



Outperformance by adding value

PIP

Pantheon International Plc
Interim Report and Accounts
30 November 2019

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At a glance

11.7%

Average annual NAV
growth since inception

£1.5bn

Net asset value (NAV)

4.5%

Share price increase
in the half year

£1.3bn

Market
capitalisation

16.9%

Share price discount
to NAV

1.22%

Association of
Investment Companies
(AIC) ongoing charges
(annualised)¹



¹ Including financing costs, PIP's total ongoing charges would be 1.36%.

The value to shareholders is clear – PIP generates attractive long term outperformance

PIP's share price has outperformed the FTSE All Share Total Return Index and MSCI World Total Return Index (Sterling) since inception.

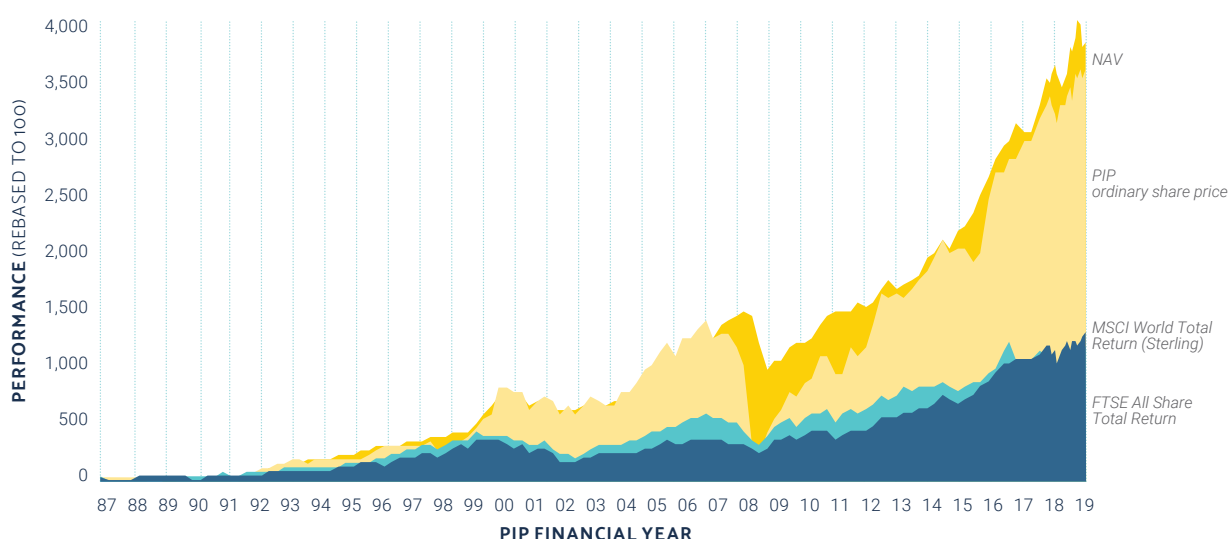
Annualised performance

as at 30 November 2019	1 yr	3 yrs	5 yrs	10 yrs	Since inception
NAV per share	4.7%	10.6%	13.1%	13.0%	11.7%
Ordinary share price	13.4%	11.2%	13.2%	20.5%	11.5%
FTSE All Share TR	11.0%	7.4%	6.5%	8.2%	7.8%
MSCI World TR (Sterling)	12.9%	11.5%	12.5%	12.5%	8.1%

Share price performance vs. benchmark

Versus FTSE All Share TR	+2.4%	+3.8%	+6.7%	+12.3%	+3.7%
Versus MSCI World TR (Sterling)	+0.5%	(0.3%)	+0.7%	+8.0%	+3.4%

Performance since inception in 1987



The Company's issued share capital consists of 54,089,447 ordinary shares as at 30 November 2019.

Our Business at a Glance

PIP is a **FTSE 250 private equity investment trust**

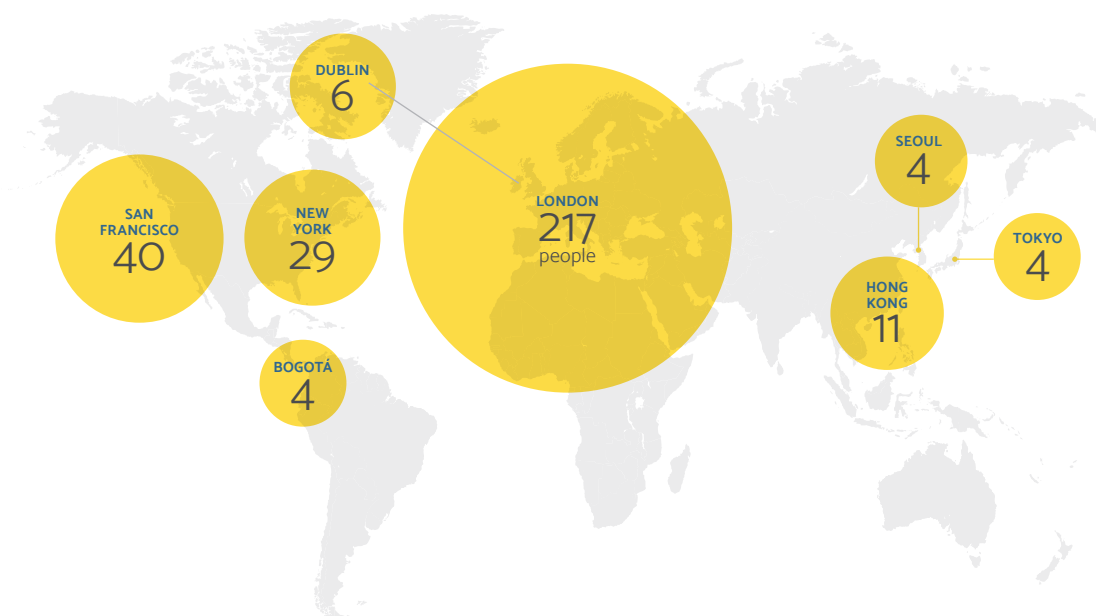
It is overseen by an independent Board and managed by Pantheon. As one of the leading private equity investment managers globally, Pantheon provides PIP with an investment platform with extensive global reach and the scale to succeed.

Pantheon – more than 35 years experience in Private Equity

315 people globally¹

96 investment professionals globally¹

US\$47.1bn assets under management²



Pantheon has been a signatory to the UNPRI since 2007



¹ As at 1 January 2020.

² As at 30 September 2019. This figure includes assets subject to discretionary or non-discretionary management, advice or those limited to a reporting function.

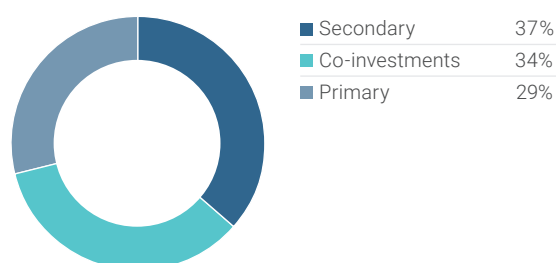
Our Portfolio

We actively manage PIP's portfolio to **deliver strong risk-adjusted returns for shareholders**

Since PIP's inception in 1987, we have been able to generate consistent outperformance versus the FTSE All Share Total Return and MSCI World Total Return (Sterling) indices, while managing our portfolio to control the risks typically associated with private equity investments. Our portfolio is well diversified by investment type, geography, stage and maturity, resulting in an asset profile that we believe maximises returns with managed risk.

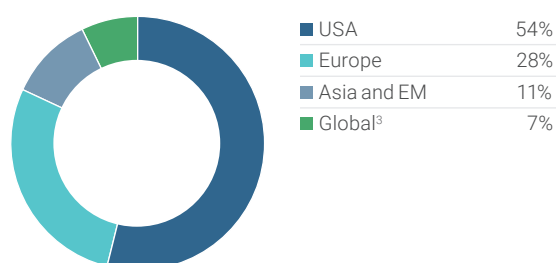
Investment type¹

Flexible approach to portfolio construction increases potential for outperformance.



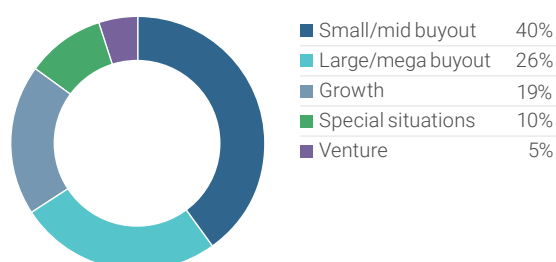
Fund region¹

Weighted towards the more developed private equity markets in the USA and Europe while Asia and EM² provide access to faster-growing economies.



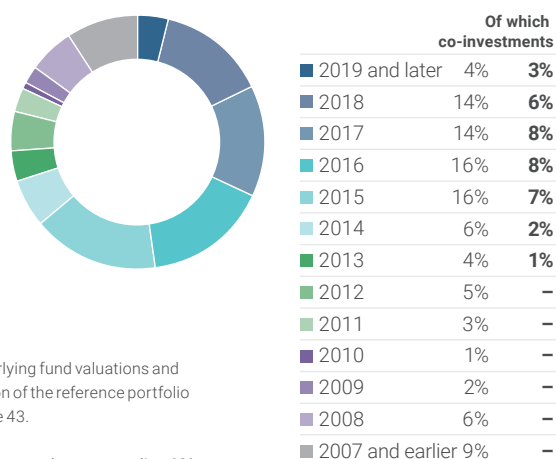
Fund stage¹

Well diversified with an emphasis on the small and mid-market buyout and growth stages.



Fund maturity¹

Maturity profile is managed to enhance performance while maintaining a cash-generative portfolio.



¹ Fund investment type, region, stage 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 (ALN). For more information refer to page 43.

² EM: Emerging Markets.

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

Realisations from our portfolio underpin performance

PIP received approximately 550¹ distributions in the half year, with realisations on average at significant uplifts to carrying value².

For more information on our distributions, see pages 22 to 24 >



Region USA
Sector Healthcare
Stage Medium buyout
Type Co-investment
Manager Altas Partners

MyEyeDr.

MyEyeDr. is a full service provider of vision care services and eyewear products including prescription eyeglasses, sunglasses and contact lenses.

By co-investing alongside Altas Partners, PIP was able to invest in a scalable acquisition platform with strong growth potential due to the consolidation opportunity in a large and highly fragmented industry.

£13.3m

Proceeds

>1,000

Employees



We viewed MyEyeDr. as an attractive opportunity to partner alongside Altas to build a company of scale in a growing part of the healthcare sector.

Helen Steers Partner, Pantheon

¹ This figure looks through feeders and funds-of-funds.

² See page 23 for further information on uplifts on exit realisations for the half year.

melita

Region Europe
Sector Communication services
Stage Medium buyout
Type Co-investment
Manager Apax Partners



“

We are very proud of the journey achieved by Melita over the last three years. Melita has heavily invested in its network and its digital transformation to become a world-class operator. We congratulate the whole Melita team for the amazing work they have achieved that also benefits the whole Maltese community.

Thomas de Villeneuve Partner, Apax Partners

Melita

Melita is a telecommunications operator based in Malta which offers internet, television, telephony and mobile services.

PIP was able to invest in a market-leading telecoms operator with identified growth initiatives alongside Apax Partners, a mid-market buyout firm specialising in the industry. During Apax's ownership, Melita introduced new product offerings, upgraded mobile and fixed networks as well as customer care to best-in-class standards, improving the subscriber base and increased profitability.

£9.8m

Proceeds

99%

Network coverage
of dwellings
in Malta

New investments in exciting fast-growth opportunities

The six-month period to 30 November 2019 was characterised by a very active pipeline of deal flow.

For more information on our new commitments, see pages 26 to 28 >



DoiT

INTERNATIONAL

Region	USA
Sector	Information technology
Stage	Small buyout
Type	Co-investment
Manager	Charlesbank Capital Partners

“

This is just one example of the significant commercial opportunities we're looking to invest in that are associated with the major operational changes represented by the world's shift to cloud-based computing.

Andrew Lebus Partner, Pantheon

DoiT

DoiT is a managed service provider of cloud management software and cloud usage.

By investing in DoiT alongside Charlesbank Capital Partners, PIP's objective is to tap into the rapidly growing public cloud services market as companies continue to transition from outdated on-premise infrastructure in favour of scalable and more advanced cloud infrastructure. DoiT's solution provides meaningful cost savings to customers as well as high-end consulting and training advisory services.

£1.8m

Commitment



MAPAL
software

Region Europe
Sector Information technology
Stage Growth
Type Co-investment
Manager Providence Strategic Growth

“

Mapal's success is driven by our deep understanding of clients' needs and the quality of service and profitability that we deliver. With presence in more than 20 countries worldwide, we are on the way to becoming a leading global provider of technology solutions for the hospitality sector.

Jorge Lurueña Founder and CEO of MAPAL

Mapal

Mapal is a Spanish software provider (SaaS¹) for workforce management in restaurant and retail businesses.

By co-investing alongside Providence Strategic Growth in Mapal, PIP owns a share of a business with high growth potential and an attractive financial profile, which will benefit from market consolidation, product expansion and internationalisation.

£6.9m

Commitment

¹ Software as a service.

Key Performance Indicators

Steady performance over the half year

PERFORMANCE		What it is	How we have performed							
5-year cumulative total shareholder return 86.0%	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.	<table><tr><th>Period</th><th>Return (%)</th></tr><tr><td>1 year</td><td>13.4%</td></tr><tr><td>3 years (cumulative)</td><td>37.4%</td></tr><tr><td>5 years (cumulative)</td><td>86.0%</td></tr></table>	Period	Return (%)	1 year	13.4%	3 years (cumulative)	37.4%	5 years (cumulative)	86.0%
Period	Return (%)									
1 year	13.4%									
3 years (cumulative)	37.4%									
5 years (cumulative)	86.0%									
NAV per share growth during the half year 1.0%*	Net asset value (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 all costs associated with running the Company and the effects of foreign exchange movements.	<table><tr><th>Period</th><th>Growth (%)</th></tr><tr><td>6M to 30 Nov 2017</td><td>2.5%</td></tr><tr><td>6M to 30 Nov 2018</td><td>10.7%</td></tr><tr><td>6M to 30 Nov 2019</td><td>1.0%</td></tr></table>	Period	Growth (%)	6M to 30 Nov 2017	2.5%	6M to 30 Nov 2018	10.7%	6M to 30 Nov 2019	1.0%
Period	Growth (%)									
6M to 30 Nov 2017	2.5%									
6M to 30 Nov 2018	10.7%									
6M to 30 Nov 2019	1.0%									
Portfolio investment return for the half year 5.2%*	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 into account.	<table><tr><th>Period</th><th>Return (%)</th></tr><tr><td>6M to 30 Nov 2017</td><td>7.7%</td></tr><tr><td>6M to 30 Nov 2018</td><td>8.9%</td></tr><tr><td>6M to 30 Nov 2019</td><td>5.2%</td></tr></table>	Period	Return (%)	6M to 30 Nov 2017	7.7%	6M to 30 Nov 2018	8.9%	6M to 30 Nov 2019	5.2%
Period	Return (%)									
6M to 30 Nov 2017	7.7%									
6M to 30 Nov 2018	8.9%									
6M to 30 Nov 2019	5.2%									
LIQUIDITY										
Net portfolio cash flow for the half year² £64m*	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 and to make new investments. 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. With a weighted average fund age of 5.2 years,¹ PIP is achieving this objective.	<table><tr><th>Period</th><th>Cash Flow (£m)</th></tr><tr><td>6M to 30 Nov 2017</td><td>£137m</td></tr><tr><td>6M to 30 Nov 2018</td><td>£79m</td></tr><tr><td>6M to 30 Nov 2019</td><td>£64m</td></tr></table>	Period	Cash Flow (£m)	6M to 30 Nov 2017	£137m	6M to 30 Nov 2018	£79m	6M to 30 Nov 2019	£64m
Period	Cash Flow (£m)									
6M to 30 Nov 2017	£137m									
6M to 30 Nov 2018	£79m									
6M to 30 Nov 2019	£64m									
Undrawn coverage ratio² 102%*	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 until the undrawn coverage ratio falls below 33%.	<table><tr><th>Period</th><th>Coverage Ratio (%)</th></tr><tr><td>31 May 2018</td><td>99%</td></tr><tr><td>31 May 2019</td><td>90%</td></tr><tr><td>30 Nov 2019</td><td>102%</td></tr></table>	Period	Coverage Ratio (%)	31 May 2018	99%	31 May 2019	90%	30 Nov 2019	102%
Period	Coverage Ratio (%)									
31 May 2018	99%									
31 May 2019	90%									
30 Nov 2019	102%									

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

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

2 Alternative performance measures.

The Board has selected five key performance indicators ("KPIs") to ensure that PIP is using the most appropriate measures to monitor progress in delivering against its objective of maximising capital growth over the long term. A detailed explanation of the chosen KPIs, along with the historical performance for each, can be found below.

	Link to our strategic objectives	Examples of related factors that we monitor
■ PIP's ordinary shares had a closing price of 2,325.0p as at 30 November 2019. ■ The ordinary share price discount to NAV decreased from 20% to 17% during the six-month period.	■ Maximise shareholder returns through long-term capital growth. ■ Promote better market liquidity by building demand for the Company's shares.	■ Rate of NAV growth relative to listed markets. ■ Trading volumes for the Company's shares. ■ Share price discount to NAV.
■ NAV per share increased by 28.6p to 2,799.2p during the half year. ■ Positive underlying performance was moderated by adverse foreign exchange movements.	■ Investing flexibly with top-tier private equity managers to maximise long-term capital growth. ■ Containing costs and risks by constructing a well-diversified portfolio in a cost-efficient manner.	■ Valuations provided by private equity managers. ■ Fluctuations in currency exchange rates. ■ Ongoing charges relative to NAV growth and private equity peer group. ■ Potential tax leakage from investments. ■ Effect of financing (cash drag) on performance.
■ Good performance from the underlying portfolio. ■ PIP continues to benefit from good earnings growth in its underlying portfolio and from the supportive exit environment.	■ Maximise shareholder returns through long-term capital growth.	■ Performance relative to listed market and private equity peer group. ■ Valuations provided by private equity managers.
■ PIP's portfolio generated £123m of distributions versus £59m of calls. ■ The Company made new commitments of £80m during the half year, £37m of which was drawn at the time of the transaction.	■ Maximise long-term capital growth through ongoing portfolio renewal while controlling financing risk.	■ Relationship between outstanding commitments and NAV. ■ Portfolio maturity and distribution rates by vintage. ■ Commitment rate to new investment opportunities.
■ The current level of commitments is consistent with PIP's conservative approach to balance sheet management.	■ Flexibility in portfolio construction, allowing the Company to allocate between primary, secondary and co-investments, and vary investment pace, to achieve long-term capital growth.	■ 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.

Chairman's Statement

Good performance from the underlying portfolio during the half year



IN SUMMARY

- Good performance from the underlying portfolio reduced by foreign exchange movements.
- We made 16 new investments amounting to £80m in commitments.
- £123m of distributions received, equivalent on an annualised basis to 18% of the opening attributable portfolio.
- PIP continues to benefit from managers who are nimble and have a proven track record of investing through multiple economic cycles.
- Exit realisations, at an average uplift of 34%, continued to contribute to performance.

HIGHLIGHTS

11.7%	Average annual NAV growth since inception
1.0%	NAV per share growth in the half year
£1,514m	NAV
4.5%	Share price growth in the half year

PIP continued to make good progress during the six months to 30 November 2019, taking advantage of the compelling opportunities sourced via its active deal pipeline while securing attractive returns from the well-established investments in its portfolio.

Performance for the six months to 30 November 2019

During the six months to 30 November 2019, PIP's NAV per share increased by 1.0% to 2,799.2p and net assets grew from £1,499m to £1,514m. Our portfolio generated total NAV per share gains of 5.2%, including income of 0.3%, with foreign exchange movements (-3.4%) and expenses and taxes (-0.8%) offsetting the solid pre-FX growth from the underlying portfolio. Although the NAV per share is invariably affected by currency movements between statutory reporting periods, it is the underlying performance of the Company's investments that determines returns over the long term.

The small/mid-market and growth segments, which are PIP's core areas of focus, performed well during the six months, although the performance of the growth assets was more muted. The strong exits achieved by our managers led to the large buyout segment of the portfolio delivering healthy returns. The special situations segment of the portfolio, which consists predominantly of energy assets and accounts for 8% of the overall portfolio, underperformed mainly due to valuation declines in a small number of companies. This also affected the overall performance of PIP's secondary investments and moderated an otherwise strong performance in the USA. Venture, which is a relatively small part of PIP's portfolio, contributed positively to performance during the period.

PIP's ordinary share price increased by 4.5% during the six months to 30 November 2019 and the discount to NAV at which the shares trade narrowed to 17%. PIP's dedicated communications team continues to focus on broadening the Company's marketing and investor relations reach in order to stimulate further demand for PIP's shares from both institutional and retail investors. Some recent initiatives towards achieving this objective have included the appointment of an independent research provider and the relaunch of PIP's website.

During the period, PIP received £123m in distributions attributable to shareholders, equivalent to an annualised distribution rate of 18% of PIP's opening portfolio value, with over half generated by PIP's exposure to the small/mid buyout and growth segments of its portfolio. Secondary buyouts and sales to corporate buyers continued to be the most significant sources of exits.

The value weighted average uplift on such exit realisations in PIP's portfolio was 34% during the six months to 30 November 2019,



The Company continues to benefit from a supportive exit environment and an active pipeline of new deal flow.

continuing a trend that we have noted over recent years of realising material increases over valuations.

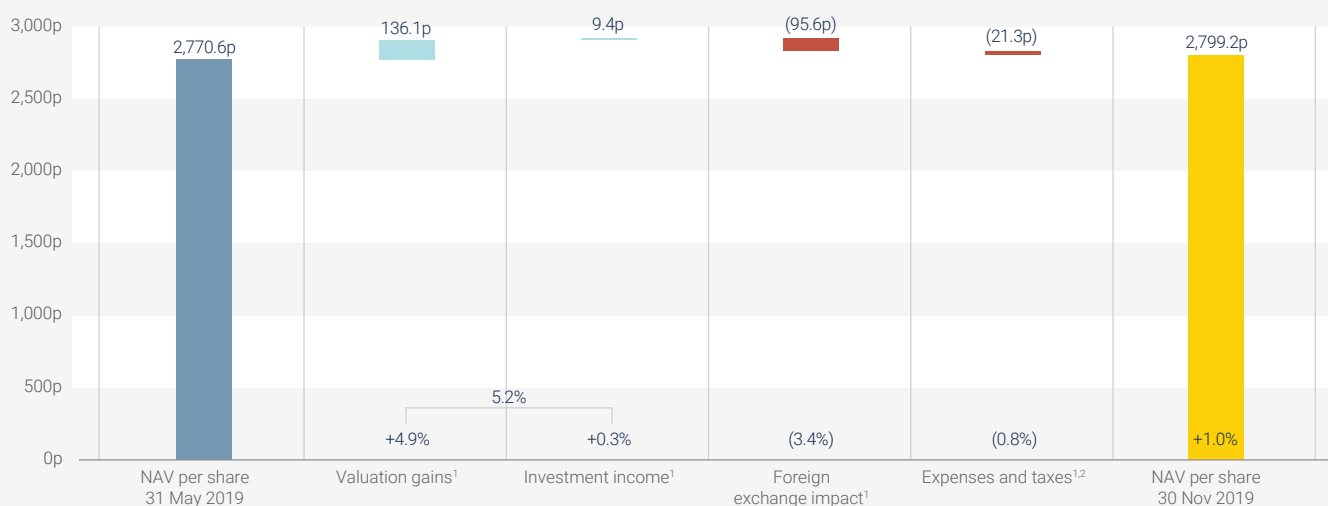
Calls from existing commitments to private equity funds during the period amounted to £59m, equivalent to an annualised 22% of PIP's opening undrawn commitments. Overall, PIP generated a net cash inflow of £64m during the period before taking account of new investments.

The Company benefitted, through its access to Pantheon's well-established platform and global network of relationships with many of the best private equity managers, from a very active pipeline of deal flow during the six months to 30 November 2019.

In total, PIP committed £79.7m, of which £36.7m was drawn at the time of purchase, to 16 new investments which, in line with our policy to manage the risk profile through diversification, comprised a good mix of geographies, type and stage. £39.0m was committed to eight co-investments, £31.5m was committed to four primaries and £9.2m was committed to four secondaries. Since the period end, PIP has committed a further £63m to 12 new investments.

The maturity profile of PIP is carefully managed to ensure that it is able to benefit from the value creation phase of underlying investments while at the same time ensuring that its overall portfolio remains cash generative.

NAV PER SHARE RECONCILIATION



The above chart reconciles the opening and closing NAV per share for the six months to 30 November 2019.

¹ Figures are stated net of movements associated with the Asset Linked Note share of the reference portfolio.

² Taxes relate to withholding taxes on investment distributions.

Chairman's Statement (continued)

At the end of November 2019, the weighted average fund age was 5.2 years. This has been achieved by managing PIP's investment pace to balance new investments between primaries and co-investments – providing exposure to younger vintages – and secondaries, which are typically in the "harvest" phase. PIP's flexible investment approach, participating directly in our managers' funds rather than via other Pantheon funds, enables it to invest through the cycle, with its allocations to the three different types of investment being adjusted according to market conditions and where it sees the best opportunities.

Although there are concerns about a downturn in the global economy, the Board is reassured by Pantheon's track record of managing PIP through several economic cycles since it was founded over 32 years ago. As part of its detailed due diligence processes, Pantheon analyses how its managers have performed in previous cycles, reviews the way in which managers are structuring their investments in the current climate and examines their approach to the use of leverage in their investments. In addition, Pantheon aims to avoid

investments in more cyclical assets and instead focuses on those with more defensive characteristics. Environmental, social and governance ("ESG") issues are of critical consideration in this due diligence process. The Board is satisfied that Pantheon remains committed to the application of robust ESG principles in its pre-investment due diligence and post-investment monitoring processes.

The Board also recognises Pantheon's inclusive, progressive culture which is reflected across its entire global workforce where creative investment thinking is encouraged and developed.

Strong financial position

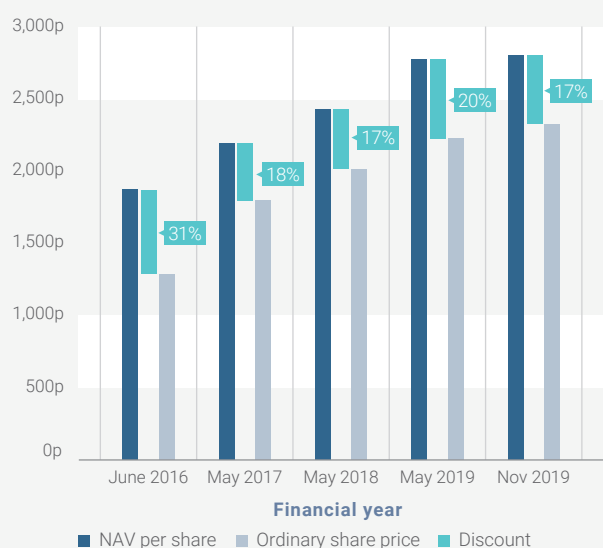
PIP's investment strategy is supported by a prudent approach to balance sheet management. As at 30 November 2019, PIP held net available cash of £153m and its undrawn £175m multi-currency revolving credit facility remains in place until June 2022. The facility, denominated as to US\$163m and as to €60m, was equivalent to £177m as at 30 November 2019. The combination of the cash balances

and the facility gave the Company total liquid resources of £330m as at the period end. PIP's undrawn commitment cover, which measures the sum of PIP's undrawn commitments of £486m as at 30 November 2019 against its available financing and the value of its private equity portfolio, remained comfortable at 3.6 times. Repayment of the unlisted Asset Linked Note ("ALN"), which was issued with an initial principal value of £200m in October 2017, is made only from the cash distributions that, prior to maturity, have been received from a reference portfolio of older investment assets, mainly dating from 2006 and earlier. The ALN matures on 31 August 2027 and, as at 30 November 2019, had a remaining value of £78m, of which £4m represents the net cash flow for the three months to 30 November 2019, due for repayment on 29 February 2020.

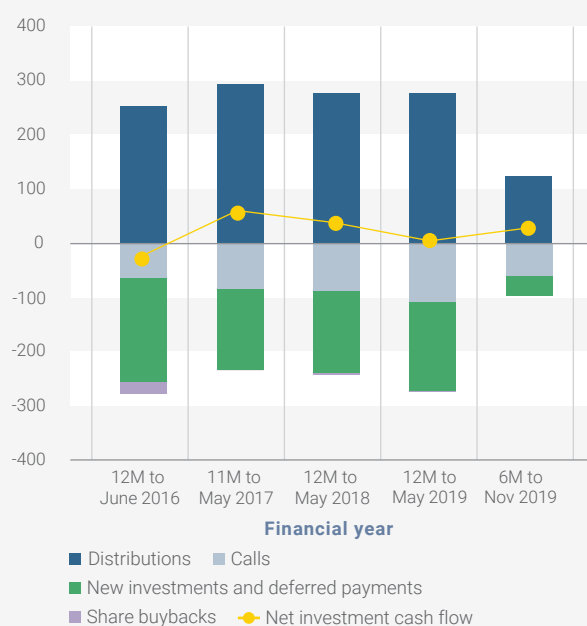
Board changes and appointment of new auditor

It was announced previously that Rhoddy Swire, who had been a Director of the Company since its inception in 1987, retired from the Board following the conclusion of

NAV AND SHARE PRICE PERFORMANCE



NET INVESTMENT CASH FLOW



the 2019 AGM. It was also announced that Ian Barby, who became a Director in 2005, would be retiring from the Board no later than this year's AGM. Ian is an outstanding Chairman of the Audit Committee and has been instrumental in leading an orderly transition to PIP's new auditor, EY, who were appointed upon conclusion of the 2019 AGM. A further announcement regarding Ian's retirement from the Board will be made in due course at which point David Melvin, who has been a Director of the Company and a member of the Audit Committee since 2015, will succeed him as Chairman of the Audit Committee.

At the end of October, the Board was delighted to welcome Dame Sue Owen DCB, an economist with over 30 years' experience in government, and Mary Ann Sieghart, an established political journalist and broadcaster, as Directors. They have already started to contribute to the Board's discussions with their specialist insight and knowledge.

Update on investment manager personnel changes

It is being announced today that Andrew Lebus, who has been the Partner at Pantheon responsible for leading their management of PIP since 2002, is stepping back from those responsibilities ahead of his planned retirement from Pantheon in 2021. Andrew, who has been at Pantheon for over 25 years, has played a key role in driving the growth and success of PIP, and was instrumental in gaining shareholder support for the consolidation of the ordinary and redeemable shares in 2017. He will be succeeded as PIP's senior manager at Pantheon by Helen Steers, who has been a Partner at Pantheon since 2004 and closely involved with PIP since 2015. Helen, who is Head of Pantheon's European Investment team and a member of Pantheon's International Investment Committee, will be supported by the wider investment team of 96 professionals at Pantheon and on a day-to-day basis by an experienced investor relations and investment team, which is dedicated to PIP. On behalf of the Board, I would like to extend our heartfelt thanks to Andrew and wish him well for his future endeavours. The Board has full confidence that he is leaving the Company in good hands under Helen's leadership of the highly capable team serving PIP at Pantheon.

Outlook

PIP offers access to the growing global private equity market and many of the best private equity managers who, in turn, are investing in exciting companies in niche industry sectors. Many of these investment opportunities cannot be accessed via public markets, which continue to shrink in terms of the number of listed companies. The managers, backed by PIP, use their sector specialisms and operational expertise to maximise the growth potential in the underlying investee businesses and to create value over the long term through margin improvement and profit growth, particularly in the mid-market and growth segments. Although there are concerns about a possible downturn in the global economy and valuations continue to be high, the companies in PIP's portfolio show that their revenues and profits are growing on average significantly faster than the public market comparables.

The Board is confident that PIP continues to be well managed and supported by the talented and entrepreneurial team at Pantheon. It believes that the Manager's approach and its ability to use its extensive network, together with its careful and disciplined management of the Company's balance sheet, means that PIP should continue to generate attractive returns for shareholders over the long term.

Sir Laurie Magnus

Chairman

26 February 2020



PIP offers access to the growing global private equity market and many of the best private equity managers who, in turn, are investing in exciting companies in niche industry sectors.

Our Investment Policy

Our investment policy is constructed around maximising capital growth

The Company's policy is to make unquoted investments. It does so by subscribing for 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 a consequence 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 scheme. 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:

- That 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; and
- 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 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.

Manager's Review

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Manager's Market Review

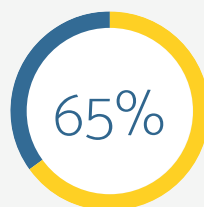
Private equity provides access to some of the most exciting, high-growth companies in the world

>US\$ 4 tn

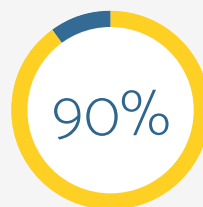
PIP invests in a market that has been **growing year on year** and is now estimated to be worth over US\$ 4 trillion globally¹.

Allocations to private equity are expected to continue to increase

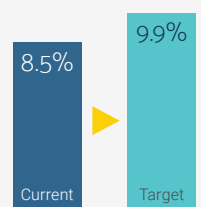
Many institutional investors still do not allocate to private equity and, of those that do, many are finding that their current allocations are below their desired targets. We expect institutions to increase their exposure to the asset class, as the positive role that it plays in a balanced equity portfolio is increasingly recognised.



of institutional investors invest in private equity globally²



of PE investors intend to maintain or increase their exposure to private equity³

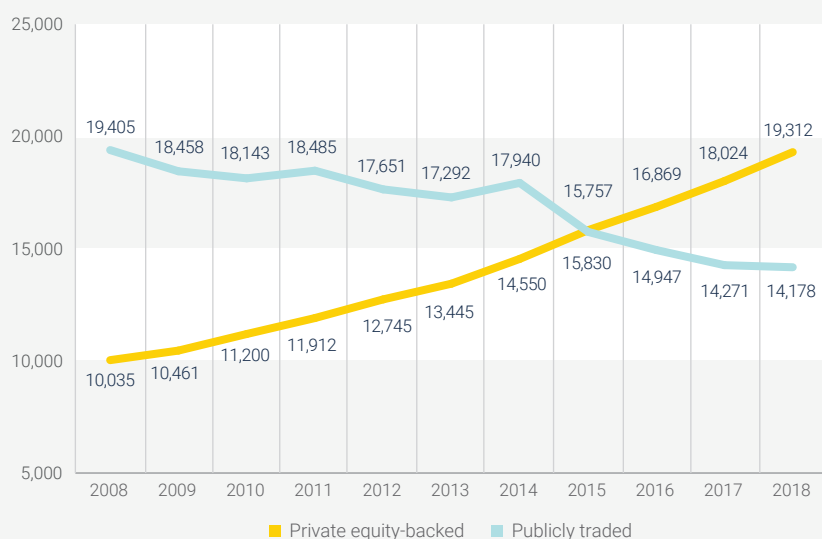


Target allocations are above current allocations⁴

Favourable market dynamics

While the number of public companies has been contracting over time, in private markets there is an increasing stock of exciting opportunities across geographies, sectors and stages. At the end of 2018, the number of public companies in North America and Europe was declining by 3.1% per annum while the number of private equity-backed companies was increasing by +6.8% per annum. As the opportunity set grows, PIP is well placed to be a beneficiary of this trend.

NO. OF COMPANIES IN NORTH AMERICA AND EUROPE⁵



1 Source: 2020 Preqin Global Private Equity & Venture Capital Report.

2 Source: BlackRock Global Institutional Survey (2019).

3 Source: Bain & Company Global Private Equity Report 2019.

4 Source: 2019 Preqin Global Private Equity & Venture Capital Report.

5 Source: "PitchBook", November 2019.

Long-term value creation is a fundamental feature of private equity

We believe that one of the reasons why companies are choosing to stay private for longer or deciding not to go public at all is because the best private equity managers provide more than just capital alone to their investee businesses. Executive management teams also benefit from:

- The long-term investment horizon
- The strong alignment of interests between company management, the private equity manager and investors
- The "hands-on" support to drive operational and strategic change
- Access to specialist and sector knowledge

We believe that this, coupled with the flexibility that our managers have to respond to events and implement change over the long term, will ensure that private equity will remain an attractive source of capital for businesses seeking the next stage of their growth.

Access to high-quality talent and relationships

Operational improvements in businesses are driven by people and we have observed that there is a strong link between the background of private equity investment professionals and their ability to create value. As part of our due diligence process when selecting which private equity managers to back, Pantheon assesses the quality of the team and organisation as well as considering succession planning and key person risk. The network of deep private equity manager relationships, built up by Pantheon's 96 investment professionals across the world, and the resulting access to privileged information, are vital for sourcing and assessing the best investment opportunities.

Technology disruption and innovation creates opportunities for private equity

Many private equity managers are recognising that there are overlaps between technology and other sectors, and are not only seeking investment opportunities from the technology vertical but also using digital technology horizontally as a tool to help improve operations for companies from different sectors across their existing platforms. They are driving innovation and using advanced data analytics to optimise operations, and improve the marketing and distribution of products and services.

Managers are both investing in technology-driven companies and using technology across their portfolios to improve performance

	Media, Technology & Telecoms	Digital media, data services and cloud-based software solutions
	Financial Services	FinTech, including digital payments and mobile investment and trading services
	Healthcare	Healthcare software, telemedicine, health analytics and digital services
	Manufacturing	Industry 4.0, IIOT (Industrial Internet of Things) and advanced robotics
	Aerospace & Defence	Augmented reality, Big Data and analytics
	Consumer & Retail	E-commerce, digital marketing, education and social media engagement

Manager's Market Review (continued)

Navigating the challenges and mitigating the risks

Uncertain macroeconomic environment

Following ten years of modest growth in the global economy, leading indicators suggest that a downturn is likely at some point, however it is notoriously difficult to predict economic cycle turning points. Pantheon's approach is to not try to "time the market" but instead focus on investing with high-quality private equity managers who are nimble, have experience of successfully managing assets through multiple cycles and have the ability to deliver on their operational value-add strategies. In addition, we aim to avoid investments which have pronounced cyclical characteristics.

Manager selection is key

The compelling credentials of private equity and its role in stimulating growth, transforming businesses and providing attractive returns, means that it is increasingly seen as an attractive asset class for a wide range of investors. However, the quality and expertise of the private equity manager can have a material impact on performance and therefore there is a wider dispersion of returns between managers compared with many other asset classes.

Through our relationships with many of the best private equity managers globally and our detailed due diligence process, Pantheon is constantly evaluating how managers operate and whether they have the right people, strategy and tools in place to deliver good performance in the future. We avoid "star manager" cultures and carry out a detailed analysis of the risks. This is particularly important as the regulatory and reporting environment has become more complex and requires more transparency from our General Partners (GPs) who manage the funds.

High entry valuations

As with all equity investments, valuations are high in private equity, across all developed markets. We believe that we are unlikely to see a material and sustained re-rating in valuation multiples outside of a broader economic downturn.

Our managers are responding to this and mitigating valuation multiples by employing buy-and-build strategies, implementing operational improvements to maximise the growth potential in the underlying businesses, and specialising in more complex transactions for which many strategic buyers may not have the expertise or resources. Value creation is delivered through margin improvement and profit growth and a sample of the buyout companies in PIP's portfolio shows that, on average, they are growing faster than the public market comparables.

Rising debt levels

Leverage levels are high in private equity, however the risk may be reduced by better affordability and lighter covenants, which allow GPs some flexibility if companies underperform. In addition, many of our managers have learned the lessons from the Global Financial Crisis and many GPs have in-house debt teams to ensure that they are taking a disciplined, consistent approach across the portfolio, and making the best use of the leverage available to them. Within PIP's portfolio, the average debt multiples for small/mid buyout investments, which represent the largest segment of PIP's buyout portfolio, are typically lower than the debt levels in the large/mega buyout segment, and PIP's credit facility remains fully utilised.

Key trends across our three investment types

1 Primary

Towards the end of 2019, global fundraising was back to record levels mainly driven by large buyout funds. New deal activity has continued to be strong with both the number and value of deals steadily increasing over time across all investment stages.

The amount of dry powder (capital raised and available to invest but not yet deployed) has increased, however new investment appears to be keeping pace with fundraising, resulting in a ratio of deal activity to dry powder that has been steady over the past few years. Although dry powder continues to grow, it is dominated by the large and mega buyout segment of the market.

29%

of PIP's portfolio as at
30 November 2019

Pantheon focuses more on the small/mid-market buyout segment, where we frequently see more reasonable entry valuations, greater growth potential in the underlying businesses and more routes to exit. Our small/mid-market buyout managers may choose to sell assets to larger managers, who can then take those businesses forward into their next stages of development.

2 Secondary

While still relatively small as a proportion of the overall global private equity market, the secondary market is becoming more established, and 2019 was another record year with total volume transacted of US\$88 bn¹, an increase of 19% from 2018.

37%

of PIP's portfolio as at
30 November 2019

The sources of deal flow continue to be broadly diversified due to:

- Institutional investors adjusting their portfolios and using the secondary market as a portfolio management tool.
- The growing number of "manager-led" transactions and, within this, single-asset deals now taking up a larger portion of the overall secondaries market.

When structured properly, manager-led deals have the potential to benefit all stakeholders. Experienced secondary markets investors such as Pantheon seek to understand the motivation of the private equity manager to realise certain assets, aiming to invest in good assets, and avoiding problem companies that the manager is finding hard to sell.

The scale of transactions has expanded while pricing has fallen slightly, perhaps driven by a higher proportion of older vintage funds with less upside potential coming to the market as well as being a sign of decreased risk appetite. While deal sizes grow larger, we continue to focus on the smaller and mid-market segments which is where we see the most value. Despite the competitive nature of the market, the abundance of deal flow allows us to be very selective and only target the deals where we have real conviction. Pantheon's platform, experience and coverage position us well to acquire funds and assets managed by high-quality managers via restricted processes.

3 Co-investments

Co-investments have become an increasingly large part of PIP's portfolio as Pantheon's platform continues to yield significant co-investment opportunities. Co-investments are attractive as they are typically fee free which means that the investor retains all the profit.

As with all our investments, we have maintained our disciplined approach and only invest in deals where the targeted business is a good fit for the manager in terms of their sector and geographic expertise.

34%

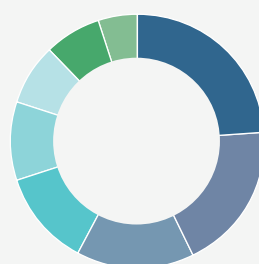
of PIP's portfolio as at
30 November 2019

Pantheon remains an attractive co-investor for several reasons – we do not compete against our managers, we are reliable, and we have the scale and ability to deploy capital quickly and efficiently. In addition, we can also co-underwrite transactions alongside our managers.

What this means for PIP

- PIP's portfolio gives shareholders access to exciting companies which are often in niche high-growth sectors that tend to be under-represented on the public markets.
- PIP's ability to benefit from Pantheon's longstanding relationships with many of the best private equity managers globally will remain critical to securing high-quality opportunities across all regions.
- We will continue to focus on the mid-market and growth segments and to back private equity managers that are industry and regional specialists.
- We are aiming to stay away from consumer discretionary businesses that are excessively exposed to the economic cycle, and instead are focusing on defensive sectors, such as education, healthcare and technology, which offer growth through innovation or favourable demographic trends rather than being correlated to GDP growth.
- We believe that our flexible approach in constructing a diversified portfolio allows us to manage risk while generating healthy returns for shareholders.

PIP offers access to high-growth companies worldwide



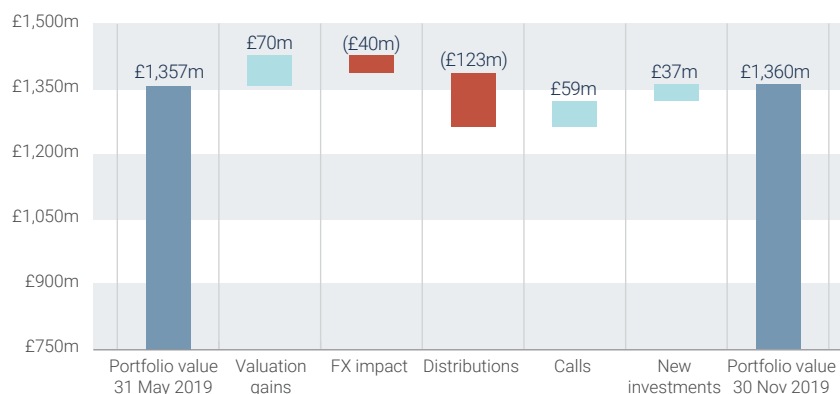
The company sector chart is based upon underlying company valuations as at 30 September 2019 and accounts for 94% of the overall portfolio value.

Performance

Overall, PIP's underlying portfolio continues to deliver healthy returns.

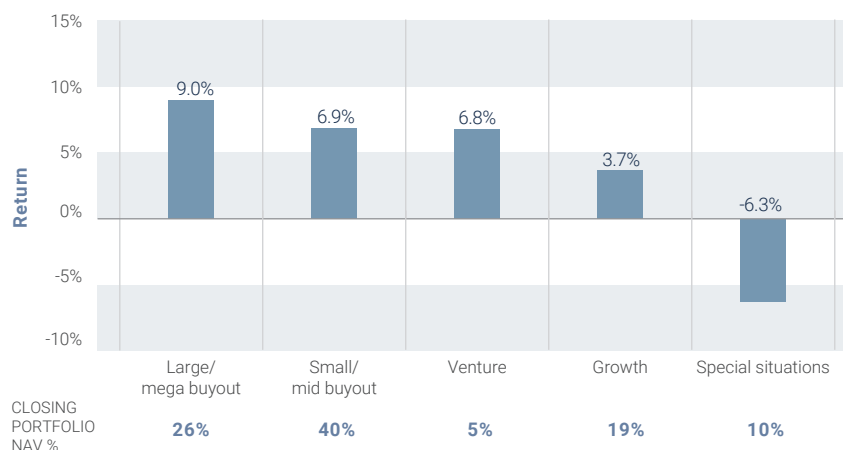
Private equity portfolio movements¹

- PIP's total portfolio generated investment gains, prior to foreign exchange effects, of 5.2%.
- Including returns attributable to the ALN share of the portfolio, PIP's portfolio generated returns of 4.7% during the half year.



Valuation gains by stage¹

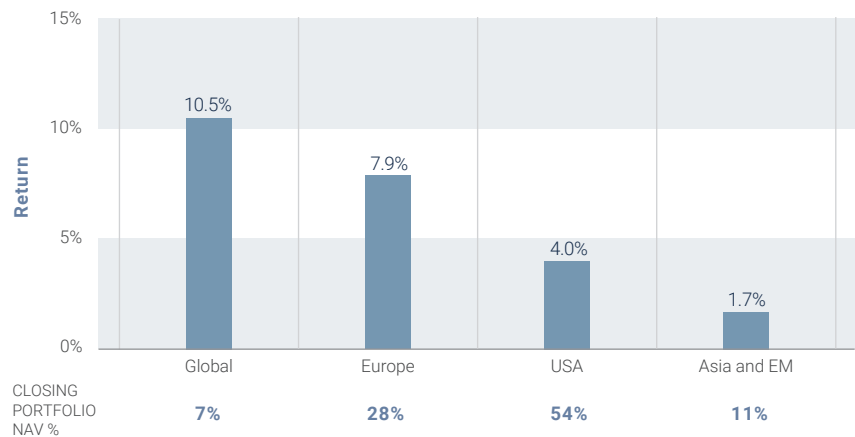
- PIP experienced strong performance across the key segments within the portfolio.
- Buyout segments performed well, helped by strong exits.
- The special situations segment underperformed, mainly due to valuation declines in the energy sector.



¹ Portfolio returns include income, exclude gains and losses from foreign exchange movements, and look-through feeders and funds-of-funds to the underlying funds. Portfolio returns exclude returns generated by the portion of the reference portfolio attributable to the ALN.

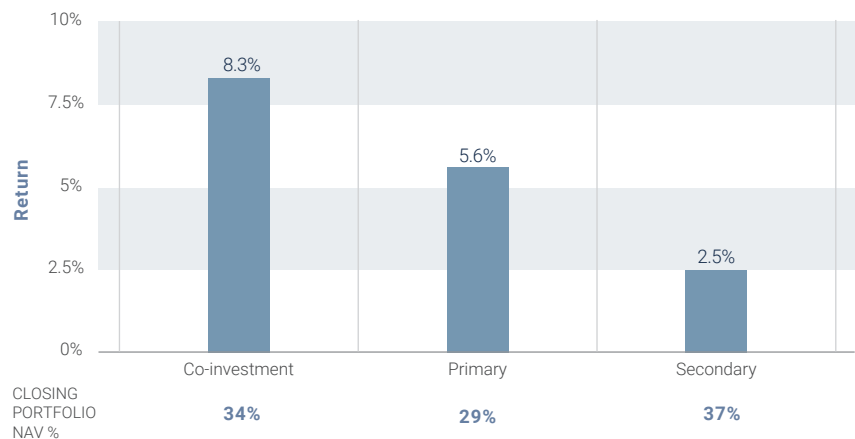
Valuation gains by region¹

- Strong performance in European investments during the half year, driven by favourable exits.
- Strong performance in USA, moderated by valuation declines in a small number of special situations investments.
- Asia and Emerging Markets (EM) performance affected by valuation movements in a small number of companies.



Valuation gains by type¹

- Strong co-investment performance underpinned by a number of exits at significant uplifts to carrying value.
- Primary performance driven by more recent vintage fund investments.
- Secondary investments performance affected by the decline in value of a number of energy companies.



¹ Portfolio returns exclude returns generated by the portion of the reference portfolio attributable to the ALN.

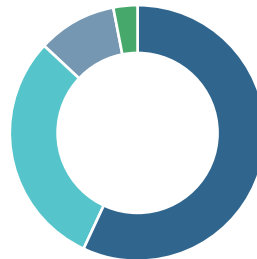
Distributions

PIP's well-established portfolio continues to generate significant distributions.

Distributions by region and stage^{1,2}

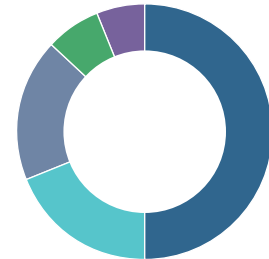
PIP received £123m in proceeds from the portfolio in the six months to 30 November 2019 with distributions strongest in PIP's core developed markets exposure, in particular from small/mid buyout assets and growth.

DISTRIBUTIONS BY REGION



USA	57%
Europe	30%
Global	10%
Asia and EM	3%

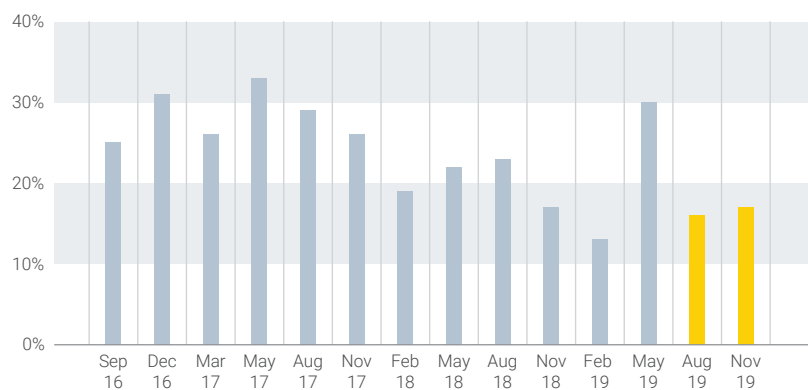
DISTRIBUTIONS BY STAGE



Small/mid buyout	50%
Growth	19%
Large/mega buyout	18%
Special situations	7%
Venture	6%

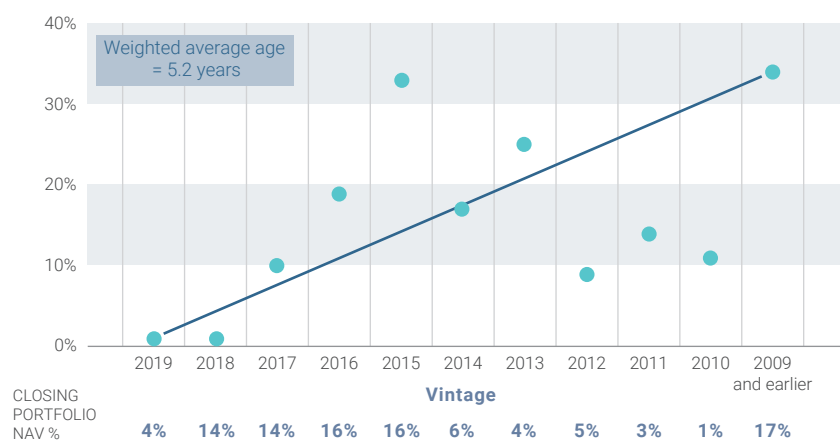
Quarterly distribution rates

The annualised distribution rate for the six months to 30 November 2019 was equivalent to 18%³ of PIP's opening portfolio value reflecting a healthy exit market.



Distribution rates in the half year to 30 November 2019 by vintage²

With a weighted fund maturity of 5.2 years⁴, PIP's portfolio aims to continue to generate sufficient cash to remain an active investor over the course of the cycle.



¹ This figure looks through feeders and funds-of-funds.

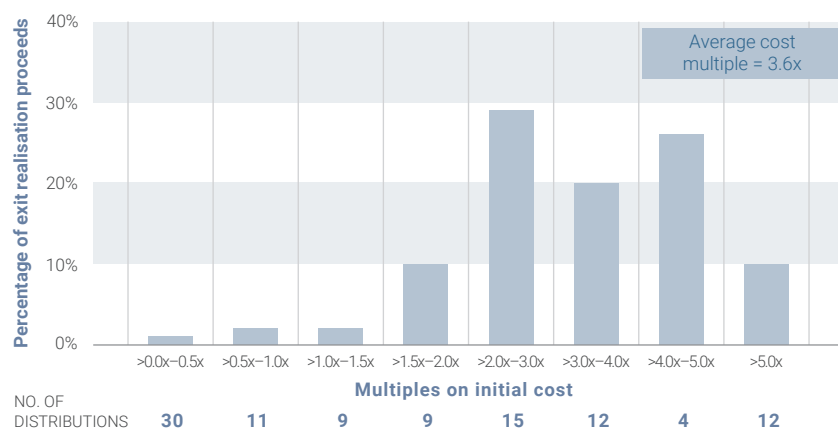
² Excludes distributions attributable to the ALN.

³ Including distributions attributable to the ALN, the annualised distribution rate for the half year was 19%.

⁴ Calculation for weighted average age excludes the portion of the reference portfolio attributable to the ALN.

Cost multiples on exit realisations for the half year to 30 November 2019¹

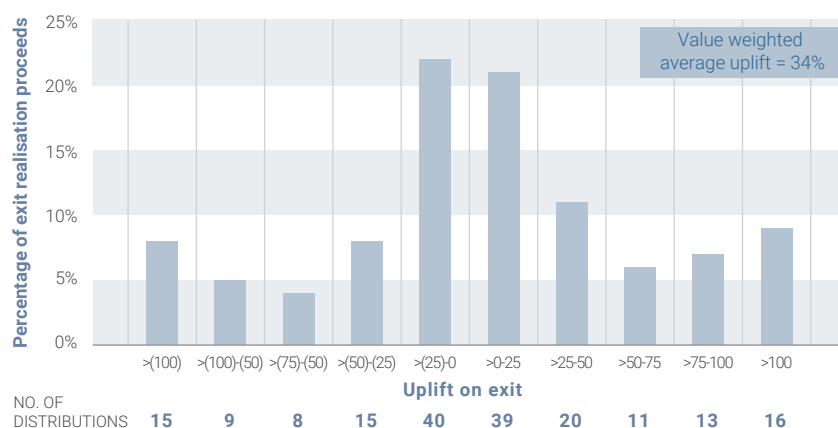
The chart shows, where information was available, the range of multiples on initial cost achieved by the underlying fund manager on exit realisations during the period. The average cost multiple of the sample was 3.6 times, highlighting value creation over the course of an investment.



Uplifts on exit realisations for the half year to 30 November 2019¹

The value-weighted average uplift in the year was 34%, 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 12 months prior to exit.



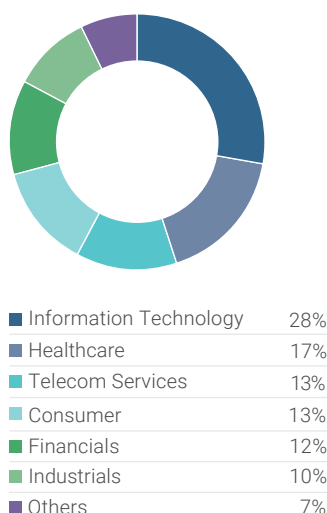
Exit realisations by sector and type

The portfolio benefitted from strong realisation activity, particularly in the information technology, healthcare and telecommunications sectors.

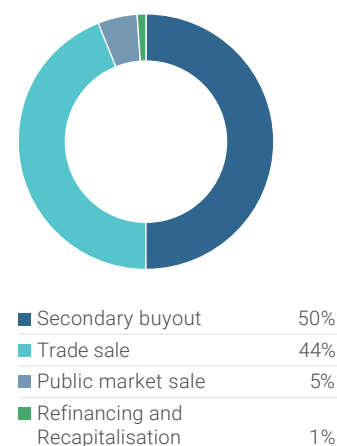
Secondary buyouts and trade sales represented the most significant sources of exit activity during the half year.

The data in the sample provide coverage for 100% (for exit realisations by sector) and 78% (for exit realisations by type) of proceeds from exit realisations received during the period.

EXIT REALISATIONS BY SECTOR



EXIT REALISATIONS BY TYPE



¹ See page 50 of the Glossary for sample calculations and disclosures.

Distributions (continued)

Top 50 Distributions

Rank	Company	Country	Sector	Description	Company distributions (£m)
1	MyEyeDr.	USA	Healthcare	Optometry and eye care business	13.3
2	RightPoint Consulting	USA	Information Technology	Business and technology consulting company	11.9
3	Melita	Malta	Communication Services	Diversified telecommunications operator	9.8
4	Acuon Capital	South Korea	Financials	Consumer finance and leasing company	6.6
5	Burning Glass Technologies	USA	Information Technology	Cloud-based human resources big data analytics, software and services	5.2
6	Adyen	Netherlands	Information Technology	A platform which supports e-commerce, mobile and point-of-sale payments	4.4
7	TSG	New Zealand	Industrials	Direct debit billing solutions and services	4.1
8	Captive Resources	USA	Financials	Advisory services on claims advocacy, risk management and financial services	4.1
9	Vertical Bridge	USA	Communication Services	Wireless communication infrastructure	3.4
10	Moji Brendovi	Serbia	Consumer	Produces and distributes dairy, confectionery and water products	3.2
11	W2O Group	USA	Communication Services	Analytics-driven public relations healthcare marketing and communications provider	2.6
12	Toul-Rosieres	France	Utilities	Owns and operates fixed ground-mounted photovoltaic power plants	2.3
13	Study Group UK	UK	Consumer	Education programme provider targeting degree-level international students	2.0
14	Massangis	France	Utilities	Operates fixed ground-mounted photovoltaic power plants	2.0
15	Galileo Global Education	Luxembourg	Consumer	Post-secondary education group focused on higher education	1.9
16	Acelity	USA	Healthcare	Wound care and regenerative medicine solutions worldwide	1.8
17	Nexi	Italy	Information Technology	High-quality solutions for making and accepting digital payments	1.6
18	Precision Products Corp	USA	Industrials	Manufacturer of aerospace components and sub-assemblies	1.5
19	Elasticsearch	USA	Information Technology	A distributed and open source search and analytics engine	1.4
20	Oryx Midstream Services	USA	Energy	Energy-sector based transportation and gathering system with miles of pipelines in operation	1.3
21	Ellab	Denmark	Healthcare	Manufacturer of high-precision systems for temperature, pressure and humidity monitoring	1.3
22	Citri&Co	Spain	Consumer	Produces and distributes citrus fruits and fresh vegetables	1.3
23	Apollo Education Group	USA	Consumer	Further education programmes and services	1.2
24	Smart & Final	USA	Consumer	Retail, food service products and culinary equipment	1.2
25	Anaplan	USA	Information Technology	A platform that supports planning in various vital business functions	1.2
26	Thomson Reuters Intellectual Property & Science	Jersey	Industrials	A structured financial database for professionals and academics	1.2
27	Lenta	Russia	Consumer	Hypermarket chain which distributes fresh food products	1.1
28	Samanage	USA	Information Technology	Enterprise service-desk and IT asset-management provider	1.1
29	Loch Lomond Distillers	UK	Consumer	Produces and distributes Scottish whiskies	1.1
30	Mercer Advisors	USA	Financials	Provider of wealth management services	1.0
31	Coronado Group	USA	Energy	Energy producer	1.0
32	Smartsheet	USA	Information Technology	Online project management solution for Google Apps and Salesforce	1.0
33	Avast Software	Czech Republic	Information Technology	Security software for personal computers, smartphones and tablets	1.0
34	Insight Global	USA	Information Technology	Recruitment services company	0.9
35	LBX Pharmacy	China	Consumer	Pharmaceutical retailer	0.9
36	Jack's Family Restaurants	USA	Consumer	Operates quick-service restaurants specialising in burgers and fried chicken	0.9
37	Palomar Specialty	USA	Financials	Insurance solutions for personal and commercial catastrophe risks	0.9
38	ESR Cayman	China	Real Estate	Logistics real estate platform in Asia and Australia	0.9
39	Parex	France	Industrials	Facade protection products for construction applications	0.9
40	Avalara	USA	Information Technology	Cloud-based software that provides sales and tax compliance solutions	0.9
41	MPM Holdings	USA	Materials	Produces silicones, silicone derivatives and functional silanes worldwide	0.9
42	Xiaomi Corp.	China	Information Technology	Manufactures smartphones, laptops and smart TVs	0.9
43	ArrMaz Custom Chemicals	USA	Materials	Processes chemicals and solutions for the fertiliser, mining and industrial minerals markets	0.9
44	Pepperstone Group	Australia	Financials	Online forex trading broker	0.9
45	GalaxyCore	China	Information Technology	Manufactures fabless image sensors, liquid crystal and display driver chips	0.8
46	Cabot Credit Management	UK	Financials	Credit management services	0.8
47	COBEX	Germany	Industrials	Manufactures cathode blocks for aluminium smelters and furnace linings for blast furnaces	0.8
48	Zoosk	USA	Information Technology	Operates an online dating and matching platform	0.7
49	Solarflare Communications	USA	Information Technology	Solutions for enterprise, private and public cloud data centres	0.7
50	Insurity	USA	Information Technology	Geospatial analytics and risk intelligence solutions for the insurance industry	0.7
TOTAL					113.6
Coverage of total distributions					92%

Calls

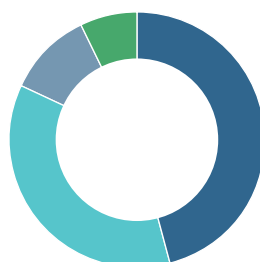
Calls during the period were used to finance investments in businesses operating in a variety of sectors, including healthcare, applications software technology, industrials and financial services.

Calls by region and stage¹

PIP invested £59m to finance calls on undrawn commitments during the half year.

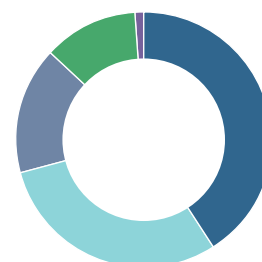
The calls were predominantly made by managers in the buyout segments, reflecting the focus of PIP's recent primary commitments.

CALLS BY REGION



USA	46%
Europe	36%
Global	11%
Asia and EM	7%

CALLS BY STAGE

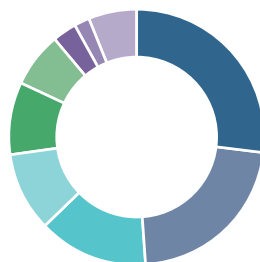


Small/mid buyout	41%
Large/mega buyout	30%
Growth	16%
Special situations	12%
Venture	1%

Calls by sector¹

A large proportion of calls were directed at investments in the information technology, healthcare, industrial and financial sectors.

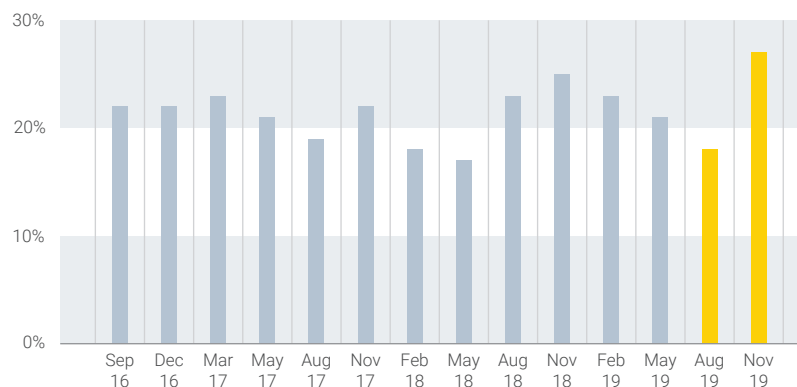
CALLS BY SECTOR



Information Technology	27%
Healthcare	22%
Industrials	14%
Financials	10%
Consumer	9%
Energy	7%
Telecom Services	3%
Materials	2%
Others	6%

Quarterly call rate^{1,2}

The annualised call rate for the six months to 30 November 2019 was equivalent to 23% of opening undrawn commitments.



¹ Excludes calls attributable to the ALN.

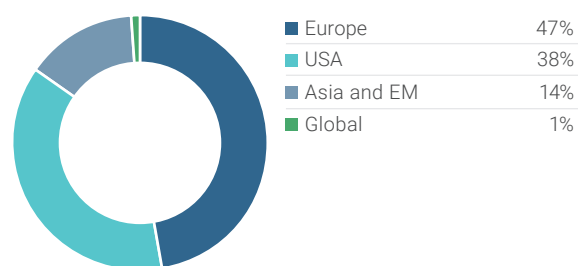
² Call rate equals calls in the period (annualised) divided by opening undrawn commitments. All call figures exclude the acquisition cost of new secondary and co-investment transactions.

New Commitments

PIP committed £80m to 16 new investments during the period. Of the total commitments made, £37m was drawn at the time of purchase.

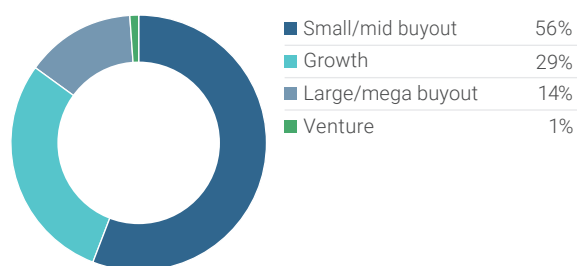
New commitments by region

The majority of commitments made in the period were to PIP's core geographies.



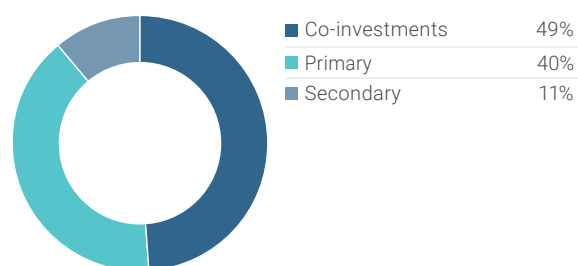
New commitments by stage

The majority of new commitments made in the period were to buyout funds, with a particular emphasis on small and mid-market buyouts.



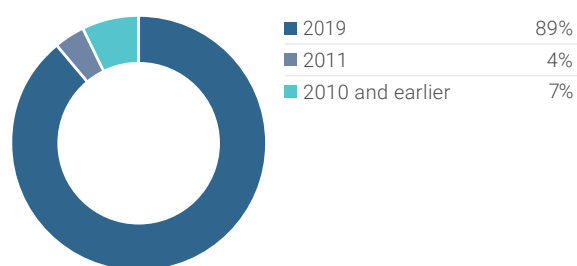
New commitments by investment type

New commitment activity was split across the three investment types, with a number of secondary transactions in the pipeline closed after the half-year end in December 2019.



New commitments by vintage

Primary and co-investment commitments comprised nearly 90% of activity during the half year.



Secondary commitments¹

Secondary investments allow the Company to access funds at a stage when the assets are closer to generating cash distributions.

The private equity secondary market has grown significantly over the last 10 years, both in scale and complexity. PIP continues to see compelling opportunities derived from Pantheon's global platform sourcing secondary transactions, often of a complex nature and requiring specialised expertise. Several secondary transactions that were in the pipeline, amounting to £28m, have closed after the half-year end.

£9m

committed to four secondary transactions during the half year.

EXAMPLES OF SECONDARY COMMITMENTS MADE DURING THE HALF YEAR:

Region	Stage	Description	Commitments £m	Funded % ²
USA	Growth	Secondary investment in an equity growth fund	4.7	100%
USA	Large/mega	Secondary acquisition of a large American buyout fund	2.9	97%

Primary commitments

Investing in primary funds allows PIP to gain exposure to complementary niche investments as well as to smaller funds that might not typically be traded on the secondary market. Our focus remains on investing with high-quality managers who have the proven ability to drive value at the underlying company level, and 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.

£32m

committed to four primaries during the half year.

EXAMPLES OF PRIMARY COMMITMENTS MADE DURING THE HALF YEAR:

Investment	Stage	Description	Commitments £m
IK Investment Partners Fund IX	Small/mid	European mid-market buyout fund	18.5
LYFE Capital Fund III	Growth	Asian growth equity fund focused on the healthcare sector	11.1



¹ Funds acquired in secondary transactions are not named due to non-disclosure agreements.

² Funding level does not include deferred payments.

New Commitments (continued)

Co-investments

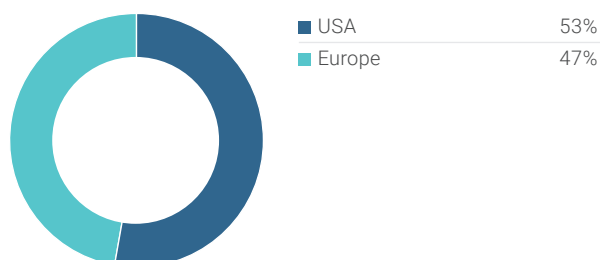
PIP's co-investment programme continues to benefit from Pantheon's extensive investment platform which has enabled PIP to gain access to deals on a privileged basis. PIP invests alongside managers who have the expertise to source and acquire attractively priced assets and build value through operational enhancements, organic growth and buy-and-build strategies.

Compelling investments in the information technology sector across both the USA and Europe comprised the majority of new activity.

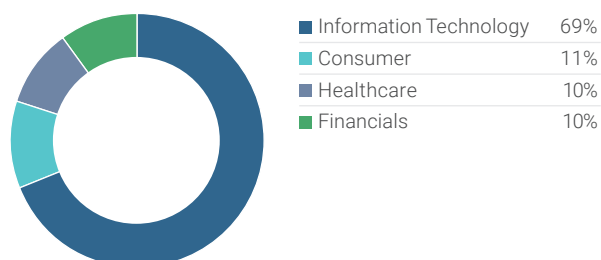
£39m

committed to eight co-investments during the half year.

Co-investments by geography



Co-investments by sector



VISMA | HG CAPITAL



£6.4m
Commitment

- PIP partnered with Hg Capital to co-invest in Visma, a leading financial and business software solution provider in Northern Europe, which focuses on business optimisation and management software for SMEs and enterprise companies.
- A high cash conversion and low capex cash profile, and strong Mergers & Acquisitions capabilities help Visma to maintain its strong position in enterprise resource planning software.
- Visma also continues to benefit from attractive secular growth driven by increasing software and SaaS penetration in Northern European economies.

RECORDED FUTURE | INSIGHT VENTURE PARTNERS



£4.6m
Commitment

- A leading US provider of SaaS-based cyber threat intelligence, Recorded Future specialises in the collection, processing, analysis and dissemination of real-time cybersecurity data and insights.
- This attractive growth opportunity arose due to expanding corporate cybersecurity budgets, increasing levels of cyber threat sophistication, and a large pipeline of M&A targets.
- PIP was offered the opportunity to invest alongside Insight Venture Partners, a sector-focused sponsor with a strong track record and knowledge of the company.

JAGGAER | CINVEN



£5.0m
Commitment

- Jaggaer is a US-based global provider of SaaS-based end-to-end procurement software for large and medium-sized enterprises. The company benefits from a predictable, recurring revenue model with low levels of customer churn in a relatively resilient industry.
- PIP was able to co-invest into the business alongside Cinven, providing capital to help growth strategy through organic growth and acquisitions.
- The investment will support additional acquisitions that can help fill product gaps, geographic expansion and consolidate the market.

K2 INSURANCE SERVICES | LEE EQUITY PARTNERS



£3.1m
Commitment

- Investing alongside Lee Equity Partners, PIP was able to acquire a scaled platform that provides speciality underwriting and distribution in the US property and casualty insurance market.
- The company has an attractive financial profile with strong cash flow conversion resulting from the asset-light nature and low capex requirements of the business.
- K2 also has a proven underwriting track record with low loss ratios and a strong value proposition across the insurance value chain from broker to carrier.

Buyout Analysis¹

Valuation multiple

Accounting standards require private equity managers to value their portfolios at fair value. Public market movements can be reflected in valuations. The weighted average enterprise value/EBITDA was 12.4 times for the PIP buyout sample, compared with 8.9 times and 11.9 times for the FTSE All-Share and MSCI World indices respectively.

PIP invests proportionately more in high-growth sectors, such as technology and healthcare, than is characteristic of the quoted markets, and these sectors trade at a premium to other sectors.

PIP's sample valuation multiple of 12.4 times can be considered in the context of superior underlying company growth relative to the MSCI World index.

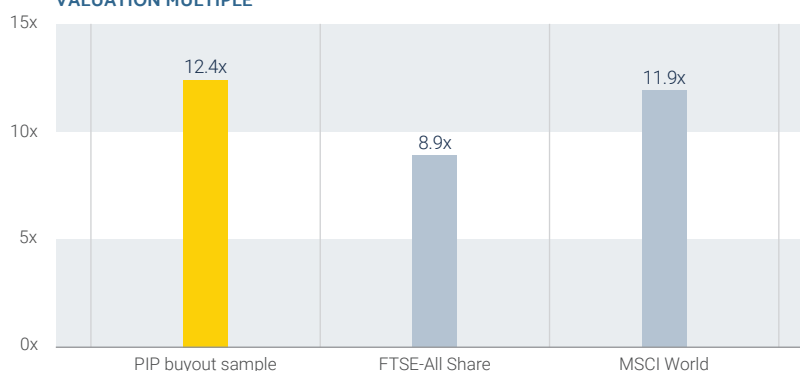
Revenue and EBITDA growth

Weighted average revenue and EBITDA growth for the sample buyout companies in PIP's portfolio continued to exceed growth rates seen among companies that constitute the MSCI World Index.

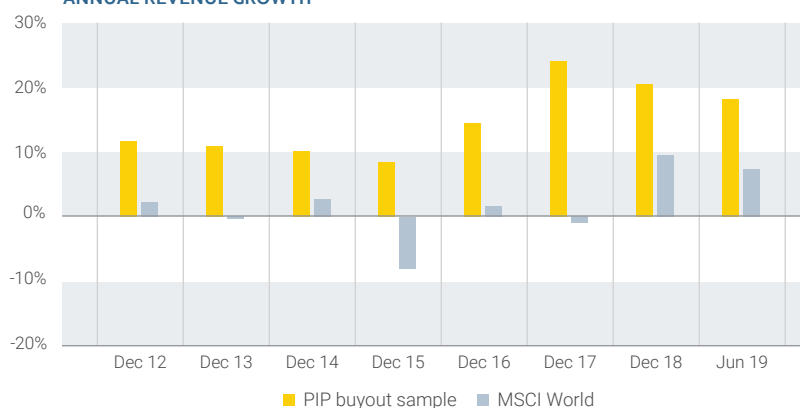
The weighted average revenue and EBITDA growth for the sample buyout companies was +18% and +22% respectively during the 12 months to 30 June 2019.

Strong top-line performance, disciplined cost control, good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

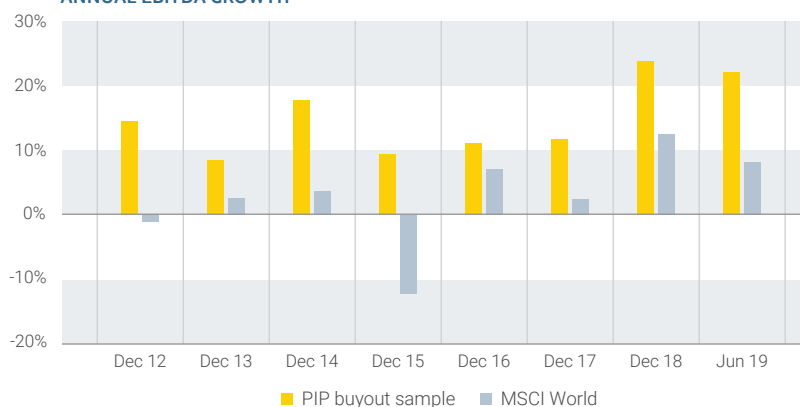
VALUATION MULTIPLE



ANNUAL REVENUE GROWTH



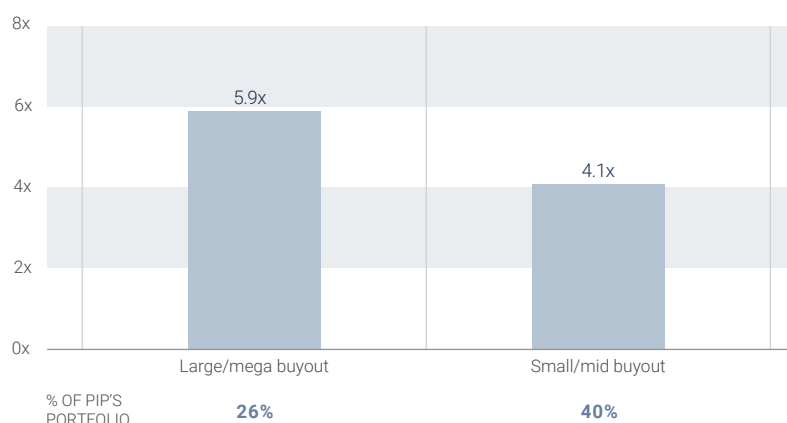
ANNUAL EBITDA GROWTH



Debt multiples

Venture, growth and buyout investments have differing leverage characteristics.

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



¹ See pages 49 and 50 of the Glossary for sample calculations and disclosures.

Undrawn Commitments

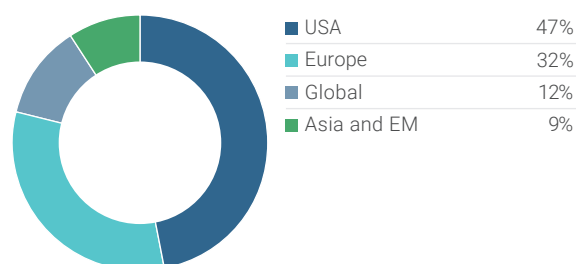
PIP carefully manages its undrawn commitments, which represent capital committed to funds but yet to be drawn by the private equity managers

Movement in undrawn commitments for the half year to 30 November 2019¹

PIP's undrawn commitments to investments decreased to £486m as at 30 November 2019 from £521m as at 31 May 2019. The Company paid calls of £59m and added £43m of undrawn commitments associated with new investments made in the period. Foreign exchange effects and fund terminations accounted for the remainder of the movement.

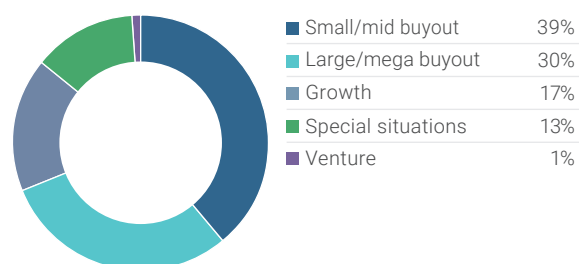
Undrawn commitments by region

The USA and Europe have the largest undrawn commitments, reflecting the Company's investment emphasis in these regions. Commitments to Asia and EM regions provide access to faster-growing economies.



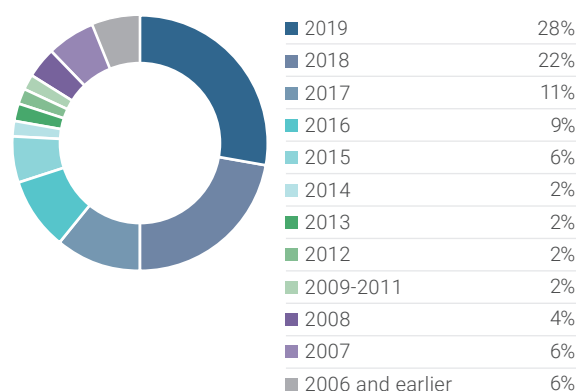
Undrawn commitments by stage

PIP's undrawn commitments are diversified by stage, with an emphasis on small and mid-market buyout managers.



Undrawn commitments by vintage

Approximately 22% of PIP's undrawn commitments are in vintage 2013 or older funds, where drawdowns may naturally occur at a slower pace. The rise in more recent vintages reflects PIP's recent primary commitment activity.



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

Finance and Share Buybacks

Prudent balance sheet management supports PIP's investment strategy

Cash and available bank facility

At 30 November 2019, PIP had net available cash¹ balances of £153m. In addition to these cash balances, PIP can also finance investments out of its multi-currency revolving credit facility agreement ("Loan Facility"). The Loan Facility is due to expire in June 2022 and comprises facilities of US\$163m and €60m which, using exchange rates at 30 November 2019, amounted to a sterling equivalent of £177m.

At 30 November 2019, the Loan Facility remained fully undrawn.

Asset Linked Note

As part of the share consolidation effected on 31 October 2017, PIP issued an Asset Linked Note ("ALN") with an initial principal amount of £200m to a single holder ("Investor"). Repayments under the ALN are made quarterly in arrears and are linked to the ALN share (approximately 75%) of the net cash flow from a reference portfolio which comprises of interests held by PIP in over 300 of its oldest private equity funds, substantially 2006 and earlier vintages. PIP retains the net cash flow relating to the remaining c.25% of the reference portfolio.

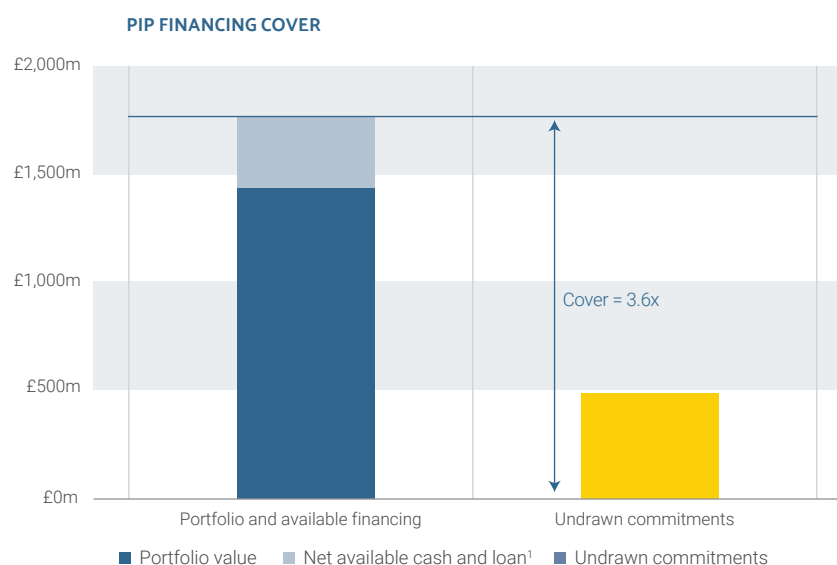
The ALN is unlisted and subordinated to PIP's existing Loan Facility (and any refinancing), and is not transferable, other than to an affiliate of the Investor. The ALN matures on 31 August 2027, at which point the Company will make the final repayment under the ALN. As at 30 November 2019, the ALN was valued at £78m, of which £4m represents the net cash flow for the three months to 30 November 2019, due for repayment on 29 February 2020. For more information on the ALN, refer to page 43.

Undrawn commitment cover

At 30 November 2019, the Company had £330m of available financing, comprising its cash balances and Loan Facility less the current portion payable under the ALN. The sum of PIP's available financing and private equity portfolio provides 3.6 times cover relative to undrawn commitments. Approximately 22% of the Company's undrawn commitments are in fund vintages that are older than six years and therefore are outside their initial investment period. 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.

Share buybacks

The discounts at which the PIP's shares trade from time to time may make buybacks an attractive investment opportunity relative to other potential new investment commitments. No share buybacks were completed in the six-month period to 30 November 2019.



¹ The available cash and loan figure excludes the current portion payable under the ALN, which amounted to £3.8m as at 30 November 2019.

Other Information

The largest 50 managers by value

Rank	Manager	Region ²	Stage	% of PIP's total private equity asset value ¹
1	Providence Equity Partners	USA	Buyout, Growth	5.6%
2	Venture fund ³	USA	Venture	4.1%
3	Essex Woodlands Management	USA	Growth	3.8%
4	Baring Private Equity Asia Ltd	Asia & EM	Growth	2.8%
5	Ares Management	USA	Buyout	2.6%
6	IK Investment Partners	Europe	Buyout	2.6%
7	Warburg Pincus	Global	Growth	2.5%
8	Energy & Minerals Group	USA	Special situations	2.4%
9	NMS Management, LP	USA	Buyout	2.4%
10	Apax Partners SA	Europe	Buyout	2.2%
11	TPG Capital	USA	Buyout	1.9%
12	Growth fund ³	Europe	Growth	1.8%
13	Abry Partners	USA	Buyout	1.6%
14	Hellman & Friedman	USA	Buyout	1.5%
15	Veritas Capital	USA	Buyout	1.5%
16	Quantum Energy Partners	USA	Special situations	1.4%
17	H.I.G. Capital	USA	Buyout	1.4%
18	Mid Europa Partners	Europe	Buyout	1.4%
19	Parthenon Capital	USA	Buyout	1.3%
20	Gemini Israel Ventures	Europe	Venture	1.2%
21	First Reserve Corporation	USA	Special situations	1.2%
22	J.C. Flowers & Co	USA	Buyout	1.2%
23	Advent International	Global	Buyout	1.1%
24	Lee Equity Partners	USA	Growth	1.0%
25	Calera Capital	USA	Buyout	1.0%
26	Francisco Partners	USA	Buyout	1.0%
27	Buyout fund ³	USA	Buyout	1.0%
28	LYFE Capital	Asia & EM	Growth	1.0%
29	Growth fund ³	USA	Growth	1.0%
30	Yorktown Partners	USA	Special situations	1.0%
31	IVF Advisors	Asia & EM	Buyout	1.0%
32	Searchlight Capital Partners	Global	Special situations	1.0%
33	ECI Partners	Europe	Buyout	0.9%
34	Avenue Broadway Partners	Europe	Buyout	0.9%
35	BC Partners	Europe	Buyout	0.8%
36	Equistone Partners Europe	Europe	Buyout	0.8%
37	The Banc Funds Company	USA	Growth	0.8%
38	The Vistria Group	USA	Buyout	0.8%
39	Shamrock Capital Advisors	USA	Buyout	0.8%
40	Altor Funds	Europe	Buyout	0.8%
41	Abris Capital Partners	Europe	Buyout	0.7%
42	HgCapital	Europe	Buyout	0.7%
43	ABS Capital	USA	Growth	0.7%
44	AION Partners	Asia & EM	Buyout	0.7%
45	TPG Capital Asia	Asia & EM	Buyout	0.7%
46	Horizon Capital	Europe	Buyout	0.7%
47	Chequers Partenaires SA	Europe	Buyout	0.7%
48	CHAMP Private Equity	Asia & EM	Buyout	0.7%
49	Oak HC/FT	USA	Growth	0.6%
50	Marguerite	Europe	Special situations	0.6%
COVERAGE OF PIP'S PRIVATE EQUITY ASSET VALUE ¹				72.2%

1 Percentages look-through feeders and funds-of-funds and exclude the portion of the reference portfolio attributable to the ALN.

2 Refers to the regional exposure of funds.

3 Confidential.

The Largest 50 Companies by Value¹

	Company	Country	Sector	% of PIP's NAV
1	EUSA Pharma ²	UK	Healthcare	2.8%
2	Energy company ^{2,4}	USA	Energy	1.2%
3	Dermatology Company ^{2,4}	USA	Healthcare	1.0%
4	Ophthalmology Company ⁴	USA	Healthcare	1.0%
5	Abacus Data Systems ²	USA	Information Technology	1.0%
6	Insurance Company ⁴	USA	Financials	0.9%
7	LBX Pharmacy ³	China	Consumer	0.9%
8	Software company ^{2,4}	USA	Information Technology	0.8%
9	Ports America	USA	Industrials	0.8%
10	Visma ²	Norway	Information Technology	0.8%
11	Vistra ²	Hong Kong	Financials	0.7%
12	Apollo Education Group ²	USA	Consumer	0.7%
13	National Veterinary Associates	USA	Healthcare	0.7%
14	ALM Media ²	USA	Communication Services	0.7%
15	Education services company ⁴	Luxembourg	Consumer	0.6%
16	Colisée ²	France	Healthcare	0.6%
17	Centric ²	USA	Consumer	0.6%
18	Atria Convergence Technologies ²	India	Communication Services	0.6%
19	GE Capital Services India Limited ²	India	Financials	0.6%
20	Navitas ²	USA	Energy	0.6%
21	Kyobo Life Insurance	South Korea	Financials	0.6%
22	Salad Signature ²	Belgium	Consumer	0.5%
23	Permian Resources ²	USA	Energy	0.5%
24	ZeniMax Media	USA	Communication Services	0.5%
25	Vertical Bridge ²	USA	Communication Services	0.5%
26	Communications Company ^{2,4}	France	Communication Services	0.5%
27	Nexi ^{2,3}	Italy	Information Technology	0.5%
28	Chewy ^{2,3}	USA	Consumer	0.5%
29	JFrog	USA	Information Technology	0.5%
30	Mobilitie ²	USA	Industrials	0.4%
31	Correct Care Solutions ²	USA	Healthcare	0.4%
32	CIPRES Life Insurance ²	France	Financials	0.4%
33	Virence Health Technologies	USA	Healthcare	0.4%
34	Nord Anglia ²	Hong Kong	Consumer	0.4%
35	Alion Science and Technology ²	USA	Industrials	0.4%
36	Profi Rom ²	Romania	Consumer	0.4%
37	Southern Dental ²	USA	Healthcare	0.4%
38	Arnott Industries ²	USA	Consumer	0.4%
39	Cotiviti	USA	Healthcare	0.4%
40	Confie Seguros ²	USA	Financials	0.4%
41	HUB International ²	USA	Financials	0.4%
42	Engencap ²	Mexico	Financials	0.4%
43	CallRail ²	USA	Information Technology	0.4%
44	Thomson Reuters Intellectual Property & Science ^{2,3}	Jersey	Industrials	0.4%
45	Adyen ³	Netherlands	Information Technology	0.4%
46	GTS Cayman Corporation	Brazil	Information Technology	0.4%
47	Shawbrook	UK	Financials	0.3%
48	Millennium Trust ²	USA	Financials	0.3%
49	Winhealth Pharma Group ²	China	Healthcare	0.3%
50	WalkMe	USA	Information Technology	0.3%

COVERAGE OF PIP'S PRIVATE EQUITY ASSET VALUE

30.2%

1 The largest 50 companies table is based upon underlying company valuations at 30 September 2019 adjusted for known call and distributions to 30 November 2019, and includes the portion of the reference portfolio attributable to the ALN.

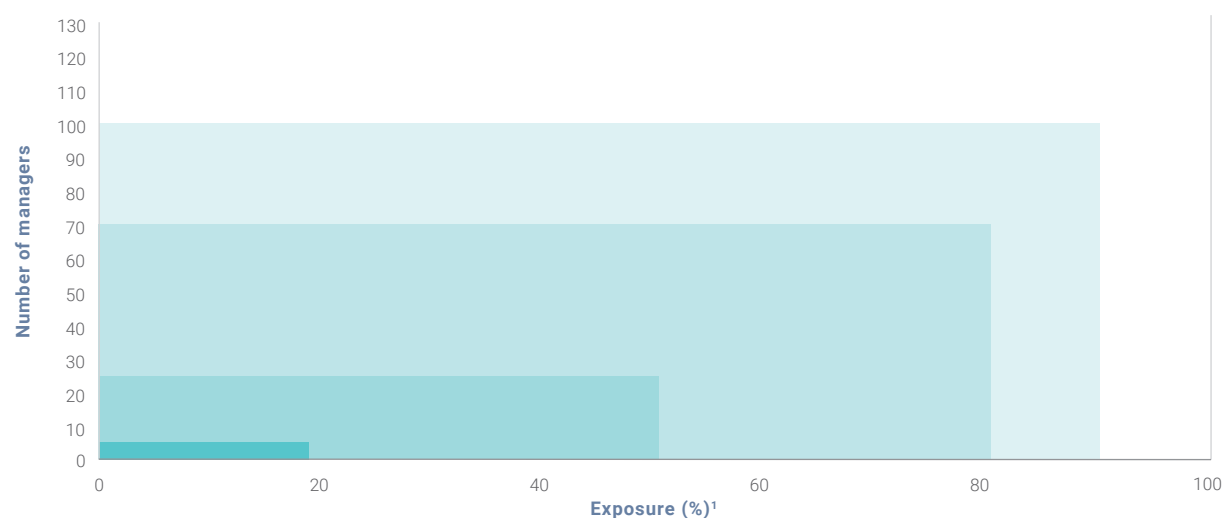
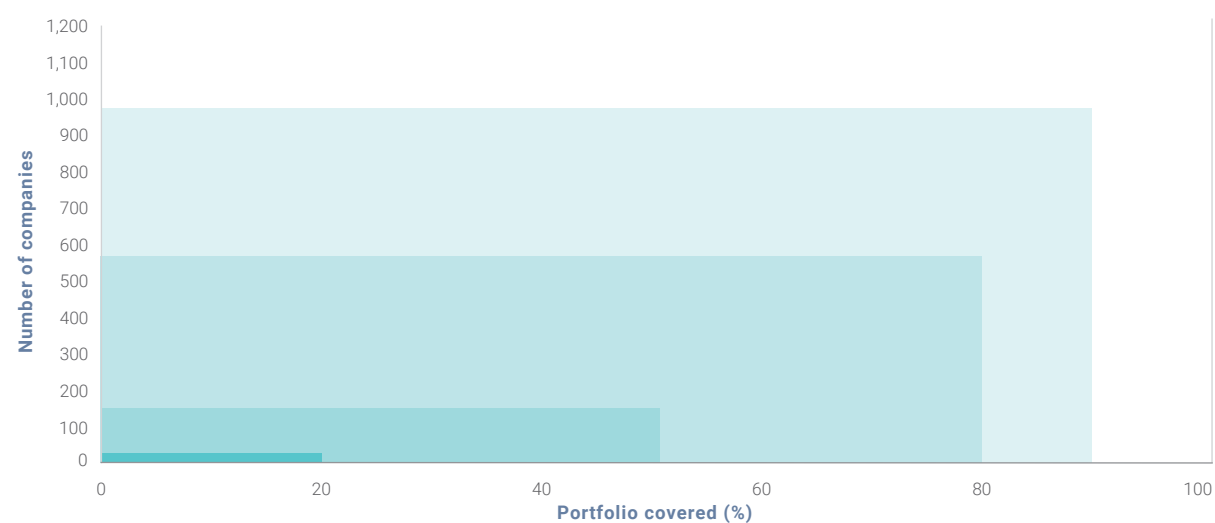
2 Co-investments/directs.

3 Listed companies.

4 Confidential.

Other Information (continued)**Portfolio concentration as at 30 November 2019**

Approximately 70 managers and 568 companies account for 80% of PIP's total exposure¹

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 ALN.

³ Includes the portion of the portfolio attributable to the ALN.

Historical Data

PIP has grown from £12m of net assets in 1987 to a Company of £1.5bn NAV as at 30 November 2019

	NAV ^{1,2} (£m)	NAV per share ² (pence)	Ordinary share price (pence)	Private equity portfolio (£m)	Outstanding commitments (£m)
Half year ended 30 November 2019	1,514	2,799.2	2,325.0	1,435	486
Financial year³					
2019	1,449	2,770.6	2,225.0	1,450	521
2018 ⁴	1,307	2,414.9	2,010.0	1,275	440
2017	1,388	2,189.9	1,793.0	1,224	445
2016	1,187	1,873.6	1,285.0	1,072	382
2015	1,000	1,532.4	1,272.0	862	256
2014	902	1,364.2	1,150.0	815	176
2013	903	1,331.9	1,042.0	826	195
2012	845	1,193.5	725.5	800	191
2011	733	1,104.1	714.0	810	243
2010	637	958.7	486.0	763	331
2009	514	773.6	295.3	648	428
2008	736	1,108.7	750.0	806	641
2007	610	919.2	917.5	527	528
2006	441	796.8	726.5	372	365
2005	382	657.9	650.5	315	245
2004	245	572.5	463.0	233	137
2003	221	546.8	447.0	237	158
2002	196	541.6	486.5	175	138
2001	206	669.1	574.0	201	138
2000	161	599.9	457.5	140	77
1999	146	405.6	302.5	78	45
1998	131	368.6	294.5	79	50
1997	117	328.4	270.0	73	47
1996	106	302.5	225.0	48	25
1995	87	255.1	207.5	33	8
1994	47	239.6	176.5	42	7
1993	31	195.5	172.5	28	1
1992	21	139.7	93.5	28	0
1991	21	129.1	86.5	31	1
1990	20	126.7	80.5	32	2
1989	17	120.9	95.0	25	2
1988	12	102.5	75.0	2	0

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

2 Historical NAV and NAV per share figures disclosed 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. Figures for 2017 cover the 11 months to 31 May 2017.

4 The movement in NAV included the effect of the ALN which PIP issued on 31 October 2017.

Financial Statements

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Interim Management Report and Responsibility Statement of the Directors

In respect of the Interim Financial Report

Interim management report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement and the Manager's Review.

The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the financial period ended 31 May 2019 and continue to be as set out in that report on pages 20 to 23.

Risks faced by the Company include, but are not limited to, funding of investment commitments and default risk, risks relating to investment opportunities, financial risk of private equity, long-term nature of private equity investments, valuation uncertainty, gearing, foreign currency risk, the unregulated nature of underlying investments, counterparty risk, taxation, the risks associated with the engagement of the Manager or other third-party advisers, Brexit and cybersecurity risks.

Responsibility statement

Each Director confirms that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 102 and FRS 104 "Interim Financial Reporting"; and gives a true and fair view of the assets, liabilities, financial position and return of the Company.
- This Interim Financial Report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

This Interim Financial Report was approved by the Board on 26 February 2020 and was signed on its behalf by Sir Laurie Magnus, Chairman.

Condensed Income Statement (unaudited)

For the six months to 30 November 2019

	Six months ended 30 November 2019			Six months ended 30 November 2018			Year ended 31 May 2019		
	Revenue £'000	Capital £'000	Total* £'000	Revenue £'000	Capital £'000	Total* £'000	Revenue £'000	Capital £'000	Total* £'000
Gains on investments at fair value through profit or loss**	–	22,941	22,941	–	149,056	149,056	–	204,473	204,473
(Losses)/gains on financial liabilities at fair value through profit or loss – ALN**	(94)	4,160	4,066	(834)	(10,562)	(11,396)	(1,229)	(8,815)	(10,044)
Currency (losses)/gains on cash and borrowings	–	(5,044)	(5,044)	–	4,652	4,652	–	6,810	6,810
Investment income	5,764	–	5,764	9,282	–	9,282	13,222	–	13,222
Investment management fees	(8,861)	–	(8,861)	(8,216)	–	(8,216)	(16,584)	–	(16,584)
Other expenses	(313)	(935)	(1,248)	(18)	(320)	(338)	(5)	(568)	(573)
Return before financing costs and taxation	(3,504)	21,122	17,618	214	142,826	143,040	(4,596)	201,900	197,304
Interest payable and similar expenses	(1,077)	–	(1,077)	(1,321)	–	(1,321)	(2,386)	–	(2,386)
Return before taxation	(4,581)	21,122	16,541	(1,107)	142,826	141,719	(6,982)	201,900	194,918
Taxation (Note 4)	(1,065)	–	(1,065)	(1,312)	–	(1,312)	(2,594)	–	(2,594)
Return for the period/year, being total comprehensive income for the period/year (Note 9)	(5,646)	21,122	15,476	(2,419)	142,826	140,407	(9,576)	201,900	192,324
Return per share basic and diluted (Note 9)	(10.44p)	39.05p	28.61p	(4.47p)	263.93p	259.46p	(17.70p)	373.17p	355.47p

* The Company does not have any income or expense that is 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").

** Includes currency movements on investments.

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 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 42 to 46 form part of these financial statements.

Condensed Statement of Changes in Equity (unaudited)

For the six months to 30 November 2019

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserve ¹ £'000	Capital reserve on investments held ² £'000	Revenue reserve* £'000	Total £'000
Movement for the six months ended 30 November 2019							
Opening equity shareholders' funds	36,240	269,535	3,325	735,104	538,653	(84,269)	1,498,588
Return for the period	–	–	–	59,299	(38,177)	(5,646)	15,476
Closing equity shareholders' funds	36,240	269,535	3,325	794,403	500,476	(89,915)	1,514,064
Movement for the six months ended 30 November 2018							
Opening equity shareholders' funds	36,257	269,535	3,308	572,278	500,079	(74,693)	1,306,764
Return for the period	–	–	–	82,153	60,673	(2,419)	140,407
Closing equity shareholders' funds	36,257	269,535	3,308	654,431	560,752	(77,112)	1,447,171
Movement for the year ended 31 May 2019							
Opening equity shareholders' funds	36,257	269,535	3,308	572,278	500,079	(74,693)	1,306,764
Return for the year	–	–	–	163,326	38,574	(9,576)	192,324
Ordinary shares bought back for cancellation	(17)	–	17	(500)	–	–	(500)
Closing equity shareholders' funds	36,240	269,535	3,325	735,104	538,653	(84,269)	1,498,588

* Reserves that are distributable by way of dividends. In addition, the Other capital reserve can be used for share buybacks.

The Notes on pages 42 to 46 form part of these financial statements.

- 1 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.

- 2 The following are accounted for in this reserve:
- Increases and decreases in the value of investments held at the year end and the ALN.

Condensed Balance Sheet (unaudited)

As at 30 November 2019

	30 November 2019 £'000	30 November 2018 £'000	31 May 2019 £'000
Fixed assets			
Investments at fair value	1,434,244	1,447,542	1,449,634
Current assets			
Debtors	14,282	3,324	3,222
Cash at bank	145,488	113,882	142,773
	159,770	117,206	145,995
Creditors: Amounts falling due within one year			
Other creditors	6,048	12,179	4,682
	6,048	12,179	4,682
Net current assets	153,722	105,027	141,313
Total assets less current liabilities	1,587,966	1,552,569	1,590,947
Creditors: Amounts falling due after one year			
Asset Linked Note (Note 7)	73,902	105,398	92,359
	73,902	105,398	92,359
Net assets	1,514,064	1,447,171	1,498,588
Capital and reserves			
Called-up share capital (Note 8)	36,240	36,257	36,240
Share premium	269,535	269,535	269,535
Capital redemption reserve	3,325	3,308	3,325
Other capital reserve	794,403	654,431	735,104
Capital reserve on investments held	500,476	560,752	538,653
Revenue reserve	(89,915)	(77,112)	(84,269)
Total equity shareholders' funds	1,514,064	1,447,171	1,498,588
Net asset value per share – ordinary (Note 10)	2,799.19p	2,674.28p	2,770.57p
Total ordinary shares in issue (Note 8)	54,089,447	54,114,447	54,089,447

The Notes on pages 42 to 46 form part of these financial statements.

Condensed Cash Flow Statement (unaudited)

For the six months to 30 November 2019

	Six months ended 30 November 2019 £'000	Six months ended 30 November 2018 £'000	Year ended 31 May 2019 £'000
Cash flows from operating activities			
Investment income received	5,116	7,899	12,818
Deposit and other interest received	742	634	1,359
Investment management fees paid	(8,885)	(8,052)	(16,401)
Secretarial fees paid	(118)	(114)	(231)
Depositary fees paid	(127)	(103)	(191)
Other cash payments	(1,981)	753	405
Withholding tax deducted	(1,213)	(1,339)	(3,407)
Net cash outflow from operating activities	(6,466)	(322)	(5,648)
Cash flows from investing activities			
Purchases of investments	(101,038)	(180,619)	(285,326)
Disposals of investments	128,108	157,135	313,330
Net cash inflow/(outflow) from investing activities	27,070	(23,484)	28,004
Cash flows from financing activities			
ALN repayments	(11,897)	(26,829)	(44,909)
Ordinary shares purchased for cancellation	–	–	(500)
Loan commitment and arrangement fees paid	(907)	(2,439)	(3,286)
Net cash outflow from financing activities	(12,804)	(29,268)	(48,695)
Increase/(decrease) in cash in the period/year	7,800	(53,074)	(26,339)
Cash and cash equivalents at the beginning of the period/year	142,773	162,292	162,292
Foreign exchange (losses)/gains	(5,085)	4,664	6,820
Cash and cash equivalents at end of the period/year	145,488	113,882	142,773

The Notes on pages 42 to 46 form part of these financial statements.

Notes to the Interim Financial Statements (unaudited)

1. Financial information

The Company applies FRS 102 and the Association of Investment Companies ("AIC") SORP for its financial period ending 31 May 2019 in its Financial Statements. The financial statements for the six months to 30 November 2019 have therefore been prepared in accordance with FRS 104 "Interim Financial Reporting". The financial statements have been prepared on the same basis as the accounting policies set out in the statutory accounts for the period ended 31 May 2019. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial information contained in this Interim Report and Accounts and the comparative figures for the financial year ended 31 May 2019 are not the Company's statutory accounts for the financial period as defined in the Companies Act 2006. The financial information for the half-year periods ended 30 November 2019 and 30 November 2018 are not for a financial year and have not been audited but have been reviewed by the Company's auditors and their report can be found on page 47. The Annual Report and Financial Statements for the financial period ended 31 May 2019 have been delivered to the Registrar of Companies. The report of the auditors was: (i) unqualified; (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying the report; and (iii) did not contain statements under section 498 (2) and (3) of the Companies Act 2006.

2. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, including its financial position, are set out in the Chairman's Statement on pages 10 to 13 and Manager's Market Review on pages 16 to 19.

At each Board meeting, the Directors review the Company's latest management accounts and other financial information. Its commitments to private equity investments are reviewed, together with

its financial resources, including cash held and the Company's borrowing capability. One-year cash flow scenarios are also presented to each meeting and discussed.

After due consideration of the balance sheet and activities of the Company and the Company's assets, liabilities, commitments and financial resources, the Directors have concluded that the Company has adequate resources to continue in operation for the foreseeable future and for a period of at least 12 months from the date of this report. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

3. Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

4. Tax on ordinary activities

The tax charge for the six months to 30 November 2019 is £1,065,000 (six months to 30 November 2018: £1,312,000; year to 31 May 2019: £2,594,000). The tax charge wholly comprises irrecoverable withholding tax suffered. Investment gains are exempt from capital gains tax owing to the Company's status as an investment trust.

5. Transactions with the Manager and related parties

During the period, services with a total value of £9,085,000 being £8,861,000 directly from Pantheon Ventures (UK) LLP and £224,000 via Pantheon managed fund investments (30 November 2018: £8,490,000; £8,216,000; and £274,000; year to 31 May 2019: £17,046,000; £16,584,000 and £462,000 respectively) were provided in accordance with the management agreement. At 30 November 2019, the amount due to Pantheon Ventures (UK) LLP in management fees and performance fees disclosed under creditors was £1,443,000 and £nil respectively.

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. Fees paid to the Company's Board for the six months to 30 November 2019 totalled £143,000 (six months to 30 November 2018: £132,000; year to 31 May 2019: £264,000).

There are no other identifiable related parties at the period end.

6. 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 in each year and, prior to 31 May 2017, the period of 12 calendar months ending 30 June in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the NAV at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the NAV 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 six-month calculation period ended 30 November 2019, the notional performance fee hurdle is a NAV per share of 3,610.54p. The performance fee is calculated using the adjusted NAV.

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. No performance fee has been paid.

7. Asset Linked Note ("ALN")

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 flow from a reference portfolio, which comprises interests held by PIP in over 300 of its oldest private equity funds, substantially 2006 and earlier vintages. PIP retains the net cash flow 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. The Directors do not believe there to be a material own credit risk, due to the fact that repayments are only due when net cash flow is received from the reference portfolio. 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 which is equivalent to the amount which would be required to be repaid had the ALN matured on 30 November 2019. Therefore no fair value movement has occurred during the period as a result of changes to credit risk.

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 in the Income Statement.

The ALN's share of net cash flow is calculated after withholding taxation suffered. These amounts are deducted from Taxation in the Income Statement.

During the six months to 30 November 2019, the Company made repayments totalling £11.9m, representing the ALN share of the net cash flow for the three-month period to 31 May 2019 and three-month period to 31 August 2019. The fair value of the ALN at 30 November 2019 was £77.7m, of which £3.8m represents the net cash flow for the three months to 30 November 2019, due for repayment on 29 February 2020.

During the six months to 30 November 2018, the Company made repayments totalling £26.8m, representing the ALN share of the net cash flow for the three-month period to 31 May 2018 and three-month period to 31 August 2018. The fair value of the ALN at 30 November 2018 was £115.3m, of which £9.9m represents cash flows for the three months to 30 November 2018, due for repayment on 28 February 2019.

During the year to 31 May 2019, the Company made repayments totalling £44.9m, representing the ALN share of the net cash flow for year to 28 February 2019. The fair value of the ALN at 31 May 2019: £94.4m, of which £2.1m represents cash flows for the three months to 31 May 2019, due for repayment on 31 August 2019.

8. Called-up share capital

	30 November 2019		30 November 2018		31 May 2019	
	Shares	£'000	Shares	£'000	Shares	£'000
Allotted, called up and fully paid:						
Ordinary shares of 67p each						
Opening position	54,089,447	36,240	54,114,447	36,257	54,114,447	36,257
Cancellation of shares	–	–	–	–	(25,000)	(17)
Closing position	54,089,447	36,240	54,114,447	36,257	54,089,447	36,240
Total shares in issue	54,089,447	36,240	54,114,447	36,257	54,089,447	36,240

During the six months ended 30 November 2019, no ordinary shares were bought back in the market for cancellation (six months to 30 November 2018: nil; year to 31 May 2019: 25,000). The total consideration paid, including commission and stamp duty, was £nil (six months to 30 November 2018: £nil; year to 31 May 2019: £500,000).

As at 30 November 2019, there were 54,089,447 ordinary shares in issue (30 November 2018: 54,114,447 ordinary shares; year to 31 May 2019: 54,089,447 ordinary shares).

Notes to the Interim Financial Statements (unaudited) (continued)

9. Return per share

Allotted, called up and fully paid:	Six months to 30 November 2019			Six months to 30 November 2018			Year to 31 May 2019		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Revenue	Total
Return for the financial period £'000	(5,646)	21,122	15,476	(2,419)	142,826	140,407	(9,576)	201,900	192,324
Weighted average no. of ordinary shares		54,089,447			54,114,447			54,104,721	
Return per share	(10.44p)	39.05p	28.61p	(4.47p)	263.93p	259.46p	(17.70p)	373.17p	355.47p

There are no dilutive effects to the return per share.

10. Net asset value per share

	30 November 2019	30 November 2018	31 May 2019
Net assets attributable in £'000	1,514,064	1,447,171	1,498,588
Ordinary shares	54,089,447	54,114,447	54,089,447
Net asset value per share	2,799.19p	2,674.28p	2,770.57p

11. Reconciliation of return before financing costs and taxation to net cash flow from operating activities

	Six months to 30 November 2019 £'000	Six months to 30 November 2018 £'000	Year to 31 May 2019 £'000
Return before finance costs and taxation	17,618	143,040	197,304
Withholding tax deducted	(1,065)	(1,312)	(2,594)
Gains on investments	(22,941)	(149,056)	(204,473)
Interest reinvested	–	(1,788)	–
Currency losses/(gains) on cash and borrowings	5,044	(4,652)	(6,810)
(Decrease)/increase in creditors	(348)	53	398
Decrease in other debtors	60	2,812	2,754
(Gains)/losses on financial liabilities at fair value through profit or loss – ALN	(4,066)	11,396	10,044
Expenses and taxation associated with ALN	(768)	(815)	(2,271)
Net cash flow from operating activities	(6,466)	(322)	(5,648)

12. Fair value hierarchy

(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 year 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 purchased at a premium are normally revalued to their stated net asset values at the next reporting date. Those fund holdings purchased at a discount are normally held at cost until the receipt of a valuation from the fund manager in respect of a date after acquisition, when they are revalued to their stated net asset values, unless an adjustment against a specific investment is considered appropriate.

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. This information may include the valuations provided by private equity managers who are also invested in the company.

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 year end. If there has been a material movement in the value of these holdings, the valuation is adjusted to reflect this.

(ii) Quoted investments are valued at the bid price on the relevant stock exchange

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

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;
- 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.

In accordance with FRS 104, the Company must disclose the fair value hierarchy of financial instruments.

Financial assets at fair value through profit or loss at 30 November 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,433,595	1,433,595
Listed holdings	649	–	–	649
Total	649	–	1,433,595	1,434,244

Notes to the Interim Financial Statements (unaudited) (continued)

12. Fair value hierarchy (continued)

Financial liabilities at fair value through profit or loss at 30 November 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ALN	–	–	77,719	77,719
Total	–	–	77,719	77,719

Financial assets at fair value through profit or loss at 30 November 2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,446,702	1,446,702
Listed holdings	840	–	–	840
Total	840	–	1,446,702	1,447,542

Financial liabilities at fair value through profit or loss at 30 November 2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ALN	–	–	115,337	115,337
Total	–	–	115,337	115,337

Financial assets at fair value through profit or loss at 31 May 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,443,935	1,443,935
Listed holdings	5,699	–	–	5,699
Total	5,699	–	1,443,935	1,449,634

Financial liabilities at fair value through profit or loss at 31 May 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ALN	–	–	94,449	94,449
Total	–	–	94,449	94,449

Independent Review Report to the Directors of Pantheon International Plc

Introduction

We have been engaged by Pantheon International Plc (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2019 which comprises the Condensed Income Statement, the Condensed Balance Sheet, the Condensed Statement of Changes in Equity, the Condensed Cash Flow statement, Basis of Preparation and Accounting Policies and the related notes 1 to 12 (together the 'condensed financial statements'). We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in the Basis of Preparation and Accounting Policies, the annual financial statements of the Company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with Financial Reporting Standard 104, 'Interim Financial Reporting.'

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2019 is not prepared, in all material respects, in accordance with FRS 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Services Conduct Authority.

Ernst & Young LLP

London, United Kingdom

26 February 2020

Other Information

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Alternative Performance Measures

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	Half year ended 30 Nov 2019 £'000	
Investment management fees	38	8,861	
Look-through charges	42	224	
Other expenses		313	
Total expenses		9,398	(a)
Average month-end NAV		1,537,215	(b)
AIC ongoing charges (annualised)		1.22%	(a/b x 2 x 100)

Capital call

Call to limited partners ("LPs") to pay in a portion of the LP's committed capital when the general partner ("GP") has identified a new investment for purchase.

	Page	Half year ended 30 Nov 2019 £m	
Purchases of investments	41	101	(a)
Recallable distributions		(5)	(b)
Amount drawn for new commitments		(37)	(c)
ALN share of calls		–	(d)
Capital calls		59	(a + b + c + d)

Capital call rate

Capital calls in the period divided by opening undrawn commitments.

	Page	Half year ended 30 Nov 2019 £m	
Capital calls		59	(a)
Opening undrawn commitments		521	(b)
Annualised capital call rate (unaudited)		23%	(a/b x 2 x 100)

Distributions

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	Half year ended 30 Nov 2019 £m	
Disposals of investments	41	128	(a)
Investment income received	41	5	(b)
ALN share of distributions		(14)	(c)
Recallable distributions		5	(d)
Withholding tax deducted	41	(1)	(e)
Distributions from PIP's portfolio		123	(a + b + c + d + e)

Distribution rate

Distributions for the period divided by opening portfolio value.

	Page	Half year ended 30 Nov 2019 £m	
Distributions from PIP's portfolio	49	123	(a)
Opening investments at fair value	40	1,450	(b)
ALN share of opening investments		(94)	(c)
Opening portfolio value (excluding the ALN)		1,357	(d) = (b + c)
Distribution rate from PIP's portfolio (annualised)		18%	(a/d x 2 x 100)

Financing cover

Ratio of available cash, private equity assets and undrawn loan facility to outstanding commitments.

	Page	At 30 Nov 2019 £m	
Net available financing	50	331	(a)
Investments at fair value	40	1,435	(b)
Total		1,766	(c) = (a + b)
Outstanding commitments		486	(d)
Financing cover		3.6x	(c/d)

Alternative Performance Measures (continued)

Undrawn coverage ratio

Ratio of available financing and 10% of private equity assets to undrawn commitments. Under the terms of its loan facility, PIP is required to maintain an undrawn coverage ratio of at least 33%.

	Page		
Net available financing	50	331	(a)
Investments at fair value (10%)	40	144	(b)
Total liquid resources		475	(c) = (a + b)
Undrawn commitments		486	(a)
Liquidity ratio		102%	(a/d)

Net available financing

Sum of net available cash and undrawn loan facility.

	Page	At 30 Nov 2019 £m	
Net available cash	31, 40	154	(a)
Undrawn loan facility	31	177	(b)
Available financing		331	(a + b)

Net portfolio cash flow

Income and capital distributions received from funds following exit realisations less capital calls made to finance investments or expenses, excluding calls and distributions attributable to the ALN.

	Page	Half year ended 30 Nov 2019 £m	
Distributions from PIP's portfolio	49	123	(a)
Capital calls	49	59	(b)
Net portfolio cash flow		64	(a - b)

Sample calculations and disclosures

The sample buyout figures for the six months to 30 November 2019 were calculated using all information available to the Company. The figures are based on unaudited data. MSCI and FTSE data was sourced from Numis.

Revenue and EBITDA

The revenue and EBITDA growth figures were based upon the latest available information in the six months to 30 November 2019 or, where not available, the closest half-year period disclosed, and provide coverage of 55% and 57% (for revenue and EBITDA growth respectively) of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped between -100% and +100% to avoid large distortions from excessive outliers. Sample data for 2012–2019 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 30 November 2019, or the closest disclosed period end. The valuation multiple sample covers approximately 71% of PIP's buyout portfolio. The debt multiple sample covers approximately 69% of PIP's buyout portfolio.

Cost multiple

The cost multiple data on page 23 is based on a sample that represented approximately 46% by value of PIP's gross distributions for the half year to 30 November 2019. 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 up to 12 months prior to the transaction taking place. The analysis on page 23 only includes exit realisations that occurred during the period and disregards the impact of any proceeds received outside of the six-month period covered in the uplift analysis. The data in the sample represents 100% of proceeds from exit realisations and 86% of distributions received during the period.

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	Half year ended 30 Nov 2019 £'000	
Investment management fees and other expenses charged to revenue	38	9,174	
Performance fee payable to Pantheon		–	
Look-through charges	42	224	
Interest payable and similar expenses	38	1,077	
Total expenses and financing costs		10,475	(a)
Average month-end NAV		1,537,215	(b)
Total ongoing charges (annualised)		1.36%	(a/b x 2 x 100)

Glossary of Terms

AIFMD

Alternative Investment Fund Managers Directive.

Asset Linked Note ("ALN")

Unlisted, subordinated note due August 2027, the repayment of which 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 GP 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 LP agrees to contribute to the fund when and as called by the GP.

Debt multiple

Ratio of net debt to EBITDA.

Dry powder

Funds committed but not yet invested that are available for investment.

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

It is 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 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.

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.

Glossary of Terms (continued)

Liquidation

The sale of all remaining assets of a fund prior to its final cessation of operations.

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 Note 7).

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 Asset Linked Note, 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 net asset value per share.

Undrawn or outstanding commitments

Undrawn portion of total commitment.

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 funds’ respective closing net asset values. Fund age refers to the number of years since a private equity fund’s first investment.

Directors and Advisers

Directors

Sir Laurie Magnus (Chairman)
 Ian Barby
 John Burgess
 David Melvin
 Susannah Nicklin
 Dame Susan Owen DCB
 Mary Ann Sieghart
 John Singer

Manager

Pantheon Ventures (UK) LLP

Authorised and regulated by the FCA

10 Finsbury Square
 4th Floor
 London
 EC2A 1AF

PIP Investor Relations:

pip.ir@pantheon.com

PIP website: www.piplc.com

Pantheon website: www.pantheon.com

Secretary and registered office

Link Alternative Fund Administrators Limited

Beaufort House
 51 New North Road
 Exeter
 EX4 4EP

Telephone: 01392 477500

Auditor

Ernst & Young LLP

25 Churchill Place
 London
 E14 5EY

Broker

Investec Bank plc

30 Gresham Street
 London
 EC2V 7QP

Depository

BNP Paribas Securities Services

10 Harewood Avenue
 London
 NW1 6AA

Registrar

Link Asset Services

The Registry
 34 Beckenham Road
 Beckenham
 Kent
 BR3 4TU

* **Telephone:** +44 (0)371 664 0300

*Calls from outside the United Kingdom
 will be charged at the applicable
 international rate.*

Solicitors

Morgan, Lewis & Bockius UK LLP

Condor House
 5–10 St Paul's Churchyard
 London
 EC4M 8AL

The PIP Share Savings Scheme

The Share Centre Ltd

PO Box 2000
 Aylesbury
 Buckinghamshire
 HP21 8ZB

Telephone: 01296 414 630

Email: pip@share.co.uk

Website: www.share.com

Electronic communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's annual reports, interim reports 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.

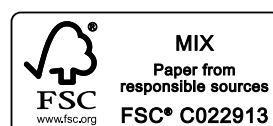
Alternatively, you can contact Link's Customer Support Centre, which is available to answer any queries you have in relation to your shareholding:

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).

By email: shareholder.enquiries@linkgroup.co.uk

By post: Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, UK

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Pantheon International Plc

10 Finsbury Square
4th Floor
London
EC2A 1AF
United Kingdom

TELEPHONE

+44 (0)20 3356 1800

FACSIMILE

+44 (0)20 3356 1801

EMAIL

pip.ir@pantheon.com

WEBSITE

www.pipic.com

Registered in England
Number: 2147984

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of Investment Companies

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