equivalents	(39,867)	(101,595)
Cash and cash equivalents at beginning of period	43,315	230,212
Exchange gain/(loss) on cash and cash equivalents	25	(10,117)
Cash and cash equivalents at end of period	3,473	118,500
Cash and cash equivalents consist of the following as at 30 June:		
Cash at banks	3,473	90,500
Time deposits < 90 days	—	28,000
Total	3,473	118,500

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

Unaudited consolidated statement of changes in equity

For the period ended 30 June 2019 (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 2018	893	151,624	(34,117)	334,356	1	452,757
Total comprehensive income for the period	—	—	—	7,365	—	7,365
Purchase of treasury shares (bought for cancellation)	—	—	(123,719)	—	—	(123,719)
Capital repayments to investors	—	(11,548)	—	—	—	(11,548)
Impact of CHF/USD historical rates on the capital repayments to investors	—	(6,552)	—	—	—	(6,552)
30 June 2018	893	133,524	(157,836)	341,721	1	318,303
1 January 2019	467	128,079	(112,392)	195,582	1	211,737
Total comprehensive income for the period	—	—	—	2,096	—	2,096
Purchase of treasury shares (bought for cancellation)	—	—	(20,830)	—	—	(20,830)
Distribution of legal reserves to the investors	—	(33,458)	—	—	—	(33,458)
Impact of CHF/USD historical rates on the distribution of legal reserves to the investors	—	(1,161)	—	—	—	(1,161)
Transfer of general legal reserves into accumulated surplus	—	(9,403)	—	9,403	—	—
30 June 2019	467	84,057	(133,222)	207,081	1	158,384

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

Notes to the unaudited consolidated financial statements

For the period ended 30 June 2019

(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.

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 2019 correspond to those of the annual report 2018, 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 2018, 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 2019

- IFRS 16, “Leases”, (1 January 2019);
- Amendment to IFRS 9, “Financial instruments”, prepayment features with negative compensation, (1 January 2019);
- Amendment to IAS 28, “Investment in associates”, long term interests in associates and joint ventures (1 January 2019);
- Amendment to IAS 19, “Employee benefits”, plan amendment, curtailment or settlement (1 January 2019);
- IFRIC 23, “Uncertainty over income tax treatments”, (1 January 2019); and
- Annual improvements 2015 – 2017, “IFRS 3, Business combinations”, IFRS 11, joint ventures”, “IAS 12, Income Taxes”, “IAS 23 Borrowing costs” (1 January 2019).

The implementation of these new standards did not have an impact on the consolidated interim financial statements of the Group and did not lead to any changes to the total shareholders’ equity of the Group.

b) Standards and amendments to published standards effective after 1 January 2019 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 2019, and have not been applied in preparing these consolidated interim financial statements. None of these could have a significant effect on the consolidated interim financial statements.

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 2019 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 2018.

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 and marketable securities at fair value through profit or loss

As of 30 June 2019 the Group had subscribed interests in 85 (31 December 2018: 87) 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 1,042,135 (31 December 2018: TUSD 1,059,924) of which TUSD 996,007 (31 December 2018: TUSD 1,013,633) 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 and 14.

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

For the period ended 30 June 2019 (all amounts in USD thousands unless otherwise stated)

2019	Value per 1 January 2019	Additions (capital calls) ²⁾	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2019	Total real- ised gains/ (losses) per 30.6.2019 ³⁾	Net gains/ (losses) per 30.6.2019	Uncalled commit- ment amount
Marketable securities	—	817	(817)	—	—	—	(35)	(35)	—
Balanced stage	2,833	—	—	—	(21)	2,812	—	(21)	10,858
Buyout stage									
large buyout stage	13,213	—	(2,459)	1,825	(1,968)	10,611	624	481	4,036
middle market buyout stage	71,835	487	(3,096)	1,511	(2,461)	68,276	1,730	780	15,973
small buyout stage	11,923	—	(6,182)	6,134	(1,707)	10,168	(3,569)	858	8,599
Total buyout stage	96,971	487	(11,737)	9,470	(6,136)	89,055	(1,215)	2,118	28,608
Special situations stage									
distressed debt stage	8,173	—	—	17	(1,027)	7,163	406	(604)	1,037
Total special situations stage	8,173	—	—	17	(1,027)	7,163	406	(604)	1,037
Venture stage									
early stage venture	24,604	82	(2,087)	1,675	(942)	23,332	547	1,280	4,459
growth capital stage	6,424	—	(622)	—	(1,514)	4,288	2,253	739	688
late stage venture	9,843	—	(649)	1,384	(753)	9,825	504	1,135	478
Total venture stage	40,871	82	(3,358)	3,059	(3,209)	37,445	3,304	3,154	5,625
Co-Investment									
small buyout stage	13,717	—	—	—	(722)	12,995	—	(722)	—
Total Co-Investment	13,717	—	—	—	(722)	12,995	—	(722)	—
Total investments	162,565	569	(15,095)	12,546	(11,115)	149,470	2,495	3,925	46,128
Total investments and marketable securities at fair value through profit or loss	162,565	1,386	(15,912)	12,546	(11,115)	149,470	2,460	3,890	46,128

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.

2018		Value per 1 January 2018	Additions (capital calls) ¹⁾	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2018	Total real- ised gains/ (losses) per 30.6.2018 ²⁾	Net gains/ (losses) per 30.6.2018	Uncalled commit- ment amount
Marketable securities		—	660	(660)	—	—	—	9	9	—
Balanced stage		5,232	—	(1,530)	40	(719)	3,023	—	(679)	10,858
Buyout stage	large buyout stage	26,680	329	(19,634)	10,790	(1,683)	16,482	(8,465)	642	6,280
	middle market buyout stage	88,906	(29)	(8,543)	7,805	(8,092)	80,047	10,084	9,797	16,062
	small buyout stage	24,039	—	(7,007)	2,140	(2,995)	16,178	3,093	2,238	8,206
	Total buyout stage	139,625	300	(35,184)	20,735	(12,770)	112,707	4,712	12,677	30,548
Special situations stage	distressed debt stage	14,744	—	(6,607)	2,882	(4,344)	6,675	378	(1,084)	1,010
	Total special situations stage	14,744	—	(6,607)	2,882	(4,344)	6,675	378	(1,084)	1,010
Venture stage	early stage venture	28,894	(4)	(2,287)	1,975	(413)	28,165	979	2,541	4,007
	growth capital stage	11,109	(78)	(7,705)	2,969	—	6,295	(2,271)	698	701
	late stage venture	13,595	(63)	(1,584)	843	(1,312)	11,478	1,017	548	478
	Total venture stage	53,598	(145)	(11,576)	5,787	(1,725)	45,938	(275)	3,787	5,186
Co-Investment	small buyout stage	15,726	—	—	—	(818)	14,908	—	(818)	—
	Total Co-Investment	15,726	—	—	—	(818)	14,908	—	(818)	—
Total investments		228,925	155	(54,897)	29,444	(20,376)	183,251	4,815	13,883	47,602
Total investments and marketable securities at fair value through profit or loss		228,925	815	(55,557)	29,444	(20,376)	183,251	4,824	13,892	47,602

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.

In general, movements in investments and securities 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 and marketable securities at fair value through profit or loss¹⁾

As of 30 June 2019 (all amounts in USD thousands unless otherwise stated)

	Deal currency	Vintage year	Geography	Commitment 31.12.2018	Cost 1.1.2018	Cost 31.12.2018	Fair value 31.12.2018	Commitment 30.6.2019	Cost 30.6.2019	Fair value 30.6.2019	FMV in %
Balanced stage											
Chancellor Offshore Partnership Fund, L.P.	USD	1997	North America	235,000	—	—	2,690	235,000	—	2,691	1.80%
Chancellor Partnership Fund, L.P.	USD	1997	North America	14,518	—	—	—	14,518	—	—	0.00%
Crown Global Secondaries plc	USD	2004	North America	30,000	2,617	337	143	30,000	337	121	0.08%
Total balanced stage				279,518	2,617	337	2,833	279,518	337	2,812	1.88%
Buyout stage											
Large buyout											
Doughty Hanson & Co III, L.P. 15	USD	1997	Europe	—	734	—	—	—	—	—	0.00%
Clayton, Dubilier & Rice Fund VI, L.P.	USD	1998	North America	10,000	2,581	2,581	3	10,000	2,581	2	0.00%
BC European Capital VII ²⁾	EUR	2000	Europe	11,434	2,132	2,132	56	11,387	2,132	61	0.04%
Permira Europe II, L.P. II ²⁾	EUR	2000	Europe	11,434	2,280	2,280	96	11,387	2,280	95	0.06%
TPG Parallel III, L.P.	USD	2000	North America	5,000	1,178	1,178	19	5,000	1,178	16	0.01%
T3 Parallel II, L.P.	USD	2001	North America	5,000	1,030	1,030	79	5,000	1,030	69	0.05%
Warburg Pincus Private Equity VIII, L.P.	USD	2001	North America	15,000	—	—	734	15,000	—	209	0.14%
Permira Europe III, L.P. II ²⁾	EUR	2003	Europe	11,434	2,765	2,765	56	11,387	2,765	56	0.04%
TPG Partners IV, L.P.	USD	2003	North America	—	4,627	—	—	—	—	—	0.00%
Silver Lake Partners II, L.P.	USD	2004	North America	10,000	1,548	1,260	133	10,000	1,260	91	0.06%
Greenhill Capital Partners II, L.P.	USD	2005	North America	10,000	3,650	3,631	1,022	10,000	3,631	2,104	1.41%
KKR European Fund II, L.P. ²⁾	EUR	2005	Europe	11,434	2,737	2,712	5	11,387	2,712	94	0.06%
First Reserve XI, L.P.	USD	2006	North America	15,000	9,436	9,436	1,202	15,000	9,062	637	0.43%
Permira IV, L.P. 2 ²⁾	EUR	2006	Europe	12,006	2,095	2,095	57	11,956	2,095	55	0.04%
TPG Partners V, L.P.	USD	2006	North America	—	13,912	—	—	—	—	—	0.00%
Bain Capital Fund X, L.P.	USD	2008	North America	12,000	4,008	3,621	3,422	12,000	3,296	2,648	1.77%
Bain Capital X Coinvestment Fund, L.P.	USD	2008	North America	420	214	214	88	420	155	5	0.00%
TPG Partners VI, L.P.	USD	2008	North America	18,000	9,277	7,367	6,241	18,000	6,314	4,469	2.99%
Total large buyout				158,162	64,204	42,302	13,213	157,924	40,491	10,611	7.10%
Middle market buyout											
Carlyle II Co-Investments ⁵⁾	USD	1997	North America	—	108	—	—	—	—	—	0.00%
The Triton Fund (No. 9) L.P. ²⁾	EUR	1999	Europe	9,938	720	720	150	9,897	720	151	0.10%
Warburg Pincus International Partners, L.P.	USD	2000	Europe	10,000	—	—	888	10,000	—	114	0.08%

	Deal currency	Vintage year	Geography	Commitment 31.12.2018	Cost 1.1.2018	Cost 31.12.2018	Fair value 31.12.2018	Commitment 30.6.2019	Cost 30.6.2019	Fair value 30.6.2019	FMV in %
Bain Capital Fund VII-E, L.P.	USD	2002	Europe	8,000	1,205	1,177	16	8,000	1,177	16	0.01%
J.W. Childs Equity Partners III, L.P.	USD	2002	North America	12,000	952	952	1	12,000	952	—	0.00%
Bain Capital Fund VIII-E, L.P. ²⁾	EUR	2004	Europe	11,434	3,488	3,488	329	11,387	3,174	29	0.02%
Odyssey Investment Partners III, L.P.	USD	2004	North America	10,000	281	281	14	10,000	281	9	0.01%
Newbridge Asia IV, L.P.	USD	2005	Asia	10,000	3,722	3,104	263	10,000	3,104	194	0.13%
SB Asia Investment Fund II, L.P.	USD	2005	Asia	7,000	1,656	842	3,054	7,000	802	2,662	1.78%
Chequers XV, FCPR ²⁾	EUR	2006	Europe	9,147	2,659	1,940	405	9,109	1,940	401	0.27%
Court Square Capital Partners II, L.P.	USD	2006	North America	15,000	5,043	5,106	1,580	15,000	5,106	1,616	1.08%
Polish Enterprise Fund VI, L.P. ²⁾	EUR	2006	Europe	11,434	4,899	3,574	1,368	11,387	3,576	1,218	0.81%
The Triton Fund II, L.P. ²⁾	EUR	2006	Europe	13,721	4,082	4,082	1,726	13,664	4,042	1,485	0.99%
Wellspring Capital Partners IV, L.P.	USD	2006	North America	10,000	428	428	—	10,000	428	—	0.00%
Advent Latin American Private Equity Fund IV, L.P.	USD	2007	Other	10,000	3,048	2,348	1,961	10,000	2,348	2,159	1.44%
CDH China Fund III, L.P.	USD	2007	Asia	9,000	—	—	509	9,000	—	444	0.30%
CDH Supplementary Fund III, L.P.	USD	2007	Asia	3,000	—	—	37	3,000	—	13	0.01%
Crown Asia-Pacific Private Equity plc	USD	2007	Asia	40,000	12,135	8,735	15,657	40,000	7,695	14,441	9.66%
EOS Capital Partners IV, L.P.	USD	2007	North America	15,000	6,542	5,650	6,563	15,000	5,658	6,709	4.49%
Genstar Capital Partners V, L.P.	USD	2007	North America	10,000	1,874	1,874	1,841	10,000	1,874	2,219	1.48%
SAIF Partners III, L.P.	USD	2007	Asia	10,000	5,269	4,997	17,064	10,000	4,834	16,947	11.34%
Bain Capital Europe Fund III, L.P. ²⁾	EUR	2008	Europe	11,434	2,006	1,886	1,091	11,387	1,886	983	0.66%
Hahn & Company I, L.P.	USD	2011	Asia	10,000	4,734	3,634	9,837	10,000	2,857	8,527	5.70%
Bain Capital Asia Fund II, L.P.	USD	2012	Asia	10,000	4,914	4,630	7,481	10,000	4,386	7,939	5.31%
Total middle market buyout				266,108	69,765	59,448	71,835	265,831	56,840	68,276	45.68%
Small buyout											
Chequers Capital FCPR ²⁾	EUR	2002	Europe	—	1,933	—	—	—	—	—	0.00%
MBO Capital FCPR ²⁾	EUR	2002	Europe	5,717	—	—	64	5,693	—	7	0.00%
Nması Private Equity Fund No. 2 L.P. ²⁾	EUR	2002	Europe	5,717	918	918	211	5,693	918	260	0.17%
Arsenal Capital Partners QP II-B, L.P.	USD	2006	North America	—	3,769	—	—	—	—	—	0.00%
Bancroft II, L.P. (Secondary – Atlantic) ^{2),4)}	EUR	2006	Europe	3,997	—	—	95	3,980	—	65	0.04%
J.P. Morgan Italian Fund III (Secondary – Atlantic) ^{2),4)}	EUR	2006	Europe	7,760	6,085	6,085	—	—	—	—	0.00%
Wynnchurch Capital Partners II, L.P.	USD	2006	North America	7,500	2,258	2,258	482	7,500	2,161	251	0.17%
Crown European Buyout Opportunities II plc ²⁾	EUR	2007	Europe	34,302	5,935	—	8,966	34,160	—	7,799	5.22%
PortPEP Limited (Secondary – Port) ²⁾	EUR	2011	Europe	12,349	—	—	2,105	12,297	—	1,786	1.19%
Total small buyout				77,342	20,898	9,261	11,923	69,323	3,079	10,168	6.80%
Total buyout stage				501,612	154,867	111,011	96,971	493,078	100,410	89,055	59.58%

	Deal currency	Vintage year	Geography	Commitment 31.12.2018	Cost 1.1.2018	Cost 31.12.2018	Fair value 31.12.2018	Commitment 30.6.2019	Cost 30.6.2019	Fair value 30.6.2019	FMV in %
Special situations stage											
Distressed debt											
Sun Capital Securities Offshore Fund, Ltd.	USD	2004	North America	10,000	4,249	4,124	296	10,000	4,124	266	0.18%
OCM Principal Opportunities Fund IV, L.P.	USD	2006	North America	10,000	—	—	268	10,000	—	232	0.16%
Sun Capital Securities Offshore Fund, Ltd. (Second Tranche)	USD	2006	North America	10,000	1,797	1,665	464	10,000	1,665	415	0.28%
Fortress Investment Fund V (Coinvestment Fund D), L.P.	USD	2007	North America	—	4,261	—	—	—	—	—	0.00%
Fortress Investment Fund V (Fund D), L.P.	USD	2007	North America	7,500	2,090	878	3,654	7,500	878	3,561	2.38%
OCM Opportunities Fund VII, L.P.	USD	2007	North America	10,000	—	—	476	10,000	—	492	0.33%
Castlelake I, L.P.	USD	2007	North America	15,000	—	—	2,059	15,000	—	1,660	1.11%
Oaktree European Credit Opportunities Fund, L.P. ²⁾	EUR	2008	Europe	11,434	4,688	4,688	81	11,386	4,688	79	0.05%
OCM European Principal Opportunities Fund II, L.P. ²⁾	EUR	2008	Europe	8,576	—	—	439	8,540	—	123	0.08%
OCM Opportunities Fund VIIb, L.P.	USD	2008	North America	13,500	—	—	436	13,500	—	335	0.22%
Total distressed debt				96,010	17,085	11,355	8,173	95,926	11,355	7,163	4.79%
Total special situations stage				96,010	17,085	11,355	8,173	95,926	11,355	7,163	4.79%
Venture stage											
Early stage venture											
Strategic European Technologies N.V. ³⁾	EUR	1997	Europe	7,835	—	—	87	7,802	—	86	0.06%
Invesco Venture Partnership Fund II, L.P.	USD	1999	North America	15,000	1,355	810	—	15,000	810	—	0.00%
Balderton Capital I, L.P.	USD	2000	Europe	5,333	3,180	1,876	—	5,333	1,876	34	0.02%
Chancellor V, L.P.	USD	2000	North America	20,000	2,430	2,430	1,046	20,000	2,430	862	0.58%
Galileo III FCPR ²⁾	EUR	2000	Europe	7,224	—	—	392	7,194	—	391	0.26%
Jerusalem Venture Partners IV, L.P.	USD	2000	Other	8,000	—	—	290	8,000	—	328	0.22%
Global Life Science Venture Fund II, L.P. ²⁾	EUR	2002	Europe	5,717	3,174	3,174	16	5,693	3,174	16	0.01%
Amadeus II Fund C GmbH & Co. KG (Secondary – Vermont) ^{3),4)}	GBP	2005	Europe	—	820	—	—	—	—	—	0.00%
Balderton Capital II, L.P.	USD	2005	Europe	4,000	3,134	3,134	611	4,000	3,134	619	0.41%
Battery Ventures VII, L.P.	USD	2005	North America	3,000	537	512	89	3,000	512	87	0.06%
BCPI I, L.P. (Secondary – Vermont) ⁴⁾	USD	2005	Other	1,833	811	637	—	1,833	637	—	0.00%
Benchmark Israel II, L.P.	USD	2005	Other	4,602	1,025	1,025	1,413	4,602	893	1,322	0.88%
H.I.G. Venture Partners II, L.P.	USD	2005	North America	5,000	3,773	3,491	1,773	5,000	3,491	1,672	1.12%

	Deal currency	Vintage year	Geography	Commitment 31.12.2018	Cost 1.1.2018	Cost 31.12.2018	Fair value 31.12.2018	Commitment 30.6.2019	Cost 30.6.2019	Fair value 30.6.2019	FMV in %
Jerusalem Venture Partners IV, L.P. (Secondary – Vermont) ⁴⁾	USD	2005	Other	662	—	—	39	662	—	44	0.03%
Battery Ventures VIII, L.P.	USD	2007	North America	4,000	2,330	2,254	2,282	4,000	2,180	1,689	1.13%
Battery Ventures VIII Side Fund, L.P.	USD	2008	North America	978	397	397	277	978	397	293	0.20%
Carmel Ventures III, L.P.	USD	2008	Other	6,000	4,645	2,700	10,618	6,000	901	10,352	6.93%
Mangrove III S.C.A. SICAR ²⁾	EUR	2008	Europe	5,717	5,558	5,558	5,671	5,693	5,558	5,537	3.70%
Total early stage venture				104,901	33,169	27,998	24,604	104,790	25,993	23,332	15.61%
Growth capital											
Kennet III A, L.P. ²⁾	EUR	2007	Europe	—	7,593	—	—	—	—	—	0.00%
Summit Partners Europe Private Equity Fund, L.P. ²⁾	EUR	2009	Europe	8,004	5,416	5,146	6,424	7,971	4,524	4,288	2.87%
Total growth capital				8,004	13,009	5,146	6,424	7,971	4,524	4,288	2.87%
Late stage venture											
TCV III (Q), L.P.	USD	1999	North America	3,500	484	484	1	3,500	484	1	0.00%
TCV IV, L.P.	USD	1999	North America	7,000	2,589	2,579	—	7,000	2,579	—	0.00%
Columbia Capital Equity Partners III (Cayman), L.P.	USD	2000	North America	5,000	1,310	1,310	94	5,000	1,310	97	0.06%
New Enterprise Associates 10, L.P.	USD	2000	North America	10,000	7,114	7,114	3,025	10,000	6,882	2,261	1.51%
Columbia Capital Equity Partners IV (Non-US), L.P.	USD	2005	North America	10,000	—	—	1,494	10,000	—	1,410	0.94%
Index Ventures III (Jersey), L.P. ²⁾	EUR	2005	Europe	8,003	4,051	1,915	2,769	7,970	1,915	3,591	2.40%
New Enterprise Associates 12, L.P.	USD	2006	North America	5,000	4,061	3,710	871	5,000	3,491	515	0.34%
Index Ventures IV (Jersey), L.P. ²⁾	EUR	2007	Europe	5,717	3,080	2,707	1,589	5,693	2,509	1,950	1.30%
Total late stage venture				59,162	22,689	19,819	9,843	54,163	19,170	9,825	6.57%
Total venture stage				172,067	68,867	52,963	40,871	166,924	49,687	37,445	25.05%
Co-Investment and other											
Large buyout											
Co-Investment 2	USD	2011	Asia	4,000	—	—	—	—	—	—	0.00%
Total large buyout				4,000	—	—	—	—	—	—	0.00%

	Deal currency	Vintage year	Geography	Commitment 31.12.2018	Cost 1.1.2018	Cost 31.12.2018	Fair value 31.12.2018	Commitment 30.6.2019	Cost 30.6.2019	Fair value 30.6.2019	FMV in %
Small buyout											
Co-Investment 4 ²⁾	EUR	2011	Europe	2,143	2,525	2,527	1,152	2,134	2,527	651	0.44%
Co-Investment 5 ²⁾	EUR	2011	Europe	4,574	5,440	5,440	12,565	4,555	5,440	12,344	8.26%
Total small buyout				6,717	7,965	7,967	13,717	6,689	7,967	12,995	8.69%
Total Co-Investment and other				10,717	7,965	7,967	13,717	6,689	7,967	12,995	8.69%
Total investments at fair value through profit or loss				1,059,924	251,401	183,633	162,565	1,042,135	169,756	149,470	100.00%
Total				1,059,924	251,401	183,633	162,565	1,042,135⁴⁾	169,756	149,470	100.00%

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

²⁾ Total commitment translated from EUR value at 1.138650 as of 30 June 2019 and 1.43400 as of 31 December 2018.

³⁾ Total commitment translated from GBP value at 1.272750 as of 30 June 2019 and 1.274600 as of 31 December 2018.

⁴⁾ 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.

⁵⁾ Total paid in amounted is maintained as the commitment.

⁶⁾ Total paid in amounted to TUSD 996,007 (31 December 2018: TUSD 1,013,633).

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 2019 – 30 June 2019	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)	(569)	(15,095)	(2,495)	817	(817)
Cash flows from investment activities	—	8,016	8,579	—	—
Purchase of investments	(727)	—	—	—	—
Proceeds from callable return of invested capital in investments	—	—	—	—	—
Purchase of marketable securities	—	—	—	—	—
Sales of marketable securities	—	—	—	—	817
Non-cash transactions					
Deemed distributions and account reclassification ¹⁾	1,296	6,050	(5,872)	—	—
In kind distributions ²⁾	—	—	817	(817)	—
Revaluation of foreign currency positions ³⁾	—	1,029	(1,029)	—	—
Accounts receivable	—	—	—	—	—
Total cash and non-cash transactions	569	15,095	2,495	(817)	817
Reconciliation	—	—	—	—	—

1 January 2018 – 30 June 2018	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)	155	(54,897)	(4,815)	660	(660)
Cash flows from investment activities	—	16,252	24,167	—	—
Purchase of investments	(138)	—	—	—	—
Proceeds from callable return of invested capital in investments	—	—	—	—	—
Purchase of marketable securities	—	—	—	—	—
Sales of marketable securities	—	—	—	—	660
Sales of investments	—	—	—	—	—
Non-cash transactions					
Deemed distributions and account reclassification ¹⁾	(17)	17,057	1,576	—	—
In kind distributions ²⁾	—	—	660	(660)	—
Revaluation of foreign currency positions ³⁾	—	1,454	(1,454)	—	—
Accounts receivable	—	20,134	(20,134)	—	—
Total cash and non-cash transactions	(155)	54,897	4,815	(660)	660
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	30.6.2019 TUSD	30.6.2018 TUSD
Profit for the period after taxes	2,284	7,806
Applicable tax rate	7.8%	7.8%
Income tax	178	609
Effect from: non-taxable income	(178)	(609)
Total	—	—

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

Taxes	30.6.2019 TUSD	30.6.2018 TUSD
Withholding tax expenses for investments	188	441
Total	188	441

7. Shareholders' equity

The share capital of the Company at 30 June 2019 amounts to TUSD 467 (31 December 2018: TUSD 467) consisting of 18,022,495 (31 December 2018: 18,022,495) issued and fully paid registered shares with a par value of CHF 0.05 each. In the general meeting on 14 May 2019 the board of directors resolved to transfer USD 9.4 million (CHF 9.17 million) of general reserves from capital contributions to accumulated surplus, in order to align the general legal reserves with the standard practice of the Swiss tax authorities.

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 158,384 as of 30 June 2019 (31 December 2018: TUSD 211,737).

The following distribution of legal reserves was paid out to the investors in the years 2018 and 2019:

Date of payment	CHF/share	USD/share
22.05.2018	1.00	1.01
22.05.2019	3.00	2.97

Share buyback 2nd line (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 treasury shares are treated as a deduction from shareholder's equity at the average purchase price.

Share buyback via tradable put options (bought for cancellation)

On 21 May 2019, the Company again announced the issuance of 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 0.05 at the exercise price of CHF 20.00. The put options were traded from 24 May 2019 until 7 June 2019. On 12 June 2019, the Company announced that a total of 547,654 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 13 June 2019. Furthermore, following the termination of the buyback via issuance of tradable put options, the board of directors decided to launch a new share buyback program on a second trading line at the SIX Swiss Exchange. It started on 14 June 2019 (first trading day) and a maximum of 578,598 registered shares will be purchased for cancellation purposes.

In the annual general meeting in May 2019 the cancellation of all registered shares was approved.

Treasury shares

Buyback programs	From	To	Cancelled	Number of shares	Average price USD	Cost TUSD
Program initiated on 5 July 2016, announced on 11 May 2016						
Additions 2016	07.05.2016	31.12.2016	26.09.2017	1,126,158	15.69	17,666
Additions 2016 via tradable put options ¹⁾	16.06.2016	29.06.2016	26.09.2017	1,193,914	18.10	21,612
Additions 2017	01.01.2017	12.05.2017	26.09.2017	584,439	15.76	9,211
Additions 2017	15.05.2017	31.05.2017	07.08.2018	151,116	16.88	2,551
Total				3,055,627	16.70	51,040
Program initiated on 26 June 2017, announced on 21 June 2017						
Additions 2017	26.06.2017	31.12.2017	07.08.2018	640,987	17.54	11,244
Additions 2017 via tradable put options ¹⁾	01.06.2017	19.06.2017	07.08.2018	1,084,131	18.75	20,322
Additions 2018	01.01.2018	08.05.2018	07.08.2018	259,266	17.74	4,599
Additions 2018 at a fixed price	26.02.2018	09.03.2018	07.08.2018	6,165,955	18.28	112,708
Additions 2018	09.05.2018	31.12.2018	—	1,034,652	16.75	17,329
Additions 2018 via tradable put options ¹⁾	28.08.2018	21.09.2018	—	853,084	22.12	18,867
Additions 2018 at a fixed price	13.11.2018	27.11.2018	—	4,343,621	17.54	76,196
Additions 2019	03.01.2019	10.05.2019	—	528,616	16.58	8,766
Additions 2019	13.05.2019	21.05.2019	—	31,529	15.71	495
Additions 2019 via tradable put options ¹⁾	24.05.2019	07.06.2019	—	547,654	20.35	11,145
Total				15,489,495	18.18	281,671
Program initiated on 14 June 2019, announced on 12 June 2019						
Additions 2019	14.06.2019	28.06.2019	—	27,900	15.21	424
Total				27,900	15.21	424
Movement of treasury shares 2nd line and tradable put options (bought for cancellation)				Number of shares		Cost TUSD
Shares held as of 1 January 2018				1,876,234		34,117
Additions 2018 via 2 nd line				1,293,918		21,928
Additions 2018 via tradable put options				853,084		18,867
Additions 2018 at a fixed price				10,509,576		188,904
Cancellation on 7 August 2018				(8,301,455)		(151,424)
Shares held as of 31 December 2018				6,231,357		112,392
Additions 2019 via 2 nd line				588,045		9,685
Additions 2019 via tradable put options				547,654		11,145
Shares held as of 30 June 2019				7,367,056		133,222

¹⁾ Cost includes the transaction expense of Zürcher Kantonalbank, Zurich, for the tradeable put option which causes a dilution of the average price.

8. 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	30.6.2019 TUSD	31.12.2018 TUSD	30.6.2018 TUSD
Castle Private Equity (International) PLC	LGT Private Equity Advisers AG/ Investment Management Agreement/direct	Management fees	907	2,916	1,651
		Management fees payable	400	531	798
		Performance fees	1,048	—	—
		Performance fees payable	1,048	—	—
	LGT Fund Managers (Ireland) Ltd./ Management Agreement/direct	Administration fees	36	89	45
		Administration fees payable	17	20	23
	LGT Bank (Ireland) Ltd./ Loan Agreement/direct	Interest income on time deposits	—	—	2
	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' fees	—	2	—
Castle Private Equity (Overseas) Limited	LGT Fund Managers (Ireland) Ltd./ Administration Services Agreement/direct	Administration fees	3	15	8
		Administration fees payable	1	3	4
	LGT Bank Ltd./ Loan Agreement/direct	Cash at banks	12	42	50
	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' fees	5	5	5
Castle Private Equity AG	LGT Bank Ltd./ LGT Group/indirect	Cash at banks	158	220	260
	LGT Group Holding Ltd./ Administrative Services Agreement/direct	Administration fees	30	60	30
		Administration fees payable	15	—	15
	LGT Capital Partners Ltd./ Domicile Agreement/direct	Domicile fees	5	10	6
	LGT Capital Partners Ltd./ Management Agreement/direct	General managers expenses	50	101	52
		payable	50	101	52
	Directors/direct	Directors' fees	101	226	124

9. 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 2019					
Income					
Net gain on investments at fair value through profit or loss	254	1,219	768	1,614	3,855
Net gain on marketable securities investments at fair value through profit or loss	35	—	—	—	35
Total income	289	1,219	768	1,614	3,890
As of 30 June 2018					
Income					
Net gain on investments at fair value through profit or loss	2,465	4,741	6,676	10	13,892
Net loss on marketable securities investments at fair value through profit or loss	(9)	—	—	—	(9)
Other income	—	(3,268)	—	—	(3,268)
Total income	2,456	1,473	6,676	10	10,615

The non-current assets are geographically allocated as follows:

	30.6.2019 TUSD	In %	31.12.2018 TUSD	In %
Non-current assets				
North America	34,344	23.1%	37,747	23.2%
Europe	47,282	31.6%	53,413	32.9%
Asia	51,167	34.2%	53,901	33.2%
Other	16,677	11.1%	17,504	10.7%
Total non-current assets	149,470	100.0%	162,565	100.0%

10. 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 2019 and 31 December 2018.

As of 30 June 2019	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
Assets				
Assets at fair value through profit or loss:				
Investments	—	—	149,470	149,470
Total	—	—	149,470	149,470
As of 31 December 2018	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
Assets				
Assets at fair value through profit or loss:				
Investments	—	—	162,565	162,565
Total	—	—	162,565	162,565

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 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)	30.6.2019 in %	31.12.2018 in %
Balanced stage	2%	2%
Buyout stage		
Large buyout stage	6%	9%
Middle market buyout stage	45%	44%
Small buyout stage	7%	7%
Special situations stage		
Distressed debt stage	5%	5%
Venture stage		
Early stage venture	16%	15%
Growth capital stage	3%	4%
Late stage venture	7%	6%
Co-Investment		
Large buyout stage	0%	0%
Small buyout stage	9%	8%
Total	100%	100%

11. Subsequent events

Since the balance sheet date of 30 June 2019 Castle Private Equity AG purchased 48,300 treasury shares on its second trading line at a cost amount of TUSD 720. As at 15 August 2019 the Company held in total 7,415,356 treasury shares on its second trading line at a cost amount of TUSD 133,942.

At the 14 May 2019 general meeting of shareholders the cancellation of 6,759,973 shares was approved and has been registered by the commercial register. With regards to the listing of the company's shares at the SIX Swiss Exchange, the cancellation becomes effective in August 2019 (date of exchange adjustment). From then on, the issued share capital of the company amounts to 11,262,522 registered shares with a par value of CHF 0.05 each.

Since the balance sheet date of 30 June 2019, 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: 0.9753

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	June 2019	Since inception
Share information													
Number of issued shares													
at year end (ooo) ¹⁾	43,200	43,200	43,200 ²⁾	43,200 ³⁾	41,700 ⁴⁾	37,530 ⁵⁾	35,630 ⁶⁾	33,464 ⁷⁾	29,228 ⁸⁾	26,324 ⁹⁾	18,022 ¹⁰⁾	18,022 ¹¹⁾	
USD net asset value ¹⁾	11.77	12.18	14.70	15.76	17.40	17.13	15.39	16.19	17.03	18.52	17.96	14.86	
CHF closing price ¹⁾	3.43	5.40	8.11	10.10	13.00	11.95	14.35	16.40	15.35	17.90	16.20	14.40	
Share performance¹²⁾													
USD net asset value	(31.0%)	3.5%	20.7%	7.2%	10.4%	10.6% ¹³⁾	6.3% ¹⁴⁾	5.2%	5.2%	8.7%	5.3%	0.8%	116.5% ¹⁵⁾
USD closing price	(73.9%)	64.1%	65.7%	24.1%	30.6%	11.5%	6.6%	12.7%	—	—	—	—	
CHF closing price	(75.2%)	57.4%	50.2%	24.5%	28.7%	7.3%	20.1%	14.3%	(6.4%)	16.6%	(9.5%)	(11.1%)	38.5%

¹⁾ Adjusted for the ten for one share split.

²⁾ Of which 191,853 owned by the Group.

³⁾ Of which 1,726,060 owned by the Group.

⁴⁾ 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.

⁵⁾ 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.

⁶⁾ 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.

⁷⁾ 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.

⁸⁾ Of which 2,320,072 owned by the Group. On 5 August 2016, 4,235,539 shares purchased via share buyback programs were cancelled.

⁹⁾ Of which 1,876,234 owned by the Group. On 26 September 2017, 2,904,511 shares purchased via share buyback programs were cancelled.

¹⁰⁾ Of which 6,231,357 owned by the Group. On 7 August 2018, 8,301,455 shares purchased via share buyback programs were cancelled.

¹¹⁾ Of which 7,367,056 owned by the group.

¹²⁾ Trading on Castle's USD trading line (ticker: CPED SW) was terminated on 31 October 2016.

¹³⁾ Adjusted for capital repayments of CHF 0.75 cents/USD 0.77 cents on 23 May 2013 and CHF 1.25 cents/USD 1.40 cents on 6 December 2013.

¹⁴⁾ Adjusted for capital repayments of CHF 1.25 cents/USD 1.40 cents on 22 May 2014, and CHF 1.40 cents/USD 1.43 cents on 5 December 2014.

¹⁵⁾ Adjusted for capital repayments of CHF 3.00 cents on 20 May 2019 and the share buyback at CHF 20.00 per share on 12 June 2019.

Listing

SIX Swiss Exchange 4885474 (Swiss security number)

Price information

Reuters: CPE.S

Bloomberg: CPEN SW <Equity>

Publication of net asset value

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