

Outstanding long-term track record

Pantheon International Plc Annual Report and Accounts 2022

PIP

Celebrating 35 years of investing in growing companies with the best performing private equity managers

Celebrating 35 years



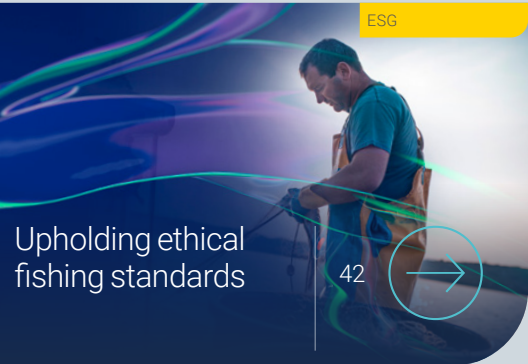
Case study: EUSA Pharma



Case study: Seqens



Case study: Satlink



Case study: Accelerant



Q&A with Insight Partners



Full contents Available here, throughout the report

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Retail investors advised by independent financial advisers

The Company currently conducts its affairs so that its shares can be recommended by independent financial advisers to retail private investors in accordance with the FCA's rules in relation to non-mainstream investment products.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

Making the private, public

A share in PIP provides access to a high-quality diversified portfolio of private companies around the world that would otherwise be inaccessible to many investors. Shares in PIP can be bought and sold as they would in any other publicly listed company.

This year, PIP celebrates 35 years of delivering exceptional performance ahead of public market benchmarks over the long term.

As at 31 May 2022

+31.0%

NAV per share growth
in the year (net of fees)

+12.4%

Average annual NAV growth
since 1987 (net of fees)

£2.4bn

Net asset value

£1.6bn

Market capitalisation

+8.6%

Share price increase in the year

1.15%

AIC ongoing charges¹

¹ Including financing costs, PIP's total ongoing charges would be 1.33%.

PIP

Pantheon International Plc ("PIP" or the "Company") is a listed FTSE 250 private equity investment trust, actively managed by Pantheon, one of the leading private markets investment managers globally.

PIP is overseen by an independent Board of Directors from a wide range of backgrounds.

Shareholders

Invest via LSE

Oversees

PIP

PIP Board

Supervises

Pantheon

Manages

Managed by a leading private equity investor

Selecting, accessing and partnering with the best private equity managers globally with robust organisations, proven operational and sector expertise, and a sustainable investment strategy is key to achieving attractive returns.

US\$87.8bn¹

Assets under management

121²

investment professionals

>865

institutional investors globally

c.10,000

private equity managers in
Pantheon's database

10

offices around the world

>560¹

advisory board seats held

¹ As at 31 March 2022.

² As at 30 June 2022.

³ A location from which executives of the Pantheon Group perform client service activities but does not imply an office.

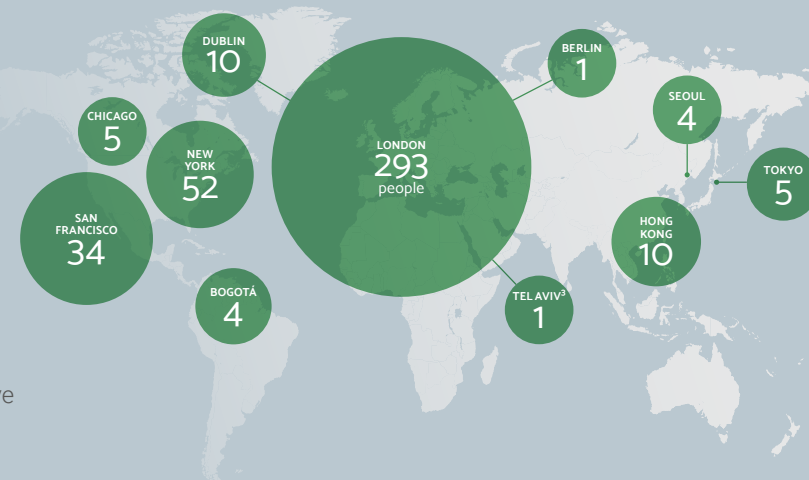
⁴ United Nations Principles for Responsible Investment.

⁵ See the Awards Methodologies & Disclosures section on Pantheon's website for details regarding the awards mentioned above: www.pantheon.com.

PANTHEON

Pantheon provides clients with access to its global network of relationships...

For the past 40 years, Pantheon has built up an extensive network of relationships with private equity managers across the world. Thanks to Pantheon's privileged access, PIP is able to invest in invitation-only funds, co-invest directly in attractive private companies, and participate in exclusive secondary deals.



15 years of UN PRI⁴ membership, one of the first private equity signatories

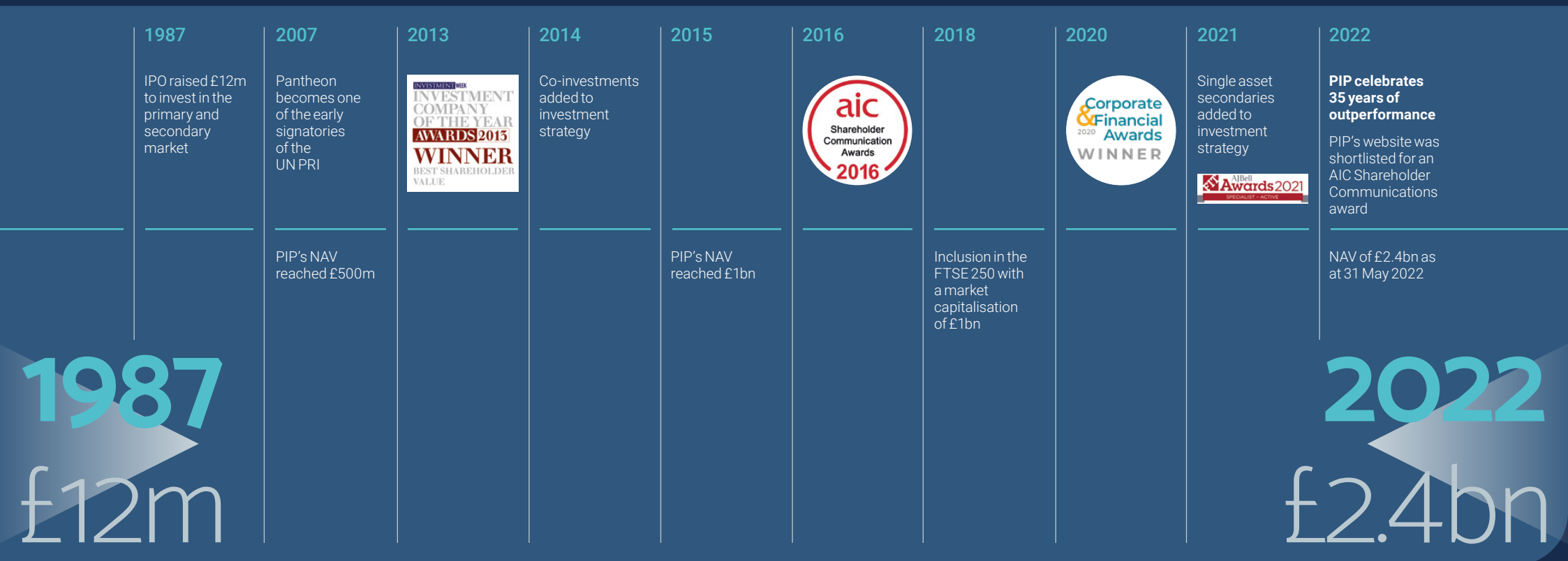
A+

awarded to Pantheon for private equity by the UN PRI in 2020

Award-winning asset manager⁵



Award-winning leading listed private equity investment trust



Consistent outperformance over 35 years

An outstanding track record:
since its inception in 1987, PIP has
outperformed the FTSE All-Share
and the MSCI World indices.

SINCE INCEPTION IN 1987

+12.4%

Average annualised NAV
per share growth (net of fees)¹

+4.8% p.a.

NAV outperformance
relative to the FTSE All-Share¹

+4.0% p.a.

NAV outperformance relative
to the MSCI World (Sterling)¹

¹ As at 31 May 2022.

Why Choose Us



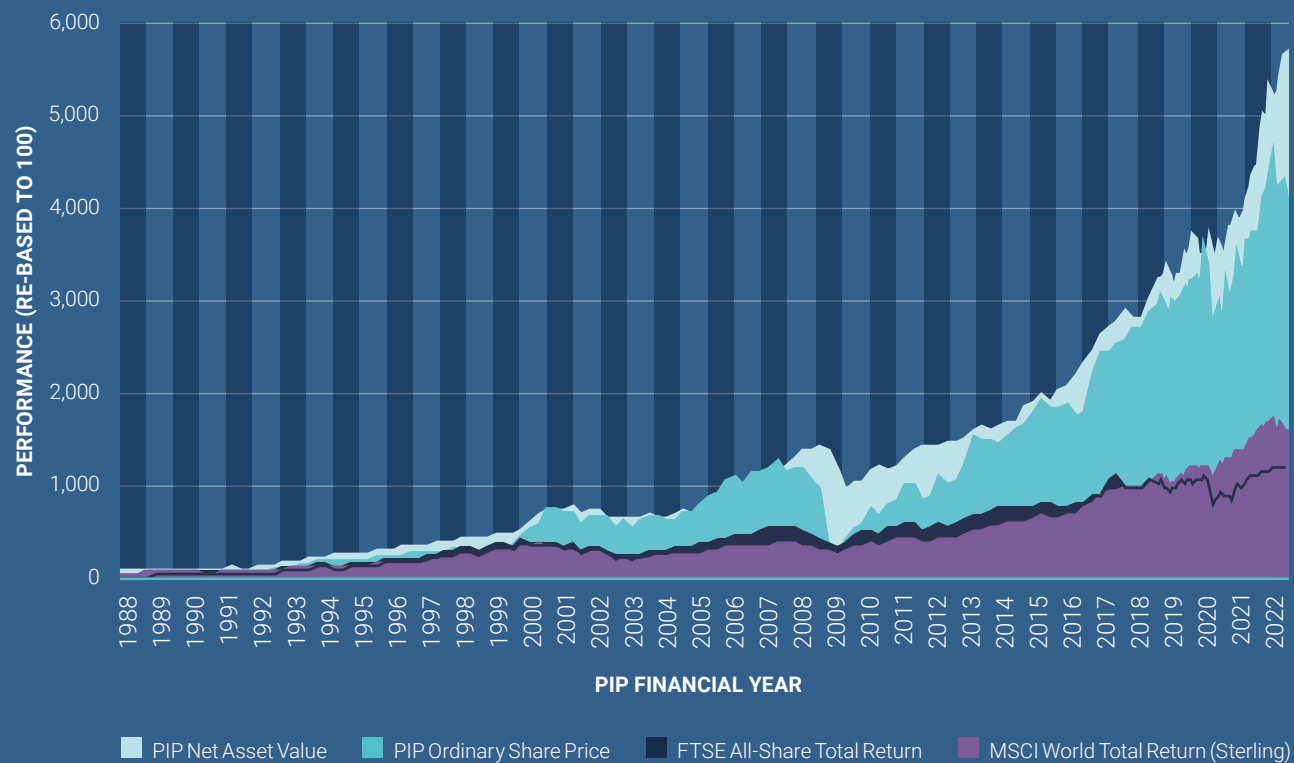
PIP has a 35-year history of outperformance with an average annual NAV growth of 12.4% per year.

The Company has delivered this return, which is net of fees, to shareholders through numerous economic cycles.

Long-term outperformance

Maximising capital growth

PIP's long-term performance



Why Choose Us



PIP's NAV and share price have outperformed the MSCI World and FTSE All-Share indices over the long term.

Long-term outperformance

Maximising capital growth

PIP's objective is to maximise capital growth over the long term

Annualised performance as at 31 May 2022

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
NAV per share	31.0%	17.7%	15.6%	14.8%	12.4%
Ordinary share price	8.6%	9.9%	10.5%	14.7%	11.3%
FTSE All-Share, Total Return	8.3%	5.8%	4.1%	8.1%	7.6%
MSCI World, Total Return (Sterling)	7.8%	13.2%	10.8%	13.9%	8.4%

NAV per share vs. public market benchmarks

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Versus FTSE All-Share, Total Return	+22.7%	+11.9%	+11.5%	+6.7%	+4.8%
Versus MSCI World, Total Return (Sterling)	+23.2%	+4.5%	+4.8%	+0.9%	+4.0%

Share price vs. public market benchmarks

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Versus FTSE All-Share, Total Return	+0.3%	+4.1%	+6.4%	+6.6%	+3.7%
Versus MSCI World, Total Return (Sterling)	+0.8%	(3.3%)	(0.3%)	+0.8%	+2.9%



Resilient and actively managed portfolio with embedded value

Our strong, diversified and actively managed portfolio provides exposure to exciting, high-growth businesses around the world.

SINCE 2012

+31%

Value-weighted average uplift on exit realisations¹

+24% p.a.

Average distribution rate¹

+15% p.a.

Buyout portfolio company average revenue growth¹

+16% p.a.

Buyout portfolio company average earnings growth¹

¹ As at 31 May 2022.

Why Choose Us



PIP's portfolio is carefully stewarded and has been actively managed to:

- increase the concentration of high-conviction investments;
- invest in more direct company holdings;
- allocate further capital to promising industry segments; and
- reduce the maturity profile in order to accelerate cash flow generation of the portfolio.

We have increased PIP's exposure to more resilient and high-growth sectors such as Information Technology, Healthcare and Consumer Staples and Services.

Uplifts achieved at exit

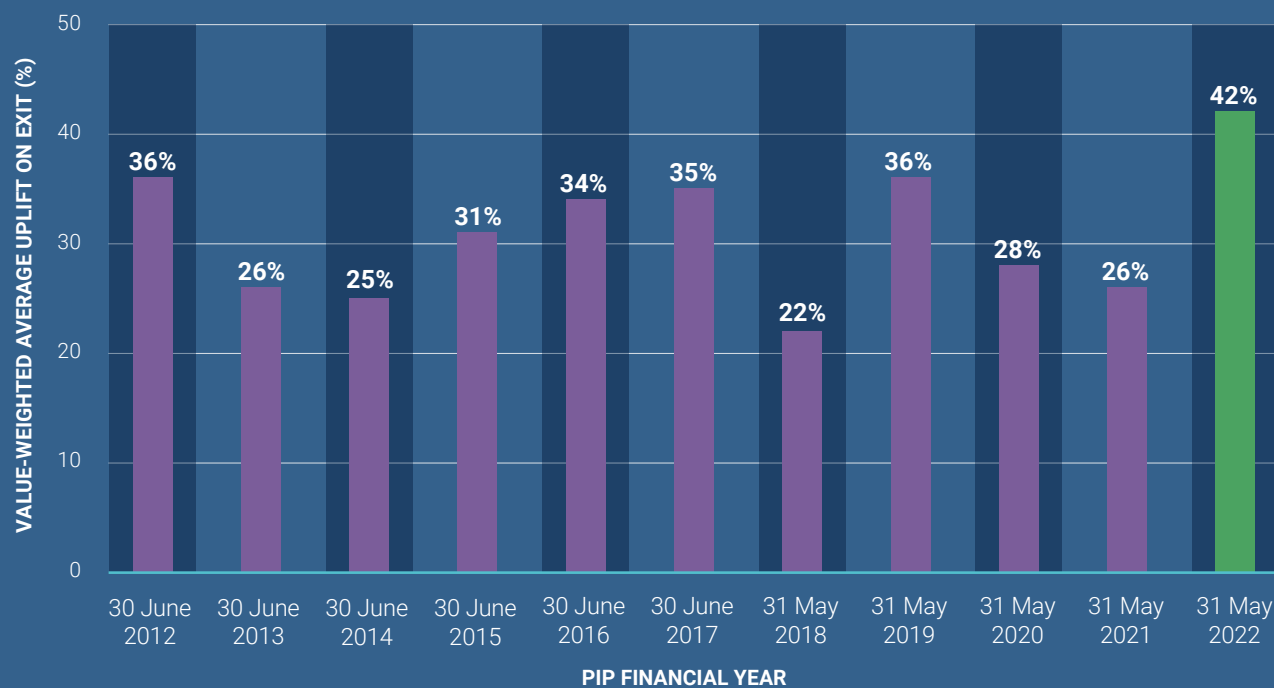
Cash generative portfolio

Buyout portfolio company revenue and earnings growth

Dynamic asset allocation

Carefully diversified portfolio

Uplifts demonstrate embedded value in PIP's portfolio



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Uplifts achieved at exit

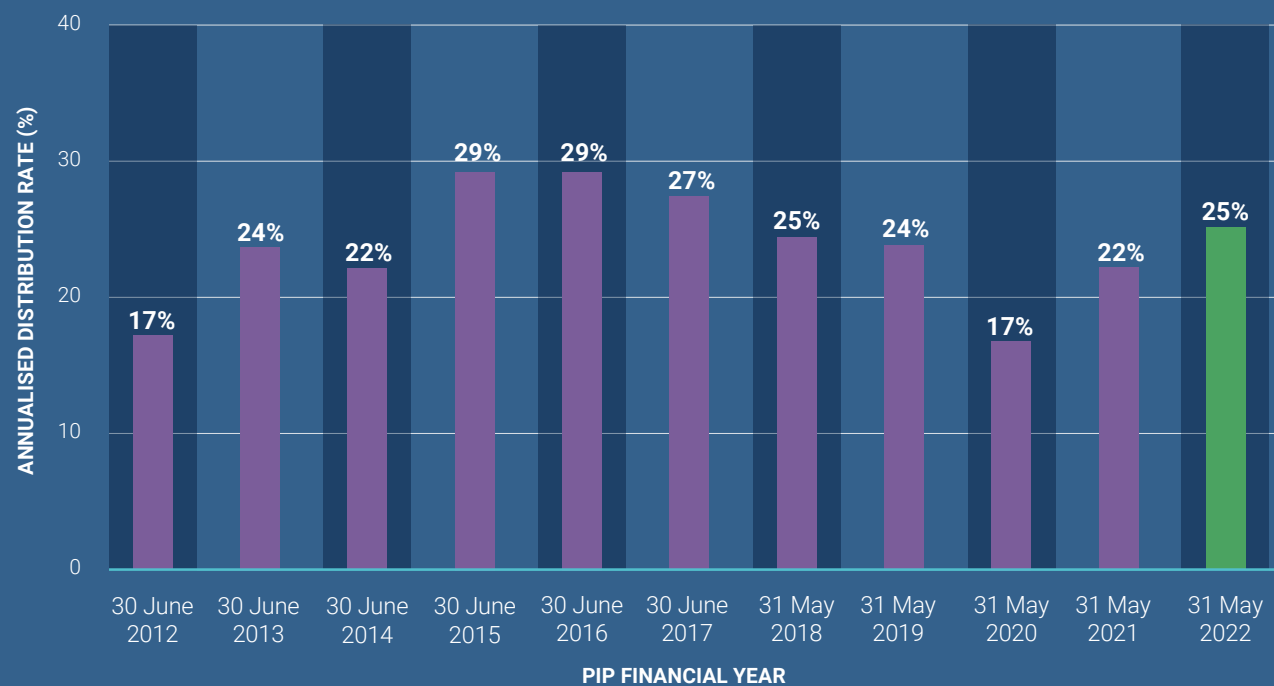
Cash generative portfolio

Buyout portfolio company revenue and earnings growth

Dynamic asset allocation

Carefully diversified portfolio

Cash generative portfolio through multiple cycles



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Uplifts achieved at exit

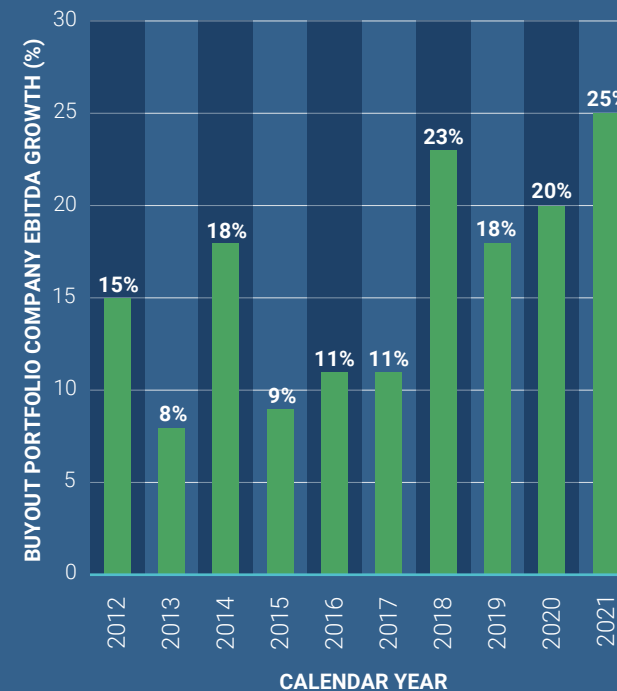
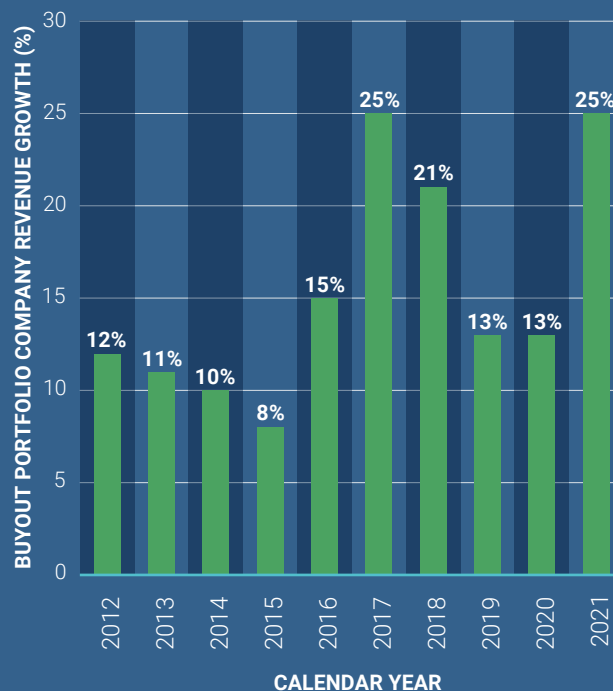
Cash generative portfolio

Buyout portfolio company revenue and earnings growth

Dynamic asset allocation

Carefully diversified portfolio

Resilient revenue and earnings growth



Why Choose Us



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Uplifts achieved at exit

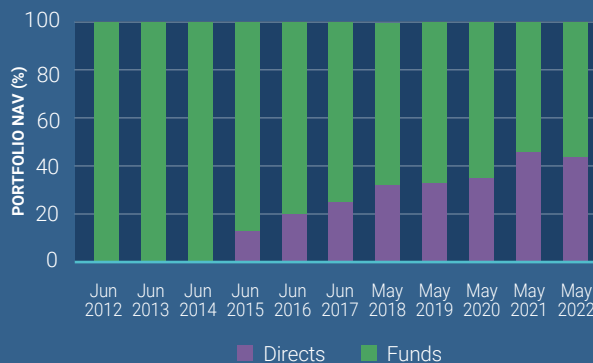
Cash generative portfolio

Buyout portfolio company revenue and earnings growth

Dynamic asset allocation

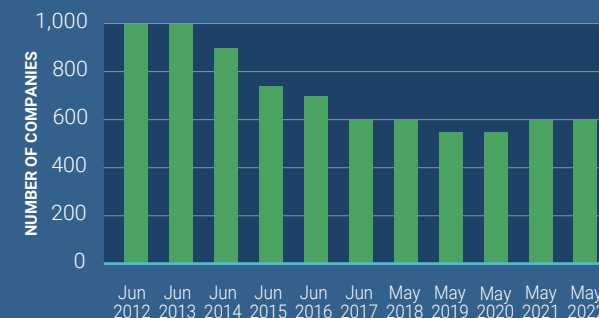
Carefully diversified portfolio

Directs vs. Funds



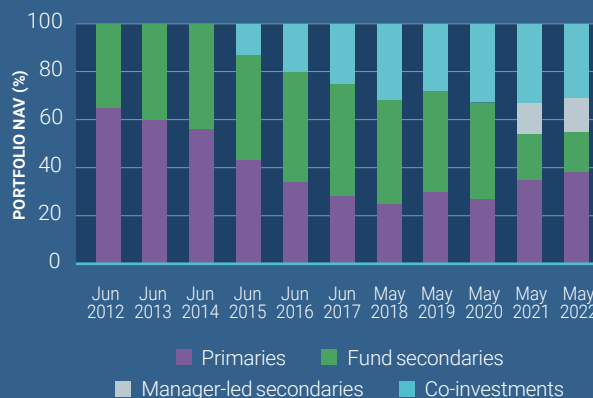
Marked shift towards direct company investments, which are comprised of co-investments and single-asset secondaries.

Number of portfolio companies



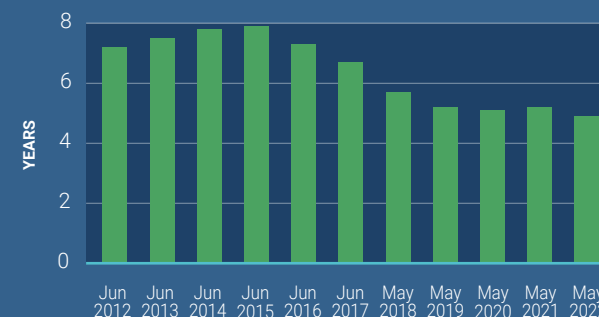
The number of companies comprising 80% of PIP's total exposure has declined by c.40% since 2012.

Investment type



Portfolio managed to maximise growth and liquidity over time.

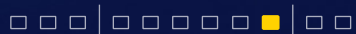
Weighted average portfolio age



Maturity profile resulting in a naturally cash-generative portfolio.



Why Choose Us



Increasing the portfolio's concentration ensures more meaningful investments in high-quality funds and companies for PIP.

Uplifts achieved at exit

Cash generative portfolio

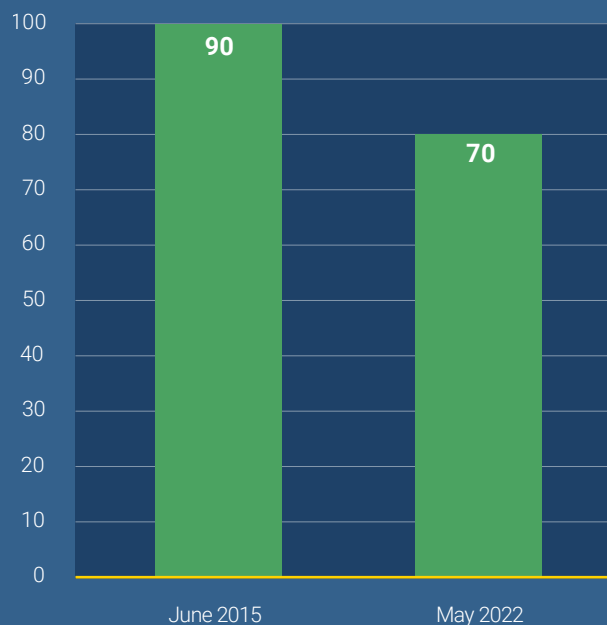
Buyout portfolio company revenue and earnings growth

Dynamic asset allocation

Carefully diversified portfolio

Carefully Diversified Portfolio

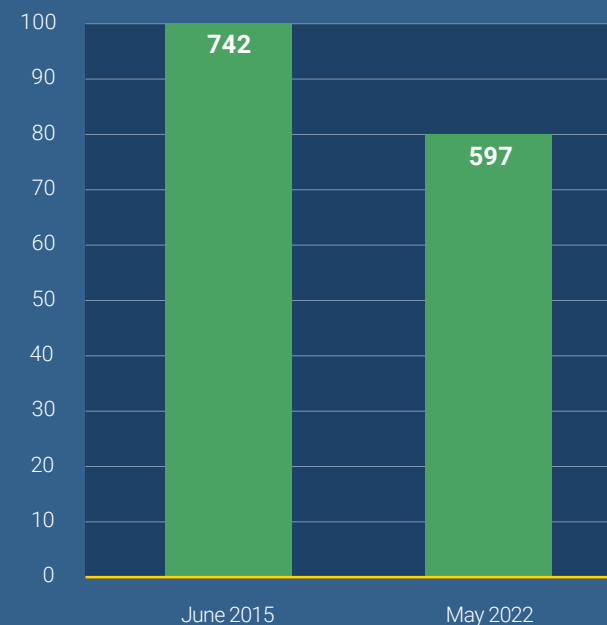
Number of managers (2015 vs current)²



-22%

Decrease in number of managers comprising 80% of PIP's total exposure¹ since 2015

Number of companies (2015 vs current)²



-20%

Decrease in number of companies comprising 80% of PIP's total exposure¹ since 2015

¹ Exposure is equivalent to the sum of the NAV and undrawn commitments.

² Number of managers and portfolio companies comprising 80% of PIP's total exposure. Exposure is equivalent to the sum of the NAV and undrawn commitments.



Thoughtful approach to responsible investment

Pantheon has a responsible approach when making investments on behalf of PIP. Adherence to sound Environmental, Social and Governance (“ESG”) principles has been incorporated in our pre- and post-investment processes for several years and Pantheon will continue to play an influential role in promoting ESG standards and Diversity & Inclusion in private equity.

Read more about
our approach to ESG

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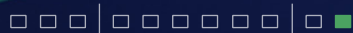
Signatory of:



#10000
BLACK
INTERNS

OUT LGBT+ NETWORK
INVESTORS

Why Choose Us



ESG assessment is integrated into all of PIP's investments

Pantheon is committed to incorporating sound Environmental, Social and Governance ("ESG") standards in the operation of its business, and in its investments for the benefit of all stakeholders, including clients, local communities and society in general. As one of the early signatories to the UN Principles for Responsible Investing ("UNPRI") in 2007, and a pioneer of ESG practices in private markets, Pantheon has deeply embedded comprehensive ESG policies into its investment processes, from the initial screening of opportunities, through due diligence and post-investment monitoring. RepRisk, a third-party news information service, has been fully integrated into Pantheon's pre- and post-monitoring processes since 2017.

Pantheon continues to enhance its approach to ESG and this year has initiated an annual survey of its private equity managers to provide Pantheon with up-to-date information on the private equity managers and their ESG credentials. Pantheon is committed to advocating for sound ESG practices across the private equity industry, using its position on over 560¹ advisory boards worldwide to promote high ESG standards on behalf of PIP amongst private equity managers and investee companies.

Pantheon is a firm believer in diversity, equal opportunity and inclusion. There is a fundamental belief throughout the firm that more diverse organisations make better decisions and enrich the communities that they operate in.

1

Deal screening

- Pantheon Exclusions Policy: avoid investments in certain sectors.
- ESG checklist.
- RepRisk company screening.

2

Due diligence

- Primaries: Private equity manager ESG integration assessed by Pantheon (Low/Medium/High).
- Co-investments: Targeted company review at acquisition, with RepRisk rating assigned. This includes sector, country and overall risk (AAA to D), and private equity manager ESG rating.
- Secondaries: Targeted company review at acquisition and assessment of ESG approach of private equity manager.

3

Post-investment monitoring

- Private equity manager's ESG reporting and Advisory Board engagement.
- Continuous company ESG risk assessment, using RepRisk.
- Pantheon receives live alerts and newsflow affecting portfolio companies.
- Initiated an annual ESG survey of our private equity managers.

Active Engagement with Private Equity Managers on their Investee Companies

Transparent Reporting and Disclosure

Industry Advocacy

¹ As at 31 March 2022.

35 years of outperformance: A compelling investment success story

+31.0%

Record NAV per share growth in the year

+12.4%

Average annual NAV growth since inception

£2.4bn

Net asset value

+8.6%

Share price increase in the year

+11.3%

Average annual share price growth since inception

+64.8%

Total shareholder return (5Y)

+26.2%

Portfolio investment return in the year

£232m

Record portfolio net cash flow in the year

25%

Distribution rate for the year

SIR LAURIE MAGNUS CBE

Chair



PIP is one of the longest established private equity investment companies listed on the London Stock Exchange. This year we celebrate its 35th anniversary, having been launched with £12m NAV in 1987 and grown its NAV to £2.4bn at the end of 31 May 2022.

Over that period, PIP's NAV per share has outperformed annually, net of fees, both the FTSE All-Share and MSCI World (Sterling) indices by an average of 4.8% and 4.0% respectively. This is a tribute to the work and skill of PIP's manager, Pantheon, over so many years, and I would like to thank them on behalf of all shareholders. I should add that PIP has also outperformed these indices over the most recent 1, 3, 5 and 10-year periods.

Performance in the year

For the year ended 31 May 2022, I am pleased to report that PIP's NAV per share has grown by a remarkable 31%, of which 24% arose from portfolio gains and 7% from favourable currency movements. PIP's share price, however, has grown at a more modest 9% reflecting the turbulent market conditions at the financial year-end. This has resulted in a significant widening of the discount to NAV from 21% at the end of May last year to 35% at the end of May this year, and further to 43% at the time of writing.

Chair's Statement

This widening of the discount in bear markets was also seen in 2008 and is a common feature across almost all listed private equity vehicles. Over the longer-term, however, the share price return tracks that of the NAV per share closely, and we therefore consider the NAV per share to be a more consistent and less volatile measure of performance.

Undervalued share price, embedded value in portfolio

PIP's longevity and proven track record suggest that its current share price significantly undervalues the investment portfolio and that, in keeping with the past, the discount will narrow once the economic outlook and market sentiment improve. Furthermore, experience shows that PIP's underlying managers value their portfolios conservatively when applying fair valuation accounting standards to the measurement of NAV per share.

42%

Average uplift on exit realisations in the year

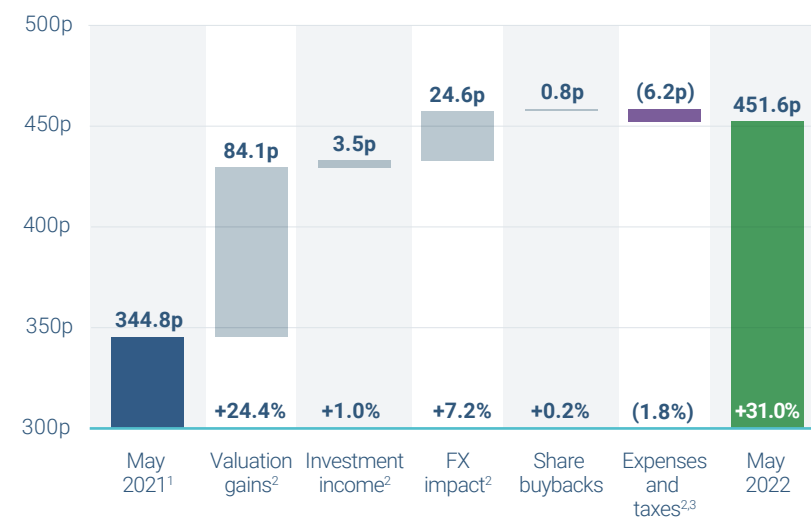
The value-weighted average uplift on exit realisations in PIP's portfolio was 42% during the 12 months to 31 May 2022. In the 11 years during which this measure has been tracked, the average uplift on the sale of investments has been 31% above the NAV of those investments 12 months prior to realisation.

Share buybacks

The Board remains disappointed with the discount of PIP's share price and considers the current elevated level relative to the value and prospects of its portfolio to be unwarranted. Accordingly, it intends to buy back shares actively to enhance shareholder returns, while optimising long-term capital growth within a balanced portfolio in line with its investment policy.

In addition, the Board has initiated with Pantheon a concerted marketing effort to promote the contribution that PIP can provide to an investor's portfolio and thereby attract new investors. This has included the recent appointment of a new PR agency, a refresh of the website and capital markets events planned for the autumn. The Board believes that private equity is under-owned in many investors' portfolios and that PIP is an ideal solution for shareholders who thereby benefit from the liquidity available through a listed company.

NAV per share progression



1 Adjusted for the 10 for 1 share split which took effect from 1 November 2021. The NAV per share is stated in pre-share split terms.

2 Figures are stated net of movements associated with the Asset Linked Note ("ALN") share of the reference portfolio.

3 Taxes relate to withholding taxes on investment distributions.

Chair's Statement

Performance net of fees and costs

The level of fees charged by private equity managers is considered to be excessive by many commentators and prospective investors. Nevertheless, the evidence is that the best private equity funds generate returns net of fees which significantly outperform the equity indices, and this is reflected in PIP's outperformance over the years.

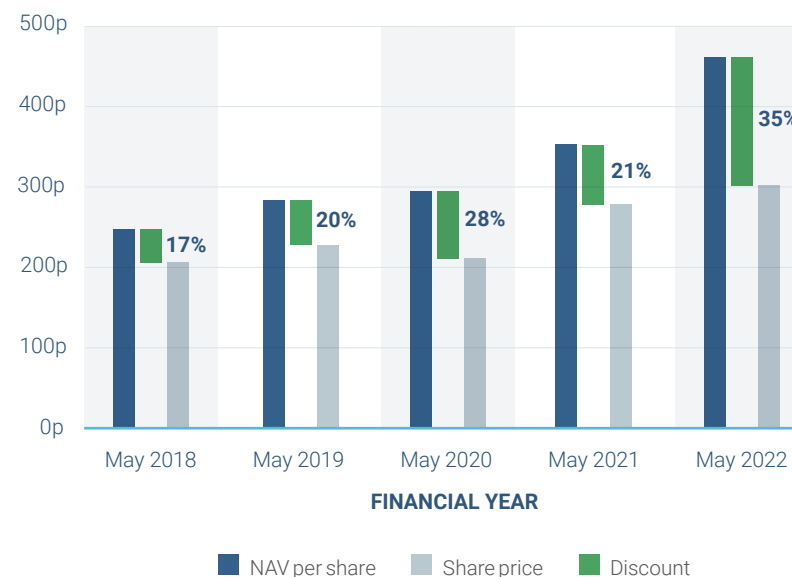
Pantheon is one of the most experienced investors in selecting, working with and investing in private equity funds, and over 40 years has built up privileged relationships with the best managers through both fund and direct investments. In many cases, new investors are unable to access the best funds since they are only made available to existing, trusted investors.

Private equity managers build specialist, skilled teams to source, evaluate and secure good investment opportunities, and then work with their portfolio companies to add value in a variety of ways, examples of which are demonstrated in our case studies.

This work includes the realisation of investments, typically after a number of years, though private sale or IPO, followed by the distribution of the proceeds to investors including PIP. The fees are high in relation to those typically charged by fund managers in the liquid markets because of the additional work involved. They reflect the underlying resources required and are deemed acceptable by the most sophisticated institutional investors who have had portfolio exposure to private equity for many years.

The Board believes that the acid test of a private equity fund is that it should outperform net of fees, such that investors achieve a higher return than if they had invested in lower cost funds or indices. Pantheon's key role in this is to secure investments in and work with the best private equity funds for the benefit of PIP's shareholders as well as its other client investors.

NAV per share and share price performance



Chair's Statement

Positive cash flow and balance sheet strength

PIP receives cash distributions through the sale of its more mature portfolio assets while also making commitments to new direct company investments, and to funds, which are often drawn down by the fund managers over time. This year, PIP benefited from a record level of distributions including proceeds from EUSA Pharma, the largest sale of a single company in its history. EUSA Pharma is a specialty pharmaceutical company focused on oncology and rare diseases and was acquired by Italian pharmaceutical company Recordati in December 2021. This was a co-investment alongside one of our long-standing private equity managers and was sold at approximately 5.0 times multiple of cost. The case study on page 70 gives further details.

Case study: EUSA Pharma



During the year, PIP received distributions of £419m and disbursed £187m in capital calls from existing fund commitments. As a result, PIP generated net cash flow of £232m and ended the year with £227m in net available cash, which combined with its £300m multi-currency credit facility provided a total of £528m to meet future capital calls and make new investments.

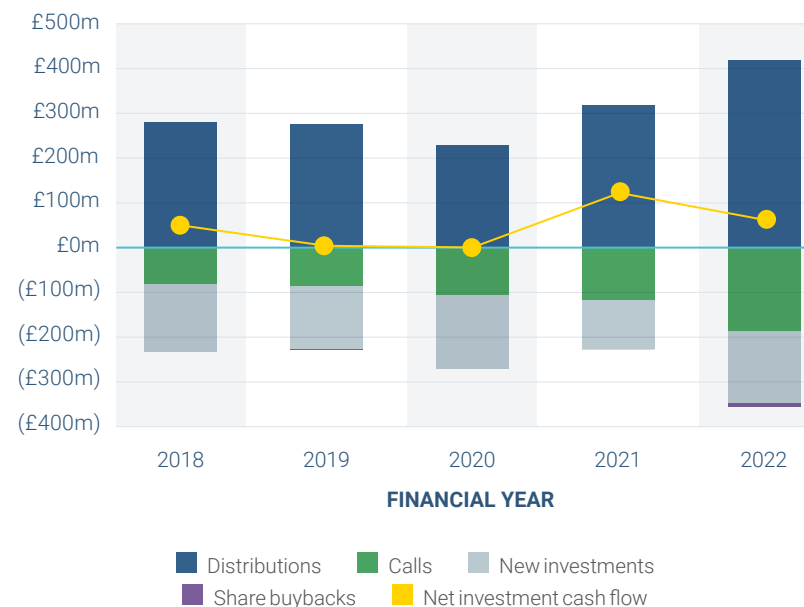
£500m

New credit facility expiring in July 2027

I am delighted to report that, since the year end, PIP has agreed a new £500m five year facility to replace the £300m facility described above. This extended and enlarged facility further strengthens our financial resources and provides the Company with greater flexibility in managing its asset base to achieve an optimal investment exposure, including in difficult market conditions. Further details on our cash cover may be found on page 44.

The unlisted Asset Linked Note ("ALN") of £39m, which is due to mature on 31 August 2027, is now relatively small and is continuing to be repaid from cash distributions received uniquely from a portfolio of older investments.

Net investment cash flow¹



¹ Cash flows are stated net of movements associated with the ALN share of the reference portfolio.

Chair's Statement

An actively-managed portfolio

PIP has a well-diversified portfolio of private equity investments, sourced through Pantheon's extensive platform and longstanding relationships with many of the best private equity managers globally. This portfolio includes investments in new funds raised, secondary purchases of assets being sold by investors in existing funds and, increasingly, direct investments by invitation in companies alongside our private equity managers. The mix of investment between categories is actively managed by the Board and Pantheon over time, most recently resulting in an increase in the portion of direct co-investments.

£496m

committed to 70 new investments in the year

During the year, PIP made commitments to 70 investments for a total of £496m, comprising £262m to 25 primary funds, £123m to 30 co-investments and £111m to 15 secondaries with the latter including a £55.6m (US\$ 75.0m) top-up commitment to the Pantheon Secondary Opportunity Fund ("PSOF"). Combined with PIP's commitment to PSOF during the last financial year, PIP's total commitment to

PSOF amounts to £164.3m (US\$ 225.0m). PSOF is focused on manager-led single-asset secondaries, a sub-segment of the secondaries market that typically comprises prized businesses in private equity funds portfolios which the managers know well and believe have excellent potential to grow in value beyond the life of their fund. Nine such investments were completed during the period.

In recent years the Board and Pantheon have adopted a policy to increase portfolio concentration in a smaller number of managers and companies while continuing to mitigate risk through diversification. This focus has included a tilt towards sector specialists focused on long-term secular trends that are likely to continue to offer growth opportunities whatever the prevailing economic environment. Themes such as digitalisation and automation, ageing demographics, energy efficiency and environmental sustainability have tilted the portfolio towards high growth, more resilient sectors such as information technology, comprising companies providing business-critical software and infrastructure with recurring revenues and cash generation, as well as healthcare, consumer staples and consumer services. PIP has relatively low exposure to early-stage venture capital funds focused on technologies in which valuations have recently pulled back significantly.

“

Themes such as digitalisation and automation, ageing demographics, energy efficiency and environmental sustainability have tilted the portfolio towards high growth, more resilient sectors.

SIR LAURIE MAGNUS CBE

Chair

ESG and responsibility

Pantheon became one of the earliest private equity adherents to ESG by signing up to the UN Principles for Responsible Investment 14 years ago. Your Board fully supports Pantheon's longstanding commitment in this area which covers oversight and influence upon private equity managers as well as their underlying portfolio companies. The Board has an ESG sub-committee which meets formally with Pantheon executives at least twice a year as well as more frequently on an ad-hoc basis.

In addition to maintaining rigorous adherence to ESG principles, the Board believes that Pantheon has an open and inclusive internal culture which is evident in its attitude towards clients as well as the way in which it interacts with the managers with whom it invests.

[Read more about our approach to ESG](#)

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Chair's Statement

Board changes

After 10 years of service, Susannah Nicklin retired from the Board following the AGM in 2021 and has been replaced as Senior Independent Director by Mary Ann Sieghart.

Tamara Sakovska, who joined the Board on 1 March 2022, resigned as a Director of the Company with effect from 22 July 2022. Tamara accepted the role before the onset of the Russia-Ukraine conflict and subsequently indicated that her voluntary relief efforts meant that she had limited capacity to fulfil her obligations as a director of PIP. The Board is grateful to Tamara for her brief contribution as a Director and would like to extend its best wishes to her for the future. The Board will be starting a process with external search consultants to appoint a new director in due course.

Having served as a Director since 2011 and as Chair since 2016, I will be retiring from the Board upon the conclusion of the forthcoming Annual General Meeting in October. Following a selection process led by Mary Ann Sieghart, I am delighted that the Board has agreed that John Singer will succeed me as Chair. A Director since 2016, John is a private equity and financial services professional with over 30 years' experience. He has been a consistently thoughtful and energetic contributor to the Board and will provide experienced leadership for PIP during the years ahead.

Outlook

The global recovery from the COVID-19 crisis has been upset by rising geopolitical tensions, including the tragic war in Ukraine. The combination of rising inflation (particularly for energy, minerals and food), rising interest rates and uncertain supply chains has materially altered the outlook for the economy and raised the spectre of recession. The valuations of businesses in public markets have already come under pressure and we are likely to see some follow through into PIP's NAV, although we expect this to be cushioned in part by the embedded value in the portfolio that I discussed earlier.

It is impossible to foresee how all the current economic and geopolitical challenges will play out, particularly the war in Ukraine and the sanctions on Russia. PIP has no direct exposure to investments in Ukraine or Belarus and the valuation of its tiny exposure to Russian assets has been reduced to zero.

Pantheon monitors carefully the level of debt in PIP's underlying investee businesses and seeks assurance that appropriate and manageable capital structures are in place. A large proportion of PIP's portfolio companies are "asset light" and orientated towards growth capital backed businesses, which carry little or no debt. Small and mid-market buyouts, which are a significant proportion of PIP's portfolio, typically have lower levels of debt than those at the larger end of

the private equity market. In addition, many of PIP's private equity managers employ dedicated debt specialists who are disciplined and experienced in their use of leverage and in negotiating terms with lenders.

The Board is confident that PIP's private equity managers will continue their proven track record of managing their companies through difficult times. It also has confidence in the experience of Pantheon, built up over 40 years, in navigating through several previous crises and economic cycles.

Since I joined the Board in 2011, the availability of private equity capital for growing businesses has increased substantially and now constitutes a core source of long-term investment funding. It is clear that this trend will continue as entrepreneurs and business managers find themselves constrained by the ever-increasing regulation in listed markets, together with the focus on short-term results. Private equity investors are also increasingly preferred as owners by senior executives for their sector knowledge, operational expertise, and strategic guidance.

PIP's outperformance of the MSCI World and FTSE All-Share indices since inception, and over more recent timeframes, is a testament to the value of having exposure to a diversified portfolio of growth companies led by some of the best private equity managers in the world. Through the

long-term relationships that Pantheon has built up with leading managers, PIP offers shareholders privileged access to a broad selection of private equity investments. Whereas investing directly in funds requires high minimum levels of commitment and illiquidity, PIP brings private equity within reach of small institutions and retail investors while providing immediate exposure to a well-established and diversified portfolio of growth companies.

All of PIP's Directors collectively own a total of 2.6m shares in the Company valued at the time of writing at £7.0m. In addition, 15 Partners of Pantheon collectively hold a further c.2m shares.

I shall be leaving the Board confident that PIP is well placed, with a resilient "all-weather" portfolio of companies, a strong balance sheet, an engaged Board of Directors, a very experienced Manager, and an expectation of continuing outperformance over the long term. I shall remain a shareholder and extend my best wishes for the future to PIP, my fellow directors and the Pantheon management team.

PIP's Strategic Report, set out on pages 2 to 55, has been approved by the Board and should be read in its entirety by shareholders.

SIR LAURIE MAGNUS CBE

Chair

3 August 2022

Key Performance Indicators

Performance

5-year cumulative total shareholder return

NAV per share growth

Portfolio investment return

Liquidity

Net portfolio cash flow

Undrawn coverage ratio

WHAT THIS IS

Total shareholder return demonstrates the return to investors, after taking into account share price movements (capital growth) and, if applicable, any dividends paid during the period.

The Board's strategy is to deliver returns for shareholders through the growth in NAV and generally not through the payment of dividends.

HOW PIP HAS PERFORMED

- PIP's ordinary shares had a closing price of 295.5p at the year end (31 May 2021: 272.0p¹).
- Disappointingly, discount to NAV widened to 35% as at the year end (31 May 2021: 21%).

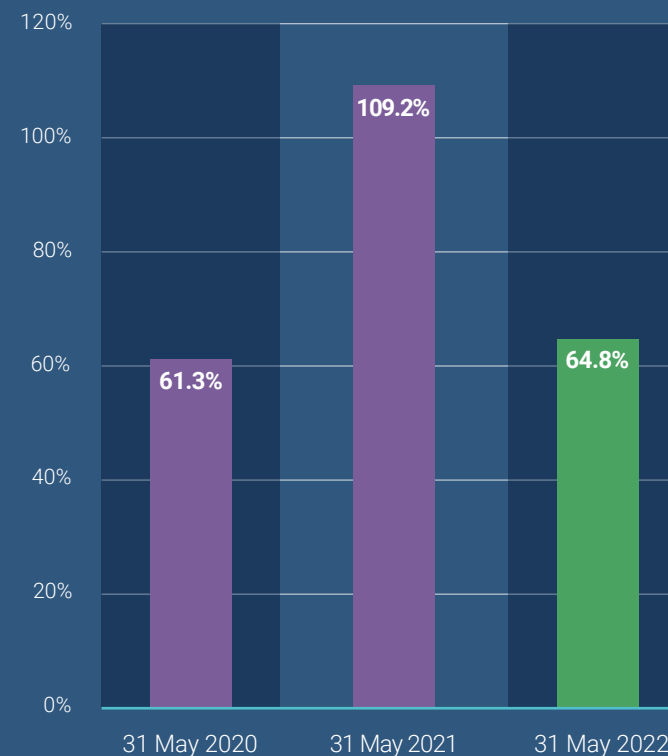
LINK TO OUR STRATEGIC OBJECTIVES

- Maximise shareholder returns through long-term capital growth.
- Promote better market liquidity and narrow the discount by building demand for the Company's shares.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Rate of NAV growth relative to listed markets.
- Trading volumes for the Company's shares.
- Share price discount to NAV.

5-year cumulative total shareholder return



¹ Adjusted for the 10 for 1 share split which was implemented on 1 November 2021.

Key Performance Indicators

Performance

5-year cumulative total shareholder return

NAV per share growth¹

Portfolio investment return

Liquidity

Net portfolio cash flow

Undrawn coverage ratio

WHAT THIS IS

NAV per share reflects the attributable value of a shareholder's holding in PIP. The provision of consistent long-term NAV per share growth is central to our strategy.

NAV per share growth in any period is shown net of foreign exchange movements and all costs associated with running the Company.

HOW PIP HAS PERFORMED

- A record year of NAV growth with NAV per share increasing by 106.8p to 451.6p during the year (31 May 2021: 344.8p)².

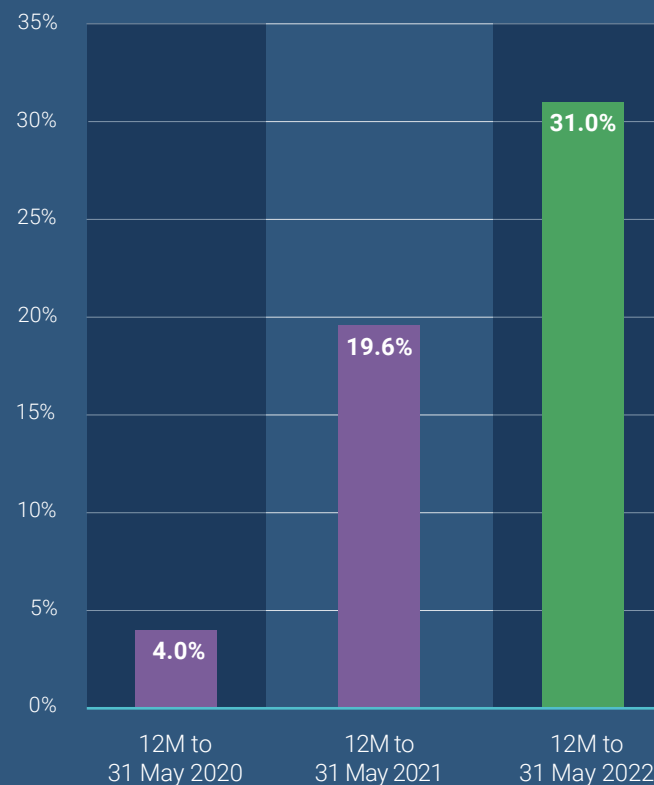
LINK TO OUR STRATEGIC OBJECTIVES

- Investing flexibly with top-tier private equity managers globally to maximise long-term capital growth.
- Containing costs and risks by constructing a well-diversified portfolio in a cost-efficient manner.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Valuations provided by private equity managers.
- Fluctuations in currency exchange rates.
- Ongoing charges relative to NAV growth and listed private equity peer group.
- Tax efficiency of investments.
- Effect of financing (cash drag) on performance.

NAV per share growth during the year



¹ Excludes valuation gains and/or cash flows associated with the ALN.

² Adjusted for the 10 for 1 share split which took effect from 1 November 2021. The NAV per share is stated in pre-share split terms.

Key Performance Indicators

Performance

5-year cumulative total shareholder return

NAV per share growth

Portfolio investment return¹

Liquidity

Net portfolio cash flow

Undrawn coverage ratio

WHAT THIS IS

Portfolio investment return measures the total movement in the valuation of the underlying funds and companies comprising PIP's portfolio, expressed as a percentage of the opening portfolio value, before taking foreign exchange effects and other expenses into account.

HOW PIP HAS PERFORMED

- Strong performance in the underlying portfolio.
- PIP continues to benefit from robust earnings growth in its underlying portfolio and from the favourable exit environment.
- Weighted average revenue and EBITDA growth of 24.9% and 25.4% respectively for PIP's sample buyout companies², versus 3.6% and 25.0% respectively for companies that constitute the MSCI World Index.

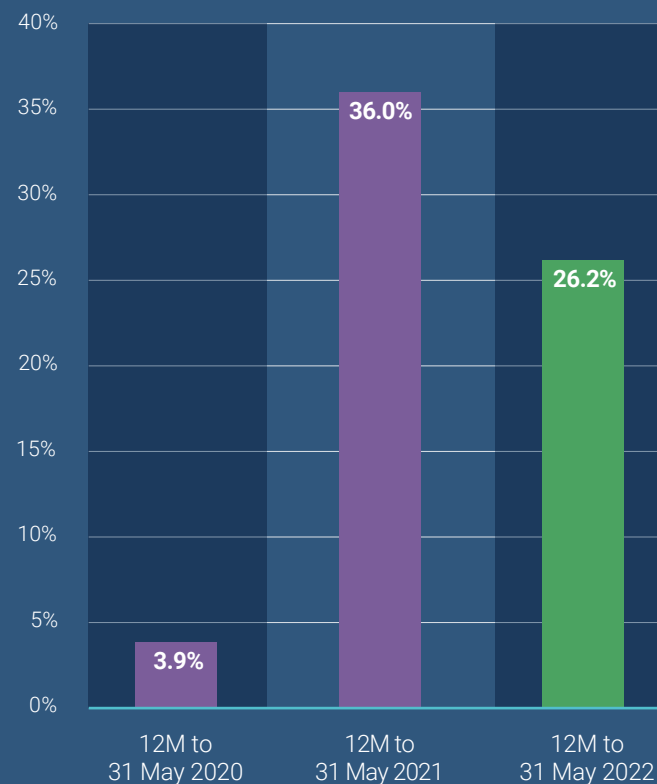
LINK TO OUR STRATEGIC OBJECTIVES

- Maximise shareholder returns through long-term capital growth.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Performance relative to listed markets and private equity peer group.
- Valuations provided by private equity managers.

Portfolio investment return



¹ Excludes valuation gains and/or cash flows associated with the ALN.

² See page 195 of the Alternative Performance Measures section for sample calculations and disclosures.

Key Performance Indicators

Performance

5-year cumulative total shareholder return

NAV per share growth

Portfolio investment return

Liquidity

Net portfolio cash flow¹

Undrawn coverage ratio

WHAT THIS IS

Net portfolio cash flow is equal to fund distributions less capital calls to finance investments, and reflects the Company's capacity to finance calls from existing investment commitments.

PIP manages its maturity profile through a mix of primaries, secondaries and co-investments to ensure that its portfolio remains cash-generative at the same time as maximising the potential for growth.

HOW PIP HAS PERFORMED

PIP's portfolio generated a record £419m (31 May 2021: £319m) of distributions versus £187m (31 May 2021: £120m) of calls.

In addition, the Company made new commitments of £496m (31 May 2021: £240m) during the year, £160m (31 May 2021: £76m) of which was drawn at the time of purchase.

At 31 May 2022, PIP's portfolio had a weighted average age of 4.9 years² (31 May 2021: 5.2 years).

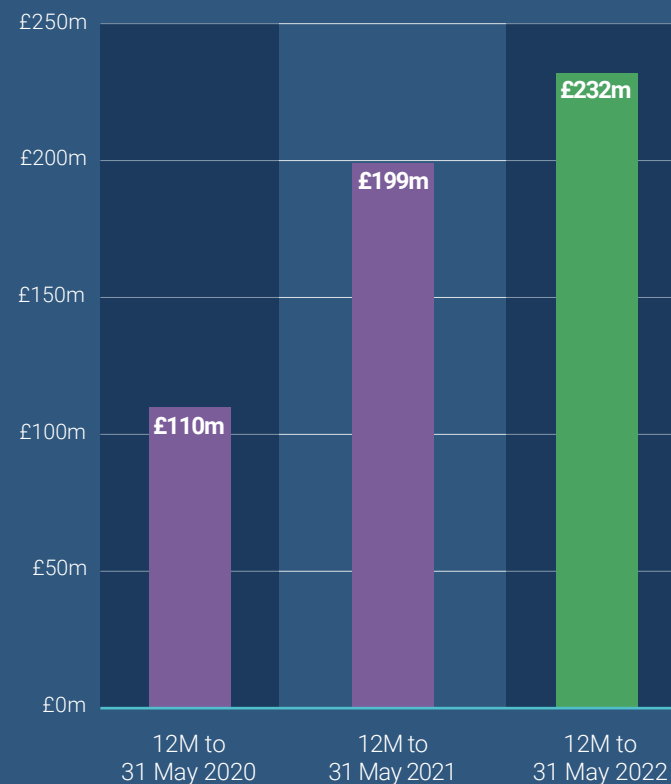
LINK TO OUR STRATEGIC OBJECTIVES

- Maximise long-term capital growth through ongoing portfolio renewal while controlling financing risk.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Relationship between outstanding commitments and NAV.
- Portfolio maturity and distribution rates by vintage.
- Commitment rate to new investment opportunities.

Net portfolio cash flow



¹ Excludes valuation gains and/or cash flows associated with the ALN.

² Excludes the portion of the reference portfolio attributable to the ALN.

Key Performance Indicators

Performance

5-year cumulative total shareholder return

NAV per share growth

Portfolio investment return

Liquidity

Net portfolio cash flow

Undrawn coverage ratio

WHAT THIS IS

The undrawn coverage ratio is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is an indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn.

Under the terms of its current loan facilities, PIP can continue to make new undrawn commitments unless and until the undrawn coverage ratio falls below 33%.

HOW PIP HAS PERFORMED

- The current level of commitments is consistent with PIP's conservative approach to balance sheet management.
- In line with historical experience, the Company expects undrawn commitments to be funded over a period of several years.

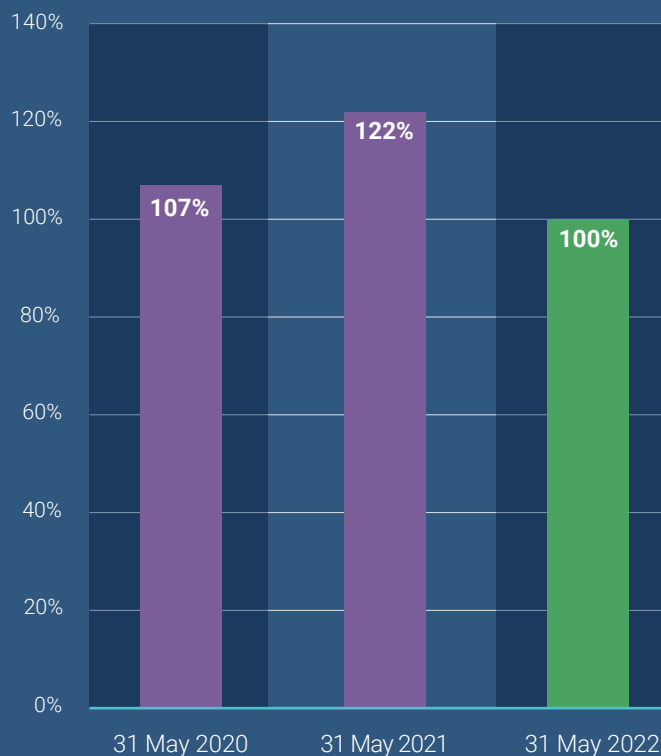
LINK TO OUR STRATEGIC OBJECTIVES

- Flexibility in portfolio construction, allowing the Company to select a mix of primary, secondary and co-investments, and vary investment pace, to achieve long-term capital growth.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Relative weighting of primary, secondary and co-investments in the portfolio.
- Level of undrawn commitments relative to gross assets.
- Trend in distribution rates.
- Ability to access debt markets on favourable terms.

Undrawn coverage ratio



Building a resilient portfolio that can deliver long-term outperformance

INVESTMENT TYPE

Focus on maturity profile and potential to boost performance



INVESTMENT STAGE

Focus on mid-market and growth



SECTOR AND GEOGRAPHIC EXPOSURE

Global outlook, with a focus on high-growth and niche areas



The Board regularly reviews PIP's overall investment strategy and it has formed part of Board discussions throughout the year.

Through the ongoing dialogue between the Board and the Manager, Pantheon, the Manager reports to the Board on progress and highlights any obstacles or changes in market conditions which may impact the Company's ability to achieve its strategic goals. In cases where this may occur, the Manager will propose solutions for which it will seek the support of the Board. Equally, the Board maintains the flexibility to propose amendments to the strategy as it deems necessary.

In addition, the Board reviews individual investments that exceed exposure limits, which are set at appropriate levels to reflect a diversified approach. At times, the Manager may make recommendations to the Board and seek approval for certain investments that fall outside of any limits expressed in the agreed strategic approach, but which Pantheon believes to be a good investment opportunity for PIP. The Board maintains its independence at all times and robustly challenges such recommendations to ensure that they are in the best interests of shareholders. The Manager also reports to the Board on PIP's marketing and investor relations activities, considering new initiatives that could help to increase PIP's profile, and to reach potential new shareholders in the Company. As part of this, on 1 November 2021, each of PIP's existing shares was split into 10 shares. The aim was to make PIP's shares more accessible to a range of investors and to improve the marketability of PIP's shares.

INVESTMENT TYPE



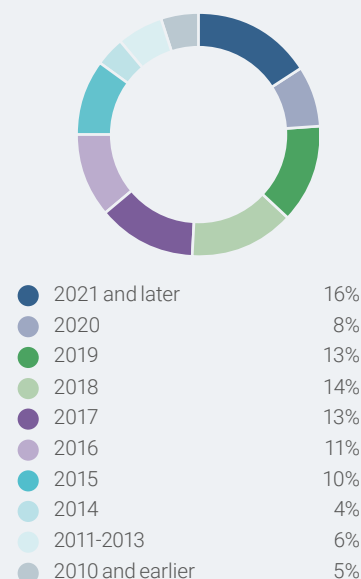
Focus on maturity profile and potential to boost performance

Primaries, secondaries and co-investments all have attractive characteristics, as highlighted in the Business Model on pages 31 to 36. PIP's transparent and direct investment approach gives it the flexibility to take advantage of prevailing market conditions and to maximise control over the Company's financing risk, including its ability to generate positive cash flows.

As the weighting towards co-investments has been increased over time, the three different investment types have intentionally taken on more equal weightings. These weightings do not represent hard caps; however, the Board and the Manager believe that this is the optimal mix to benefit from the cash generated by the more mature assets in PIP's portfolio while rejuvenating the portfolio with the younger vintages offered by primaries and co-investments. In addition, we have been steering PIP's secondary investment strategy towards single-asset secondaries which form a fast-growing part of the secondary market and are attractive for several reasons as highlighted on page 34.

With an increased weighting towards co-investments and single-asset secondaries, we expect the number of underlying managers and portfolio companies to which the Company is exposed to continue to reduce over time. As a result, the potential for the Company's overall NAV to be impacted by the performance of

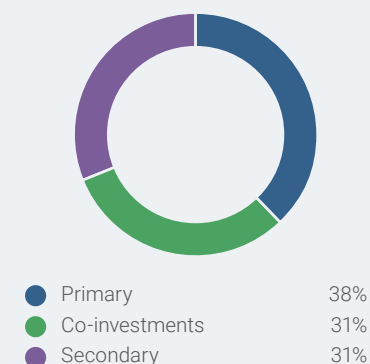
Fund maturity¹



individual assets should be increased while maintaining the benefits of a portfolio that is well diversified by type, stage, geography and sector.

The Board believes that there are several benefits to this investment approach: risk is effectively managed through diversification while the improved transparency of PIP's underlying portfolio,

Investment type²



and increased investment flexibility, should create a clearer link between the strongest performing companies in the portfolio and the potential to boost NAV growth in the future. Also, Pantheon can remain highly selective and disciplined when assessing deal flow, while at the same time reducing the risk of PIP being excluded from exciting opportunities due to investment constraints.

During the year, while maintaining its disciplined approach, the Board and the Manager identified that there was an opportunity to increase the Company's investment pacing to take advantage of the exciting deals emanating from its private equity managers.

¹ Maturity chart is based on underlying fund valuations and accounts for 100% of PIP's portfolio value. Excludes the portion of the reference portfolio attributable to the ALN.

² Fund investment type and maturity charts are based upon underlying fund valuations and account for 100% of PIP's overall portfolio value. The charts exclude the portion of the reference portfolio attributable to the Asset Linked Note.

INVESTMENT STAGE



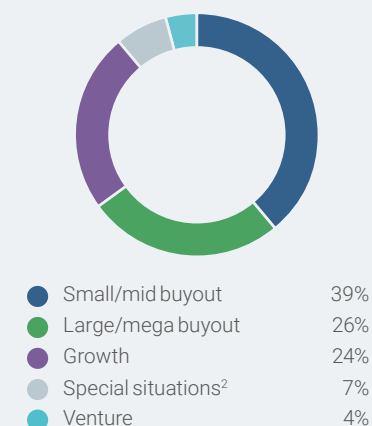
Focus on mid-market and growth

PIP's portfolio is diversified by stage, which ranges across venture, growth, small/mid buyout and large/mega buyout opportunities, as well as those classified as special situations. While the Company's strategy is to maintain a healthy mix of all stages, Pantheon favours the growth and buyout segments, with a particular focus on the mid-market. The mid-market offers distinct characteristics, when compared with large deals, such as:

- More attractively priced assets which tend to have lower levels of leverage than the broader market average;
- Greater visibility of the value drivers and the levers to pull to improve operational efficiency to better drive growth, both organically and through buy-and-build strategies; and
- More routes to exit including strategic acquisitions, sales to other private equity managers or initial public offerings ("IPOs"). In PIP's case, it should be noted that the majority of exits has consistently been to strategic buyers and other private equity managers.

While late stage venture opportunities remain attractive, it is our view that the return profile of early stage venture can often be too protracted to be suitable for PIP's portfolio. Therefore, any investment activity by PIP in early stage venture funds is focused on investing with top-tier venture managers, mainly through primary fund investments, who are able to identify innovative opportunities with the potential to generate significant outperformance. While special situations include assets with unique characteristics which can offer potential for outperformance, it is the Board's intention that special situations investments will only be a small minority of the overall portfolio.

Fund stage¹



¹ Fund stage chart is based upon underlying fund valuations and accounts for 100% of PIP's overall portfolio value. The chart excludes the portion of the reference portfolio attributable to the Asset Linked Note.

² Special situations investments can include distressed debt, mezzanine, energy/utilities and turnarounds.

SECTOR AND GEOGRAPHIC EXPOSURE



Global outlook, with a focus on high-growth and niche areas

The Board is committed to offering investors a global portfolio with investments in North America, Europe, Asia and Emerging Markets. It takes an active approach towards the weightings of those geographies in response to market conditions but supports the majority of the Company's capital being invested in the USA and Europe where the private equity markets are well established.

The Board relies on Pantheon's investment teams around the world that are on the ground locally, to take advantage of proprietary information flows and access to opportunities through their extensive networks of relationships.

It is Pantheon's objective to identify managers globally that are able to take a thematic approach and focus on high-growth sectors, many of which may not be fully represented by the public markets. In addition, Pantheon has a deliberate strategy of targeting sectors experiencing dislocation, as well as niches where underlying growth is less correlated to GDP growth. Recent examples of this have been within the Information Technology and Healthcare sectors. For more information on the sectors in which PIP is invested, see pages 75 to 77.

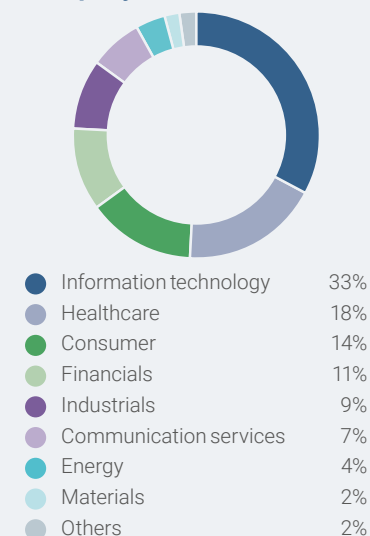
The Board believes that its oversight of the Manager's activities, while at the same time allowing Pantheon the flexibility that it needs to make the appropriate investment decisions on the Company's behalf, ensures that PIP is able to deliver on its strategic objectives for shareholders over the long term.

Culture and Purpose

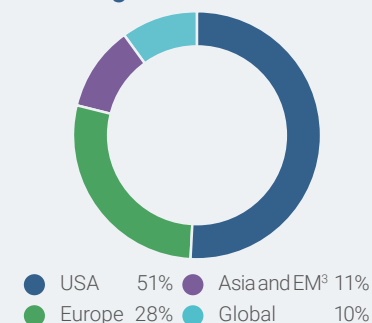
It is a requirement for all companies to set out their culture and purpose. The Company's defined purpose is relatively simple: it is to deliver our investment strategy led by a Board that promotes strong governance and a long-term investment approach that actively considers the interests of all stakeholders.

The Directors agree that establishing and maintaining a healthy corporate culture among the Board and in its interaction with the Manager, shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness and integrity through ongoing dialogue and engagement with its service providers, principally the Manager.

Company sectors¹



Fund region²



¹ The company sector chart is based upon underlying company valuations as at 31 March 2022, adjusted for calls and distributions to 31 May 2022. These account for 100% of PIP's overall portfolio value.

² Fund region is based upon underlying fund valuations and accounts for 100% of PIP's overall portfolio value. The chart excludes the portion of the reference portfolio attributable to the Asset Linked Note.

³ EM is Emerging Markets.

We aim to deliver consistent returns over the long term

Our investment process

Investment opportunities in funds and companies are originated via Pantheon's extensive and well-established platform.



We invest in many of the best private equity managers who are able to identify and create value in their businesses.



Cash generated from the sale of those companies is returned to PIP and redeployed into new investment opportunities.

What we do

PIP invests in private equity funds and co-invests (alongside selected private equity managers) directly into private companies worldwide.

- An investment in PIP offers shareholders exposure to a growing market worth over US\$5.3tn¹ globally where the best private equity managers might otherwise be inaccessible to shareholders.

We aim to deliver attractive and consistent returns to shareholders over the long term, and at relatively low risk. The Board remains committed to its policy of maximising capital growth and therefore, as in previous years, is not proposing the payment of a dividend.

¹ Source: Preqin Global Private Equity Report 2022.

Why we do it

Through Pantheon, we have an opportunity to invest with many of the best private equity managers globally based on the trust and experience built up over the almost 40 years during which Pantheon has been making investments.

- It is our aim to bring the strong credentials of private equity and its track record of outperforming public markets to a wider set of investors.

It is our mission to generate sustainably high investment returns through an actively managed, institutional grade portfolio of funds and companies built by investing with the best managers globally.

How we do it

PIP's Manager, Pantheon, has a well-established platform built on three strategic pillars of investment: primary, secondary and co-investments, with each offering their own merits.

We believe that by combining the three ways of accessing private equity investments, we are able to:

- Build and maintain a well-balanced portfolio in a combination that we monitor and manage with the aim of maximising capital growth;
- Manage the maturity profile of our assets so that our portfolio remains naturally cash-generative on a sustainable basis; and
- Ensure that the vehicle remains as cost-effective as possible for our shareholders by reducing any potential drag on returns.

Our Business Model

Our investment strategies:

Primary

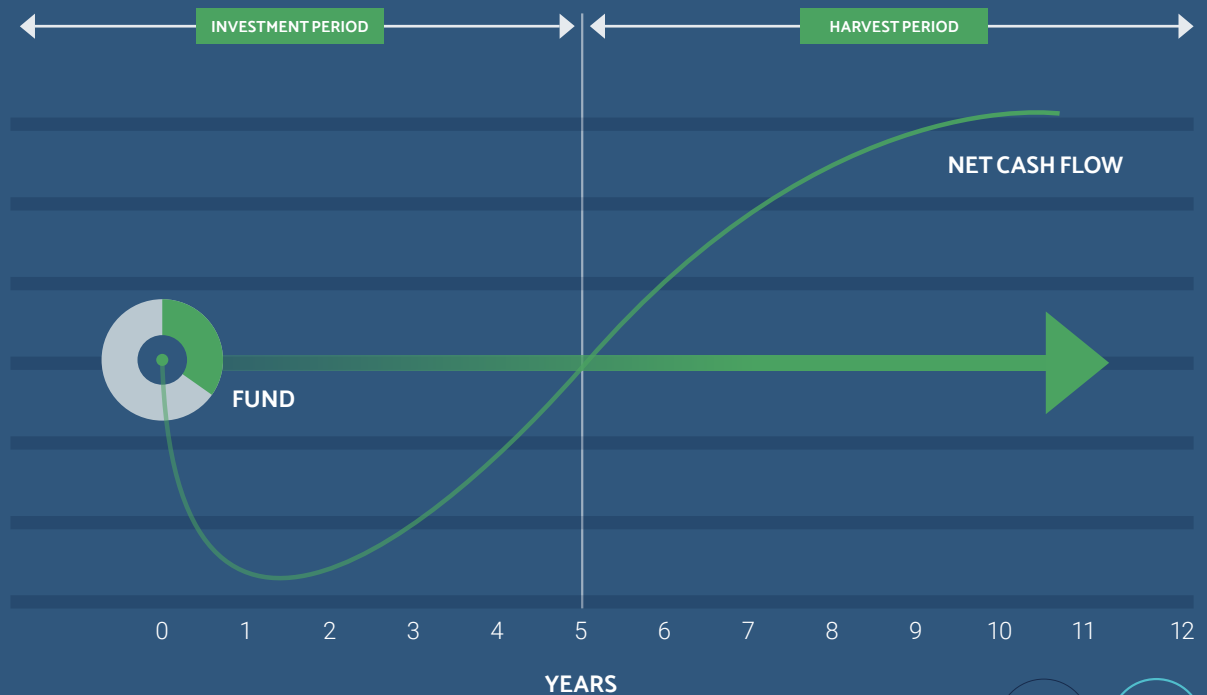
Limited Partner Secondary

Manager-led Secondary

Co-investment

We invest in a new private equity fund when it is established.

- Captures exposure to top-tier, well-recognised managers as well as to smaller niche funds that are generally hard to access.
- Targets leading managers predominantly in the USA and Europe, with a focus on funds which are unlikely to become available in the secondary market.



Our Business Model

Our investment strategies:

Primary

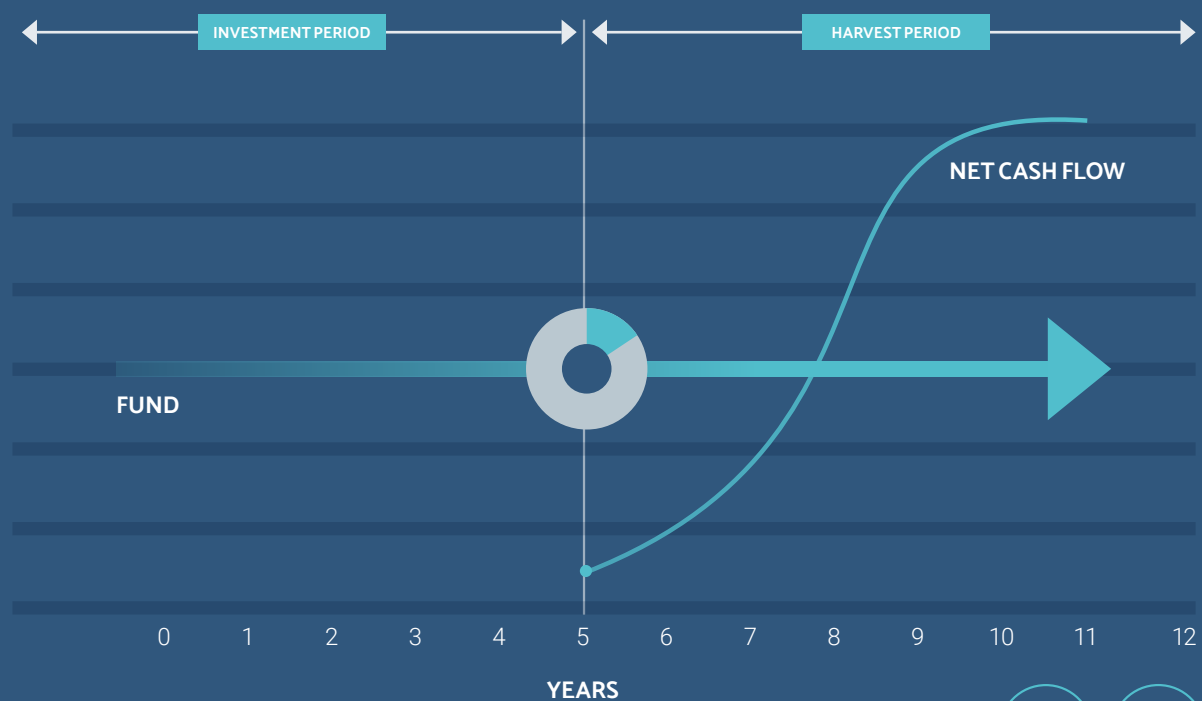
Limited Partner Secondary

Manager-led Secondary

Co-investment

We purchase the interests of an investor in a fund or funds typically late into, or after, the investment period.

- Targets favoured funds and companies at a stage when the underlying assets' performance is visible and the funds are realising investments, returning cash to PIP more quickly.
- One of the advantages of investing in secondaries is that earlier fees will have been borne by the seller so total expenses are lower.



Our Business Model

Our investment strategies:

Primary

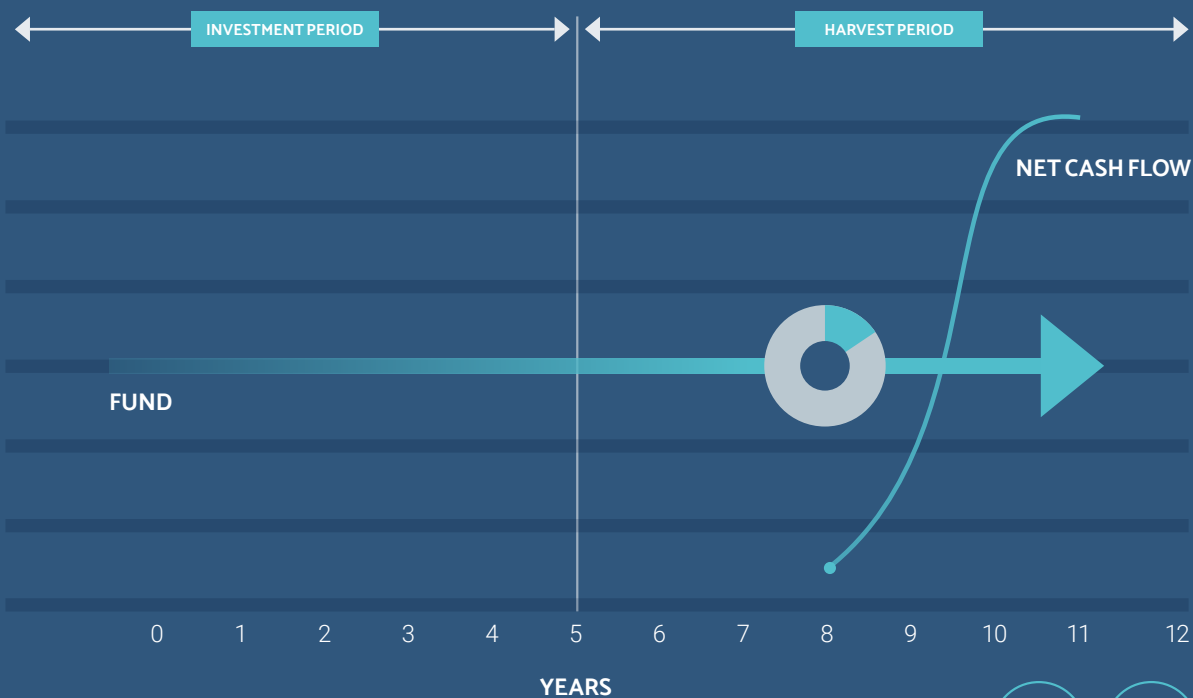
Limited Partner Secondary

Manager-led Secondary

Co-investment

We invest in a company directly, alongside a private equity manager, that the manager has already owned for a period of time and therefore knows well.

- We partner with high-quality private equity managers to acquire, as single transactions, their most attractive portfolio companies via a continuation fund.
- Allows the private equity manager to hold onto a prized asset, which they believe has potential for further growth, when the fund in which it is held comes to the end of its life.



Our Business Model

Our investment strategies:

Primary

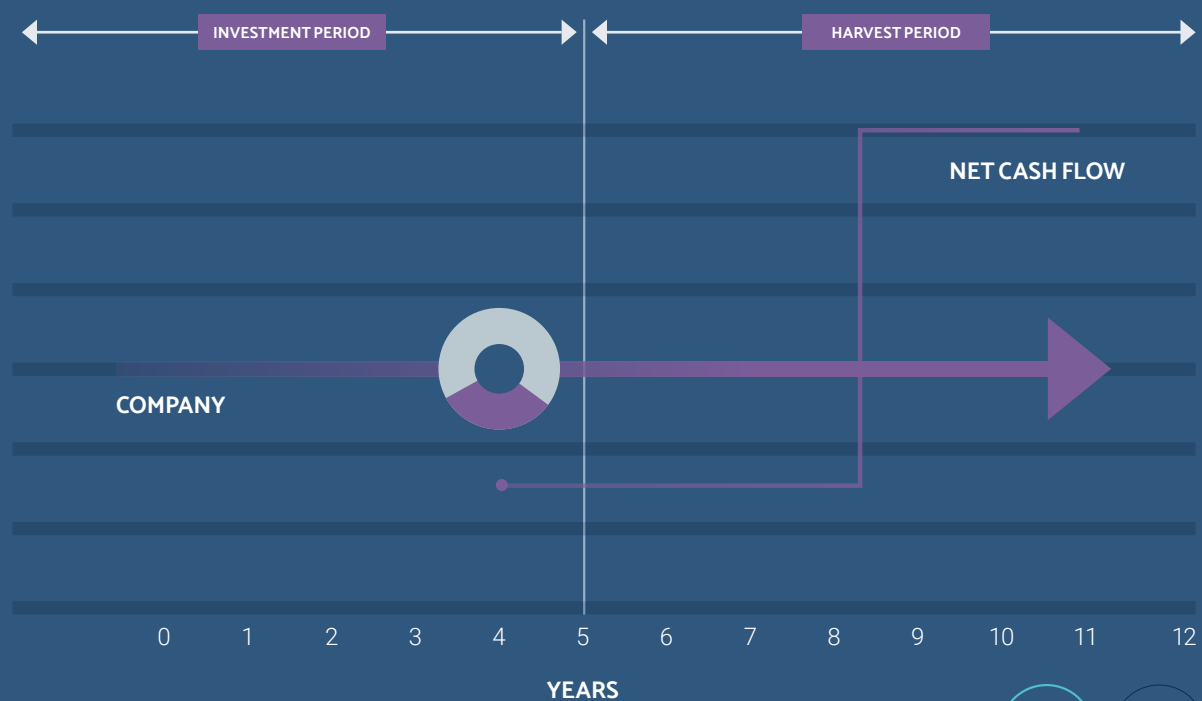
Limited Partner Secondary

Manager-led Secondary

Co-investment

We invest in a company directly, alongside a private equity manager.

- Direct investment in individual companies, which have attractive growth characteristics and have effectively passed through a “double quality filter”, alongside PIP’s leading private equity managers.
- This boosts the performance potential because there are typically very low or no fees, making it a cost-effective way of capitalising on the high value added by PIP’s selected managers.
- Co-investments are through invitation only and are therefore not accessible to most investors.



What sets us apart

Track record

For 35 years, PIP has been able to adapt quickly and effectively to changing market conditions. This flexible and proactive approach means that PIP is well placed to continue to deliver on its strategic objectives. PIP's NAV has outperformed its public market benchmark indices since the Company's inception in 1987.

Broad and deep relationships

With investments in North America, Europe, Asia and Emerging Markets, PIP provides a carefully constructed, broad-based portfolio for investors. The presence of Pantheon's team of 417 people, including 121 investment professionals¹ in its 10 offices around the world means that they are on the ground locally, working with their extensive networks of relationships with private equity managers and taking advantage of proprietary information flows and access to opportunities. These relationships enable Pantheon to source and respond quickly to the best deal flow in those regions. In addition, through its participation on over 560² advisory boards globally, Pantheon actively engages with its General Partners ("GPs") on portfolio monitoring issues on a continuous basis.

¹ As at 30 June 2022.

² As at 31 March 2022.

Independence

PIP has the opportunity to participate in all the private equity investments sourced by Pantheon. The majority of the Company's investments are made directly in private equity funds and companies rather than via Pantheon's collective vehicles, which offers several benefits to PIP and its shareholders, including:

- Control of investment strategy, overseen by the Board;
- Reduction of financing risk by being able to accept or decline investments offered to it by Pantheon according to its financial resources at the time;
- The flexibility to vary the size of its commitments as appropriate and in line with any adjustments to its investment strategy; and
- Lower cost than investing through intermediate vehicles, due to the elimination of management fees and related expenses.

Culture & Transparency

Pantheon has a strong culture of collaborative and inclusive teamwork, transparency and diversity, as well as a long history of investing its clients' capital responsibly. PIP is supported strongly by a global workforce of 417 people³ and a large and experienced team of investment professionals, many of whom have been at Pantheon for over 20 years. In keeping with its collaborative culture, Pantheon avoids investments in private equity managers with 'star' individuals giving rise to a higher degree of key person risk.

PIP is committed to being transparent with its investors and publishes a monthly NAV and newsletter to ensure the market is kept updated on developments in the portfolio.

³ As at 30 June 2022.

Investment Policy

Our investment policy is to maximise capital growth with a carefully managed risk profile.

The Company's policy is to make unquoted investments. It does so by subscribing to investments in new private equity funds ("Primary Investment"), buying secondary interests in existing private equity funds ("Secondary Investment"), and acquiring direct holdings in unquoted companies ("Co-investments"), usually either where a vendor is seeking to sell a combined portfolio of fund interests and direct holdings or where there is a private equity manager, well known to the Company's Manager, investing on substantially the same terms.

The Company may, from time to time, hold quoted investments as a consequence of such investments being distributed to the Company from its fund investments as the result of an investment in an unquoted company becoming quoted. In addition, the Company may invest in private equity funds which are quoted. The Company will not otherwise normally invest in quoted securities, although it reserves the right to do so should this be deemed to be in the interests of the Company.

The Company may invest in any type of financial instrument, including equity and non-equity shares, debt securities, subscription and conversion rights and options in relation to such shares and securities, and interests in partnerships and limited partnerships and other forms of collective investment schemes. Investments in funds and companies may be made either directly or indirectly, through one or more holding, special purpose or investment vehicles in which one or more co-investors may also have an interest.

The Company employs a policy of over-commitment. This means that the Company may commit more than its available uninvested assets to investments in private equity funds on the basis that such commitments can be met from anticipated future cash flows to the Company and through the use of borrowings and capital raisings where necessary.

The Company's policy is to adopt a global investment approach. The Company's strategy is to mitigate investment risk through diversification of its underlying portfolio by geography, sector and investment stage. Since the Company's assets are invested globally on the basis, primarily, of the merits of individual investment opportunities, the Company does not adopt maximum or minimum exposures to specific geographic regions, industry sectors or the investment stage of underlying investments.

In addition, the Company adopts the following limitations for the purpose of diversifying investment risk:

- No holding in a company will represent more than 15% by value of the Company's investments at the time of investment (in accordance with the requirement for approval as an investment trust which applied to the Company in relation to its accounting periods ended on and before 30 June 2012).
- The aggregate of all the amounts invested by the Company in (including commitments to or in respect of) funds managed by a single management group may not, in consequence of any such investment being made, form more than 20% of the aggregate of the most recently determined gross asset value of the Company and the Company's aggregate outstanding commitments in respect of investments at the time such investment is made.
- The Company will invest no more than 15% of its total assets in other UK-listed closed-ended investment funds (including UK-listed investment trusts).

The Company may invest in funds and other vehicles established and managed or advised by Pantheon or any Pantheon affiliate. In determining the diversification of its portfolio and applying the Manager's diversification requirement referred to above, the Company looks through vehicles established and managed or advised by Pantheon or any Pantheon affiliate.

The Company may enter into derivatives transactions for the purposes of efficient portfolio management and hedging (for example, hedging interest rate, currency or market exposures).

Surplus cash of the Company may be invested in fixed interest securities, bank deposits or other similar securities.

The Company may borrow to make investments and typically uses its borrowing facilities to manage its cash flows flexibly, enabling the Company to make investments as and when suitable opportunities arise, and to meet calls in relation to existing investments without having to retain significant cash balances for such purposes. Under the Company's Articles of Association, the Company's borrowings may not at any time exceed 100% of the Company's net asset value. Typically, the Company does not expect its gearing to exceed 30% of gross assets. However, gearing may exceed this in the event that, for example, the Company's future cash flows alter.

The Company may invest in private equity funds, unquoted companies or special purpose or investment holding vehicles which are geared by loan facilities that rank ahead of the Company's investment. The Company does not adopt restrictions on the extent to which it is exposed to gearing in funds or companies in which it invests.

PIP's ethos of responsible investing

“

Pantheon takes its role as a responsible steward of its clients' capital seriously.

Consideration of ESG factors is integrated throughout the investment process for PIP.

The Directors of PIP have full oversight of ESG matters within PIP's portfolio and are fully supportive of Pantheon's approach to investing responsibly and championing diversity, as Pantheon describes below.

There has been significant progress in the adoption of sound environment, social and governance ("ESG") principles in the private equity sector in recent years, which has been driven by a number of factors. These have included increasing demand from investors as well as recognition among private equity managers that integrating ESG into the investment process is not only the right thing to do but can also enhance returns. Disclosure on ESG matters is also improving in private equity and the United Nations-backed Principles for Responsible Investment ("UNPRI") now requires all signatories, which include a number of our private equity managers, to demonstrate that they are taking measures to move their reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD").

Although private equity managers in Europe continue to lead the way when measuring the environmental impacts of their portfolio companies, there is growing interest in the USA and Asia & Emerging Markets and many private equity managers have implemented global policies against which to measure and manage their investments regardless of the region in which a business is based. Climate change affects us all and we

are actively engaging with our private equity managers on this topic. Furthermore, many of our managers are excited by the investment opportunities arising as a result of the green transition and environmental priorities, with a particular focus on themes such as resource efficiency, the circular economy and the decarbonisation of industry.

Governance is strong in private equity and perhaps is one of the main reasons for the industry's success. Private equity managers typically invest in businesses alongside the existing management team in the company and work closely with them to grow the businesses over time. Company management, the private equity manager and their investors all exit the business at the same time, meaning that there is a real alignment of interests. There are direct lines of communication between the private equity managers and the company management team which means that they are able to adopt a much more proactive approach and respond quickly to issues that may arise. We saw many examples of this during the COVID-19 pandemic when private equity managers were able to use their skills to help companies through the crisis.

Responsible Investment and ESG

As attention turns to the challenges faced by the global economy, the private equity industry is well placed to make a positive contribution to growth through the creation and support of jobs. According to a recent study, at the end of 2020 nearly 10 million people were employed by private equity-backed companies in Europe, accounting for 4.3% of the total workforce¹. In the UK alone, in 2021, 6% of total jobs were supported by private equity and venture capital-backed companies, which themselves contributed around 5% of total GDP². In the USA, there are over 11 million employees at private equity-backed companies³ and, in 2021, private equity invested over US\$1tn in the US economy³. As private equity managers continue to grow their portfolio companies, indications are that these figures will only increase. This has a positive impact, not just on the lives of those people employed by their portfolio companies, but also on those impacted through supply chains and the customers who value the products and services offered by them.

In recognition of the opportunity to make investments that have the potential not only to produce market-leading investment returns, but also to make a positive impact on communities across the globe, PIP committed £17.8m to the Apax Global Impact fund during the financial year.

Diversity and inclusion at Pantheon

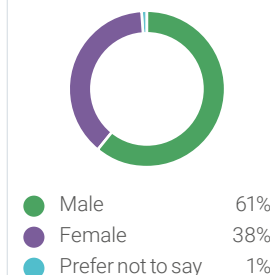
Pantheon is committed to being an inclusive and diverse employer and we aim to create an open, creative and welcoming culture that enables every single employee to feel valued and that their talents are being utilised. We have taken steps to ensure the recruitment process includes people of different backgrounds; and candidates are sourced from a wide demographic using various platforms and partnerships, while a representative and balanced screening process is used. We are delighted that our hard work has been recognised and rewarded with Pantheon being named the Diversity and Inclusion Leader of the Year (LP) at The Private Equity Awards 2022.

Pantheon has incorporated a diversity and inclusion section in its due diligence questionnaire for all its primary investments and, while there is still some way to go to achieve the diversity and inclusion of women and different ethnicities in the wider private equity sector, we have been encouraged to note that many of our private equity managers are putting recruitment

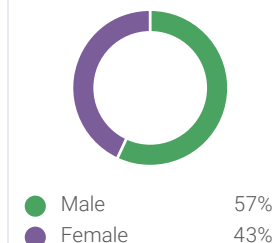
policies in place for their own businesses and increasingly acknowledging its importance for their portfolio companies. We will continue to advocate for this through our partnerships with charitable and non-profit organisations that champion diversity across the investment management industry, such as Diversity Project, 10,000 Black Interns, GAIN, Jopwell and the Institutional Limited Partners Association (ILPA) Diversity in Action initiative, as well as through our sponsorship of Level 20, a not-for-profit organisation established to inspire women to join and succeed in the private equity industry.



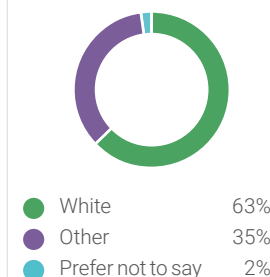
Gender identity – firm-wide¹



Investment team heads, gender identity¹



Ethnic diversity profile¹



¹ The response rate for our voluntary survey in December 2021–January 2022 was 75%, compared with a 73% response rate in the prior annual survey.

¹ Source: Invest Europe, Private Equity at Work, April 2022.

² Source: BVCA Digest, June 2022.

³ Source: American Investment Council: <https://www.investmentcouncil.org>.

Responsible Investment and ESG

Pantheon's approach to ESG

At Pantheon, we believe that the consideration of ESG issues should not be an afterthought. When investing on behalf of PIP, Pantheon targets robust and resilient businesses that will stand the test of time and maintain broad stakeholder support.

We take our role as a responsible steward of our clients' capital seriously and this has been our central ethos for many years. We were one of the first private equity investors to become a signatory to the UNPRI in 2007 and we have consistently received high scores in their annual assessment since then. Pantheon also advocates for ESG through its support for a number of trade associations and ESG initiatives, which include:

- Regularly contributing to guideline consultations with regulatory bodies around the world, to continue to contribute to evolving industry best practice;
- Setting up the ESG committee within the Hong Kong Private Equity and Venture Capital Association, Asia's largest industry association by membership, in 2015 and leading it since then;
- Creating the first private equity ESG award in Asia, the ESG Award of Excellence, which has been running since 2017 and is awarded every two years to private equity-backed companies in recognition of outstanding ESG-related initiatives and achievements; and

- Regularly organising ESG seminars at industry events and speaking regularly on ESG topics with media outlets and at industry conferences.

In addition, Pantheon sits on over 560 advisory boards globally¹, enabling Pantheon to promote education, learning and best practices among its private equity managers. This engagement extends from our initial commitment to an investment, all the way through to divestiture.

Pantheon has an established in-house ESG committee – comprising senior individuals from its investment, risk, legal and investor relations teams. Our capabilities and outreach in this area will be further strengthened by the appointment of a Global Head of ESG at Partner level whose role will be to continue to develop Pantheon's ESG strategy and range of initiatives.

Embedding ESG into our pre- and post-monitoring processes for PIP

Consideration of ESG factors is integrated throughout the investment process for PIP. At the pre-investment due diligence stage, we conduct an ESG risk assessment on the private equity manager or on the company itself in the case of a co-investment or single-asset secondary deal.

The risk assessment assesses a variety of factors such as if and how the private equity manager integrates ESG into their investment process, their engagement with portfolio companies on ESG issues and their approach to reporting any ESG risks to their investors.

The six Principles of the UNPRI underpin our ESG strategy



Modern Slavery Act

The UK's Modern Slavery Act 2015 requires Pantheon to report annually on the steps taken to ensure that slavery and human trafficking are not taking place anywhere within the business or supply chains. Pantheon's ESG policy is

already aligned with a zero tolerance approach to modern slavery and trafficking, and both the policy and the Modern Slavery Statement can be found on Pantheon's website (www.pantheon.com).

¹ As at 31 March 2022.

Responsible Investment and ESG

This enables Pantheon to assign a rating to the manager of high (good ESG integration and clear reporting), medium (there are areas for improvement, e.g. ESG is not formally integrated into their investment process) or low (there is a significant gap in ESG integration). PIP will not invest in the managers that provide a low rating in the ESG risk assessment. During the financial year, PIP invested in 25 funds of which Pantheon assessed the majority as being rated as high, with the remainder rated medium.

As we continue to evolve and improve our due diligence processes, we recently introduced key counterparty risk as part of our assessment of secondary and co-investment deals. A key counterparty is defined as a participant in the value chain, such as suppliers, vendors in the distribution chain or customers, who might present heightened ESG risks. We believe that this provides an additional safeguard against “collateral risk” in our investments.

RepRisk, a third-party data provider which has been integrated in our investment processes since 2017, provides Pantheon with extensive coverage of ESG issues within the portfolio companies that our clients are invested in across our platform. In order to improve further the quality and availability of data which we can use for analysis, we initiated an annual survey of our private equity managers during the financial year.

The purpose of the annual manager survey is to provide Pantheon with up-to-date information on our private equity managers

beyond the information provided during the initial due diligence process which may be several years old. The survey provides information on the managers’ UNPRI status, their approach to mitigating climate risk and any changes to their ESG policies. It also seeks to capture positive ESG case studies as well as alert us to any negative issues that Pantheon was not previously aware of through its routine monitoring processes and will be beneficial for tracking trends over time and improving engagement with PIP’s underlying managers on ESG issues.

Conclusion

ESG continues to climb up the list of priorities for both investors and private equity managers and it is becoming widely recognised that the implementation of good ESG practices and the generation of healthy returns on investments are not mutually exclusive. We believe that those managers who do not incorporate ESG into their due diligence process when selecting investments, and how they manage their portfolio companies, may struggle to access capital in the future. Over the coming years, we expect to see, and encourage, an increasing move towards the standardisation of how ESG factors are monitored which in turn should lead to enhanced ESG reporting in the industry.

Pantheon has well-established processes and practices to respond effectively to the changing demands of its clients, such as PIP and its Board, and will continue to invest PIP’s capital in a responsible manner as it has done for the past 35 years.

Supporting the shift to Net Zero

The effects of climate change are being felt around the world and many businesses are putting in place policies to reduce their carbon emissions. Pantheon is actively developing its pathway to Net Zero as well as engaging with its private equity managers to encourage them to commit to Net Zero and set science-based targets across their portfolio companies. Pantheon works very closely with the Institutional Investors Group on Climate Change and welcomes their draft guidelines for achieving Net Zero for private equity firms.

Furthermore, Pantheon is working closely with Initiative Climat International, a leading group of private equity managers and private markets investors, and collaborating to support climate change initiatives.

Pantheon sits on the Net Zero working group that is looking to create a credible framework for achieving Net Zero in the sector.

As one of the largest private markets investors in the world, and through its long-term relationships with some of the most established private equity managers globally, Pantheon is well positioned to take a leadership role in the industry on this topic.



Pantheon is actively developing its pathway to Net Zero as well as engaging with its private equity managers to encourage them to commit to Net Zero and set science-based targets across their portfolio companies.



Commitment £9.1m

Manager Ergon Capital Partners ("Ergon")

Type Co-investment

Stage Small/Mid Buyout

Sector Industrials

Geography Europe

Upholding ethical fishing standards

Satlink is a global leader in the development of technological solutions for the maritime sector, focusing on sustainable fishing. Its products optimise decision-making by fishing vessels and help regulators audit ethical fishing methods.

ESG case study



Investment rationale

- Satlink offers several different products, services and technological solutions to its customers. The company has an international presence and holds a market-leading position in a highly concentrated sector.
- The private equity manager, Ergon, regards Satlink's core business as a strong growth platform as it operates in a market with high barriers to entry, has a strong financial profile and low customer churn.
- Further sources of growth include an increased service offering, the possibility of enhancing its subscription model and developing a more extensive oceanography product range.

Our relationship

Pantheon is a primary investor with Ergon and an Advisory Board member. Ergon had been tracking Satlink over several years and was ultimately attracted to it as the theme of technological disruption in a traditional market is consistent with several of their previous investments.

As a result of the relationship between Pantheon and Ergon, PIP was offered the opportunity to co-invest alongside Ergon in this exciting company.

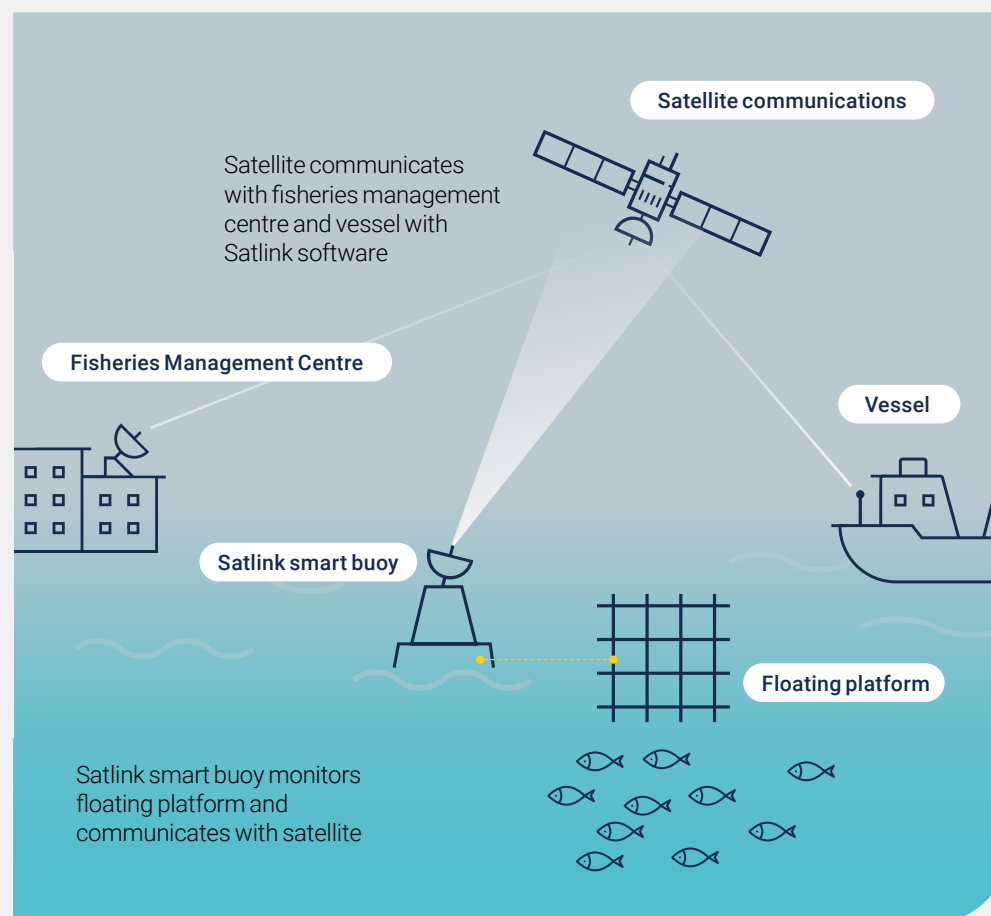
ESG approach

Satlink's products support sustainable fishing and contribute to the health of marine ecosystems:

- The company's smart buoy products identify and distinguish schools of fish to make fishing more accurate by reducing the capture of non-target fish.
- Satlink's technology helps preserve marine ecosystems by ensuring that only species with healthy stocks are fished, while the capture of vulnerable species is minimised.
- This results in better fuel efficiency in fishing vessels and an overall reduction in their carbon footprint.

Satlink is an important asset to the global ocean protection movement; it has strong links to non-governmental organisations such as charities that focus on the sustainability of fishing, and dedicates significant resources to increasing awareness of ocean sustainability. The company won a United Nations Global Compact award in February 2022 for its contribution to a more sustainable fishing industry and the preservation of marine life.

How it works



Financing Our Undrawn Commitments

Prudent balance sheet management supports PIP's long-term investment strategy.

We manage PIP to ensure that it has enough liquidity to finance its undrawn commitments, which represent capital committed to funds but yet to be drawn by the private equity managers, as well as to take advantage of new investment opportunities. We monitor and closely control the Company's level of undrawn commitments and future calls. A critical part of this exercise is ensuring that the undrawn commitments do not become excessive relative to PIP's private equity portfolio and available financing. We achieve this by managing PIP's investment pacing as well as constructing its portfolio so that it has the right balance of exposure to primaries, secondaries and co-investments.

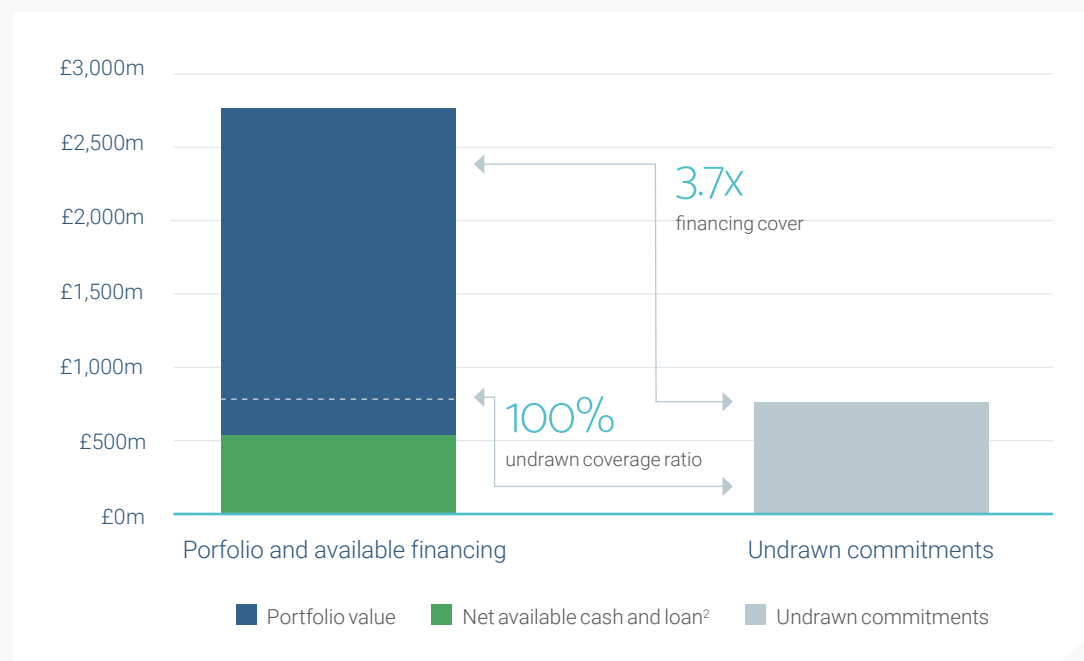
Managing our financing cover¹

PIP's undrawn commitments were £755m as at 31 May 2022 (31 May 2021: £528m).

At 31 May 2022, PIP had net available cash² balances of £227m (31 May 2021: £198m). In addition to these cash balances, PIP also has access to a wholly undrawn £300m multi-currency revolving credit facility agreement ("loan facility") that expires in May 2024. Using exchange rates at 31 May 2022, the loan facility amounted to a sterling equivalent of £301m (31 May 2021: £277m).

At 31 May 2022, the Company had £528m (31 May 2021: £475m) of available financing which, along with the value of the private equity portfolio, provides comfortable cover of 3.7 times (31 May 2021: 4.1 times) relative to its undrawn commitments.

Another important measure is the undrawn coverage ratio, which is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is a key indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn, and was 100% as at 31 May 2022 (31 May 2021: 122%).



On 2 August 2022, PIP announced that it has agreed a new five-year £500m multi-tranche, multi-currency revolving credit facility agreement (the "Loan Facility") arranged by Credit Suisse, AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH. The Loan Facility, which replaced the £300m loan facility agreement due to expire in May 2024, is comprised of facilities amounting to \$512.9m and €89.2m and is secured by

certain assets of the Company. The new Loan Facility will expire in July 2027 with an ongoing option to extend, by agreement, the maturity date by another year at a time. The new facility has the effect of increasing our undrawn coverage ratio from 100% as at 31 May 2022 to a pro forma level of 126%. The enlarged and extended Loan Facility will be instrumental in supporting the Company's growth ambitions while maintaining a resilient balance sheet.

¹ Includes undrawn commitments attributable to the reference portfolio underlying the ALN.

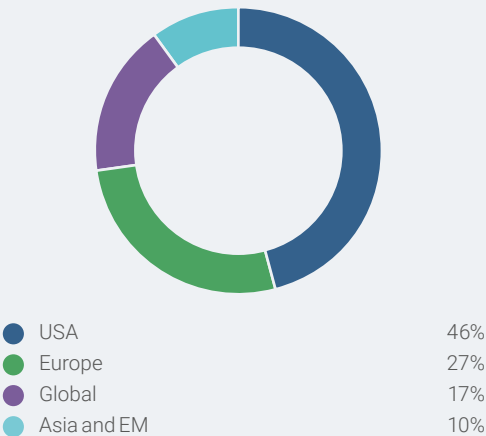
² The net available cash figure excludes the current portion payable under the Asset Linked Note, which amounted to £2.8m as at 31 May 2022.

Financing Our Undrawn Commitments

Undrawn commitments by region¹

The largest share of undrawn commitments is represented by investments in the USA and Europe, which highlights the Company's investment focus on more developed private equity markets. PIP's undrawn loan facility is denominated in US dollars and euros to match the predominant currencies of its undrawn commitments.

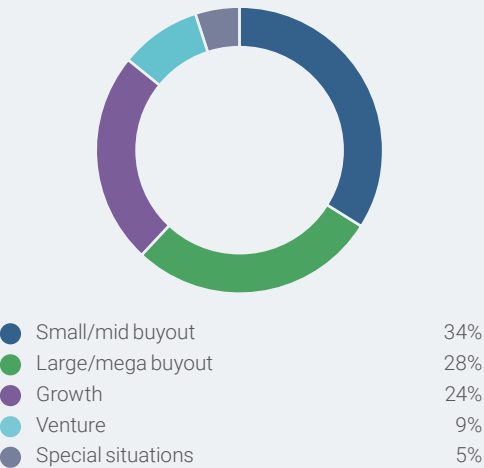
Region



Undrawn commitments by stage¹

PIP's undrawn commitments are diversified by stage with an emphasis on small and mid-market buyout managers, many of whom have experience of successfully investing across multiple economic cycles.

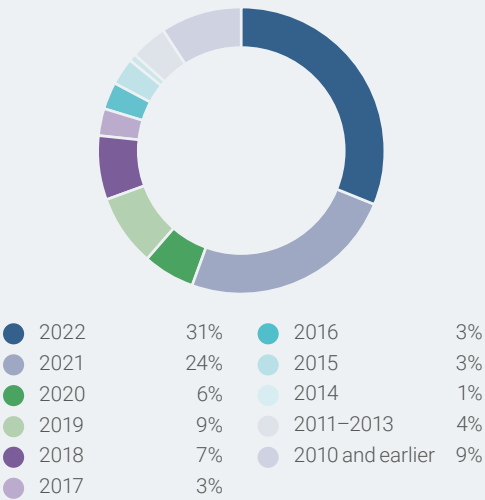
Stage



Undrawn commitments by vintage¹

The rise in more recent vintages is a result of PIP's increased allocation to direct investments in recent years. Approximately 20% of PIP's undrawn commitments are in funds with vintage years which are 2016 or older. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically.

Vintage



¹ Includes undrawn commitments attributable to the reference portfolio underlying the Asset Linked Note.

Risk Management and Principal Risks

The Company is exposed to a variety of risks and uncertainties. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing PIP, together with a review of any new and emerging risks that may have arisen during the year to 31 May 2022, including those that would threaten its business model, future performance, solvency or liquidity. A summary of the risk management and internal control processes can be found in the Statement on Corporate Governance on pages 140 to 146.

Investment risk

Type and description of risk	Potential impact	Risk management	Outcome for the year
Market factors such as interest rates, inflation and equity market performance can affect the value of investments.	– Impact of general economic conditions on underlying fund and company valuations, exit opportunities and the availability of credit.	– Pantheon's investment process incorporates an assessment of market risk. – Investing alongside private equity managers with experience of navigating economic cycles, while achieving diversification by geography, stage, vintage and sector, helps to mitigate the effect of public market movements on the Company's performance. PIP invests in private assets and only gains exposure to public markets by companies being taken public through an initial public offering.	– PIP continues to adopt a diversified approach to portfolio construction. – Exposure to quoted companies was only 12% as at 31 May 2022. – In historical periods of significant public market volatility, private equity market valuations have typically been less affected than public equity market valuations.
Insufficient liquid resources to meet outstanding commitments to private equity funds.	– Investment losses and reputational damage arising from the inability to meet capital call obligations.	– PIP has a mature portfolio that is naturally cash generative. – In the event that cash balances and cash distributions are insufficient to cover capital calls, PIP has the ability to draw funds from a credit facility. – Pantheon manages the Company so that undrawn commitments remain at an acceptable level relative to its portfolio assets and available financing. – The Board conducts a comprehensive review of the Company's cash flow modelling forecasts under different scenarios on a regular basis.	– PIP has access to a £300m loan facility that expires in May 2024. Together with PIP's net available cash balances of £227m, total available financing as at 31 May 2022 stood at £528m. Total available financing, along with the private equity portfolio, was greater than outstanding commitments by a factor of 3.7 times. – The Company renewed its multi-currency revolving credit facility after the year end. The new £500m secured facility, which is due to expire in July 2027, remains completely undrawn at the time of writing.
Lack of suitable investment opportunities to meet strategic diversification objectives.	– Change in risk profile as a result of manager, fund or company exposures that are materially different from the Company's intended strategy.	– Pantheon has put in place a dedicated investment management process designed to achieve the intended investment strategy agreed with the Board. – The Board regularly reviews investment and financial reports to monitor the effectiveness of the Manager's investment processes.	– During the year, PIP has invested within strategic limits for vintage year, geography and stage allocations, as well as within concentration limits for individual managers, funds and companies.

Risk Management and Principal Risks

Type and description of risk	Potential impact	Risk management	Outcome for the year
Private equity investments are long term in nature and it may be some years before they can be realised.	– Potential decline in realisation activity which may affect portfolio performance.	– PIP pursues a flexible investment strategy, combining secondary investments which typically have shorter exit horizons, with co-investments and primary commitments.	– The Company's flexible investment strategy has resulted in a portfolio with a healthy mix of likely exit horizons.
Investments in unquoted companies carry a higher degree of liquidity risk relative to investments in quoted securities.	– Liquidity of underlying assets may have an adverse effect on realisations and portfolio performance.	– As part of its investment process, Pantheon assesses the approach of its managers to company illiquidity as well as projected exit outcomes.	– Robust realisation activity during the year, with a record level distributions of £419m and a distribution rate equivalent to 25% of opening portfolio assets.
Gearing, whether at the Company, fund investment or portfolio company level, could cause the magnification of gains and losses in the asset value of the Company.	– Potential impact on performance and liquidity, especially in the event of a market downturn.	– PIP's Articles of Association and investment policy impose limits on the amount of gearing that the Company can take on. – The principal covenant of the loan facility ensures that the Company is limited to a maximum gearing (excluding the ALN) of 34% of adjusted gross asset value (excluding the ALN). – The Board conducts regular reviews of the balance sheet and long-term cash flow projections, including downside scenarios that reflect the potential effects of significant declines in NAV performance, adverse changes in call/distribution rates and restrained liquidity sourcing in a distressed environment. – As part of its investment process, the Manager undertakes a detailed assessment of the impact of debt at the underlying fund level and underlying company level on the risk-return profile of a specific investment.	– Cash flow forecasts under normal and stress conditions were reviewed with the Board. Downside scenario modelling indicates that the Company has the available financing in place to meet investment commitments, even in an environment characterised by large NAV declines and a material reduction in distribution activity. – There was no gearing at the Company level as at the end of the financial year. – Debt multiples in PIP's buyout portfolio remain at reasonable levels as at year end. – Since the period end, the Company has announced that it has agreed a new revolving credit facility, totalling £500m which is due to expire in July 2027. – The principal covenants that apply to PIP's credit facility ensure that the Company is subject to maximum loan to value and liquidity ratios.

Risk Management and Principal Risks

Investment risk

Type and description of risk	Potential impact	Risk management	Outcome for the year
Non-sterling investments expose the Company to fluctuations in currency exchange rates.	– Unhedged foreign exchange rate movements could impact NAV total returns.	– The Manager monitors the Company's underlying foreign currency exposure. – As part of its investment process, the Manager takes currency denominations into account when assessing the risk/return profile of a specific investment. – The multi-currency credit facility is a natural hedge for currency fluctuations relating to outstanding commitments.	– Foreign exchange had a positive impact on performance during the year.
Reliance on the accuracy of information provided by GPs when valuing investments.	– Risk of errors in financial statements and NAV reporting.	– The valuation of investments is based on periodically audited valuations that are provided by the underlying private equity managers. – Pantheon carries out a formal valuation process involving monthly reviews of valuations, the verification of audit reports and a review of any potential adjustments required to ensure reasonable valuations in accordance to fair market value principles under Generally Accepted Accounting Principles (GAAP).	– No material misstatements concerning the valuations provided by GPs and the existence of investments during the year.
Possibility that another investor in a fund is unable or unwilling to meet future capital calls.	– Counterparty defaults can have unintended consequences on the remaining investors' obligations and investment exposure.	– PIP invests in high-quality funds alongside institutional private equity investors. – A considerable proportion of PIP's investments are in funded positions.	– During the year, funds in which PIP is invested did not suffer from any limited partner defaulting events.
Changes in the Company's tax status or in tax legislation and practice.	– Failure to understand tax risks when investing or divesting could lead to tax exposure or financial loss.	– Pantheon's investment process incorporates an assessment of tax. – The Manager reviews the appropriateness of an investment's legal structure to minimise the potential tax impact on the Company.	– Taxes had a minimal effect on overall NAV performance in the year.

Risk Management and Principal Risks

Non-investment risk

Type and description of risk	Potential impact	Risk management	Outcome for the year
PIP relies on the services of Pantheon as its Manager and other third-party service providers.	– Business disruption should the services of Pantheon and other third-party suppliers cease to be available to the Company.	– The Board keeps the services of the Manager and third-party suppliers under continual review. – The Management Agreement is subject to a notice period of two years, giving the Board adequate time to make alternative arrangements in the event that the services of Pantheon cease to be available.	– The Board has approved the continuing appointment of the Manager and other service providers following an assessment of their respective performance during the year. – Pantheon now operates a hybrid working model and is confident of being able to continue to meet PIP's needs through this model.
High dependency on effective information technology systems to support key business functions and the safeguarding of sensitive information.	– Significant disruption to information technology systems, including from a potential cyber attack may result in financial losses, the inability to perform business-critical functions, regulatory censure, legal liability and reputational damage.	– Pantheon has a comprehensive set of policies, standards and procedures related to information technology and cybersecurity. – Ongoing investment and training to improve the reliability and resilience of Pantheon's information technology processes and systems.	– No material issues to report for the year. – Pantheon's systems, processes and technologies have been thoroughly tested and are fully operational.
Global geopolitical risks (including the Russia–Ukraine war) and the resulting economic uncertainty may affect the Company.	– Market and currency volatility may affect returns. – Geopolitical undercurrents may disrupt long-term investment and capital allocation decision-making.	– Pantheon continuously monitors geopolitical developments and societal issues relevant to its business.	– Pantheon's established Risk, Legal and Tax functions have ensured compliance with local laws and regulations. – An assessment of geopolitical risk is embedded in Pantheon's investment process. – PIP's exposure to high risk countries is minimal. – PIP's de minimis legacy exposure to Russian assets were reduced to zero during the financial year.

s172(1) Statement

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of PIP, as set out in Section 172 of the Companies Act 2006.

In doing so, the Directors must take into consideration the interests of the various stakeholders of the Company, the impact PIP has on the community and the environment, take a long-term view on the consequences of the decisions they make, as well as aiming to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty supports PIP in achieving its investment strategy and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duties under Section 172 below.

To ensure that the Directors are aware of and understand their duties, they are provided with pertinent information when they first join the Board and receive regular and ongoing updates and training on relevant matters. They also have continued access to the advice and services of the Company Secretary and, when deemed necessary, the Directors can seek independent professional advice.

The Schedule of Matters Reserved

for the Board, as well as the terms of reference of its Committees are reviewed on an annual basis and further describe Directors' responsibilities and obligations, and include any statutory and regulatory duties. The Audit Committee has responsibility for the ongoing review of PIP's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to regular review and monitoring.

Decision-making

The importance of stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Further information on the role of the Board in safeguarding stakeholder interests and monitoring ongoing investment activity can be found on pages 22 to 30 of the Strategic Report.

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all its discussions and as part of its decision-making. During the period under review, the Board has continued to discuss and monitor which parties should be considered as stakeholders of the Company and has again concluded that, as the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its shareholders, the Investment Manager, General Partners, portfolio companies and service providers. The section below discusses why these stakeholders are considered of importance to the Company, and the actions taken to ensure that their interests are taken into account.

s172(1) Statement

Importance

Shareholders

Continued shareholder support and engagement is critical to the business and the delivery of its long-term strategy. Further details on what PIP offers to its investors can be found on pages 2 to 15 of the Strategic Report.

Board engagement

The Board is committed to maintaining open channels of communication and to engage with shareholders in a meaningful manner in order to gain an understanding of their views. These include:

- **AGM:** The Company welcomes and encourages attendance and participation from shareholders at the AGM. Shareholders have the opportunity to meet the Directors and Investment Manager, Pantheon, and to address questions to them directly. Pantheon attends the AGM and gives a presentation on the Company's performance and the future outlook. The Company values any feedback and questions that it may receive from shareholders ahead of and during the AGM and will take action or make changes, as and when appropriate;
- **Publications:** The Annual Report and Half-Year results are made available on PIP's website (www.piplc.com) and shareholders are notified when the Annual Reports are available. These reports provide shareholders with a clear understanding of the Company's business model, strategy, portfolio and financial position. This information is supplemented by a monthly newsletter, which is available on the website and the publication of which is announced via the London Stock

Exchange. In addition, a quarterly "PIP News and Views" update is circulated by the Manager to institutional investors and analysts which provides a round-up of news and views, and highlights key points of interest relating to the Company. Feedback and/or questions that the Company receives from shareholders help the Company to evolve its reporting, aiming to render the reports and updates transparent and understandable;

- **Shareholder meetings:** Unlike trading companies, shareholder meetings often take the form of meeting with the Investment Manager rather than members of the Board. Shareholders are able to meet with Pantheon throughout the year and the Manager provides information on the Company. Feedback from all meetings between the Investment Manager and shareholders is shared with the Board. The Chair, the Senior Independent Director, the Chairman of the Audit Committee and other members of the Board are available to meet with shareholders to understand their views on governance and the Company's performance should they wish to do so. With assistance from the Manager, the Chair seeks meetings with shareholders who might wish to meet with him;

- **Shareholder concerns:** In the event that shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chair at the registered office. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels; and
- **Investor Relations updates:** At almost every Board meeting, the Directors receive updates from the Company's broker on the share trading activity and share price performance, as well as an update from Pantheon's Head of Investor Relations & Communications for PIP on specific shareholder feedback. Any pertinent feedback is taken into account when Directors discuss the investment strategy. The willingness of the shareholders to maintain their holdings over the long term is another way for the Board to gauge how the Company is meeting its objectives.

s172(1) Statement

Importance

Board engagement

The Manager

Holding the Company's shares offers investors a liquid investment vehicle through which they can obtain exposure to PIP's diversified portfolio of private equity investment opportunities and Pantheon's relationships with its private equity managers (General Partners or "GPs"). The Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide shareholders with attractive and consistent returns over the long term. Further details of PIP's investment approach can be found on pages 31 to 36 of the Strategic Report.

Maintaining a close and constructive working relationship with the Manager is crucial as the Board and the Manager both aim to achieve consistent, long-term returns in line with the Company's investment strategy. The Board is in regular contact with the Manager to receive updates on investment activity. Important components in the collaboration with the Manager, representative of the Company's culture are:

- Encouraging an open discussion with the Manager, allowing time and space for original and innovative thinking;

- Recognising that the interests of shareholders and the Manager are, for the most part, well aligned, adopting a tone of constructive challenge, balanced with robust negotiation of the Manager's terms of engagement if those interests should not be fully aligned;

- The regular review of underlying strategic and investment objectives;

- Drawing on Directors' individual experience and knowledge to support and challenge the Manager in its monitoring of portfolio companies and engagement with its GPs; and

- The Directors' willingness to use their experience to support and challenge the Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Manager's business is in the interests of shareholders in the Company.

GPs/portfolio companies

PIP's investment strategy is focused on backing managers that create sustainable value in the underlying portfolio companies. The Manager has extensive private equity networks and relationships with private equity managers globally, which gives the Company increased access to the best investment opportunities.

The relationship with Pantheon is fundamental to ensuring the Company meets its purpose. Day-to-day engagement with GPs is undertaken by Pantheon. Details of how Pantheon carries out portfolio management, as well as information on how GPs consistently transform companies to create long-term value, can be found in the Manager's Review on pages 56 to 131.

The Board receives updates at each scheduled Board meeting from the Manager on specific investments, including regular valuation reports and detailed portfolio and returns analyses. Pantheon's engagement with GPs and due diligence of portfolio companies through the investment process and its investment strategies can be found in the Strategic Report on pages 2 to 15 and

pages 31 to 36 and in the Manager's Review.

The Administrator, the Company Secretary, the Registrar, the Depositary and the Broker

In order to function as an investment trust with a premium listing on the London Stock Exchange, the Company relies on a diverse range of reputable advisers for support in meeting all relevant obligations.

The Board maintains regular contact with its key external providers and receives regular reports from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views, are routinely taken into account.

The Board (through the Management Engagement Committee) formally assesses their performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level

of service. The Audit Committee reviews and evaluates the financial reporting control environments in place at each service provider.

The Environment and society

The Board continues to increase emphasis on the importance of ESG factors in its investment deliberations. The Board and the Manager are fully committed to managing the business and its investment strategy responsibly.

The Board receives regular updates on Pantheon's ESG strategy and provides feedback on their approach, which in turn can lead to changes in its investment approach.

Full details on the Manager's ESG practices, including examples of interaction with GPs, can be found on pages 38 to 43.

s172(1) Statement

Importance	Board engagement
Revolving credit facility providers Availability of funding is crucial to PIP's ability to take advantage of investment opportunities as they arise as well as being able to meet future unfunded commitments.	The Company aims to demonstrate to its facility syndicate that it is a well-managed business, capable of consistently delivering long-term returns. Regular dialogue between the Manager and the syndicate is crucial to supporting the Company's relationship with its lenders. Further details of the Board's principal decision to replace the facility during the year can be found on page 44.
Regulators The Company can only operate as an investment trust if it conducts its affairs in compliance with such status. Interaction with regulators such as the Financial Conduct Authority (FCA) and Financial Reporting Council (FRC), who have a legitimate interest in how the Company operates in the market and treats its shareholders, and industry bodies such as the Association of Investment Companies (AIC), remains an area of Board focus.	The Company regularly considers how it meets various regulatory and statutory obligations and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term. The Board receives reports from the Manager and Auditor on their respective regulatory compliance and any inspections or reviews that are commissioned by regulatory bodies.

s172(1) Statement

The mechanisms for engaging with the stakeholders are kept under review by the Directors and will be discussed on a regular basis at Board meetings to ensure that they remain effective. Examples of the Board's principal decisions during the year, how the Board fulfilled its duties under section 172, and the related engagement activities, are set out below:

Principal decision	Long-term impact	Stakeholder considerations and engagement
Board succession planning	Effective succession planning, leading to the refreshment of the Board and its diversity is necessary for the long-term success of the Company.	The Nomination Committee is responsible for Board recruitment and conducts a continuous and proactive process of planning and assessment, taking into account the Company's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Company. During the year, as part of ongoing succession planning, the Nomination Committee reviewed the balance of skills and diversity on the Board as well as the Diversity Policy, and following a search process recommended a candidate who was subsequently appointed to the Board. The search requirements included a preference for candidates with a strong background in private equity and governance, as well as ethnic and gender diversity. For further information see page 144. On 9 June 2022, the Board announced that its Chair, Sir Laurie Magnus CBE, would retire as a Director of the Company following the conclusion of the Company's Annual General Meeting (the "AGM") in October 2022 and, it was proposed that subject to his re-election by shareholders at the AGM, John Singer would assume the role as Chair. Future succession planning will include a preference for an ethnically diverse candidate for at least one role on the Board.
Marketing initiatives	Various marketing initiatives have been taken by the Board during the period to increase the attractiveness of PIP to new and existing investors and improve the liquidity of the stock.	Marketing initiatives undertaken include the appointment of a new PR agency, a refresh of PIP's website and an intensive programme of capital markets events which are planned for the Autumn.
Enlarged credit facility with maturity extension	Following extensive discussions by the Board throughout the year, on 2 August 2022, PIP announced that it has agreed a new multi-currency revolving credit facility (the "Loan Facility") arranged by Credit Suisse AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH, and secured by certain assets of the Company. The Loan Facility replaces the £300m loan facility agreement which was due to expire in May 2024, and increases the facility size by £200m to £500m. It also extends maturity to July 2027 with an ongoing option to extend the maturity date by 12 months annually.	Effective engagement by the Manager with lenders was key to agreeing the new facility. The Board considers that the enlarged and extended Loan Facility will be instrumental in supporting the Company's growth opportunities while maintaining a resilient balance sheet. Further information relating to PIP's revolving credit facility can be found on page 44.

Viability Statement

Pursuant to provision 31 of the UK Corporate Governance Code 2018, and the AIC Code of Corporate Governance, the Board has assessed the viability of the Company over a three-year period from 31 May 2022. It has chosen this period as it falls within the Board's strategic planning horizon.

The Company invests in a portfolio of private equity assets that is diversified by geography, sector, stage, manager and vintage; it does so via both fund investments and by co-investing directly into companies alongside selected private equity managers. The Company invests significantly in the private equity secondaries market as this allows the Company to maintain a more mature portfolio profile that is naturally cash-generative in any particular year.

The Company seeks to maximise long-term capital growth by investing with top-tier private equity managers that are focused on generating outperformance against the broader private equity market. As an investment trust, the Company's permanent capital structure is well suited to investing in private equity, a long-term asset class. The Company's Manager has a long-standing culture that emphasises collaboration and accountability, facilitating open dialogue with underlying private equity managers that help the Company to anticipate market conditions and maintain a conservative approach to balance sheet management. The resilience of the Company, positioning of the portfolio and durability of the private equity market are detailed on pages 63 to 69.

In making this statement, the Directors have reviewed the reports of the Investment Manager in relation to the resilience of the Company, taking account of its current position, the principal risks facing it in a low case scenario due to a disrupted recovery in the wake of COVID-19, the geopolitical uncertainties as a result of the Russia–

Ukraine conflict including the disruption to the supply chain and increases in the cost of living as a result of this conflict, inflationary expectations, interest rate rises, the impact of climate change on PIP's portfolio as discussed in Note 1 of the financial statements, the effectiveness of any mitigating actions and the Company's risk appetite, all of which were considered as part of the various downside liquidity modelling scenarios carried out, after which the Directors came to the conclusion that there is no significant impact on viability.

As part of the assessment this also included a combined reverse stress test that analyses the factors that would have to simultaneously occur for the Company to be forced into a wind-down scenario where the Company's business model would no longer remain viable. These circumstances include a significant peak in the outstanding commitments called within a 12-month period, combined with a significant decline in the portfolio valuations and distributions. Overall, the reverse stress tests are sufficiently improbable as to provide a low likely risk of impact to the Company's viability and medium-term resilience.

Commitments to new funds are controlled relative to the Company's assets, and the Company's available liquid financial resources are managed to maintain a reasonable expectation of being able to finance the calls, which arise from such commitments, out of internally generated cash flow. In addition, the Company has put in place a revolving credit facility to

ensure that it is able to finance such calls in the event that distributions received from investments in the period are insufficient to finance calls. The Board reviews the Company's financing arrangements at least quarterly to ensure that the Company is in a strong position to finance all outstanding commitments on existing investments as well as being able to finance new investments.

In reviewing the Company's viability, the Board has considered the Company's position with reference to its investment trust structure, its business model, its business objectives, the principal risks and uncertainties as detailed on pages 46 to 49 of this report and its present and expected financial position. In addition, the Board has also considered the Company's conservative approach to Balance Sheet management, which allows it to take advantage of significant investment opportunities, and the appropriateness of the Company's current investment objectives in the prevailing investment market and environment.

Since the period end, the Company has announced that it has agreed a new multi-currency revolving credit facility to replace the existing one that was due to expire in May 2024. This new currently undrawn facility, totalling £500m is due to expire in July 2027.

On behalf of the Board

SIR LAURIE MAGNUS CBE

3 August 2022

Manager's Review

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Portfolio As at 31 May 2022

Since its inception, PIP has been able to generate excellent returns while at the same time structuring its portfolio to minimise the risks typically associated with private equity investments. Our established portfolio of assets has been carefully selected, based on the strengths of our appointed private equity managers, actively monitored and diversified to reduce specific timing, regional and sector risks; and managed to maximise growth and liquidity over time.

Type and region

Maturity and stage

1 Fund investment type and region charts are based upon underlying fund and company valuations. The charts exclude the portion of the reference portfolio attributable to the Asset Linked Note.

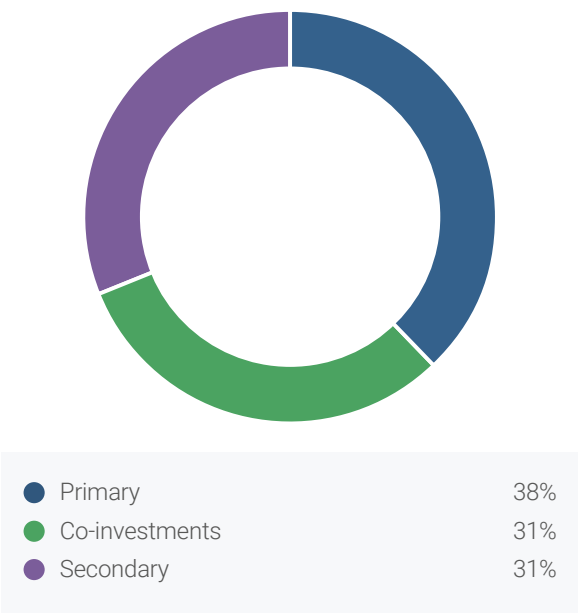
2 EM is Emerging Markets.

3 Global category contains funds with no target allocation to any particular region equal to or exceeding 60%.

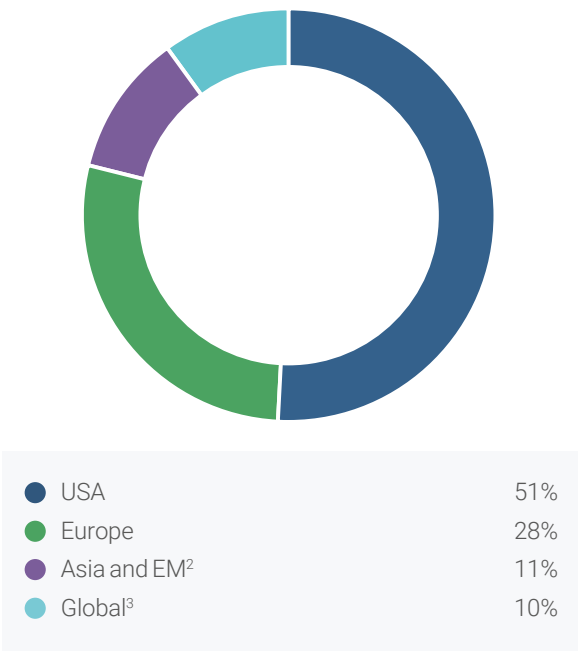
PIP’s flexible approach to portfolio construction increases potential for outperformance.

PIP’s portfolio is weighted towards the more developed private equity markets in the USA and Europe, while Asia and Emerging Markets provide access to faster-growing economies.

Investment type¹



Fund region¹



Portfolio As at 31 May 2022

Since its inception, PIP has been able to generate excellent returns while at the same time structuring its portfolio to minimise the risks typically associated with private equity investments. Our established portfolio of assets has been carefully selected, based on the strengths of our appointed private equity managers, actively monitored and diversified to reduce specific timing, regional and sector risks; and managed to maximise growth and liquidity over time.

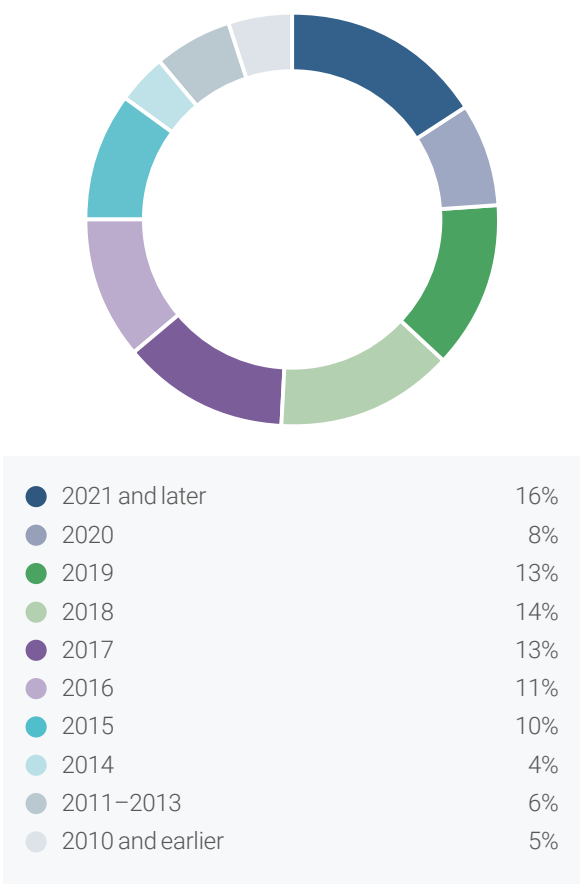
Type and region

Maturity and stage

1 Fund stage and maturity charts are based upon underlying fund and company valuations. The charts exclude the portion of the reference portfolio attributable to the Asset Linked Note.

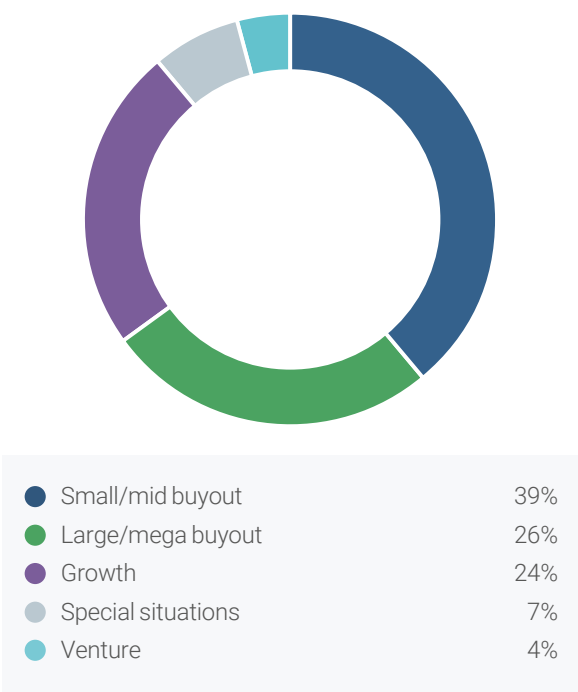
We are managing PIP's portfolio to remain cash generative while being able to benefit from the growth phase of younger assets. As at 31 May 2022, the average age of PIP's portfolio was 4.9 years.

Fund maturity¹



PIP's portfolio is well diversified by stage, with an emphasis on growth and buyout investments.

Fund stage¹



Performance

Overall, PIP's underlying portfolio continues to deliver robust returns. The cash-generative profile of the portfolio, and the portfolio's tilt towards high-quality assets and more resilient sectors has helped underpin performance during the year.

Private equity portfolio movements

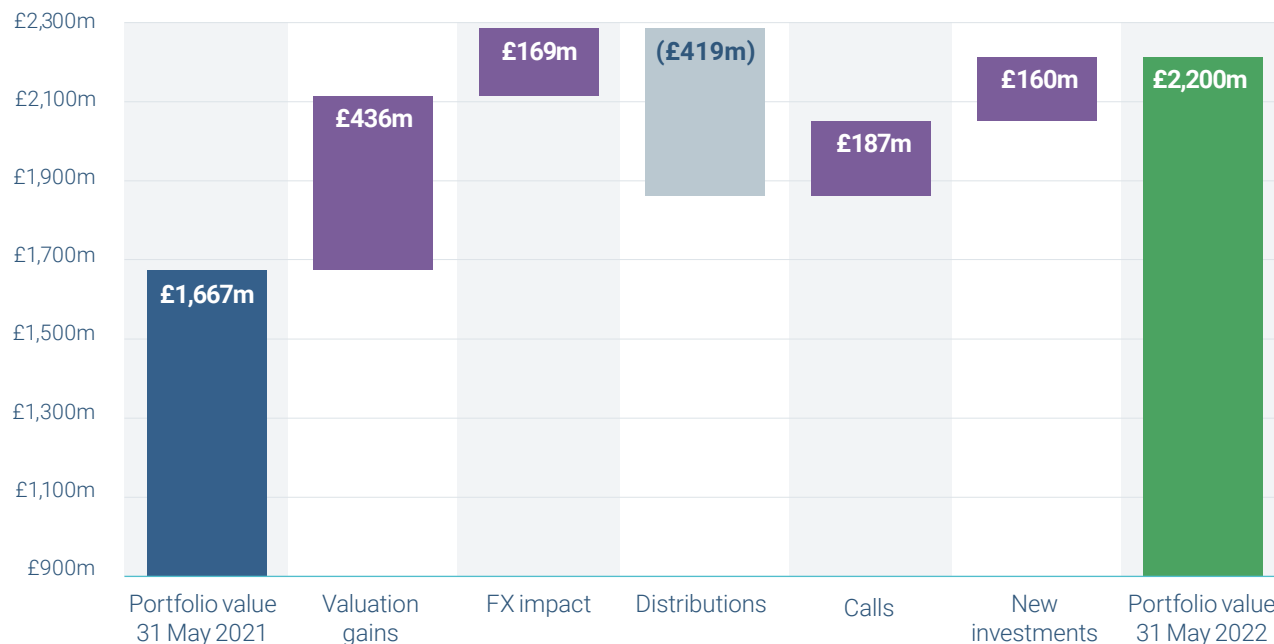
Valuation gains by type

Valuation gains by stage

Valuation gains by region

Excluding returns attributable to the ALN share of the portfolio, PIP's portfolio generated returns of 26.2% during the year.

Including returns attributable to the ALN share of the portfolio, PIP's total portfolio generated investment returns, prior to foreign exchange effects, of 25.3%.



Performance

Overall, PIP’s underlying portfolio continues to deliver robust returns. The cash-generative profile of the portfolio, and the portfolio’s tilt towards high-quality assets and more resilient sectors has helped underpin performance during the year.

Private equity portfolio movements

Valuation gains by type¹

Valuation gains by stage

Valuation gains by region

1 Portfolio returns include income, exclude gains and losses from foreign exchange movements, and look through underlying vehicle structures to the underlying funds. Portfolio returns exclude returns generated by the portion of the reference portfolio attributable to the ALN, and are calculated by dividing valuation gains by opening portfolio values.



Performance

Overall, PIP's underlying portfolio continues to deliver robust returns. The cash-generative profile of the portfolio, and the portfolio's tilt towards high-quality assets and more resilient sectors has helped underpin performance during the year.

Private equity portfolio movements

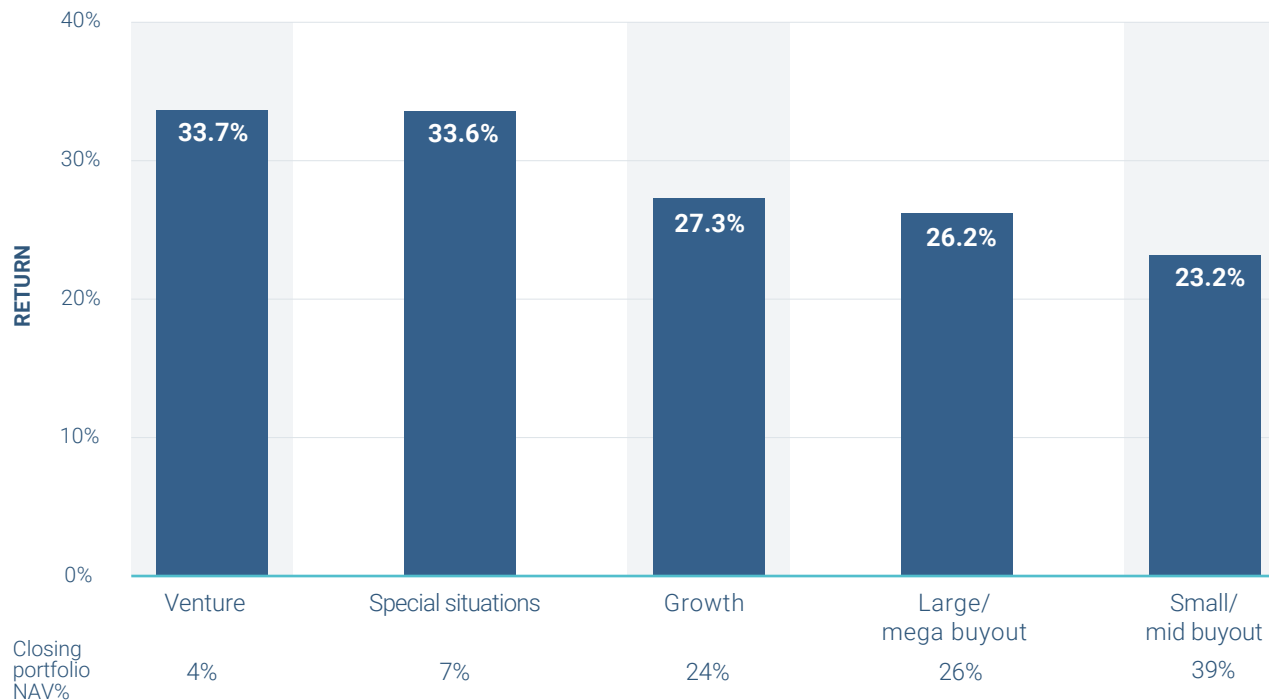
Valuation gains by type

Valuation gains by stage¹

Valuation gains by region

¹ Portfolio returns include income, exclude gains and losses from foreign exchange movements, and look through underlying vehicle structures to the underlying funds. Portfolio returns exclude returns generated by the portion of the reference portfolio attributable to the ALN, and are calculated by dividing valuation gains by opening portfolio values.

PIP experienced strong performance across its entire portfolio.



Performance

Overall, PIP's underlying portfolio continues to deliver robust returns. The cash-generative profile of the portfolio, and the portfolio's tilt towards high-quality assets and more resilient sectors has helped underpin performance during the year.

Private equity portfolio movements

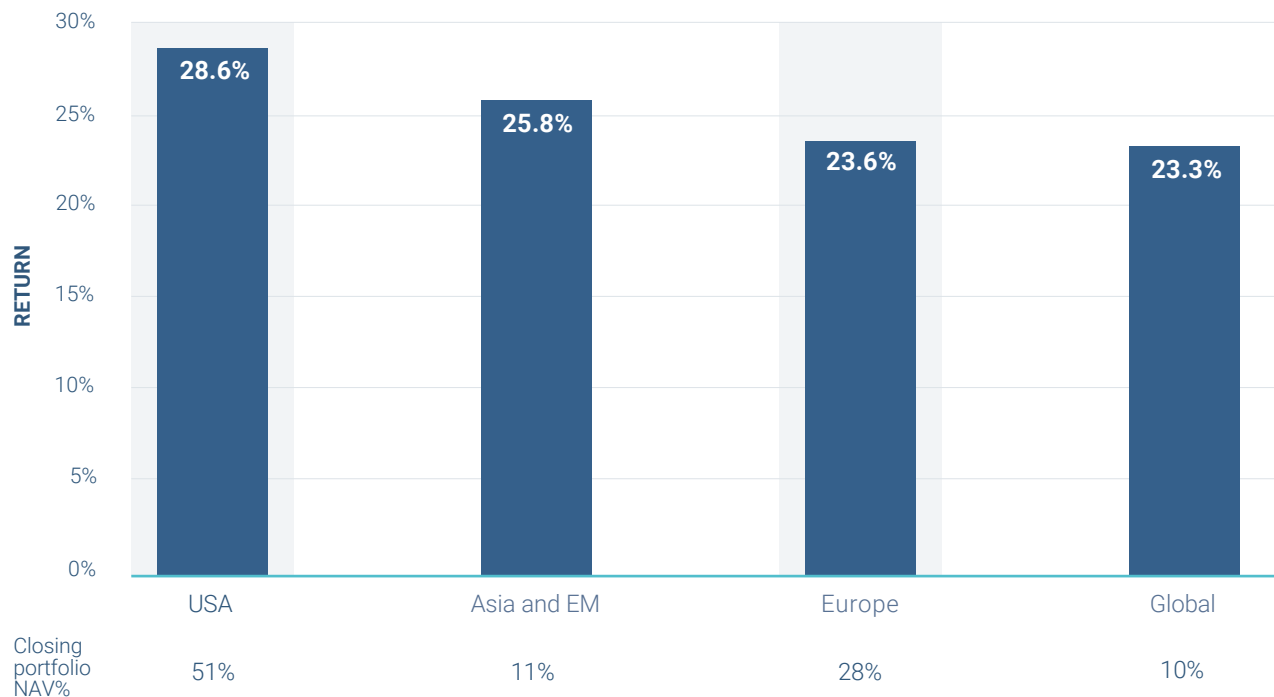
Valuation gains by type

Valuation gains by stage

Valuation gains by region¹

¹ Portfolio returns include income, exclude gains and losses from foreign exchange movements, and look through underlying vehicle structures to the underlying funds. Portfolio returns exclude returns generated by the portion of the reference portfolio attributable to the ALN, and are calculated by dividing valuation gains by opening portfolio values.

Impressive performance across all regions driven by exits and favourable valuation movements.



Targeting highly resilient businesses, benefiting from positive long-term secular trends, in an uncertain macroeconomic environment

Against a backdrop of heightened geopolitical tensions and the uncertain outlook for the global economy, Helen Steers, Partner at Pantheon and manager of PIP, discusses how the private equity sector and PIP are well-positioned to navigate this challenging environment.

HELEN STEERS

Partner at Pantheon and manager of PIP



While many countries are still grappling with the aftermath of the COVID-19 crisis, the tragic war in Ukraine has generated further turmoil. Global supply chain issues, which were triggered by successive lockdowns during the pandemic, have been exacerbated over the past few months by rising energy prices and difficulties in sourcing certain essential raw materials. As a result, there have been shortages of vital industrial components, logistical challenges when transporting merchandise and increasing concerns about food security and energy supply, particularly in Europe. The consequent rise in inflation, fuelled by higher food prices and energy costs, means that many household budgets are being squeezed and consumer confidence has been dented. Although GDP in many regions rebounded in 2021 from the COVID-induced lows of 2020, global growth expectations have been revised down dramatically for 2022 and fears of a global recession are increasingly becoming a reality. One of the immediate consequences of these developments has

been the sharp fall in public markets in the first half of 2022, with economic forecasters struggling to identify many causes for optimism on the horizon.

Private equity is not immune to geopolitical and macroeconomic events; however, our private equity managers had been preparing for a downturn for some time and taking action to prepare their portfolio companies for more difficult economic times. Furthermore, assessing our managers' track records in steering their portfolios through previous crises forms a key component of our due diligence when considering new deals for investment. History has shown that the best private equity managers are able to adapt to volatile market conditions, working closely with their portfolio companies, and have outperformed the public markets throughout economic cycles. In addition, they are able to respond nimbly and capitalise on periods of market dislocation and disruption, which can often generate compelling new deal opportunities.

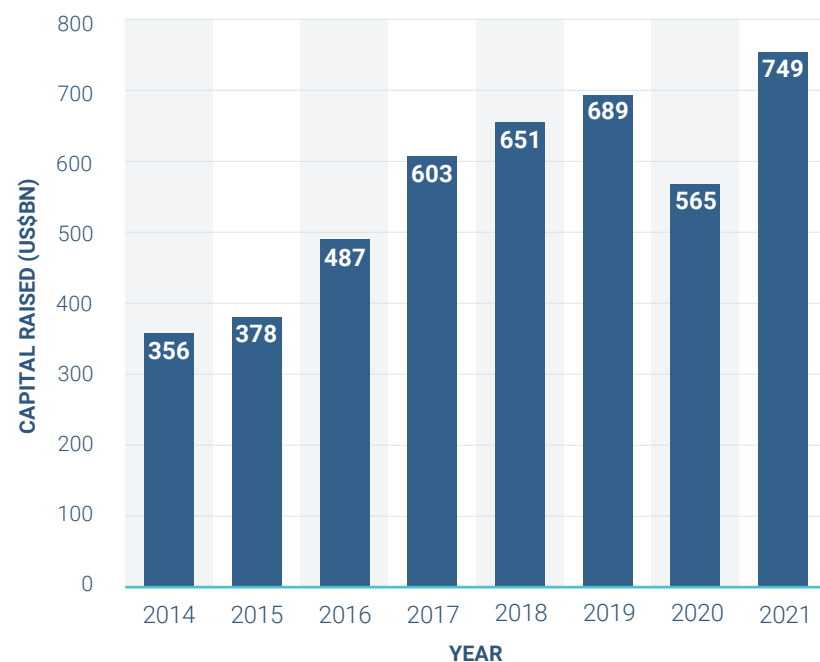
Our Market

These may present themselves in a variety of ways such as the creation of investments at more attractive pricing levels, or assisting companies to build market share through consolidation and add-on acquisitions of weaker competitors.

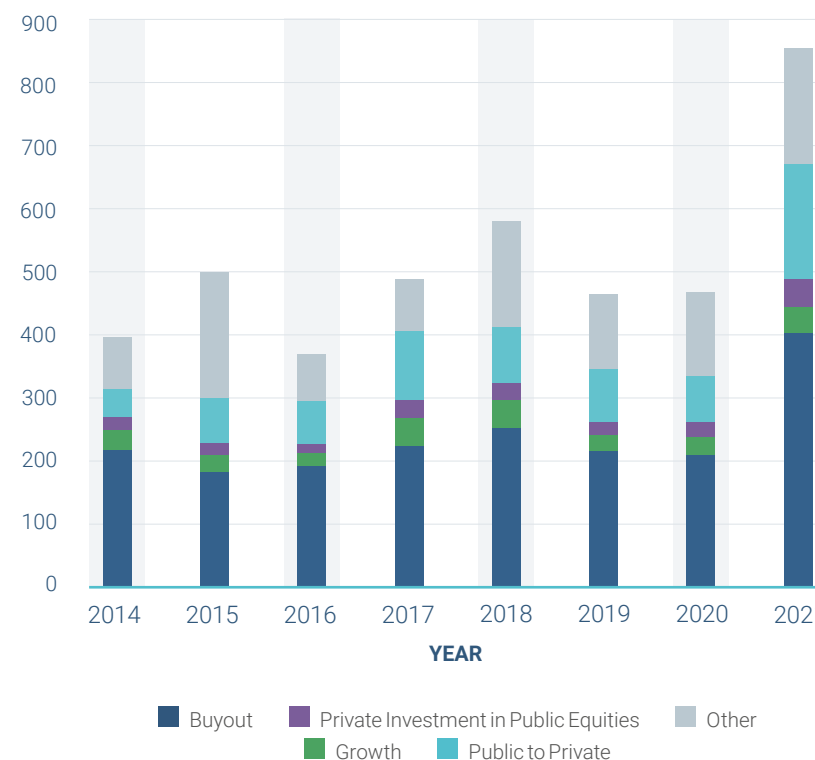
Following a slowdown in fundraising in 2020 during the COVID-19 pandemic, the global private equity industry had a record year in 2021, raising US\$749bn³ of capital. Investment activity was also very buoyant with \$837bn⁴ invested in buyout deals

with managers also completing a large number of add-on acquisitions during the year. Although fundraising strength has continued into 2022, we expect to see a moderation in the coming months as the bifurcation between the top-rated private equity managers, who are able to raise capital quickly via oversubscribed funds regardless of the macroeconomic environment, and those managers who may find fundraising more challenging, becomes even more pronounced.

Global fundraising activity (\$bn)¹



Global deal activity² (\$ in bn)



1 Source: Preqin Private Equity. Excludes secondaries, funds of funds, and co-investment vehicles to avoid double counting of capital fundraised.

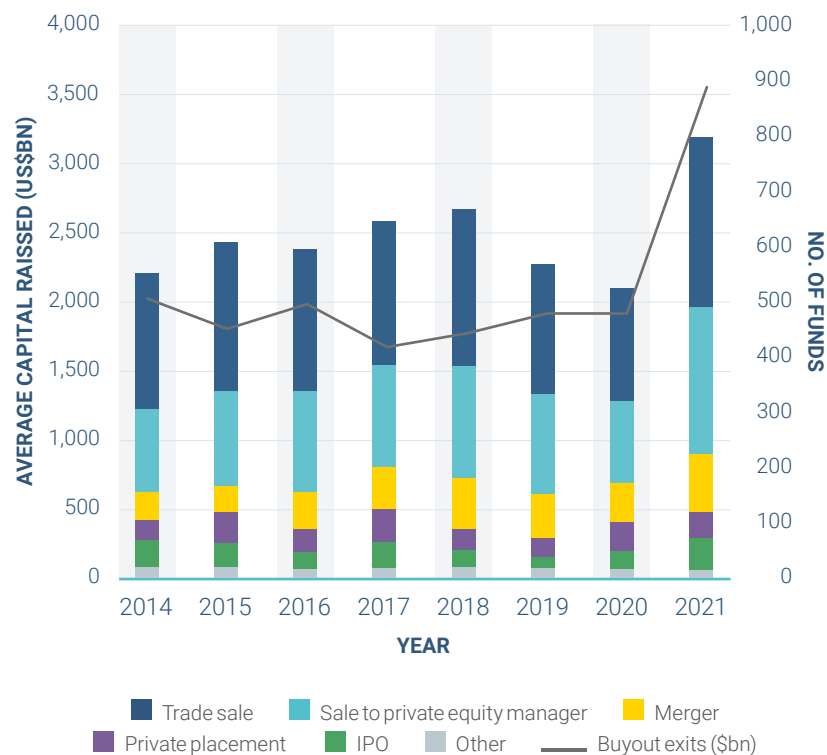
2 Source: Preqin. Deal activity based on completed and announced deals globally from January 1, 2013 to March 31, 2022. Excludes venture. "Other" includes add-ons, distressed debt, merger, recapitalisation, restructuring, special situations and turnarounds.

3 Source: Preqin Private Equity. Excludes secondaries, funds of funds, and co-investment vehicles to avoid double counting of capital fundraised.

4 Source: Preqin Private Equity.

Our Market

Trade and financial buyers have been the mainstay of exits in the private equity industry⁵



Managers have raised significant capital in recent years and dry powder, which is capital raised but not yet invested, stood at US\$1.32tn as at September 2021⁶. We expect the levels of dry powder to continue to drive deal flow, especially in secondary and tertiary buyouts, although there are signs that market volatility may impact new investment activity during the course of 2022.

Nevertheless, since dry powder is concentrated in the larger global buyout funds, which often target secondary buyouts of smaller, high-growth businesses, PIP's weighting towards the small/mid-market buyout and growth segments of the market positions it well to continue to benefit from this exit route. The majority of the managers with whom PIP invests focus on selling their portfolio companies to trade buyers, progressing their own strategic and M&A objectives, as well as selling their portfolio companies to other private equity managers. In other words, they are not

reliant on the IPO markets being open in order to realise their investments. During the financial year, 49% of exits in PIP's portfolio were to trade buyers, 42% were to other private equity managers while, despite a strong year for IPOs in 2021, only 7% of PIP's underlying portfolio companies were exited by them being taken public.

In the current environment, it is more important than ever to be highly selective when assessing deals for investment. We will continue to back high-quality private equity managers who are sector specialists and equipped with sufficiently resourced and experienced operational teams to support their portfolio companies through uncertainty. While it is possible that there may be some pressure on the valuations of certain private equity-backed companies, we expect this to be very dependent on the subsectors in which those businesses operate and whether they require significant new capital expenditure. PIP's portfolio is weighted towards resilient and high-growth

The majority of the managers with whom PIP invests focus on selling their portfolio companies to trade buyers, progressing their own strategic and M&A objectives, as well as selling their portfolio companies to other private equity managers. In other words, they are not reliant on the IPO markets being open in order to realise their investments.

⁵ Preqin industry data for number of direct buyouts and growth equity exits globally, accessed May 2022. Buyout includes growth capital.

⁶ Source: 2022 Preqin Global Private Equity Report.

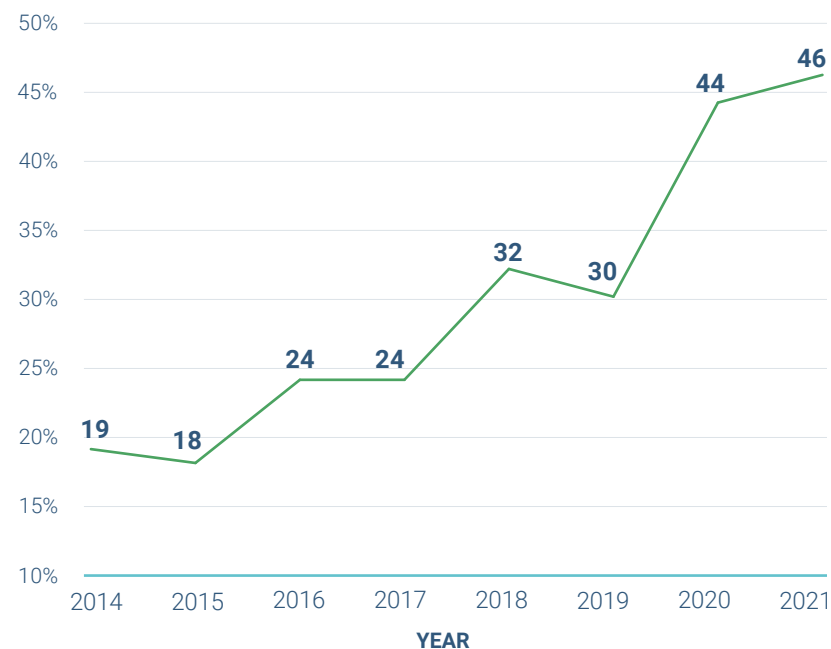
Our Market

sectors such as Information Technology and Healthcare, which held up well through the pandemic and are benefiting from long-term secular trends that we believe are here to stay. We focus on managers who are targeting non-cyclical companies for investment that have defensible business models and offer a differentiated product or service, giving them a competitive advantage and pricing power in their respective markets. While we note the stark declines in the share prices of many technology stocks in the public markets, the technology-related businesses in PIP's portfolio are primarily profitable high-quality software and business infrastructure companies providing essential "need to have" products and services as well as those supporting the digitalisation and automation of processes that are occurring across many different sectors. In healthcare, which is the second largest sector in PIP's portfolio, we are backing managers who are tapping into the opportunities arising from the needs of ageing populations in developed economies,

the increasing demand for better quality healthcare services in developing countries and the prevalence of chronic diseases everywhere. A common theme linking these businesses is that they have stable, recurring revenues and the characteristics to produce sustainable positive earnings growth. Private equity managers control the businesses in which they are invested and therefore are able to respond effectively to changing market conditions and implement necessary operational and strategic changes. Finally, it should be noted that private equity managers are not under pressure to sell their assets, therefore they will only do so when the time is right and they are confident that they can achieve an attractive return on exit. The embedded value in PIP's portfolio has been demonstrated by the consistently positive average uplifts that have been achieved since 2011, when we started tracking this metric. During the period, the weighted average uplift in PIP's portfolio was 42%.

As part of our detailed due diligence process, we not only assess how our managers create the right operating models for their portfolio businesses, but also appraise our managers' ability to construct appropriate capital structures for their investee companies, that can withstand increases in interest rates and any potential pressure on margins.

Manager-led market share of the secondaries market continues to grow⁷



⁷ Greenhill – Global Secondary Market Review, January 2022.

Our Market

As part of our detailed due diligence process, we not only assess how our managers create the right operating models for their portfolio businesses, but also appraise our managers' ability to construct appropriate capital structures for their investee companies, that can withstand increases in interest rates and any potential pressure on margins. PIP's portfolio is tilted towards asset-light companies, which typically have no debt (in the case of companies in the growth capital stage), or lower levels of debt (in the case of small and mid-sized businesses), compared with large and mega sized firms.

Private equity secondaries are playing an increasingly important role in the private equity universe

Increasingly, the global secondaries market is establishing itself as an active portfolio management tool for a wide range of investors in private equity funds who are seeking liquidity for their investments. As a result, it has continued to experience strong growth with transaction volumes reaching record levels of US\$134bn⁸ in 2021. Of this total, 54% comprised traditional secondary transactions, which is when the investor in a fund initiates a sales process to another investor, while 46% were manager-led deals, which is when the private equity managers themselves

instigate deals in order to provide liquidity options for investors in their funds. We have seen an increase in the size and complexity of deals coming to market and also in the quality with some of the most sophisticated, top-ranked private equity managers now actively participating in the secondaries market. This has fuelled unprecedented growth in manager-led deals, which can consist of either multi-asset portfolios or single-asset secondaries. Single-asset secondaries accounted for approximately half of the manager-led transactions in 2021⁹.

Managers are reluctant to sell high-quality portfolio companies, which they believe still have scope for further value creation, therefore single-asset secondaries occur when a private equity manager moves an individual company out of an older fund, which is in the process of being liquidated, into a continuation fund. This allows existing investors in the fund to exit their positions in the older fund while at the same time the private equity manager can continue to invest in the company and build value. Selected investors, such as PIP, are offered the opportunity to invest in the new investment vehicle and to benefit from the company's future growth. The management teams of the underlying companies are invariably supportive of this approach as they can avoid the disruption that a change

in ownership can sometimes bring. We believe that this area of the secondaries market is particularly attractive because:

- Typically these are the managers' star assets that they believe are likely to generate significant value but require more time beyond the life of the existing fund or additional capital, which the existing fund does not have, to achieve it;
- These transactions provide strong alignment with the private equity managers who roll their interests into the continuation fund and, in many cases, increase their own existing investment;
- These transactions tend to have an attractive risk/return profile as they offer the opportunity to invest alongside knowledgeable owners and benefit from the continued success of the company; and
- It is a very specialised part of the secondaries market and therefore tends to be less competitive.

Pantheon was a pioneer of the secondary market and has both the expertise as well as the significant resources required to carry out the necessary detailed due diligence on manager-led deals. In many cases, we are able to work with the private equity manager to assist them with price discovery and help them to shape the deals themselves. PIP's total commitment of US\$225.0m to the Pantheon Secondary Opportunity Fund ("PSOF") allows it to deploy capital efficiently in these high-quality assets on favourable terms. PIP gains access to single-asset secondaries both directly and through PSOF, and during the period, invested in nine single-asset secondaries.

While the current elevated macroeconomic risks call for a more cautious approach, the quality and volume of deal flow remain high in the secondaries market and we expect this to continue. The mid-market, which can often be overlooked by less experienced secondary investors, forms a significant part of PIP's portfolio and we believe that it should continue to provide attractive opportunities for PIP.

Pantheon has an almost 40-year history of investing in the secondaries market and, with its flexible and highly selective approach, has established itself as a partner of choice for many private equity managers.

⁸ Source: Greenhill Cogent – Global Secondary Market Review, January 2022.

⁹ Source: Lazard Private Capital Advisory, Sponsor-led Secondary Market Report 2021, January 2022.

Our Market

The best private equity managers are becoming increasingly restrictive, meaning that only those investors who have established deep, long-standing relationships with such managers are given priority access to their investment opportunities. Pantheon has an almost 40-year history of investing in the secondaries market and, with its flexible and highly selective approach, has established itself as a partner of choice for many private equity managers. Our sizeable secondaries team is led by seven Partners who have an average of around 23 years of investment experience each. The recent appointment of a new Global Head of Private Equity Secondaries at Partner level will further strengthen our deal origination and investment capabilities, which we can put to work on behalf of PIP.

PIP continues to benefit from high-quality co-investment deal flow

Pantheon had a very active year in terms of both deal origination for co-investments, generating record deal flow in 2021, and exit activity which was also strong. Co-investments are attractive for PIP as they enable the Company to invest directly in exciting high-growth companies on the same terms and conditions as the private equity manager, while they are also typically free of management and performance fees. PIP benefits from Pantheon's large

global network of primary and secondary relationships from which we are able to source co-investment opportunities. In many cases, the strength of our relationships has resulted in us being offered proprietary deals whereby we are the only party to be invited to co-invest alongside a manager.

The co-investment market has become increasingly competitive; however, we believe that Pantheon has a distinct advantage and is an attractive co-investor for our managers because:

- We do not compete against them and are viewed as a desirable investment partner; as a result, we believe that we see a large proportion of co-investments on offer from our core managers around the world;
- Our consistent reliability in co-underwriting transactions means that we have become a "go to" partner for many of our private equity managers;
- We have the scale to deploy substantial capital quickly into new deals and follow-on investments; and
- We have proven our willingness to step in at an early stage to help our managers to secure and execute upon exciting opportunities through co-underwriting transactions.

Pantheon continues to assess each co-investment opportunity on its own merits with each co-investment passing through a "double quality filter", since each opportunity has first been evaluated by one of our best private equity managers, who themselves have already passed our rigorous manager selection hurdles. The opportunity is then subjected to our own detailed due diligence process, carried out by our dedicated co-investment team. Our disciplined and selective approach means that we will typically only invest in companies that display the following attributes:

- We focus only on compelling opportunities with the highest-quality managers that we believe are able to meet our return expectations;
- The business must be a good fit for the manager's geographical, sectoral and stage expertise and experience;
- There are multiple and clear value creation levers that our managers can pull;

- We focus on attractive, resilient sectors that are experiencing long-term tailwinds and have the potential for strong organic growth through the launch of additional products and services;
- The business has the ability to maintain revenue and margin stability even in an economic downturn; and
- There is the potential for add-on acquisitions that can help the business to build scale and grow its market share.

Co-investments represented 31% of PIP's portfolio at the period end and we expect them to continue to be a significant area of investment. During the period, PIP received £49.5m from the sale of EUSA Pharma, a UK-based specialty pharmaceutical company focusing on oncology and rare diseases. PIP co-invested in EUSA Pharma alongside EW Healthcare in 2015 and it represents the Company's largest single company exit in its history. See the case study on page 70.

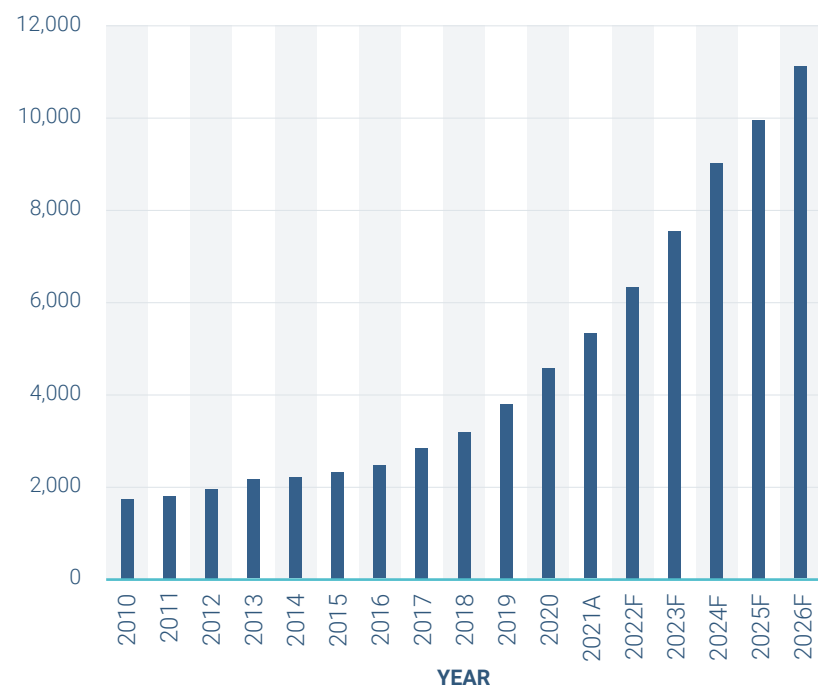
PIP benefits from Pantheon's large global network of primary and secondary relationships from which we are able to source co-investment opportunities.

10 Source: Preqin H2 2022 investor outlook survey.

11 Source: 2022 Preqin Global Private Equity Report.

Our Market

Private equity AUM is still growing steadily¹² (\$ billion)



Outlook

The impact of substantially lower economic growth globally, coupled with supply chain issues, higher energy, food and input costs, and the lingering effects of the COVID-19 crisis, is creating an unenviable mix of challenges which are being faced by both individuals and businesses.

While we are cautious in these difficult times, we believe that our industry will continue to experience significant growth in the coming years. Private equity benefits from a long-term investment horizon, still comprises a relatively small part of the wider global investment universe and investor appetite for the asset class remains strong – in a recent survey of institutional investors, 95% of the participants indicated that they intended to maintain or increase their allocations to private equity investments¹⁰. Indeed, in its most recent report, Preqin forecasted that the assets under management in the global private equity and venture capital market would reach US\$11.1tn in 2026, which compares with the private equity market being worth US\$5.3tn at the end of 2021¹¹.

Private equity offers access to subsectors that are generally under-represented in the public markets and that continue to innovate and offer compelling long-term investment opportunities.

It is our view that PIP's diversified investment approach and robust financial position will serve it well through uncertainty. Its approach to mainly

investing directly into the companies and funds that are sourced for it by Pantheon, means that it has the flexibility to tilt the portfolio towards where we see the best opportunities. PIP's portfolio has been deliberately positioned to be resilient in times of stress while at the same time we are seeking investments with strong sector tailwinds behind them to drive growth. The dispersion of returns in private equity is wide, therefore having access to and selecting the highest-quality managers is key. Private equity managers have evolved their teams enormously in recent years to include operational, strategic and capital markets experts that they can dedicate to improving the prospects of a portfolio company in a variety of market conditions. Over the long term, this hands-on approach has resulted in the companies in PIP's portfolio consistently reporting significantly stronger revenue and earnings growth when compared with companies in the MSCI World index.

In addition, investors should note that for more than three decades, Pantheon has managed PIP throughout different economic cycles to deliver long-term outperformance over the FTSE All-Share and MSCI World Indices. We believe that our experience, PIP's access to many of the best private equity managers globally, its conservatively managed balance sheet and the exciting opportunities in PIP's full deal pipeline, provide the vital ingredients for being able to weather the storm and to continue to secure healthy returns for PIP's shareholders over the long term.

¹² Source: Preqin 2022 Preqin Global Private Equity Report. 2021 figure is annualised based on data to March 2021.

Distributions case study



Proceeds	£49.5m ¹	Sector	Healthcare
Manager	EW Healthcare ("EW")	Stage	Small/Mid Buyout
Geography	Europe	Vintage	2015
Type	Co-investment	Exit type	Trade sale

Treating childhood cancers and providing hope

Headquartered in the UK, EUSA Pharma is a global, specialty in-licensing pharmaceutical company focused on oncology and rare diseases.

¹ Excluding proceeds held in escrow.

Distributions case study



PIP's largest ever single company distribution

Key products

- **Qarziba:** For the treatment of paediatric neuroblastoma. Neuroblastoma is a rare cancerous tumour that begins in the nerve tissue of infants and very young children. About 49% of neuroblastoma patients are in the high-risk category, meaning they have the greatest likelihood of relapse during treatment.
- **Fotivda:** For the treatment of renal cell carcinoma. Renal carcinoma is the most common form of kidney cancer and usually affects adults aged in their 60s and 70s.
- **Sylvant:** For the treatment of Multicentric Castleman's disease (lymph node disorder). It is a rare disease that affects lymph nodes and other immune cell structures in the body and can severely weaken the immune system.
- **Caphosol:** For the treatment of oral mucositis. It is an inflammation of the mucosa lining around the mouth, and is one of the most common complications arising from chemo- and radiotherapies in cancer treatments.

Investment rationale

- Established business infrastructure including a sales and marketing network, and a product portfolio and management team which EW could leverage to grow the licensing platform.
- Pipeline of potential acquisition and licensing opportunities in Europe and the US targeting companies offering complementary products and distribution networks.
- EW's prior experience in working with EUSA Pharma's founder who had successfully built and grown two

specialty pharmaceutical platforms alongside private equity deal sponsors.

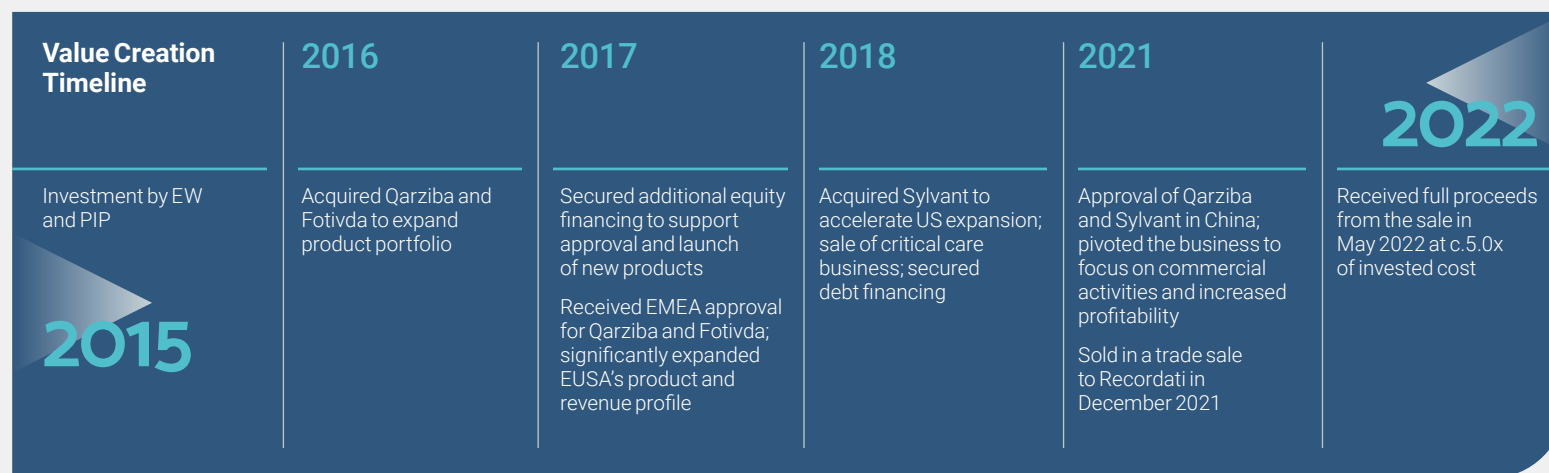
- The credentials of EW which is one of the longest-established healthcare-focused growth equity and buyout specialist private equity firms in the world, having invested in over 150 companies to date.

Our relationship

Pantheon has a well-established relationship with EW Healthcare dating back to 2004. Pantheon holds an advisory board seat on the four most recent EW funds, and PIP is an investor in each of those funds.

Exit

EUSA Pharma was acquired by Italian pharmaceutical company Recordati in December 2021, providing a full exit for EW and for PIP. The overall return to PIP is c.5.0x of invested cost with the vast majority of the distributions already received during the financial year.



Capturing early growth in software businesses

INSIGHT
PARTNERS

CIAN COTTER
Managing Director



Helen Steers, Partner at Pantheon and manager of PIP, speaks to Cian Cotter, Managing Director at Insight Partners, one of PIP's largest private equity managers, about their success.

Insight Partners is PIP's largest manager by value, accounting for 8.1% of its total private equity asset value as at 31 May 2022.

Could you provide a brief overview of Insight Partners for us?

Insight Partners ("Insight") is one of the world's largest investors in high-growth software companies that drive transformational change in their respective industries. We have over 25 years' experience in the sector and have regulatory assets under management of over \$90bn.

What types of investment do you focus on?

We are sector specialists, investing in growth-stage software businesses through minority and control investments. We believe that this flexible approach allows our investors to access the best available opportunities. We are able to capture early growth and then able to increase our investment as a minority investor or to grow the position to one of control.

We invest across the globe. Roughly 60% of our capital is invested in North America, and 40% across the rest of the world.

Why the software sector in particular?

We believe that we are in the early stages of a multi-decade digital transformation of the global economy. While companies across industries are investing more into digital solutions, and market conditions support continued digital adoption, just 23% of application workloads are run in the cloud, according to our research. Drilling down further into a few industries, for example, reveals that only 23% of healthcare providers offer eStatements and 30% of mortgage providers offer fully digital applications. The global economy has undergone a rapid digital transformation over the past 20 years, but we believe that there is still a huge amount of digital growth to come.

We expect the Software-as-a-Service, or "SaaS", market to add more than \$10tn in value over the next 10 years, and the businesses that we invest in aim to capitalise on this growth in global SaaS spend.

What differentiates your portfolio companies from household name technology stocks?

Growth-stage companies are companies that have significant opportunities to expand, either organically or through acquisitions, and have potential for growth in either revenue, operating profits or, frequently, both. Insight invests in companies that apply technology to solve business and consumer problems, typically through software.

A Conversation with Insight Partners

Over time, we have increasingly focused on software companies with high recurring revenue achieved primarily through a subscription business model or SaaS, which we believe offers a number of key benefits. First, the high recurring revenue and lower upfront cost structure makes SaaS businesses relatively less risky than other forms of software and internet investments. The homogeneity of the business model for SaaS companies enables pattern recognition with a higher degree of accuracy, which allows Insight to identify key performance indicators to drive successful outcomes.

Can you tell us about some of the companies that you currently hold?

Recorded Future is a market leader in cybersecurity intelligence, enabling customers to prevent and detect cyber threats through an internet-wide dragnet of real-time intelligence. We were attracted to the company by its differentiated technology approach, which leverages machine learning and automation to collect intelligence at scale from a wide variety of sources and package it in a manner that can be utilised by humans and machines. The investment is a great example of the flexibility of Insight's investment strategy – we initially led a minority investment in 2017 which positioned us to later become majority investors in 2019. We believe that our experience with the company and operational expertise will enable Recorded Future to continue to grow.

MURAL is an example of a business driving transformational change in the industries it serves. MURAL is a collaborative intelligence company powering effective ideation, innovation, alignment and team building. The company fosters innovation at scale by providing a digital whiteboard and collaboration features for everything from product strategy and planning, research and design, to sales and consulting engagements. The business operates in a rapidly expanding market and has demonstrated strong growth, high customer satisfaction, and strong upsells to existing customers.

A further example is Bullhorn, a cloud-based software platform for the staffing and recruiting industry that automates end-to-end the talent supply chain and drives tangible ROI for staffing agencies. Our return on investment thesis investment thesis centred around three key areas: the company's strong market positioning and growth at scale, Bullhorn's blue-chip customer base with considerable opportunity for cross-sell and upsell, and the opportunity to expand the addressable market in a highly fragmented industry through M&A. The business has seen a remarkable growth in revenue and has generated strong returns for our investors.



Pantheon are thoughtful and experienced investors who represent their clients with integrity and professionalism. We are grateful for their support.

CIAN COTTER
Managing Director



Country USA
Sector Information Technology

Mural is a collaborative intelligence company committed to increasing innovation and problem-solving capacity within organisations.

Its clients include Fortune 100 companies, universities and non profit organisations that have become increasingly dependent on digital workspaces for idea generation and project management.



Country USA
Sector Information Technology

Bullhorn is a provider of cloud-based customer relationship management and operations software focused on the staffing and recruitment industry.

The company's software which features an applicant tracking system, vendor management system access, as well as onboarding and back-office automation, enables companies to streamline staffing-related functions.

A Conversation with Insight Partners

Why is Insight well placed to capitalise on the growth in this market?

Insight leverages its dedicated, outbound calling or "sourcing" team, to identify and track growth-stage software companies. Our sourcing team, comprising of over 60 dedicated employees, contacts around 30,000 companies per year and enters the information collected into a proprietary database, which now contains profiles on over 175,000 companies. As a result, approximately 62% of our deals have been sourced by our outbound sourcing team.

Data analysis plays an important role in the selection of potential deals. Factors considered in this analysis include the total potential addressable market that a company is targeting, the degree to which the company's product(s) satisfies market demand and need, and the rate at which a company is able to acquire new customers and retain revenue from existing customers over a sustained period of time.

Ultimately, our core objective is to find the most compelling high-growth opportunities in the software space and provide these companies with the strategic and operational support to be well-positioned at exit and achieve attractive returns. To help with this, our specialist in-house consulting team, "Onsite", provides our portfolio companies access to best practices in areas such as strategic planning and operations management.

Can you tell us more about Insight Onsite and how it makes a difference to portfolio companies?

The Onsite team is dedicated to the long-term success of our portfolio companies and comprises industry leaders who have the breadth and depth of experience to help management teams take their companies through the next stage of growth. The Onsite team is designed to support the critical functional areas necessary for software and technology companies to scale.

Onsite covers the full spectrum of operations of our portfolio companies, including hiring top talent, building market-leading products, advising companies on their optimal Go-To-Market strategies and supporting inorganic growth through M&A. We believe that Onsite has been successful in helping companies navigate the challenges presented during the early stages of growth, and as a result the demand from portfolio companies for Onsite's expertise has continued to rise. There are now approximately 120 people on the Onsite team, up from 65 people in 2020. In 2021, Onsite supported approximately 350 of our portfolio companies.



Country Sector USA
Information Technology

Recorded Future is a developer of threat intelligence analytics software used to lower the risk of cyberattacks.

The company's platform, which is powered by patented machine learning, allows users to assess contextualised intelligence in real-time and respond to security threats faster.

Onsite helps portfolio companies leverage learnings from our top companies and operationalise those lessons in the context of their own business. For example, Recorded Future has leveraged Onsite in a number of ways. Onsite's executive talent team helped the company source, vet and interview executives including their Chief Revenue Officer, Chief Marketing Officer and Vice President of EMEA sales. Onsite also helped the company implement detailed Go-To-Market monitoring to enable more predictable sales execution and re-package their product into modules to enable faster time-to-value for their clients. Additionally, Onsite assisted Recorded Future with executing and integrating two strategic acquisitions, expanding the company's total addressable market and setting the stage for continued growth.

Could you tell us more about your relationship with Pantheon?

Pantheon first acquired a number of secondary interests in our Fund IV in 2004 and that allowed us to start a relationship. Pantheon then committed primary capital to Fund V in 2005 and we invited them to join our limited partner advisory committee. Pantheon has supported each of our subsequent funds and served on each of our advisory boards since that time. The relationship has continued to expand over the past 18 years with additional secondary purchases and numerous co-investments.

We have found them to be thoughtful and experienced investors who represent their clients with integrity and professionalism. We are very grateful for their support over such a long period of time.

Sector Themes

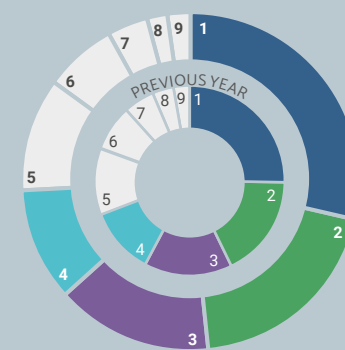
Investing in, or alongside, managers who have the expertise to identify and capitalise on long-term, secular trends gives PIP access to the most promising sectors.

Pantheon assesses deals across a range of sectors and over the past year has seen particularly interesting investment opportunities in Information Technology and Healthcare, as well as attractive deal dynamics in certain Consumer, Financials and Business Services sector transactions. PIP focuses on investing in companies with exposure to sub-sectors where

durable long-term demographic or secular trends underpin demand growth. For example, the accelerated digitalisation of processes in many end markets is providing a significant tailwind to the technology sector, while ageing demographics are driving growth in the healthcare sector.

Company sectors¹

1	Information technology	33%
2	Healthcare	18%
3	Consumer	14%
4	Financials	11%
5	Industrials	9%
6	Communication services	7%
7	Energy	4%
8	Materials	2%
9	Others	2%



Innovations in technology are impacting all sectors

Businesses are utilising technology to disrupt traditional sectors and gain market share.

TECHNOLOGY INNOVATIONS	HEALTHCARE	CONSUMER	FINANCIALS
Switch to digital payments	COTIVITI Risk assessment services provider to the healthcare industry, based in the USA	allegro Polish online marketplace	ii interactive investor Investment and share trading website based in the UK
Automation of core business practices	MEDIFOX German enterprise system software developer for healthcare services	APOLLO EDUCATION GROUP Provider of online education based in the USA	Revolut UK-based financial technology company
Big data collection and analytics	MRO USA-based developer of a health information exchange and disclosure management platform	wine.com US-based online wine retailer	N26 German digital banking platform and financial services provider
Migration of computing to the cloud			
Move to online shopping and e-commerce			
Cybersecurity and data protection			
Shift to remote working			
Use of artificial intelligence			

¹ The company sector chart is based upon underlying company valuations as at 31 March 2022, adjusted for calls and distributions to 31 May 2022. These account for 100% of PIP's overall portfolio value.

Sector Themes

INFORMATION TECHNOLOGY

33%



A significant proportion of PIP's information technology exposure is in the applications software segment. 87%¹ of the IT companies in PIP's buyout portfolio were EBITDA positive in the 12 months ended 31 December 2021 (31 December 2020: 78%).

Accelerating digitalisation to enable access



Leading provider of mission-critical business software to businesses in Northern Europe.



Developer of enterprise and customer engagement software based in the USA.

Security software and big data analytics are increasingly important



Leading provider of cloud-based cyberthreat intelligence, based in the USA.



A US-based data infrastructure company that connects all applications and systems.

Reliable, earnings positive IT managed services businesses



Developer of data centre monitoring software in the USA.



US-based provider of IT, engineering and analytics services for the defence industry.

¹ Data based on a sample that represents 37% by number, and 82% by NAV, of the buyout stage, IT companies in PIP's portfolio.

HEALTHCARE

18%



The majority of PIP's exposure to healthcare is in the healthcare services, healthcare technology and specialty pharmaceuticals sub-segments.

Ageing population underpinning demand for healthcare services



US-based ophthalmology practice providing a full range of advanced treatment for eye diseases.



Provider of healthcare services to rural communities based in the USA.

Growing demand for speciality pharmaceutical products



Global manufacturer of pharmaceutical-grade Omega 3.



French provider of pharmaceutical ingredients and specialty chemicals.

Burgeoning demand for healthcare in emerging economies



Leading Chinese contract sales organisation for the pharmaceuticals sector.



Operator of hospitals and healthcare clinics in Romania.

Sector Themes

CONSUMER

14%



Investments are mainly in resilient consumer-focused businesses, with limited exposure to companies that are sensitive to economic downturns.

Robust consumer staple businesses with strong market positions



One of the largest manufacturers of ice cream for retailers and wholesalers in the UK.



Leading non-food discount retailer in Europe.

Unabated growth in demand for e-commerce



Luxury beauty and cosmetics company based in the UK.



US-based online wine retailer.

Education providers experience strong continued demand for services



Operator of educational institutions based in the UK.



Provider of research-based education services in the USA.

FINANCIALS

11%



Focus on growing financial services businesses that are disrupting traditional sub-segments with their use of technology.

Sustained demand for asset management services



A worldwide integrated provider of customised trust, fund and corporate services worldwide.



US-based provider of financial planning and advisory services.

Specialist insurance providers



Mobile phone insurance company in the USA.



Health insurance provider in India.

Digital transformation of the banking industry



Specialist lender to small and medium sized enterprises in the UK.



German digital banking platform and financial services provider.

OLAPLEX.

NAV	£11.0m	Type	Primary
Manager	Advent International Group ("Advent")	Sector	Consumer
Geography	USA	Stage	Large/Mega Buyout
		Vintage	2020

An independent and revolutionary haircare brand

Launched in 2014, Olaplex is a fast-growing independent haircare brand with patent-protected products backed by science. It offers a suite of products that use its technologically proven "bond-building" (repairing, strengthening and protecting hair bonds) formula. The company is the number one bond-building brand in the professional channel and a top ranked global brand in specialty retail.

OLAPLEX.

Investment rationale

- Strong financial performance, with a 90% increase in net sales from 2019 to 2020.
- In 2020, Olaplex was the number one haircare brand at Sephora (a popular retailer for beauty products) based on sales, and five of its products were the bestselling ones in their respective categories at Beauty Systems Group (one of the leading distributors globally for professional/salon use haircare products).
- Large and growing global haircare market, particularly for products treating damaged hair.
- Significant product line extension opportunities and expansion of addressable market through patented technology and e-commerce.
- Strengthen its internal R&D team and successfully launch six new products (No. 0 Intensive Bond-Building Pre-Treatment in July 2020, No. 8 Bond Intense Moisture Mask in April 2021, No. 4-1 Moisture Mask in July 2021, No. 4P Blonde Enhancer Toning Shampoo in September 2021, No. 9 Bond Protector Nourishing Hair Serum in March 2022, and No. 4C Bond Maintenance Clarifying Shampoo in June 2022).
- Expand into international markets and evaluate new market opportunities.
- Navigate the business through the pandemic. Advent was able to use the digital expertise within its team to switch to an online sales-led strategy during COVID-19 when salons were closed. This enabled Olaplex to continue operating through the pandemic, and direct to consumer sales, which include Olaplex.com and sales through third-party eCommerce platforms, now account for 24% of its net sales as at March 2022.

Our relationship

Pantheon has a well-established relationship with Advent, dating back to 1998, and PIP is a primary investor in six Advent funds. Pantheon also holds an advisory board seat for various Advent funds.

Active management and value creation

During the investment period, Advent has worked with Olaplex to:

Since the IPO of Olaplex in September 2021, Advent remains an active shareholder with three seats on Olaplex's board of directors and continues to use its sector expertise and resources to support the company.



Revolut

NAV	£13.7m	Sector	Information Technology
Manager	Index Ventures ("Index")	Stage	Venture
Geography	Europe	Vintage	2015
Type	Primary		

Investment rationale

- Revolut has developed a mobile application that allows users to exchange currencies at interbank rates, send money through social networks and spend with a multi-currency card. It also provides insurance for mobile phones, medical and travel.
- Pantheon has a long and extensive primary and co-investment relationship with Index, which is firmly established as one of the leading top-tier venture capital firms globally.

Consumer-friendly digital banking

Revolut is one of the fastest growing financial technology companies in Europe and has gained over 18 million customers in 35 countries since it was founded in 2015.

FLYNN

RESTAURANT GROUP

NAV £12.7m
Manager Main Post Partners
("Main Post")
Geography USA

Type Co-investment
Sector Consumer
Stage Large/Mega Buyout
Vintage 2019

Iconic American restaurant brands

Flynn Restaurant Group ("FRG") is the largest franchise operator and one of the 20 largest food service companies in the USA. Its wholly-owned brands include Taco Bell, Panera Bread, Arby's and Applebee's restaurants.

Investment rationale

- FRG has c.2,355 stores in the USA that generate c.US\$ 3.7bn in annual revenues and employ c.73,000 people. In 2021, FRG was a part of the largest franchise transaction in American history when it purchased 937 Pizza Hut restaurants and 194 Wendy's stores for c.US\$ 553m.
- PIP was offered an opportunity to co-invest in FRG alongside Main Post, a sector-focused sponsor with a strong investment track record.

Distributions

PIP had a record year for distributions, receiving more than 850¹ distributions during the 12 months to 31 May 2022, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio is expected to continue to generate significant distributions.

Distributions by region and stage

Quarterly distribution rates

Distribution rates by vintage

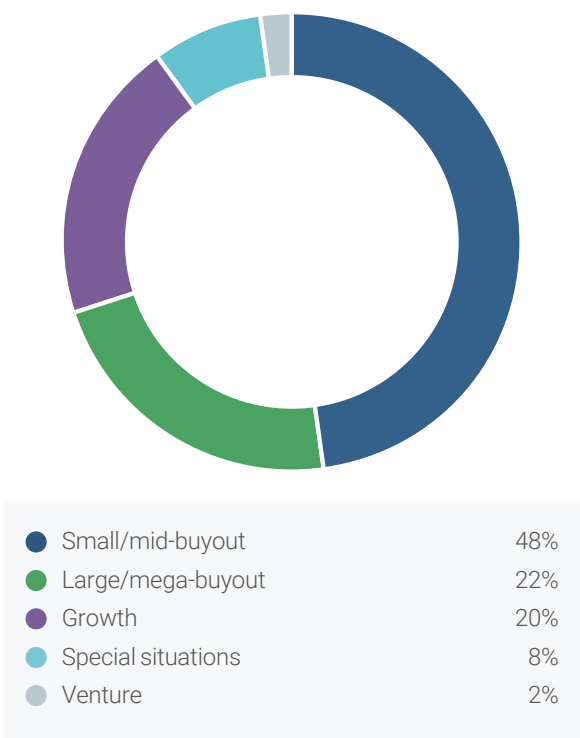
Cost multiples on exit realisations

Uplifts on exit realisations

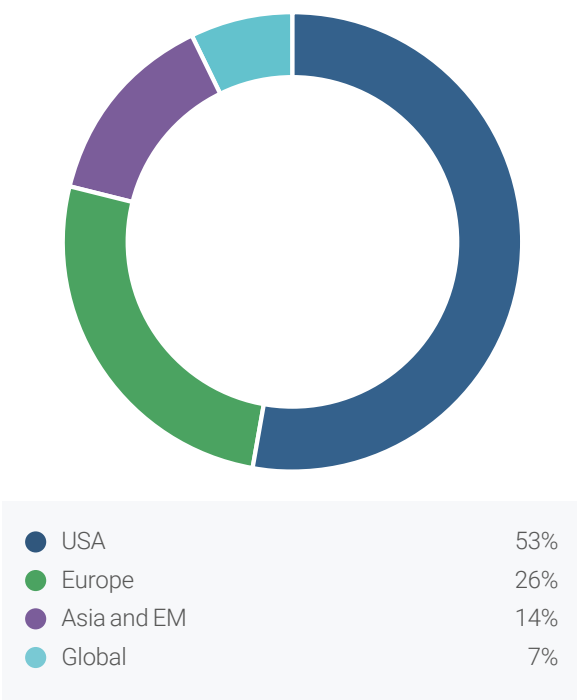
Exit realisations by sector and type

PIP received £419m in proceeds from PIP's portfolio in the year to 31 May 2022 (31 May 2021: £319m), equivalent to 25% of opening private equity assets (31 May 2021: 22%). The USA accounted for the majority of PIP's distributions where market conditions supported a good level of exits, particularly from buyouts.

Distributions by stage
For the year to 31 May 2022



Distributions by region
For the year to 31 May 2022



1 This figure looks through underlying vehicle structures.



Distributions

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Distributions by region and stage

Quarterly distribution rates²

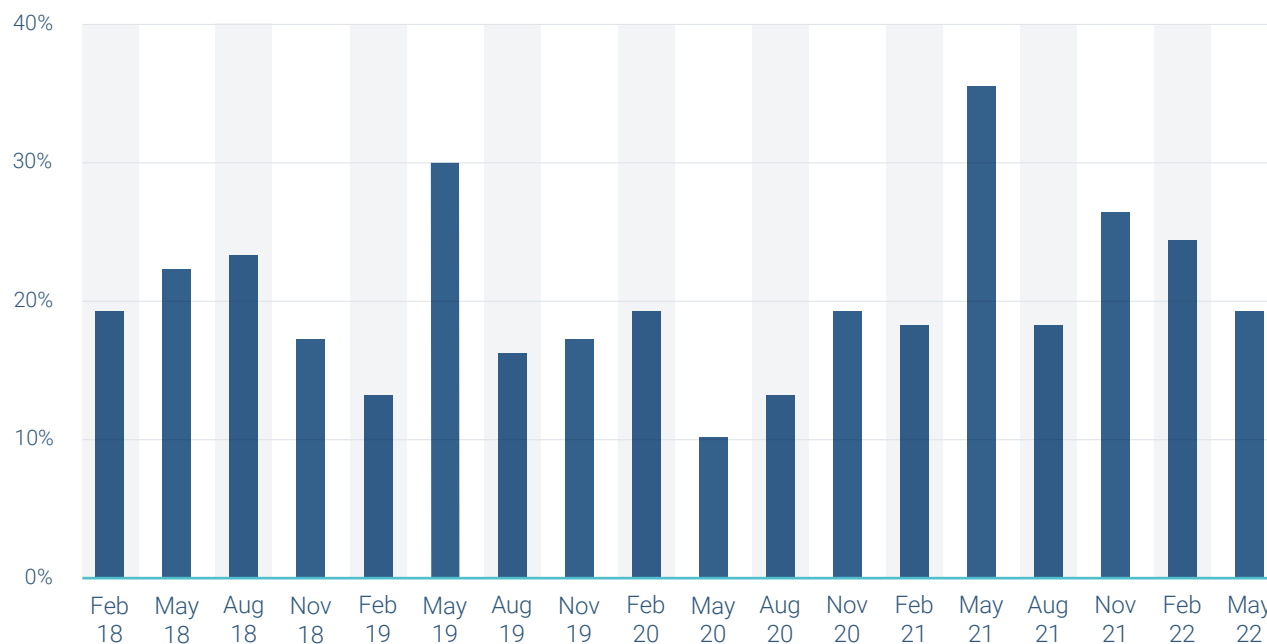
Distribution rates by vintage

Cost multiples on exit realisations

Uplifts on exit realisations

Exit realisations by sector and type

Strong quarterly distribution rates throughout the year reflect the maturity and resilience of PIP's portfolio.



¹ This figure looks through underlying vehicle structures.

² Distribution rate equals distributions in the period (annualised) divided by opening portfolio value.



Distributions

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Distributions by region and stage

Quarterly distribution rates

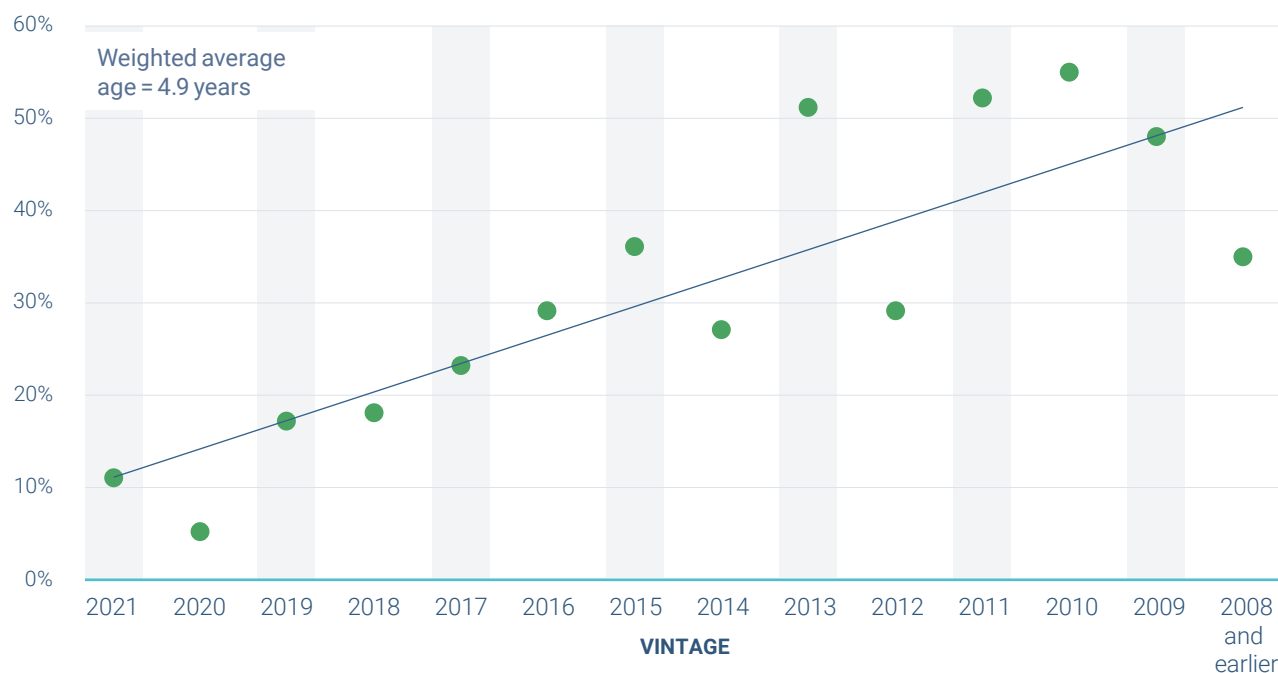
Distribution rates by vintage

Cost multiples on exit realisations

Uplifts on exit realisations

Exit realisations by sector and type

With a weighted average fund maturity of 4.9 years² at the end of the period (31 May 2021: 5.2 years), PIP's portfolio should continue to generate significant levels of cash.



¹ This figure looks through underlying vehicle structures.

² Calculation for weighted average age excludes the portion of the reference portfolio attributable to the Asset Linked Note. Fund age refers to the year in which a fund makes its first call or, in the case of a co-investment, the year in which the co-investment was made.



Distributions

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Distributions by region and stage

Quarterly distribution rates

Distribution rates by vintage

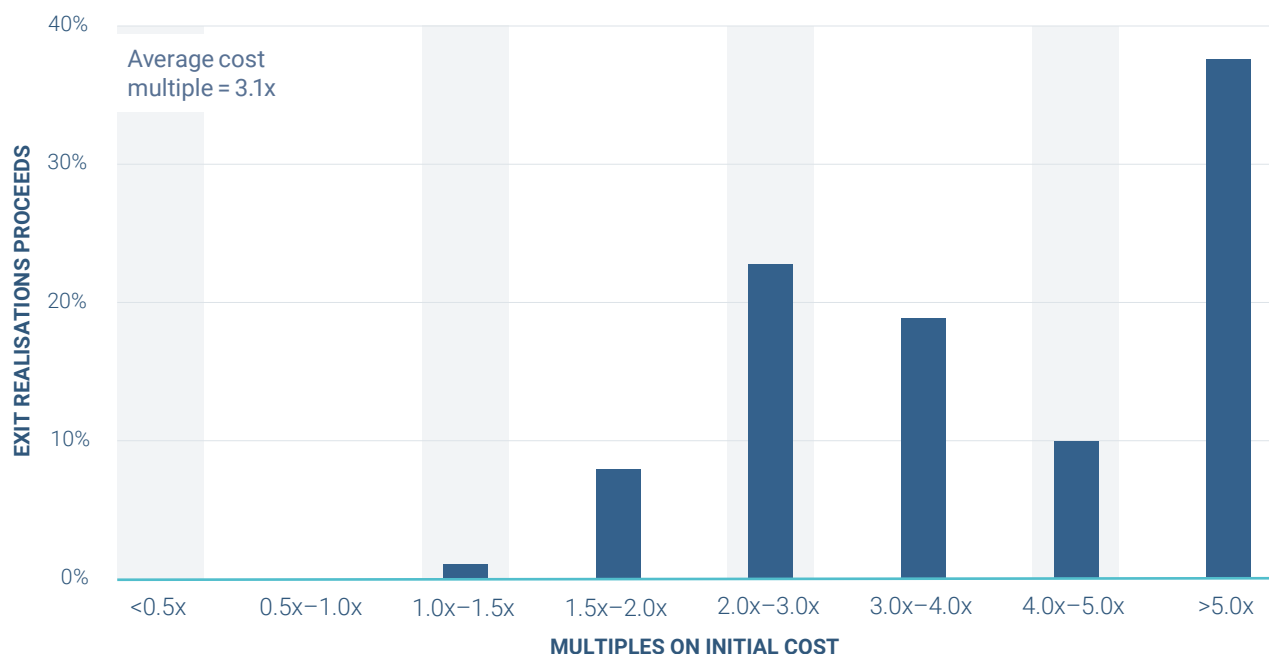
Cost multiples on exit realisations²

Uplifts on exit realisations

Exit realisations by sector and type

The average cost multiple on exit realisations of the sample was 3.1 times, demonstrating value creation over the course of an investment.

For the year to 31 May 2022



1 This figure looks through underlying vehicle structures.

2 See page 194 of the Alternative Performance Measures section for sample calculations and disclosures.



Distributions

PIP had a record year for distributions, receiving more than 850¹ distributions during the 12 months to 31 May 2022, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio is expected to continue to generate significant distributions.

Distributions by region and stage

Quarterly distribution rates

Distribution rates by vintage

Cost multiples on exit realisations

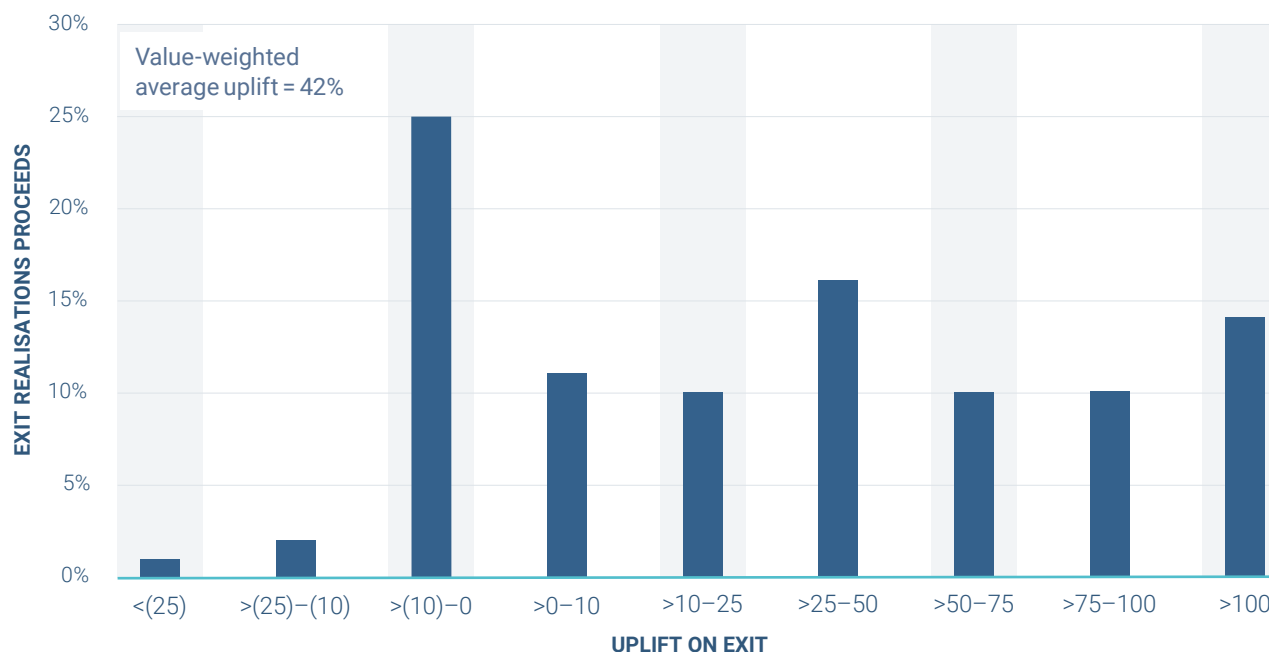
Uplifts on exit realisations²

Exit realisations by sector and type

The value-weighted incremental average uplift on exit realisations in the year was 42%, consistent with our view that realisations can be significantly incremental to returns.

The method used to calculate the average uplift is to compare the value at exit with the value of the investment 12 months prior to exit.

For the year to 31 May 2022



¹ This figure looks through underlying vehicle structures.

² See page 194 of the Alternative Performance Measures section for sample calculations and disclosures.



Distributions

PIP had a record year for distributions, receiving more than 850¹ distributions during the 12 months to 31 May 2022, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio is expected to continue to generate significant distributions.

Distributions by region and stage

Quarterly distribution rates

Distribution rates by vintage

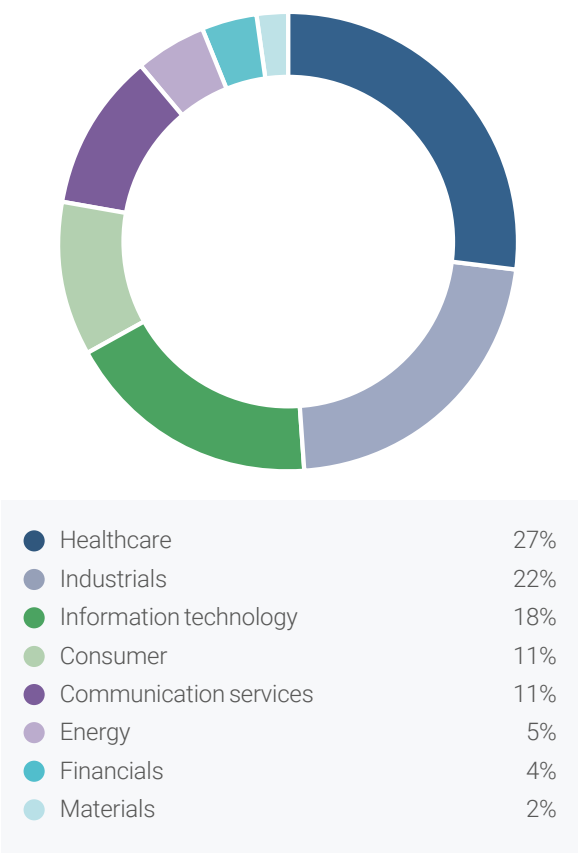
Cost multiples on exit realisations

Uplifts on exit realisations

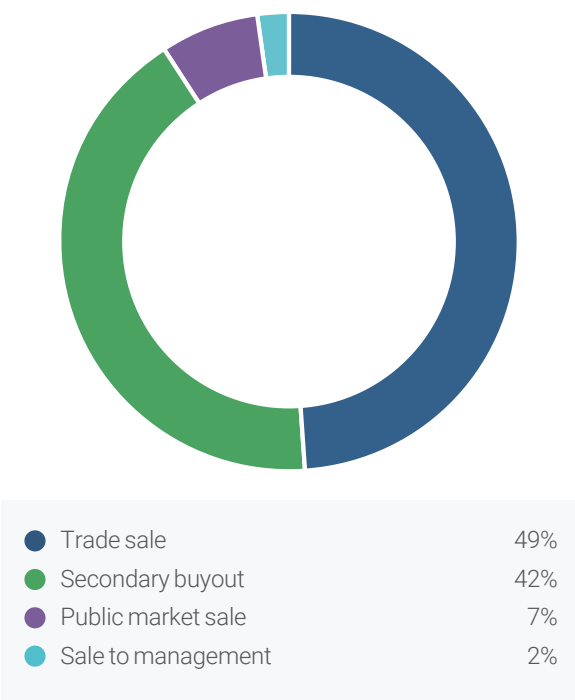
Exit realisations by sector and type

The portfolio benefited from good realisation activity, particularly in the healthcare and information technology sectors. Trade sales and secondary buyouts represented the most significant source of exit activity during the year. The data in the sample provide coverage for 100% (for exit realisations by sector) and 97% (for exit realisations by type) of proceeds from exit realisations received during the period.

Exit realisations by sector
For the year to 31 May 2022



Exit realisations by type
For the year to 31 May 2022



1 This figure looks through underlying vehicle structures.

Distributions case study



Proceeds	£9.3m	Sector	Industrials
Manager	Oaktree Capital Management ("OCM")	Stage	Special Situations
Geography	USA	Vintage	2017
Type	Secondary	Exit type	Secondary buyout

Keeping America supplied with essential goods

Ports America ("PA") is the largest terminal operator and stevedore (loading and unloading of ships) in North America, handling c.26% of US container throughput. The company provides terminal management and a full range of stevedoring and labour services at more than 70 locations in over 33 ports.

Distributions case study



Investment rationale

- Diversified portfolio of port terminals based across all major ports in the USA with a presence on all three coastlines: the Atlantic, the Pacific and the Gulf coasts.
- Attractive valuation entry point that was lower than both the long-term sector average and single terminal transaction multiples at the time.

Our relationship

Pantheon has a long-standing relationship with the private equity manager and has evaluated multiple secondary opportunities with OCM. Pantheon also holds an advisory board seat with OCM.

Active management and value creation

The new management team that was implemented by OCM has been actively involved in transforming the business from a low-margin stevedoring provider to a higher margin container terminal operator with long-term contracts. The management team was supported by experienced professionals from OCM and was responsible for undertaking transformational acquisitions, removing redundancies and building a network of contracts to ensure stable cash flows.

During the investment period, EBITDA margin expansion from 12% to 23% was achieved through:

- Cost savings through reductions in back office and support services.
- Exit of low margin sites.
- Optimisation of terminal layouts and expansion of terminal capacities.

Exit

Ports America was acquired by the Canada Pension Plan Investment Board in November 2021, providing a full exit for OCM and for PIP.



 TRAVEL CHAPTER

Proceeds	£2.7m	Sector	Consumer
Manager	ECI Partners ("ECI")	Stage	Small/Mid Buyout
Geography	Europe	Vintage	2018
Type	Primary	Exit type	Secondary buyout

Helping people enjoy family breaks

Travel Chapter is a technology-enabled travel platform for self-catering holidays. Its headquarters are in Devon in the UK with a talented team of highly expert people and its leading brand, holidaycottages.co.uk, specialises in holidays across England, Scotland and Wales.



Distributions case study

TRAVEL CHAPTER

Investment rationale

- Acquisition of a leading UK holiday cottage platform with a strong track record of organic growth (new and repeat bookings, revenue and EBITDA growth c. 30% at entry).
- Deep immediate pipeline of M&A opportunities already identified at entry, with management having a demonstrated track record of successful bolt-on acquisitions.
- Large addressable market with sustainable tailwinds, with proven resilience through economic cycles.
- ECI was able to gain preferential access to the opportunity as a result of a 20+ year track record in the travel sector and a 15-year relationship with the management team.

Our relationship

PIP is a primary investor in four ECI funds and Pantheon holds an advisory board seat in each fund.

Active management and value creation

- Seven bolt-on acquisitions between February 2019 and December 2021, significantly expanding the geographic footprint and property base of the business.
- Executed the largest transaction to date of “Sally’s Cottages”, adding 500+ properties in the Lake District.
- Supported the business with organic property growth, resulting in a significant uptick in sign-ups (1,502 in 2021 vs. 1,024 in 2019).
- Helped develop the technology team and a data team that implemented several data improvement projects.
- The business traded strongly through COVID-19, with annual revenue and EBITDA growth of 38% and 50% over the three-year investment period.

Exit

Travel Chapter was acquired by Intermediate Capital Group in December 2021, providing an exit for ECI and for PIP and generating a 2.6 times cost multiple and 36% annual return over three years.



Top 50 Distributions

No.	Company	Website	Country	Sector	Description	Total proceeds (£m)
1	 EUSA Pharma		UK	Healthcare	Develops and licenses oncology products	49.5
2			USA	Healthcare	Developer of software for healthcare applications	17.8
3			USA	Energy	Producer-focused midstream company	12.2
4			USA	Communication Services	Wireless communication infrastructure provider	11.7
5			USA	Industrials	Owner and operator of wireless networks and infrastructure	11.1
6			USA	Industrials	Provider of scientific, engineering and IT solutions	10.7
7			USA	Industrials	Provider of infrastructure solutions for ports	9.3
8			USA	Information Technology	Provider of IT consulting and outsourcing services	8.5
9			USA	Communication Services	Developer of educational software products	7.4
10			Australia	Healthcare	Operator of a chain of veterinary clinics	6.8
11			USA	Communication Services	Provider of educational materials and learning solutions	6.3
12			Australia	Consumer	Educational services and child care provider	6.1
13			Finland	Healthcare	Producer of immunological reagents	5.9
14	 Software		USA	Information Technology	Developer of enterprise management software	5.3

Top 50 Distributions

No.	Company	Website	Country	Sector	Description	Total proceeds (£m)
15	 FAIR SQUARE FINANCIAL		USA	Financials	Provider of data-driven card services	5.3
16	 TRINITY		USA	Industrials	Provider of strategic consulting services	4.9
17	 CAA		USA	Communication Services	Entertainment, media and sports agency	4.7
18	 APOLLO EDUCATION GROUP		USA	Consumer	Educational programme provider	4.4
19	 PPD PHARMACEUTICAL PRODUCT DEVELOPMENT		USA	Healthcare	Pharmaceutical research company	4.3
20	 STRAITNZ CONNECTING NEW ZEALAND		New Zealand	Industrials	Freight and shipping transportation services provider	4.2
21	 SUMMIT BHC		USA	Healthcare	Operator of behavioural health centres	4.0
22	 Guidehouse		USA	Industrials	Provides management, technology and risk consulting services	4.0
23	 adyen		Netherlands	Information Technology	Payment platform developer	4.0
24	 EVANS Delivery Company, Inc.		USA	Industrials	Trucking services provider	3.9
25	 Jaybro		Australia	Industrials	Distributor of industrial equipment and supplies	3.8
26	 bounteous		USA	Information Technology	Digital branding solution services provider	3.5
27	 爱美客 IMEiK		China	Healthcare	Biotechnology company	3.4
28	 cambium LEARNING GROUP		USA	Consumer	Learning intervention solution provider	3.4

Top 50 Distributions

No.	Company	Website	Country	Sector	Description	Total proceeds (£m)
29	 PLEX THE MANUFACTURING CLOUD		USA	Information Technology	Cloud platform developer	3.3
30	 SHIFT 4		USA	Information Technology	Leader in secure payment processing solutions	3.3
31	 DOHMEN COMPANY FOUNDATION		USA	Healthcare	Provider of outsourced services for life science applications	3.2
32	 SpiritMusic GROUP		USA	Communication Services	Provider of creative, marketing, branding and administrative services	3.2
33	 bip. HERE TO STAY		Italy	Industrials	Management consulting and business integration service provider	3.1
34	 expereo		Netherlands	Communication Services	Provider of managed internet and cloud connectivity solutions	3.0
35	 FB		UK	Materials	Luxury decorative paint and wallpaper manufacturer	3.0
36	 Technology Partners Your Clear Choice in IT		USA	Healthcare	Developer of software systems for the healthcare sector	2.9
37	 Appetize		USA	Information Technology	Developer of cloud-based point of sale software	2.9
38	 CALYPSO		USA	Information Technology	Provider of trading, risk management and accounting software	2.9
39	 Helium 10		USA	Information Technology	Business intelligence and Enterprise Resource Planning platform	2.9
40	 Blackboard		USA	Information Technology	Designer of learning and education software	2.8
41	 TRAVEL CHAPTER		UK	Consumer	Operator of an online holiday rental platform	2.7

Top 50 Distributions

No.	Company	Website	Country	Sector	Description	Total proceeds (£m)
42			USA	Consumer	Food and beverages company	2.7
43			USA	Healthcare	Digital platform for medical professionals	2.6
44			India	Financials	Health insurance company	2.5
45			Switzerland	Healthcare	Provider of diagnostic services	2.4
46			Italy	Communication Services	Provider of telecommunication and internet connectivity services	2.4
47			UK	Information Technology	Provider of IT support and strategic services	2.3
48			USA	Industrials	Building materials manufacturer	2.3
49			UK	Industrials	Shipping company	2.3
50			Norway	Information technology	Software solutions for finance and HR	2.2
Total						287.3
Coverage of total distributions						69%

Calls

Calls during the year were used to finance investments in high-quality businesses globally.

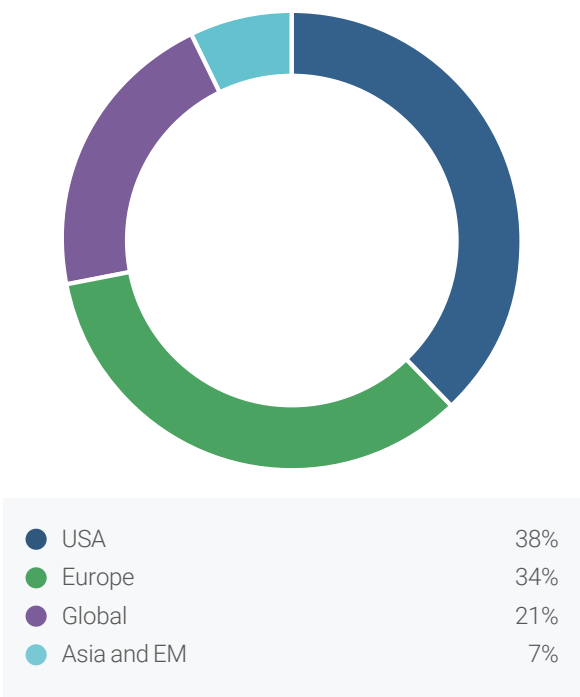
Calls by region and stage

Calls by sector

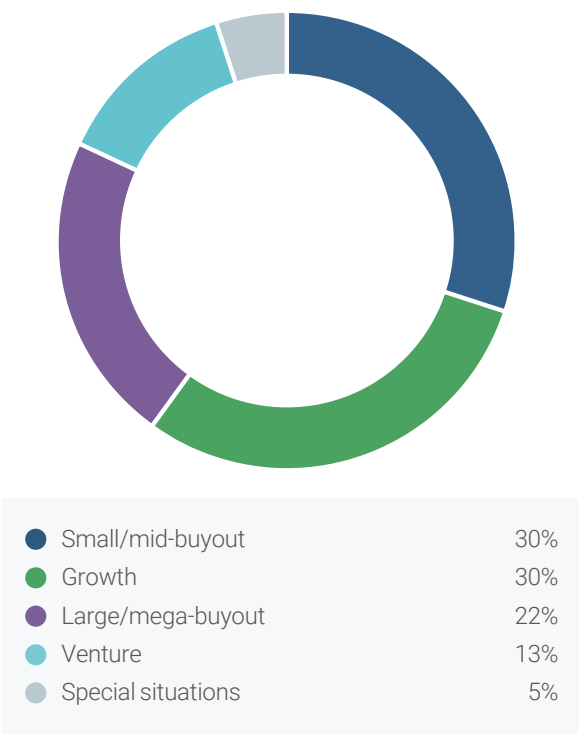
Quarterly call rate

PIP paid £187m to finance calls on undrawn commitments during the year (31 May 2021: £120m). Calls were predominantly made by private equity managers in the growth and buyout segments.

Calls by region



Calls by stage



Calls

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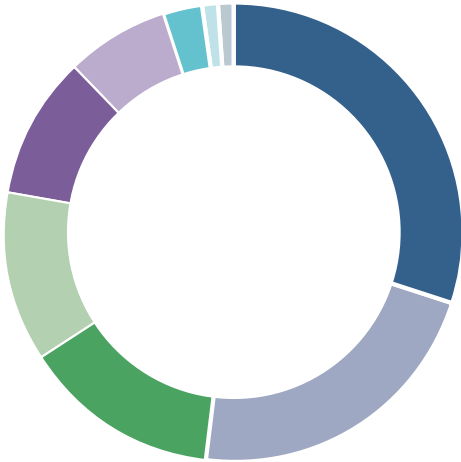
Calls by region and stage

Calls by sector

Quarterly call rate

A large proportion of calls were for investments made in the information technology and healthcare sectors.

Calls by sector



Information technology	30%
Healthcare	22%
Industrials	14%
Consumer	12%
Communication services	10%
Financials	7%
Other	3%
Materials	1%
Energy	1%



Calls

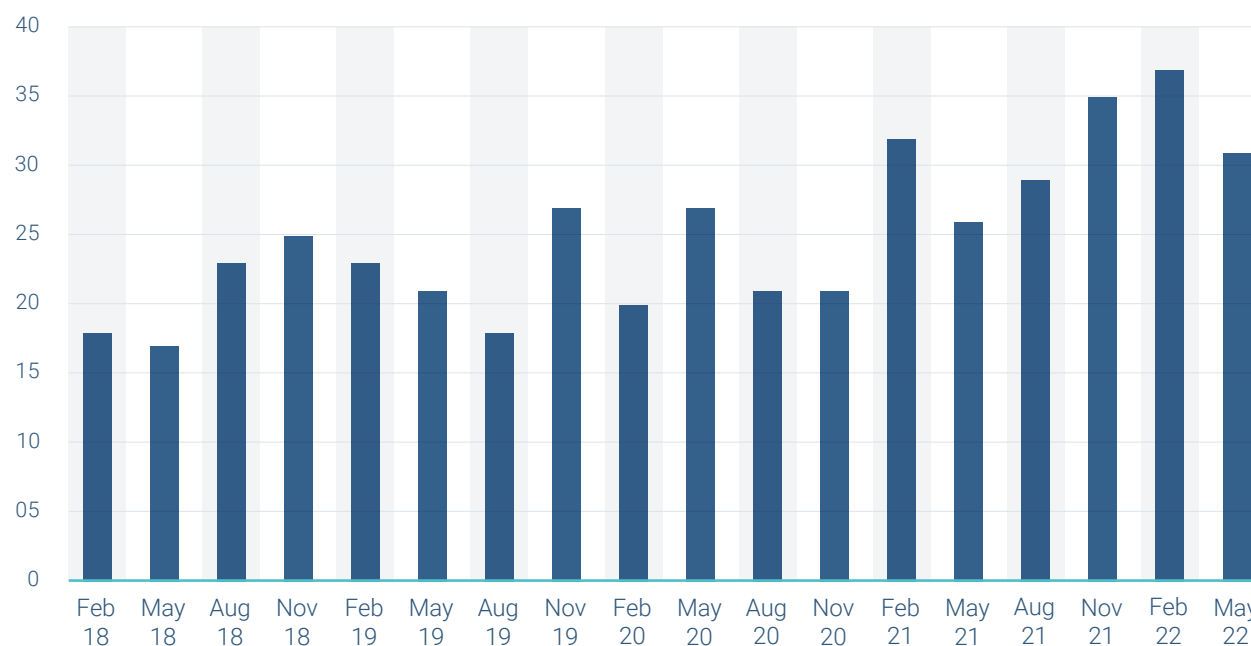
Calls during the year were used to finance investments in high-quality businesses globally.

Calls by region and stage

Calls by sector

Quarterly call rate¹

The annualised call rate for the year to 31 May 2022 was equivalent to 35% of opening undrawn commitments (31 May 2021: 22%). The increase in call rate has been mainly due to PIP's commitment to single-asset secondaries through the Pantheon Secondary Opportunity Fund ("PSOF"). Commitments to PSOF have an accelerated drawdown over a period of 18 to 24 months.



¹ Call rate equals calls in the period (annualised) divided by opening undrawn commitments. All call figures exclude the acquisition cost of new secondary and co-investment transactions.

New Commitments

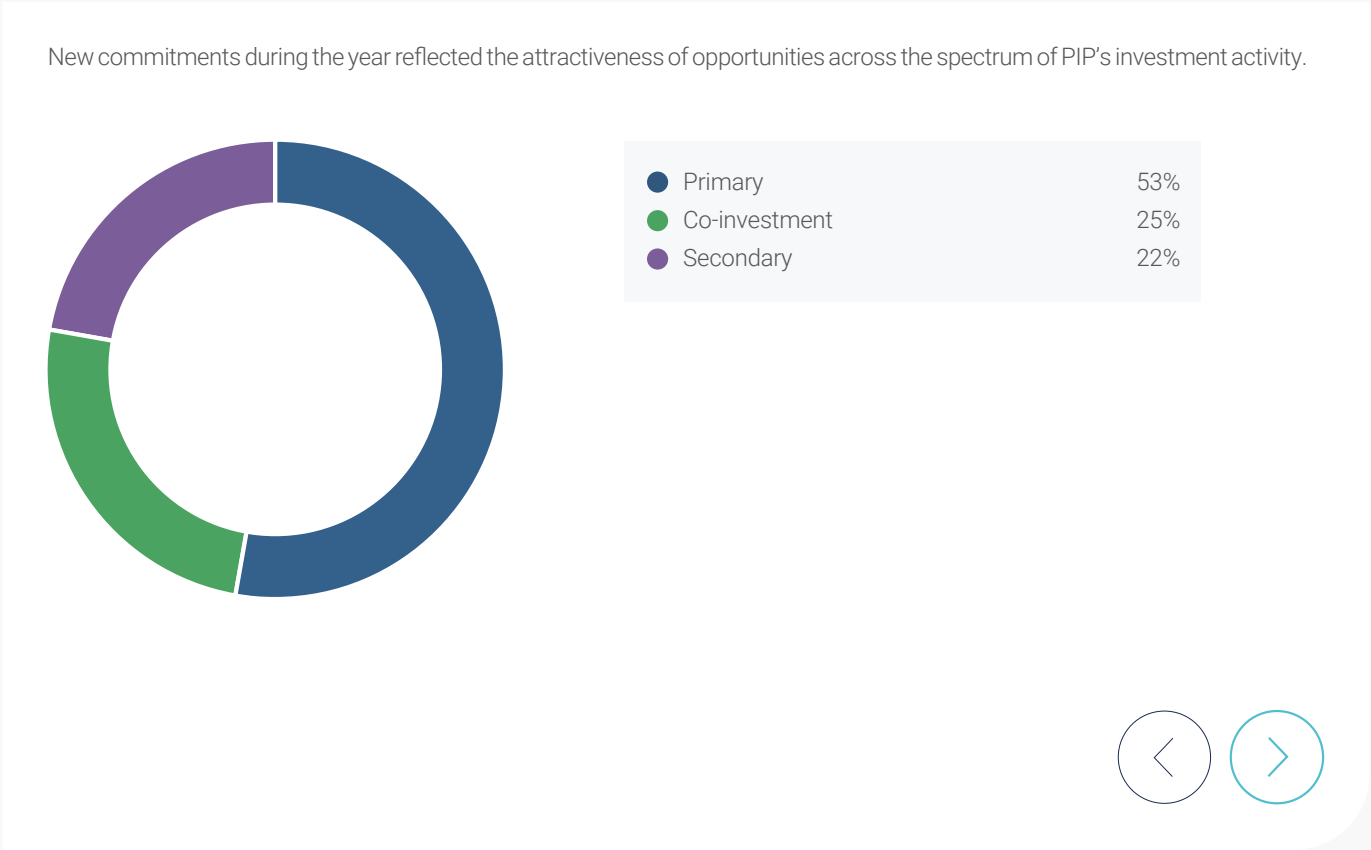
PIP committed £496m to 70 new investments during the year (31 May 2021: £240m, 33 new investments). Of the total commitments made, £160m was drawn at the time of purchase. Since the period end, PIP has committed a further £76m to five new investments.

New commitments by investment type

New commitments by region

New commitments by stage

New commitments by vintage



New Commitments

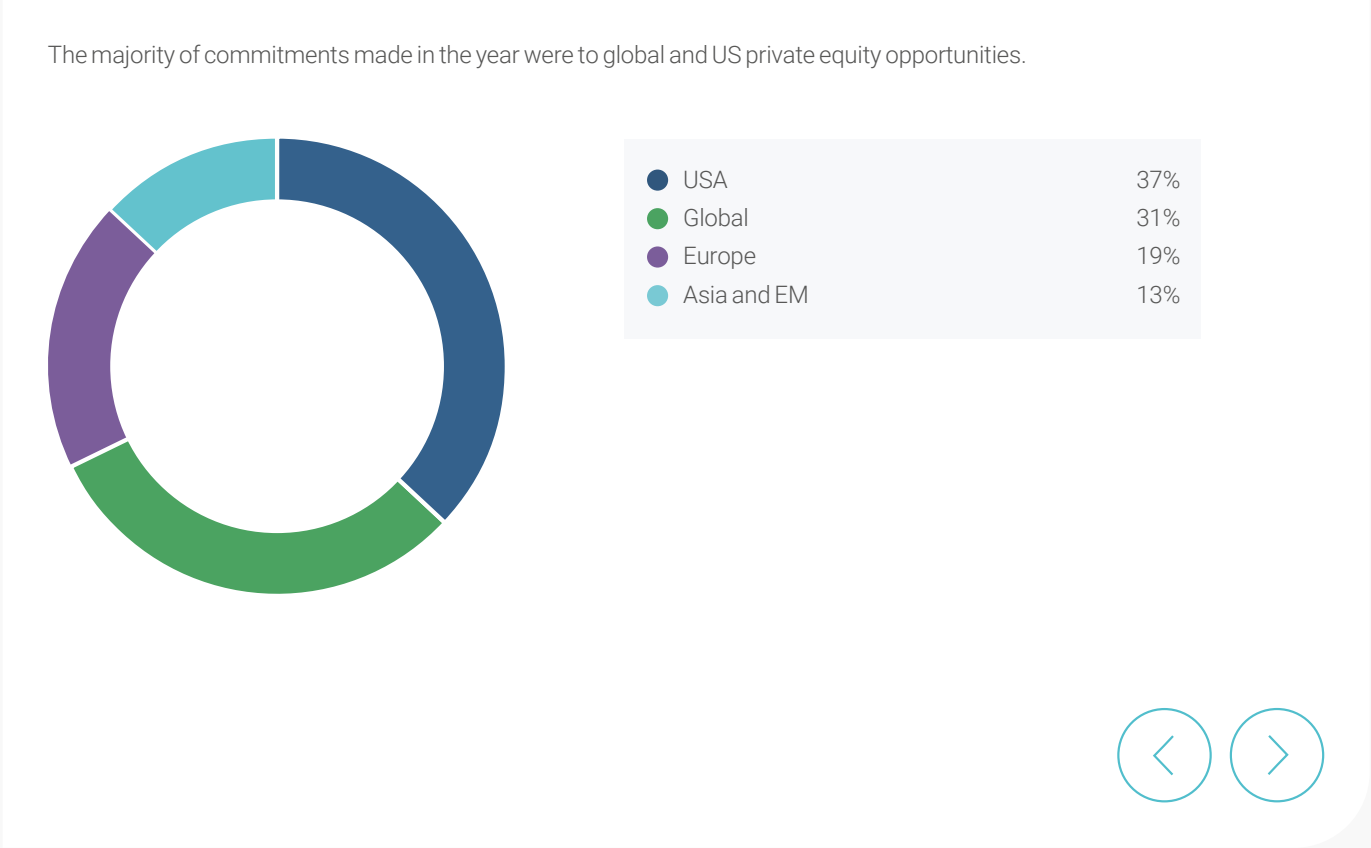
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New commitments by investment type

New commitments by region

New commitments by stage

New commitments by vintage



New Commitments

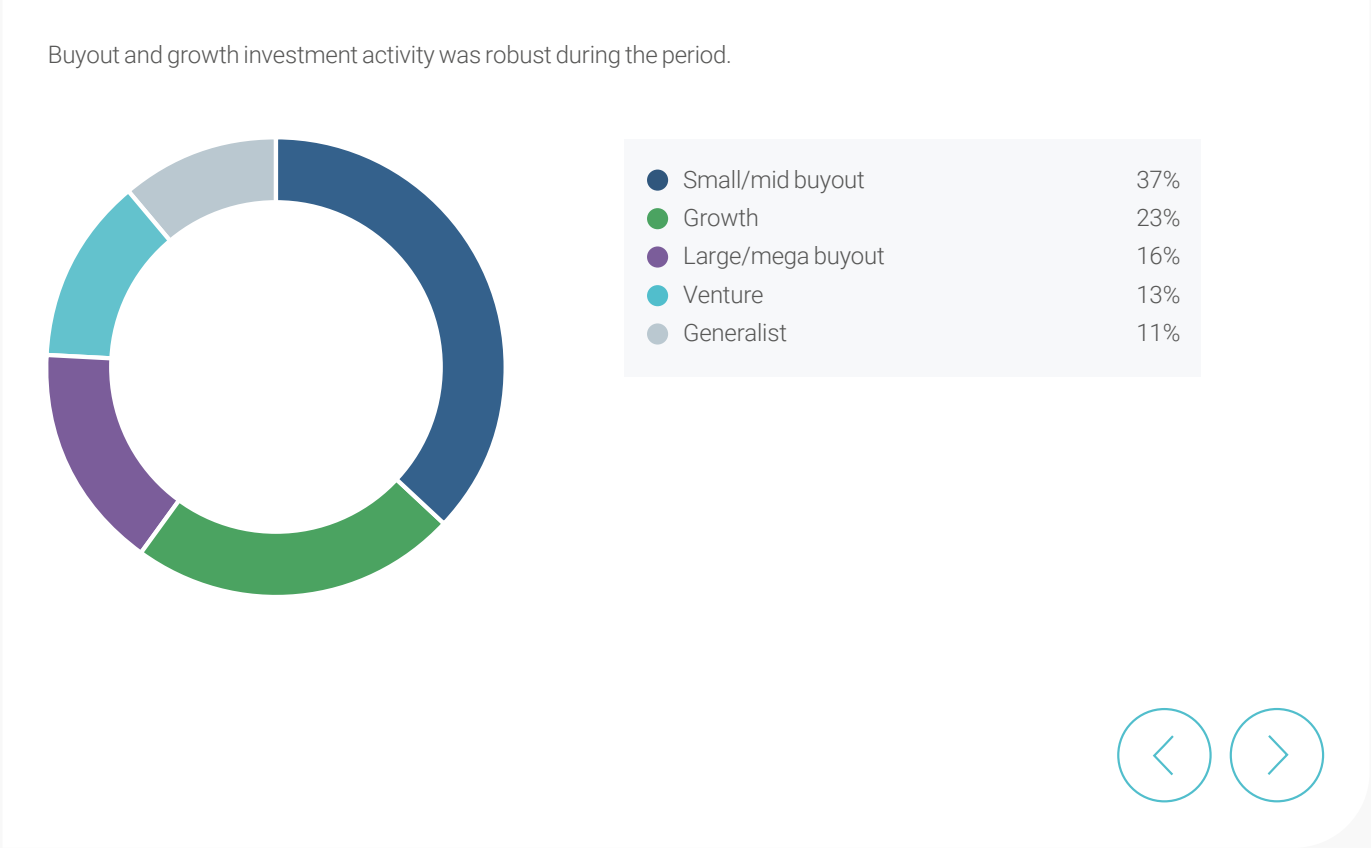
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New commitments by investment type

New commitments by region

New commitments by stage

New commitments by vintage



New Commitments

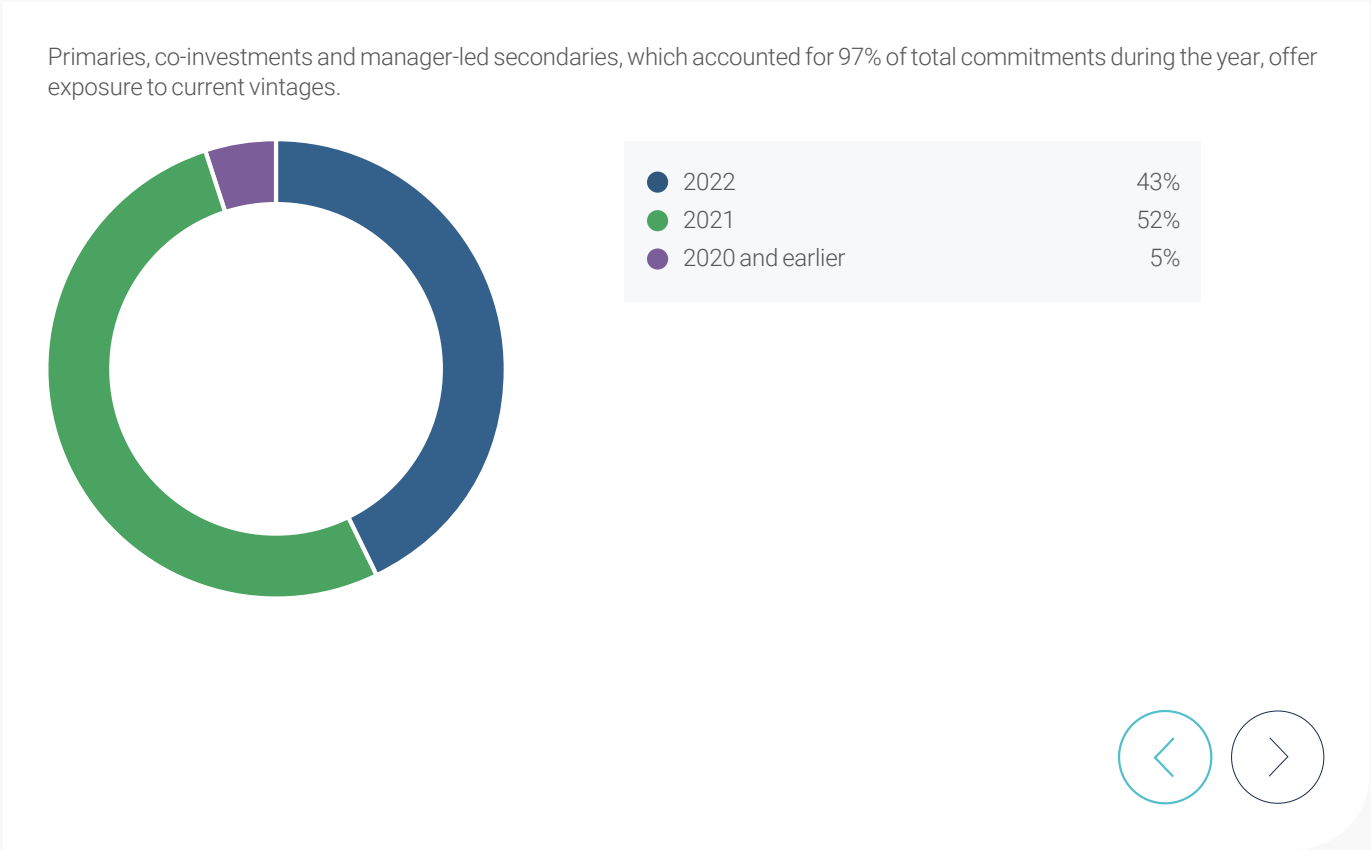
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New commitments by investment type

New commitments by region

New commitments by stage

New commitments by vintage



New Commitments

Primary commitments

£262m

committed to 25 primaries during the year

Investing in primary funds allows PIP to gain exposure to top-tier, well-recognised managers including smaller niche funds that might not typically be traded on the secondary market.

Our focus remains on investing with high-quality, access-constrained managers who have the proven ability to drive value at the underlying company level, and to generate strong returns across market cycles. In addition, we target funds with market-leading specialisms in high-growth sectors such as healthcare and information technology.



Advent Global Private Equity X USD

Stage

Large/mega buyout

Description

Global large buyout fund

£21.5m

Commitment for the year



Index Ventures Growth VI

Stage

Growth

Description

Global growth fund focusing on disruptive technology companies

£20.5m

Commitment for the year



Oak HC/FT V

Stage

Growth

Description

North American growth equity fund focused on the healthcare sector

£18.2m

Commitment for the year



Apax Global Impact Fund I

Stage

Small/mid buyout

Description

Global buyout fund focusing on ESG-friendly companies

£17.8m

Commitment for the year



Hg Saturn 3

Stage

Large/mega buyout

Description

European buyout fund focused on the information technology sector

£14.9m

Commitment for the year



Summa Equity III

Stage

Small/mid buyout

Description

European buyout fund with an ESG-focused strategy

£14.5m

Commitment for the year



ChrysCapital IX

Stage

Growth

Description

Indian growth fund investing in the small-mid market segment

£14.0m

Commitment for the year



Sentinel Continuation Fund I

Stage

Small/mid buyout

Description

North American buyout fund targeting middle market companies

£13.7m

Commitment for the year



Veritas Capital Fund VIII

Stage

Large/mega buyout

Description

North American buyout fund targeting technology investments

£13.7m

Commitment for the year



LYFE Capital Fund IV

Stage

Growth

Description

Asian growth fund focused on healthcare AI investments

£11.5m

Commitment for the year

New Commitments

Secondary commitments

The private equity secondary market has grown significantly over the last 10 years, both in scale and complexity. Despite strong competition, PIP continues to originate compelling opportunities derived from Pantheon's global platform and its market-leading expertise in sourcing and executing complex secondary transactions over which it may have proprietary access.

Manager-led secondary commitments

£101m

committed to 11 manager-led secondary transactions during the year

Top-tier private equity managers are increasingly transferring some of their most attractive portfolio companies into continuation vehicles, mainly in the form of single-asset secondaries. By holding companies for longer, private equity managers are able to participate in the companies' next phase of growth.

2022 examples¹

Region	Stage	Description	Commitments £m	Funded % ²
Global	Generalist	Pantheon fund (PSOF) focused on single-asset secondary transactions	55.6	0%
USA	Small/mid buyout	Transaction involving two companies in the healthcare sector	6.4	71%
Europe	Small/mid buyout	Provider of governance, risk & compliance and human capital management software to the healthcare sector	6.1	88%

Secondary fund commitments

£10m

committed to four secondary fund transactions during the year

Secondary fund investments allow the Company to invest in funds at a stage when the underlying companies are ready to be sold to generate cash distributions.

2022 examples¹

Region	Stage	Description	Commitment £m	Funded % ²
USA	Small/mid buyout	Portfolio of 22 high quality middle market assets	5.7	52%
Global	Large/mega buyout	Two buyout technology sector specialist funds	4.9	55%
USA	Growth	Follow-on investments in portfolio companies of a North American growth equity fund	2.8	99%

¹ Companies and funds acquired in secondary transactions are not named due to non-disclosure agreements.

² Funding level does not include deferred payments.

New Commitments

Co-investments

£123m

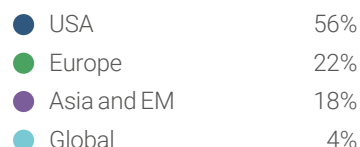
committed to 30 co-investments during the year

PIP's co-investment programme benefits from Pantheon's extensive primary investment platform which has enabled PIP to participate in proprietary deals that would otherwise be difficult to access.

PIP invests alongside private equity managers who have the sector expertise to source and acquire attractively priced companies and build value through operational enhancements, organic growth and buy-and-build strategies.

27 out of 30 commitments to co-investments were alongside investment managers that PIP had already invested with in the past.

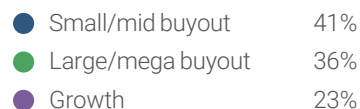
New co-investments by region



New co-investments by sector



New co-investments by stage



42 →

Sector: Industrials
Geography: Europe

Developer of sustainable technological solutions for the maritime sector

£9.1m

Commitment for the year



108 →

Sector: Information technology
Geography: USA

Provider of 3D design, engineering and manufacturing solutions

£8.8m

Commitment for the year



Sector: Healthcare
Geography: Asia and EM

Provider of children's orthodontics aligner

£5.9m

Commitment for the year



Sector: Healthcare
Geography: USA

Provider of high quality diagnostic imaging services

£6.0m

Commitment for the year



Sector: Financials
Geography: USA

Provider of financial planning and advisory services

£5.5m

Commitment for the year



112 →

Sector: Industrials
Geography: Europe

Provider of pharmaceutical ingredients and specialty chemicals

£4.8m

Commitment for the year



Commitment	£2.7m	Stage	Growth Equity
Manager	Altamont Capital Partners	Sector	Financial Services
Type	Co-Investment	Geography	North America

Disrupting the global insurance market

Accelerant is a technology enabled insurance exchange that connects underwriters, who do not have the capital of a traditional insurance firm, with risk capital providers. Altamont Capital Partners first backed the company in 2019 and has helped grow the business in the intervening period.

Investment rationale

- Differentiated and disruptive business model that is difficult to replicate.
- Large, growing and uncorrelated insurance market with substantial addressable market.
- Strong growth profile combined with an asset-light, highly profitable business model.
- Proven and experienced founding management team with strong alignment of interests.

New Commitments case study



Commitment	£5.5m	Sector	Industrials
Manager	Leeds Equity Partners ("LEP")	Stage	Small/Mid Buyout
Type	Secondary	Geography	USA

Developing agile, change-ready organisations

Prosci is a change management firm focused on helping individuals and organisations build change management capabilities. It has a network of over 30,000 change leaders worldwide through the Prosci Change Management Certification programme.

Investment rationale

- Prosci is a market-leading provider of proprietary change management solutions in a US\$10bn+ market.
- Proven history of growth in core offerings positioned to accelerate with newly launched digital training and advisory solutions.
- Ten-year revenue growth of 29% per year, 40%+ EBITDA margins and a diversified and quality customer base consisting of c.80% of the Fortune 100 companies.

Active management and value creation

During the investment period, LEP plans to focus on the following key growth drivers:

- An accelerated rollout of the advisory business.
- Bolstering the subscription segment (currently c. 30% of revenue) by rolling out a subscription membership opportunity.
- Broadening and deepening channel partner relationships.
- Expanding the business through transformative M&A.



Commitment	£8.8m	Stage	Small/Mid Buyout
Manager	Sentinel Capital Partners ("Sentinel")	Sector	Information Technology
Type	Co-Investment	Geography	North America

Expertly engineered 3D printing solutions

TriMech is a provider of 3D design, engineering and manufacturing solutions in the United States and Canada. The company was founded in 1998 and is headquartered in Virginia, USA, with locations in 15 states across the country and six further locations in Canada.

New Commitments case study



Investment rationale

- TriMech is one of the few businesses operating at scale in an attractive and growing 3D design and printing market. The global 3D computer-aided design software market is estimated to be c. US\$10bn in size, and the 3D design and printing market is estimated to be c. US\$14bn in size; both are expected to continue to grow in the coming years as companies utilise 3D software as part of product development.
- TriMech has a diverse customer base with long-standing relationships that provide high recurring revenues through multiple revenue streams. Sentinel sees an opportunity to further diversify the company's revenue through the acquisition of companies with complementary product offerings.

Our relationship

Pantheon has a long-term relationship with Sentinel; it is a primary investor in three of Sentinel's funds and has two advisory board seats with the private equity manager.

Active management and value creation

Sentinel has worked on multiple investments with a similar profile to TriMech where M&A is a key component of growth.

The company has made numerous accretive acquisitions in the past 18 months that have broadened its product line. It has continued to identify M&A opportunities to help consolidate the sector and provide cross-selling opportunities across complementary products, and has already completed one acquisition following our investment.



New Commitments case study



Commitment	£4.4m	Stage	Small/Mid Buyout
Manager	Parthenon Capital Partners ("Parthenon")	Sector	Financial Services
Type	Co-Investment	Geography	North America

Restoring trust in credit ratings

Kroll Bond Rating Agency is one of the five global full-service credit rating agencies. The business was founded in 2010 with the aim of restoring trust in credit ratings by creating new standards for assessing risk and offering transparent ratings. It is differentiated through the quality and rigour of its research, its ability to rate niche asset classes with bespoke methodologies, and its competitive pricing.

New Commitments case study



Investment rationale

- The addressable market for credit rating agencies is large with very few players and significant barriers to entry.
- The company has a highly attractive financial profile, with a fixed cost business model and substantial pricing power, which leads to high EBITDA margins and strong cash flow generation.

Our relationship

Pantheon has a long-standing relationship with Parthenon and is an investor in several of their funds dating back to the early 2000s. Pantheon has also participated in several co-investments with the private equity manager and sits on two of its advisory boards.

Active management and value creation

Parthenon has significant experience and an outstanding track record in the financial services sector, having made 25+ investments in financial services firms through its past six funds. With deep industry expertise and operational capabilities, Parthenon has the knowledge and resources to assist KBRA with its expansion.

Parthenon sees numerous opportunities for growth in the business, including the penetration of new areas of the market, such as alternative asset managers and ESG ratings. In addition, international expansion and M&A are possible levers for value creation.



SEQENS

Commitment	£4.8m	Stage	Small/Mid Buyout
Manager	SK Capital Partners ("SK")	Sector	Healthcare
Type	Co-Investment	Geography	Europe

Securing pharmaceutical supply chains

Seqens is a global chemicals and active pharmaceutical ingredients manufacturer. The company is a leading supplier of pain relief ingredients in both the Paracetamol and Aspirin supply chains. Seqens is headquartered in France with production facilities and R&D centres located globally.

SEQENS

Investment rationale

- The company is a vertically integrated producer of critical products and is strongly positioned to benefit from secular tailwinds, such as western reshoring initiatives, which de-risk supply chains, and growth in pharmaceutical supply chain outsourcing.
- In addition, Seqens has historically been an undermanaged asset, and therefore SK has identified significant value creation opportunities.

Our relationship

Pantheon has been investing in the manager since 2018 through three primary funds. SK is a sector specialist; they are focused exclusively on the pharmaceutical, chemicals and materials industries.

Active management and value creation

SK has strategically merged Seqens with another of its portfolio companies, Wavelength Pharmaceuticals, which is a complementary active pharmaceutical ingredients manufacturer. The combination creates a scaled leader in the sector with a global presence and multiple opportunities for synergies.

The private equity manager believes that significant operational improvements can be made to the business to create value. The company will benefit from SK's experience in the sector and their ability to reposition the company to drive growth both organically and through M&A.



Buyout Analysis¹

Weighted average revenue and EBITDA growth of 24.9% and 25.4% respectively for PIP's sample buyout companies have continued to exceed growth rates seen among companies that constitute the MSCI World index. Strong top-line performance, disciplined cost control and good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

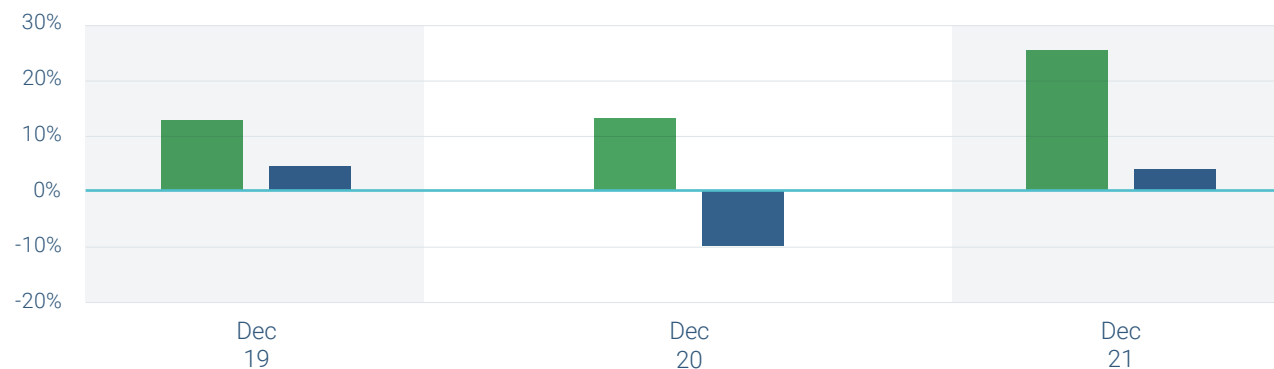
Revenue and EBITDA growth

Valuation multiple

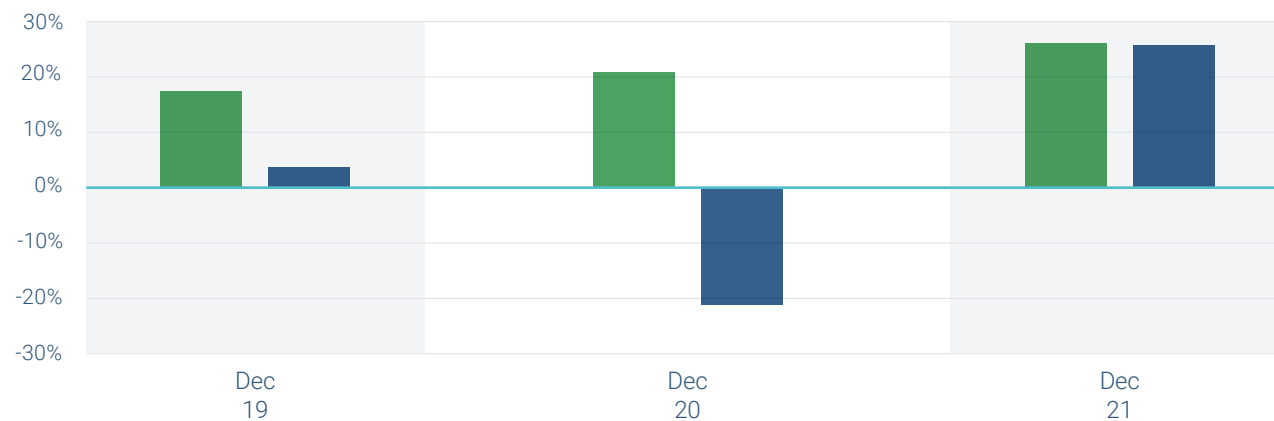
Debt multiples

¹ The sample buyout figures for the 12 months to 31 December 2021 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 193 to 196 of the Alternative Performance Measures section for sample calculations and disclosures.

Annual revenue growth



Annual EBITDA growth



■ PIP buyout sample ■ MSCI World



Buyout Analysis¹

Accounting standards require private equity managers to value their portfolios at fair value. Public market movements can be reflected in valuations.

PIP's sample-weighted average Enterprise Value (EV)/EBITDA was 16.4 times compared to 13.9 times for the MSCI World index.

PIP invests proportionately more in high-growth sectors such as information technology and healthcare, and these sectors tend to trade at a premium to other sectors.

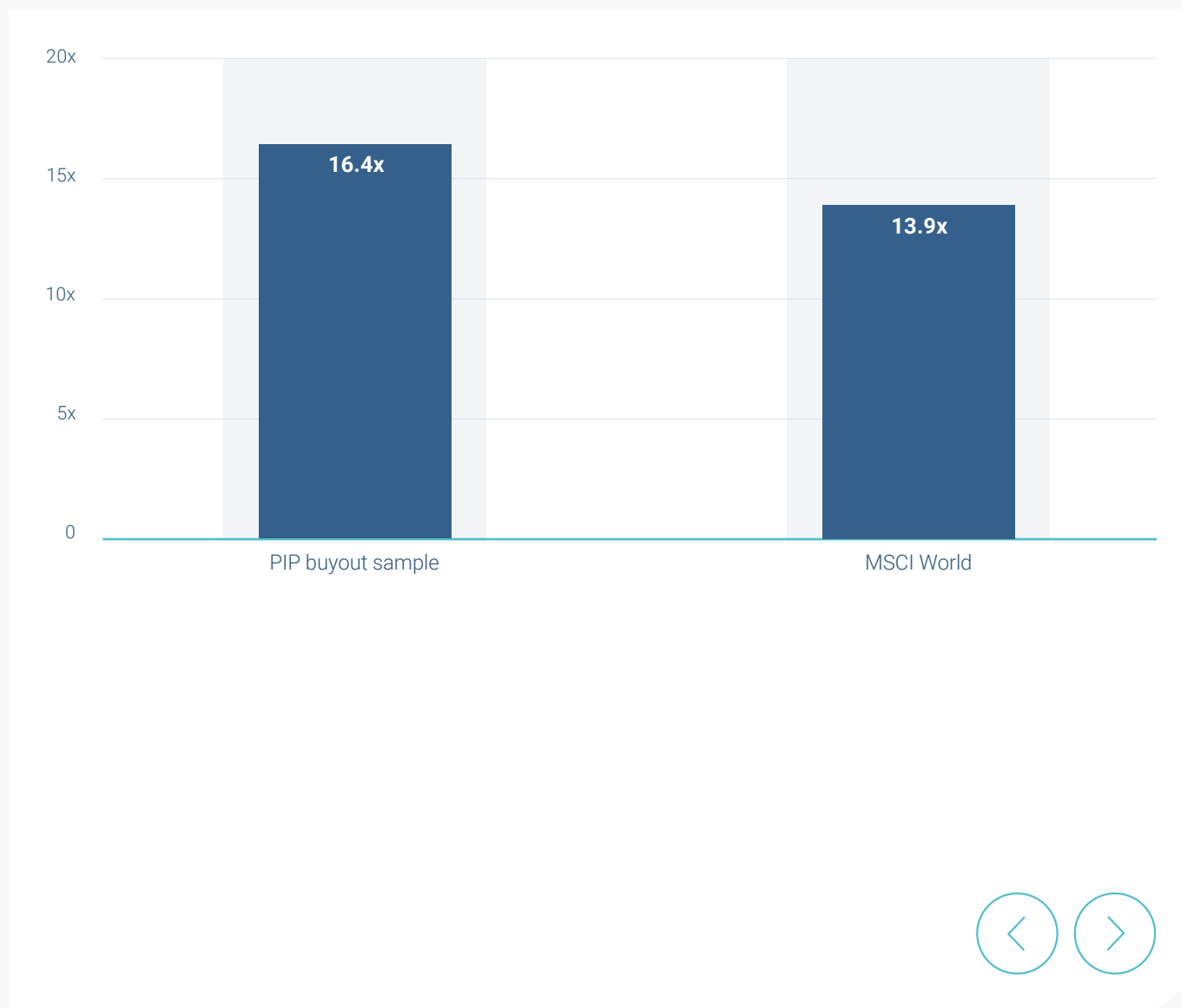
PIP's sample valuation multiple of 16.4 times should be considered in the context of the buyout sample's underlying growth rates relative to the MSCI World index.

Revenue and EBITDA growth

Valuation multiple

Debt multiples

¹ The sample buyout figures for the 12 months to 31 December 2021 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 193 to 196 of the Alternative Performance Measures section for sample calculations and disclosures.



Buyout Analysis¹

Venture, growth and buyout investments have differing leverage characteristics.

Average debt multiples for small/mid buyout investments, which represent the largest segment of PIP's buyout portfolio, are typically lower than debt levels in the large/mega buyout segment.

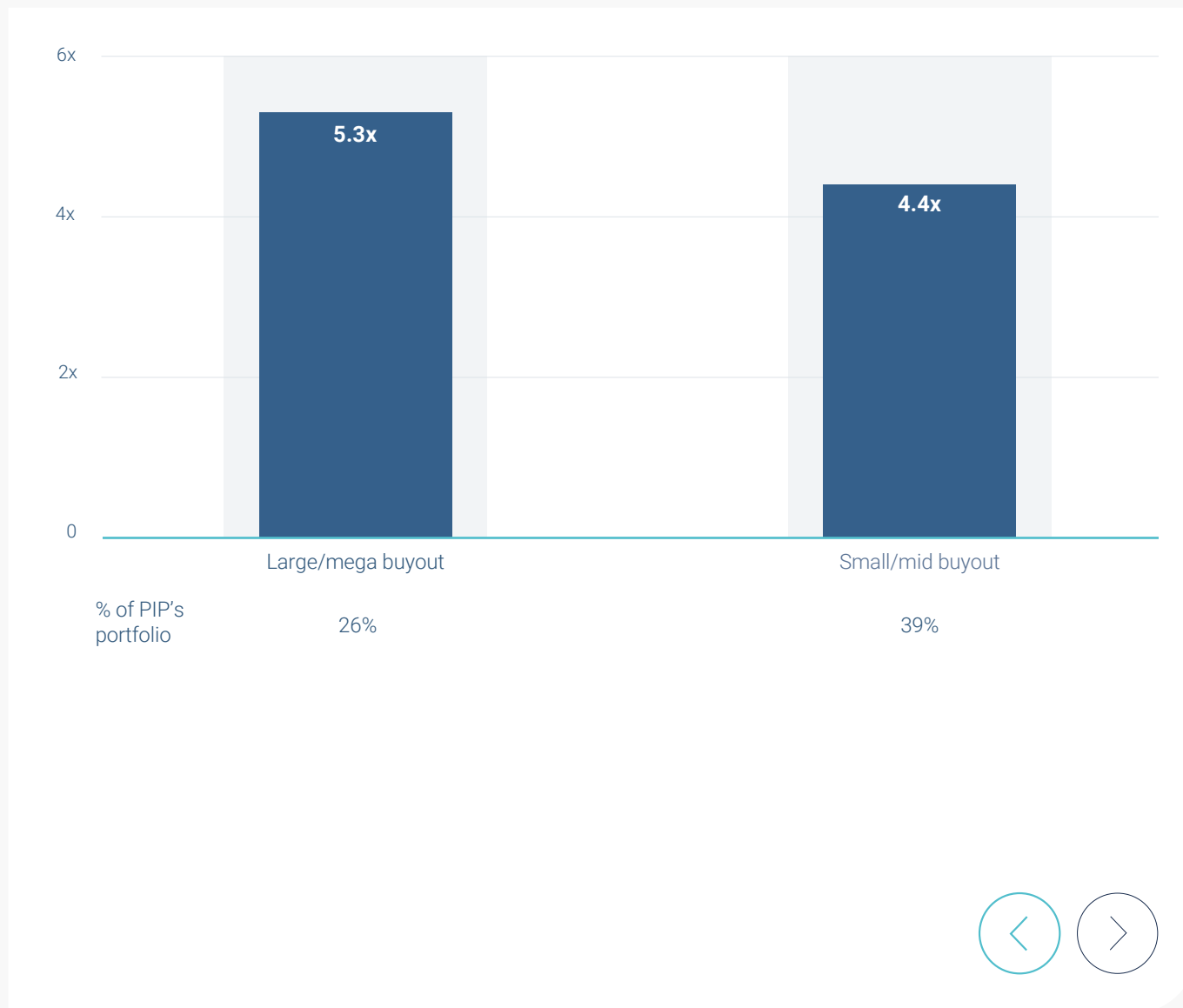
The venture and growth portfolios have little or no reliance on leverage.

Revenue and EBITDA growth

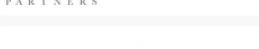
Valuation multiple

Debt multiples

¹ The sample buyout figures for the 12 months to 31 December 2021 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 193 to 196 of the Alternative Performance Measures section for sample calculations and disclosures.



Other Information – The largest 50 managers by value

Rank	Manager	Website	Region ¹	Stage	% of total private equity asset value ²
1	 INSIGHT PARTNERS		USA	Growth	8.1%
2	 Index Ventures		Global	Venture, Growth	5.0%
3	 PROVIDENCE EQUITY PARTNERS		USA	Buyout, Growth	3.6%
4	 Advent International GLOBAL PRIVATE EQUITY		Global	Buyout	2.5%
5	 BPEA Baring Private Equity Asia		Asia & EM	Growth	2.2%
6	 LYFE ASIA		Asia & EM	Growth	2.1%
7	 Apax PARTNERS		Europe	Buyout	2.0%
8	 VERITAS CAPITAL		USA	Buyout	1.8%
9	 PARTHENON CAPITAL		USA	Buyout	1.8%
10	 ABRY PARTNERS		USA	Buyout	1.7%
11	 WATER STREET		USA	Buyout	1.7%
12	 MidEuropa		Europe	Buyout	1.7%
13	 OAK HC/FT		USA	Growth	1.6%

¹ Refers to the regional exposure of funds.

² Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.

Other Information – The largest 50 managers by value

Rank	Manager	Website	Region ¹	Stage	% of total private equity asset value ²
14	Hellman & Friedman		USA	Buyout	1.5%
15	 Investment Partners		Europe	Buyout	1.5%
16			Global	Special situations	1.4%
17			Europe	Buyout	1.4%
18	APOLLO		USA	Buyout	1.2%
19			USA	Special situations	1.2%
20			USA	Growth	1.2%
21			USA	Special situations	1.1%
22			USA	Buyout	1.1%
23			USA	Buyout	1.1%
24			Europe	Buyout	1.1%
25			USA	Buyout	1.1%
26			USA	Buyout	1.0%

¹ Refers to the regional exposure of funds.

² Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.

Other Information – The largest 50 managers by value

Rank	Manager	Website	Region ¹	Stage	% of total private equity asset value ²
27			Global	Buyout	1.0%
28			Global	Growth	1.0%
29			Europe	Buyout	1.0%
30	Growth Fund ³		USA	Growth	1.0%
31			Europe	Buyout	0.9%
32			USA	Buyout	0.9%
33			USA	Growth	0.9%
34			Europe	Buyout	0.9%
35			USA	Buyout	0.8%
36			USA	Buyout	0.8%
37			Europe	Buyout	0.8%
38			Asia & EM	Buyout	0.8%

¹ Refers to the regional exposure of funds.

² Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.

³ The private equity manager does not permit the Company to disclose this information.

Other Information – The largest 50 managers by value

Rank	Manager	Website	Region ¹	Stage	% of total private equity asset value ²
39			USA	Growth	0.7%
40			Europe	Venture	0.7%
41	Growth Fund ³		USA	Growth	0.7%
42			Europe	Buyout	0.7%
43			Europe	Buyout	0.7%
44	IVF Advisors Private Limited		Asia & EM	Buyout	0.7%
45			Europe	Buyout	0.7%
46			Asia & EM	Special situations	0.7%
47			USA	Buyout	0.7%
48			Europe	Buyout	0.6%
49			Europe	Buyout	0.6%
50			USA	Buyout	0.6%
Coverage of PIP's private equity asset value					70.6%

¹ Refers to the regional exposure of funds.

² Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.

³ The private equity manager does not permit the Company to disclose this information.

The largest 50 companies by value¹

	Company	Website	Country	Sector	Public/ private	Investment type	Description	% of PIP portfolio
1			USA	Healthcare	Private	Secondary; Co-investment	Leading healthcare provider	1.0%
2			USA	Financials	Private	Primary; Secondary; Co-investment	Mobile phone insurance company	0.9%
3			Norway	Information Technology	Private	Primary; Co-investment	Provider of enterprise software solutions	0.8%
4			USA	Healthcare	Private	Secondary	Specialist eye treatment provider	0.8%
5			USA	Information Technology	Private	Primary; Secondary; Co-investment	Cybersecurity software company	0.8%
6			USA	Energy	Private	Secondary; Co-investment	Natural gas and oil producer	0.7%
7			Hong Kong	Financials	Private	Secondary; Co-investment	Provider of trust, fiduciary, fund and corporate services	0.7%
8			India	Financials	Public	Co-Investment	Health insurance provider	0.7%
9			USA	Consumer	Public	Co-Investment	Online distributor of pet food and supplies	0.7%
10			USA	Information Technology	Private	Primary; Secondary; Co-investment	Managed IT services provider	0.7%
11	Software Company ²		USA	Information Technology	Private	Co-Investment	Security management solutions provider	0.7%
12			USA	Information Technology	Private	Co-Investment	IT services management company	0.7%

¹ The largest 50 companies table is based upon underlying company valuations at 31 March 2022 adjusted for known call and distributions to 31 May 2022, and includes the portion of the reference portfolio attributable to the ALN.

² The private equity manager does not permit the Company to disclose this information.

The largest 50 companies by value¹

	Company	Website	Country	Sector	Public/ private	Investment type	Description	% of PIP portfolio
13	 GENESYS™		USA	Information Technology	Private	Primary; Secondary	Provider of broadband solutions	0.6%
14	 ACTION		Netherlands	Consumer	Private	Secondary	Non-food discount stores	0.6%
15	 KD Pharma™ Creating Health Solutions		Germany	Healthcare	Private	Secondary	Specialist pharmaceutical company	0.6%
16	 Revolut		UK	Information Technology	Private	Primary; Secondary	Fintech company offering banking services	0.6%
17	 FLYNN RESTAURANT GROUP		USA	Consumer	Private	Primary; Co-investment	Restaurant franchise	0.5%
18	 FRONERI		UK	Consumer	Private	Secondary	Ice cream and frozen food manufacturer	0.5%
19	Project Fusion ²		USA	Healthcare	Private	Secondary	Commercial services platform for the life science sector	0.5%
20	 ALM.		USA	Communication Services	Private	Secondary; Co-investment	Content provider to the legal industry	0.5%
21	 CallRail		USA	Information Technology	Private	Secondary; Co-investment	Mobile data analytics company	0.5%
22	 ACT FIBER NET		India	Communication Services	Private	Co-Investment	In-home entertainment, education and interactive services provider	0.5%
23	 sonar		Switzerland	Information Technology	Private	Primary; Secondary	Developer of coding software	0.5%
24	 OLAPLEX.		USA	Consumer	Public	Primary	Manufacturer of premium hair treatments	0.4%
25	 CAA		USA	Communication Services	Private	Secondary	Entertainment, media and sports agency	0.4%

¹ The largest 50 companies table is based upon underlying company valuations at 31 March 2022 adjusted for known call and distributions to 31 May 2022, and includes the portion of the reference portfolio attributable to the ALN.

² The private equity manager does not permit the Company to disclose this information.

The largest 50 companies by value¹

	Company	Website	Country	Sector	Public/ private	Investment type	Description	% of PIP portfolio
26			USA	Consumer	Private	Secondary; Co-investment	Manufacturer of vehicle suspension products	0.4%
27			USA	Healthcare	Private	Primary; Co-investment	Provider of disclosure management services	0.4%
28			USA	Financials	Private	Co-Investment	Commercial insurance broker	0.4%
29			USA	Industrials	Private	Secondary	Digital marketing and recruitment services provider	0.4%
30			USA	Information Technology	Public	Primary	Business intelligence provider	0.4%
31			Hong Kong	Consumer	Private	Primary; Co-investment	Operator of educational institutions	0.4%
32			Australia	Consumer	Private	Secondary	Producer of beef and other animal protein products	0.4%
33			USA	Financials	Private	Co-Investment	Provider of specialty insurance products	0.4%
34			USA	Information Technology	Private	Primary; Secondary	Developer of software for scientific research	0.4%
35			China	Healthcare	Public	Primary	Biotechnology company	0.4%
36	Eagle Investment Trust ²		Australia	Industrials	Private	Co-Investment	Provider of transport and logistics services	0.4%
37			USA	Healthcare	Private	Primary	Provider of risk assessment services to the healthcare industry	0.4%
38			Israel	Information Technology	Private	Co-Investment	Provider of cloud consulting and engineering services	0.4%

¹ The largest 50 companies table is based upon underlying company valuations at 31 March 2022 adjusted for known call and distributions to 31 May 2022, and includes the portion of the reference portfolio attributable to the ALN.

² The private equity manager does not permit the Company to disclose this information.

The largest 50 companies by value¹

	Company	Website	Country	Sector	Public/ private	Investment type	Description	% of PIP portfolio
39	 Prelude		USA	Healthcare	Private	Secondary; Co-investment	Provider of fertility preservation services	0.4%
40	 JFrog		Israel	Information Technology	Public	Primary	Offers software development platforms	0.4%
41	 shawbrook		UK	Financials	Private	Primary; Secondary; Co-investment	Commercial bank	0.4%
42	 digicert®		USA	Information Technology	Private	Primary; Secondary	Digital security company	0.4%
43	 Personio		Germany	Information Technology	Private	Primary	Developer of an HR management and recruitment platform	0.4%
44	 infovista		France	Information Technology	Private	Primary; Secondary; Co-investment	Provider of unified network and application performance management	0.4%
45	 REGINA MARIA REȚEAUA PRIVATĂ DE SĂNĂȚATE		Romania	Healthcare	Private	Secondary	Operator of hospitals and healthcare clinics	0.4%
46	 DevotedHealth		USA	Healthcare	Private	Co-Investment	Healthcare service provider	0.4%
47	Project Phoenix ²		France	Communication Services	Private	Co-Investment	Satellite communication provider	0.4%
48	 CAPTIVERESOURCES		USA	Financials	Private	Secondary	Provider of advisory services to insurance companies	0.4%
49	 PROFI		Romania	Consumer	Private	Co-Investment	Supermarket chain	0.4%
50	 KYOBO		South Korea	Financials	Private	Secondary	Life insurance company	0.4%
Coverage of PIP's private equity asset value								25.9%

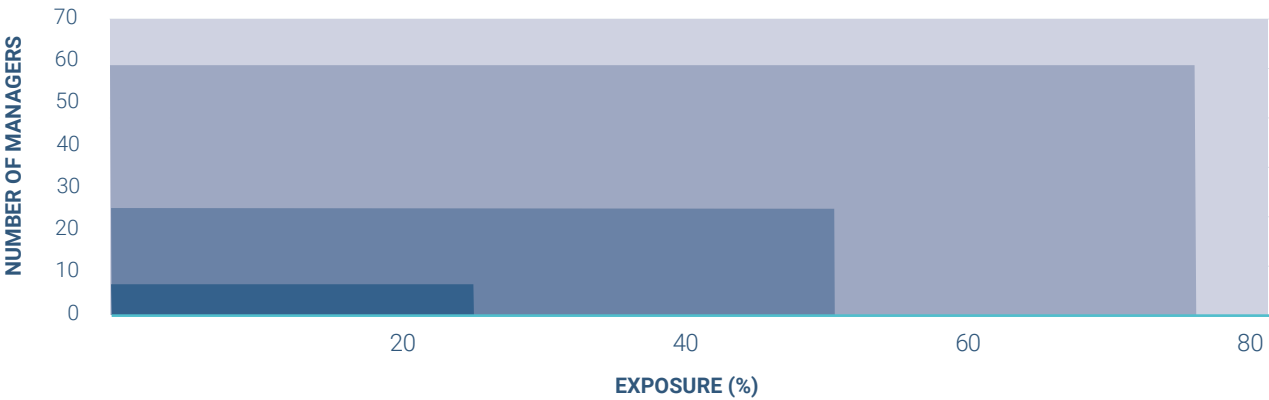
¹ The largest 50 companies table is based upon underlying company valuations at 31 March 2022 adjusted for known call and distributions to 31 May 2022, and includes the portion of the reference portfolio attributable to the ALN.

² The private equity manager does not permit the Company to disclose this information.

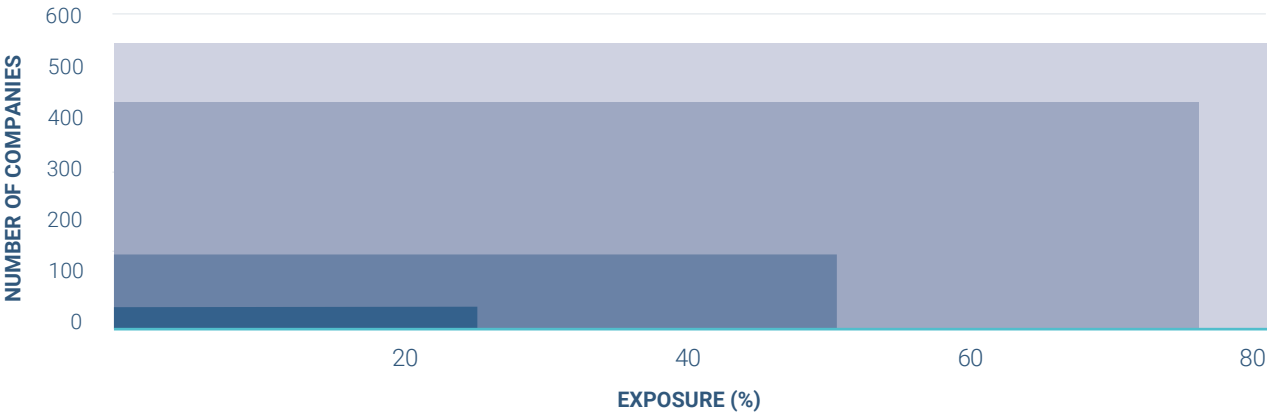
Portfolio Concentration

70 managers and 597 companies account for 80% of PIP's total exposure.¹

Portfolio concentration by manager²



Portfolio concentration by company³



¹ Exposure is equivalent to the sum of the NAV and undrawn commitments.
² Excludes the portion of the portfolio attributable to the Asset Linked Note.
³ Excludes the portion of the portfolio attributable to the Asset Linked Note.

Historical Data

	NAV ^{1,2} (£m)	NAV per share ² (pence)	Ordinary share price (pence)	Private equity portfolio (£m)	Outstanding commitments (£m)
Year ended 31 May 2022	2,427	451.6	295.5	2,239	755
Financial year³					
2021	1,865	344.8	272.0	1,714	528
2020	1,559	288.3	206.5	1,496	541
2019	1,499	277.1	222.5	1,450	521
2018	1,307	241.5	201.0	1,275	440
2017	1,388	219.0	179.3	1,224	445
2016	1,187	187.4	128.5	1,072	382
2015	1,000	153.2	127.2	862	256
2014	902	136.4	115.0	815	176
2013	903	133.2	104.2	826	195
2012	845	119.4	72.6	800	191
2011	733	110.4	71.4	810	243
2010	637	95.9	48.6	763	331
2009	514	77.4	29.5	648	428
2008	736	110.9	75.0	806	641
2007	610	91.9	91.8	527	528
2006	441	79.7	72.7	372	365
2005	382	65.8	65.1	315	245
2004	245	57.3	46.3	233	137
2003	221	54.7	44.7	237	158
2002	196	54.2	48.7	175	138
2001	206	66.9	57.4	201	138

1 Includes participating loan notes in issue between 2000 and 2004.

2 Historical NAV and NAV per share figures disclosed in the table above relate to adjusted NAV and adjusted NAV per share where applicable.

3 In April 2017, PIP changed its accounting reference date from 30 June to 31 May of each year. Figures for 2017 cover the 11 months to 31 May 2017.

Historical Data

	NAV ^{1,2} (£m)	NAV per share ² (pence)	Ordinary share price (pence)	Private equity portfolio (£m)	Outstanding commitments (£m)
Financial year³					
2000	161	60.0	45.8	140	77
1999	146	40.6	30.3	78	45
1998	131	36.9	29.5	79	50
1997	117	32.8	27.0	73	47
1996	106	30.3	22.5	48	25
1995	87	25.5	20.8	33	8
1994	47	24.0	17.7	42	7
1993	31	19.6	17.3	28	1
1992	21	14.0	9.4	28	0
1991	21	12.9	8.7	31	1
1990	20	12.7	8.1	32	2
1989	17	12.1	9.5	25	2
1988	12	10.3	7.5	2	0

1 Includes participating loan notes in issue between 2000 and 2004.

2 Historical NAV and NAV per share figures disclosed in the table above relate to adjusted NAV and adjusted NAV per share where applicable.

3 In April 2017, PIP changed its accounting reference date from 30 June to 31 May of each year. Figures for 2017 cover the 11 months to 31 May 2017.

Key Pantheon Personnel Supporting PIP



Helen Steers

PIP and European Primary Investment,
Partner

Joined 2004; 32 years of private equity experience. Helen is a Partner in Pantheon's European Investment Team and is responsible for managing the activities of PIP. She is a member of Pantheon's International Investment Committee, European Investment Committee and Co-Investment Committee. Prior to joining Pantheon, Helen held senior positions at Russell Investments in Paris and at the Caisse de dépôt et placement du Québec in Montréal. Helen is a past Chair and member of the Council (Board) of the British Private Equity and Venture Capital Association (BVCA). She has also served as a Board member of Invest Europe and is a co-founder of Level 20. Helen is based in London.



Vicki Bradley

Head of Investor Relations and
Communications for PIP

Joined 2016; over 13 years of investor relations and communications experience with publicly listed companies. She is also a member of the UK Investor Relations Society Policy Committee. Prior to joining Pantheon, she held senior roles at FTSE 100 and FTSE 250 companies, as well as at a Dutch-listed investment trust. Vicki is based in London.



Maria Candelario

Principal

Joined in 2014; 14 years of private equity and investment banking experience. Maria is responsible for investment strategy, portfolio management, vehicle financing and reporting for PIP. Prior to joining Pantheon, Maria worked in mergers and acquisitions at Credit Suisse, where she evaluated investments and was responsible for executing buy and sell-side M&A transactions across a variety of sectors. She also held senior finance positions at Citi and IBM. Maria is based in London.



Farid Barekati

Senior Product Controller

Joined 2020; 9 years of private equity experience. Farid is a Senior Product Controller within Pantheon's Product Control Team, where he has operational oversight for the reporting, valuation and external audit of PIP. Prior to joining Pantheon, Farid was the Financial Controller for John Laing Capital Management, responsible for their listed funds. He also spent time in various finance and operations roles within 3i Group plc, before moving to their listed infrastructure fund. Farid is based in London.



Key Pantheon Personnel Supporting PIP



Rhoddy Swire

Senior Partner

Rhoddy is Pantheon's founder and was a Director of PIP from its listing in 1987 until October 2019. In 1981 Rhoddy joined GT Management Ltd to oversee and manage unquoted investments and subsequently led the buyout from GT Management Ltd to form Pantheon. He was, until 12 October 2011, a Director of Pantheon Ventures Limited, a parent undertaking of Pantheon Ventures (UK) LLP, and is a Director of a number of Pantheon funds. Rhoddy is also Chairman of both Quail Digital and Azquo Holdings Ltd, and is Deputy Lieutenant of Shropshire. Rhoddy also attends PIP board meetings.



Paul Ward

Managing Partner

Joined 2003; 24 years of private equity experience. Paul is Pantheon's Managing Partner and is a member of the Partnership Board. Paul joined Pantheon from Lehman Brothers Private Equity Group, where he was Investment Director. Previously, he worked for Lehman Brothers Investment Bank in New York and London on M&A and corporate finance advisory services and, prior to that, was a management consultant for PA Consulting. Paul is based in London.



Dennis McCrary

Head of Investment, Partner

Joined 2007; 42 years of private markets experience. Dennis is a Partner and Pantheon's Head of Investment with management oversight of the investment team heads. He is a member of Pantheon's Partnership Board, Executive Committee, International Investment Committee, Co-Investment Committee, Global Secondary Investment Committee, US Investment Committee, and Global Credit Committee. Dennis was previously the Head of the US Partnership Team at Adams Street Partners, where he was responsible for primary and secondary fund investments and was a member of the firm's global investment committee. Prior to this, Dennis held several investment banking and principal investing positions with Bank of America and Continental Bank. Dennis is based in Chicago.



Jeff Miller

Global Head of Private Equity, Partner

Joined 2008; 21 years of private equity experience. Jeff is a Partner and Global Head of Private Equity. He is also Global Head of Co-investments, leading all underlying co-investment activities and team management, and is a member of Pantheon's Global Partnership Board, International Investment Committee, Co-investment Committee and US Investment Committee. Prior to joining Pantheon, Jeff was a Principal at Allied Capital, where he was responsible for evaluating and executing private equity and mezzanine investments. Previously, he was a Vice President in Lehman Brothers' investment banking division. He is based in San Francisco.



Key Pantheon Personnel Supporting PIP



Alex Scott

European Primary Investment, Partner

Joined 2005; 24 years of private markets experience. Alex is a Partner in Pantheon's European Investment Team, chairs the European Investment Committee and co-chairs the ESG Committee. Prior to joining Pantheon, Alex worked for the West Midlands Pension Fund managing their Private Equity portfolio. Alex is based in London.



Jie Gong

Asian Investment, Partner

Joined 2013; 24 years of private equity experience. Jie is a Partner in Pantheon's Asia Investment Team, a member of Pantheon's Asian Regional Investment Committee and Global Co-Investment Committee, and Co-Head of the Global ESG Committee. Jie joined Pantheon from Morgan Stanley Alternative Investment Partners' private equity fund-of-funds group, where she was Head of Asia, and before that she worked at JP Morgan in leverage finance. Jie is Vice Chair of the Hong Kong Venture Capital and Private Equity Association – the largest private equity industry association in Asia Pacific by number of members – where she founded and chairs its ESG Committee and co-chairs its LP Committee. Jie is based in Hong Kong.



Elly Livingstone

Secondary Investment, Partner

Joined 2001; 25 years of experience. Elly is a Partner in Pantheon's Global Secondaries Investment Team and a member of the firm's International Investment Committee. Elly focuses on all aspects of sourcing, evaluation and execution of private equity secondary investments. Prior to joining Pantheon, Elly worked as an investment manager on the analysis, structuring and execution of direct private equity investments at British International Investment, a Development Finance Institution backed by the UK Government. Elly worked previously for Accenture and PricewaterhouseCoopers on a range of international management consulting and corporate finance advisory assignments. Elly is based in London.



Rudy Scarpa

Secondary Investment, Partner

Joined 2007; Rudy is a Partner and Co-Head of Pantheon's Global Secondaries Team, leading Pantheon's secondaries presence in the US. He is a member of the International Investment Committee and Global Secondary Investment Committee. Rudy was previously a partner at Collier Capital, where he was a key member of the senior team. Prior to Collier Capital, Rudy worked at Thomas H. Lee Putnam Ventures, Merrill Lynch and Skadden Arps. Rudy is based in New York.



Key Pantheon Personnel Supporting PIP



Petra Bukovec

Secondary Investment, Partner

Joined 2006; 16 years of private equity experience. Petra is a Partner in Pantheon's Global Secondaries Team, where she is involved in all aspects of secondary investments including the analysis, evaluation and completion of secondary transactions. She is a member of the Global Secondary Investment Committee and has been a member of the secondary team since joining Pantheon in 2006. Prior to joining Pantheon, Petra was an investment banking analyst at Lehman Brothers, focusing on M&A and other corporate finance mandates. Petra is based in London.



Susan Long-McAndrews

US Primary Investment, Partner

Joined in 2002; 27 years of private equity experience. Susan is a Partner in Pantheon's US Investment Team and leads Pantheon's global business development. She is a member of Pantheon's Partnership Board, Executive Committee, International Investment Committee, the US Investment Committee and is the Chief Executive Officer of Pantheon Securities, LLC. Prior to joining Pantheon, Susan was a principal at Capital Z Partners in Asia, and a director at Russell Investments' private equity group. Susan has served on the Board of the American Investment Council, the Investment Committee for the Archdiocese of San Francisco and was a Term Member of the Council on Foreign Relations. Susan is based in San Francisco.



Erik Wong

Co-Investment, Partner

Joined 2007; 21 years of private equity experience. Erik is a Partner in Pantheon's Global Co-Investment Team and a member of the Co-Investment Committee and European Investment Committee. Erik is responsible for sourcing, execution and monitoring co-investments in Europe. Prior to Pantheon, Erik worked for the Abu Dhabi Investment Authority, IFRS Foundation in the UK and with Quilvest Asia in Hong Kong. Erik is based in London.



Graeme Keenan

Chief Risk Officer, Partner

Joined 1999; 21 years of private markets experience. Graeme is a Partner and Pantheon's Chief Risk Officer, with responsibility for global risk management. Graeme also heads up the Performance Analytics function. He is a member of Pantheon's Risk Committee and ESG Committee. Prior to taking on the role of Chief Risk Officer, Graeme was Pantheon's Global Head of Operations, responsible for global client financial reporting, handling the processing, maintenance and reconciliation of transactions, valuations and company data for clients and Pantheon fund-of-funds within Pantheon's in-house systems. Graeme is based in London.



Governance

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Board of Directors



Sir Laurie Magnus CBE



Chair

Appointed to the Board 22 November 2011

Appointed as Chair on 23 November 2016. Sir Laurie Magnus has over 40 years of investment banking experience, primarily in corporate finance, initially at Samuel Montagu & Co Limited (subsequently HSBC Investment Bank) and then successively at Phoenix Securities, Donaldson Lufkin & Jenrette, Credit Suisse First Boston and Lexicon Partners (latterly as Chairman).

He is currently Chairman of The City of London Investment Trust plc and a non-executive adviser to the European division of Evercore Inc. In the not-for-profit sector, he is Chairman of both The Historic Buildings and Monuments Commission for England ("Historic England") and a trustee of the English Heritage Trust.



Mary Ann Sieghart



Senior Independent Director

Appointed to the Board 30 October 2019

Ms Sieghart is a Non-Executive Director of The Merchants Trust plc and the Guardian Media Group. She is the Chair of the Investment Committee of the Scott Trust, which owns *The Guardian* and *The Observer*. In addition, she is a Trustee of the Kennedy Memorial Trust, among other voluntary posts.

Ms Sieghart is also a political journalist and broadcaster and was formerly Assistant Editor of *The Times*, a Lex columnist at the *Financial Times* and City Editor of *Today*. She is a Visiting Professor of King's College London and also spent the academic year 2018–19 as a Visiting Fellow of All Souls College, Oxford.



David Melvin



Audit Committee Chair

Appointed to the Board 23 February 2015

Mr Melvin is an investment and financial services professional with over 30 years of experience in investment banking and private equity. He is currently a senior adviser at CITIC CLSA Securities, a CITIC Securities Company, senior adviser at Bixteth Partners Limited, a boutique advisory firm, Chairman of HBA Media Limited, Principal at 24 Haymarket Private Capital and a member of the Investment Committee of Gonville and Caius College, Cambridge.

Mr Melvin was formerly a Partner at TDR Capital, a European private equity firm, where he was a member of the Investment Committee and Head of Investor Relations. Prior to that, he spent 24 years at Merrill Lynch, where he held a number of leadership positions, including Global Co-Head of Financial Sponsors and Chairman of EMEA Financial Sponsors and Leverage Finance. He is a qualified Chartered Accountant.

Board of Directors



John Singer

A M N I

Appointed to the Board 23 November 2016

Mr Singer is an investment and financial services professional with over 30 years' experience in private equity. Mr Singer spent over 20 years with Advent International plc as co-founder, member of the Global Executive Committee and, until 2012, Chairman of European Operations. He was Managing Director and founder of Granville Europe plc, one of the first pan-European private equity funds. In addition, he was Chairman of the European Venture Capital Association.

Mr Singer is involved with several organisations within the arts and education sectors. He is a Trustee of the National Gallery, London, Chairman of City of London Sinfonia, and Chairman of the National Youth Orchestra of Great Britain.



John Burgess

A M N I

Appointed to the Board 23 November 2016

Mr Burgess has over 20 years' experience within private equity, following eight years with the Boston Consulting Group in Paris and London, where he became a Partner.

Subsequently, he held senior roles with F&C Ventures Ltd and Candover Investments plc before co-founding BC Partners (formerly Baring Capital Investors Ltd) in 1986, where he was a Managing Partner until 2005. While at BC Partners, he held directorships of a variety of companies across the UK and Continental Europe.

Since 2005, he has remained actively involved in private equity, as well as increasing his investment interests in the public markets. Mr Burgess is an Independent Member of the Governing Body of the Royal Academy of Music and was a Director of the Business Growth Fund Plc.



Dame Susan Owen DCB

A M N I

Appointed to the Board 31 October 2019

Dame Sue Owen is an economist with over 30 years' experience in government, including 14 years at the Treasury. She led the Department for Digital, Culture, Media and Sport from 2013 to 2019, having also worked in the British Embassy in Washington DC, No. 10, the Department of International Development and as Strategy Director General in the Department for Work and Pensions overseeing a £200bn budget. She has considerable experience of governance, making board and chair appointments including at the BBC, Ofcom and the Tate. She chaired the Civil Service Charity and was Civil Service Diversity Champion.

Currently, Dame Sue is chair of UK Debt Management Office Advisory Board, a specialist partner at Flint-Global and non executive Director at Pool Re, Serco plc and Methera Global Communications. In the not for profit space she Chairs the Royal Ballet Governors and is a trustee of Opera Holland Park, and the IFS.

KEY

- A Member of the Audit Committee
- M Member of the Management Engagement Committee
- N Member of the Nomination Committee
- I Independent of the Manager

Directors' Report

The Directors are pleased to present their report, together with the audited financial statements of the Company for the year ended 31 May 2022.

Directors

The names and full biographies of the Directors can be found on pages 133 and 134. Susannah Nicklin retired from the Board on 27 October 2021 and Tamara Sakovska was appointed to the Board on 1 March 2022 and subsequently resigned from the Board on 22 July 2022. As at 31 May 2022, the Board of Directors of the Company was comprised of four male Directors and three female Directors. As at the date of this report the Board of Directors of the Company is comprised of four male Directors and two female Directors.

With the exception of Sir Laurie Magnus CBE, all Directors will retire and stand for re-election at the Company's Annual General Meeting ("AGM") on 18 October 2022. Sir Laurie Magnus CBE will be retiring from the Board upon conclusion of the AGM. Further details regarding the selection and appointment of Directors, including the Company's position on diversity, can be found on page 144.

The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association. There are no agreements between the

Company and its Directors concerning any compensation for their loss of office.

Articles of Association

Any amendments to the Articles of Association must be made by special resolution at a general meeting of the shareholders.

Share Capital

The rights attaching to the Company's shares are set out in the Company's Articles of Association. Further details can be found in Note 14 of the financial statements.

Authorities given to the Directors at the AGM on 27 October 2021 to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM. During the year 3,400,830 shares were bought back and subsequently cancelled.

As at 31 May 2022 and as at the date of this Report, the Company had shares in issue as shown in the table below, all of which were listed on the official list maintained by the Financial Conduct Authority ("FCA") and admitted to trading on the London Stock Exchange. No shares were held in Treasury at the year end.

The Company's ordinary shares are freely transferable. However, the Directors may refuse to register a transfer of shares held in certificated form which are not fully paid unless the instrument of transfer is (i) lodged, duly stamped at the Company's registered office, accompanied by the

relevant share certificate(s) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer and (ii) not in favour of more than four persons jointly. The Directors may decline to register a transfer of an uncertificated share in the circumstances set out in the Uncertified Securities Regulations 2001 and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four. If the Directors decline to register a transfer, they are required to send notice of the refusal to the transferee within two months, giving reasons for their decision.

Unless the Directors determine otherwise, a holder of ordinary shares will cease to be entitled to attend or vote at general meetings of the Company or on any poll if he/she fails to comply with a request by the Company to provide details of any interest held by any person in his/her ordinary shares within 14 days of the request being made. Additionally, if the shares represent at least 0.25%, any dividends payable in respect of the shares will be withheld by the Company and no transfers of any of the shares held in certified form will be

registered unless the shareholder is not him/herself in default as regards supplying the information required (and the Directors are satisfied that no person in default as regards supplying such information is interested in any of the shares that are subject of the transfer) or unless the transfer arises as a result of the acceptance of a takeover offer or a sale made through a recognised investment exchange (or any other stock exchange outside the UK on which the Company's shares are normally traded) or is a transfer which the Directors are satisfied is made in consequence of a sale of the entire beneficial interest in the shares to a person who is unconnected with the shareholder and with any other person appearing interested in the shares.

The Company's Articles of Association contain additional provisions enabling the Directors to take certain steps where ordinary shares are or may be owned, or rights attaching to such shares may be exercised, by persons in circumstances which the Directors determine would give rise to a regulatory burden under certain US securities, investment and pension laws and regulations.

Share capital and voting rights at 31 May 2022

	Number of shares in issue	Voting rights attached to each share	Number of shares held in Treasury
Ordinary shares of 6.7p each	537,493,640	1	–
Total voting rights	537,493,640	–	–

Directors' Report

Save as described above, there are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

The giving of authority to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares will be set out in the separate 2022 AGM Notice.

Dividends

No final dividend is being recommended.

Investment Trust Status

The Company has received written approval from HM Revenue & Customs ("HMRC") as an authorised investment trust under Section 1158 of the Corporation Tax Act 2010. The Directors are of the opinion that the Company has conducted its affairs in compliance with such approval and intends to continue doing so.

Financial risk management

The principal financial risks and the Company's policies for managing these risks are set out in Note 20 to the financial statements (on pages 185 to 188).

Management

The Company entered into a Management Agreement with the Company's investment

manager, Pantheon Ventures (UK) ("Pantheon Ventures"), on 22 July 2014, under which Pantheon Ventures was appointed as the Company's Alternative Investment Fund Manager ("AIFM") on the terms of and subject to the conditions of a new investment Management Agreement (the "Management Agreement") between the Company and Pantheon Ventures. Pantheon Ventures, which is part of the Pantheon Group, has been approved as an AIFM by the FCA.

The Pantheon Group is one of the world's foremost private equity fund investors and has acted as Manager to the Company since the Company's inception in 1987.

Affiliated Managers Group, Inc. ("AMG"), alongside senior members of the Pantheon team, acquired the Pantheon Group in 2010. The ownership structure, with Pantheon senior management owning a meaningful share of the equity in the business, provides a framework for long-term succession and enables Pantheon management to continue to direct the firm's day-to-day operations. AMG is a global asset management company with equity investments in leading boutique investment management firms.

Under the terms of the Management Agreement, Pantheon Ventures has been appointed as the sole and exclusive discretionary manager of all the assets of the Company and to provide certain additional services in connection with the management and administration of the Company's affairs, including monitoring the performance of, and giving instructions on behalf of the Company to, other service providers to the Company.

The Manager is entitled to a monthly management fee as at an annual rate of:

- (i) 1.5% on the value of the Company's investment assets up to £150m and
- (ii) 1% on the value of such assets in excess of £150m.

In addition, the Manager is entitled to a monthly commitment fee of 0.5% per annum on the aggregate amount committed (but unpaid) in respect of investments, up to a maximum amount equal to the total value of the Company's investment assets.

The arrangements in respect of the management fee and notice period are materially unchanged.

The Manager is entitled to a performance fee from the Company in respect of each 12-month calendar period. No performance fee is payable in respect of the year ended 31 May 2022 (period ended 31 May 2021: £nil). Further detail as to how the performance fee is calculated is set out below.

The Company entered into a Supplemental Agreement with Pantheon Ventures on 18 April 2017 to align the Management Agreement with the change to the Company's accounting reference date from 30 June to 31 May of each year.

The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such a period exceeds 110% of the applicable "high-water mark", i.e., the net asset value at the end of the previous calculation period in respect of which a

performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation year ended 31 May 2022, the notional performance fee hurdle is a net asset value per share of 461.2p.

The performance fee is calculated so as to ignore the effect on performance of any performance fee payable in respect of the period for which the fee is being calculated or of any increase or decrease in the net assets of the Company resulting from any issue, redemption or purchase of any shares or other securities, the sale of any treasury shares or the issue or cancellation of any subscription or conversion rights for any shares or other securities and any other reduction in the Company's share capital or any distribution to shareholders.

The value of investments in, and outstanding commitments to, investment funds managed or advised by the Pantheon Group ("Pantheon Funds") are excluded in calculating the monthly management fee and the commitment fee. In addition, the Manager has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon Group and attributable to the Company's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

Directors' Report

The Management Agreement is capable of being terminated (without penalty to the Company) by either party giving two years' notice in writing. It is capable of being terminated by the Company (without penalty to the Company) immediately if, among other things, the Manager materially breaches its obligations (and cannot or does not remedy the breach) or goes into liquidation, and on six months' notice if there is a change of control of the Manager or if certain "key man" provisions are triggered. The Manager has the benefit of an indemnity from the Company in respect of liabilities arising out of the proper performance by the Manager of its duties and compliance with instructions given to it by the Board and an exclusion of liability save to the extent of any negligence, fraud, willful default or breach of duty.

Pantheon Ventures sources, evaluates and manages investments on the Company's behalf, allocating investments to the Company, in accordance with Pantheon's investment allocation policy, that are in line with the strategy agreed with the Board and the Company's investment objective and policy.

Under the terms of the Management Agreement, the Company is entitled to participate in allocations made by the Pantheon Group under its secondary investment programme, in accordance with the allocation basis agreed from time to time between the Company and the Manager.

An alternative basis for the allocation to the Company of secondary investment opportunities may be applied by Pantheon in the context of a successor fund to Pantheon Global Secondary Fund VI. In the event of Pantheon and the Company being unable to agree any such alternative allocation basis, Pantheon will cease to be entitled to any performance fee for calculation periods following that in which the alternative allocation basis takes effect and the Company will be entitled to terminate the Management Agreement (without penalty to the Company) on six months' notice.

Continuing appointment of the Manager

The Board keeps the performance of the Manager under continual review, and the Management Engagement Committee carries out an annual review of the Manager's performance and the terms of the Management Agreement. The ongoing review of the Manager includes activities and performance over the course of the year and review against the Company's peer group. The Board is of the opinion that it is in the interests of shareholders as a whole to continue the appointment.

The reasons for this view are that the investment performance is satisfactory and the Manager is well placed to continue to manage the assets of the Company according to the Company's strategy. Further details of the Board's engagement with the Manager is set out on page 142.

Other service providers

Administrative, accounting and company secretarial services are provided by Link Alternative Fund Administrators Limited. The Administration Agreement may be terminated with 12 months' written notice.

The Board has also appointed BNP Paribas Trust Corporation UK Limited (previously BNP Paribas Securities Services, London Branch) to act as the Company's Depositary (as required by the AIFM Directive) (the "Depositary") subject to the terms and conditions of a Depositary Agreement, as updated in 2022 by a Deed of Novation and Amendment, entered into between the Company, the AIFM and the Depositary. BNP Paribas Trust Corporation UK Limited have also been appointed as Custodian. Full details of the Board's engagement with service providers are set out on page 145.

Related party transactions

Related party transactions are disclosed in Note 21 to the financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance, and financial position, are set out in the Strategic Report and Manager's Review.

The Directors have made an assessment of the going concern, taking into account both the Company's financial position at the Balance Sheet date and the expected performance of the Company, considering

the disrupted recovery in the wake of the COVID-19 pandemic, the geopolitical uncertainties as a result of the Russia–Ukraine conflict, including the disruption to the global supply chain, increases in the cost of living as a result of this conflict, persistent inflation, interest rate rises and the impact of climate change on PIP's portfolio using the information available up to the date of issue of the financial statements.

The Directors have also considered the Company's position with reference to its investment trust structure, its business model, its business objectives, the principal risks and uncertainties as detailed on pages 46 to 49 of this report and its present and projected financial position. As part of the overall assessment, the Directors have taken into account the Manager's culture, which emphasises collaboration and accountability, the Manager's conservative approach to balance sheet management, and its emphasis on investing with underlying private equity managers that are focused on market outperformance.

At each Board meeting, the Directors review the Company's latest management accounts and other financial information. The Company's commitments to private equity investments are reviewed, together with its financial resources, including cash held and its borrowing capability. One-year cash flow scenarios are also presented and discussed at each meeting.

Directors' Report

PIP's Balance Sheet is managed to ensure that the Company can finance its undrawn commitments, which are carefully controlled relative to its assets and available liquidity. This disciplined approach enables the Company to withstand periods of volatility such as those experienced as a result of the COVID-19 pandemic and the Russia-Ukraine conflict.

The Directors have considered downside liquidity modelling scenarios with varying degrees of decline in investment valuations, decreased investment distributions, and increased call rates, with the worst being an extreme downside scenario representing an impact to the portfolio that is worse than that experienced during the 2008–2009 global financial crisis.

In the event of a downside scenario, PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility and pausing on new commitments. In addition, subject to the prevailing market environment, it could raise additional credit or capital, and sell assets to increase liquidity and reduce outstanding commitments.

Since the period end, the Company has announced that it has agreed a new multi-currency revolving credit facility to replace the existing one that was due to expire in May 2024. This new currently undrawn facility, totalling £500m is due to expire in July 2027.

Shareholdings

As at 31 May 2022, the Company's top ten shareholders were:

Name	Shareholding	% of total voting rights
USS	44,102,280	8.20
Contassur Assistance Conseil	31,101,440	5.79
Quilter Investors	28,730,000	5.34
Rathbones	24,495,314	4.56
APG Asset Management	24,000,000	4.46
Quilter Cheviot Investment Management	22,878,997	4.26
Border to Coast Pensions Partnership	22,078,170	4.11
Investec Wealth & Investment	21,004,694	3.91
Australian Retirement Trust	20,321,730	3.78
West Midlands PF	17,158,040	3.19

Major interests in shares

As at 31 May 2022, the Company had received notification of the following disclosable interests in the voting rights of the Company. This information was correct at the date of notification. It should be noted that these holdings may have

changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings as at 31 May 2022. However, notification of any change is not required until the next applicable threshold is crossed:

	Number of shares held	% of total voting rights
Australian Retirement Trust Pty Ltd	20,321,730	3.78
PostSuper Pty Ltd as trustee for Australia Post Superannuation Scheme	0	0
Private Syndicate Pty Ltd as trustee for Alternative Investment Private Syndicate	0	0
East Riding Pension Fund	0	0

- Subsequent to the financial year end, Australian Retirement Trust Pty Ltd notified the Company that it had reduced its holding to 2.83%.
- The Company received notification in July 2022 from APG Asset Management N.V. that its holdings had changed to 3.96%.
- It was also notified in July 2022 by Quilter Plc that its holdings in the Company had changed to 10.27%.

After due consideration of the Balance Sheet, activities of the Company, its assets, liabilities, commitments and financial resources, the Directors have concluded that the Company has adequate resources to continue in operation for at least 12 months

from the approval of the financial statements for the year ended 31 May 2022.

For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Directors' Report

Corporate Governance

The Board consists solely of Non-Executive Directors and no one individual has unfettered powers of decision. The Board has put in place levels of corporate governance which it believes are appropriate for an investment trust and to enable the Company to comply with the AIC Code of Corporate Governance (the "AIC Code") published in February 2019. The Board's compliance with the AIC Code is detailed in the Statement on Corporate Governance.

The Company's Statement on Corporate Governance, which forms part of this Directors' Report, is set out on pages 140 to 146 and on its website (www.pantheon.com).

Greenhouse gas emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions or consume any energy reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK Government's policy on Streamlined Energy and Carbon Reporting. Under

Listing Rule 15.4.29(R), the Company, as a closed ended investment fund, is currently exempt from complying with the Task Force on Climate-related Financial Disclosures.

Further details of the Investment Manager's approach to responsible investment practices and ESG standards can be found in the Strategic Report on pages 14 to 15.

Modern Slavery Act

In 2015, the UK Government introduced the Modern Slavery Act ("the Act"). As an Investment Trust, the Company does not provide goods or services in the normal course of business, and does not have employees, customers or turnover. Accordingly, the Directors consider that the Company is not in scope because it does not have turnover and is therefore not required to make any slavery or human trafficking statement under the Act. The Company's own supply chain, which consists predominately of professional advisers and service providers in the financial services industry, is considered to be low risk in relation to this matter. Details of the Investment Manager's approach to Modern Slavery can be found in the Strategic Report on page 40 and on its website (www.pantheon.com).

Donations

The Company made no political or charitable donations during the year (2021: nil).

Future developments

The outlook for the Company is set out in the Chair's Statement on pages 16 to 21.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Annual General Meeting ("AGM")

The Company's AGM will be held on 18 October 2022, and explanations of the business proposed at the AGM will be set out in a separate Notice of Meeting which will be published in due course.

Audit information

The Directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Approval

The Directors' Report has been approved by the Board.

On behalf of the Board

SIR LAURIE MAGNUS CBE

Chair

3 August 2022

Statement on Corporate Governance

Introduction from the Chair

I am pleased to introduce this year's Corporate Governance Statement. In this statement, the Company reports on its compliance with the AIC Code of Corporate Governance (the "AIC Code") and sets out how the Board has operated during the past year. The AIC Code, as published in February 2019, sets out principles and provisions regarding matters including stakeholder engagement and the culture of the Company, against which the Company has reported in the Strategic Report. The Company is committed to maintaining the highest standard of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs.

Statement of compliance

This statement, together with the Statement of Directors' Responsibilities on page 142, indicates how the Company has applied the principles of recommended governance of the Financial Reporting Council's ("FRC") 2018 UK Corporate Governance Code (the 'UK Code') and the AIC Code issued in 2019, which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders and that by reporting against the AIC Code the Company has met its obligations in relation to the UK Code and

associated disclosure requirements under paragraph 9.8.6 of the Listing Rules.

The UK Code is available on the FRC website (www.frc.org.uk). The AIC Code is available on the AIC website (www.theaic.co.uk) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Throughout the year ended 31 May 2022, the Company complied with the principles and provisions of the AIC Code which incorporates the UK Code. The Board attaches great importance to the matters set out in the UK Code and strives to apply its principles in a manner that would enable shareholders to evaluate how the principles have been applied. However, it should be noted that where the principles and provisions are related to the role of the Chief Executive, Executive Directors' remuneration and the establishment of a Remuneration Committee, the Board considers these principles and provisions not relevant as Pantheon International Plc is an externally managed Company with an entirely Non-Executive Board, no employees or internal operations.

The principles of the AIC Code

The AIC Code is made up of 17 principles split into five sections covering:

- Board leadership and purpose;
- Division of responsibilities;
- Composition, succession and evaluation;
- Audit, risk and internal control; and
- Remuneration.

Details of how the Company has applied the principles of the AIC Code are set out in this report.

Viability Statement

The Viability Statement can be found on page 55.

The Board of Directors

The Board consists of six Non-Executive Directors (four male and two female), and the Company has no employees. The Board is responsible for all matters of direction and control of the Company, and no one individual has unfettered powers of decision.

The Board seeks to ensure that it has the appropriate balance of skills, experience, ages and lengths of service among its members. The Directors possess a wide range of business and financial expertise relevant to the direction of the Company, and consider themselves as committing sufficient time to the Company's affairs.

Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 133 and 134.

The appointment of a new Director is always made on the basis of a candidate's merits and the skills/experience identified by the Board as being desirable to complement those of the existing Directors. The Board acknowledges the benefits of greater diversity, including gender and ethnic diversity, and the Board remains committed to ensuring that the

Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. A formal process exists for the selection of new Directors to the Company, and the level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company.

A formal induction process has been established for new Directors which involves the provision of a full induction pack containing relevant information about the Company. On appointment to the Board, Directors are fully briefed as to their responsibilities and are given the opportunity to talk to the relevant executive members of the Manager throughout their terms in office.

The terms and conditions of the appointment of the Non-Executive Directors are set out in letters of appointment, copies of which are available for inspection at the registered office of the Company and will be available at the AGM. None of the Directors has a contract of service with the Company.

Further details on the Company's purpose, culture and values can be found in the Strategic Report on page 30.

Board and Committee meeting attendance

The Board has at least seven scheduled meetings a year, and more if required. Directors' attendance at scheduled Board and Committee meetings held during the year to 31 May 2022 is set out on page 141 below.

Statement on Corporate Governance

Performance evaluation

During the year, in order to review the effectiveness of the Board as a whole, its Committees and individual Directors, an internal performance evaluation was carried out by the Company Secretary. Led by the Senior Independent Director, the evaluation was conducted using tailored questionnaires structured to analyse Directors feedback on Board composition and effectiveness, the Board's performance in relation to shareholder relations and value, governance, the efficiency of Board and Committee meetings, and to assess whether the operation of such meetings was appropriate, as well as any additional information that may be required to facilitate better Board discussions. Responses were collated by the Company Secretary. The independence of the Directors and their ability to commit sufficient time to the Company's activities was considered as part of the evaluation process. The performance of the Chair was similarly evaluated by the other Directors.

Following conclusion of the review, the Company Secretary provided a report on the outcome of the evaluation, a summary of strengths and areas for development and feedback on how the Board could improve in each area of assessment. The report from the Company Secretary was reviewed by the Nomination Committee as part of its assessment of Board performance.

The results of the evaluation process also indicated that the Board continues to work well and there are no significant concerns among the Directors about the Board's

effectiveness. The resulting actions agreed by the Directors will be monitored during the 2022–23 financial year.

As a result of the evaluation, the Board is satisfied that all the current Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company.

Insurance and indemnity provisions

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense. The Company has arranged a Directors' and Officers' liability insurance policy which includes cover for legal expenses.

The Company's Articles of Association take advantage of statutory provisions to indemnify the Directors against certain liabilities owed to third parties even where such liability arises from conduct amounting to negligence or breach of duty or of trust. In addition, under the terms of appointment of each Director, the Company has agreed, subject to the restrictions and limitations imposed by statute and by the Company's Articles of Association, to indemnify each Director against all costs, expenses, losses and liabilities incurred in execution of his/her office as Director or otherwise in relation to such office. Save for such indemnity provisions in the Company's Articles of Association and in the Directors' terms of appointment, there are no qualifying third-party indemnity provisions in force.

Chair and Senior Independent Director

The Board appointed Sir Laurie Magnus CBE as Chair of the Company at the conclusion of the Company's AGM in 2016. Sir Laurie Magnus CBE is deemed by his fellow independent Board members to be independent. He considers himself to have sufficient time to commit to the Company's affairs. He has no significant commitments other than those disclosed in his biography on page 133. Mr John Singer will succeed Sir Laurie Magnus CBE as Chair of the Company on his retirement from the Board at the conclusion of the Company's 2022 AGM.

Ms Mary Ann Sieghart was appointed Senior Independent Director of the Company at the conclusion of the Company's AGM in 2021. She provides a channel for any shareholder concerns regarding the Chair and leads the Chair's annual performance evaluation.

Directors' independence

In accordance with the Listing Rules that apply to closed-ended investment entities, and taking into consideration the AIC Code, the Board has reviewed the status of its individual Directors and the Board as a whole.

All Directors are considered to be independent in both character and judgement.

Board and Committee meeting attendance

	Scheduled Board meetings	Audit Committee meetings	Management Engagement Committee meetings	Nomination Committee meetings
Sir Laurie Magnus CBE	●●●●●●●●	●●●	●	●
S.E. Nicklin ¹	●●●●●	●●	●	●
D.L. Melvin	●●●●●●●●	●●●	●	●
J.D. Burgess	●●●●●●●●	●●●	●	●
J.B.H.C.A. Singer	●●●●●●●●	●●●	●	●
M.A. Sieghart	●●●●●●●●	●●●	●	●
Dame Sue Owen DCB	●●●●●●●●	●●●	●	●
T. Sakovska ²	●	N/A	N/A	N/A

¹ Ms Nicklin retired from the Board on 27 October 2021.
² Ms Sakovska joined the Board on 1 March 2022 and resigned from the Board on 22 July 2022.

Statement on Corporate Governance

Chair and Director tenure/ re-appointment of Directors

Following the Company's inclusion in the FTSE 250 Index and in accordance with the AIC Code, the Board has determined that its policy on the tenure of the Chair and the Directors is that the Chair and all Directors will be subject to annual re-election at each AGM. Accordingly, resolutions to re-elect all applicable Directors are contained within the 2022 AGM Notice of Meeting.

Board responsibilities and relationship with the Manager

The Board is responsible for the determination and implementation of the Company's investment policy and for monitoring compliance with the Company's objectives. At each Board meeting, the Directors follow a formal agenda to review the Company's investments and all other important issues, such as asset allocation, gearing policy, corporate strategic issues, cash management, peer group performance, marketing and shareholder relations, investment outlook and pacing, revenue forecasts and outlook, to ensure that control is maintained over the Company's affairs. The Board regularly considers its overall strategy and monitors the share price and level of discount.

The Board is responsible for the strategic and operational decisions of the Company and for ensuring that the Company is run in accordance with all regulatory and statutory requirements. These procedures have been formalised in a schedule of matters reserved for decision by the full Board, which has been adopted for all meetings. These matters include:

- The maintenance of clear investment objectives, investment strategy and risk management policies, changes to which require Board approval;
- The monitoring of the business activities of the Company, including investment performance and annual budgeting; and
- Review of matters delegated to the Manager, Administrator or Company Secretary.

The management of the Company's assets is delegated to Pantheon. At each Board meeting, representatives of Pantheon are in attendance to present verbal and written reports covering its activities, the portfolio and investment performance over the preceding period. Ongoing communication with the Board is maintained in between formal meetings. The Manager ensures that Directors have timely access to all relevant management, financial and regulatory information to enable informed decisions to be made and contacts the Board as required for specific guidance on particular issues. Pantheon has discretion

to manage the assets of the Company in accordance with the Company's investment objectives and policies, subject to certain additional investment restrictions (which may be amended by the Company from time to time with the consent of the Manager). The additional investment restrictions currently imposed on the Manager are as follows:

- At the time of making an investment, the aggregate of all amounts committed by the Company in respect of investments (excluding all amounts paid pursuant to such commitments and including any such commitments in respect of the investment to be made) shall not exceed 300% of the available cash and loan resources of the Company without the prior approval of the Board.
- No direct or indirect investment in a single company shall form more than 5% of the gross value of the Company at the time the investment is made.
- The amount invested (including amounts committed for investment) in respect of a single fund shall not exceed 10% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time the investment is made.
- The prior approval of the Board is required for an investment (including investment commitments) in respect of a single secondary interest in an

existing fund or a portfolio of secondary interests in existing funds and/or direct investments in one or more companies exceeding 3% of the net asset value of the Company at the time the investment is made.

- The prior approval of the Board is required for a direct investment in a single company exceeding 1% of the net asset value of the Company at the time the investment is made.

The Manager has also agreed that it will obtain the prior approval of the Board in relation to any primary investment in a new fund which is made otherwise than on a pro-rata basis with other Pantheon clients investing in the same fund and in relation to any investment in a vehicle managed by a member of the Pantheon Group, other than holding, special purpose and feeder vehicles where no fee is charged by the Pantheon Group.

The Board determines the parameters of investment strategy and risk management policies within which the Manager can exercise judgement and sets the investment and risk management strategies in relation to currency exposure. The Company Secretary and Manager prepare briefing notes for Board consideration on matters of relevance, for example changes to the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

Statement on Corporate Governance

Institutional investors – use of voting rights

The Company has delegated the exercise of its voting rights to the Manager. Pantheon has a policy of advising its clients to vote on all corporate actions in relation to investments and does this on behalf of the Company. Pantheon consults with the Directors of the Company in the case of any corporate action where either there is a conflict of interest between PIP and other Pantheon clients, or where for any reason the proposed voting is inconsistent with the advice given to Pantheon's other clients.

Conflicts of interest

The Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. There is in place a formal system for the Board to consider authorising such conflicts, whereby the Directors who have no interest in the matter decide whether to authorise the conflict and any conditions to be attached to such authorisations. The process in place for authorising potential conflict of interest has operated effectively during the year.

The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances. A register of potential conflicts is maintained by the Company Secretary and is reviewed at each Board meeting, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

The above process for authorising potential conflicts of interest has operated effectively during the year.

Committees of the Board

The Board has appointed a number of Committees, as set out below, to which certain Board functions have been delegated. Each of these Committees has formal written terms of reference which clearly define their responsibilities, and these can be inspected at the registered office of the Company and viewed on the Company's website (www.piplc.com).

Audit Committee

The Audit Committee comprises the whole Board. Mr David Melvin, who is the Chair of the Audit Committee, is a qualified Chartered Accountant and contributes his knowledge and experience to the Audit Committee. It is felt by the Committee that he is sufficiently qualified for the position of Chair of the Audit Committee.

Sir Laurie Magnus CBE has over 40 years of investment banking experience, and it is considered appropriate for the Chair of the Company to be a member of the Audit Committee as he provides a valuable contribution to the deliberations of the Committee.

The Audit Committee met on three occasions during the year ended 31 May 2022. It is intended that the Committee will continue to meet at least three times a year, to review the Half-Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts.

The Report of the Audit Committee can be found on pages 147 to 149.

Management Engagement Committee

The Management Engagement Committee comprises all the Directors and is chaired by Sir Laurie Magnus. The Management Engagement Committee met on one occasion during the year under review.

The Board keeps the performance of the Manager under continual review. In addition, in accordance with the requirements of the AIC Code, the Management Engagement Committee reviews the performance of the Manager's obligations under the Management Agreement and considers the need for any variation to the terms of this Agreement on an annual basis.

The Management Engagement Committee then makes a recommendation to the Board about the continuing appointment of the Manager under the terms of the Management Agreement.

The Management Engagement Committee also reviews annually the performance of the Company Secretary, the Custodian, the Depository and the Registrar and any matters concerning their respective agreements with the Company.

Statement on Corporate Governance



Nomination Committee

The Nomination Committee comprises all Directors and is chaired by Sir Laurie Magnus CBE, except when considering succession of the Chair.

The role of the Nomination Committee is to undertake the formal process of reviewing the balance, effectiveness and diversity of the Board and considers succession planning, identifying the skills and expertise needed to meet the future challenges and opportunities facing the Company and those individuals who might best provide them. The Nomination Committee, as and when necessary, makes recommendations to the Board with regard to the criteria for future Board appointments and the methods of selection. It also considers and reviews the appointment of a Senior Independent Director, membership of the Board's Committees, and the re-appointment of those Directors standing for re-election at AGMs.

In addition, the Nomination Committee is responsible for assessing the time commitment required for each Board appointment and ensuring that the present incumbents have sufficient time to undertake them, and for reviewing the Directors' performance appraisal process.

As part of ongoing succession planning, the Nomination Committee ensures that all Board appointments are subject

to a formal, rigorous and transparent procedure. The Company seeks to ensure that any Board vacancies are filled by the most qualified candidates based on objective criteria and merit and in the context of the skills, knowledge and experience that are needed for the Board to be effective. The Board supports diversity and inclusion at Board level and encourages candidates from all educational backgrounds and walks of life.

During the year, the Nomination Committee reviewed PIP's Diversity Policy as well as the balance of skills and diversity on the Board. As part of ongoing succession planning, Cornforth Consulting Ltd, an independent external consultancy with no connection to the Company, was engaged to assist with the search for candidates. The search requirements included a preference for candidates with a strong background in private equity, governance and diversity. Following this process, the Nomination Committee recommended to the Board the appointment of Ms Tamara Sakovska, and after due consideration she was appointed to the Board, being the strongest candidate with relevant knowledge and experience.

As reported on page 21, Ms Sakovska joined the Board on 1 March 2022, a role that she accepted before the onset of the Russia–Ukraine conflict. Subsequently her voluntary relief efforts meant that she had limited capacity to fulfil her obligations as a Director of PIP. Ms Sakovska resigned as a Director of the Company on 22 July 2022.

As a consequence of Ms Sakovska's departure, the Committee will seek to engage an external search consultant to fill the vacancy on the Board, taking into account the results of the recent Board evaluation.

On 9 June 2022, the Board announced that its Chair, Sir Laurie Magnus CBE, would be retiring as Director of the Company following the conclusion of the Annual General Meeting scheduled for October 2022, and that Mr John Singer would be assuming the role as Chair. One of the main focuses for the Nomination Committee throughout the year was to ensure an orderly succession of Sir Laurie Magnus CBE as Chair of the Board. During the meetings of the Nomination Committee where the Chair's succession was discussed, the Senior Independent Director ("SID"), Ms Mary Ann Sieghart, chaired the meetings.

During the selection process led by the SID, the Board reviewed the characteristics and experience which it considered to be important for the Chair to possess and concluded that Mr Singer's extensive experience in private equity and investment trusts at the highest levels as well as his detailed knowledge of both the Board and the Company's Investment Manager, Pantheon, made him a strong and well qualified candidate to be recommended as Chair.

Following the Nomination Committee's recommendation, the Board approved Mr John Singer's appointment as Chair with effect from the conclusion of the 2022 Annual General Meeting.

John Singer is an investment and financial services professional with over 30 years' experience in private equity. He spent over 20 years with Advent International plc as co-founder of the Global Executive Committee and, until 2012, as Chairman of European operations. He was Managing Director and founder of Granville Europe plc, one of the first pan-European private equity funds. In addition, he was Chairman of the European Venture Capital Association. He is involved with several organisations in the arts and education sectors. Further details of Mr Singer's skills and experience can be found on page 134.

The Board acknowledges and welcomes the recommendations from the Hampton-Alexander Review on gender diversity on boards and the Parker Review regarding ethnic representation on boards. The Hampton-Alexander Review recommended a minimum of 40% female representation on all FTSE 350 companies by the end of 2025. PIP exceeded this recommendation during the year and had 43% women on the Board as at 31 May 2022. In regard to the Parker Review, it is recommended that by December 2024 all FTSE 350 companies have a person from a minority ethnic group on its Board. While all appointments to the Board will be made on merit, the Board supports the recommendation to have ethnic representation on the Board, and as such considers this integral to the Board's succession planning.

Further information regarding diversity and inclusion at Pantheon can be found on page 39.

Statement on Corporate Governance



Remuneration Committee

As the Company has no employees and the Board is composed solely of Non-Executive Directors, it is not considered necessary to have a Remuneration Committee. Led by the Senior Independent Director, it is the responsibility of the Board as a whole to determine and approve Directors' fees, following proper consideration and having regard to the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, the time committed to the Company's affairs and remuneration levels generally within the investment trust sector. Each Director takes no part in discussions concerning their own remuneration.

Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 150 to 152.

Internal control review

The Directors acknowledge that they are responsible for the Company's risk management and systems of internal control and for reviewing their effectiveness.

An ongoing process, in accordance with the guidance provided by the FRC on risk management, internal control and related finance and business reporting has been established for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing

effective financial control, has been in place throughout the year and up to the date the financial statements were approved. Full details of the principal risks and uncertainties faced by the Company can be found on pages 46 to 49.

The risk management process and systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, rather than absolute, assurance against material misstatement or loss.

Internal control assessment process

Regular risk assessments and reviews of internal controls and the Company's risk appetite are undertaken by the Board in the context of the Company's overall investment objective. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the emerging and principal risks facing the Company. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- The nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- The threat of such risks becoming a reality;

- The Company's ability to reduce the incidence and impact of risk on its performance;
- The cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- The extent to which third parties operate the relevant controls. Against this background, the Board has split the review into four sections reflecting the nature of the risks being addressed.

The sections are as follows:

- Corporate strategy;
- Published information and compliance with laws and regulations;
- Relationship with service providers; and
- Investment and business activities.

Given the nature of the Company's activities and the fact that most functions are sub-contracted, the Directors have obtained information from key third-party suppliers regarding the controls operated by them. To enable the Board to make an appropriate risk and control assessment, the information and assurances sought from third parties include the following:

- Details of the control environment;
- Identification and evaluation of risks and control objectives;
- Assessment of the communication procedures; and
- Assessment of the control procedures operated.

Other than the matter referred to in the Audit Committee Report, there were no significant matters of concern identified in the Board's review of the internal controls of its third-party suppliers. The key procedures which have been established to provide effective internal financial controls are as follows:

- Investment management is provided by Pantheon Ventures (UK) LLP. The Board is responsible for the implementation of the overall investment policy and monitors the actions of the Manager at regular Board meetings.
- BNP Paribas Trust Corporation UK Limited (previously BNP Paribas Securities Services, London Branch) has been appointed as Depositary. Custody of assets is also undertaken by BNP Paribas Trust Corporation UK Limited as the Company's Custodian for equities and bonds.
- The provision of administration, accounting and Company secretarial duties is the responsibility of Link Alternative Fund Administrators Limited.
- The provision of services provided by Link Market Services as Registrar of the Company.
- The duties of investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement one another.

Statement on Corporate Governance

- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board, via the Management Engagement Committee, monitors their ongoing performance and contractual arrangements.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.
- The Board reviews detailed financial information produced by the Manager and the Administrator on a regular basis.

The Company does not have an internal audit function. All of the Company's management functions are delegated to independent third parties whose controls are reviewed by the Board. It is therefore felt that there is no need for the Company to have an internal audit function. This need is reviewed periodically.

In accordance with guidance issued to directors of listed companies, the Directors have carried out a review of the effectiveness of the various systems of internal controls as operated by the Company's main service providers during the year and found there to be no matters of concern.

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Link Alternative Fund Administrators Limited, who is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with.

The Company Secretary is also responsible to the Board for ensuring the timely delivery of information and reports and for ensuring that statutory obligations of the Company are met.

Dialogue with shareholders

Communication with shareholders is given a high priority by the Board and the Manager, and all Directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and vote at the AGM, during which the Board and the Manager are available to discuss issues affecting the Company, and shareholders have the opportunity to address questions to the Manager, the Board and the Chairs of the Board's Committees. At each AGM, a presentation is given by the Manager to all shareholders present.

There is regular dialogue with institutional shareholders and a structured programme of shareholder presentations by the Manager to institutional investors taking place following publication of the Annual and Half-Yearly results. A detailed list of

the Company's shareholders is reviewed at each Board meeting. PIP has also recently put in place a new PR programme designed to promote the benefits PIP can provide to a retail investor's portfolio.

The Half-Yearly and Annual Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance.

Copies are dispatched to shareholders by mail or electronically as requested and are also available on the Company's website: www.piplc.com. The Company always responds to communications from shareholders. Shareholders wishing to communicate directly with the Board should contact the Company Secretary by email to pip_cosec@linkgroup.co.uk or by writing to the registered office shown on page 199, who will arrange for the relevant Board member to contact them.

Further details of our engagement with all of the Company's stakeholders and how the Board has regard to those stakeholders in the Board's decision-making processes are set out in the Strategic Report on pages 50 to 54.

On behalf of the Board

SIR LAURIE MAGNUS CBE

Chair

3 August 2022



Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 31 May 2022.

The Audit Committee comprises myself, as Chair, and the entire Board.

Further details about the composition of the Audit Committee are set out on page 143.

Audit Committee members consider that, individually and collectively, they are each independent and appropriately experienced to fulfil the role required within the sector in which the Company operates. The constitution and performance of the Audit Committee is reviewed on a regular basis.

Role of the Audit Committee

Clearly defined terms of reference, which were reviewed and updated during the year, have been established by the Board. The primary responsibilities of the Audit Committee are:

- To monitor the integrity of the financial statements, the financial reporting process and the accounting policies of the Company;
- To review the effectiveness of the internal control environment of the Company and its reporting processes and to monitor adherence to best practice in corporate governance;

- To make recommendations to the Board in relation to the re-appointment of the Auditor and to approve the Auditor's remuneration and terms of engagement, including scope of work;
- To review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process; and

- To provide a forum through which the Company's Auditor reports to the Board.

The Audit Committee also reviews the Manager's whistleblowing procedures

The Audit Committee has direct access to the Company's Auditor, Ernst & Young ("EY"), and representatives of EY attend each Audit Committee meeting.

Matters considered in the year

We met on three occasions during the year ended 31 May 2022. At those meetings, the Audit Committee has:

- Reviewed and agreed the half year and year end portfolio valuation and the net asset values;
- Reviewed the Company's financial statements for the half year and year end and made formal recommendations to the Board;
- Reviewed the Company's going concern and viability statements;

- Reviewed the impact of a disrupted recovery in the wake of the COVID-19 pandemic, geopolitical uncertainties as a result of the Russia–Ukraine conflict, including the disruption to the global supply chain, increases in the cost of living, persistent inflation, interest rate rises and the impact of climate change on the Company's financial statements;

- Reviewed the internal controls and risk management systems (including cybersecurity) of the Company and its third-party service providers;

- Agreed the audit plan and fees with the Auditor, including the principal areas of focus;

- Reviewed the whistleblowing policy of the Manager (no incidents were reported during the period); and

- Reviewed its own performance as a Committee and its own terms of reference.

The principal issues considered by the Committee were as follows:

A. Valuation process and ownership of assets

Discussions have been held with the Manager about the valuation process, ownership of assets and the systems in place at Pantheon to ensure the accuracy of the valuation of the Company's portfolio.

The Audit Committee has received reassurances about the robustness of the Manager's valuation system from Pantheon.

In addition, the Audit Committee reviewed the outputs of Pantheon's Investment Valuation Committee and Pantheon's processes and internal controls around the investment valuation process.

B. Undrawn commitments

As an investor in private equity, the Company has outstanding commitments to fund investments. Approximately 20% of these uncalled commitments relate to funds that are outside their investment periods. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically. During the year, the Manager undertook a detailed process to review the undrawn commitments, and the results were discussed with the Audit Committee. The Audit Committee received assurances from Pantheon about the systems and controls in place to track the undrawn commitments as part of the valuation entry process.

The Audit Committee also reviewed the level of undrawn commitments as part of its analysis of PIP's going concern and long-term viability.



Audit Committee Report

C. Going concern and long-term viability

The Committee considered the Company's financial requirements and viability for the forthcoming year taking into account the Company's performance and financial position as at 31 May 2022. Its assessment included a review of various downside liquidity models with varying degrees of decline in investment valuations, a review of the level of undrawn commitments, the longer term impact of the COVID-19 pandemic, ongoing geopolitical uncertainties as a result of the Russia–Ukraine conflict and the impact of climate change on financial statement disclosures, including those relating to principal risks. As a result of this assessment, the Committee concluded that the Company had adequate resources to continue in operation and meet its liabilities as they fall due both for the forthcoming year and over the subsequent two years. Related going concern and long-term viability disclosures are set out on pages 137 and 55 and Note 1 on page 167.

D. Maintenance of investment trust status

The Manager and Administrator have reported to the Committee to confirm continuing compliance with the requirements for maintaining investment trust status. The position is also discussed with the Auditor as part of the audit process.

E. Internal controls

The Audit Committee has reviewed and updated, where appropriate, the Company's risk matrix. This document is reviewed by the Audit Committee every six months. It is satisfied with the extent, frequency and quality of the reporting of the Manager's monitoring to enable the Audit Committee to assess the degree of control of the Company and the effect with which risk is managed and mitigated. The Audit Committee has received reports on internal controls from each of its service providers.

No incidents of significant control failings or weaknesses have been identified during the year ended 31 May 2022, within the Company or its third-party suppliers.

The Company does not have an internal audit function as substantially all of its day-to-day operations are delegated to third parties, all of whom have their own internal control procedures. The Audit Committee discussed whether it would be appropriate to establish an internal audit function, and agreed that the existing system of monitoring and reporting by third parties remains appropriate and sufficient.

External audit

The Audit Committee monitors and reviews the effectiveness of the external audit process for the publication of the Annual Report and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor.

Audit fees

The audit fee incurred for the review of the 2022 Annual Report and Audit was £105,000 (31 May 2021: £105,000). The Audit Committee continues to monitor the level of audit fees carefully.

Non-audit fees/independence and objectivity of the Auditor

The Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that the independence and objectivity of the Auditor are safeguarded. The Board's policy is that non-audit services may be carried out by the Company's Auditor unless there is a conflict of interest or someone else is considered to have more relevant experience.

Non-audit services amounting to £35,000 were provided during the year ended 31 May 2022 (31 May 2021: £35,000), relating to the review of the half year and year end net asset value calculations and the review of the Half-Yearly Report. The ratio of non-audit to audit fees is 33%. The Audit Committee believes that it is appropriate for the Company's Auditor to provide these services to the Company as these services are audit-related.

The Audit Committee has received assurances from the Auditor that its independence is not compromised by the supply of these services.

Effectiveness of external audit process

The Audit Committee meets at least twice a year with the Auditor. The Auditor provides a planning report in advance of the annual audit, a report on the annual audit and a report on their review of the half-year financial statements. The Audit Committee has an opportunity to question and challenge the Auditor in respect of each of these reports. In addition, at least once a year, the Audit Committee has an opportunity to discuss any aspect of the Auditor's work with the Auditor in the absence of the Manager. After each audit, the Audit Committee reviews the audit process and considers its effectiveness.

Continuing appointment of the Auditor

EY was appointed as the Company's Auditor at the AGM in 2019 and this is therefore the third audit of the Company's financial statements since its appointment.

A competitive tender must be carried out by the Company at least every ten years. The Company is therefore required to carry out a tender no later than in respect of the financial year ending 31 May 2029. The current lead audit partner, Mr Matthew Price, has been in place since the appointment in 2019. Ethical standards generally require the rotation of the lead audit partner every five years for a listed client.



Audit Committee Report

The Committee monitors the Company's relationship with the Auditor and has discussed and considered their independence and objectivity. The Auditor also provides confirmation that they are independent within the meaning of all regulatory and professional requirements and that objectivity of the audit is not impaired. The Committee is therefore satisfied that EY was independent, especially considering the term of appointment to date, and will continue to monitor this position.

Following the completion of the audit, the Committee reviewed EY's effectiveness by:

- Reviewing the overall audit process and the audit procedures taken to address the identified principal issues;
- Considering feedback on the audit provided by the Investment Manager and Link Group;
- Reviewing feedback on the audit provided by the Investment Manager and Link Group; and
- Reviewing the experience and continuity of the audit team, including the audit partner.

The Committee has considered the principal issues identified by the audit team during the audit of the financial statements for the year. The feedback provided by the Investment Manager regarding the audit team's performance on the audit was positive. The Auditor demonstrated a good understanding of the Company, and had identified and focused on the areas of greatest financial reporting risk. Its reporting to the Audit Committee was clear, open and thorough. The Committee is satisfied that the Auditor has demonstrated professional skepticism and appropriately challenged management's judgements relating to the valuations of unlisted investments. The Committee acknowledged that the audit team, including the audit partner, comprised staff with appropriate levels of knowledge and experience of the investment trust and private equity sectors.

On the basis of these factors and assessments, the Committee has concluded that the external audit process has been effective. Taking into account the performance and effectiveness of the Auditor and the confirmation of their independence, the Committee has recommended to the Board that a resolution to re-appoint EY as Auditor be put to shareholders at the forthcoming AGM. EY has confirmed its willingness to continue in office.

CMA Order

The Company complied throughout the year ended 31 May 2022 with the provisions of the Statutory Audit Services Order 2014, issued by the Competition and Markets Authority ("CMA Order").

Fair, balanced and understandable

As a result of the work performed, the Audit Committee has concluded that the Annual Report for the year ended 31 May 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board.

DAVID MELVIN

Audit Committee Chairman

3 August 2022



Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the "Independent Auditor's Report" on pages 154 to 161.

Statement from the Chair

I am pleased to present the Directors' Remuneration Report for the year ended 31 May 2022.

Companies are required to ask shareholders to approve the annual remuneration report, which includes the annual remuneration paid to Directors, each year and formally to approve the Directors' Remuneration Policy on a three-yearly basis. Any change to the Directors' Remuneration Policy requires shareholder approval. The vote on the Directors' Remuneration Report is, as previously, an advisory vote, while the Directors' Remuneration Policy is subject to a binding vote.

A resolution to approve the Remuneration Policy was proposed and approved by shareholders at the AGM of the Company held on 27 October 2021.

The Board consists entirely of Non-Executive Directors and the Company has no employees. We have not, therefore, reported on those aspects of remuneration that relate to Executive Directors.

As explained on page 145, it is not considered appropriate for the Company to establish a separate Remuneration Committee. It is therefore the practice for the Board as a whole to consider and approve Directors' remuneration.

Directors' fees for the year (audited)

	Fees	
	Year to 31 May 2022 £	Year to 31 May 2021 £
Sir Laurie Magnus CBE (Chair)	66,365	65,000
S.E. Nicklin ¹	17,016	40,000
D.L. Melvin	53,603	52,500
J.B.H.C.A. Singer	40,840	40,000
J.D. Burgess	40,840	40,000
M.A. Sieghart	40,840	40,000
Dame Sue Owen DCB	40,840	40,000
T. Sakovska ²	10,210	–
I.C.S. Barby ³	–	13,334
Total	310,554	330,834

¹ Ms Nicklin retired from the Board on 27 October 2021.

² Ms Sakovska joined the Board on 1 March 2022 and subsequently resigned on 22 July 2022.

³ Mr Barby retired from the Board on 22 September 2020.

In accordance with PIP's Remuneration Policy, from 1 June 2021, fees for the Directors were increased annually, effective from the first day of the Company's financial year, by the rate of the Consumer Price Index ("CPI") prevailing at the time. However, for the 12 months to 31 May 2022, CPI increased by 9.1% (12 months to May 2021: 2.1%). After careful consideration, the Board is proposing an amendment to PIP's Remuneration Policy to allow the Directors discretion to determine the annual increase to Directors' fees at a rate which is less than the rate of CPI prevailing at the annual review date so that they can restrict this year's increase to 4%.

An ordinary resolution will be proposed at the 2022 AGM to approve an updated Directors' Remuneration Policy (the "Updated Policy"). During the year, the Chair's fee was reviewed against a selection of companies from the Company's peer group, by an external remuneration advisor, Cornforth Consulting. As a result of this review, the fee for the Chair is proposed to be set at £80,000 per annum from the conclusion of the 2022 AGM.

In addition, to reflect the time commitment and responsibilities of the role of the Senior Independent Director, the fee for the SID is proposed to be set at £47,721 per annum from the conclusion of the 2022 AGM.

Therefore, subject to shareholder approval of the Updated Policy, Directors' fees for the 12 months to 31 May 2023 are as set out on page 152.

No travel expenses or any other expenses were claimed by the Directors from the Company during the year ended 31 May 2022 or as at the date of this Report.

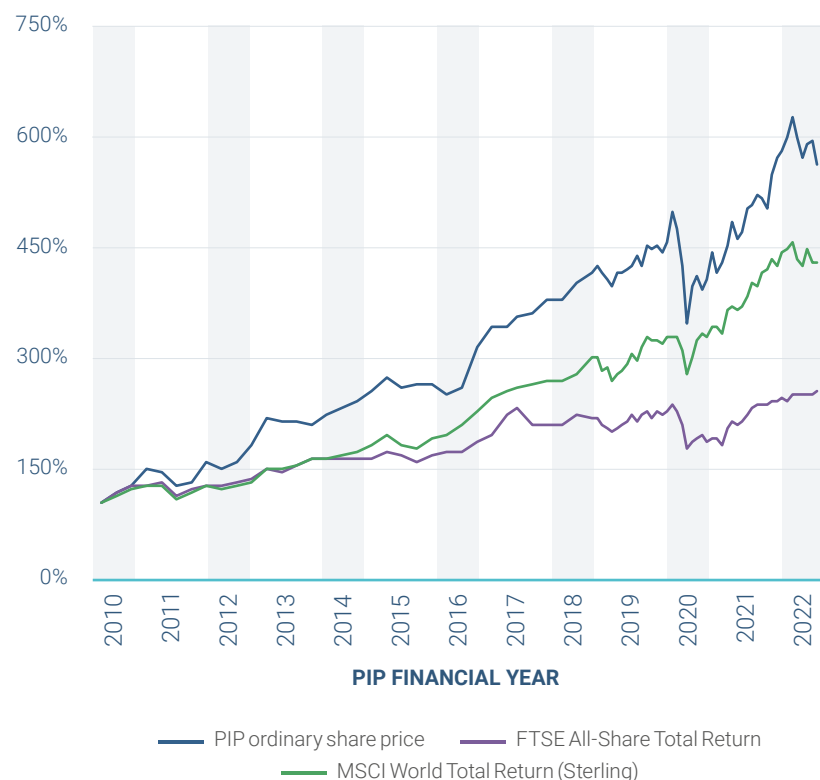


Directors' Remuneration Report

Company performance

The graph below shows the total return to shareholders compared to the total shareholder returns of the FTSE All-Share Total Return Index and MSCI World Total

Return (Sterling) Index. These indices have been selected as the most relevant, as there is no listed index that is directly comparable with the Company's portfolio.



Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 31 May 2022 and the preceding financial period, the total

remuneration paid to Directors, the Management fee and share buybacks and the percentage change between the two periods:

	Year to 31 May 2022 £'000	Year to 31 May 2021 £'000	Change %
Total remuneration paid to Directors	311	331	(6)
Management fee	23,115	18,544	25
Share buybacks	10,302	Nil	–

Directors' interests (audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company.

The interests of the Directors and any persons closely associated in the shares of the Company are set out below:

	31 May 2022*	31 May 2021
Sir Laurie Magnus (Chair)	143,240	14,324
D.L. Melvin ¹	105,000	10,000
J.D. Burgess ²	1,930,630	193,063
J.B.H.C.A. Singer	399,820	39,982
M.A. Sieghart	37,250	2,725
Dame Sue Owen DCB	17,500	820
T Sakovska	1,557	–

* Directors' shareholdings reflect the 10 for 1 sub-division of PIP's Ordinary Shares implemented on 1 November 2021.

- Held jointly with spouse.
- Includes 1,530,810 shares held by The November 1990 Trust, a connected person.

There has been no change to the above interests between 31 May 2022 and the date of this report.

Voting at the AGM

The Directors' Remuneration Policy and Remuneration Report for the year ended 31 May 2022 were approved by shareholders at the AGM held on 27 October 2021.



Directors' Remuneration Report

The votes cast by proxy were as follows:

Remuneration Report

	Number of votes	% of votes cast
For	30,663,119	99.98
Against	5,850	0.02
At Chair's discretion	–	–
Total votes cast	30,668,969	100.00
Number of votes withheld	14,946	–

Remuneration Policy

	Number of votes	% of votes cast
For	30,660,924	99.97
Against	7,945	0.03
At Chair's discretion	–	–
Total votes cast	30,668,869	100.00
Number of votes withheld	15,046	–

Directors Remuneration Policy

The Directors' Remuneration Policy (the "Policy") is put to shareholders' vote at least once every three years and in any year if there is to be a change in the Policy. A resolution to approve the Policy was approved by shareholders at the AGM held on 27 October 2021.

The Policy

The Board's policy is that remuneration of Non-Executive Directors should reflect the experience of the Board as a whole and is

determined with reference to comparable organisations and appointments. The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors, and the value and amount of time committed to the Company's affairs.

There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for Non-Executive Directors. The Directors do not receive pension benefits, long-term incentive schemes or share options.

All Directors act in a non-executive capacity, and the fees for their services are approved by the whole Board. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolution of the Company.

Since 1 June 2021, fees for the Directors are increased annually, effective from the first day of the Company's financial year, by the rate of CPI prevailing at that time. Subject to shareholders approving the Updated Policy (as described on page 150), from the conclusion of the 2022 AGM and annually from the first day of PIP's financial year thereafter, fees for the Directors will be set at a rate no greater than the rate of CPI prevailing at the time, with any lower rate being determined at the discretion of the Board. The Board proposes that such lower rate should be 4% instead of 9.1% for the remainder of the current financial year

ending 31 May 2023 with effect from the Updated Policy being approved by shareholders at the AGM on 18 October 2022. In addition, the Board proposes that fees for the Chair and the Senior Independent Director will be set at the rates described on page 150 and set out in the table below with effect from the Updated Policy being approved by shareholders at the AGM on 18 October 2022.

The Chair does not participate in any discussions relating to his own fee, which is determined by the other Directors.

Directors are entitled to be paid all travelling, hotel or other expenses properly incurred by them in connection with their attendance at Director or shareholder meetings or otherwise in connection with the discharge of their duties as Directors.

	Year to 31 May 2022 £	Increase percentages	Annual fee for the period 01 June 2022 to 18 October 2022	Annual fee for the period 19 October 2022 to 31 May 2023
Chair	66,365	9.1	72,404	80,000
Chair of the Audit Committee	53,603	9.1	58,481	55,747
Senior Independent Director	40,840	9.1	44,556	47,721
Other Directors	40,840	9.1	44,556	42,474

No other additional fees are payable for membership of the Board's committees.

Fees for any new Director appointed will be made on the above basis. Fees payable in respect of subsequent years will be determined following an annual CPI review, with additional market reviews taking place as appropriate to ensure fees remain appropriate.

Directors' service contracts

None of the Directors has a contract of service with the Company. Each Director has entered into terms of appointment as a Non-Executive Director of the Company. There has been no other contract or arrangement between the Company and any Director at any time during the year. Under the Articles of Association, each Director shall retire and be subject to re-appointment at the first AGM following appointment, and at least every three years thereafter. After nine years' service, Directors are subject to annual re-appointment. Following the Company's inclusion in the FTSE 250, and in accordance with the AIC Code, all Directors are subject to annual re-election at each AGM. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board.

Approval

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

SIR LAURIE MAGNUS CBE

Chair

3 August 2022

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations in accordance with FRS102. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Present a true and fair view of the financial position, financial performance and cash flows of the Company;
- Select suitable accounting policies in accordance with United Kingdom GAAP and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and estimates that are reasonable and prudent;

- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Investment Manager

for the maintenance and integrity of the Company's corporate and financial information included on the Company's website (www.piplc.com). Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on pages 133 to 134, confirms that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Strategic Report contained in the Annual Report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The UK Corporate Governance Code requires Directors to ensure that the Annual Report and financial statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advises on whether it considers that the Annual Report and financial statements fulfil these requirements. The process by

which the Audit Committee has reached these conclusions is set out in its report on pages 147 to 149. As a result, the Board has concluded that the Annual Report and financial statements for the year ended 31 May 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by

SIR LAURIE MAGNUS CBE

Chair

3 August 2022

Independent Auditor's Report to the Members of Pantheon International Plc

Opinion

We have audited the financial statements of Pantheon International plc (the "Company") for the year ended 31 May 2022 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 22 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 May 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.

- We inspected the Directors' assessment of going concern, including the portfolio cashflow forecast, for the periods to 31 May 2027 which is at least twelve months from the date the financial statements were authorised for issue. In preparing the portfolio cashflow forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.

- We have reviewed the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the portfolio cashflow forecast and the liquidity assessment of the investment portfolio. We considered the appropriateness of the methods used to calculate the portfolio cashflow forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.

- In relation to the Company's borrowing arrangements, we inspected the Directors' assessment of the risk of breaching the loan facility covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with loan facility covenants in the scenarios assessed by the Directors who also performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.

- We considered the mitigating factors included in the portfolio cashflow forecasts and covenant calculations that are within the control of the Company.
- We reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 3 August 2023.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditor's Report to the Members of Pantheon International Plc

Overview of our audit approach

Key audit matters	– Risk of incorrect valuation of unlisted investments at fair value. – Incorrect valuation of investments in third party managed funds and co-investment vehicles which are audited on an annual basis and for which periodic fair value information is provided to the Company. – Incorrect valuation of investments in co-investment vehicles or third-party funds which are not audited on an annual basis. – Incorrect valuations of investments in funds and entities managed by Pantheon Ventures (UK) LLP ("Pantheon").
Materiality	– Overall materiality of £24.3m which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that the most significant future impacts from climate change on its operations may be from changes in regulations that may adversely affect their underlying portfolio investments. Their approach to managing climate and other ESG risks as part of managing investment risk is explained on pages 39 to 41 of the Strategic Report, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1 and conclusion that there was no material impact from climate change on the financial statements. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Pantheon International Plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation of unlisted investments (£2,239m, 2021: £1,714m) <i>Refer to the Audit Committee Report (page 147); Accounting policies (page 167); and Note 9 of the Financial Statements (page 176).</i> The unlisted investment portfolio represents 92% of the Net Asset Value (NAV) of the Company and consists of investments in: – Third party managed funds. – Funds or entities managed by Pantheon. Within this investment portfolio are a pool of investments attributed to the Company's Asset Linked Note liability of £39m (2021: £47m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment valuation could have a significant impact on the return generated by the shareholders. We attribute a higher risk of estimation uncertainty to a portfolio of this nature. We therefore deem the valuation of unlisted investments at fair value to be a fraud and significant audit risk. We have further analysed the unlisted investment portfolio into three categories where specific audit procedures are performed in addition to the general audit procedures on unlisted investments to reflect the risk associated.	We performed the following procedures: We obtained an understanding of Pantheon's processes and controls surrounding the investment valuation process including controls that are in place within the Company and operated or performed by Pantheon by performing a walkthrough to assess the design and implementation of controls in place. We performed the following procedures for a sample of investments across all type of investments: – We independently obtained the most recently available capital allocation statements or direct confirmations from the general partner of the Company's capital account balance and compared the NAV attributable to the Company to the valuation per the accounting records. – Where the most recently available capital allocation statements were non-coterminous with the reporting date, we obtained details of adjustments for cash flows and fair value made by Pantheon and corroborated these to call and distribution notices and bank statements. – For a sample of new investments during the year, we have obtained and reviewed the due diligence performed by Pantheon to ensure that the investment recommendation pack was appropriately completed prior to making new investments. – For a sample of realised investments during the year, we agreed the proceeds of the disposal to the capital account statements and performed back testing by comparing the sale price and subsequent cash receipts to the most recent valuation recorded by the Company for the investment. – We reviewed the investment valuations and inquired of Pantheon regarding any potential fair value adjustments as a result of updated information received or observable market movements and obtained evidence to confirm these were immaterial to the Company's financial statements.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of unlisted investments at fair value.

Independent Auditor's Report to the Members of Pantheon International Plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Investments in third party managed funds and co-investment vehicles which are audited on an annual basis and for which periodic fair value information is provided to the Company (£1,847m, 2021: £1,498m) The investment portfolio is susceptible to material error due to the investments being unquoted with no market price available and management relying on third party information.	Additional procedures on investments in third party managed funds and co-investments which are audited on an annual basis and for which periodic fair value information is provided to the Company We have obtained the most recent audited financial statements for a sample of these unlisted investments. Our sample included the testing of 182 investments, totalling £1,438m. We performed the following procedures where applicable: – Inspected the Generally Accepted Accounting Principles ('GAAP') applied and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. – Compared the NAV per the audited financial statements to the capital account statements which are coterminous with the financial statements' year end date for a sample of investments with balances which are above our performance materiality. – Determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were any modifications made to their audit reports.	
Investments in third party managed funds and co-investment vehicles which are not audited on an annual basis (£159m, 2021: £19m) Pantheon obtains the underlying data from the investment managers of these co-investment vehicles or third-party funds. Pantheon apply the Company's valuation policy and conclude whether key assumptions used in valuing these assets are reasonable. We consider the risk of management override to be more prevalent in this area.	Additional procedures on investments in third party managed funds and co-investment vehicles which are not audited on an annual basis Where the investments in third party managed funds or co-investments were not audited on an annual basis we have obtained the fair value calculations supporting the value held by the Company, and obtained corroborative evidence for the key inputs used in deriving the fair values. Our sample included testing of 28 investments, totalling £145m, which did not have an audit performed either for the investment vehicle itself or a significant portion of its underlying holdings.	

Independent Auditor's Report to the Members of Pantheon International Plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Investments in other funds and entities managed by Pantheon (£264m, 2021: £200m) Where the Company invests in other entities managed by Pantheon, there is an increased risk the fund fair values are susceptible to manipulation due to the related party relationship as Pantheon is performing the valuation.	Additional procedures on investments held in other funds and entities managed by Pantheon For a sample of investments in Pantheon managed funds which are audited, we have obtained the most recent audited set of financial statements where available. Our samples included testing of 12 investments which had audited financial statements within the structure, totalling £139m, and 12 investments, totalling £102m, from internally managed funds which do not have annually audited financial statements. We performed the following procedures where applicable: – Inspected the Generally Accepted Accounting Principles ('GAAP') applied and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. – Compared the NAV per the audited financials to the capital account statements which are coterminous with the financial statements' year end date for a sample of investments. – Determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were modifications made to their audit report. – For unaudited investments, we have performed a look through into the investments held by the entity to determine whether the underlying holdings were subject to audit. For those that are audited, we have inspected the Generally Accepted Accounting Principles ('GAAP') applied by the underlying holdings and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. Where the internally managed fund and its underlying investments are not audited, we have obtained the fair value calculations for these underlying investments from Pantheon, and obtained corroborative evidence for the key inputs used in deriving the fair values.	

Independent Auditor's Report to the Members of Pantheon International Plc

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements.

Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £24.3 million (2021: £18.7 million), which is 1% (2021: 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measure of the Company's performance.

During the course of our audit, we reassessed initial materiality and made no changes to the basis of calculation from our original assessment at the planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely £18.2m (2021: £14.0m). We have set performance materiality at this percentage due to our understanding of the control environment that indicates a lower risk of material misstatements, both corrected and uncorrected.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.21m (2021: £0.93m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Pantheon International Plc

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 137;
- The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 55;
- The Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 137;
- The Directors' statement on fair, balanced and understandable set out on page 153;

- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 145;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 145 and;
- The section describing the work of the audit committee set out on page 143.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 153, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and the Company Secretary and a review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to management override in relation to investments in funds and entities managed by Pantheon and investments in third party managed funds and co-investment vehicles which are not audited on an annual basis. Further discussion of our approach is set out in the section on the key audit matters above.

Independent Auditor's Report to the Members of Pantheon International Plc

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to confirm compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Company on 2 December 2019 to audit the financial statements for the year ending 31 May 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 3 years, covering the years ending 31 May 2020 to 31 May 2022.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MATTHEW PRICE (SENIOR STATUTORY AUDITOR)

for and on behalf of
Ernst & Young LLP, Statutory Auditor

London
3 August 2022

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Income Statement Year ended 31 May 2022

	Note	Year Ended 31 May 2022			Year Ended 31 May 2021		
		Revenue £'000	Capital £'000	Total ¹ £'000	Revenue £'000	Capital £'000	Total ¹ £'000
Gains on investments at fair value through profit or loss	9b	–	570,049	570,049	–	341,802	341,802
Losses on financial instruments at fair value through profit or loss – ALN ²		(305)	(3,123)	(3,428)	(976)	(11,571)	(12,547)
Currency gains/(losses) on cash and borrowings		–	19,564	19,564	–	(18,452)	(18,452)
Investment income	2	19,169	–	19,169	16,418	–	16,418
Investment management fees	3	(23,115)	–	(23,115)	(18,544)	–	(18,544)
Other expenses	4	(1,274)	(1,326)	(2,600)	(1,417)	(1,340)	(2,757)
Return before financing and taxation		(5,525)	585,164	579,639	(4,519)	310,439	305,920
Interest payable and similar expenses	6	(3,967)	–	(3,967)	(3,488)	–	(3,488)
Return before taxation		(9,492)	585,164	575,672	(8,007)	310,439	302,432
Taxation (paid)/recovered	7	(3,075)	–	(3,075)	3,533	–	3,533
Return for the year, being total comprehensive income for the year		(12,567)	585,164	572,597	(4,474)	310,439	305,965
Return per ordinary share³	8	(2.32)p	108.38p	106.06p	(0.83)p	57.40p	56.57p

1 The Company does not have any income or expenses that are not included in the return for the period, therefore the return for the period is also the total comprehensive income for the period. The supplementary revenue and capital columns are prepared under guidance published in the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

2 Includes currency movements on investments.

3 The comparative return per ordinary share figures have been restated using the new number of shares in issue following the ten for one share split that was implemented on 1 November 2021. For weighted average purposes, the share split has been treated as happening on the first day of the accounting period. See note 14 for further details.

All revenue and capital items in the above statement relate to continuing operations.

The total column of the statement represents the Company's Statement of Total Comprehensive Income prepared in accordance with Financial Reporting Standards ("FRS").

No operations were acquired or discontinued during the period.

There were no recognised gains or losses other than those passing through the Income Statement.

The Notes on pages 167 to 189 form part of these financial statements.

Statement of Changes in Equity Year ended 31 May 2022

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve £'000	Total £'000
Movement for the year ended 31 May 2022							
Opening equity shareholders' funds	36,240	269,535	3,325	976,685	679,736	(100,290)	1,865,231
Return for the year	–	–	–	590,025	(4,861)	(12,567)	572,597
Ordinary shares bought back for cancellation	(228)	–	228	(10,364)	–	–	(10,364)
Closing equity shareholders' funds	36,012	269,535	3,553	1,556,346	674,875	(112,857)	2,427,464
Movement for the period ended 31 May 2021							
Opening equity shareholders' funds	36,240	269,535	3,325	842,675	503,307	(95,816)	1,559,266
Return for the year	–	–	–	134,010	176,429	(4,474)	305,965
Closing equity shareholders' funds	36,240	269,535	3,325	976,685	679,736	(100,290)	1,865,231

The Notes on pages 167 to 189 form part of these financial statements.

The NAV per ordinary share at 31 May 2022 was 451.6 pence per share (31 May 2021: 344.8 pence per share).

During the year ended 31 May 2022, 3,275,830 ordinary shares were bought back in the market, to be held in Treasury (year ended 31 May 2021: nil) at a total cost, including stamp duty, of £10.0m. The 3,275,830 shares that were held in Treasury were subsequently cancelled prior to the end of May 2022. In addition, during the year ended 31 May 2022, 125,000 shares were bought back for cancellation (year ended 31 May 2021: nil), at a total cost, including stamp duty, of £0.3m.

As a result, there were 537,493,640 ordinary shares in issue as at 31 May 2022 (of which none are held in Treasury; year to 31 May 2021: 54,089,447 ordinary shares and no Treasury shares).

Balance Sheet As at 31 May 2022

	Note	31 May 2022 £'000	31 May 2021 £'000
Fixed assets			
Investments at fair value	9a/b	2,238,608	1,713,724
Current assets			
Debtors	11	2,123	8,215
Cash at bank		231,458	199,118
		233,581	207,333
Creditors: Amounts falling due within one year			
Other creditors	12	6,138	9,039
		6,138	9,039
Net current assets		227,443	198,294
Total assets less current liabilities		2,466,051	1,912,018
Creditors: Amounts falling due after one year			
Asset Linked Loan Note ("ALN")	13	38,587	46,787
		38,587	46,787
Net assets		2,427,464	1,865,231
Capital and reserves			
Called-up share capital	14	36,012	36,240
Share premium	15	269,535	269,535
Capital redemption reserve	15	3,553	3,325
Other capital reserve	15	1,556,346	976,685
Capital reserve on investments held	15	674,875	679,736
Revenue reserve	15	(112,857)	(100,290)
Total equity shareholders' funds		2,427,464	1,865,231
Net asset value per Ordinary share¹	16	451.63p	344.84p

¹ The comparative NAV figures have been restated using the new number of shares in issue following the ten for one share split. Restating the NAVs following the share split allows the reader to see how the NAVs have evolved. See note 14 for further details. The Notes on pages 167 to 189 form part of these financial statements.

The financial statements were approved by the Board of Pantheon International Plc on 3 August 2022 and were authorised for issue by

SIR LAURIE MAGNUS CBE

Chair

Company No. 2147984

Cash Flow Statement Year ended 31 May 2022

	Note	Year ended 31 May 2022 £'000	Year ended 31 May 2021 £'000
Cash flow from operating activities			
Investment income received ¹		19,157	16,311
Deposit and other interest received		28	87
Investment management fees paid		(22,637)	(18,416)
Secretarial fees paid		(300)	(263)
Depositary fees paid		(254)	(225)
Directors' fees paid		(307)	(338)
Legal & Professional fees paid		(1,707)	(1,544)
Other cash payments ²		(804)	(978)
Withholding tax (deducted)/recovered		(3,626)	3,602
Net cash outflow from operating activities	18	(10,450)	(1,764)
Cash flows from investing activities			
Purchases of investments ³		(352,620)	(226,205)
Disposals of investments ³		402,700	344,559
Net cash inflow from investing activities		50,080	118,354
Cash flows from financing activities			
ALN repayments		(13,786)	(24,286)
Ordinary shares purchased for cancellation		(10,360)	–
Loan commitment and arrangement fees paid		(2,853)	(4,888)
Net cash outflow from financing activities		(26,999)	(29,174)
Increase in cash in the year		12,631	87,416
Cash and cash equivalents at the beginning of the year		199,118	130,091
Foreign exchange gains/(losses)		19,709	(18,389)
Cash and cash equivalents at the end of the period		231,458	199,118

1 The investment income received is comprised solely of dividend income.

2 Includes interest paid during the year of £96,000 (2021: £66,000).

3 Purchases and disposals do not include investments actioned by Pantheon International Holdings LP and also exclude the non-cash intercompany transfer of assets.
The Notes on pages 167 to 189 form part of these financial statements.

Notes to the Financial Statements

1

Accounting Policies

PIP is a listed public limited company incorporated in England and Wales. The registered office is detailed on page 199. A summary of the principal accounting policies and measurement bases, all of which have been applied consistently throughout the year, is set out below.

A. Basis of Preparation

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 May 2022. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise. The investments in the subsidiaries, which are valued at NAV, are as financial assets, and held at fair value through profit or loss.

The financial statements have been prepared in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts issued by the AIC, other than where restrictions are imposed on the Company which prohibit specific disclosures, as noted on pages 117 and 124.

B. Going Concern

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value.

The Directors have made an assessment of going concern, taking into account the Company's current performance and financial position as at 31 May 2022. In addition, the Directors have assessed the outlook, which considers a disrupted recovery in the wake of the COVID-19 pandemic, the ongoing geopolitical uncertainties as a result of the Russia–Ukraine conflict including the disruption to the global supply chain and increases in the cost of living as a result of this conflict, persistent inflation, interest rate rises and the impact of climate change on PIP's portfolio using the information available up to the date of issue of the financial statements. As part of this assessment the Directors considered:

- Various downside liquidity modelling scenarios with varying degrees of decline in investment valuations, decreased investment distributions, and increased call rates, with the worst being a low case downside scenario representing an impact to the portfolio that is worse than that experienced during the Global Financial Crisis.

- The Company manages and monitors liquidity regularly ensuring it is adequate and sufficient and is underpinned by its monitoring of investments, distributions, capital calls and outstanding commitments. Total available financing as at 31 May 2022 stood at £528m (31 May 2021: £475m), comprising £227m (31 May 2021: £198m) in available cash balances and £301m in undrawn, sterling equivalent, bank facilities (31 May 2021: £277m).
- PIP's 31 May 2022 valuation is primarily based on reported GP valuations with a reference date of 31 March 2022, updated for capital movements and foreign exchange impacts. As the longer-term impacts of COVID-19, the ongoing geopolitical uncertainties as a result of the Russia–Ukraine conflict and the impact of climate change may not be fully apparent, the Directors have considered the impact that declining valuations could have on the Company's going concern assessment.
- Unfunded commitments – PIP's unfunded commitments at 31 May 2022 were £755m (31 May 2021: £528m). The Directors have considered the maximum level of unfunded commitments which could theoretically be drawn in a 12-month period, the ageing of commitments and available financing to fulfil these commitments. In these scenarios PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility, pausing on new commitments, selling assets to increase liquidity and reducing outstanding commitments if necessary. In addition, subject to market conditions, the Company could also seek to raise additional credit or capital. Since the period end, the Company has announced that it has agreed a new revolving credit facility, totalling £500m which is due to expire in July 2027.
- The Directors have also considered the impact of climate change on PIP's portfolio and have come to the conclusion that there is no significant impact on the Company as a result of climate change.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity, is well placed to manage business risks in the current economic environment, and can continue operations for a period of at least 12 months from the date of issue of these financial statements.

C. Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being an investment business. Consequently no business segmental analysis is provided.

Notes to the Financial Statements

1

Accounting Policies

D. Valuation of Investments

Given the nature of the Company's assets which comprise predominantly unlisted fund investments, while the Company operates a robust and consistent valuation process, there is significant estimation uncertainty in the underlying fund valuations which are estimated at a point in time. Accordingly, while the Company considers circumstances where it might be appropriate to apply an override, for instance in response to a market crash, this will be exercised only where it is judged necessary to reflect fair value.

Similarly, while relevant information relating to but received after the measurement date is considered, the Directors will only consider an adjustment to the financial statements if it were to have a significant impact and is indicative of conditions present at the measurement date.

The Company has fully adopted sections 11 and 12 of FRS 102. All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are recognised at fair value on initial recognition.

The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business at the Balance Sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

i. Unquoted fixed asset investments are stated at the estimated fair value

In the case of investments in private equity funds, this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds and recorded up to the measurement date. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. In the absence of contrary information, the values are assumed to be reliable. These valuations are reviewed periodically for reasonableness and recorded up to the measurement date. If a class of assets were sold post-period end, management would consider the effect, if any, on the investment portfolio.

The Company may acquire secondary interests at either a premium or a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings are normally revalued to their stated net asset values at the next reporting date unless an adjustment against a specific investment is considered appropriate.

The fair value of each investment is derived at each reporting date. In the case of direct investments in unquoted companies, the initial valuation is based on the transaction price. Where better indications of fair value become available, such as through subsequent issues of capital or dealings between third parties, the valuation is adjusted to reflect the new evidence, at each reporting date. This information may include the valuations provided by private equity managers who are also invested in the Company.

ii. Quoted investments are valued at the bid price on the relevant stock exchange

Private equity funds may contain a proportion of quoted shares from time to time, for example where the underlying company investments have been taken public but the holdings have not yet been sold. The quoted market holdings at the date of the latest fund accounts are reviewed and compared with the value of those holdings at the period end.

iii. Deferred payment transactions

The Company may engage in deferred payment transactions. Where the Company engages in deferred payment transactions, the Company initially measures the financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the present value and the undiscounted value is amortised over the life of the transaction and shown as a finance cost in the revenue column in the Income Statement.

E. Asset Linked Note

As part of the share consolidation effected on 31 October 2017, the Company issued an ALN with an initial principal amount of £200m to the Investor. Payments under the ALN are made quarterly in arrears and are linked to the ALN share (c.75%) of the net cash flows from a reference portfolio which consists of interests held by the Company in over 300 of its oldest private equity funds, substantially 2006 and earlier vintages. The Company retains the net cash flows relating to the remaining c.25% of the reference portfolio.

The ALN is held at fair value through profit or loss and therefore movements in fair value are reflected in the Income Statement. Fair value is calculated as the sum of the ALN share of fair value of the reference portfolio plus the ALN share of undistributed net cash flow. The fair value movement is allocated between revenue and capital pro rata to the fair value gains and income-generated movements in the reference portfolio.

Notes to the Financial Statements

1

Accounting Policies

A pro rata share of the Company's total ongoing charges is allocated to the ALN, reducing each quarterly payment ("the Expense Charge") and deducted from Other Expenses through the revenue account in the Income Statement.

The ALN's share of net cash flow is calculated after withholding taxation suffered. These amounts are deducted from taxation through the revenue account in the Income Statement.

See Note 13 for further information.

F. Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. The fixed return on a debt security is recognised on a time apportionment basis.

Income distributions from funds are recognised when the right to distributions is established.

G. Taxation

Corporation tax payable is based on the taxable profit for the period. The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the Balance Sheet date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the marginal method.

Dividends receivable are recognised at an amount that may include withholding tax (but excludes other taxes, such as attributable tax credits). Any withholding tax suffered is shown as part of the revenue account tax charge.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company, pursuant to sections 1158 and 1159 of the CTA.

Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted.

H. Expenses

All expenses are accounted for on an accruals basis. Expenses, including investment management fees, are charged through the revenue account except as follows:

- Expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 4;
- Expenses of a capital nature are accounted for through the capital account; and
- Investment performance fees.

I. Foreign Currency

The functional and presentational currency of the Company is pounds sterling ("sterling") because it is the primary currency in the economic environment in which the Company operates. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the revenue or capital column of the Income Statement depending on whether the gain or loss is of a capital or revenue nature. For non-monetary assets, these are covered by fair value adjustments. For details of transactions included in the capital column of the Income Statement please see (J) and (K) below.

J. Other Capital Reserve

The following are accounted for in this reserve:

- Investment performance fees;
- Gains and losses on the realisation of investments;
- Realised exchange difference of a capital nature; and
- Expenses of a capital nature.

Capital distributions from investments are accounted for on a reducing cost basis; cash received is first applied to reducing the historical cost of an investment, and any gain will be recognised as realised only when the cost has been reduced to nil.

K. Capital Reserve on Investments Held

The following are accounted for in this reserve:

- Increases and decreases in the value of investments held at the year end and the ALN.

Notes to the Financial Statements

1 Accounting Policies

L. Investment Performance Fee

The Manager is entitled to a performance fee from the Company in respect of each 12 calendar-month period ending on 31 May of each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 31 May 2022, the notional performance fee hurdle is a net asset value per share of 461.2p.

The performance fee is calculated using the adjusted net asset value. The net asset value per share at 31 May 2022 is 451.6p.

The performance fee is calculated so as to ignore the effect on performance of any performance fee payable in respect of the period for which the fee is being calculated or of any increase or decrease in the net assets of the Company resulting from any issue, redemption or purchase of any shares or other securities, the sale of any treasury shares or the issue or cancellation of any subscription or conversion rights for any shares or other securities and any other reduction in the Company's share capital or any distribution to shareholders.

M. Significant Judgements and Estimates

The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of investments at fair value at the financial reporting date and the reported fair value movements during the reporting period. Actual results may differ from these estimates. Details of how the fair values of unlisted investments are estimated and any associated judgements applied are provided in Section (D) of this Note and also within the Market Price Risk section in Note 20.

N. Derecognition/Recognition of Assets and Liabilities

Financial assets and financial liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. In accordance with FRS102, financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition. Financial liabilities are derecognised when the obligation is discharged, extinguished or expired.

2 Income

	31 May 2022 £'000	31 May 2021 £'000
Income from investments		
Investment income	19,137	16,331
	19,137	16,331
Other income		
Interest	28	89
Exchange difference on income	4	(2)
	32	87
Total income	19,169	16,418
Total income comprises		
Dividends	19,137	16,331
Bank interest	28	39
Other interest	–	50
Exchange difference on income	4	(2)
	19,169	16,418
Analysis of income from investments		
Unlisted	19,137	16,331
	19,137	16,331
Geographical analysis		
UK	306	3
US	14,345	12,345
Other overseas	4,486	3,983
	19,137	16,331

Notes to the Financial Statements

3 Investment Management Fees

	31 May 2022			31 May 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	23,115	–	23,115	18,544	–	18,544
	23,115	–	23,115	18,544	–	18,544

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on pages 136 and 137.

During the year, services with a total value of £23,977,000 (period to 31 May 2021: £18,896,000), being £23,115,000 (period to 31 May 2021: £18,544,000) directly from Pantheon Ventures (UK) LLP and £862,000 (period to 31 May 2021: £352,000) via Pantheon managed fund investments were purchased by the Company.

The value of investments in, and outstanding commitments to, investment funds managed or advised by the Pantheon Group ("Pantheon Funds") are excluded in calculating the monthly management fee and the commitment fee. The value of holdings in investments managed by the Pantheon Group totalled £897,332,000 as at 31 May 2022 (31 May 2021: £24,344,000), including £812,172,000 from the new Pantheon managed Pantheon International Holdings subsidiaries (31 May 2021: £nil). Please see note 17 for further details. In addition, the Manager has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon Group and attributable to the Company's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

At 31 May 2022, £2,124,000 (31 May 2021: £1,646,000) was owed to the Investment Manager in respect of the investment management fees. No performance fee is payable in respect of the year to 31 May 2022 (31 May 2021: nil). The basis upon which the performance fee is calculated is explained in Note 1 (L) and in the Directors' Report on pages 136 and 137.

Notes to the Financial Statements

4 Other Expenses

	31 May 2022			31 May 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Secretarial and accountancy services	312	–	312	243	–	243
Depositary fees	238	–	238	233	–	233
Fees payable to the Company's Auditor for the – audit of the annual financial statements	105	–	105	115	–	115
Fees payable to the Company's Auditor for – audit-related assurance services – Half-Yearly Report	35	–	35	35	–	35
Directors' remuneration (see Note 5)	311	–	311	331	–	331
Employer's National Insurance	34	–	34	25	–	25
Irrecoverable VAT	(47)	–	(47)	117	–	117
Legal and professional fees	317	1,326	1,643	315	1,245	1,560
Other	701	–	701	706	95	801
ALN Expense Charge (see Note 1 (F)) ¹	(732)	–	(732)	(703)	–	(703)
	1,274	1,326	2,600	1,417	1,340	2,757

¹ A pro rata share of the Company's total ongoing charges is allocated to the ALN, reducing each quarterly payment.

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditors due to the half year review being an assurance service.

Notes to the Financial Statements

5 Directors' Remuneration

Directors' emoluments comprise Directors' fees. A breakdown is provided in the Directors' Remuneration Report on pages 150 and 152.

6 Interest Payable and Similar Expenses

	31 May 2022 £'000	31 May 2021 £'000
Negative bank interest	96	66
Loan commitment and arrangement fees	3,871	3,422
	3,967	3,488

On 1 June 2018, the Company agreed a four-year £175m multi-currency revolving credit facility agreement, arranged by Lloyds Bank and NatWest Markets. This replaced the four-year £150m loan facility agreement, with the Royal Bank of Scotland plc and Lloyds Bank plc, which was due to expire in November 2018.

Upfront fees of £1.6m are being amortised from 1 June 2018, over the four-year life. A commitment fee of 0.94% per annum is payable quarterly, in respect of the amounts available for drawdown. Interest payable on any drawdown amount is payable for the duration of the drawdown period.

At 31 May 2022, the total available facility with State Street Bank and Trust Company is £300m. The aggregate loan facility of £300m is split into two tranches of US\$269.8m and €101.6m, retranslated to £301m as at 31 May 2022 (2021: £277m).

In February 2021, the Company agreed to extend the facility end date for a further two years, to 31 May 2024. Upfront fees of £2.2m, in relation to this extension agreement, are being amortised over the remaining life of the loan, until 31 May 2024.

On 2 August 2022, the Company announced that it has agreed a new five-year £500m multi-tranche, multi-currency revolving credit facility agreement arranged by Credit Suisse AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH. The Loan Facility, which replaced the £300m loan facility agreement due to expire in May 2024, is comprised of facilities amounting to \$512.9m and €89.2m and secured by certain assets of the Company. The new facility will expire in July 2027 with an ongoing option to extend, by agreement, the maturity date by another year at a time. The new facility will have a blended commitment fee of 0.95% per annum on available commitments, pricing equivalent to the relevant benchmark rate plus 2.350% to 2.575% depending on utilisation, and is subject to loan to value and liquidity ratios.

This loan facility provides a margin of additional assurance that the Company has the ability to finance its unfunded commitments in the future. At 31 May 2022 and 31 May 2021, the loan facility remained fully undrawn.

Notes to the Financial Statements

7

Taxation

	31 May 2022			31 May 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Withholding tax deducted/(recovered) from distributions	3,075	–	3,075	(3,533)	–	(3,533)
Tax charge						
The tax charge/(credit) for the year differs from the standard rate of corporation tax in the UK (19%). The differences are explained below:						
Net return before tax	(9,492)	585,164	575,672	(8,007)	310,439	302,432
Theoretical tax at UK corporation tax rate of 19% (31 May 2021: 19%)	(1,803)	111,181	109,378	(1,521)	58,983	57,462
Non-taxable investment, derivative and currency gains	–	(111,433)	(111,433)	–	(59,238)	(59,238)
Effect of expenses in excess of taxable income	–	252	252	–	237	237
Expenses disallowable for tax purposes	–	–	–	–	18	18
Carry forward management expenses	1,803	–	1,803	1,521	–	1,521
Withholding tax deducted/(recovered) from distributions	3,075	–	3,075	(3,533)	–	(3,533)
	3,075	–	3,075	(3,533)	–	(3,533)

The tax charge for the year ended 31 May 2022 is £3.1m (31 May 2021: tax credit of £3.5m).

The tax charge is wholly comprised of irrecoverable withholding tax suffered. Investment gains are exempt from capital gains tax owing to the Company's status as an investment trust.

During the prior year to 31 May 2021, and included within the above, there was a tax credit, resulting from a refund of prior years' taxation, amounting to £6.1m, from the US Inland Revenue Service. As this tax credit was due to a build up of previous claims that have now been recovered, a recoverable amount will not recur going forward as recoverable amounts are now claimed and received through a regular process.

Factors That May Affect Future Tax Charges

The Company is an investment trust and therefore is not subject to tax on capital gains. Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to meet for the foreseeable future) the conditions for approval as an investment trust company.

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there is sufficient future taxable revenue. As at 31 May 2022, excess management expenses are estimated to be in excess of £227m (31 May 2021: £249m).

At 31 May 2022, the Company had no unprovided deferred tax liabilities (31 May 2021: £nil).

Notes to the Financial Statements

8 Return per Ordinary Share

	31 May 2022			31 May 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return for the financial period in £'000	(12,567)	585,164	572,597	(4,474)	310,439	305,965
Weighted average ordinary and redeemable shares			539,896,863			540,894,470 ¹
Return per ordinary share	(2.32)p	108.38p	106.06p	(0.83)p ¹	57.40p ¹	56.57p ¹

¹ Restated to reflect the subsequent 10 for 1 share split.

There are no dilutive or potentially dilutive shares in issue.

Notes to the Financial Statements

9a Movement on Investments

	31 May 2022 £'000	31 May 2021 £'000
Book cost brought forward	1,003,796	973,761
Opening unrealised appreciation on investments held:		
– Unlisted investments	709,712	521,565
– Listed investments	216	363
Valuation of investments brought forward	1,713,724	1,495,689
Movements in year:		
Acquisitions at cost	979,764	226,205
Capital distributions – proceeds ¹	(1,024,931)	(349,972)
Capital distributions – realised gains on sales ¹	571,790	153,802
(Decrease)/increase in appreciation on investments held	(1,739)	188,000
Valuation of investments at year end	2,238,608	1,713,724
Book cost at year end	1,530,419	1,003,796
Closing unrealised appreciation on investments held:		
– Unlisted investments	706,707	709,712
– Listed investments	1,482	216
Valuation of investments at year end	2,238,608	1,713,724
Fair value of investments:		
Unlisted investments	2,235,639	1,713,508
Listed investments	2,969	216
Valuation of investments at year end	2,238,608	1,713,724

¹ On 31 December 2021, the Company transferred several investments, at a fair value of £627.1m, to its wholly owned subsidiary Pantheon International Holdings LP, in return for a 99% investment in Pantheon International Holdings LP, being £620.8m and the remaining 1% in Pantheon International Holdings GP LP, being £6.3m.

Further details in relation to the structuring arrangements are included in Note 17.

Notes to the Financial Statements

9b Analysis of Investments

Further analysis of the investment portfolio is provided in the Manager's Review on pages 57 to 62.

Transaction costs (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (31 May 2021: £nil) and to the disposals of investments totalled £4,000 (31 May 2021: £12,000) for the period. In addition, legal fees incidental to the acquisition of investments totalled £1,326,000 (31 May 2021: £1,340,000), as disclosed in Note 4, and have been taken to the capital column in the Income Statement since they are capital in nature.

Included in investments are also investments that the Company holds in its subsidiaries. Please see note 17 for further details.

	31 May 2022 £'000	31 May 2021 £'000
Realised gains on sales	571,790	153,802
Amounts previously recognised as unrealised appreciation on those sales	216	363
(Decrease)/increase in unrealised appreciation	(1,955)	187,637
Revaluation of amounts owed in respect of transactions	(3)	–
Gains on investments	570,049	341,802
Sterling		
Unlisted investments	872,089	67,451
	872,089	67,451
US dollar		
Unlisted investments	1,083,342	1,266,123
Listed investments	2,969	216
	1,086,311	1,266,339
Euro		
Unlisted investments	247,749	337,522
	247,749	337,522
Other		
Unlisted investments	32,459	42,412
	32,459	42,412
	2,238,608	1,713,724

Notes to the Financial Statements

9c Material Investment

At the period end, the Company held the following material holdings in an investee undertaking which exceeded 3% of any class of capital.

Investment	% ownership	Closing net assets value £'000
Zenith 1 LP	5.88	2,001
Gemini Israel V	4.65	16,145
LYFE Capital Fund II	3.36	16,110
Balderton Growth Fund I	3.19	6,982

10 Fair Value Hierarchy

The fair value hierarchy consists of the following three levels:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. The Level 1 holdings include publicly listed holdings held directly by the Company from in specie distributions received from underlying investments, but does not include listed holdings held indirectly through the Company's underlying private equity managers which are classified under Level 3 holdings;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Financial Assets at Fair Value Through Profit or Loss at 31 May 2022

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	2,235,639	2,235,639
Listed holdings	2,969	–	–	2,969
	2,969	–	2,235,639	2,238,608

Notes to the Financial Statements

10 Fair Value Hierarchy

Financial Assets at Fair Value Through Profit or Loss at 31 May 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,713,508	1,713,508
Listed holdings	216	–	–	216
	216	–	1,713,508	1,713,724

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2022

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	–	–	41,374	41,374
	–	–	41,374	41,374

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	–	–	53,015	53,015
	–	–	53,015	53,015

11 Debtors

	31 May 2022 £'000	31 May 2021 £'000
Amounts owed by investment funds	595	5,656
Prepayments and accrued income	1,528	2,559
	2,123	8,215

Notes to the Financial Statements

12 Creditors, Amounts Falling Due Within One Year

	31 May 2022 £'000	31 May 2021 £'000
Investment management fees	2,124	1,646
Amounts owed in respect of transactions	4	–
ALN repayment to the investor	2,787	6,228
Other creditors and accruals	1,223	1,165
	6,138	9,039

13 Creditors Amounts Falling Due After One Year – Asset Linked Note

	31 May 2022 £'000	31 May 2021 £'000
Opening value of ALN	53,015	65,386
Repayment of net cashflows received	(13,786)	(24,286)
Fair value movement through profit or loss	3,428	12,547
Expense Charge and ALN share of withholding taxes	(1,283)	(632)
Closing Value of ALN (see Note 1(F))	41,374	53,015
Transfer to creditors due within one year	(2,787)	(6,228)
	38,587	46,787

Notes to the Financial Statements

14 Called-up Share Capital

	31 May 2022		31 May 2021	
	Shares	£'000	Shares	£'000
Allotted, called up and fully paid:				
Ordinary Shares of 6.7p each (2021: 0.67p)				
Opening position	54,089,447	36,240	54,089,447	36,240
Cancellation of shares	(3,400,830)	(228)	–	–
Shares issued through share split	486,805,023	–	–	–
Closing position	537,493,640	36,012	54,089,447	36,240
Total shares in issue	537,493,640	36,012	54,089,447	36,240

At the Annual General Meeting of the Company held on 27 October 2021, shareholders approved a resolution for a ten for one share split such that each shareholder would receive ten shares with a nominal value of 6.7 pence each for every existing share held. These new shares were listed on 1 November 2021.

During the year ended 31 May 2022, 3,275,830 ordinary shares were bought back in the market, to be held in Treasury (year ended 31 May 2021: nil) at a total cost, including stamp duty, of £10.0m. The 3,275,830 shares that were held in Treasury were subsequently cancelled prior to the end of May 2022. In addition, during the year ended 31 May 2022, 125,000 shares were bought back for cancellation (year ended 31 May 2021: nil), at a total cost, including stamp duty, of £0.3m.

As a result, there were 537,493,640 ordinary shares in issue as at 31 May 2022 (of which none are held in Treasury; year to 31 May 2021: 54,089,447 ordinary shares and no Treasury shares).

Each holder of ordinary shares is entitled, on a show of hands, to one vote and, on a poll, to one vote for each ordinary share held.

Notes to the Financial Statements

15 Reserves

	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve ¹ £'000
Beginning of period	269,535	3,325	976,685	679,736	(100,290)
Net gain on realisation of investments ²	–	–	571,790	–	–
Decrease in unrealised appreciation	–	–	–	(5,077)	–
Transfer on disposal of investments	–	–	–	216	–
Revaluation of amounts owed in respect of transactions	–	–	(3)	–	–
Exchange differences on currency	–	–	19,709	–	–
Exchange differences on other capital items	–	–	(145)	–	–
Legal and professional expenses charged to capital	–	–	(1,326)	–	–
Share reorganisation and share buybacks	–	228	(10,364)	–	–
Revenue return for the period	–	–	–	–	(12,567)
End of period	269,535	3,553	1,556,346	674,875	(112,857)

1 Reserves that are distributable by way of dividends. In addition, the Other Capital Reserve can be used for share buybacks.

2 Net gain on realisation of investments includes a realised gain of £372,987,000 following the transfer of several investments at fair value during the year, to its wholly owned subsidiary Pantheon International Holdings LP.

16 Net Asset Value Per Share

	31 May 2022	31 May 2021
Net assets attributable in £'000	2,427,464	1,865,231
Ordinary shares	537,493,640	540,894,470 ¹
Net asset value per ordinary share	451.63p	344.84p ¹

1 Restated to reflect the subsequent ten for one share split.

Notes to the Financial Statements

17 Subsidiaries

The Company has formed three wholly owned subsidiaries, to provide security for future lending arrangement's. Pantheon International Holdings LP ("PIH LP") was incorporated on 29 March 2021 with a registered address in the State of Delaware (National Registered Agents, Inc., 209 Orange Street, Wilmington, Delaware, 19801), and is wholly owned by the Company.

The Company holds an investment in PIH LP. In accordance with FRS102, the Company is exempted from the requirement to prepare consolidated financial statements on the grounds that its subsidiary is held exclusively with a view to subsequent resale as it is considered part of an investment portfolio. The subsidiary's value to the Company is through fair value and it holds a basket of investments rather than to carry out business on the Company's behalf. Investments held within PIH LP are based on the fair value of the investments held in those entities.

On 31 December 2021, the Company transferred several investments, at a fair value of £627.1m, to its wholly-owned subsidiary Pantheon International Holdings LP in order to provide security for the new £500m multi-currency facility agreed 2 August 2022. The aggregate amount of its capital and reserves as at 31 May 2022 is £820,800,000, and the profit or loss for the period ended 31 May 2022 is £164,000.

The General Partner for PIH LP is Pantheon International Holdings GP Limited ("PIH GP"). PIH GP was incorporated on 17 March 2021 with a registered address c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and is wholly owned by the Company. The Company is not exempt from consolidating the financial statements under FRS102, however the highly immaterial (£nil) balance of PIH GP Limited would produce accounts with almost identical balances to the Company. Furthermore, with reference to the CA, section 405 (2), "A subsidiary undertaking may be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view".

The aggregate amount of its capital and reserves as at 31 May 2022 is £1, and the profit or loss for the period ended 31 May 2022 is £nil.

The General Partner and the Limited Partner formed an exempted limited partnership, named Pantheon International Holdings GP LP ("PIH GP LP"). PIH GP LP was incorporated on 17 March 2021 with a registered address c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company holds an investment in PIH GP LP. In accordance with FRS102, the Company is exempted from the requirement to prepare consolidated financial statements on the grounds that its subsidiary is held exclusively with a view to subsequent resale as it is considered part of an investment portfolio. Therefore, the Company's investment in PIH GP LP will be recognised at fair value through profit or loss.

Any investments made by Company into PIH LP, generally invest at 99% directly into PIH LP, with the remaining 1% investing into PIH GP LP. PIH GP LP will then, in turn, wholly invest those funds into PIH LP, so no funds remain in PIH GP LP.

Notes to the Financial Statements

18 Reconciliation of Return Before Financing Costs and Taxation to Net Cash Flow from Operating Activities

	31 May 2022 £'000	31 May 2021 £'000
Return before finance costs and taxation	579,639	305,920
Withholding tax (deducted)/recovered	(3,075)	3,533
Gains on investments	(570,049)	(341,802)
Currency (gains)/losses on cash and borrowings	(19,564)	18,452
Increase in creditors	483	215
(Increase)/decrease in other debtors	(29)	3
Reduction of financial liabilities at fair value through profit or loss (ALN)	3,428	12,547
Income, expenses and taxation associated with the ALN	(1,283)	(632)
Net cash outflow from operating activities	(10,450)	(1,764)

19 Contingencies, Guarantees and Financial Commitments

At 31 May 2022 there were financial commitments outstanding of £755m (31 May 2021: £528m) in respect of investments in partly paid shares and interests in private equity funds. We expect 22% of the financial commitments outstanding to be called within the next twelve months.

Further detail of the available finance cover is provided in Note 20.

Notes to the Financial Statements

20 Analysis of Financial Assets and Liabilities

The primary investment objective of the Company is to seek to maximise long-term capital growth for its shareholders by investing in funds specialising in unquoted investments, acquiring unquoted portfolios and participating directly in private placements. Investments are not restricted to a single market but are made when the opportunity arises and on an international basis.

The Company's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations, for example sales and purchases awaiting settlement and debtors for accrued income.

The principal risks the Company faces in its portfolio management activities are:

- liquidity/marketability risk;
- interest rate risk;
- market price risk; and
- foreign currency risk.

The Company also has exposure to credit risk through its bank balances with the exposures being to banks with a minimum credit rating of A. The Manager monitors the financial risks affecting the Company on a daily basis, and the Directors regularly receive financial information, which is used to identify and monitor risk.

In accordance with FRS 102, an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is given below.

Liquidity Risk

Due to the nature of the Company's investment policy, the largest proportion of the portfolio is invested in unquoted securities, many of which are less readily marketable than, for example, "blue-chip" UK equities. The Directors believe that the Company, as a closed ended fund with no fixed wind-up date, is ideally suited to making long-term investments in instruments with limited marketability. The investments in unquoted securities are monitored by the Board on a regular basis.

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 19 for outstanding commitments as at 31 May 2022) to invest will be made and that calls for payments will then be received

from the unlisted investee entity. These payments are usually on an ad-hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent upon it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.

On 1 June 2018, the Company agreed a four-year £175m multi-currency revolving credit facility agreement, arranged by Lloyds Bank and NatWest Markets. This was further extended to £300m on 31 May 2020. This replaced the £150m loan facility agreement which was due to expire in November 2018, of which £nil was drawn down as at 31 May 2022 and 31 May 2021. (see Note 6 for further information). In February 2021, the Company further agreed an extension to the facility end date to 31 May 2024.

The principal covenant that applies to the loan facility is that gross borrowings do not exceed 30% of adjusted gross asset value. The facility is available should the Company have the requirement to cover any shortfalls in meeting its commitments.

Total available financing as at 31 May 2022 stood at £528m (31 May 2021: £475m), comprising £227m (31 May 2021: £198m) in cash balances and £301m (31 May 2021: £277m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 3.7 times (31 May 2021: 4.1 times).

On 2 August 2022, the Company announced that it has agreed a new five-year £500m multi-tranche, multi-currency revolving credit facility agreement arranged by Credit Suisse AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH. The Loan Facility, which replaced the £300m loan facility agreement, which was due to expire in May 2024, is comprised of facilities amounting to \$512.9m and €89.2m and secured by certain assets of the Company. The new facility will expire in July 2027 with an ongoing option to extend, by agreement, the maturity date by another year at a time. The new facility will have a blended commitment fee of 0.95% per annum on available commitment and pricing equivalent to the relevant benchmark rate plus 2.350% to 2.575% depending on utilisation. The principal covenants that apply to the loan facility require: (i) that gross borrowings do not exceed 34% of the borrowing base; (ii) that gross borrowings do not exceed 45% of the adjusted borrowing base in the first year of the facility, and 40% thereafter; and (iii) the liquidity ratio does not exceed 3.0x undrawn commitments.

Interest Rate Risk

The Company may use gearing to achieve its investment objectives and manage cash flows and uses a multi-currency revolving credit facility for this purpose.

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as RFR, dependent on the currency drawn. The interest rate is then fixed for the duration that the loan is drawn down. At 31 May 2022, there was the sterling equivalent of £nil funds drawn down on the loan facilities (31 May 2021: £nil). A commitment fee of 0.94% per annum is payable in respect of the amounts available for drawdown in each facility.

Notes to the Financial Statements

20 Analysis of Financial Assets and Liabilities

Non-interest Rate Exposure

The remainder of the Company's portfolio and current assets are not subject to interest rate risks.

Financial assets for 2022 and 2021 consisted of investments, cash and debtors (excluding prepayments). As at 31 May 2022, the interest rate risk and maturity profile of the Company's financial assets was as follows:

	Total £'000	No maturity date £'000	Matures within 1 year £'000	Matures after 1 year £'000	Fixed interest average interest rate %
31 May 2022					
Fair value no interest rate risk financial assets					
Sterling	891,350	891,350	—	—	—
US dollar	1,262,083	1,262,083	—	—	—
Euro	269,786	269,786	—	—	—
Other	47,446	47,446	—	—	—
	2,470,665	2,470,665	—	—	—

The interest rate and maturity profile of the Company's financial assets as at 31 May 2021 was as follows:

	Total £'000	No maturity date £'000	Matures within 1 year £'000	Matures after 1 year £'000	Fixed interest average interest rate %
31 May 2021					
Fair value no interest rate risk financial assets					
Sterling	74,668	74,668	—	—	—
US dollar	1,428,217	1,428,217	—	—	—
Euro	356,593	356,593	—	—	—
Other	53,364	53,364	—	—	—
	1,912,842	1,912,842	—	—	—

Notes to the Financial Statements

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Analysis of Financial Assets and Liabilities

Financial Liabilities

At 31 May 2022, the Company had drawn the sterling equivalent of £nil (31 May 2021: £nil) of its committed revolving multi-currency credit facility, expiring 31 May 2024, with Lloyds Bank and Natwest Markets. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the year end, interest of £nil (31 May 2021: £nil) was accruing as the facilities were unutilised.

At 31 May 2022 and 31 May 2021, other than the ALN, all financial liabilities were due within one year and comprised short-term creditors. The ALN is repayable by no later than 31 August 2027.

Market Price Risk

The method of valuation of the fixed asset investments is described in Note 1 (D) on page 168. The nature of the Company's fixed asset investments, with a high proportion of the portfolio invested in unquoted securities, means that the investments are valued by the Directors after due consideration of the most recent available information from the underlying investments.

PIP's portfolio is well diversified by the sectors in which the underlying companies operate. This sectoral diversification helps to minimise the effects of cyclical trends within particular industry segments.

If the investment portfolio fell by 20% from the 31 May 2022 valuation, with all other variables held constant, there would have been a reduction of £447,722,000 (31 May 2021: £342,745,000) in the return before taxation. An increase of 20% would have increased the return before taxation by an equal and opposite amount.

Foreign Currency Risk

Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates. A geographical analysis of the portfolio and hence its exposure to currency risk is given on page 30 and in Note 9b. Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial period.

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report on pages 46 to 49 and the Manager's Review on pages 57 to 69.

The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 31 May 2022, realised exchange losses of £145,000 (31 May 2021: losses of £63,000) and realised gains relating to currency of £19,709,000 (31 May 2021: realised losses of £18,389,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown below. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 31 May 2022, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £21,936,000 (31 May 2021: £20,497,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of decreasing equity shareholders' funds by £17,948,000 (31 May 2021: £16,770,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 31 May 2022 of 1.26 (31 May 2021: 1.42155) sterling/dollar and 1.17625 (31 May 2021: 1.16255) sterling/euro. The Company's investment currency exposure is disclosed in Note 9b.

Notes to the Financial Statements

20 Analysis of Financial Assets and Liabilities

An analysis of the Company's exposure to foreign currency is given below:

	31 May 2022 Assets £'000	31 May 2022 Liabilities £'000	31 May 2021 Assets £'000	31 May 2021 Liabilities £'000
US dollar	176,090	497	166,058	455
Canadian dollar	1,375	–	18	–
Euro	22,036	201	19,071	203
Swedish krone	240	–	3,219	–
Norwegian krone	136	–	1,712	–
Australian dollar	13,236	–	7,480	–
	213,113	698	197,558	658

Fair Value of Financial Assets and Financial Liabilities

The financial assets of the Company are held at fair value. Financial liabilities are held at amortised cost, which is not materially different from fair value, apart from the ALN portfolio which is held at fair value.

Managing Capital

The Company's equity comprises ordinary shares as described in Note 14. Capital is managed so as to maximise the return to shareholders while maintaining a capital base that allows the Company to operate effectively in the marketplace and sustain future development of the business.

The Company considers its capital to be comprised of called up share capital and net available cash. As at 31 May 2022 and 31 May 2021, the Company had bank debt facilities to increase the Company's liquidity. Details of available borrowings at the period end can be found earlier in this Note.

The Company's assets and borrowing levels are reviewed regularly by the Board of Directors with reference to the loan covenants.

The Company's capital requirement is reviewed regularly by the Board of Directors.

Notes to the Financial Statements

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Transactions with the Manager and Related Parties

The amounts paid to the Manager, together with the details of the Investment Management Agreement, are disclosed in Note 3. The existence of an Independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the AIC SORP, the Manager is not considered to be a related party.

The Company's related parties are its Directors and Fees paid to the Company's Board are disclosed in the Directors' Remuneration Report on pages 150 to 152.

The Company has also formed three wholly-owned subsidiaries. Please see note 17 for further details. The Company also holds an investment in PSOF. Please see page 67 for further details.

There are no other identifiable related parties at the period end.

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Post Balance Sheet Events

On 2 August 2022, the Company announced that it has agreed a new five-year £500m multi-tranche, multi-currency revolving credit facility agreement arranged by Credit Suisse AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH. The Loan Facility, which replaced the £300m loan facility agreement, which was due to expire in May 2024, is comprised of facilities amounting to \$512.9m and €89.2m and secured by certain assets of the Company. The new facility will expire in July 2027 with an ongoing option to extend, by agreement, the maturity date by another year at a time. The new facility will have a blended commitment fee of 0.95% per annum on available commitment and pricing equivalent to the relevant benchmark rate plus 2.350% to 2.575% depending on utilisation. The principal covenants that apply to the loan facility require: (i) that gross borrowings do not exceed 34% of the borrowing base; (ii) that gross borrowings do not exceed 45% of the adjusted borrowing base in the first year of the facility, and 40% thereafter; and (iii) the liquidity ratio does not exceed 3.0x undrawn commitments.

Other Information

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AIFMD Disclosures

The Company is an alternative investment fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD"), and the Manager was appointed as its alternative investment fund manager ("AIFM") for the purposes of the AIFMD with effect from 21 July 2014. The Manager is a "full scope" AIFM for the purposes of the AIFMD.

The AIFMD requires certain disclosures to be made in the Annual Report of the Company. Many of these disclosures were already required by the Listing Rules and/or UK Accounting Standards, and these continue to be presented in other sections of the Annual Report, principally the Strategic Report (pages 2 to 55), the Manager's Review (pages 57 to 131) and the financial statements (pages 163 to 189). This section completes the disclosures required by the AIFMD.

Assets subject to special arrangements

The Company holds no assets subject to special arrangements arising from their illiquid nature.

Remuneration disclosure

The total number of staff of the Manager for the period ended 31 May 2022, including staff remunerated by affiliates of the Manager, was approximately 400, of which 8 were senior management or other members of staff whose actions have a material impact on the risk profile of the Company ("identified staff").

The total remuneration paid by the Manager and its affiliates to staff of the Manager in respect of the financial year ended 31 May 2022 attributable to work relating to the Company was as follows:

	12 months to 31 May 2022			12 months to 31 May 2021		
	Fixed £'000	Variable £'000	Total £'000	Fixed £'000	Variable £'000	Total £'000
Senior management	518	795	1,313	440	526	966
Staff	1,727	1,062	2,789	1,108	698	1,807
Total staff	2,245	1,857	4,102	1,548	1,225	2,773
Identified staff	322	434	756	296	351	647

No carried interest was paid in respect of the Company during the year.

The above disclosures reflect only that element of the individuals' remuneration which is attributable to the activities of the Manager relating to the Company. It is not possible to attribute remuneration paid to individual staff directly to income received from any fund and hence the above figures represent a notional approximation only calculated by reference to the assets under management of the Company as a proportion of the total assets under management of the Pantheon Group.

In determining the remuneration paid to its staff, the Manager takes into account a number of factors including the performance of the Company, the Manager and each individual member of staff. These factors are considered over a multi-year framework and include whether staff have met the Manager's compliance standards. In addition, the Manager seeks to ensure that its remuneration policies and practices align financial incentives for staff with the risks undertaken and results achieved by investors, for example by ensuring that a proportion of the variable income received by identified staff is deferred for a period of at least three years.

Full details of the Pantheon Group's remuneration policies and practices for staff (which includes the Manager's staff) can be found at www.pantheon.com.

AIFMD Disclosures

Leverage

The AIFMD requires the Manager of the Company to set leverage limits for the Company. For the purposes of the AIFMD, leverage is any method by which the Company’s exposure is increased, whether through the borrowing of cash or by the use of derivatives or by any other means. The AIFMD requires leverage to be expressed as a ratio between the Company’s exposure and its net asset value and prescribes two methodologies, the gross method and the commitment method (as set out in Commission Delegated Regulation No. 231/2013), for calculating such exposure.

The following leverage limits have been set for the Company:

- (i) Borrowings shall not exceed 100% of the Company’s net asset value or such lower amount as is agreed from time to time with the Company’s lenders.
- (ii) Leverage calculated as the ratio between the exposure of the Company calculated in accordance with the gross method referred to above and its net asset value shall not exceed 200%.
- (iii) Leverage calculated as the ratio between the exposure of the Company calculated in accordance with the commitment method referred to above, and its net asset value shall not exceed 200%.

Using the methodologies prescribed under the AIFMD, the Company’s leverage as at 31 May 2022 is shown below:

	Gross method	Commitment method
Leverage ratio	92%	102%

There have been no changes to the maximum level of leverage which the Manager may employ on behalf of the Company during the financial year to 31 May 2022. There are no collateral or asset reuse arrangements in place as at the year end.

Risk profile and risk management

The principal risks to which the Company is exposed and the approach to managing those risks are set out in the Strategic Report (pages 46 to 49) and also in Note 20 of the financial statements (pages 185 to 188). The investment restrictions which seek to mitigate some of those principal risks in relation to the Company’s investment activities are set out in the investment policy (page 37) and under “Board responsibilities and relationship with the Manager” in the Statement on Corporate Governance (page 142). Additionally, the individual counterparty exposure limit for deposits with each of the Company’s bank counterparties has been set at £70m or the equivalent in foreign currencies. The Manager’s risk management system incorporates regular review of the principal risks facing the Company and the investment restrictions applicable to the Company. The Manager has established appropriate internal control processes to mitigate the risks, including those described in the “Mitigation” column in the “Risk Management and Principal Risks” section of the Strategic Report (pages 46 to 49). These investment restrictions have not been exceeded in the financial year to 31 May 2022.

Article 23(1) disclosures to investors

The AIFMD requires certain information to be made available to investors in the Company before they invest and requires that material changes to this information be disclosed in the Annual Report of the Company. The information required to be disclosed is contained in the document “Information for Investors”, which is available on the Company’s website at www.piplc.com.

There have been no material changes to this information requiring disclosure.

Alternative Performance Measures

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed "APMs". The APMs that we use may not be directly comparable with those used by other companies. The APMs used by the Company are defined below.

AIC ongoing charges

Annualised operating costs, excluding performance fees, financing costs and taxes, as a percentage of the average month-end NAV over the year.

	Page	Year ended 31 May 2022 £'000	Year ended 31 May 2021 £'000	
Investment management fees	171	23,115	18,544	
Lookthrough charges		862	352	
Other expenses	172	1,274	1,417	
Total expenses		25,251	20,313	(a)
Average month-end NAV		2,195,124	1,668,186	(b)
AIC ongoing charges		1.15%	1.22%	(a/b)

Net available cash

Cash and net current assets (liabilities) less next ALN repayment (see Notes 11 and 12).

Available financing

Sum of available cash and undrawn loan facility.

	Page	At 31 May 2022 £m	At 31 May 2021 £m	
Available cash	185	227	198	(a)
Undrawn loan facility	185	301	277	(b)
Available financing		528	475	(a + b)

Capital call

Call to limited partners ("LPs") to pay in a portion of the LPs' committed capital when the general partner ("GP") has identified a new investment for purchase.

	Page	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Acquisitions at cost	176	980	226	(a)
Recallable distributions		(25)	(29)	(b)
Amount drawn for new commitments		(160)	(76)	(c)
ALN share of calls		–	(1)	(d)
PIH LP Investment		(720)	–	(e)
Investments made through PIH LP		112	–	(f)
Capital calls		187	120	(a + b + c + d + e + f)

Capital call rate

Capital calls in the period divided by opening undrawn commitments.

	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Capital calls	187	120	(a)
Opening undrawn commitments	528	541	(b)
Capital calls	35%	22%	(a/b)

Alternative Performance Measures

Portfolio Investment Return

Total movement in the valuation of the underlying funds and companies comprising the portfolio, expressed as a percentage of opening portfolio value. Foreign exchange effects and other expenses are excluded from the calculation. The figure excludes returns attributable to the ALN. A reconciliation of the return after taxation to the portfolio valuation movement is shown below.

	Page	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Return after taxation (per Income Statement)	163	573	306	(a)
Adjusted for non-portfolio income and expenses				
– Investment management fees	163	23	19	(b)
– Other expenses	163	3	3	(c)
– Interest payable and similar expenses	163	4	3	(d)
– Portfolio and other FX	*	(166)	186	(e)
Portfolio valuation movement		436	517	(g) = (a) + (b) + (c) + (d) + (e)
Opening investments at fair value	165	1,714	1,496	(h)
ALN share of opening investments		(47)	(58)	(i)
Opening portfolio value (excluding the ALN)		1,667	1,438	(j) = (h) + (i)
Portfolio Investment Return		26.2%	36.0%	(g/j)

* Includes £165m of FX on the portfolio excluding the ALN (2021: (£165m)).

Distribution

Cash or stock returned to the LPs after the fund has exited from an investment by selling it, or from distributions received before a sale. Excludes such proceeds received relative to the portion of the portfolio attributable to the ALN.

	Page	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Disposal of investments	176	1,025	350	(a)
Investment income received	163	19	16	(b)
Recallable distributions		(25)	(27)	(c)
Withholding tax deducted		(3)	4	(d)
ALN share of distributions		(11)	(24)	(e)
Transferred investments to PIH LP	176	(627)	–	(f)
Disposals of investments received through PIH LP		41	–	(g)
Distributions from PIP's portfolio		419	319	(a + b + c + d + e + f + g)

Distribution rate

Distributions for the period divided by opening portfolio value.

	Page	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Distributions from PIP's portfolio		419	319	(a)
Opening investments at fair value	165	1,714	1,496	(b)
ALN share of opening investments		(47)	(58)	(c)
Opening portfolio value (excluding the ALN)		1,667	1,438	(d) = (b + c)
Distribution rate from PIP's portfolio		25%	22%	(a/d)

Alternative Performance Measures

Financing cover

Ratio of available cash, private equity assets and undrawn loan facility to outstanding commitments. Future calls from outstanding commitments are expected to be funded from future distributions realised from the existing private equity assets portfolio, in addition to distributions realised from future investments.

	Page	At 31 May 2022 £m	At 31 May 2021 £m	
Available financing	193	528	475	(a)
Investments at fair value	165	2,239	1,714	(b)
Total		2,767	2,189	(c) = (a + b)
Outstanding commitments		755	528	(d)
Financing cover		3.7x	4.1x	(c/d)

Net portfolio cash flow

Income and capital distributions received from funds following exit realisations less capital calls made to finance investments or expenses.

	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Distributions from PIP's portfolio	419	319	(a)
Capital calls	187	120	(b)
Net portfolio cash flow	232	199	(a-b)

Sample calculations and disclosures

The sample buyout figures for the 12 months to 31 December 2021 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg.

Revenue and EBITDA

The revenue and EBITDA figures were based upon the last 12 months to 31 December 2021 or, where not available, the closest annual period disclosed, and provide coverage of 82% and 81% (12 months to 2020: 68% and 69%) for revenue and EBITDA growth respectively of PIP's buyout portfolio.

Individual company revenue and EBITDA growth figures were capped if in excess of -100% and +100% to avoid distortions from large outliers. Sample data for 2016–2021 is based on the same methodology and provides coverage of 45%–75% of the portfolio in each year.

Valuation multiple and debt multiple

Enterprise value is defined as equity value plus net debt. The net debt and enterprise value figures were based on underlying valuations as at 31 December 2021, or the closest disclosed period end. The valuation multiple sample covers approximately 65% (2020: 54%) of PIP's buyout portfolio. The debt multiple sample covers approximately 52% (2020: 68%) of PIP's buyout portfolio.

Cost multiple

The cost multiple data on page 85 is based on a sample that represented approximately 68% by value of proceeds from exit realisations for the year to 31 May 2022. The data covers primary investments and co-investments, and is based upon gross cost multiples available at the time of the distribution.

Uplift

Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the underlying private equity manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to the transaction taking place. The analysis on page 86 only includes exit realisations that occurred during the period and disregards the impact of any proceeds received outside the 12-month period covered in the uplift analysis. The data in the sample represents 100% (2021: 100%) of proceeds from exit realisations and 87% (2021: 74%) of distributions received during the period.

Alternative Performance Measures

Total ongoing charges

Annualised operating costs, including financing costs and any performance fees charged by Pantheon but excluding taxes, expressed as a percentage of the average month-end NAV over the year.

	Page	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m	
Investment management fees	171	23,115	18,544	
Performance fee payable to Pantheon		–	–	
Lookthrough charges		862	352	
Other expenses	172	1,274	1,417	
Interest payable and similar expenses	163	3,967	3,488	
Total expenses and financing costs		29,218	23,801	(a)
Average month-end NAV		2,195,124	1,668,186	(b)
Total ongoing charges		1.33%	1.43%	(a/b)

Undrawn coverage ratio

Ratio of available financing and 10% of private equity assets to undrawn commitments. Under the terms of its loan facility, in order to make additional undrawn commitments, PIP is required to maintain an undrawn coverage ratio of at least 33%.

	Page	At 31 May 2022 £m	At 31 May 2021 £m	
Available financing	193	528	475	(a)
Investment at fair value (10%)	165	224	171	(b)
Total liquid resources		752	646	(c) = (a + b)
Undrawn commitments		755	528	(d)
Undrawn coverage ratio		100%	122%	(c/d)

Glossary of Terms

AIFMD

Alternative Investment Fund Managers Directive.

Asset Linked Note (“ALN”)

Unlisted, subordinated note due August 2027, the repayment and the performance of which are linked to a reference portfolio consisting of older vintage funds. The holder of the ALN has rights to receive c.75% of net cash flows arising from the reference portfolio prior to the repayment of any outstanding balance in August 2027.

Buyout funds

Funds that acquire controlling interests in companies with a view towards later selling those companies or taking them public.

Carried interest

Portion of realised investment gains payable to the General Partner as a profit share.

Co-investment

Direct shareholding in a company by invitation alongside a private equity fund.

Commitment

The amount of capital that each Limited Partner agrees to contribute to the fund when and as called by the General Partner.

Debt multiple

Ratio of net debt to EBITDA.

Dry powder

Capital raised and available to invest but not yet deployed.

Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)

A measure of earnings before interest and taxes that excludes non-cash expenses. Valuation methods are commonly based on a comparison of private and public companies’ value as a multiple of EBITDA.

Enterprise value

The sum of a company’s market capitalisation and net debt (net debt equals debt less cash and cash equivalents).

Exit

Realisation of an investment usually through trade sale, sale by public offering (including IPO), or sale to a financial buyer.

Expense charge

A pro rata share of the Company’s Total Ongoing Charges allocated to the ALN, reducing each quarterly payment. This is deducted from Other expenses through the revenue account of the Income Statement.

Feeder fund

An investment vehicle, often a limited partnership, that pools capital commitments of investors and invests or “feeds” such capital into an umbrella fund, often called a master fund (“Master”), which directs and oversees all investments held in the Master portfolio.

Fund-of-funds

Private equity fund that invests in a portfolio of several private equity funds to achieve, compared with a direct investment fund, a broader diversification of risk, including individual private equity manager risk.

Fund management fee

Annual fee, typically charged by the GP as a percentage of LP commitments to the fund during the investment period and attenuating thereafter, intended to cover the costs of running and administering a fund.

General Partner (“GP”)

The entity managing a private equity fund that has been established as a limited partnership, also commonly referred to as the private equity fund manager.

Initial public offering (“IPO”)

The first offering by a company of its own shares to the public on a regulated stock exchange.

Internal rate of return (“IRR”)

The IRR, a common measure of private equity performance, is calculated as an annualised compounded rate of investment return based on the timing and quantity of cash flows.

Investment period

Period, typically five years, during which the GP is permitted to make new investments.

J-curve

Refers to the tendency of private equity funds to experience capital outflows and negative returns in early years, and cash flow distributions and investment gains in later years as portfolio companies mature and are exited.

Glossary of Terms

Limited Partner (“LP”)

An institution or individual who commits capital to a private equity fund established as a limited partnership. Limited partners are generally protected from legal actions and any losses beyond their original commitment to the fund.

Liquidation

The sale of all remaining assets of a fund prior to its final cessation of operations.

Manager-led secondary

Purchase of an interest in a portfolio company alongside a private equity manager, where the manager is seeking to extend the investment holding period in order to participate in the company’s next phase of growth.

Market capitalisation

Share price multiplied by the number of shares outstanding.

Multiple of invested capital (“MOIC” or cost multiple)

A common measure of private equity performance, MOIC is calculated by dividing the fund’s cumulative distributions and residual value by the paid-in capital.

Net asset value (“NAV”)

Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor’s attributable holding.

Net available cash

Cash and net current assets (liabilities) less next ALN repayment (see Notes 12 and 13).

Paid-in capital

Cumulative amount of capital that has been called.

Portfolio company

A company that is an investment within a private equity fund.

Portfolio investment return

Total movement in the valuation of the underlying funds and companies comprising the portfolio, expressed as a percentage of opening portfolio value. Foreign exchange effects and other expenses are excluded from the calculation. The figure excludes returns attributable to the ALN.

Primaries

Commitments made to private equity funds at the time such funds are formed.

Private equity

Privately negotiated investments typically made in non-public companies.

Reference portfolio

As defined under the terms of the ALN, a subset of PIP’s private equity portfolio assets, substantially comprising the Company’s oldest funds (2006 and earlier vintages).

Secondaries

Purchase of existing private equity fund or company interests and commitments from an investor seeking liquidity in such funds or companies.

Share price premium (discount)

Occurs when a company’s share price is higher (lower) than the NAV per share.

Special situations

Special situations investments can include distressed debt, mezzanine, energy/utilities and turnarounds.

Undrawn or outstanding commitments

Capital that is committed but is still to be drawn down by the GP for investment.

Uplift on exit

Increase in value received upon exit realisation of an investment relative to its carrying value 12 months prior to realisation.

Valuation multiples

Multiple of earnings (typically EBITDA or net income) or revenue applied in valuing a business enterprise.

Venture capital

Investment in early and development-stage companies, often used to finance technological product and market development.

Vintage

The year in which a private equity fund makes its first investment.

Weighted average fund age

Average fund age for the portfolio is weighted by the fund’s respective closing net asset values. Fund age refers to the number of years since a private equity fund’s first investment.

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Electronic communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's Annual Reports, Notices of Meetings and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, visit www.signalshares.com. To register, you will need your investor code, which can be found on your share certificate.

Alternatively, you can contact Link's Customer Support Centre, which is available to answer any queries you have in relation to your shareholding:

By phone: call +44 (0)371 664 0300. Calls from outside the UK will be charged at the applicable international rate. Link is open between 09:00 and 17:30, Monday to Friday (excluding public holidays in England and Wales).

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