Putting shareholders first

Pantheon International Plc
Annual Report and Accounts 2024

PIP

Providing easy access to a diverse range of exceptional companies all over the world.

This report contains terminology that may be unfamiliar to some readers. The Glossary on page 182 provides definitions for frequently used terms.

Contents

Retail investors advised by independent financial advisers

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

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

Strategic Report

About PIP

Making the private, public

PIP

A share in Pantheon International Plc ("PIP" or the "Company") provides access to a high-quality diversified portfolio of private equity backed companies around the world that would otherwise be inaccessible to most investors. Shares in PIP can be bought and sold as they would in any other publicly listed company.

Awards

WINNER Specialist – Active
INVESTMENT AWARDS 2023
PANTHEON INTERNATIONAL PLC

CITYWIRE INVESTMENT TRUST AWARDS 2023 WINNER
BEST BOARD Pantheon International

UK INVESTOR MAGAZINE AWARDS 2023
Best Private Equity Trust

As at 31 May 2024

£2.3bn
Net asset value ("NAV")

+6.1%
NAV per share growth in the year

+11.9%
Annualised NAV per share growth since 1987 (net of fees)

£1.5bn
Market capitalisation

+19.9%
Share price change in the year

+10.9%
Annualised share price return since 1987

+20%[1]
Weighted average uplift at exit

2.3%[2]
Ten-year loss ratio

1.31%[3]
Association of Investment Companies ("AIC") ongoing charges

1 The uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to exit or if known, the latest valuation unaffected by pricing effects arising from market participants becoming aware of the imminent sale of an asset.

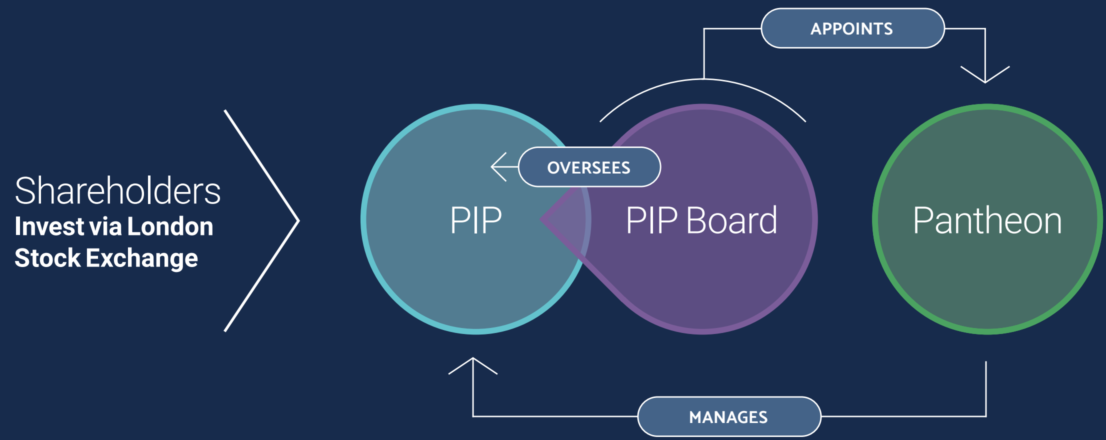
2 Loss ratio is calculated as the sum of 1) the loss made on realised investments which have exited below cost and 2) the difference between the unrealised value and the cost of unrealised investments which are held below cost, divided by the aggregate costs of all investments.

3 Ongoing charges are calculated based on the AIC definition. Including financing costs, PIP's total ongoing charges would be 1.87%. See page 180 of the Alternative Performance Measures section for calculations and disclosures.

PIP

PIP is a FTSE 250 private equity investment trust, actively managed by Pantheon, one of the leading private markets investment managers globally.

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



Managed by a leading, global private equity investor

PANTHEON

Pantheon's long-term private equity experience and deep industry connections, coupled with a conviction-driven, thematic investment approach that combines sector expertise and operational know-how, enables access to a wide range of differentiated direct company investments and hard-to-reach funds to drive long-term value creation.

US$65bn[1]
Discretionary assets under management

126[2]
Investment professionals

13
Locations around the world

c.10,000
Private equity managers in Pantheon's database

642[2]
Advisory board seats

>650[1]
Institutional investors globally

PANTHEON

Pantheon (the "Manager") provides PIP with access to its global private equity platform.

Pantheon has been at the forefront of private markets investing for more than 40 years, earning a reputation for providing innovative solutions covering the full lifecycle of investments, from primary fund commitments to co-investments and secondary purchases. Leveraging Pantheon's global platform, PIP is able to build a global portfolio of exciting private companies through direct co-investments, single-asset secondary deals and primary investments in access-constrained funds.

PRI Principles for Responsible Investment

15 years of UN PRI[5] membership, one of the first private equity signatories

ESG committee member of:

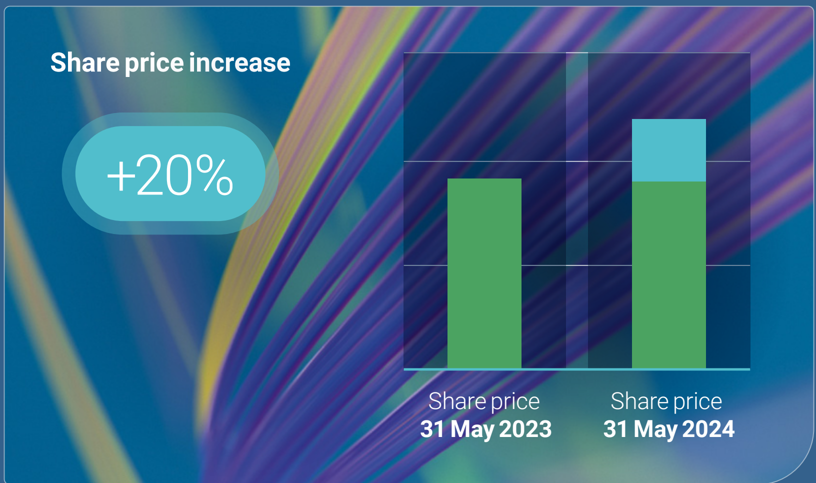
bvca · iCI initiative climat international · INVEST EUROPE · OUT INVESTORS LGBT+ NETWORK · GAIN Girls Are INvestors · #10000 BLACK INTERNS · LEVEL 20

1 As at 31 December 2023.
2 As at 30 June 2024.
3 A location from which executives of the Pantheon Group perform client service activities.
4 A location from which executives of the Pantheon Group perform client service activities but does not imply an office.
5 United Nations Principles for Responsible Investment.

Progress built on trust

This has again been a year of great corporate and investment activity for PIP. It has resulted, I am delighted to report, not only in a continuing increase in the value of the underlying portfolio, but an even greater one in our share price, increasing 20% during the period.

I would like to thank my fellow Board members and the PIP Management Team, but even more so, the shareholders and fellow colleagues in the sector for their encouragement and input into our progress.



JOHN SINGER CBE
Chair

This year, progress for PIP has been based on three factors. Firstly, Boards in our sector have to go beyond stewardship and administration to greater strategic proactivity to deliver on Net Asset Value (NAV) and share price growth, based on a deep understanding of private equity. We should also proactively aim to increase new demand for quoted private equity from both retail and institutional investors. Secondly, our Board's corporate, investment and leverage strategies have been closely integrated to support each other to deliver investor objectives. And thirdly, now more than ever, our continuing growth and progress must be built on trust – putting shareholder interests' ahead of all others through all cycles. In setting out the year's results below I will focus more on the "why and for whom" rather than just the "what and how" of everything we are doing.

Comprehensive strategy to deliver attractive risk-return to shareholders

When we started our original review of PIP's authenticity, relevance for shareholders and differentiation, it was clear that our governance required an integration of corporate, investment and leverage strategies from the start – even if the timing and implementation of each would be different. This required holistic thinking both at the Board and Management Team levels. Knowing that we are driven by this mindset should provide investors with reassurance of the Board's focus on improving performance over the long term. In this financial year, we have made significant progress in all three areas.

Chair's Statement

Corporate Strategy

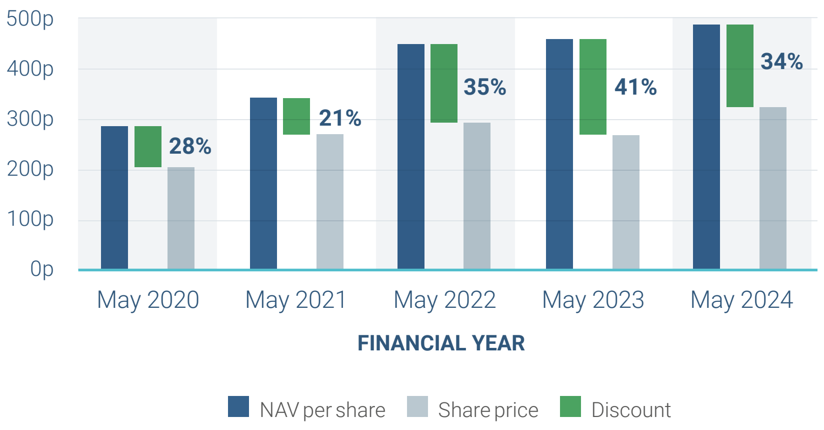
After announcing the three-step corporate programme in my Chair's Statement in August 2023, we have dedicated ourselves to making progress on each of the three steps that I outline here. These steps form the backbone of our corporate strategy.

1 Step One

Following the launch of the share buyback programme last summer, PIP embarked on a £150m[1] reverse tender offer in October 2023, repurchasing 49.2m shares at a strike price of 305.0p per share, which represented a weighted average discount of 35% to the then-prevailing NAV per share.

Having completed this part of the share buyback programme successfully, we turned to address the remaining component of the £200m that had been announced and allocated. Over the course of the year to 31 May 2024, PIP bought back 64.3m shares (12.1% of share capital) for a total amount of £196.7m[1], at an average price of 306.0p per share, equivalent to an average 35% discount to NAV, and representing around 8% of opening NAV. In the weeks after the year-end, we kept to our word and completed further buybacks, ensuring that the full £200m allocated to the programme was indeed invested in share repurchases. Overall, the share buybacks during the year resulted in an uplift to year-end NAV per share of 4.7%.

NAV per share and share price performance



1 Excluding costs and stamp duty.

+4.7%
NAV per share uplift from share buybacks during the year

I must reiterate that the purpose of the share buybacks was not primarily to narrow the discount but rather to prepare the groundwork to enhance our chances of success in stimulating demand for our shares by reducing perceived obstacles in the minds of investors. Concerns, for example, such as the overhang of legacy shareholders, or whose interests the Board puts first. We are pleased to report that the completion of the share buyback programme and tender offer have resulted in a refreshed share register for PIP, achieved through new buyers coming onto the register as well as a few large legacy shareholders reducing their holdings through an equitable and democratic process available to all.

This also represented an excellent opportunity to invest in our own portfolio, where we know the underlying investments well and have conviction in the NAV, through buying back £200m worth of shares at a large discount.

We hope the success of this process and the reasoning behind it will dispel perceptions that Boards and managers do not put shareholders' interests first.

2 Step Two

With the initial share buyback programme largely completed by 31 May 2024, and two important elements of our leverage strategy in place, we were pleased to announce our new Capital Allocation Policy. When I originally announced the three-step programme, I emphasised the importance of a continuing commitment to share buybacks during periods when the discount of share price to NAV remains high. This allows us to take advantage of embedded value in the portfolio as well as new investment opportunities at all points in the cycle. Buybacks, when discounts widen, offer an opportunity to invest in an existing, high-quality portfolio that we know extremely well, and where we benefit both from embedded value implicit in the discount, and from the eventual uplifts on NAV that we typically experience at exit.

Chair's Statement

"We refined our Capital Allocation Policy to provide clear guidance on how we will seek to allocate available cash between new investments and share buybacks.

With this objective in mind, we refined our Capital Allocation Policy to provide clear guidance on how we will seek to allocate available cash between new investments and share buybacks. We have deliberately laid out a set of parameters linked to net cash flow, which are to be applied based on the prevailing discount at the end of each financial quarter. This is designed to give shareholders clarity on our approach, with assessments made and the quantum available for buybacks announced at quarterly intervals, effective from 1 June 2024. The policy is clear, easy to understand and measurable using underlying metrics that are already reported to the market. We look forward to implementing this continuing commitment to investing in the most attractive opportunities, including the repurchase of our own shares. The mechanics of this are set out on page 29.

3 Step Three

The overall objective is to build on the momentum created by steps one and two to create more demand for PIP's – and the listed private equity sector's – shares, which should over time narrow the discount between share price and NAV sustainably, in a way in which steps one and two alone could not be expected to achieve.

Our mission is to optimise the relevance and attraction of our offering to both existing and new retail and institutional investors, through two-way exchanges of conversation and ideas with investors, brokers, investment bodies, and fellow chairs of other investment trusts, complemented by a more assertive marketing strategy. As a sector, we must come together to address the concerns of shareholders, so that a rerating of our sector can be earned.

Misunderstandings in the sector persist, such as perceptions of inflated valuations, fees and the lack of consistent disclosure. Investors complain of inadequate disclosure in areas of policy like leverage and buybacks, and they are sometimes suspicious of the relationship between Boards, managers and shareholders. Bringing colleagues across the industry together to provide education and tackle these misconceptions would be for the good of the sector overall and should help to remove many of the obstacles that currently dampen demand for listed private equity.

"As a sector, we must come together to address the concerns of shareholders, so that a well-deserved rerating of our sector can take place.

Together with sector-wide initiatives to dispel myths, we plan to increase our PIP marketing effort. I am delighted to report that, since the interim statement, the Marketing Committee embarked on a process to identify and appoint a marketing agency, which was recently completed. Our work over the coming months will focus on clarity of branding, communication and reasons to purchase and hold PIP shares for the long term through increased marketing spend. With our marketing agency, we are increasing the resources and attention dedicated to segmentation analysis. We believe these efforts will result in maintaining existing and attracting new retail and institutional investment.

My deeply held belief is that building on the trust and goodwill that we have created in the market will bring in new investors who, even when educated about the benefits of Private Equity, feel uneasy about entrusting money to what can appear as a complex and opaque industry. It is incumbent on us to explain the "why" at the heart of what we do at PIP and "for whom" we are doing it. Our deep culture and values have been embedded over decades into investing shareholder capital and help us maintain our clear focus on investor interests and ensure they are put first.

The corporate strategy and the associated share buyback programme and Capital Allocation Policy required detailed scenario analysis and thoughtful consideration which is woven into our investment and leverage strategies as set out below.

Investment Strategy

Alongside the share buyback programme and the allocation of capital to invest in our own portfolio, £153m of capital has been deployed this year into attractive new investments globally with a continuing focus on direct investments. These now represent 54% of the portfolio and are growing as we maintain our investment target of around one third of new capital earmarked for co-investments and the same for single asset GP-led secondaries. Over five years ago, we started moving towards more direct exposures, based on the conviction that such a focus enables PIP to shape its portfolio more precisely, as well as bringing PIP closer to the assets and the GPs managing them.

> The tilt towards direct investments in single assets is already bearing fruit, both in terms of returns and our proximity to the GPs.

The tilt towards direct investments in single assets is already bearing fruit, both in terms of returns and our proximity to the GPs. Through the process of selection, monitoring, valuation and advisory board support, we can better align our objectives on topics such as sustainability, value creation methods and timing of exit, with those of the GP and management teams of the assets. Direct investments have the added advantage of carrying lower or no fees.

I continue to highlight the importance of our having a number of Board members with long experience in Private Equity, as well as a highly experienced Private Equity Manager in Pantheon, which gives us what I call "double-filter" Private Equity skills – an additional lens added to that of the GP.

Importantly, we can use this double filter to reduce risky reliance on the components of value creation that cannot be controlled, such as multiple arbitrage and reliance on rising markets to boost returns; and aggressive use of leverage that was a low-cost way to augment returns between the Global Financial Crisis and the start of interest rates rising two years ago. During that period of cheap debt and rising valuations, many GPs were able to generate returns by virtue of market conditions but in a risky and unsustainable way. To invest consistently over market cycles and generate returns whatever the macro environment, we believe that investing with GPs who are focused on revenue growth and operating performance is superior to investing in those relying on one-off cost cutting and layering on aggressive debt loads. The result of this can be seen in the +17% of EBITDA growth within the underlying portfolio companies over the period. Even in this difficult year for trading it was in line with +19% of such earnings growth over the last five years.

Thinking in line with Pantheon's quality GPs and working closely with them helps us spot trends and capitalise on them swiftly.

17%
Weighted average EBITDA growth for the buyout portfolio[2]

This is especially the case in our expansion in the dynamic GP-led secondaries space, where we continue to be able to identify opportunities alongside our GPs to invest in top-performing businesses.

Another important differentiator PIP offers retail and institutional portfolios is a truly global exposure that is underpinned by our ability to use global and local teams to offer risk-monitored diversification across sectors, geographies and currencies. PIP's portfolio is invested in the deepest and most experienced private equity markets in the world, with 54% in the USA, 31% in Europe, 8% in global assets and 7% in Asia.

Sustainability, focusing in particular on ESG considerations, is a component of Pantheon's investment process and provides a further lens for risk management, value creation and due diligence.

As a reminder, PIP invests directly into the investment opportunities presented by Pantheon, and is therefore able to control its portfolio construction and investment deployment flexibly and proactively. The process of origination, due diligence, execution and monitoring of investments which is managed by Pantheon – and overseen by our Board – reflects a strong culture and set of values that is encompassed in our Manager's philosophy and processes and mirrored in PIP's Board.

Fundamental to the culture is transparency and a genuine commitment to listening to and understanding shareholder interests and needs. Pantheon was founded on principles of trust and putting the long-term interests of investors first and, over its more than 40 years of operations, throughout cycles, has demonstrated its ability to make the relevant changes to maintain this behaviour. The sharing of objectives is exemplified by the alignment created by the PIP holdings of the Directors and Pantheon Partners that represent a total shareholding of 5.3m (3.8m collectively owned by the Board Directors and a further 1.5m shares held by 14 Partners of Pantheon), representing a combined value of £17.2m as at 31 July 2024.

> We believe that investing with GPs who are focused on revenue growth and operating performance is superior to investing in those relying on one-off cost cutting and layering on aggressive debt loads.

2 The sample buyout figures for the 12 months to 31 December 2023 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 179 to 180 of the Alternative Performance Measures section for sample calculations and disclosures.

Chair's Statement

Leverage Strategy

The last component of PIP's holistic and integrated strategy is our approach to leverage. In order to achieve our aims of delivering attractive risk-return to shareholders, we take a prudent approach to leverage and seek a sensible risk balance.

As I reported in my interim statement, we achieved two important milestones during the year, culminating in a process that had begun in the first half of 2023: the refinancing of PIP's revolving credit facility and a private placement of long-dated loan notes - a type of financing that had not previously been used in the sector. The incorporation of prudent use of debt marked a shift away from a net cash position, with a key benefit to shareholders being the reduction in idle cash on the balance sheet and associated cash drag on NAV performance.

In October 2023, PIP refinanced its £500m equivalent revolving credit facility, securing a more favourable covenant package and a margin increase of 46 basis points, despite the significant change in the lending environment. Following that, on 12 January 2024, PIP completed a private placement of $150m (£118m equivalent) of loan notes, which were three times oversubscribed and purchased by five sophisticated North American institutional investors with considerable in-house knowledge of the private equity asset class. Overall, there was no change in PIP's overall leverage immediately after the private placement, as those proceeds were used to part-repay the RCF.

Through these two actions, we have secured a diversity of lending mix, which not only strengthened PIP's balance sheet but also provides wider geographic and financial sector sourcing with carefully selected players for today's markets. A further benefit was increasing the number of credit counterparties from three to 10 within two separate highly liquid markets. Consequently, PIP is now much better placed to replace any particular credit counterparty that faces a similar situation to Credit Suisse in the future.

After taking these two significant actions, we have been transparent in disclosing in great detail PIP's gearing policy, the first in the sector to do so. Openness and transparency are major elements of PIP's and Pantheon's values and culture. We believe in setting targets for leverage which we respect, and honouring investor expectations.

These changes to PIP's capital structure better support the integrated investment and corporate strategies during a time of robust, high-quality deal flow while share price discounts, though reduced, remain wide. Our more flexible capital structure is managed with thorough and well-defined processes with a view to ensuring prudence. In that context, we aim to improve performance, beat the MSCI World index over the medium to long term and provide alternative safe options for new growth through the cycles.

Performance

Against a challenging macroeconomic backdrop and a period of scepticism about private market valuations, I am pleased to report the strong performance that PIP delivered over the year thanks to its robust, balanced and high quality underlying portfolio. In a market experiencing continuing lower exit and distribution levels than historically, and an increase sector-wide in portfolio company holding periods to six years, maintaining earnings growth in those companies becomes an even more critical differentiator. I am happy to report that our portfolio companies have performed well again this year, with revenue and EBITDA growth CAGRs of 14% (in line with the MSCI) and 17% (higher than the MSCI at 13%) respectively.

These data points are based on all available information at the company level and not on a selected group of investments. In contrast to public companies and investment trusts that invest in listed equities, Private Equity GPs can do much more operationally with their portfolio companies. Through investment into additional resources such as portfolio support groups, Operating Partners providing functional expertise and deal teams that work hand in hand with the company management, GPs are able to drive superior EBITDA growth.

Moreover, PIP's strategy of working in partnership with these GPs and getting closer to the assets allows us to target investment opportunities with the most attractive financial profiles and to influence the growth we see in the portfolio. Contrary to some perceptions that private equity investments are necessarily risky, our strategies result in a strong performance at a lower level of risk demonstrated by a loss ratio of only 2.3% over ten years.

The annualised performance of NAV per share over three-, five- and 10-year periods was 12.5%, 12.1% and 13.5% respectively, and 11.9% since inception, which reflect the consistent long-term value appreciation that shareholders trust us to deliver. Over the year to 31 May 2024, NAV per share grew +6.1%.

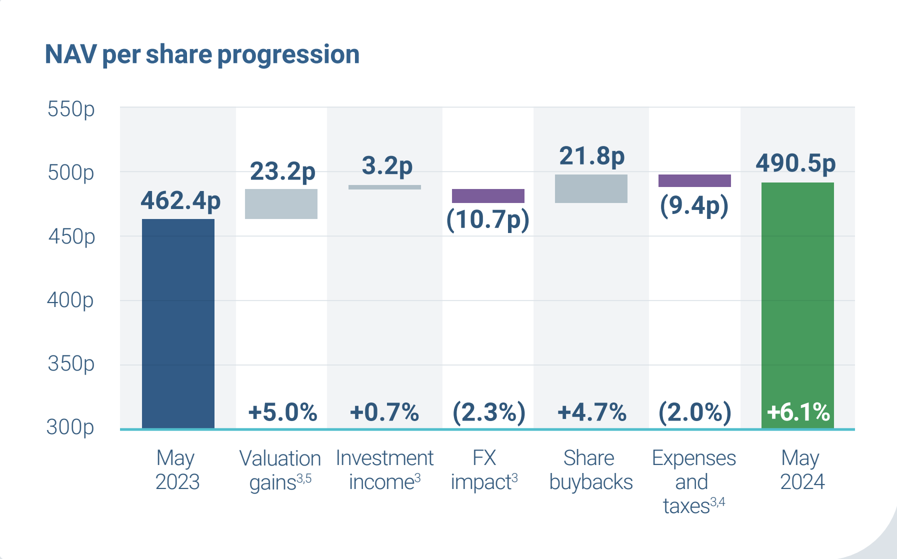
2.3%
Loss ratio over the last ten years

Chair's Statement

The drivers of that performance were: the valuation gains from the underlying portfolio (+5.0%); and the impact of the share buybacks (+4.7%), which were then offset by the effects of currency and expenses. Over recent years, some commentators have claimed that the NAVs quoted by GPs for their portfolio companies are inflated and haven't reflected the movements in public markets.

+6.1%
NAV per share growth, over the year to 31 May 2024

In fact, PIP experienced a small contraction in multiples used for EV/EBITDA valuation of over a turn to 17.3x, while the equivalent metric for the MSCI increased more than half a turn to 20.1x. This trend was also observed in net debt / EBITDA multiples, which fell since the interim report to 4.8x for small/mid-market buyout and 5.2x for large/mega buyout. Small/mid-market buyouts are a part of the buyout landscape



that is core to PIP's strategy (representing 46% of the portfolio) for good reason.

This segment of the market generally employs lower leverage, which has served to limit the impact of high interest rates, which ultimately protects margins. These factors, combined with our robust valuation processes (summarised on page 15 of the report) should reassure shareholders of the enhanced value being created for them.

Ultimately, the true endorsement of the value of a company is the exit price achieved on sale. Over the year to 31 May 2024, PIP experienced a 20% average uplift at exit. The distribution case studies on pages 85 to 94 provide some examples of the value creation that our GPs have been able to generate and the uplift at exit that reflected the transformation of those companies, even in a challenging year. Overall, when considering the long term performance of PIP, I believe that we are delivering on our goal to generate consistent returns over the long term. Over various periods (and indeed since inception), PIP continues to generate outperformance relative to public market benchmarks as well as on an absolute basis. While the share price discount to NAV remains at 34%, I am pleased with the 20% growth in share price over the year to 31 May 2024 and am excited to continue our work on step three, bringing colleagues in the sector together to increase demand for quoted private equity with a view to narrowing the discount over time.

+20%
Average uplift on exit realisations[6]

Governance

Underpinning all we do as a Board is the basic tenet of putting shareholders first and building on the trust that has been invested in us. While some Boards may rely on their managers, PIP's Board works with them as a team, always respecting the red line and seeking to ensure the highest standards of governance for the benefit of all stakeholders.

I am proud of this relationship and the working practices that we follow with the Pantheon team. The solid Private Equity experience within the Board leads to greater credibility and ease of working with the Executive Team in governance terms, as does the marketing and PR experience of

3 Figures are stated net of movements associated with the Asset Linked Loan Note ("ALN") share of the reference portfolio.
4 Includes operating expenses, financing costs and withholding taxes on investment distributions.
5 PIP's valuation policy for private equity funds is based on the latest valuations reported by the managers of the direct investments and funds in which PIP has holdings. In the case of PIP's valuation as at 31 May 2024, 95% of reported valuations are dated 31 March 2024 or later.
6 Uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to exit or if known, the latest valuation unaffected by pricing effects arising from markets participants becoming aware of the imminent sale of an asset.

Directors. Moreover, PIP benefits not only from the collaborative working with the Management Team directly, but also from access to the banking, marketing, risk and support services teams at Pantheon.

In summary, the depth of the Board's experience, and its style of working with the Management Team, allow for a much more informed debate and challenge on investment, corporate and leverage strategies. We are fully involved in all three and not just a rubber stamp on Manager recommendations. One example of the increasing oversight and governance is the presence of the Audit Chair designate, Zoe Clements, at the Pantheon Valuation Committees, as well as the semi-annual provision of a formal report from the Valuation Committee to the Board.

As I reported in my Interim Statement, we have welcomed two new Directors to the Board, both of whom were elected at the AGM last October. Zoe Clements and Rahul Welde bring extensive experience and skills to the Board and Committees with Rahul joining the Marketing Committee and Zoe the Finance Committee. As we prepare with sadness and much gratitude to bid farewell to David Melvin at the next AGM, with Zoe succeeding David in his role as Audit Chair, we are appointing a search agency to identify additional Non-Executive Directors and I look forward to updating you on our search.

After a year that was extremely busy for PIP with a multitude of corporate actions completed, while still attending to the day-to-day operations, I would like to thank my fellow Board members and the Pantheon Management Team for their work, including Jie Gong for her input while she was working with PIP. I would also like to take this opportunity to welcome Charlotte Morris to the PIP team, who joins Helen Steers as Co-Lead Manager.

Our work on steps one and two was widely applauded by shareholders and analysts. Indeed, the feedback I received directly from shareholders in my series of investor meetings was a pleasing endorsement of our emphasis on the "why" and "for whom" elements of what we do. We were delighted that the Board's strong governance and leadership, listening to shareholders and prioritising their needs, was recognised by the award of "Board of the Year" at the Citywire awards.

CITYWIRE INVESTMENT TRUST AWARDS 2023 WINNER
BEST BOARD
Pantheon International

For whom are we making this journey?

For all our stakeholders, most certainly! But also with an eye to attracting more new shareholders – both retail and institutional – to join those who became PIP shareholders for the first time during the buy back process.

For existing and new we will be relying on our integrated strategies set out above, and our prudent investment pacing to ensure liquidity in a market environment experiencing lower exit and distribution levels than historically. And our nimbleness to modify investment strategy for PIP, will allow us to continue to grow as a favoured route to long-term capital gains, despite events such as the GFC in 2008 or the more recent post-Covid challenging macroeconomic backdrop.

> "A decades-long and solid track record of generating returns, overseen by an independent and highly experienced Board, and managed by Pantheon.

It is the high returns/low risk results, decade by decade, that convinced me and my colleagues at PIP to pursue the democratisation of PE. Individuals, as well as institutions, should own this high performing asset class as an element of their portfolios, enhanced by the liquidity offered by the quoted investment trust vehicle, created and developed in the UK. It is very encouraging to see that Defined Contribution pension providers are increasingly keen now to include private markets asset classes in their offerings, recognising the fact that PE provides outperformance, access to a broader investment set, and diversification. Outperformance achieved at low levels of risk – contrary to misunderstandings about the industry. Our portfolio demonstrates this with a loss ratio of only 2.3% over 10 years – a figure which includes not only realised losses but also often temporarily impaired valuations which can be reversed at exit.

We will, therefore, continue to apply the three factors of strategic proactivity, integrated strategies and further building on trust to provide PE exposure for any investor (institutional or retail, small or large), including those who do not have the size, access, management resources or desire to build a direct portfolio of PE investments. Each share of PIP provides an investment in a globally diversified, low–risk PE portfolio that would take them many years and significant financial resources to develop, with a decades-long and solid track record of generating returns, overseen by an independent and highly experienced Board, and managed by Pantheon.

We will continue the journey described here in line with the principles that have provided us with a very successful year in terms of making progress in 2024 on our overall strategic objectives, and very much hope to have you with us on this exciting journey.

PIP's Strategic Report, set out on pages 2 to 54, has been approved by the Board and should be read in its entirety by shareholders.

JOHN SINGER CBE
Chair

31 July 2024

Direct investments account for majority of the portfolio

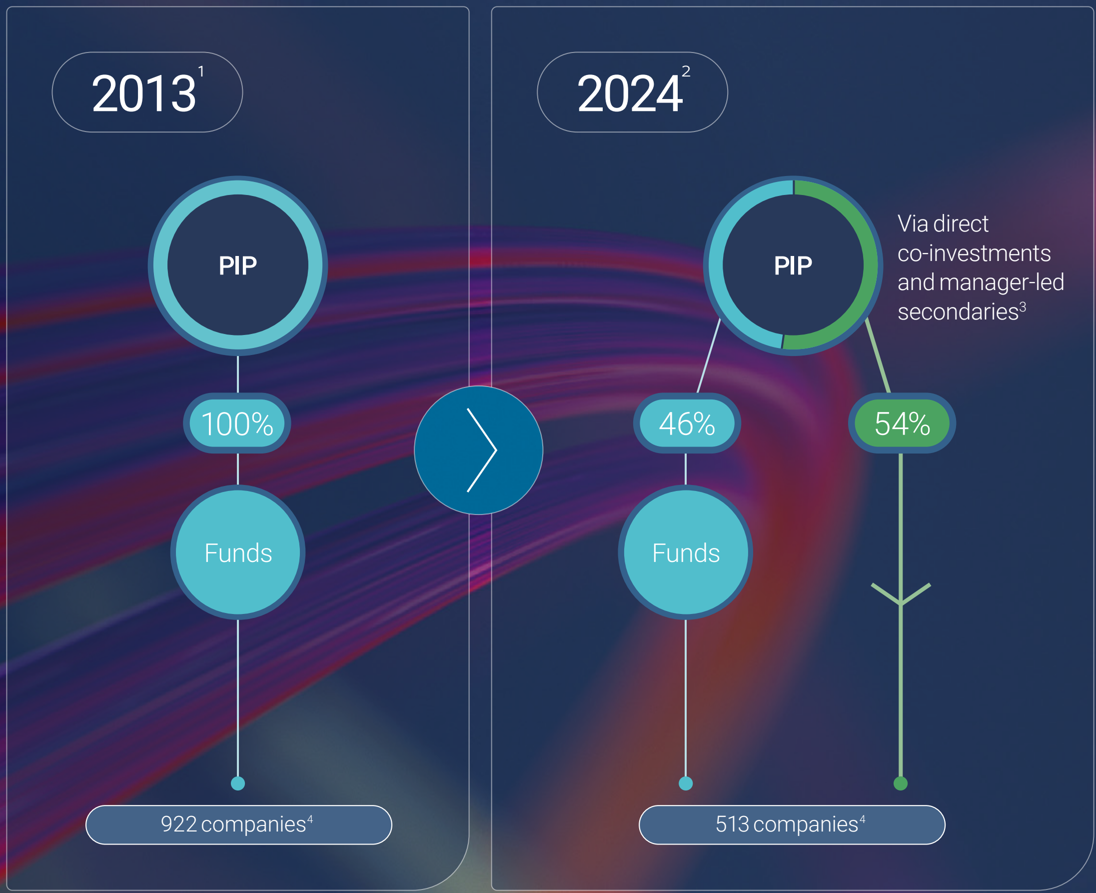
Over the past few years, we have focused on investing directly in private companies alongside our managers. Today, over half of PIP's portfolio comprises carefully selected direct company investments, which are complemented by hard-to-access, oversubscribed funds.

Since PIP invests directly in the investments sourced for it by Pantheon, it has full flexibility in terms of its portfolio construction and investment deployment. This means that PIP can redirect and refine its investment strategy to meet shareholders' needs and control deployment.

As a result of this approach, PIP's portfolio has become more concentrated but still has an appropriate level of diversification to mitigate risk. Stronger-performing individual assets have the potential to boost PIP's NAV over the long term, while there is increased and improved transparency and visibility over the underlying assets.

Investing in this way brings other additional benefits to PIP. As we select the individual deals, we have more control over portfolio construction and deployment pacing. We can more easily assess the private equity manager's business plan and the company's prospects as well as identify any risks, including those relating to sustainability issues. Co-investments are attractive economically, since they are typically free of management fees and carried interest.

Finally, we apply our "double quality filter" as both the private equity manager and the company must successfully pass through our stringent due diligence process.



1 As at 30 June 2013.
2 As at 31 May 2024.
3 These typically involve single-asset secondary transactions.
4 Comprises 80% of PIP's total NAV exposure.

We believe PIP's portfolio offers an attractive investment mix

Type

- In addition to direct investments, we invest in selected hard-to-access, "invitation only" funds with managers whose funds are generally not available on the secondary market.

Vintage

- The combination of younger and more mature assets means that PIP benefits from both the "value creation" and "harvest" phases of our investments.

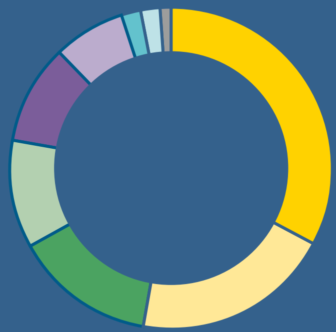
Sector

- PIP's "all weather" portfolio tilts towards companies in resilient, high-growth sectors such as information technology and healthcare that can perform well through economic cycles. These companies provide mission-critical products and services, and often have recurring revenue models.
- PIP's exposure to the consumer sector is mainly in resilient consumer staples and services businesses, with limited exposure to companies that are sensitive to economic downturns.

Stage

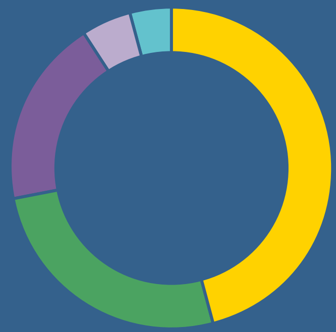
- PIP's portfolio is weighted towards small/mid-market buyouts, which offer more opportunities for value creation and multiple routes to exit. PIP has very little exposure to the more volatile venture capital segment.

PIP's portfolio is weighted towards high-growth and resilient sectors[1]



Information technology	33%
Healthcare	20%
Consumer	14%
Industrials	11%
Financials	10%
Communication services	7%
Energy	2%
Materials	2%
Other	1%

Focus on small/mid-market buyout opportunities



Small/mid buyout	46%
Large/mega buyout	26%
Growth	19%
Special situations[2]	5%
Venture	4%

1 The company sector chart is based on underlying company valuations as at 31 March 2024, adjusted for calls and distributions to 31 May 2024. These account for 100% of PIP's overall portfolio value.

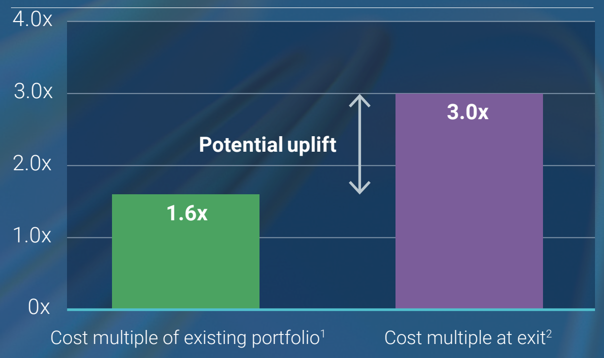
2 Special situations investments can include distressed debt, mezzanine, energy/utilities and turnarounds.

Proven **strength, resilience and fundamental value** in our portfolio

Over Pantheon's many years in the industry, we have developed a deep understanding of the valuation methodologies of our private equity managers, and track their accuracy by measuring realisations from the portfolio against the last full holding valuation.

- Our portfolio valuations are based on the most recent valuations that we receive regularly from our managers, which we challenge and corroborate.
- Pantheon's Global Valuation Committee, which is independent of the investment and investor relations teams, is chaired by Pantheon's Chief Risk Officer and ensures robust governance, meaningful oversight and consistent application of policy.
- Twice a year, PIP's own Valuation Committee is attended by representatives of the PIP Audit Committee and observed by our auditors.
- The PIP Valuation Committee also produces a valuation report for the PIP Board twice a year.
- A significant proportion of the underlying company and fund valuations are also reviewed as part of our annual independent audit.
- The significant uplifts, which are achieved consistently, when companies in PIP's portfolio are sold, provide evidence that the portfolio is not overvalued.

Realised multiples are well above holding cost multiples, which indicates conservative private equity manager valuations



1 The cost multiple of the existing portfolio refers to the sum of NAV and distributions of unrealised investments compared with the initial cost of investment.

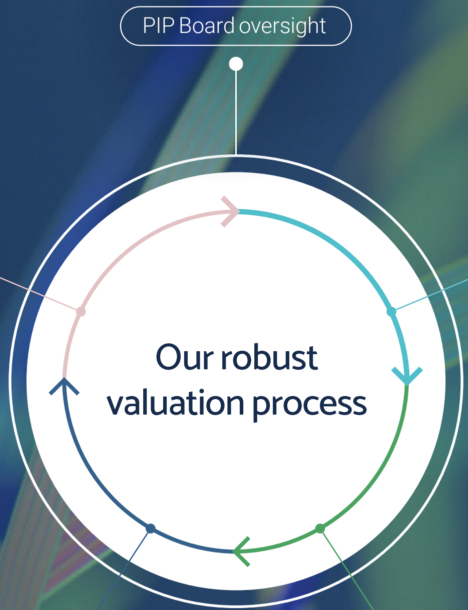
2 Average cost multiple on exit since 2012.

Continuous valuation inputs

- Annual and quarterly reports, financial statements and board meeting materials received from PE managers
- Assess and review accounting policies and valuation methodologies of private equity managers

Continuous monitoring

- Investment team review of companies, funds and private equity managers
- Risk assessment of investments
- Pre-investment due diligence
- Post-investment monitoring
- Feedback from participation on 642[1] advisory boards globally



Annual external audit

- Independent assessment of valuations and controls surrounding valuation process
- Pantheon ISAE 3402 report on controls independently audited by KPMG LLP
- The annual EY audit process involves substantive testing of the fair value of a sample of investment positions as at 31 May
- EY conducts a comparison of a sample of investment values reported in PIP's NAVs to their subsequently audited financial statements, with any differences above a certain threshold reported to the Audit Committee

Monthly Valuation Committee

- Valuation Committee has ultimate responsibility for approving investment valuations which determine the fair value of investments
- Input from investment teams on potential valuation issues
- Use insight to verify/challenge private equity manager valuations
- Review and discuss accounting issues

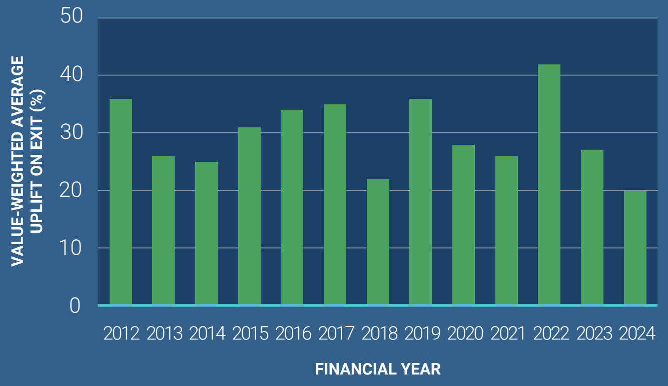
1 30 June 2024.

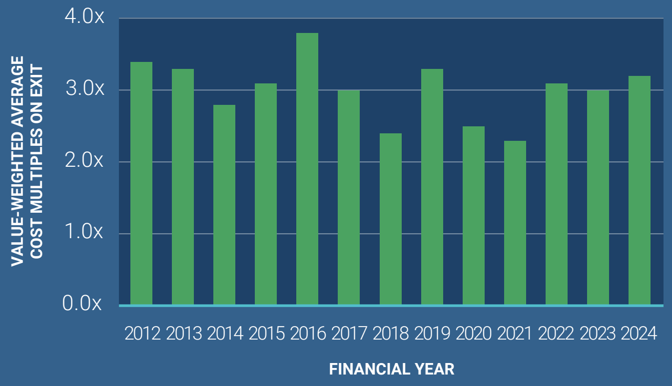
Uplifts Upon Exit

Confidence in the valuations reported by our underlying private equity managers

- Our managers use fair market valuation methodology, following international guidelines.
- Our managers typically value their portfolio companies conservatively; the consistent uplifts on exit provide evidence of this.
- Private equity managers have a long-term investment horizon and typically control their portfolio companies; they can time when to sell them and are not reliant on Initial public offerings (IPOs).
- The vast majority of PIP's exit realisations are achieved via strategic sales and secondary buyouts.
- PIP has achieved an average cost on exit multiple, since 2012, of 3.0 times compared to the cost of capital invested.
- PIP's portfolio is mostly composed of small and mid-market private businesses that operate in niche sectors where there may not be comparable publicly listed companies.

Uplifts and cost multiples at exit demonstrate embedded value in PIP's portfolio[1]





- Realisation activity has continued despite uncertainties in the macro environment.
- Proceeds from exit realisations were £130m during financial year and were made up of over 400 liquidation events.
- PIP continues to realise investments at a substantial uplift[1] to holding value.

- PIP's portfolio has a consistent record of achieving a cost multiple at exit that is well above the cost of the investment.
- The average cost multiple on exit during the year to 31 May 2024 was 3.2x.
- The average cost multiple on exit since PIP started tracking this metric in 2012 is 3.0x.

+20%
Weighted average uplift in the year to 31 May 2024

+30%
Weighted average uplift since 2012

3.2x
Average cost multiple for the year to 31 May 2024

3.0x
Average cost multiple since 2012

1 The uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to exit or if known, the latest valuation unaffected by pricing effects arising from markets participants becoming aware of the imminent sale of an asset.

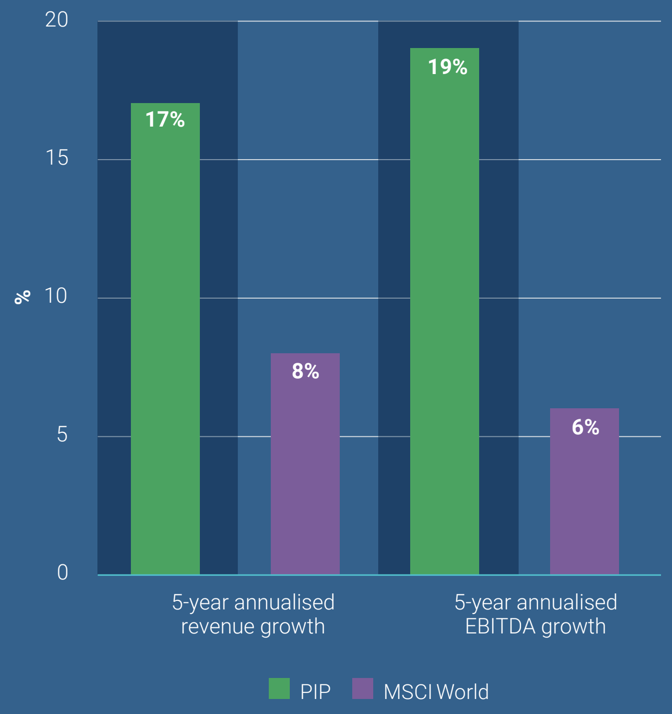
Uplifts Upon Exit

The vast majority of the companies in PIP's portfolio are highly profitable

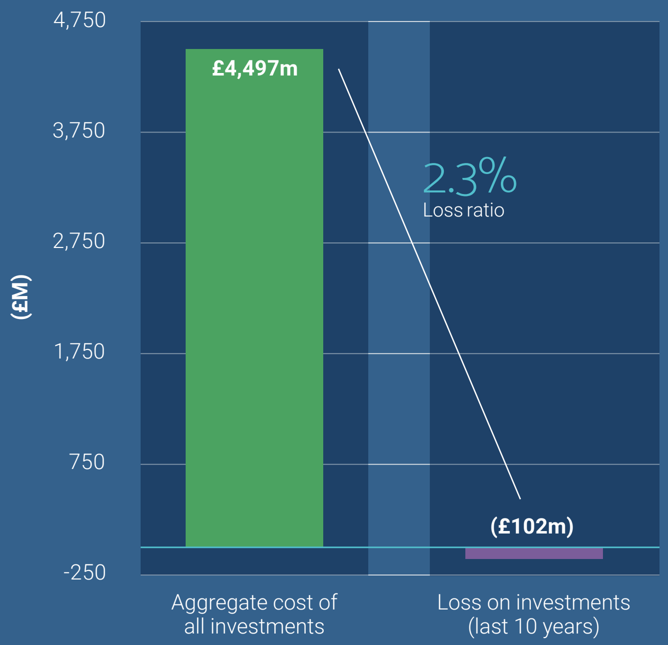
- Our private equity managers have the expertise and ability to implement operational improvements and actively manage companies for growth.
- PIP's portfolio is tilted towards the information technology (IT) and healthcare sectors, which are resilient and benefit from long-term secular growth trends.
  - IT businesses provide mission-critical software and IT infrastructure.
  - Healthcare businesses provide essential healthcare products and services.

See pages 70, 76 and 77 for more information on the sectors that PIP is invested in.

Annualised revenue and EBITDA growth (2020 to 2024)[1]



Loss ratio[2]



- Average Revenue and EBITDA growth in PIP's buyout portfolio has continued to exceed MSCI growth over the last five years.
- PIP's portfolio exhibits a low loss ratio, with only c.£100m lost or impaired versus a total cost of all investments of £4.5bn over the past 10 years[2].

1 Source: Bloomberg. Five-year annualised figures are derived from underlying annual performance growth data shown on page 99.

2 Loss ratio is calculated as the sum of 1) the loss made on realised investments which have exited below cost and 2) the difference between the unrealised value and the cost of unrealised investments which are held below cost, divided by the aggregate costs of all investments.

Long-term **NAV outperformance**

PIP is one of the longest-established private equity companies listed on the London Stock Exchange and its NAV has consistently outperformed its public market benchmarks across different economic cycles.

PIP's NAV per share growth over the past 10 years has been 13.5% p.a. (net of fees), ahead of both the FTSE and the MSCI World.

We have achieved this by actively managing the portfolio and tilting it towards where we see the best opportunities.

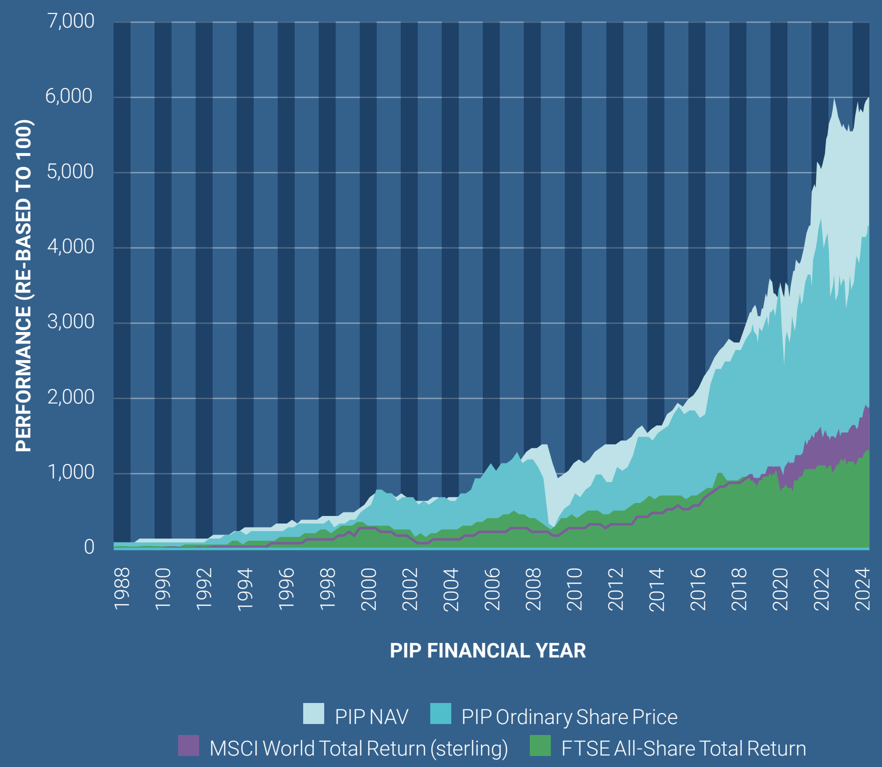
We believe that PIP's portfolio is well-positioned to both withstand uncertainty and benefit from more favourable times.

13.5% p.a.

NAV performance over the past 10 years

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

PIP's long-term NAV outperformance



Annualised performance as at 31 May 2024

	1 yr	3 yrs	5 yrs	10 yrs	Since inception[1]
NAV per share	6.1%	12.5%	12.1%	13.5%	11.9%
Ordinary share price	19.9%	6.2%	7.9%	11.1%	10.9%
FTSE All-Share	15.4%	7.9%	6.5%	5.9%	7.6%
MSCI World, Total Return (sterling)	22.2%	11.2%	13.1%	12.8%	8.6%

NAV per share relative performance

	1 yr	3 yrs	5 yrs	10 yrs	Since inception[1]
Versus FTSE All-Share, Total Return	-9.3%	4.6%	5.6%	7.6%	4.3%
Versus MSCI World, Total Return (sterling)	-16.1%	1.3%	-1.0%	0.7%	3.3%

Share price relative performance

	1 yr	3 yrs	5 yrs	10 yrs	Since inception[1]
Versus FTSE All-Share, Total Return	4.5%	-1.7%	1.4%	5.2%	3.3%
Versus MSCI World, Total Return (sterling)	-2.3%	-5.0%	-5.2%	-1.7%	2.3%

1 Inception in September 1987.

An enhanced approach **to responsible investing**

The Board of PIP recognises that a focus on sustainability, is an important tool for risk mitigation and can lead to value creation across the investment portfolio. Adherence to sustainability principles has been incorporated in Pantheon's pre- and post-investment processes for many years and the Manager will continue to play an influential role in promoting sustainability standards and diversity & inclusion in private equity.

The Directors of PIP have oversight of sustainability matters within PIP's portfolio and fully support Pantheon's longstanding commitment in this area.

Pantheon has deeply embedded sustainability considerations into its investment processes, from the initial screening of opportunities, through due diligence and engagement and post-investment monitoring.

Pantheon's focus recently has been on enhancing its screening and due diligence on deals from a sustainability perspective. In 2023, Pantheon introduced an approach to sustainability called TIES – which stands for Transparency, Integration, Engagement and Solutions – as this encapsulates the strong ties between Pantheon, the underlying private equity managers and the portfolio companies. As part of this, Pantheon developed a proprietary sustainability due diligence scorecard, incorporating a range of topics including climate risk, reputational risk, diversity, equity and inclusion ("DEI") and biodiversity.

PIP's move towards a larger proportion of direct company investments provides the Manager with more control over sustainability and enables Pantheon to undertake sustainability due diligence on the company prior to investing.

Pantheon is committed to advocating for sustainability practices across the private equity industry through its participation in a variety of industry initiatives and by using its position on over 642[1] advisory boards worldwide to promote high sustainability standards on behalf of PIP among private equity managers and investee companies.

See pages 62 to 69 for more information.

1 As at 31 March 2024.

Pantheon's enhanced sustainability framework

Screening
Sustainability screening applied to all investment opportunities

In practice:
Integrated into sustainability due diligence scorecard

Due diligence
Sustainability scorecard used to assess:
- Private equity managers
- Private equity funds
- Single-company deals
- Multi-company deals

In practice:
Sustainability due diligence scorecard output included in Investment Committee memos

Monitoring/engagement
Monitoring:
- Private equity data collection
- Portfolio company data collection

Engagement:
- Private equity managers: targeted engagement based on individual scorecards
- Industry: advocate for sustainability best practice through industry trade bodies

Reporting
Focusing efforts on standardised sustainability reporting templates to align with:
- Task Force on Climate-related Financial Disclosures requirements
- ESG Data Convergence Initiative (EDCI)
- EU Sustainable Finance Disclosure Regulation (SFDR)

In practice:
Enhancing sustainability data collection systems

Signatory of:

Sustainability committee member of:

Key Performance Indicators

Performance

Five-year cumulative total shareholder return

NAV per share growth

Portfolio investment return

Liquidity

Net portfolio cash flow

Undrawn coverage ratio

Gearing

WHAT THIS IS

Total shareholder return constitutes the return to investors, after taking into account share price movements (capital growth) and any share buybacks during the period.

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

HOW PIP HAS PERFORMED

- PIP's ordinary shares had a closing price of 326.0p at the year end (31 May 2023: 272.0p). This was a 20% increase compared with the prior financial year end.
- Narrowing of share price discount following the implementation of PIP's £200m share buyback programme during the financial year.
- Share price discounts to NAV have remained wide in the listed private equity sector. Despite the improvement in PIP's share price during the period, the discount on PIP's shares was 34% at the year end (31 May 2023: 41%). The median discount for listed private equity peers[1] at the same date was 34% (31 May 2023: 39%).

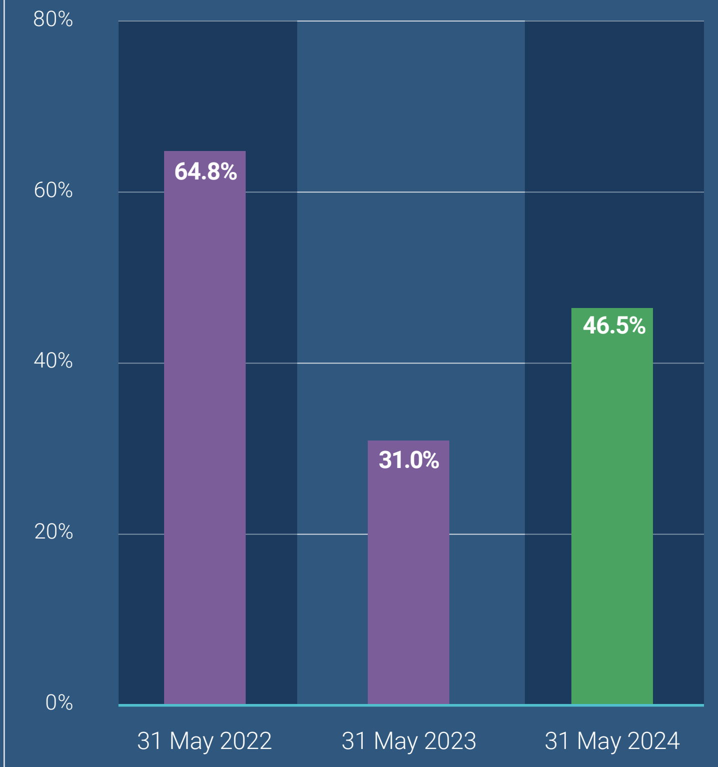
LINK TO OUR STRATEGIC OBJECTIVES

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

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

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

Five-year cumulative total shareholder return



1 Peer group comprised: CT Private Equity Trust PLC, HarbourVest Global Private Equity Ltd, ICG Enterprise Trust PLC and Patria Private Equity Trust.

Key Performance Indicators

Performance

- Five-year cumulative total shareholder return
- NAV per share growth[1]
- Portfolio investment return

Liquidity

- Net portfolio cash flow
- Undrawn coverage ratio
- Gearing

WHAT THIS IS

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

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

The NAV is robustly calculated and the balance sheet is audited by PIP's auditors.

HOW PIP HAS PERFORMED

– NAV per share increased by 28.1p during the period to 490.5p (31 May 2023: 462.4p). This was an increase of 6.1% compared with the prior financial year end.
– NAV per share growth was primarily driven by valuation gains of +5.0% and share buybacks of +4.7% and offset by foreign exchange movements and expenses and taxes.

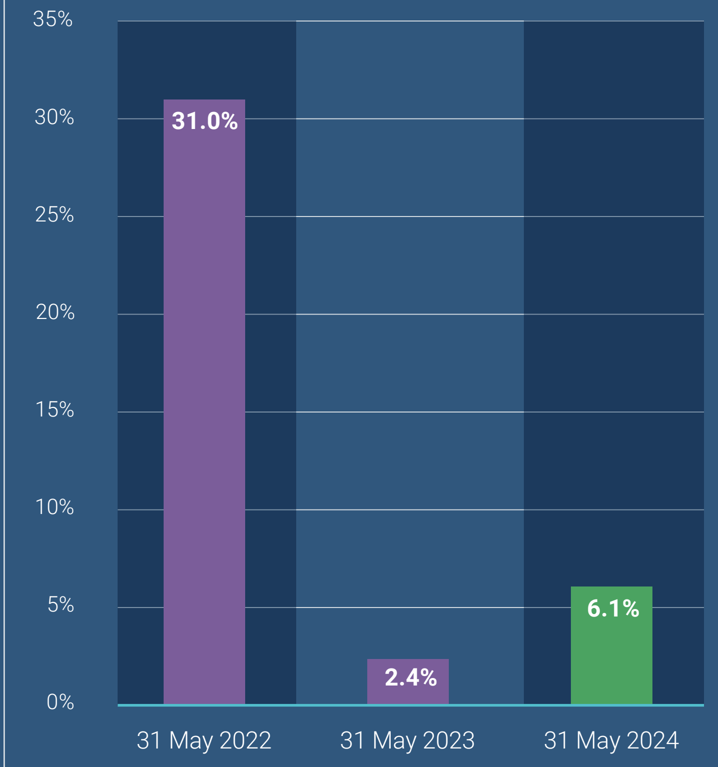
LINK TO OUR STRATEGIC OBJECTIVES

– Investing in high-performing private companies alongside and through top-tier private equity managers globally, to maximise long-term capital growth.
– Containing costs and risks by constructing a well-diversified portfolio in a cost-efficient manner.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

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

NAV per share growth



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

Key Performance Indicators

Performance

- Five-year cumulative total shareholder return
- NAV per share growth
- **Portfolio investment return[1]**

Liquidity

- Net portfolio cash flow
- Undrawn coverage ratio
- Gearing

WHAT THIS IS

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

HOW PIP HAS PERFORMED

– Modest increase in underlying portfolio valuation against a backdrop of market volatility.

– PIP's portfolio is actively managed and focuses on resilient, high-growth sectors.

– PIP's portfolio return for the year was mainly driven by the buyout segment, which accounts for 72% of the portfolio.

LINK TO OUR STRATEGIC OBJECTIVES

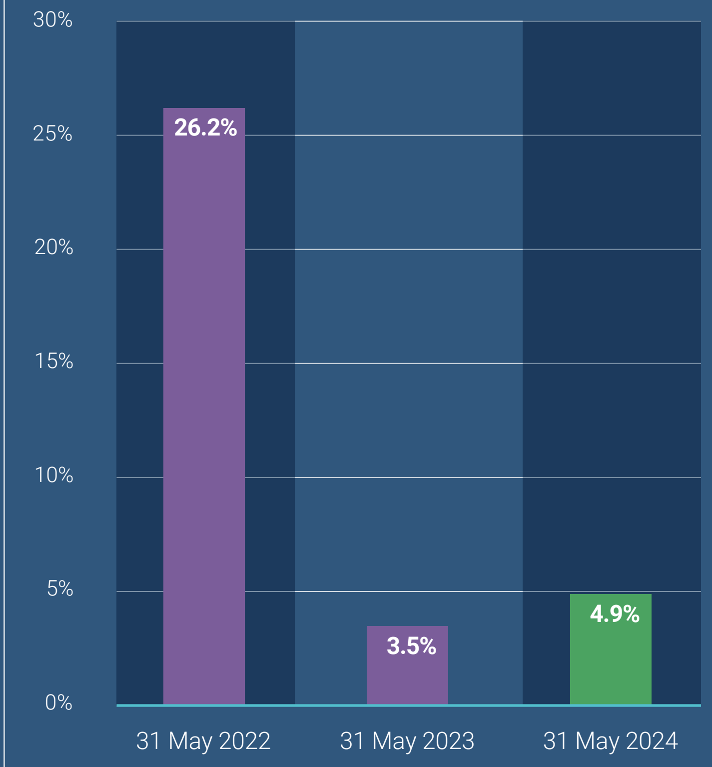
– Maximise shareholder returns through long-term capital growth.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

– Performance relative to listed markets and listed private equity peer group.

– Valuations provided by the underlying private equity managers.

Portfolio investment return



1 Excludes valuation gains and/or cash flows associated with the ALN.
See page 179 of the Alternative Performance Measures section for calculations and disclosures.

Key Performance Indicators

Performance

- Five-year cumulative total shareholder return
- NAV per share growth
- Portfolio investment return

Liquidity

- Net portfolio cash flow[1]
- Undrawn coverage ratio
- Gearing

WHAT THIS IS

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

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

HOW PIP HAS PERFORMED

– PIP's portfolio generated £193m (31 May 2023: £223m) of distributions versus £156m of calls (31 May 2023: £155m).

– In addition, the Company made new commitments of £153m (31 May 2023: £441m) during the year, £50m of which was drawn at the time of purchase (31 May 2023: £190m).

– As at 31 May 2024, PIP's portfolio had a weighted average age of 5.2 years[2] (31 May 2023: 4.8 years).

LINK TO OUR STRATEGIC OBJECTIVES

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

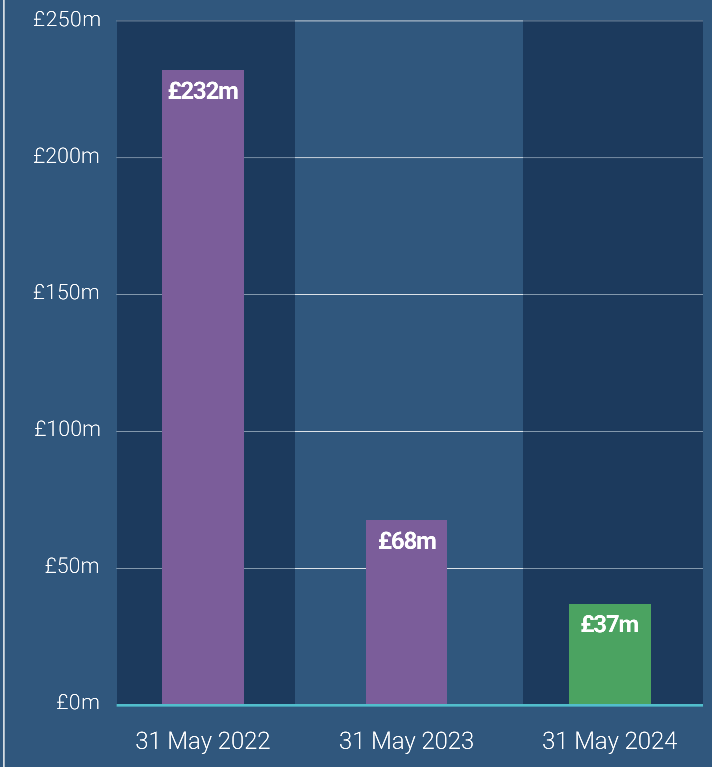
EXAMPLES OF RELATED FACTORS THAT WE MONITOR

– Relationship between outstanding commitments and NAV.

– Portfolio maturity and distribution rates by vintage.

– Commitment rate to new investment opportunities.

Net portfolio cash flow



1 Excludes valuation gains and/or cash flows associated with the ALN.
2 Excludes the portion of the reference portfolio attributable to the ALN.

Key Performance Indicators

Performance

- Five-year cumulative total shareholder return
- NAV per share growth
- Portfolio investment return

Liquidity

- Net portfolio cash flow
- Undrawn coverage ratio[1]
- Gearing

WHAT THIS IS

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

HOW PIP HAS PERFORMED

- The current undrawn coverage ratio reflects lower cash balances and modest usage of PIP's credit facility.
- The optimisation of PIP's balance sheet will enable the Company to further enhance its performance, by allowing PIP to lean into attractive opportunities across market cycles and by reducing cash drag.
- PIP's undrawn coverage ratio remains healthy relative to what is required under existing loan covenants.

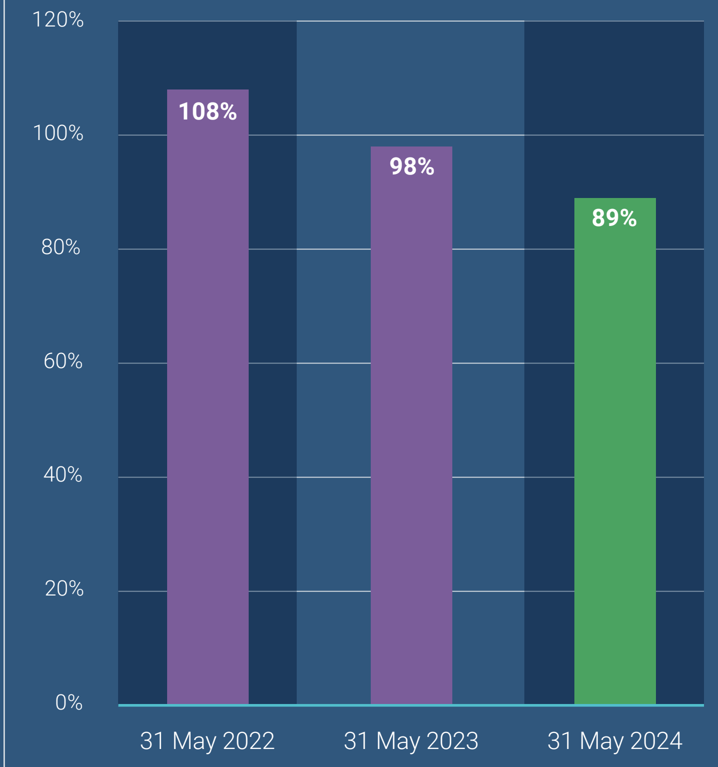
LINK TO OUR STRATEGIC OBJECTIVES

- Flexibility in portfolio construction, allowing the Company to select a mix of manager-led secondaries, co-investments and primaries, and vary investment pace, to achieve long-term capital growth.
- The vintage diversification of unfunded commitments helps PIP manage future capital calls.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

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

Undrawn coverage ratio



1 Outstanding commitments relating to funds outside their investment period (>13 years old) amounting to £41.7m as at 31 May 2024 (31 May 2023: £48.2m), were excluded from the calculation as there is a low likelihood of these being drawn.

Key Performance Indicators

Performance

- Five-year cumulative total shareholder return
- NAV per share growth
- Portfolio investment return

Liquidity

- Net portfolio cash flow
- Undrawn coverage ratio
- Gearing

WHAT THIS IS

Gearing relates to how much debt is utilised in PIP's capital structure and is expressed as net debt (borrowings excluding the ALN less cash) as a percentage of NAV.

The Board appreciates that the measured use of debt can eliminate cash drag and enhance investment returns. PIP's approach to gearing remains conservative. The Board does not currently expect net leverage to exceed 10% of NAV under normal market conditions.

HOW PIP HAS PERFORMED

- PIP's net debt as a percentage of the Company's NAV as at 31 May 2024 was 8.1% (31 May 2023: net cash to NAV ratio was 2.6%).
- As at 31 May 2024, PIP has utilised £83m of its £500m revolving credit facility, and has £118m of private placement loan notes outstanding.
- PIP's net debt to NAV ratio is lower than the relevant peer group average of 11%[1].

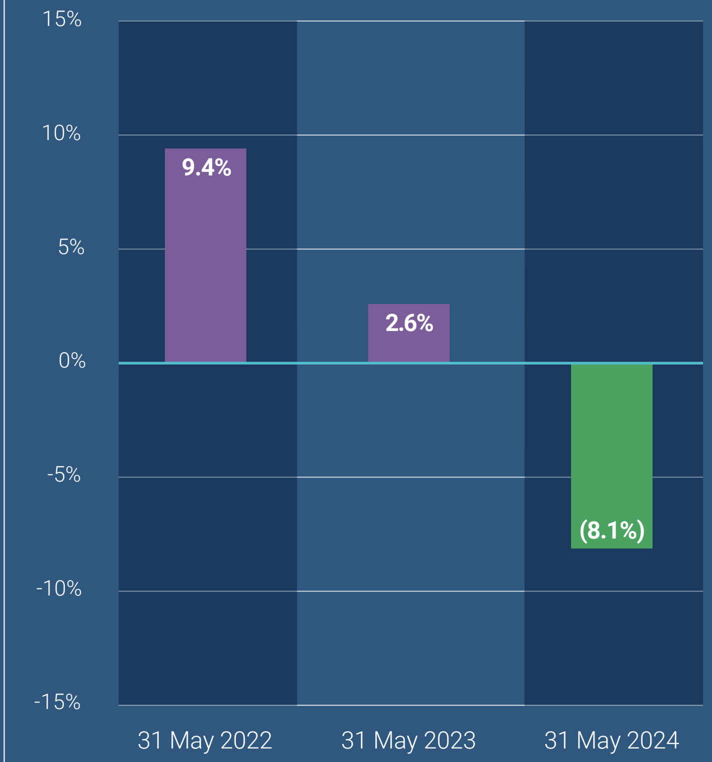
LINK TO OUR STRATEGIC OBJECTIVES

- Measured use of leverage to reduce cash drag and enhance NAV growth.
- Adopt a more efficient use of balance sheet capital to reduce cash drag.

EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Utilisation level of the revolving credit facility.
- Anticipated distribution levels and impact on liquidity position.
- Leverage relative to listed private equity peer group.

Gearing[2]



1 Relevant peer group comprised: CT Private Equity Trust PLC, HarbourVest Global Private Equity Ltd, ICG Enterprise Trust PLC and Patria Private Equity Trust. Data as at 31 May 2024.

2 Net cash (debt) to net asset value.

A cohesive and holistic strategy to address shareholders' needs

CORPORATE STRATEGY
Balanced and cohesive strategy

CAPITAL ALLOCATION POLICY
Capturing value for shareholders

INVESTMENT STRATEGY
Flexibility over portfolio construction and investment pacing

FINANCING STRATEGY
More flexible and diverse structure

The Board regularly reviews PIP's overall corporate strategy and this has formed a key part of Board discussions throughout the year.

The Board and PIP's Manager, Pantheon, are in constant dialogue regarding PIP's overall strategy and the Company's progress towards achieving its strategic goals. This dialogue is informed by the Manager's assessment of any changes in market conditions, for example in the M&A environment, and through stakeholder engagement, including with shareholders and peers in the market.

PIP's strategy encompasses its corporate, investment and financing strategy. The Company's three-step corporate programme has already been outlined in the Chair's Statement on pages 6 to 7 of this report, and the Capital Allocation Policy (step 2) is highlighted in more detail on the following pages.

The Company's investment strategy is recommended to the Board by the Manager, discussed at length and then amended as necessary. A similar process is followed regarding PIP's financing strategy, which supports the Company's corporate actions and investment programme.

While the Company's agreed investment strategy, which is described in detail on pages 30 to 32, sets the overall parameters of the investment programme, for example the tilt towards direct investments, small/mid buyouts and certain sectors, the Board will review individual investments that exceed exposure limits, which are set at appropriate level to reflect a diversified approach. At times, the Manager may make recommendations to the Board and seek approval for certain investments that fall outside of any limits expressed in the agreed strategic approach, but which Pantheon believes to be a good investment opportunity for PIP. The Board maintains its independence at all times and robustly challenges such recommendations to ensure that they are in the best interests of shareholders.

The Manager also reports regularly to the Board on PIP's marketing and investor relations activities, considering new initiatives that could help to increase PIP's profile, and to reach new potential shareholders of the Company. Subsequent to the end of the financial year, a marketing agency was appointed to assist PIP with this objective.

Culture and Purpose

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

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

Our Strategy

CAPITAL ALLOCATION POLICY

Capturing value for shareholders

PIP's Capital Allocation Policy ("CAP") has been designed to capture on behalf of shareholders the exceptional value available by investing in the Company's own portfolio when its shares are trading at a significant discount to NAV.

From 1 June 2024, depending on the prevailing level of discount, the Board intends to allocate a portion of Adjusted Net Portfolio Cash Flow ("aNPC") to share repurchases.

The PIP Board remains committed to putting shareholders' interests first and therefore intends to preserve flexibility in its ability to carry out share repurchases. The CAP will be reviewed on a regular basis by the Board to ensure that it remains appropriate for the Company and with consideration of the prevailing market conditions.

The Capital Allocation Policy complements PIP's investment objective which is to maximise returns for shareholders over the long term by investing in high-growth private companies backed by many of the best private equity managers in the world.

Since PIP primarily invests directly into the deals sourced for it by Pantheon, and with a majority of its underlying portfolio invested directly into companies rather than funds, the Company is able to substantially control deployment to its advantage, manage liquidity, and actively shape its portfolio through what it deems to be the best use of capital at any given time.

PIP will continue to invest in exciting new private equity opportunities, capable of generating market-beating returns over the long term, alongside share buybacks.

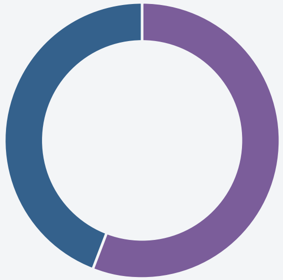
How we calculate Adjusted Net Portfolio Cash Flow

	Distributions
−	Capital calls
−	Ongoing charges including financing costs
−	Near-term cash outflows such as debt principal repayments
=	aNPC

Discount thresholds dictate the allocation to share buybacks

Share price discount to NAV	20-29%	30-49%	>50%
Percentage allocated to share buybacks	0-25% of aNPC	26-50% of aNPC	51-75% of aNPC

Share buyback activities have been conducted alongside new investment activities during the financial year.



Share buybacks	56%
New commitments	44%

INVESTMENT STRATEGY

INVESTMENT TYPE

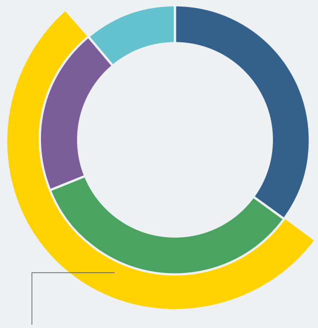
Focus on direct investments to boost performance

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

Primaries, manager-led secondaries and co-investments all have attractive characteristics, as highlighted in the Investment Model section on pages 34 to 40. PIP's transparent and direct investment approach gives it the flexibility to take advantage of prevailing market conditions and to maximise control over the Company's financing risk, including its ability to generate positive cash flows.

As the weighting towards co-investments has been increased over time, the three different investment types have intentionally taken on more equal weightings. These weightings do not represent hard caps; however, the Board and the Manager believe that this is the optimal mix to benefit from the cash generated by the more mature assets in PIP's portfolio while rejuvenating the portfolio with the younger vintages offered by primaries and co-investments. In addition, we have been steering PIP's secondary investment strategy towards manager-led secondaries which form a fast-growing part of the secondary market and are attractive for several reasons as highlighted on pages 60 to 61. These investments also provide younger vintages to the portfolio.

Investment type[1]



With an increased weighting towards co-investments and manager-led secondaries, we expect the number of underlying managers and portfolio companies to which the Company is exposed to continue to reduce over time. As a result, the potential for the Company's overall NAV to be driven by the performance of individual assets should be increased while maintaining the benefits of a portfolio that is well diversified by type, stage, geography and sector.

The Board believes that there are several benefits to this investment approach: risk is effectively managed through diversification while the improved transparency of PIP's underlying portfolio, and increased investment flexibility, should create a clearer link between the strongest performing companies in the portfolio and the potential to boost NAV growth in the future. Also, Pantheon can remain highly selective and disciplined when assessing deal flow, while at the same time reducing the risk of PIP being excluded from exciting opportunities due to investment constraints.

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

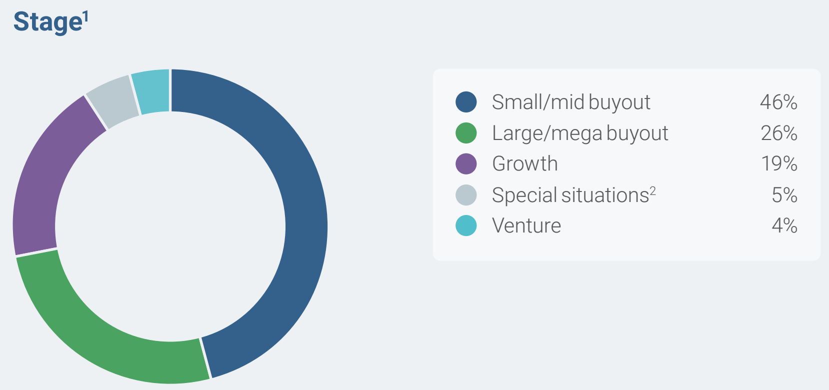
INVESTMENT STRATEGY

INVESTMENT STAGE

Focus on mid-market and growth

PIP's portfolio is diversified by stage. While the Company's strategy is to maintain a healthy mix of all stages, Pantheon and PIP favour the buyout segments, with a particular focus on the small and mid-market. The small/mid-market buyout segment offers distinct characteristics, when compared with large deals, such as:

- More attractively priced assets which tend to have lower levels of leverage than the broader market average;
- Greater visibility of the value drivers and the levers to improve operational efficiency to better drive growth, both organically and through buy-and-build strategies; and
- More routes to exit including strategic acquisitions, sales to other private equity managers or IPOs. In PIP's case, it should be noted that the majority of exits have consistently been to strategic buyers and other private equity managers, with IPOs accounting for a smaller proportion of exits during the year ended 31 May 2024.



Venture accounts for a very small proportion of PIP's portfolio, and any investment activity by PIP in early stage venture funds is focused on investing with top-tier venture managers, mainly through primary fund investments, who are able to identify innovative opportunities with the potential to generate significant outperformance.

While special situations include assets with unique characteristics which can offer potential for outperformance, it is the Board's intention that special situations investments will only be a small minority of the overall portfolio.

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

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

INVESTMENT STRATEGY

SECTOR AND GEOGRAPHIC EXPOSURE

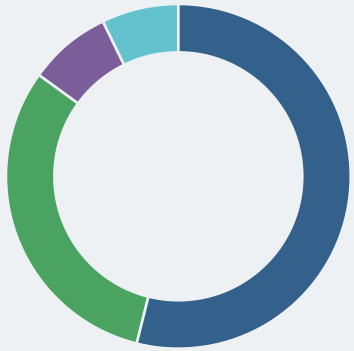
Global with a focus on high-growth and niche areas

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

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

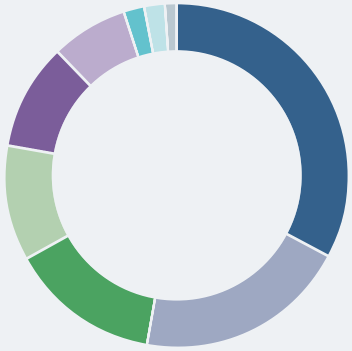
It is Pantheon's objective to identify managers globally that are able to take a thematic approach and focus on high-growth sectors, many of which may not be fully represented by the public markets. In addition, Pantheon has a deliberate strategy of targeting sectors experiencing dislocation, as well as niches where underlying growth is less correlated to GDP growth and they are benefiting from long-term trends. As a result, the largest two sectors in PIP's portfolio are information technology and healthcare. For more information on the sectors in which PIP has invested, see pages 70, 76 and 77.

Region[1]



USA	54%
Europe	31%
Global	8%
Asia	7%

Company sectors[2]



Information technology	33%
Healthcare	20%
Consumer	14%
Industrials	11%
Financials	10%
Communication services	7%
Energy	2%
Materials	2%
Other	1%

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

2 The company sector chart is based upon underlying company valuations as at 31 March 2024, adjusted for calls and distributions to 31 May 2024. These account for 100% of PIP's overall portfolio value.

FINANCING STRATEGY

Flexible and diverse financing structure

Diversified sources of financing

PIP has built a long-term, sustainable, more flexible, and diverse capital structure, further strengthening the Company's balance sheet.

In October 2023, PIP agreed a new £500m equivalent multi-tranche, multi-currency revolving credit facility agreement (the "Credit Facility"), which replaced the previous £500m equivalent credit facility and Credit Suisse AG London Branch as a lender.

In addition, PIP completed a private placement of $150m of loan notes ("Loan Notes") in January 2024. Proceeds from the issuance of the Loan Notes were used to partially repay and convert Credit Facility drawings into longer term funding at a blended coupon that is lower than the all-in interest cost payable on the Credit Facility.

When considered alongside the existing Credit Facility, the issuance of the Loan Notes means that PIP now has access to an even more diverse supply of liquidity from high quality counterparties.

The Credit Facility and the Loan Notes are subject to market standard loan to value and liquidity covenants. PIP's covenant package was structured to better support the Company's long-term investment and capital allocation strategies.

Modest use of gearing

As per its Investment Policy, PIP 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.

The Board currently does not expect net leverage to exceed 10% of NAV under normal market conditions.

Revolving Credit Facility with commitments from five relationship-focussed lenders

Tranche A
£400m
Three year tenor expiring in October 2026
Rate of interest equal to 2.95% over the relevant benchmark rate
Multicurrency facility. Subject to lender consent, the size of the facility can be increased to £700m via an accordion option. In addition, there is an ongoing option to extend the maturity of the facility by 364 days at a time.

Tranche B
£100m
One year tenor expiring in October 2024
Rate of interest equal to 2.25% over the relevant benchmark rate

Loan Notes purchased by five North American institutional investors

Private placement loan notes
$150m Weighted average maturity of 6.9 years
$52.5m Five-year loan notes expiring in February 2029
$67.5m Seven-year loan notes expiring in February 2031
$30.0m Ten-year loan notes expiring in February 2034
Coupon: 6.49%

PIP will pay a commitment fee of between 0.70% and 1.15% per annum on the undrawn portion of the Credit Facility depending on the level of utilisation.

What sets us apart

Proven track record and focus on risk management

For 37 years, PIP has been able to adapt quickly and effectively to changing market conditions. This flexible and proactive approach means that PIP is well placed to continue to deliver on its long-term strategic objectives. PIP's NAV has outperformed its public market benchmark indices over multiple periods and since the Company's inception in 1987.

We pay close attention to the management of risk. PIP provides a carefully constructed and appropriately diversified global portfolio for investors with a particular emphasis on well-established companies in the buyout stage. This is supported by a prudently managed balance sheet which has the strength to continue to meet its outstanding commitments, even in more difficult economic times. See pages 41 to 42 for more information on the balance sheet.

A global actively managed portfolio

Just over half of PIP's portfolio is invested in the USA, which is the deepest, most developed private equity market in the world and is often inaccessible to many investors in other regions. The next largest proportion of the portfolio is invested in Europe, with an emphasis on Northern Europe, while the remaining exposure is to faster-growing economies such as Asia.

The presence of Pantheon's teams in its 13 locations around the world means that they are on the ground locally, working with their extensive networks of relationships with private equity managers and taking advantage of proprietary information flows and access to opportunities. These relationships enable Pantheon to source and respond quickly to the best deal flow in those regions. In addition, through its participation on over 642[1] advisory boards globally, Pantheon actively engages with its private equity managers on portfolio monitoring issues on a continuous basis.

1 As at 31 March 2024.

Strength through culture and diversity

Pantheon has a strong culture of openness and inclusive teamwork, and encourages the exchange of ideas. PIP is supported by 457 people around the world, including a large team of 126 investment professionals[2]. PIP also benefits from a dedicated and experienced team that looks after it on a day-to-day basis. In keeping with its collaborative culture, Pantheon avoids investments in private equity managers with "star" individuals which would give rise to a higher degree of key person risk.

From day one, Pantheon has understood that a diverse workforce creates a more productive environment. Each year, Pantheon publishes statistics documenting its global staff breakdowns according to gender identity, ethnic diversity, LGBTQ+ and disability profiles. The firm has consistently exceeded industry averages for gender diversity. Pantheon also supports a number of inclusion and diversity initiatives and organisations around the world. See page 68 for more information.

2 As at 30 June 2024.

PIP aims to deliver **consistent returns** over the long term

Our investment process

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

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

Cash generated from the sale of those companies is returned to PIP and redeployed into new investment opportunities, including share buybacks in accordance with the capital allocation policy.

What we do

PIP invests directly in private companies worldwide through co-investments alongside selected private equity managers and through manager-led opportunities, as well as in complementary private equity funds.

- An investment in PIP offers shareholders exposure to a growing private equity market that is expected to exceed US$8.5tn by 2028[1], where the best private equity opportunities might otherwise be inaccessible to most investors.

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

1 Source: Preqin Global Report Private Equity 2024.

Why we do it

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

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

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

How we do it

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

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

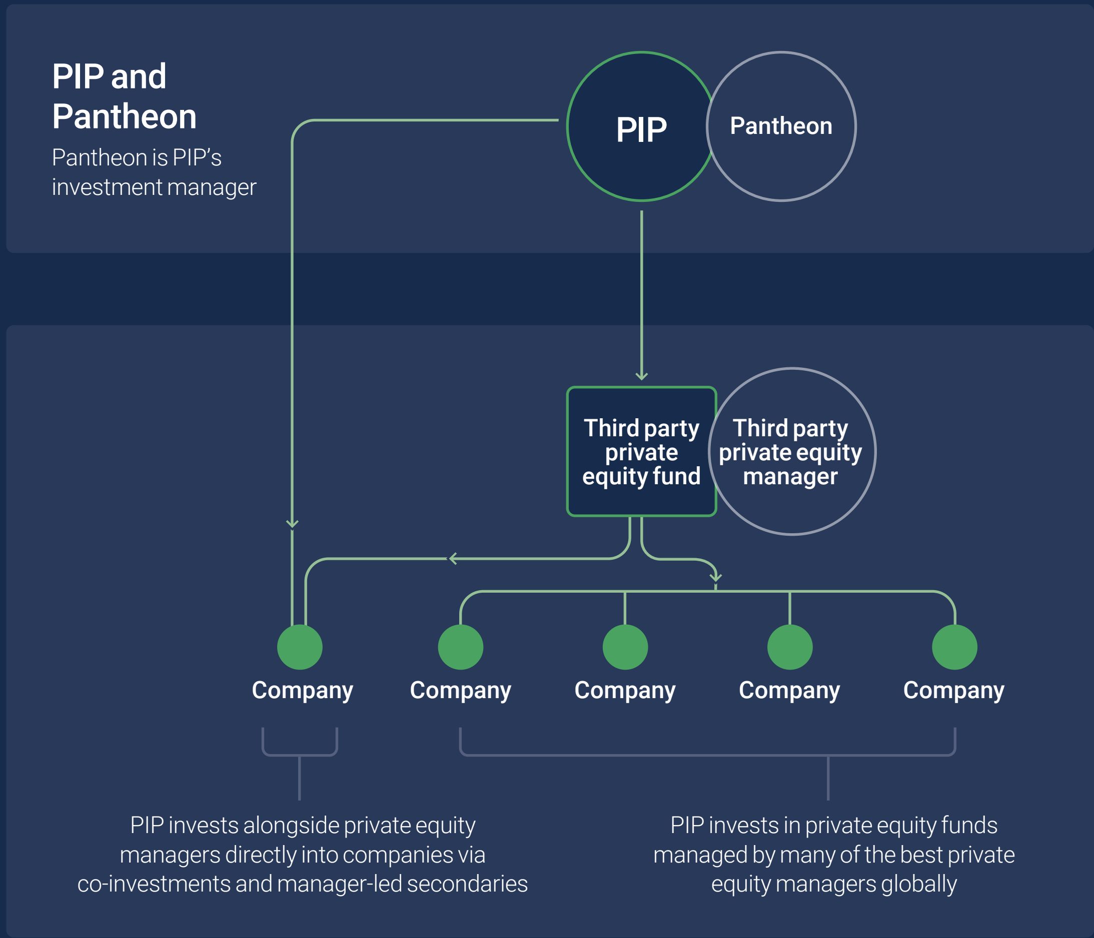
- Build and maintain a well-balanced portfolio in a combination that we monitor and manage with the aim of maximising capital growth;
- Manage the maturity profile of the assets so that PIP's portfolio remains naturally cash-generative on a sustainable basis; and
- Ensure that the vehicle remains as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

We have full control over portfolio construction

PIP has the opportunity to participate in all of the private equity investments sourced for it by Pantheon.

This means that:

- We have control of investment strategy, overseen by the fully independent Board.
- We have the flexibility to tilt the portfolio towards where we see the best fit for our long-term objectives.
- We can accept or decline deals without being "tied in" to other Pantheon fund strategies.
- We can control PIP's investment pacing according to its financial resources at the time.
- We have the flexibility to vary the size of its commitments as appropriate and in line with any adjustments to its investment strategy.
- We avoid the additional costs that can occur when investing via intermediate vehicles.



Our Investment Model

Our investment strategies:

Direct company investments

54% of PIP's portfolio[1]

Co-investments

Manager-led secondaries

Funds

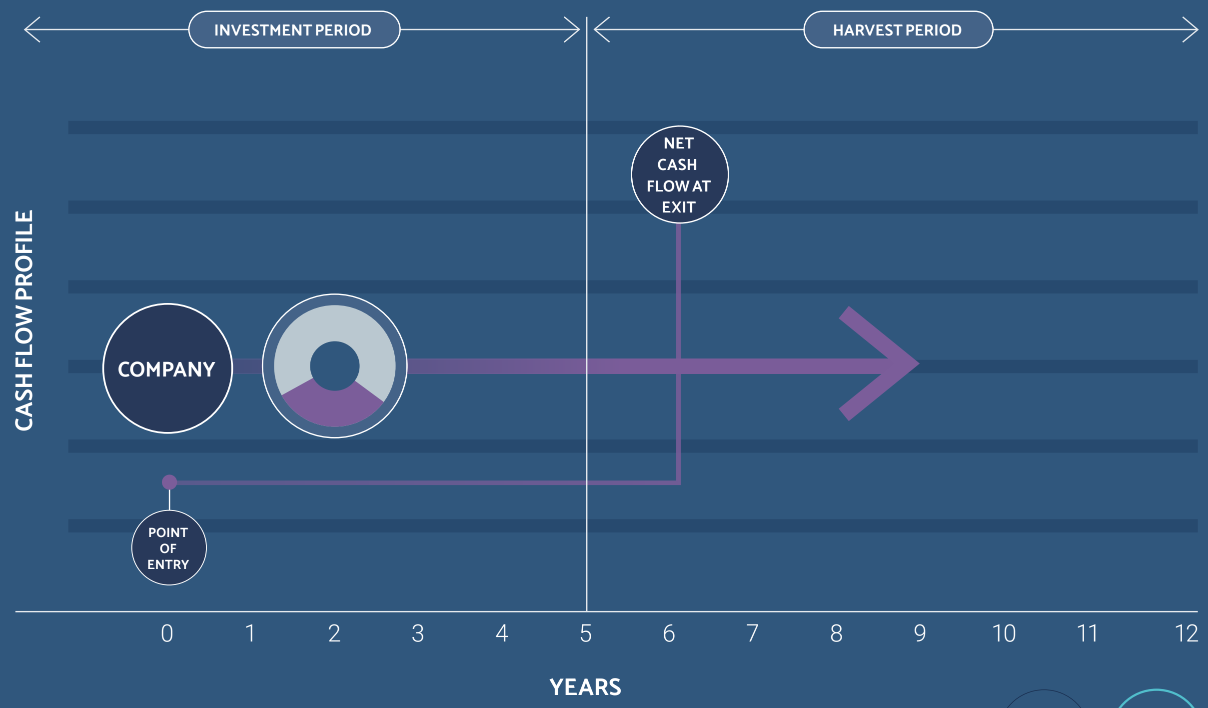
46% of PIP's portfolio[1]

Primaries

Fund secondaries

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

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



1 As at 31 May 2024.

Our Investment Model

Our investment strategies:

Direct company investments

54% of PIP's portfolio[1]

Co-investments

Manager-led secondaries

Funds

46% of PIP's portfolio[1]

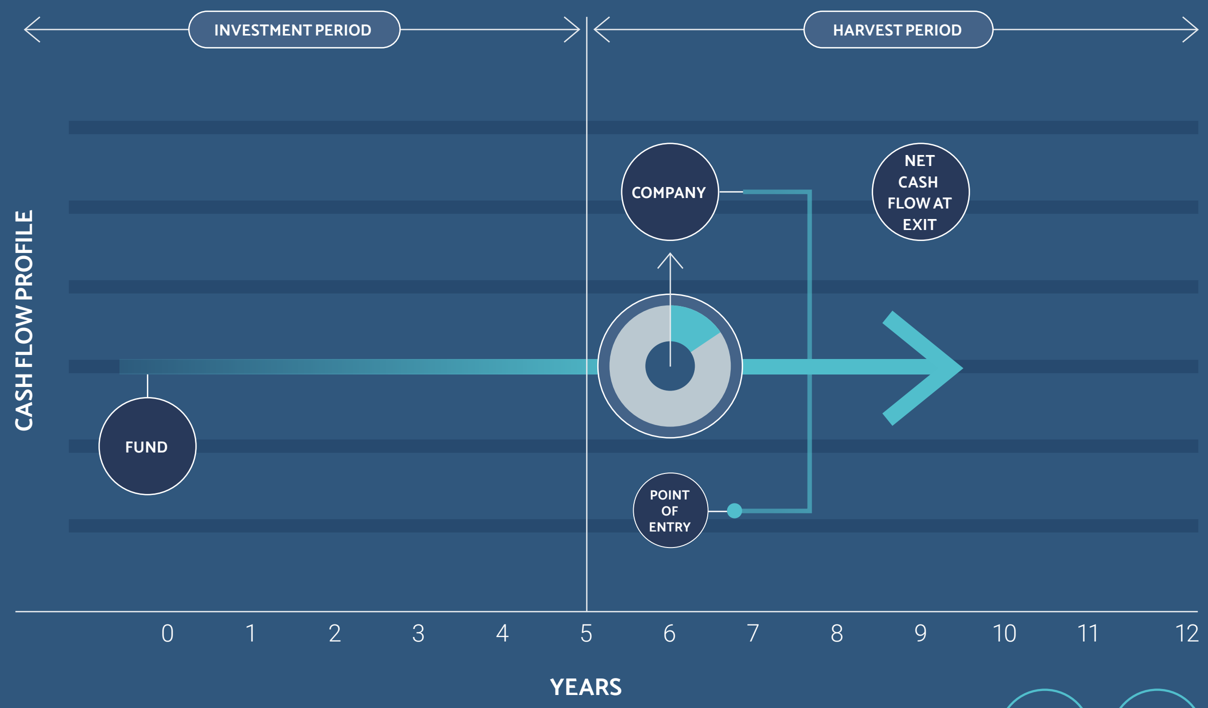
Primaries

Fund secondaries

1 As at 31 May 2024.

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

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



Our Investment Model

Our investment strategies:

Direct company investments

54% of PIP's portfolio[1]

Co-investments

Manager-led secondaries

Funds

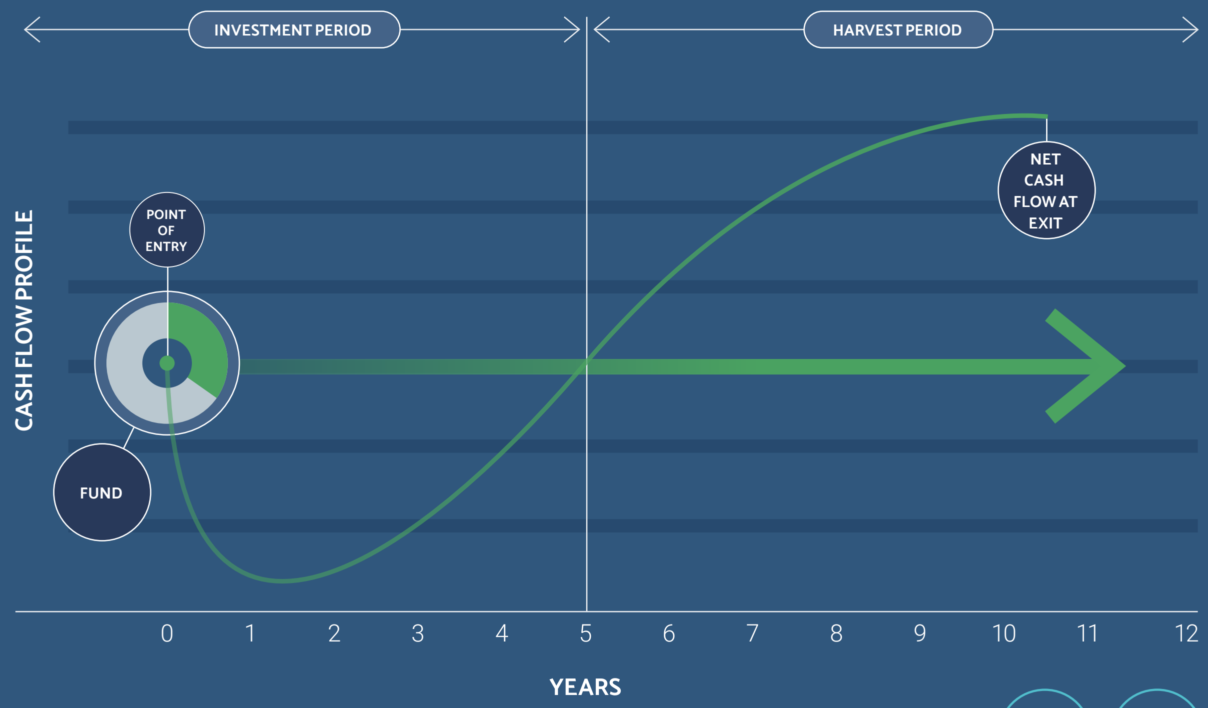
46% of PIP's portfolio[1]

Primaries

Fund secondaries

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

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



1 As at 31 May 2024.

Our Investment Model

Our investment strategies:

Direct company investments

54% of PIP's portfolio[1]

Co-investments

Manager-led secondaries

Funds

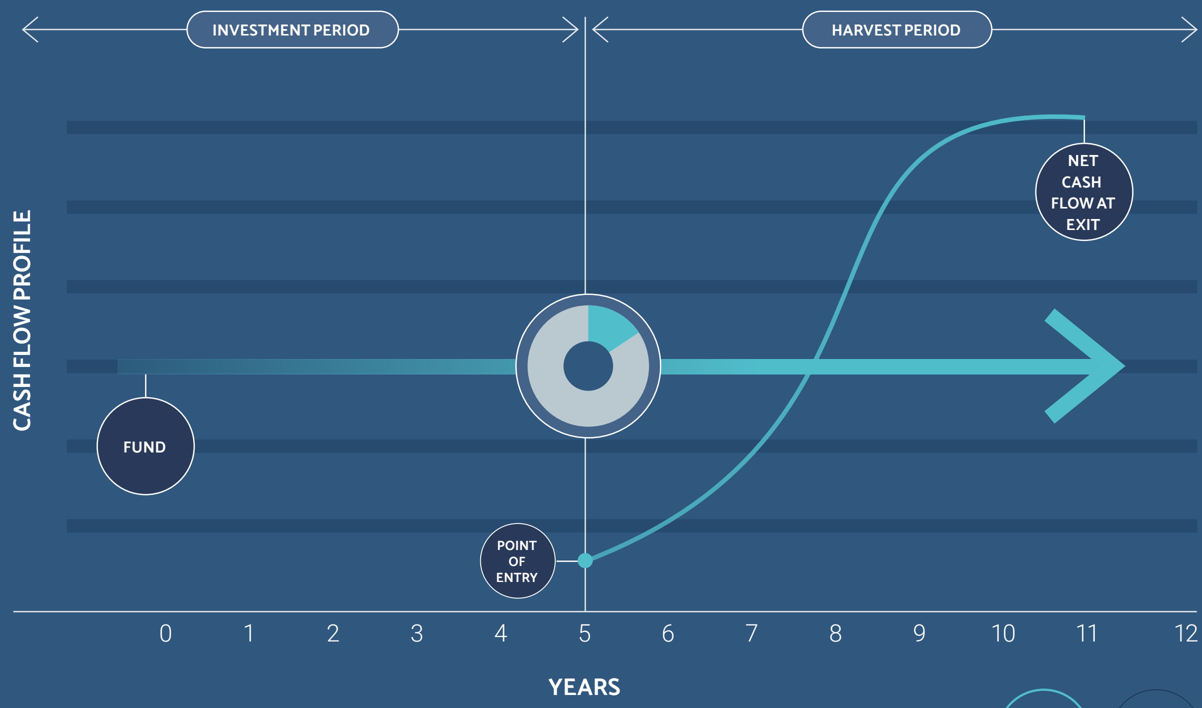
46% of PIP's portfolio[1]

Primaries

Fund secondaries

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

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



1 As at 31 May 2024.

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

The Company may borrow to make investments and typically uses its borrowing facilities to manage its cash flows flexibly, enabling the Company to make investments as and when suitable opportunities arise, and to meet calls in relation to existing investments without having to retain significant cash balances for such purposes. Under the Company's Articles of Association, the Company's borrowings may not at any time exceed 100% of the Company's NAV. 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.

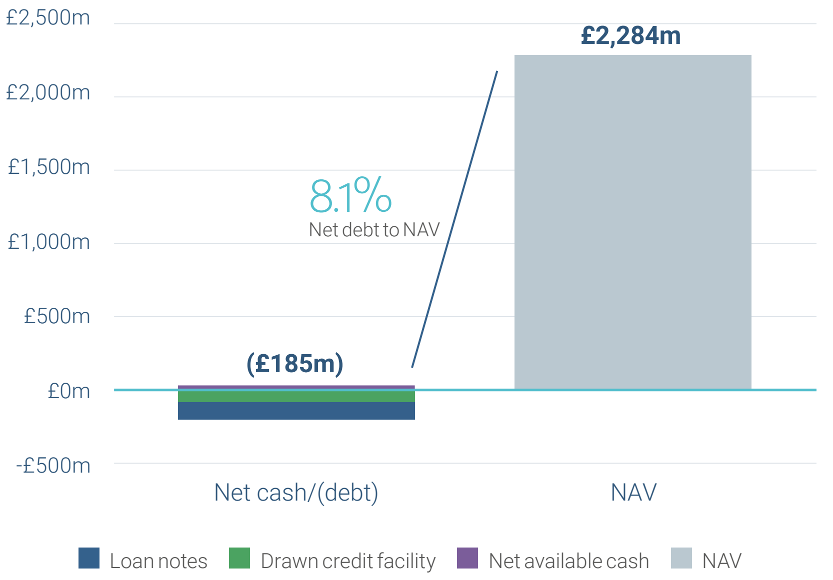
Optimising PIP's Capital Structure

We aim to build a sustainable, diverse and flexible capital structure that can support PIP's corporate and investment strategies.

During the period PIP agreed a new £500m equivalent multi-currency revolving credit facility ("Credit Facility") provided by five relationship lenders, replacing the previous credit facility and Credit Suisse as a lender. In addition, PIP secured a private placement of US$150m of loan notes ("Loan Notes"), structured over different maturities of five, seven and 10 years. The transaction provides PIP with access to long-term funding at a blended US dollar coupon of 6.49%, which is cheaper than the all-in interest cost currently payable on the revolving credit facility.

As a result of these actions, PIP has successfully diversified its financing counterparties, expanded its sources of liquidity and reduced refinancing risk. New investments, calls on undrawn commitments and share buybacks will be funded primarily by distributions and, where appropriate, short-term drawdowns from the Credit Facility.

Net debt to NAV

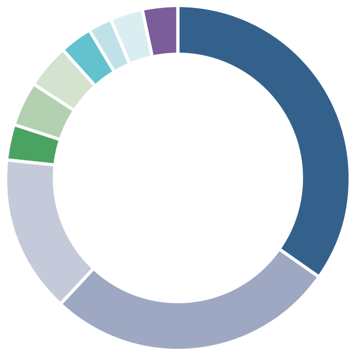


Minimal gearing level

As at 31 May 2024, PIP had £83m drawn down under the Credit Facility and £118m of sterling-equivalent Loan Notes outstanding. Taken in conjunction with PIP's net available cash of £16m, this results in a conservative net debt[1] to NAV ratio of 8.1%. The Board currently does not expect net leverage to exceed 10% of NAV under normal market conditions.

Undrawn commitments by vintage[2]

PIP's undrawn commitments were £789m as at 31 May 2024 (31 May 2023: £857m). Of the £789m undrawn commitments as at the period end, £42m relate to funds that are more than 13 years old, and therefore outside their investment periods. Generally, when a fund is past its investment period, it cannot make any new investments and only draws capital to fund follow-on investments or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically.



2023 and later	33%	2017	3%
2022	26%	2016	2%
2021	14%	2015	3%
2020	3%	2014 and earlier	8%
2019	4%		
2018	4%		

1 Net debt calculated as borrowings (excluding the outstanding balance of the ALN) less net available cash. The ALN is not considered in the calculation of gross borrowings or the loan-to-value ratio, as defined in PIP's Credit Facility and Loan Notes agreements. If the ALN is included, net debt to NAV was 9.4% as at 31 May 2024.

2 Includes undrawn commitments attributable to the reference portfolio related to the ALN.

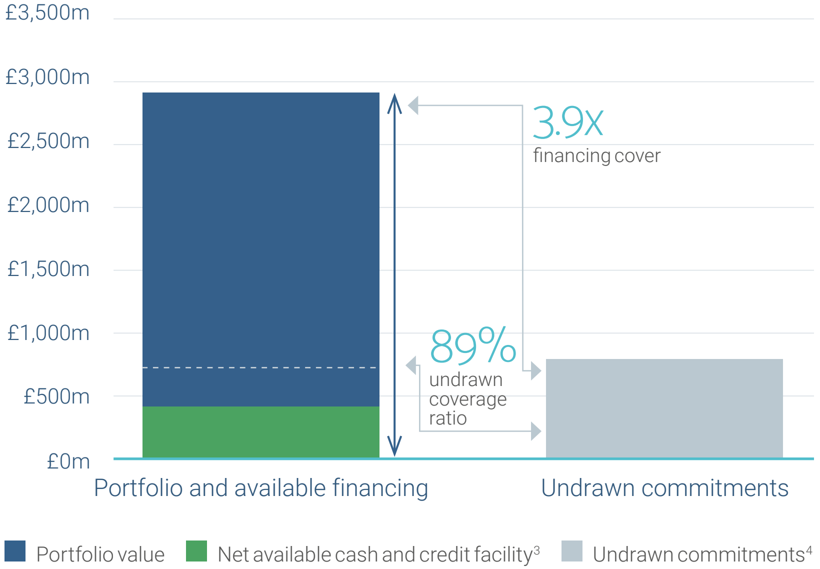
Optimising PIP's Capital Structure

Managing our financing cover

We regularly stress test PIP's balance sheet against a range of scenarios and market conditions to ensure that it is well positioned for the long term. We manage PIP to ensure that it has sufficient liquidity to finance its undrawn commitments, which represent capital committed to funds but yet to be drawn by the private equity managers, as well as to take advantage of new investment opportunities. A critical part of this exercise is ensuring that the undrawn commitments do not become excessive relative to PIP's private equity portfolio and available financing. We achieve this by managing PIP's investment pacing as well as constructing its portfolio to ensure the right balance of exposure to primaries, manager-led secondaries and co-investments.

As at 31 May 2024, PIP had net available cash[3] balances of £16m (31 May 2023: £63m).

Coverage ratios



In addition to these cash balances, PIP also has access to a £500m equivalent credit facility, split as follows:

- Facility A: £400m, expiring in October 2026 with an ongoing option to extend, by agreement, the maturity date by 364 days at a time; and
- Facility B: £100m, expiring in October 2024.

Using exchange rates as at 31 May 2024, the credit facility amounted to a sterling equivalent of £482m, of which £398m remained undrawn as at the year end.

With £16m of net available cash and an undrawn credit facility of £398m, PIP had £414m of available financing as at 31 May 2024 (31 May 2023: £554m) which, along with the value of the private equity portfolio, provides comfortable cover of 3.9 times (31 May 2023: 3.7 times) relative to undrawn commitments for funds within their investment periods.

Another important measure is the undrawn coverage ratio, which is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is a key indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn, and was 89% as at 31 May 2024 (31 May 2023: 98%)[4].

3 The available cash and loan figure excludes the current portion payable under the ALN, which amounted to £0.4m as at 31 May 2024.

4 Excludes outstanding commitments relating to funds outside their investment period (>13 years old), amounting to £41.7m as at 31 May 2024 (31 May 2023: £48.2m).

Risk Management and Principal Risks

The Company is exposed to a variety of risks and uncertainties. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing PIP, together with a review of any new and emerging risks that may have arisen during the year to 31 May 2024, including those that would threaten its business model, future performance, solvency, or liquidity. A summary of the risk management and internal control processes can be found in the Statement on Corporate Governance on pages 123 to 129.

Investment and strategy risk

Type and description of risk	Potential impact	Risk mitigation	Outcome for the year
Investment performance The Manager selects the investments for the Company's portfolio. The origination, investment selection and management capabilities of both the Manager and third-party managers are key to the performance of the Company.	– Performance not comparable to benchmark/industry average. Consistently poor performance may lead to a fall in the quoted share price and impact the share price discount to NAV.	– Pantheon has a long track record of investing alongside private equity managers who have experience of navigating economic cycles. Diversification by geography, stage, vintage and sector, helps to mitigate the effect of public market movements on the Company's performance.	**Stable during the year** – PIP continues to adopt a diversified approach to portfolio construction. – In historical periods of significant public market volatility, private equity market valuations have typically been less affected than public equity market valuations. – Portfolio investment return of +4.9% in the year to 31 May 2024.
Market and macroeconomic factors Inflation, interest rates and equity market performance can affect portfolio investment returns.	– Impact of general economic conditions on underlying fund and company valuations, exit opportunities and the availability of credit. – Higher risk of market volatility, price shocks or a significant market correction.	– As part of its investment due diligence process, Pantheon assesses the approach of its underlying managers to company illiquidity and macroeconomic factors as well as projected exit outcomes. – Portfolio diversified across multiple countries and sectors to reduce the impact of market and macroeconomic factors.	**Stable during the year** – Inflation pressures have decreased during the year in the Global Economy. Interest rates remain at 10-year highs, but early indications are that central banks could start to reduce interest rates. – Resilient performance of the portfolio despite a challenging macro environment. Underlying portfolio Revenue growth was 14% and EBITDA growth was 17% in the reporting period.
Valuations In valuing its investments in private equity funds and unquoted companies and publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by third-party managers.	– Potential for inconsistency in the valuation methods adopted by third-party managers and for valuations to be misstated.	– The valuation of investments is based on periodically audited valuations that are provided by the underlying private equity managers. – Pantheon carries out a formal valuation process involving monthly reviews of valuations, the verification of audit reports and a review of any potential adjustments required to ensure reasonable valuations in accordance with fair market value principles under Generally Accepted Accounting Principles ("GAAP"). – Pantheon's Valuation Committee, which is independent of the investment and investor relations teams, and comprised of senior team members, has ultimate responsibility for approving valuations, ensuring that there are robust governance, oversight and process frameworks in place, guaranteeing compliance with standards and consistent application of policy. The Committee reports to the Board on a Semi-Annual Basis or when there are any material matters arising. – A member of the Audit and Risk Committee and EY observe the Valuation Committee on a semi-annual basis.	**Stable during the year** – No material misstatements concerning the valuations provided by underlying private equity managers and the existence of investments during the year. – No changes in valuation policy in the year or changes to US or International Valuation Standards.

Risk Management and Principal Risks

Investment and strategy risk

Type and description of risk	Potential impact	Risk mitigation	Outcome for the year
Level of discount A decline in the popularity of the listed private equity sector has contributed to a reduction in demand for the Company's shares.	– Market sentiment on the listed private equity sector can affect the Company's share price and widen discounts relative to NAV, causing shareholder dissatisfaction.	– Regular review of the level of discount or premium relative to the sector. – Consideration of ways in which share price performance may be enhanced including the effectiveness of marketing and policies such as share buybacks. – The Board regularly discusses the shareholder register with the Manager to monitor buying/selling activity and to identify potential new investors. – Pantheon and the Company's brokers are in regular contact with existing shareholders and prospective new investors.	**Stable during the year** – Private equity continues to outperform public markets over the long term and has proved to be an attractive asset class through various cycles. – The Company invested £197m[1] in share buybacks during the financial year to 31 May 2024. From 1 June 2024, under the new Capital Allocation Policy, the Board intends to dedicate a proportion of the Company's adjusted net portfolio cashflow future share buybacks. – The Company's share price discount to NAV decreased during the year but, in line with the industry, still trades at a material discount.
Vehicle financing Availability, level, and cost of credit for the Company.	– Potential impact on performance and liquidity, especially in the event of a market downturn.	– PIP's Articles of Association and investment policy impose limits on the amount of gearing that the Company can take on. – The periodic review of principal covenants for the loan facility ensures that the Company complies with loan-to-value and liquidity ratios. – The Board conducts regular reviews of the balance sheet and long-term cash flow projections, including downside scenarios that reflect the potential effects of significant declines in NAV performance, adverse changes in call/distribution rates and restrained liquidity in a distressed environment.	**Falling during the year** – The Company issued US$150m in a private placement of loan notes and refinanced its £500m credit facility. – Cash flow forecasts under normal and stress conditions were reviewed with the Board. Downside scenario modelling indicates that the Company has the available financing in place to meet investment commitments, even in an environment characterised by large NAV declines and a material reduction in distribution activity. – The Board currently does not expect net leverage to exceed 10% of NAV under normal market conditions. The Company-level leverage was 8.1% as at the end of the financial year.
Look-through gearing Availability, level, and cost of debt for underlying funds and portfolio companies.	– Rising interest rates can impact the profitability and valuation of underlying portfolio companies. – A deterioration in credit availability can potentially reduce investment activity.	– As part of its investment process, the Manager undertakes a detailed assessment of the impact of debt at the underlying fund level and underlying company level on the risk-return profile of a specific investment.	**Stable during the year** – Debt multiples in PIP's buyout portfolio remain at reasonable levels as at year end as interest rates have stabilised. – Rates of default or covenant breaches remain very low in the underlying portfolio.

1 Excluding costs and stamp duty.

Risk Management and Principal Risks

Investment and strategy risk

Type and description of risk	Potential impact	Risk mitigation	Outcome for the year

Liquidity management
Insufficient liquid resources to meet outstanding commitments to private equity funds.
	– The Company has outstanding commitments that may be drawn down at any time in excess of total liquidity to private equity funds. The ability to fund this difference is dependent on receiving cash proceeds from investments (the timing of which are unpredictable) and the availability of financing facilities.	– PIP has a mature portfolio that is naturally cash generative.
		– If cash balances and cash distributions are insufficient to cover capital calls, PIP has the ability to draw funds from a credit facility.
		– Pantheon manages the Company so that undrawn commitments remain at an acceptable level relative to its portfolio assets and available financing.
		– The Board conducts a comprehensive review of the Company's cash flow forecasts under different scenarios on a regular basis.
			Stable during the year
			– PIP has access to a £500m-equivalent loan facility split as follows:
			  – Facility A: £400m, expiring in October 2026 with an ongoing option to extend, by agreement, the maturity date by 364 days at a time; and
			  – Facility B: £100m, expiring in October 2024.
			– Overall finance has strengthened in the period including diversification of the facility lenders and diversifying the maturity dates. However, distribution levels remain significantly below long-term averages at 8% per annum.
			– Together with PIP's net available cash balances of £16m, total available financing as at 31 May 2024 stood at £414m. Total available financing, along with the private equity portfolio, was greater than outstanding commitments by a factor of 3.9 times.

Investment rate Lack of suitable investment opportunities to meet strategic objectives.	– Change in risk profile because of manager, fund or company exposures that are materially different from the Company's intended strategy.	– Pantheon has put in place a dedicated investment management process designed to achieve the intended investment strategy agreed with the Board. – The Board regularly reviews investment and financial reports to monitor the effectiveness of the Manager's investment processes.	**Stable during the year** – During the year, PIP has invested within strategic limits for vintage year, geography and stage allocations, as well as within concentration limits for individual managers, funds and companies. – PIP invested £197m in share buybacks during the last year.
Foreign exchange risk PIP has continued to expand its geographic diversity by making investments in different countries. Accordingly, a significant majority of PIP's investments are denominated in US dollars, euros and currencies other than sterling.	– Unhedged foreign exchange rate movements could impact NAV total returns.	– Pantheon monitors underlying foreign currency exposure and, together with the Board, reviews hedging strategies available to the Company. – As part of its investment process, the Manager takes currency denominations into account when assessing the risk/return profile of a specific investment. – The multi-currency credit facility is a natural hedge for currency fluctuations.	**Stable during the year** – There was no material change in the Company's exposure to foreign exchange currency risk in the year. – Foreign exchange had a negative impact on NAV performance during the year. Despite this, it remains appropriate for the Company not to hedge its foreign exchange.

Operational risk

Type and description of risk	Potential impact	Risk mitigation	Outcome for the year
Sustainability and climate change The risk that the Company or the Manager fails to respond appropriately to the increasing global focus on sustainability issues.	– The Company is exposed to the impact of a mismanagement or failure to recognise potential sustainability issues at portfolio company level, industry level, service provider, and Board level, which could damage the reputation and standing of the Company and ultimately affect its investment performance.	– Pantheon has a responsible approach when making investments on behalf of PIP. Adherence to sound sustainability principles has been an integral part of Pantheon's pre-and post-investment processes for several years. Pantheon continues to play an influential role in promoting sustainability standards and Inclusion and Diversity in private equity.	**Stable during the year** – Pantheon has an established in-house sustainability committee comprising senior individuals from its investment, risk, legal and investor relations teams. – Pantheon has recently published the Company's Sustainability report. – Pantheon analyses the annual Sustainability Survey responses and individual GP ratings to produce the Private Markets Sustainability Index ("PMSI") which is publicly available on Pantheon's website. – The Board has nominated Dame Susan Owen DCB, to lead engagement with Pantheon on behalf of the Board. – The Board of PIP has oversight of sustainability matters in PIP's portfolio.
Tax status Changes in the Company's tax status or in tax legislation and practice.	– Failure to understand tax risks when investing or divesting could lead to tax exposure or financial loss.	– Pantheon's investment process incorporates an assessment of tax. – The Manager reviews the appropriateness of an investment's legal structure to minimise the potential tax impact on the Company.	**Stable during the year** – Taxes had a minimal effect on overall NAV performance in the year.
Service providers The Company is dependent on third parties for the provision of services and systems, especially those of the Manager, the Administrator and the Depositary.	– Business disruption should the services of Pantheon and other third-party suppliers cease to be available to the Company. – A failure of the Manager to retain or recruit appropriately qualified personnel may have a material adverse effect on the Company's overall performance.	– The Board keeps the services of the Manager and third-party suppliers under continuous review. – The Management Agreement is subject to a notice period of two years, giving the Board adequate time to make alternative arrangements in the event that the services of Pantheon cease to be available. – The Manager regularly updates the Board on team developments and succession planning. – The Board performs an ongoing review of the Manager's performance in addition to a formal annual review.	**Stable during the year** – The Board has approved the continuing appointment of the Manager and other service providers following an assessment of their respective performance during the year. – Pantheon operates a hybrid working model and is confident of being able to continue to meet PIP's needs through this model.

Operational risk

Type and description of risk	Potential impact	Risk mitigation	Outcome for the year
Cybersecurity High dependency on effective information technology systems to support key business functions and the safeguarding of sensitive information.	– Significant disruption to information technology systems, including from a potential cyber-attack, may result in financial losses, the inability to perform business-critical functions, loss or theft of confidential data, regulatory censure, legal liability and reputational damage.	– Pantheon has a comprehensive set of policies, standards and procedures related to information technology and cybersecurity. – Ongoing investment and training to improve the reliability and resilience of Pantheon's information technology processes and systems. – Pantheon reviews all the service providers to ensure they have appropriate procedures in place. Service providers provide copies of cybersecurity policies, systems, procedures, certificates and relevant insurance documentation.	**Stable during the year** – Pantheon's systems, processes and technologies have been thoroughly tested and are fully operational. – An imposter website which used PIP's branding and marketing material in relation to a fictitious cryptocurrency investment continued to appear under new names. – Pantheon has implemented an expert vendor who can provide the service of identifying new fraudulent sites and facilitate the subsequent take-down once discovered.
Global geopolitical risks Geopolitical factors, including the Russia-Ukraine war and the conflict in the Middle East, and the resulting economic uncertainty may affect the Company.	– Market and currency volatility may affect returns. – New or increasing geopolitical risks including further conflict, supply chain disruption, sanctions, new legislation, and investment restrictions could have medium and long-term impact on global economies, including energy prices and interest rates, and individual companies to which the Company has exposure. – Geopolitical undercurrents may disrupt long-term investment and capital allocation decision-making.	– The Board and Pantheon continuously monitor geopolitical developments and societal issues relevant to its business. – An assessment of geopolitical risk is embedded in Pantheon's investment process.	**Rising during the year** – Pantheon's established Risk, Legal and Tax functions have ensured compliance with local laws and regulations. – PIP's exposure to high-risk countries is minimal.
Artificial Intelligence ("AI") Disruption to business model of the Investment Manager and underlying portfolio companies may impact the long-term performance of the Company.	– Failure to successfully implement market leading AI tools within Pantheon's investment process could impact investment rates and long-term performance. – Sectors and Individual Portfolio companies market position could be challenged by competition from companies using AI. Failure to respond to the challenges could impacted long-term performance and attractiveness to potential buyers.	– Pantheon continues to evaluate further opportunities to use AI within its Investment Management Processes and wider business model. – Pantheon assesses the potential risks and opportunities of AI as part of its due diligence process and in ongoing monitoring.	**Rising during the year** – The use of AI throughout different sectors and companies continues to grow year on year. – No material impact from AI on the overall portfolio during the year.

Directors' Duties and Stakeholder Engagement

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

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

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

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

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

Decision-making

The importance of stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Further information on the role of the Board in safeguarding stakeholder interests and monitoring ongoing investment activity can be found on pages 22 to 27 of the Strategic Report.

Stakeholders

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

Directors' Duties and Stakeholder Engagement

Importance	Board engagement
Shareholders Continued shareholder support and engagement is critical to the Company and the delivery of its long-term strategy. Further details on what PIP offers to its investors can be found on pages 3, 12 to 41 of the Strategic Report.	The Board is committed to maintaining open channels of communication and to engage with shareholders in a meaningful manner in order to gain an understanding of their views. These include: – **AGM:** The Company welcomes and encourages attendance and participation of shareholders at the Annual General Meeting ("AGM"). Shareholders have the opportunity to meet the Directors and Manager, Pantheon, and to address questions to them directly. Pantheon attends the AGM and gives a presentation on PIP's performance and the future outlook. The Company values any feedback and questions that it may receive from shareholders ahead of and during the AGM, and will take action or make changes, as and when appropriate; – **Publications:** The Annual Report and Half-Year results are made available on PIP's website (www.piplc.com) and shareholders are notified when these are available. These reports provide shareholders with a clear understanding of PIP's business model, strategy, portfolio and financial position. This information is supplemented by a monthly newsletter, which is available on the website, and the publication of which is announced via the London Stock Exchange. In addition, a quarterly "PIP News and Views" update is circulated by the Manager to institutional investors and analysts which provides a round-up of news, research and views, and highlights key points of interest relating to PIP. Feedback and/or questions that the Company receives from shareholders help the Company to evolve its reporting, aiming to render the reports and updates transparent and understandable; – **Shareholder meetings:** As PIP is an investment trust, shareholder meetings often take the form of meeting with the Manager. Shareholders are able to meet with Pantheon throughout the year and the Manager provides information on the Company. Feedback from meetings between the Manager and shareholders is shared with the Board. The Chair, the Senior Independent Director, the Chair of the Audit Committee and other members of the Board are available to meet with shareholders to understand their views on governance and PIP's performance should they wish to do so. With assistance from the Manager, the Chair seeks meetings with shareholders who might wish to meet with him. A significant number of meetings has been held with shareholders throughout the year to 31 May 2024 and the previous year, and an ongoing dialogue has been established with a number of shareholders. – **Shareholder concerns:** In the event that shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chair at the registered office. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels; and – **Investor Relations updates:** At almost every Board meeting, the Directors receive updates from the Company's brokers on the share trading activity and share price performance, as well as an update from Pantheon's Head of Investor Relations & Communications for PIP on specific shareholder feedback. Any pertinent feedback is taken into account when the Directors discuss the corporate and investment strategy. The willingness of the shareholders to maintain their holdings over the long term is another way for the Board to gauge how PIP is meeting its objectives.

Directors' Duties and Stakeholder Engagement

Importance	Board engagement
The Manager Holding the Company's shares offers investors a liquid investment vehicle through which they can obtain exposure to PIP's diversified portfolio of private equity investment opportunities and Pantheon's relationships with its private equity managers (General Partners or "GPs"). The Manager's performance is critical for PIP to successfully deliver its investment strategy and meet its objective to provide shareholders with attractive and consistent returns over the long term. Further details of PIP's investment approach can be found on pages 28 to 41 of the Strategic Report.	Maintaining a close and constructive working relationship with the Manager is crucial as the Board and the Manager both aim to achieve consistent, long-term returns in line with PIP's investment strategy. The Board is in regular contact with the Manager to receive updates on investment activity. Important components in the collaboration with the Manager, representative of the Company's culture are: – Encouraging an open discussion with the Manager, allowing time and space for original and innovative thinking; – Recognising that the interests of shareholders and the Manager are, for the most part, well aligned, adopting a tone of constructive challenge, balanced with robust negotiation of the Manager's terms of engagement if those interests should not be fully aligned; – The regular review of underlying strategic and investment objectives; – Drawing on the Directors' individual experience and knowledge to support and challenge the Manager in its monitoring of portfolio companies and engagement with its GPs; and – The Directors' willingness to use their experience to support and challenge the Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Manager's business is in the interests of shareholders in the Company.
GPs/portfolio companies PIP's investment strategy is focused on backing managers that create sustainable value in the underlying portfolio companies. The Manager has extensive private equity networks and relationships with private equity managers globally, which give the Company increased access to the best investment opportunities.	The relationship with Pantheon is fundamental to ensuring PIP meets its purpose. Day-to-day engagement with GPs is undertaken by Pantheon. Details of how Pantheon carries out portfolio management, as well as information on how GPs consistently transform companies to create long-term value, can be found in the Manager's Review on pages 56 to 109. The Board receives updates at each scheduled Board meeting from the Manager on specific investments, including regular valuation reports and detailed portfolio and returns analyses. Pantheon's engagement with GPs and due diligence of portfolio companies through the investment process and its investment strategies can be found in the Strategic Report on pages 28 to 41 and pages 62 to 69 and in the Manager's Review.
The Administrator, the Company Secretary, the Registrar, the Depositary and the Broker In order to function as an investment trust with a premium listing on the London Stock Exchange, PIP relies on a diverse range of reputable advisers for support in meeting all relevant obligations.	The Board maintains regular contact with its key external providers and receives regular reports from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views, are routinely taken into account. The Board (through the Management Engagement Committee) formally assesses the performance, fees and continuing appointment of key service providers annually, to ensure that they continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Audit Committee reviews and evaluates the financial reporting control environments in place at each service provider.

Directors' Duties and Stakeholder Engagement

Importance	Board engagement
The environment and society The Board continues to increase emphasis on the importance of sustainability factors in its investment deliberations. The Board and the Manager are fully committed to managing the business and its investment strategy responsibly.	The Board receives regular updates on Pantheon's sustainability strategy and provides feedback on their approach, which in turn can lead to changes in its investment approach. Full details on the Manager's approach to embedding material sustainability considerations throughout the investment process, can be found on pages 62 to 69.
Revolving credit facility providers and loan note holders Availability of funding is crucial to PIP's ability to take advantage of investment opportunities as they arise as well as being able to meet future unfunded commitments.	The Company aims to demonstrate to its facility syndicate and note holders that it is a well-managed business, capable of consistently delivering long-term returns. Regular dialogue between the Manager, the syndicate and note holders is crucial to supporting PIP's relationship with its lenders.
Regulators PIP can only operate as an investment trust if it conducts its affairs in compliance with such status. Interaction with regulators such as the Financial Conduct Authority ("FCA") and Financial Reporting Council ("FRC"), who have a legitimate interest in how the Company operates in the market and treats its shareholders, and industry bodies such as the Association of Investment Companies ("AIC"), remains an area of Board focus.	The Company regularly considers how it meets various regulatory and statutory obligations and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term. The Board receives reports from the Manager and Auditor on their respective regulatory compliance and any inspections or reviews that are commissioned by regulatory bodies.

Directors' Duties and Stakeholder Engagement

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

Principal decision	Long-term impact	Stakeholder considerations and engagement
Capital allocation	The Board continually explores how to optimise the investment trust structure in order to maximise benefits to shareholders. This includes discussion of the Capital Allocation Policy with Pantheon, and considering buying back the Company's shares when this is likely to outperform new investments due to the prevailing discount to NAV.	During this and the previous year, the Chair met with a significant number of shareholders and has established an ongoing dialogue with a number of these. This engagement has formed the foundation of a number of key decisions made during the year. A significant amount of funds were made available for share buybacks during the year and 64.3 million shares were bought back. As discussed in the Chair's Statement on pages 6 and 7, during the year the Board has extensively discussed the options available to take advantage of the investment opportunity offered by the prevailing level of discount, and published an updated Capital Allocation Policy taking shareholder feedback into account.
Refinancing	A diverse and flexible capital structure and appropriate use of leverage strengthens shareholder returns.	In order to increase the Company's flexibility and balance sheet strength, its revolving credit facilities were refinanced and private placement loan notes were issued during the year. Increasing the number of credit counterparties provides flexibility and improved liquidity. As discussed on page 9, the Board has extensively considered how gearing can be best used to benefit shareholders during the year under review.
Board succession planning	Effective succession planning, leading to the refreshment of the Board and its diversity, is necessary for PIP's long-term success.	The Nomination Committee is responsible for Board recruitment and conducts a continuous and proactive process of planning and assessment, taking into account the Company's strategic priorities and the main trends and factors affecting PIP's long-term success and future viability. During the year, following a review of the balance of skills and diversity on the Board, as well as the Diversity Policy, and following a search process, Mr Welde and Ms Clements were appointed to the Board. Their appointments have increased both the ethnic and gender diversity of the Board and brought this in line with the three targets set in the Listing Rules[1]. For further information see pages 127 to 128.
Marketing initiatives	Various marketing initiatives have been agreed with the Board during the period to increase the attractiveness of PIP to new and existing investors and improve the liquidity of the stock.	In order to increase clarity of branding, communication and to encourage long-term holding of PIP shares, the Board increased the Company's marketing spend and established a Marketing sub-committee of the Board. A selection process for a marketing agency was carried out, resulting in an appointment. The Board believes that these decisions will aid in maintaining existing, and attracting new retail, and institutional investment which will be beneficial to all stakeholders.

1 References to the Listing Rules throughout this Report refer to the FCA's Listing Rules as these were in effect during the year under review. References will be updated for the new Listing Rules, which took effect on 29 July 2024, in the 2025 Annual Report.

Viability Statement

Pursuant to provision 31 of the UK Corporate Governance Code 2018, and the AIC Code of Corporate Governance, the Board has assessed the viability of the Company over a three-year period from 31 May 2024. It has chosen this period as it falls within the Board's strategic planning horizon.

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

The Company seeks to maximise long-term capital growth by investing with top-tier private equity managers that are focused on generating outperformance against the broader private equity market. As an investment trust, the Company's permanent capital structure is well suited to investing in private equity, a long-term asset class. The Company's Manager has a long-standing culture that emphasises collaboration and accountability, facilitating open dialogue with underlying private equity managers that help the Company to anticipate market conditions and maintain a conservative approach to balance sheet management. The resilience of the Company, positioning of the portfolio, and durability of the private equity market are detailed on pages 56 to 61.

In making this statement, the Directors have reviewed the reports of the Manager in relation to the resilience of the Company, taking account of its current position, the principal risks facing it in a downside case scenario which considers the potential further impact of the ongoing international conflicts and election cycles which have brought about increased geopolitical uncertainties including the disruption to the global supply chain and increases in the cost of living as result, persistent inflation, interest rate rises and the impact of climate change on PIP's portfolio, the effectiveness of any mitigating actions and the Company's risk appetite. The assessment also considers the impact of the Company's Capital Allocation Policy in regard to share buybacks.

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

Commitments to new funds are controlled relative to the Company's assets, and the Company's available liquid financial resources are managed to maintain a reasonable expectation of being able to finance the calls, which arise from such commitments, out of internally generated cash flow. The Company has put in place a revolving credit facility to ensure that it is able to finance such calls in the event that distributions received from investments in the period are insufficient to finance calls. In addition, the Company agreed a private placement of $150m long-dated loan notes, giving it access to an even more diverse supply of liquidity. The Board reviews the Company's financing arrangements at least quarterly to ensure that the Company is in a strong position to finance all outstanding commitments on existing investments as well as being able to finance new investments.

In reviewing the Company's viability, the Board has considered the Company's position with reference to its investment trust structure, its business model, its business objectives, the principal risks and uncertainties, as detailed on pages 44 to 48 of this report, and its present and expected financial position. In addition, the Board has also considered the Company's conservative approach to Balance Sheet management, which allows it to take advantage of significant investment opportunities, and the appropriateness of the Company's current investment objectives in the prevailing investment market and environment.

The Board regularly reviews the prospects for the Company's portfolio and the opportunities for new investment under a range of potential scenarios to ensure it can expect to be able to continue to finance its activities for the medium-term future. Based on its review, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a three-year period ending on 31 May 2027.

On behalf of the Board

JOHN SINGER CBE

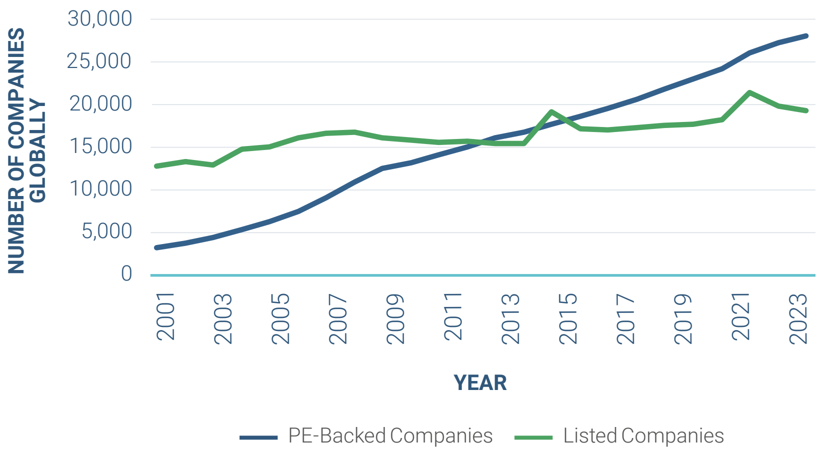
31 July 2024

Manager's Review

Strength and resilience

Helen Steers and Charlotte Morris, Partners at Pantheon and Co-Lead Managers of PIP, discuss how the private equity market continues to successfully navigate the challenging macroeconomic environment.

Public markets continue to shrink while the number of PE-backed companies is growing[1]



HELEN STEERS AND CHARLOTTE MORRIS
Partners at Pantheon and Co-Lead Managers of PIP

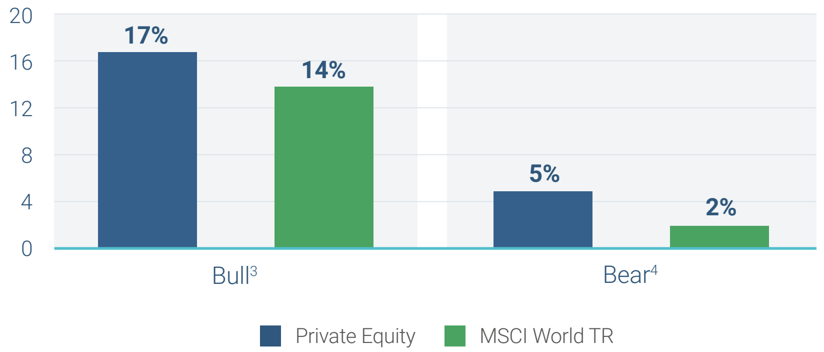
As we consider the significant challenges that have arisen during the last few years, as a result of major macroeconomic and geopolitical events as well as the aftermath of the COVID-19 pandemic, investors are increasingly looking for stability, predictability and consistent returns. While not immune to what is happening in the world, private equity offers an interesting proposition as part of a diversified investment portfolio. With public markets becoming ever more concentrated, and arguably covering only a small subset of the broader range of investment opportunities, private markets are able to provide access to exciting, fast growing and niche orientated businesses that are focused on compelling sub-sectors such as enterprise software and healthtech. Furthermore, numerous studies and sources have demonstrated that private equity can outperform public markets over the medium and long term. In our view, the best quality, most experienced private equity managers are particularly well-suited to successfully navigate uncertainty and, with their nimbleness and long-term investment horizon, take advantage of periodic market dislocations by sourcing compelling deals, often at attractive valuations. Also, they are able to develop innovative solutions for their investors: the rise of manager-led deals in the secondary market is an example of this.

One of the fundamental characteristics of the private equity industry is its ability to adapt, evolve and respond flexibly to prevailing market conditions. For example, nowadays the best private equity managers are no longer the "financial engineers" that were more common several decades ago at the dawn of the industry, but now are sophisticated operators of businesses. They have experts on staff who take a "hands-on" approach by getting to know their portfolio companies inside out, working with well-aligned management teams and hand-picked industry experts to implement operational improvements. In addition to delivering organic revenue and profit growth, successful private equity managers identify add-on acquisitions to fuel company growth geographically or in complementary products and services.

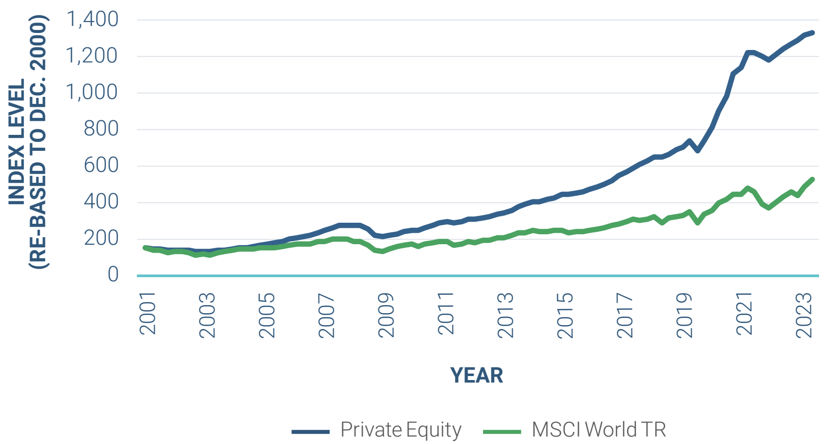
1 Source: PitchBook and World Federation of Exchanges as at 31 December 2023.

Our Market

Average Annual Returns During Market Cycles (2000 - 2023)[2]



Private equity consistently outperforms the public markets over the long term[2]



Private equity managers are patient as well as active investors; they typically hold their companies for an average of six years, away from the glare and perhaps more short-term mindset of the public markets, making strategic decisions that they believe will deliver in the medium and long term even though they may not have an immediate impact on earnings in the short term.

Investing in resilient, growing sectors

Although recent performance of the private equity industry has been impacted by the unwinding of quantitative easing, interest rate hikes, high inflation and lower valuation multiples, it has nevertheless demonstrated its resilience, continuing to outperform public markets over the medium and long term. We have seen this within PIP's own portfolio which, over the past couple of years, has not experienced the valuation impairments that were perhaps expected by public market commentators. One of the reasons for this is because, on behalf of PIP, we are backing top quality managers who are sector specialists, focusing on resilient, non-cyclical sectors that are benefitting from long-term trends such as automation and digitalisation, ageing demographics and sustainability. In addition, we are investing directly in the most exciting sub-sectors of the market through co-investments and single-asset, manager-led secondaries, deploying our "double filter" to identify and access the most attractive company opportunities.

Many private equity managers, and Pantheon itself, use artificial intelligence (AI) tools, which bring a number of benefits and efficiencies to the due diligence process, monitoring and the management of the portfolio. From an investment standpoint, private equity is actively targeting companies that provide products and services enabling the adoption and implementation of large-scale AI strategies. While the promise of AI has been around for years, there has been a resurgence of interest due to the advent of more accessible machine learning models, reusable large language models (LLMs), and the sheer amount of data that enterprises have to manage dynamically. An example of one of PIP's portfolio companies which is enabling its customers to solve AI data strategy problems is Confluent, which is featured as a case study on page 89 of this report.

We believe that these longer-term trends, including AI, are here to stay regardless of what is happening in the broader macroeconomic environment, and will continue to provide tailwinds to PIP's portfolio companies. As shown on pages 70, 76 and 77 of this report, PIP's portfolio gives investors exposure to exciting businesses in niche sectors that are not typically available via the public markets and which benefit from these secular trends.

2 Preqin, as at March 2024.

3 The bull market covers the years ending: 31 December 2004 to 31 December 2006; 31 December 2009 to 31 December 2018; 31 December 2020; and 31 December 2023.

4 The bear market cover the years ending: 31 December 2000 to 31 December 2002; 31 December 2006 to 31 December 2008; 31 December 2019; and 31 December 2022 to 31 December 2023.

Our Market

Overall, profitable, growing technology and healthcare companies make up a considerable proportion of PIP's exposure. Our preference is to "lean in" to the dynamic parts of the global economy and this underpins our focus on generating appropriate risk-adjusted returns over the long term. Many of the companies in PIP's portfolio are able to pass their costs on to their customers efficiently because of the differentiated must-have products and services that they offer. For example, software-as-a-service (SaaS) providers such as Visma, one of PIP's largest companies, have the advantage that their clients often cannot do without these essential business tools, and price increases can be implemented immediately. PIP's private equity managers are also seeking to contain costs in their underlying companies, obtain better terms from suppliers and drive through change. Notably, they are using technology (including AI) for a variety of purposes, such as improving productivity and making efficiency gains, and for better risk management.

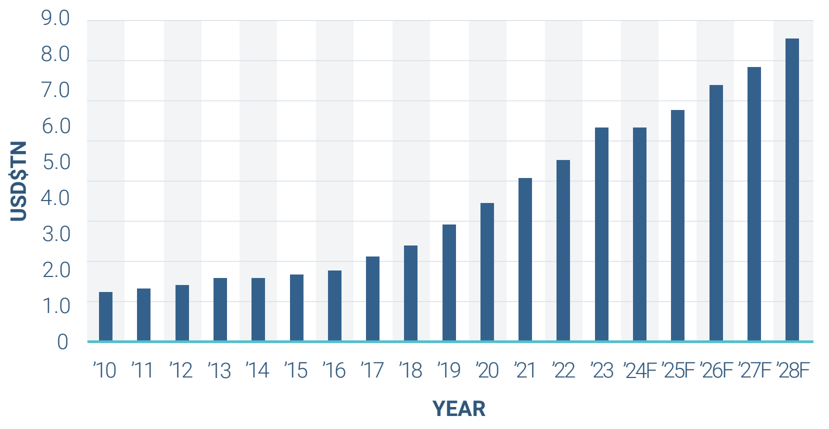
The effects of these actions can be evidenced by the fact that the average annual EBITDA growth of PIP's buyout portfolio in the last five years is a robust +19%. In addition, when our portfolio companies are sold, they are typically realised at an uplift to the carrying value of the company. In PIP's portfolio, the weighted average uplift of the companies that were sold was +20% during the financial year to 31 May 2024. This indicates that our portfolio companies are valued conservatively, and continues the trend that we have observed for many years; since 2012 the average uplift upon exit of PIP's portfolio companies has been +30%. There is a broader explanation of this phenomenon, which applies more generally to the private equity market; managers "smooth" valuations and prefer to surprise their closed-end fund investors on the upside. In addition, it is important to note that private equity managers generally do not receive their performance fee until the majority of the fund has been fully exited and the overall returns have exceeded a challenging "high water" mark. Therefore, private equity managers have little incentive to excessively write up the valuations of their portfolio companies. These factors add further weight to our view that the scepticism of public market commentators as to the validity of the valuations in private equity, is unwarranted. Some of the case studies in this report (for example, pages 82, 86 and 88) demonstrate how our managers have created value in their portfolio companies.

Deal activity and exit environment in private equity

As well as understanding the valuation methodologies of our underlying managers, part of our detailed investment due diligence process also includes analysing the investment rationale, the value creation levers available and the expected exit routes for the target business. A majority of PIP's portfolio is invested in buyouts, where the private equity manager (sometimes alongside co-investors) is the majority owner and can therefore choose when and how to exit a portfolio company. In other words, private equity managers control their realisations and importantly, they are not forced sellers. As a result of the current macroeconomic environment, many of our managers are holding on to their companies for longer than usual while they wait for the right time to commence a sales process. Indications are that the average holding period has increased from around five years in 2019 to around six years in 2023[5]. More generally, the slowdown in M&A transactions over the past two years means that private equity deal flow was lower in 2023, compared to 2022 and 2021, although add-on acquisitions continued apace as private equity managers executed on their "buy-and-build" strategies, snapping up smaller, synergistic companies at attractive valuations to bolt on to their platform companies.

We are hopeful that we will start to see increased deal activity as more certainty returns to the inflation and interest rate environment, and the opening of the initial public offering (IPO) market accelerates. Although PIP is not dependent on its portfolio companies going public for exits, healthy IPO markets boost overall market confidence and support both private equity and strategic/trade buyer activity. Both we and our managers are unable to predict the timing of a resurgent M&A market, but there are very early signs that the tide may be starting to turn, which means that several of PIP's portfolio companies, which are already being prepared for exit, will be ready for sale as the outlook improves. Indeed, deal activity does seem to

Private Equity assets under management ("AUM")[6]



5 Source: Bain & Company, Global Private Equity Report 2024.

6 Source: Preqin, as at 31 December 2023. Forecasts from "Preqin Special Report: Futures of Alternatives 2028" (February 2024).

be picking up – for example recently released data shows that new transactions in Europe increased markedly in Q2 2024, with newly recorded deals increasing by 5% by number, and by 73% by aggregate deal value[7].

In addition to more confidence returning to the overall M&A market, there are record levels of dry powder (c.US$1.5tn[8]) in our industry, which is capital that has been raised and is available to invest but has not yet been deployed, however a majority of this is concentrated among the largest buyout funds. This capital sitting above us at the mega end of the market is positive for PIP as these managers can, and often do, buy our smaller portfolio companies to take them onto their next stage of development. The most recent European deal data appears to point to greater activity by the large and mega buyout focused managers, who are under pressure to deploy capital.

Perhaps unsurprisingly in the current macroeconomic environment, private equity fundraising remained challenging during 2023. However, we observed that the highest quality private equity managers were not held back and were still able to fundraise while those of lesser quality struggled. Fundraising is taking longer on average and there are fewer first time funds than has been the case in the past. Nevertheless, the buyout segment of the global private equity market had its best year on record for fundraising and private equity assets under management are expected to exceed US$8.5tn[9] by 2028. On behalf of PIP, we focus on small-mid market buyouts as we believe that this part of the market offers compelling characteristics and multiple opportunities for value creation. See the "Unlocking value in the mid-market" commentary for more information.

Despite the difficult conditions, indications are that institutional investors remain committed to private equity with the majority responding in surveys that they plan to maintain or increase their allocations to the asset class over the longer term[10].However, many of these investors are under pressure because of diminished distributions over the past two years, and are keen to see capital returned from their existing private equity funds, in order to be able to commit to new funds. The so-called "denominator" effect, which occurs when investors find that their investment portfolios are overallocated to private equity versus their public equity exposure, has persisted, even though public markets have rebounded since the end of 2023. This phenomenon, coupled with the softer exit and distribution environment has led to an increase in the number of manager-led secondary deals through 2023 as pressure for liquidity generation from fund investors continued to mount. This proliferation of secondary deals that are led by the private equity managers themselves has provided attractive opportunities for a seasoned secondary market investor such as Pantheon. See the interview with Charlotte Morris, Pantheon Partner and Co-Lead Manager of PIP, on pages 60 to 61 to find out more about this fast-growing part of the private equity market.

7 Source: Preqin data, as at 11 July 2024.
8 Source: Preqin data, as at 8 July 2024.
9 Source: Preqin Global Report Private Equity 2024.
10 Source: Preqin Institutional Allocation Survey 2024.

Unlocking value in the mid-market

The majority of PIP's portfolio is invested in buyouts, which are well-established businesses where institutional investors have control of the company alongside suitably aligned management teams. PIP focuses on small/mid-market buyouts in the developed markets of the USA and Europe. We favour this part of the market as we believe that it offers a number of benefits:

- **Attractive supply/demand profile and favourable deal dynamics:** The target companies are often founder or family-led and may be receiving institutional capital for the first time. This means that the investment process can be inefficient, with less likelihood of a highly intermediated deal, resulting in a lower entry price.
- **Multiple growth and value creation levers:** Small/midsized companies receiving capital for the first time ("primary buyouts") will often need help in setting up a modern reporting system, improving their financial accounting and optimising their capital structure. These are "quick wins" that form part of a classical private equity "playbook" and can generate significant value in the first 100 days of an investment. There are many subsequent pathways for value creation as the companies achieve operational improvements, increase their scale, expand geographically and complete add-on acquisitions, all with the help (as well as the capital provided) of the private equity manager and their operational experts. All these potential activities enhance returns for investors.
- **Leverage:** Small/mid cap private equity managers typically use more moderate levels of debt compared to those at the large/mega end of the industry, and rely more on operational improvement than financial engineering to create value. This results in a lower level of leverage risk associated with small/mid sized businesses.
- **More exit routes:** Private equity backed, mid-market companies are prime targets for strategic (or trade) buyers, who can underwrite operating synergies and potentially pay higher multiples, as well as for large/mega buyout private equity managers, who can take the companies through their next stage of growth. As a result, mid-market private equity managers are less dependent on IPOs to exit their portfolio companies and therefore they are not as impacted by the health and cyclicality of the IPO market. During the financial year to 31 May 2024, 41% of the exits in PIP's portfolio were to strategic buyers, 41% to private equity buyers, and only 15% to IPO.

Manager and deal selection is important

It should be noted that despite the many attractions of investing in the asset class, there is a wide dispersion of returns in private equity, and the best managers, who generate the most exciting investment opportunities, are routinely access-constrained. Furthermore, co-investment and secondary deal sourcing from the best managers requires a deep network and strong relationships that can only be generated over decades of private markets investment. Sourcing a large funnel of deals from a global platform of relationships is only the beginning; successful co-investors and secondaries investors require specialised deal analysis and execution skills, which are built up over a long period of time.

Both manager and deal selection (the "double filter") are critical to generating outperformance, and a detailed knowledge of the market is essential to finding and executing the best investment opportunities. Pantheon has more than 40 years of experience investing in private equity funds and companies, and we believe that our positions on 642 advisory boards[11] give us an information and relationship edge, allowing us to position ourselves well for future deal flow. PIP benefits from being an integral part of Pantheon's platform, having access to a broad set of global relationships, deal opportunities and expertise.

We have managed and advised PIP since it was launched in 1987 and it has been designed to provide an "all weather", high-quality, low risk portfolio that can withstand macroeconomic volatility and market cycles. As we look back at the last financial year and more broadly at PIP's history through several economic cycles, we can see the evidence of this approach coming to fruition and remain highly confident in the Company's prospects in the future.

11 As at 31 March 2024.

12 As at 31 May 2024.

Taking advantage of the attractive manager-led secondary market

Charlotte Morris, Partner at Pantheon and Co-Lead Manager of PIP, discusses the manager-led secondary market and why single-asset secondaries in particular are a focus for PIP.

Q Over recent years, PIP has tilted its portfolio towards direct company investments and manager-led secondaries now account for 20% of the portfolio[12]. But what is a manager-led secondary?

A Manager-led secondaries are when the private equity managers themselves instigate deals and they can consist of either multi-asset portfolios or single-asset secondaries. We focus on single-asset secondaries which are attractive to investors like PIP for a number of reasons.

A single-asset secondary is an investment into an individual company owned by an existing private equity fund. The private equity manager may see further growth opportunities for the company in the near-term but be restricted by the fund term or under pressure to sell the company to provide liquidity to existing investors. Another common situation is where the manager may be looking to secure further capital to support growth which may not be available in the current structure. However, the company in question could be a highly prized asset that the manager believes has significant further potential for growth and as such wants to continue to hold on to it.

These competing priorities can be resolved by bringing in new investment, typically from specialised secondary firms, and carving the company out into a new structure which is often termed a "continuation fund". Existing investors are able to sell and take the liquidity on offer, should they wish, or they can choose to roll their interests into the new vehicle that houses the company and continue to participate in the value creation phase of the investment. These transactions allow the fund managers to remain invested and keep control of the asset, which they would otherwise have been required to sell. So, in other words, a single-asset secondary is an investment into a company backed by new capital, but managed by the same PE manager with a view to realising as-yet untapped growth potential.

For us, as a secondary investor coming into these deals, when we choose to invest we are doing so alongside a private equity manager and a management team who know that company inside out and have a clear plan for creating further value. This provides an opportunity for fund managers and company management to continue a positive working relationship and build on a proven strategy of growth, while avoiding the disruption that a change in ownership can bring.

Q What is the difference between a co-investment and a single-asset secondary?

A Both are investments directly into private companies. When PIP invests in a co-investment, it is typically when the private equity manager is also investing in the company for the first time, unlike a single-asset secondary where the manager has already owned the company for some time. Therefore the risk-return profile of the two types of investment are different. A co-investment could be considered to carry more risk, since it is a new investment. A single-asset secondary may be thought of as less risky because it is in an existing holding. It should be noted that co-investments are typically free of fees which makes them economically attractive for PIP, whereas single-asset secondaries will carry a small fee and carried interest, although this is generally ratcheted and tied directly to the performance of the investment.

All of our co-investment opportunities and single asset secondaries pass through a "double quality filter", since each opportunity has first been evaluated by a private equity manager, who themselves have passed our rigorous manager selection hurdles. The opportunity is then subjected to our own detailed due diligence process, carried out by our dedicated co-investment or secondaries teams, who will confirm, among other things, that the deal is a good fit for the manager.

Our stringent process means that our approval rate for the co-investment deals that we reviewed in 2023 was just 12%, which is in line with our long-term average, and our approval rate for single-asset secondaries was 7.7%.

Q What are you looking for in a single-asset secondary?

A This is a very specialised area of the secondaries market that requires significant resources and expertise to carry out the necessarily detailed due diligence on the assets. PIP benefits from Pantheon's extensive platform and 36-year history of investing in the secondary market. Pantheon has over 14 years' experience in manager-led transactions and decades-long relationships that can be leveraged for sourcing and information. I sit on Pantheon's Global Secondaries Investment Committee, which approves all the deals that are recommended by our in-house team for investment, and so I see first-hand how we have maintained our discipline and selectivity.

When assessing a single-asset secondary, we are looking to invest alongside a high-quality manager, with whom we have an existing relationship and which allows us to start from a foundation of trust. This also means that often we are evaluating companies we have either already backed in some way in the past, or that we have followed for some time. We are looking for what we consider to be 'trophy' assets: high-quality, resilient companies, with a clear path for value creation; and continuation of the growth strategy that the company has pursued over the last few years with the support of the existing manager that we are investing alongside.

In addition to the quality of the asset, the alignment of interest between ourselves, the private equity manager and the company management is also very important. The PE manager usually re-invests the vast majority of the proceeds generated from exiting the older fund – and will also often invest additional capital into the transaction. As such, the private equity manager's investment into such transactions can represent a significantly higher proportion of capital compared to sponsoring manager's typical commitment into a private equity fund – and in fact is often the largest personal investment into any portfolio company by the manager.

At the asset level, entry valuation continues to be a common reason for a deal to be screened out at the stage that it is brought to the investment committee, although a number of other factors are also considered, including the resilience of the company's end market, competitive differentiation and revenue quality. We may also decline a transaction where we have concerns regarding the manager's rationale for the continuation fund or where alignment with the manager is weak.

As with the other types of investments that we make on behalf of PIP, we are particularly focused on the small/mid-market stage managed by top quality private equity managers. Altogether, PIP has committed £266m to single-asset secondaries through the Pantheon Secondaries Opportunity Funds I and II and at the time of writing, £125m has been deployed.

Q What is the outlook for this part of the market?

A We have seen record deal flow exceeding US $100bn of transaction volume across the secondaries market in the past three years, with similar expectations for 2024. Manager-led secondaries have been a key part of this growth and accounted for 45% of secondary volumes in 2023[13]. Of these transactions, 88% were single-asset secondaries[14]. In the current market environment, we expect momentum to continue as managers look for ways to provide liquidity to investors at a time when other exit routes are more challenged. The supply/demand imbalance favours buyers like us and we are currently seeing the best buying opportunity that we have seen in a decade.

We expect to see further growth in this part of the market as it continues to mature and evolve in the years ahead. We believe that through our flexible and highly selective approach, we are well-positioned to continue to capitalise on this growing and exciting opportunity on behalf of PIP.

13 Source: FY 23 Evercore Secondary Market Survey.
14 Source: Jefferies Global Secondary Market Report 2023.

An enhanced approach to investing responsibly

EIMEAR PALMER
Partner and Global Head of Sustainability

Eimear Palmer, Pantheon Partner and Global Head of Sustainability, discusses how material sustainability considerations are embedded throughout Pantheon's investment processes and how PIP benefits from them.

The Board of PIP and Pantheon are aligned in the belief that a focus on sustainability risks and opportunities is an important tool for risk mitigation and can lead to value creation across PIP's investment portfolio. Accordingly, on behalf of PIP, Pantheon addresses and assesses private equity and portfolio company-level sustainability-related risks and opportunities across the investment lifecycle: from screening and due diligence to monitoring, engagement and reporting.

We believe that the private equity industry is at a point where demonstrating a robust approach to sustainability is often imperative for our investors and other stakeholders. Increasingly, it is being recognised by both our managers and their portfolio companies that operating more sustainably enables portfolio companies to become more resilient through improved efficiencies, greater innovation

Screening
Sustainability screening applied to all investment opportunities

In practice:
Integrated into sustainability due diligence scorecard

Due diligence
Sustainability scorecard used to assess:
- Private equity managers
- Private equity funds
- Single-company deals
- Multi-company deals

In practice:
Sustainability due diligence scorecard output included in Investment Committee memos

Monitoring/ engagement

Monitoring:
- Private equity data collection
- Portfolio company data collection

Engagement:
- Private equity managers: targeted engagement based on individual scorecards
- Industry: advocate for sustainability best practice through industry trade bodies

Reporting
Focusing efforts on standardised sustainability reporting templates to align with:
- Task Force on Climate-related Financial Disclosures requirements
- ESG Data Convergence Initiative (EDCI)
- EU Sustainable Finance Disclosure Regulation (SFDR)

In practice:
Enhancing sustainability data collection systems

and reduced costs, which result in companies strengthening their positioning and reputation in the market. As a result of their actions, companies are in a better position to gain investor confidence, and it reduces regulatory uncertainty by ensuring that their businesses are well-positioned and more prepared for sustainability-related and climate-related regulation and compliance.

We continue to see European private equity managers leading the way in driving the sustainability agenda, with managers in the USA and Asia increasingly recognising that the decisions they make can have a tangible impact on their stakeholders and the communities in which they operate. A growing number of Asian investors in particular are focusing more and more on climate commitments and understanding the carbon footprint of their portfolios.

With increasing investor demand for impact investments, we are starting to see some of our mainstream European managers launch impact strategies, which are particularly focused on climate transition. It's important to note that these impact strategies do not compromise on market-leading returns, so the impact achieved and financial return generated are highly correlated.

Robust oversight and implementation of sustainability matters

Within Pantheon we have a formal sustainability governance structure in place. I sit on Pantheon's International Investment Committee which means that I can exert real influence in terms of how sustainability is factored into investment decision-making for all deals that are considered by Pantheon for investment on behalf of PIP.

In addition, I chair Pantheon's well-established Sustainability Committee which comprises representatives from our key investment strategies, operations, investor relations, marketing and legal & compliance teams. The Committee is responsible for overseeing and monitoring our sustainability programme across core projects relating to strategy, integration, regulation and data.

Making a positive contribution to the global economy

As many parts of the world continue to grapple with macroeconomic pressures, the private equity sector is well placed to make a positive contribution to stimulating growth through the creation and support of jobs.

The most recently available statistics show that in Europe, private equity-backed companies employed 10.9m people at the end of 2022, representing 5% of the entire workforce[1] and an increase of 7.2% from the end of 2021. In the USA, 12m people are employed by private equity-backed businesses and 34m Americans depend on private equity to support their retirements[2]. This is positive, not just for the people employed by those companies, but also for those impacted through supply chains, and the customers who value the products and services offered by them.

What also matters of course is how private equity managers behave towards the businesses that they own. For years, private equity has been extremely successful at incorporating robust governance structures. Managers typically invest in portfolio companies alongside the existing management teams and they work closely together to grow the business over the long term.

Company management, the private equity manager and their investors all exit the business at the same time, meaning that there is a real alignment of interest. There are direct lines of communication between the private equity managers and the executive teams so they are able to adopt a much more proactive, collaborative approach and respond quickly to any issues that may arise.

Finally, private equity managers are alert to the investment opportunities arising from the need to provide solutions to enable the green transition, decarbonisation, and to harness the benefits of a circular economy. Within PIP's own portfolio, a number of investments have been made, based in part on the growth opportunities enabled by the sustainability characteristics of the specific investments. For example, during the period, PIP committed to Altor's ACT I fund, which is a fund focused on investment opportunities in Europe that have a specific green transition or industrial decarbonisation theme.

See the case study on page 97.

1 Source: Invest Europe, Private Equity at Work, April 2024.

2 Source: American Investment Council (www.investmentcouncil.org).

Responsible Investment

Each project has a designated sponsor from the Committee to support the necessary monitoring, delivery and leadership. The Committee also reviews and updates Pantheon's group-wide Sustainability Policy on a periodic basis, and the objective is to complete this task at least annually.

The Directors of PIP have oversight of sustainability matters within PIP's portfolio and fully support Pantheon's long-standing commitment in this area. We have commenced an annual sustainability training session for the Directors and they receive periodic updates on Pantheon's sustainability strategy and progress towards our goals.

Dame Susan Owen DCB has been nominated as sustainability lead for the PIP Board, and in this capacity she is responsible for monitoring and reviewing Pantheon's sustainability integration approach. She will also ensure that the Board discusses Pantheon's overall approach to sustainability and climate-related considerations, and is informed at least annually on material sustainability and climate risks that might impact PIP's portfolio.

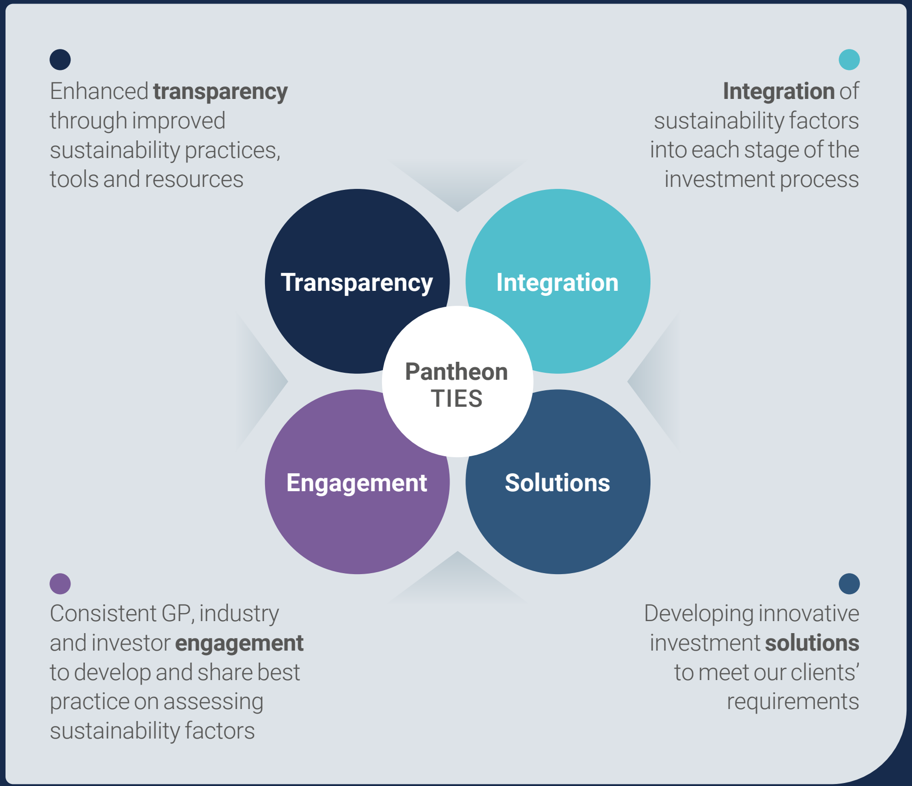
Encapsulating our ethos and approach to sustainability

As the sustainability integration landscape has changed and matured across our industry, Pantheon has continued to innovate, building upon our policies, processes and practices across our teams and strategies. Recent enhancements include the introduction in 2023 of a sustainability approach called TIES (Transparency, Integration, Engagement and Solutions) and the launch of proprietary Sustainability Scorecards. We continue to use RepRisk, a third-party news information service which has been integrated into our systems since 2017, as part of our screening, due diligence and pre- and post-monitoring processes to ensure extensive coverage of any sustainability incidents within PIP's portfolio.

Since the period end, we were pleased to publish PIP's 2023 Sustainability Report, which is its first report of this kind and showcases our achievements over the year and how they have benefited PIP and its portfolio. The report also includes specific climate-related disclosures based on the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). The report can be found on PIP's website (www.piplc.com).

An investment's sustainability profile is one of a number of factors that Pantheon considers when evaluating private equity managers and investments. The "TIES" framework, which we introduced in 2023, sets out our enhanced, comprehensive and cohesive approach to sustainability through processes and procedures that support Transparency, Integration, Engagement and Solutions.

We believe that greater transparency leads to more insight, which in turn will lead to more thoughtful decision-making. Integration refers to our approach to



integrating sustainability across the investment lifecycle from screening, due diligence, monitoring and reporting. Engagement through our extensive industry participation and our positions on 642 advisory boards[3] enable us to drive and share best practice across the private equity sector. And finally, "Solutions" is about providing clarity to our investors around key concepts, such as "impact" and "sustainable", and understanding the investment solutions that can be developed to support the transition to a more sustainable economy; this will allow us to explore an even greater range of investment opportunities for PIP and the role that they can play in its diversified portfolio.

3 As at 31 March 2024.

Responsible Investment

Using data effectively to assess our private equity managers and deal opportunities

Pantheon leverages a combination of scorecards, which we introduced in 2023, depending on the transaction type, for both pre-investment evaluation and post-investment monitoring, engagement and reporting. We believe that these scorecards provide clarity and transparency on material sustainability maturity across fund managers and for new investments, as well as to support effective GPs (General Partners) benchmarking and engagement and improved investor reporting.

Our four proprietary scorecards, which are populated by our investment teams, are tailored according to the type of prospective investment opportunity: manager, fund, single-asset, and multi-asset. For example, when assessing a co-investment opportunity, the investment team completes both a manager scorecard and a single-asset scorecard. The single-asset scorecard assesses each portfolio company through a dual scoring system covering inherent sector risk and a company risk rating based on specific criteria. The output of each scorecard is a sustainability rating (Leading to Emerging) which is based on our assessment of many sustainability considerations, and by utilising various industry data sources and leading sustainability indicators to assess private equity managers, funds and portfolio companies throughout the due diligence process.

The manager scorecard, which is populated by our investment teams, is supported by the results of our annual sustainability survey, which we use to obtain up-to-date information on our private equity managers. The survey covers a range of topics, including how our managers measure and report on sustainability, their approach to climate change, including climate-related commitments and targets, their integration of Equity, Inclusion and Diversity, and how consideration of biodiversity is addressed in their investment decisions. Each manager is provided with an individual sustainability maturity rating, along with Pantheon's peer benchmarking relative to other private equity managers in the same geography. These ratings provide Pantheon with a database of sustainability maturity by private equity manager and an engagement tool to encourage them to improve their practices.

Pantheon analyses the annual Sustainability Survey responses and individual GP ratings to produce the Private Markets Sustainability Index ("PMSI") which is publicly available on Pantheon's website. The PMSI, which was the first in the industry when it was published in December 2023, provides an overview of sustainability maturity across private markets based on the ratings of approximately 200 Pantheon managers, with the aim of moving beyond data collection to creating opportunities for dialogue and encouraging the implementation of best practice. In 2023, this included 107 of PIP's underlying private equity managers, representing 71% of NAV as at 31 December 2023.

We understand that data collection can be difficult for our managers, given that small and medium-sized businesses often have little in-house sustainability expertise

Pantheon has developed our own Sustainability Scorecards to provide a comprehensive view of each investment during due diligence and to support ongoing monitoring

Sustainability scorecards

Private Equity Manager
- Oversight & Implementation
- Reputation
- Climate
- Diversity, Equity & Inclusion
- Biodiversity

Fund
- Track record
- Sustainability Commitments
- Climate
- Reporting

Single Asset
- Inherent Sector Risk
- Oversight & Implementation
- Country Risk
- Reputation
- Climate
- Biodiversity

Multi-Asset
- Inherent Sector Risk
- Country Risk
- Reputation
- Climate
- Biodiversity

Private equity manager rating | **Fund rating** | **Single Asset rating** | **Multi-Asset rating**

or systems to collect, measure and analyse sustainability data. Recognising the challenges that our underlying managers face across multiple jurisdictions, Pantheon supports efforts to standardise sustainability data collection and improve transparency of sustainability performance across the industry. Pantheon is a signatory to the ESG Data Convergence Initiative ("EDCI"), a global initiative focused on collating performance-based, comparable sustainability metrics. Encouragingly, 60% of PIP's primary private equity managers have indicated that they would be prepared to disclose portfolio company information using the EDCI template[4]. We expect data availability to increase over time given that industry support for this initiative continues to grow.

Developing our understanding of the impact of climate change on PIP's portfolio

In addition to integrating climate change analysis into its due diligence processes, Pantheon has continued to refine its approach to climate risk analysis with respect to the current PIP portfolio. Pantheon conducted its first climate change risk analysis for its Infrastructure portfolios in 2022. This year, a climate scenario analysis tool was developed to support Pantheon in undertaking a high-level initial analysis of the potential impacts of the climate transition across all its investments, providing sector and region analysis that serves as a tool for identifying potential risks and opportunities within PIP's portfolio. The climate scenario analysis tool considers physical and transition climate-related risks:

- **Physical:** Acute risks related to direct consequences of climate change, for example, extreme weather events and environmental impacts; and
- **Transition:** Indirect risks of transitioning to a low-carbon economy, for example, related to changes in regulation, law, technology and market practices.

Refer to PIP's 2023 Sustainability Report for more information.

We are continuing to develop and enhance our approach to understanding climate-related risk. We have not yet conducted an analysis of the climate value at risk or the climate warming scenario with which PIP's portfolio is aligned. In our view, current climate modelling tools are at an early stage of development and do not yet provide sufficiently reliable results. In addition, company-specific data on which to conduct such analysis remains less readily available across private markets. As such, for funds like PIP, the results could be misleading. We will, however, continue to keep this under review and assess climate modelling tools as they develop.

We continue to engage with the industry on sustainability matters

The consideration of sustainability factors has been a part of how Pantheon does business for many years. Back in 2007, we were one of the first private equity signatories to the United Nations-backed Principles for Responsible Investment ("UNPRI"). The six Principles of the UNPRI underpin our sustainability strategy, and we have consistently achieved high scores in their annual assessments.

In 2020, I co-founded the UK network of Initiative Climat International ("iCI") which is the largest climate-focused private market initiative with over 230 signatories, including Pantheon, that seeks to improve the industry's understanding and management of the risks and opportunities associated with climate change. I co-chair the iCI Regulatory working group and we are also a member of the iCI Net Zero working group. In addition, our positions on the British Private Equity & Venture Capital Association (BVCA) Responsible Investment Roundtable and on the ESG Committee of Invest Europe, combined with our advisory board seats, provide us with numerous opportunities to collaborate with our peers and drive sustainability best practice across the industry.

Looking ahead

In an ever-changing and at times conflicting environment, where investor expectations are increasing, consumers are demanding a more sustainable approach to doing business, and sustainability regulatory requirements are becoming more complex, we are increasingly focusing on the material risks and opportunities for value creation.

To support this, we are continually seeking to enhance our sustainability systems to improve our reporting and provide better transparency to our investors on the sustainability credentials of their portfolios.

At Pantheon we believe that private markets have a key role to play in the transition to a more sustainable society. We believe that we also have a key role to play in supporting our managers and driving and encouraging sustainability best practice. With the focus on climate change more than ever before, we continue to engage with our GPs on climate-related matters, particularly on supporting portfolio companies to assess risks, make climate commitments and set decarbonisation targets.

Pantheon's commitment to invest with purpose and lead with expertise to build secure futures centres on generating strong, long-term investment returns through an investment discipline focused on financial value creation and risk mitigation. As a global investment firm and a leading specialist investor in private markets, we recognise the crucial role that sustainability factors can play in influencing long-term investment performance.

Effectively analysing and monitoring all investment opportunities from a sustainability perspective on behalf of PIP remains our priority as we strive to exceed our clients' expectations.

4 Source: Pantheon's 2023 annual sustainability survey of its underlying private equity managers. The results are based on a 76% response rate from the primary private equity managers in PIP's portfolio.

Taking "Action" for sustainability

In 2020, and subsequently in 2023, PIP made investments in Action, a leading European general merchandise discount retailer operating across 12 countries, which is backed by 3i Group plc, an international investment company focusing on private equity and infrastructure.

Action believes that sustainability should be accessible for all, by providing customers with good quality, sustainable products at the lowest price.

To achieve this, the company has set itself ambitious and measurable targets through the implementation of the Action Sustainability Programme. Initiatives delivered to date as part of this programme include:

- A commitment to reduce Scope 1 and 2 carbon emissions by at least 60% by the end of 2030, from a 2021 baseline. In the last two years, and while significantly growing the store and distribution network, the company has already achieved a 46% reduction as part of this target. This was delivered by procuring c.90% of electricity from renewable sources, disconnecting most stores from the gas supply, improving energy efficiency of stores, installing solar panels at seven out of 13 distribution centres, switching to biodiesel for 150 Action trucks, and piloting four new zero-emission e-trucks;
- Ambitions to reduce its emissions from the supply chain. The company has now established a full baseline for Scope 3, which represents 99% of its total carbon footprint (of which product raw materials, manufacturing and transportation represent 75% of the total);
- A focus on product circularity, working in partnership with Circle Economy, the Ellen MacArthur Foundation and Delft University of Technology. The company is working end-to-end from initial product design to disposal to improve material inflow, product lifespan and ease of recyclability;
- In 2023, Action delivered circularity improvements of +4.85% across all product categories and launched its first ever circular product in the form of plastic storage baskets. These baskets are a closed-loop product, made entirely from damaged items that have been returned by customers, thereby avoiding 5,000kg of waste. The company will look to expand its range of recycled, closed-loop products in the future; and
- Action has made significant progress in its goals to source more certified sustainable products. During 2023, Action sourced 100% sustainable cotton (private and white label products) and cocoa (private label products), and made significant progress towards its goal of achieving 100% sustainably sourced timber by 2024, with 95% of timber products certified as sustainable in 2023.

Action intends to build on its progress so far to ensure that it is able to meet the expectations of its cost- and eco-conscious customers.

c.90% of electricity procured by Action from renewable sources

One united, diverse culture at Pantheon

At Pantheon, the application of diversity and equality principles and the promotion of inclusion is a strategic imperative. Our inclusion and diversity (I&D) practices foster an environment where all individuals feel supported and valued, and are evaluated based on their capability and contribution to growing our business. We promote I&D in the workplace through fair recruitment, selection, and pay and promotion practices. In addition, we invest in training and development opportunities for all employees to promote education and skills development. We have an established I&D Committee, comprising representatives from across the business, which meets monthly, and there are separate I&D workstreams that meet more regularly.

Pantheon recognises the importance of gender equality and has made it a priority to contribute to the advancement of women in financial services, both within the firm and across the wider industry. We implement and promote opportunities for females to enter and succeed in investment roles, including through our range of inclusion and diversity partnerships – and we are proud to report that half of our investment team heads are women. As a signatory to the UK Government's Women in Finance Charter, Pantheon is committed to setting internal targets for gender diversity in senior management roles. The proportion of women who are engaged in the day-to-day management and operations of our firm (identified as Global Heads of Departments and/or members of Pantheon's Partnership Board) was 42% as at January 2024, exceeding the target of 33%. In addition, three of the seven Directors on PIP's Board are female.

42%

The proportion of women who are engaged in the day-to-day management and operations of our firm

Our commitment to I&D does not sit only within Pantheon. We have long incorporated I&D within our investment process with a dedicated section in our due diligence questionnaire on the topic that is completed by prospective private equity managers for a primary investment.

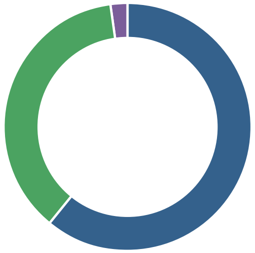
While the wider sector still has significant improvements to make, we are encouraged by the progress that is being made and note that many of our managers have improved recruitment processes to increase their diversity.

Our inclusion practices extend to community engagement, with partnerships supporting initiatives that empower those in underserved communities and work towards to reducing inequalities. Some of our partnerships across the investment management sector include Girls are Investors, Jopwell, Sponsors for Educational Opportunity ("SEO"), 10,000 Black Interns and the Diversity Project. Pantheon is also proud to sponsor Level 20, a not-for-profit organisation established to inspire women to join and succeed in the private equity industry. Helen Steers, Partner at Pantheon, and Co-Lead Manager of PIP is a co-founder of Level 20.

Pantheon: Inclusion and diversity stats 2024

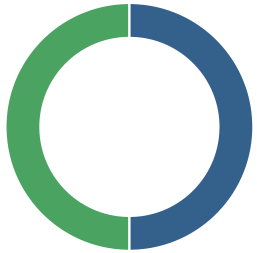
We believe the foundation of creating a truly inclusive workplace is transparency, which is why we publish statistics each year documenting our global staff breakdowns according to gender identity, ethnic diversity, LGBTQ+ and disability profiles.

Global staff gender identity profile[1]



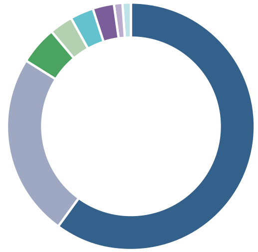
Male	61%
Female	37%
Prefer not to say	2%

Investment team heads[1]



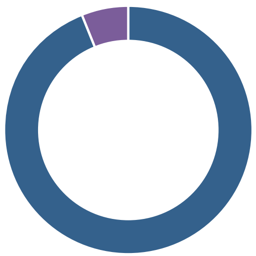
Male	50%
Female	50%

Global staff racial identity profile[1]



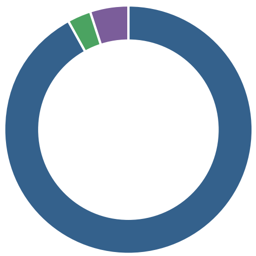
White	60%
Asian	24%
Mixed/multiple ethnic groups	5%
Black	3%
Hispanic/Latino	3%
Prefer not to say	3%
Middle Eastern	1%
Other	1%

Global staff disability profile[1]



No	94%
Prefer not to say	6%
Yes	0%

Global staff LGBTQ+ profile[1]



No	92%
Yes	3%
Prefer not to say	5%

1 Data is based on aggregated and anonymised information inputted to our HR system by our Global Staff, defined as permanent staff and partners. The percentage of input for this year was 100%, compared to 89% in 2023.

Portfolio As at 31 May 2024

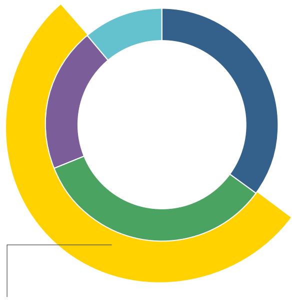
Since its inception, PIP has been able to generate market-beating returns while at the same time structuring its portfolio to minimise the risks typically associated with private equity investments. Our established portfolio of assets has been carefully selected, based on the strengths of our appointed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

Type, region, sector and stage

Vintage profile

Flexible approach to portfolio construction increases potential for outperformance.

Investment type[1]

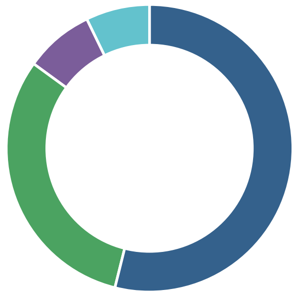


Primaries	35%
Co-investments	34%
Manager-led secondaries	20%
Fund secondaries	11%

54% invested directly in companies

Weighted towards the more developed private equity markets in the USA and Europe.

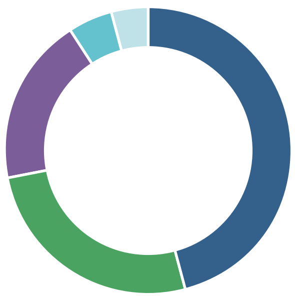
Region[1]



USA	54%
Europe	31%
Global[2]	8%
Asia	7%

Well-diversified with an emphasis on the buyout stages.

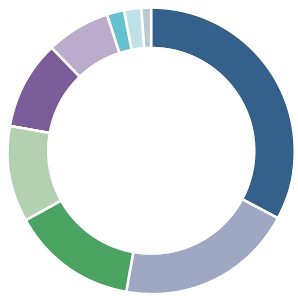
Stage[1]



Small/mid buyout	46%
Large/mega buyout	26%
Growth	19%
Special situations	5%
Venture	4%

Focus on high-growth and resilient sectors.

Sector[3]



Information technology	33%
Healthcare	20%
Consumer	14%
Industrials	11%
Financials	10%
Communication services	7%
Energy	2%
Materials	2%
Others	1%

1 Investment type, region and stage charts are based upon underlying fund and company valuations. The charts exclude the portion of the reference portfolio attributable to the Asset Linked Note (ALN).

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

3 The company sector chart is based upon underlying company valuations as at 31 March 2024, adjusted for calls and distributions to 31 May 2024. These account for 100% of PIP's overall portfolio value.

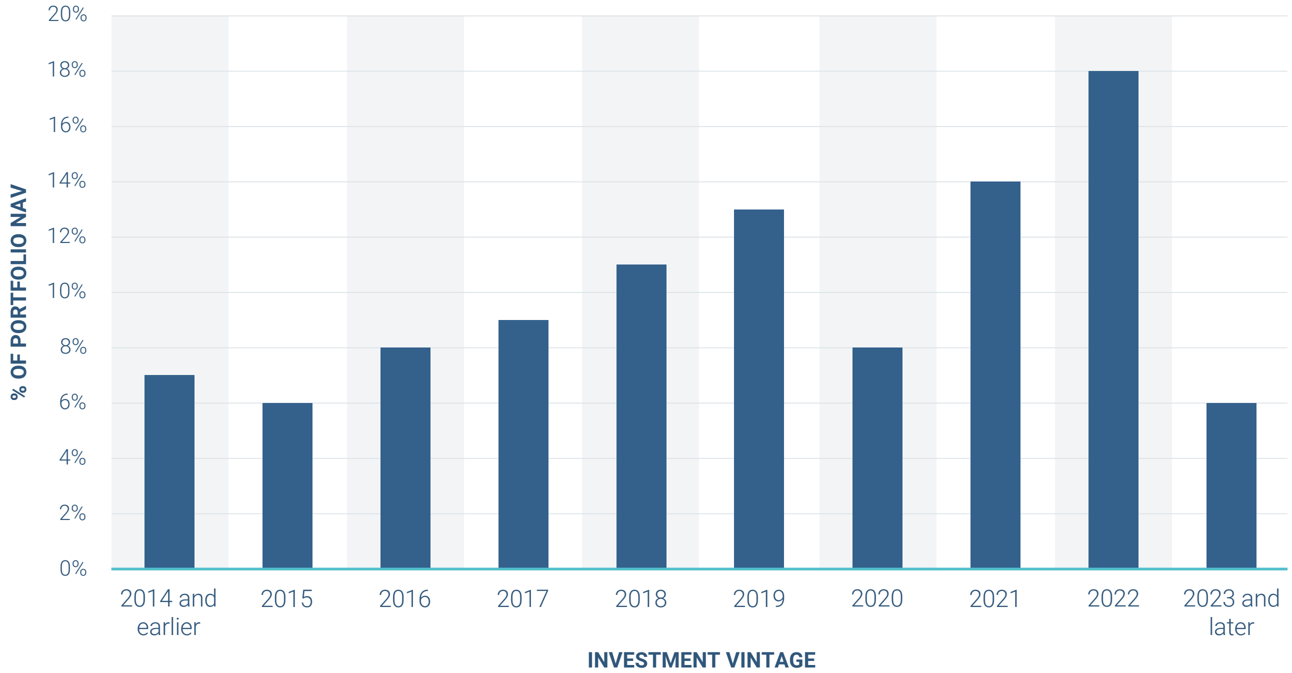
Portfolio As at 31 May 2024

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

Type, region, sector and stage

Vintage profile[1]

PIP's portfolio has a weighted average age of 5.2 years.



1 The vintage profile chart is based upon underlying fund and company valuations. The charts exclude the portion of the reference portfolio attributable to the ALN.

Performance

PIP's portfolio value has increased modestly over the period. Access to top-performing managers and a tilt towards resilient and high-growth sectors have helped PIP withstand the current macroeconomic environment.

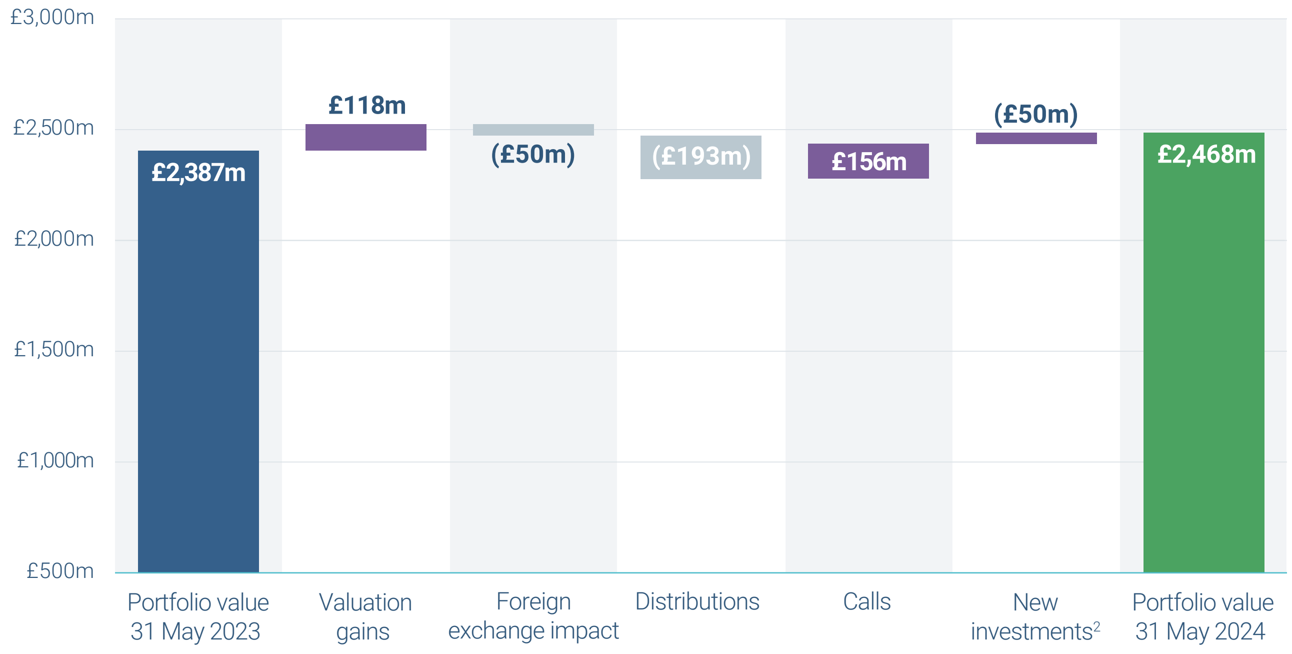
Private equity portfolio movements

Valuation movement by type

Valuation movement by stage

Valuation movement by region

PIP's portfolio generated returns of +4.9% during the year[1].



1 Excluding returns attributable to the ALN share of the portfolio.

2 Amount drawn down at the time of commitment.

Performance

PIP's portfolio value has increased modestly over the period. Access to top-performing managers and a tilt towards resilient and high-growth sectors have helped PIP withstand the current macroeconomic environment.

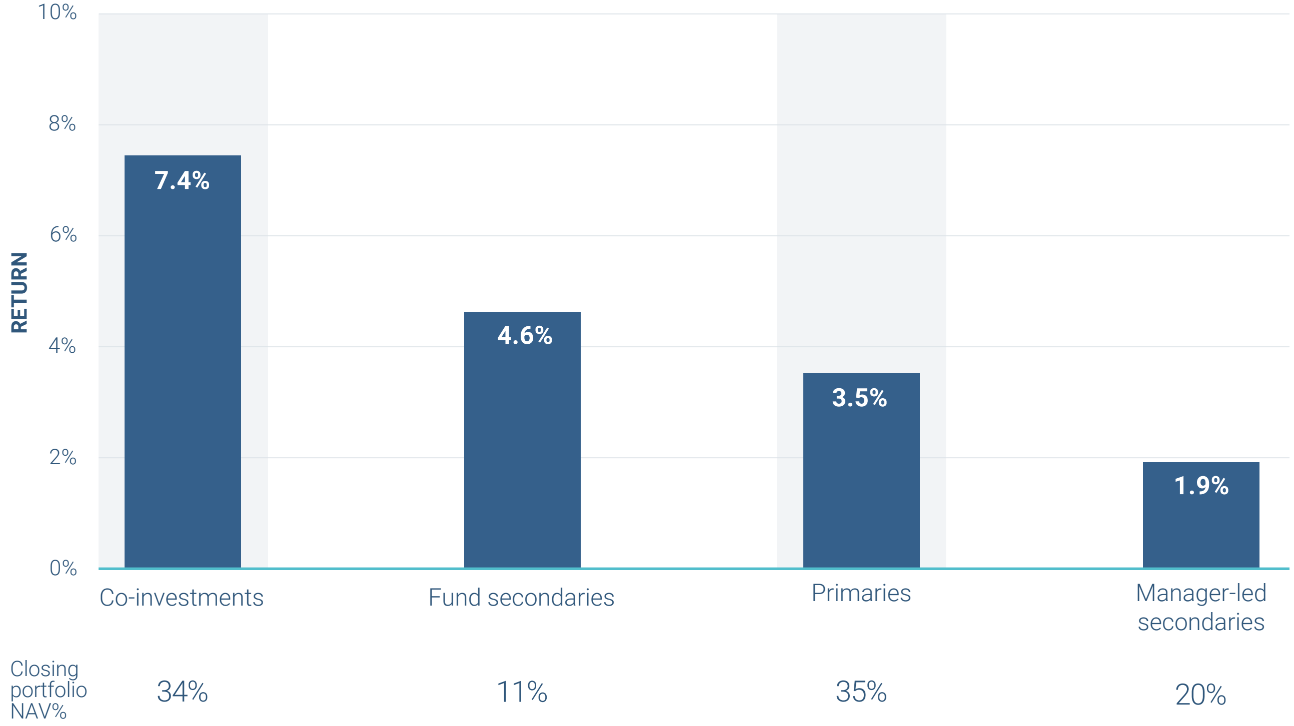
Private equity portfolio movements

Valuation movement by type[1]

Valuation movement by stage

Valuation movement by region

Resilient portfolio performance despite the current challenging macroeconomic environment. The return on manager-led secondaries reflects the relative immaturity of this segment of the portfolio.



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

Performance

PIP's portfolio value has increased modestly over the period. Access to top-performing managers and a tilt towards resilient and high-growth sectors have helped PIP withstand the current macroeconomic environment.

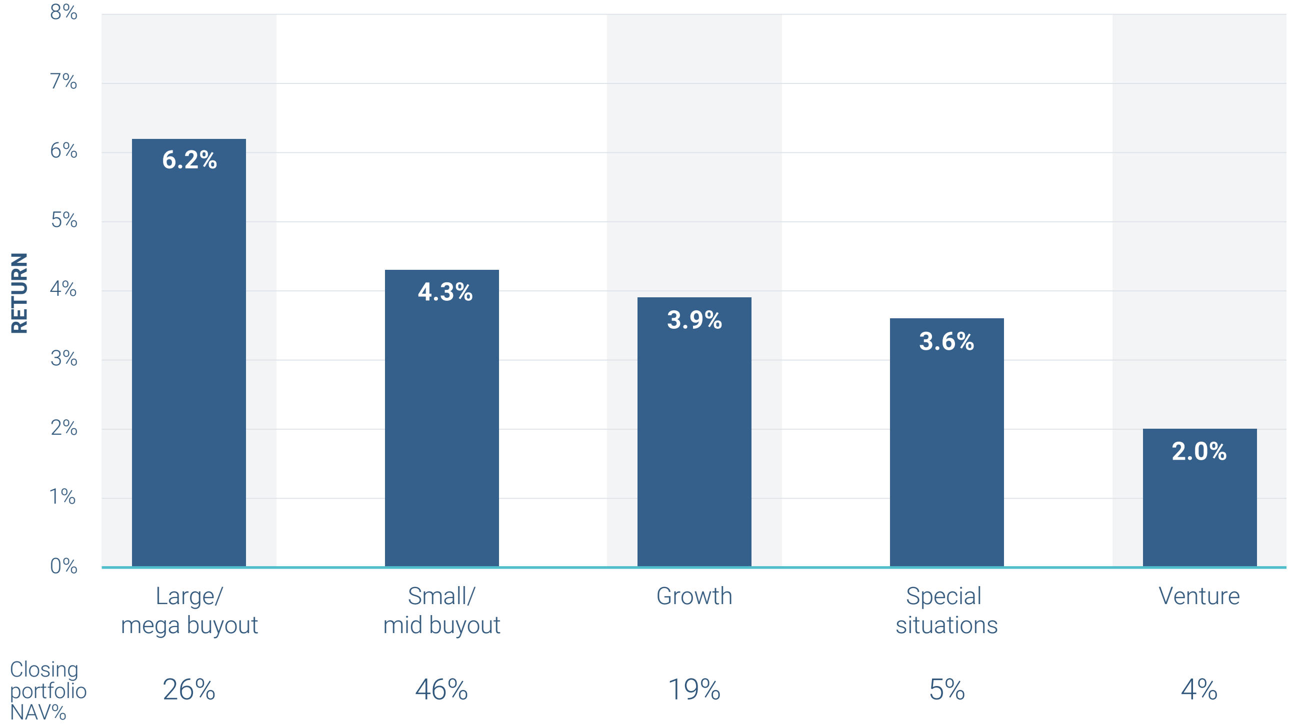
Private equity portfolio movements

Valuation movement by type

Valuation movement by stage[1]

Valuation movement by region

Positive performance across the whole of PIP's portfolio.



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Performance

PIP's portfolio value has increased modestly over the period. Access to top-performing managers and a tilt towards resilient and high-growth sectors have helped PIP withstand the current macroeconomic environment.

Private equity portfolio movements

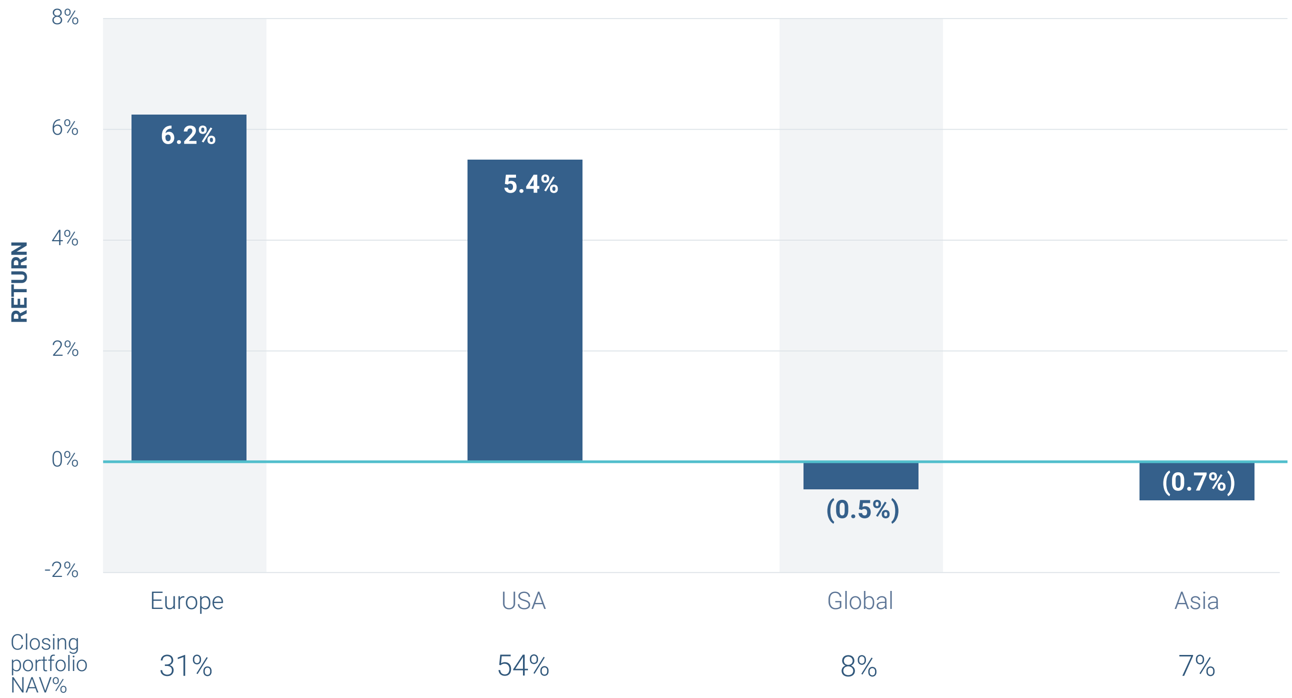
Valuation movement by type

Valuation movement by stage[1]

Valuation movement by region[1]

PIP's portfolio is weighted towards investments in the USA and Europe, which generated positive returns during the period.

The performance of Global and Asia were affected by a handful of company-specific writedowns.



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

Sectors in Focus

In focus:

Information technology

Information technology continues to attract substantial levels of private equity investment, driven by the trend towards greater digitalisation and automation of the global economy. PIP's exposure to this important sector is heavily weighted towards enterprise software.

PIP invests in software companies that are high-growth, capital-light and scalable, and typically employ subscription models that provide predictable revenue streams and cash flows.

Total exposure to the sector | **Largest sub-sector exposure** | **Five largest companies**

PIP

33%

Application software 18%
System software 6%
IT services 4%
Others 5%

3.7% of PIP's NAV in these five companies

Kaseya	Anaplan	asurion	doit	SailPoint
Provider of IT management and monitoring software services	Developer of a cloud-based modelling and planning platform	Mobile phone insurance company	Cloud consulting and engineering services company	Provider of enterprise identity governance solutions

MSCI World[1]

23%

Systems software 6%
Technology hardware, storage & peripherals 6%
Semi-conductors 5%
Application software 3%
Others 3%

12.5% of the MSCI World in these five companies

Apple	Microsoft	NVIDIA	Broadcom	ASML
Designer and manufacturer of consumer electronics	Developer of computer software systems and applications	Leading manufacturer of graphic processing units	Manufacturer of semi-conductors	Manufacturer of chip-making equipment

1 As at 31 May 2024.

Sectors in Focus

In focus:

Healthcare

The demand for high-quality healthcare has never been greater. In partnership with an array of specialist healthcare sector managers, PIP invests in asset-light, highly defensive companies that aim to improve access to in-demand healthcare services, and provide industry professionals with solutions that allow them to focus their efforts on patient care.

Total exposure to the sector | **Largest sub-sector exposure** | **Five largest companies**

PIP

Total exposure to the sector: 20%

Healthcare services	Healthcare technology	Pharmaceuticals	Healthcare equipment	Others
9%	4%	3%	2%	2%

2.9% of PIP's NAV in these five companies

OMNI Eye Services	MRO	Smile Doctors	tag	medica
Specialist eye treatment provider	Provider of disclosure management services	Orthodontic treatments provider	Provider of medical equipment and implants	Provides teleradiology reporting services

MSCI World[1]

Total exposure to the sector: 12%

Pharmaceuticals	Healthcare equipment	Biotechnology	Managed healthcare	Others
5%	2%	2%	1%	2%

3.3% of the MSCI World in these five companies

UnitedHealth Group	Johnson & Johnson	Lilly	MERCK	novo nordisk
Provider of medical care benefits	Manufacturer of healthcare products	Pharmaceutical company	Pharmaceutical company	Pharmaceutical company

1 As at 31 May 2024.

Realisations

PIP's mature portfolio continued to generate distributions despite a subdued exit environment. Distributions have been incremental to returns, with many reflecting realisations at significant uplifts to carrying value. There have been c.400 distributions from PIP's portfolio during the period.

Uplifts on exit realisations[1]

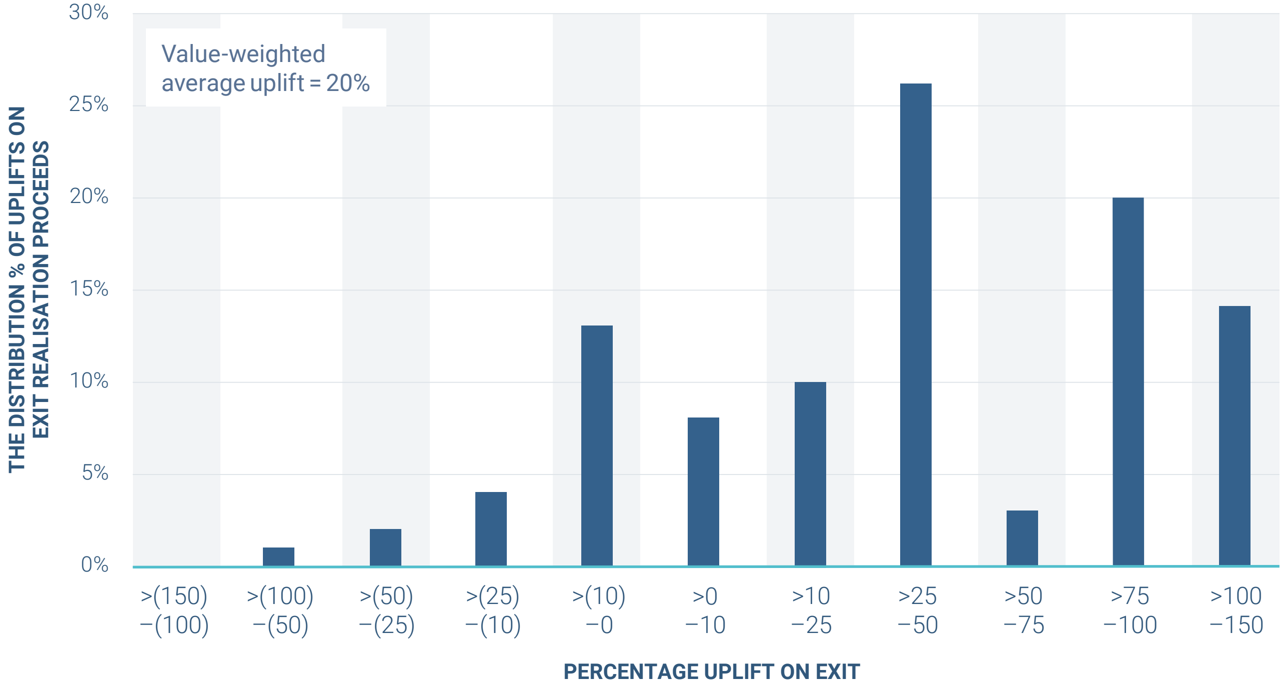
Cost multiples on exit realisations

Exit realisations by sector and type

The value-weighted average uplift on exit realisations in the year was 20%, consistent with our view that realisations can be incremental to returns.

The method used to calculate the average uplift is to compare the value at exit with the value of the investment 12 months prior to exit or, if known, the latest valuation unaffected by pricing effects arising from market participants becoming aware of the imminent sale of an asset. Since 2012, the weighted average uplift on exit is 30%.

For the year to 31 May 2024



1 See page 180 of the Alternative Performance Measures section for sample calculations and disclosures.

Realisations

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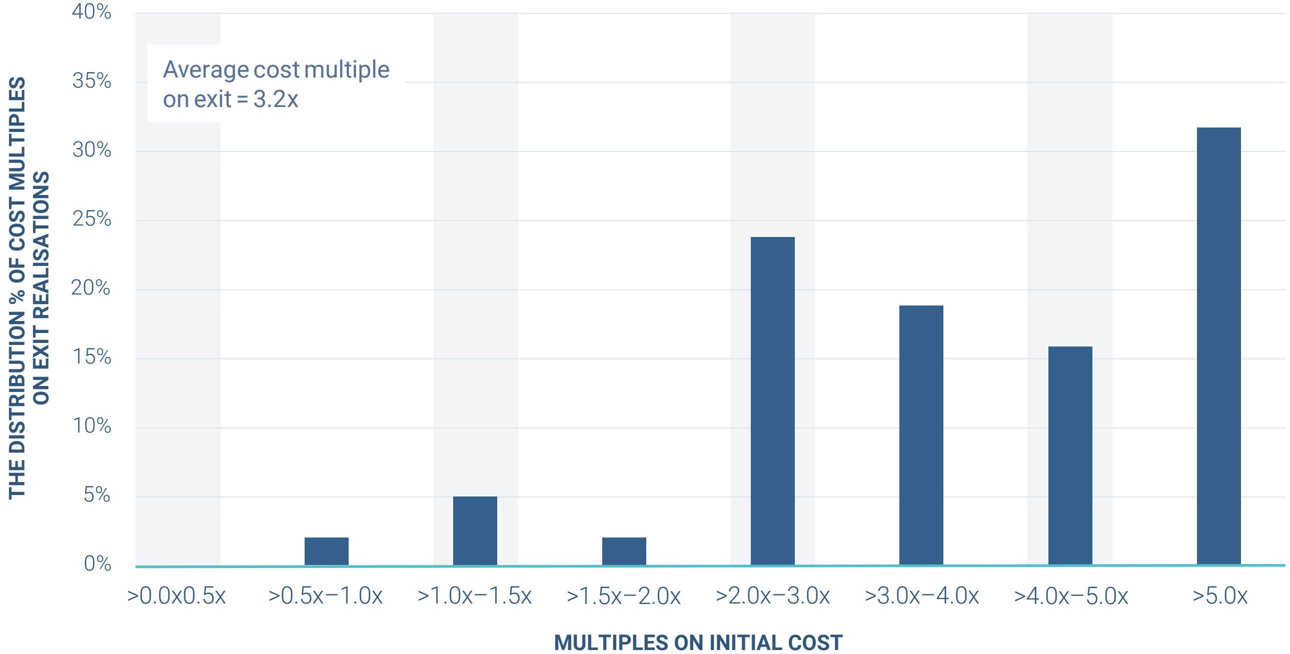
Uplifts on exit realisations

Cost multiples on exit realisations[1]

Exit realisations by sector and type

The average cost multiple on exit realisations of the sample was 3.2 times for the year ended 31 May 2024. The cost multiple for this financial year was above the 3.0 times average annual cost multiple achieved on exit since 2012. This demonstrates value creation over the course of PIP's investment.

For the year to 31 May 2024



1 See page 180 of the Alternative Performance Measures section for sample calculations and disclosures.

Realisations

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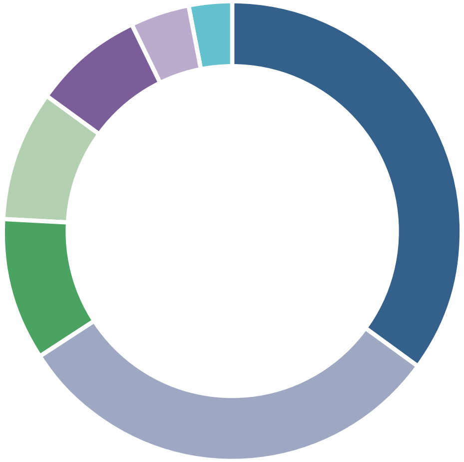
Uplifts on exit realisations

Cost multiples on exit realisations

Exit realisations by sector and type

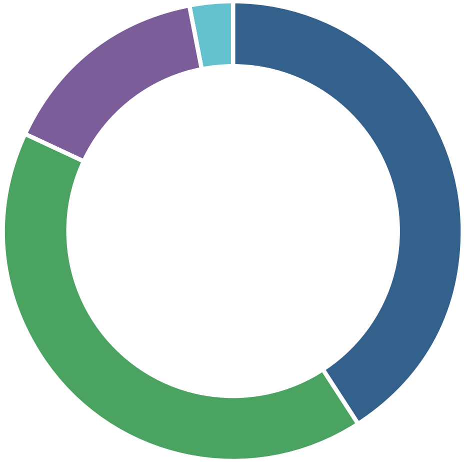
Realisation activity was strongest in the communication services and financials sectors. Strategic sales and secondary buyouts represented the most significant sources of exit activity during the year.

Exit realisations by sector[2]
For the year to 31 May 2024



Communication services	35%
Financials	31%
Information technology	10%
Industrials	9%
Healthcare	8%
Consumer	4%
Energy	3%

Exit realisations by type[2]
For the year to 31 May 2024



Strategic sales	41%
Secondary buyouts	41%
IPO[1] and secondary share sale	15%
Refinancing and recapitalisation	3%

1 Initial public offering.
2 The data in the sample provides coverage for 100% (for exit realisations by sector) and 96% (for exit realisations by type) of proceeds from exit realisations received during the period.

Exit Realisation case study

GUIDEPOINT SECURITY

Proceeds	£1.8m	**Stage**	Growth
Manager	ABS Capital Partners ("ABS Capital")	**Vintage**	2018
Geography	USA	**Exit type**	Secondary buyout
Type	Fund secondary	**Exit money multiple**	**5.7x**
Sector	Information technology	**IRR**	**74%**

Accelerated growth trajectory in cybersecurity

GuidePoint Security is a US-based global provider of consulting services to the public sector and commercial markets, focusing on management, technology and risk consulting.

The company is headquartered in Washington D.C. and employs more than 17,000 professionals in more than 55 locations globally. GuidePoint Security is led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies.

Exit Realisation case study

GUIDEPOINT SECURITY

Investment rationale

- Complexity of the cybersecurity landscape is becoming more pronounced, with ever-evolving threats and thousands of products available to customers. Therefore, demand for cybersecurity services from organisations is set to grow.
- GuidePoint Security had the potential to scale rapidly via a buy-and-build strategy and organic growth.
- The business had a team of highly experienced cybersecurity practitioners and consultants with deep domain knowledge and expertise. They had developed a best practice approach to evaluating, selecting, implementing, managing and optimising cybersecurity solutions.

Private equity manager profile

- ABS Capital provides growth equity capital to business-to-business ("B2B") software and tech-enabled services businesses. The businesses are typically underpinned by strong technology and data and are looking to scale up with the right partners.
- The private equity manager has over 30 years of investment experience and has invested in approximately 130 companies across eight funds.

Our relationship

Pantheon has a long-established relationship with ABS Capital. It has made several primary and secondary investments in various ABS Capital funds and has also previously co-invested alongside the manager.

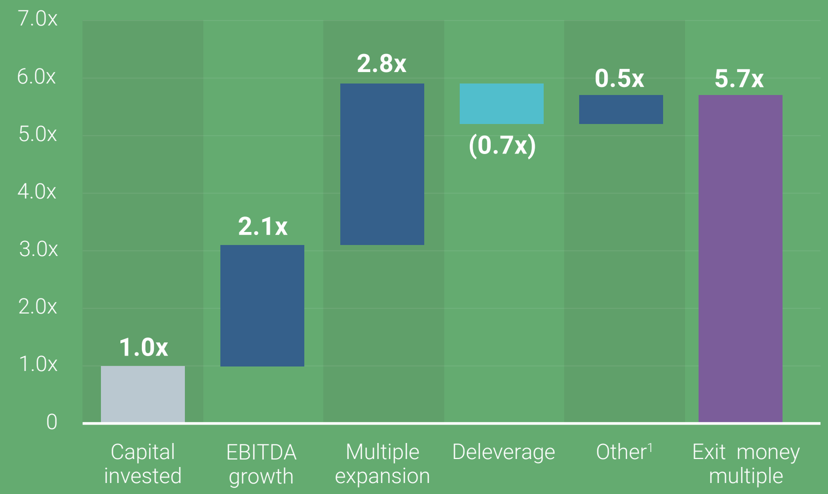
Active management and value creation

- ABS Capital accelerated the growth trajectory of GuidePoint Security by focusing on its organic growth and geographic expansion. This has broadened the client base across the USA and positioned it for international expansion. GuidePoint Security has more than 3,800 client organisations across the USA, including one third of the Fortune 50 and 40% of the Fortune 500, along with more than half of the US government cabinet-level agencies.
- ABS Capital joined GuidePoint Security's board of directors. This has brought additional expertise and strategic guidance to the company.
- ABS Capital also recruited top executives with experience in building and leading finance teams for high-growth technology companies.
- ABS Capital has supported GuidePoint Security's commitment to hiring top cybersecurity talent and investing in innovative service offerings to address new and emerging risks.

Exit

- In October 2023, GuidePoint Security received another round of funding from Audax Private Equity, a middle market investment firm. PIP took the opportunity to partially exit the investment at a money multiple of 5.7x and an internal rate of return ("IRR") of 74%.

Value creation bridge



1 "Other" relates to dividend paid to ABS shareholder before the sale of the business.

Net Portfolio Cash Flow

Net portfolio cash flow equals distributions less capital calls.

A continued focus on the portfolio's maturity profile means that PIP is well-positioned to generate positive cash flows.

With an average distribution rate of 22% since 2012, PIP's portfolio has been cash flow positive since 2010.

During the year, PIP's net portfolio cash flow was £37m. PIP has generated £1.6bn of net cash over the last 10 years.

Net portfolio cash flow

Net positive cash flow generation has continued despite lower levels of exit and new deal activity. Refer to the Market Review section for more details on how the private markets have performed on page 56.

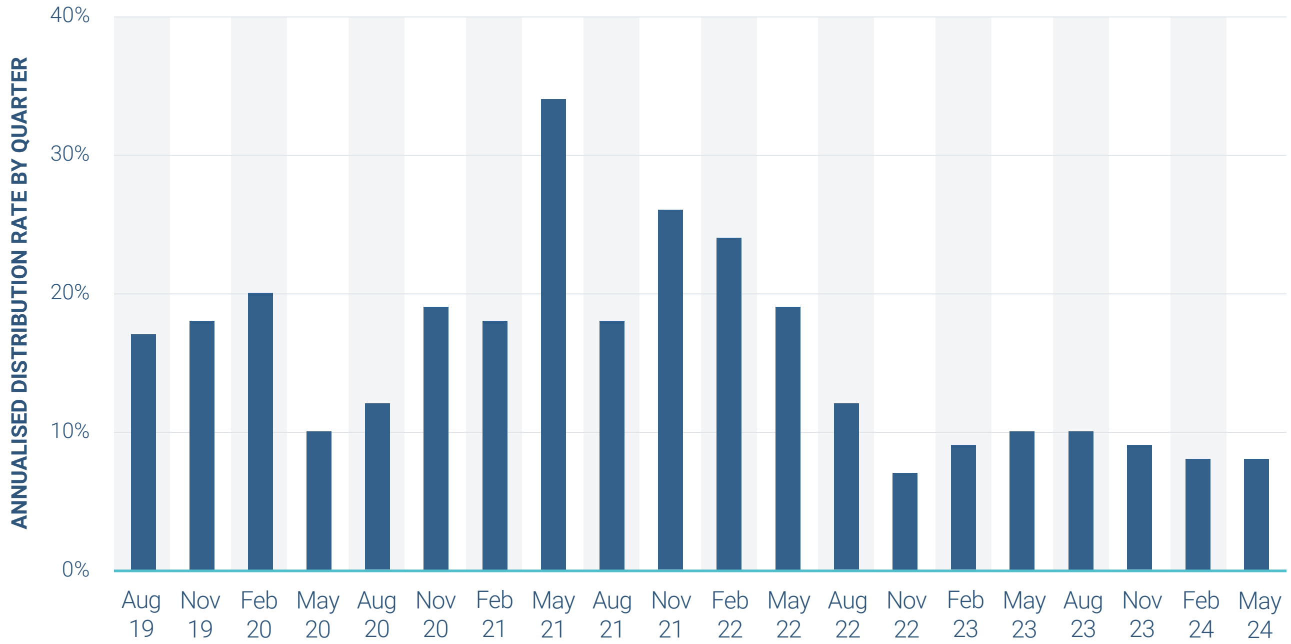
Distributions

With a weighted average fund maturity of 5.2 years at 31 May 2024 (31 May 2023: 4.8 years), PIP's portfolio continued to generate positive net cash.

PIP received £193m in proceeds from PIP's portfolio in the year to 31 May 2024 (31 May 2023: £223m) equivalent to an annualised distribution[1] rate of 8% of opening portfolio value (31 May 2023: 10%).

Quarterly distribution rates[1]

Despite a slowdown in distributions during the period, in line with the wider private equity market, PIP's portfolio has continued to generate cash.



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

Distributions case study

ELEDA

Proceeds	£2.1m	**Stage**	Mid-market buyout
Manager	Altor Equity Partners ("Altor")	**Vintage**	2019
Geography	Europe	**Exit type**	Strategic sale
Investment type	Primary	**Exit money multiple**	**5.1x**
Sector	Industrials	**IRR**	**60%**

Vital infrastructure to deliver the green transition

Eleda is a group of Nordic businesses that provide infrastructure development and services. The network of companies operates independently within several segments, addressing the need for green transition, including water and sewerage, power distribution, district heating, roads, data centres, railways and electric vehicle charging stations.

Distributions case study

ELEDA

Business description

- Eleda's decentralised operating model allows its companies to deliver the highest quality services to their customers with the optimal mix of local presence and the resources of a larger organisation.
- The company's headquarters are in Stockholm, Sweden. It has more than 3,100 employees and a turnover exceeding SEK 16bn (equivalent to US$ 1.5bn).

Investment rationale

- The company is well placed to take advantage of key developing sustainability trends like electrification, renewable energy and water preservation.
- The private equity manager has specialist experience in the sustainability sector and a proven investment track record in the Nordic mid-market space.

Private equity manager profile

- Altor has raised more than EUR 11bn in total commitments since inception and has invested in nearly 100 companies.
- The investments have been made in medium-sized Nordic and DACH[1] companies with the aim of creating value through growth initiatives and operational improvements.
- Among current and past investments are Trioworld, OX2, FLSmidth , H2 Green Steel and Piab.

Our relationship

Pantheon has a long-established relationship with Altor Equity Partners. Pantheon was one of the founding limited partners in Altor in 2003, and has continued to support the franchise, investing in Altor's five successor funds and in ACT I, its climate transition fund.

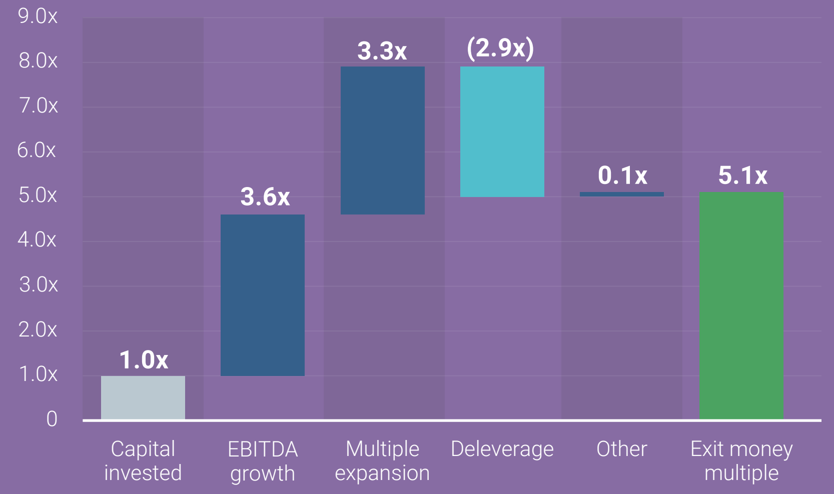
Active management and value creation

Altor created Eleda in April 2020 through the merger of three well-positioned infrastructure services platforms. At the time of the merger, the company had a turnover of approximately SEK 6bn. Today, Eleda has over SEK 15bn of revenues, driven by strong organic growth of more than 10% per annum, and through 19 acquisitions.

Exit

Eleda was acquired by Bain Capital, a global private markets investment firm, in December 2023. PIP made a return of 5.1x on the original cost and an IRR of 60%.

Value creation bridge



1 DACH comprises three countries: Germany, Austria and Switzerland.

Distributions case study

VelvetCARE

Proceeds	£3.2m	**Stage**	Mid-market buyout
Manager	Abris Capital Partners ("Abris")	**Vintage**	2018
Geography	Europe	**Exit type**	Secondary buyout
Investment type	Co-investment	**Exit money multiple**	**4.1x**
Sector	Consumer	**IRR**	**30%**

An iconic consumer brand

Based in Poland, Velvet CARE is a major producer and distributor of branded paper tissue products, including toilet paper, facial tissues, kitchen towels, moist wipes, cosmetic pads and buds. It employs more than 850 people across offices and manufacturing facilities in Poland and the Czech Republic.

The company owns the iconic Velvet CARE brand in Poland, which has a 20-year history and a brand recognition of 97% in the country.

Distributions case study

VelvetCARE

Investment rationale

– Abris has a strong track record in the tissue manufacturing sector. Through its prior investment in a jumbo roll paper producer in the region, and the evaluation of potential add-on acquisitions, Abris has developed significant insights and sector knowledge in the space.

– Velvet CARE is a non-discretionary consumer staples business, where industry growth is driven by the increase of tissue consumption per capita in the Central and Eastern Europe (CEE) region, as well as product innovations.

– At the time of the investment, Velvet CARE was considered to benefit from a number of competitive advantages: strong brand awareness; private label growth opportunities; and margin improvement potential following recent capital expenditure investment for the installation of a new jumbo roll machine.

– In addition, Abris identified upside potential from a possible merger with upstream and downstream value chain players, including those that were already identified by Velvet CARE'smanagement team, thus offering the potential to create a regional leader.

1 Limited Partner Advisory Committee.

Our relationship

Pantheon has a long-established relationship with Abris, having invested in the two most recent funds through both primary and secondary investments. Pantheon is also an LPAC[1] member in both funds.

Active management and value creation

– During Abris' investment holding period, Velvet CARE sales increased by 2.3 times and the company's EBITDA grew by seven times.

– Velvet CARE expanded its export business fivefold.

– In 2020, the company completed the add-on acquisition of Moracell, the largest manufacturer of paper hygiene products in the Czech Republic. This consolidated Velvet CARE's presence in the CEE market, strengthened the company's position as a regional leader, and expanded its international footprint with limited client overlap.

– More than EUR 130m was spent on production, automation and storage capital expenditure to improve competitive positioning across all product categories. In addition, this improved profitability and product quality.

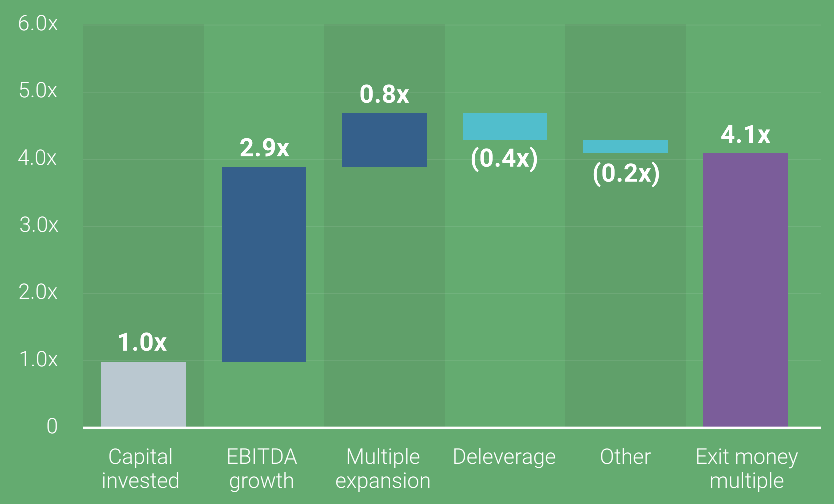
– Following the development and implementation of a comprehensive Environmental, Social and Governance ("ESG") programme Velvet CARE received B Corp certification in 2023, demonstrating the highest standards of social and environmental performance.

– The company also received a gold medal from EcoVadis, an independent sustainability rating agency.

Exit

Velvet CARE was acquired by a fund managed by Partners Group in December 2023. PIP achieved a IRR of 30% and net multiple of invested capital (MOIC) of 4.1x.

Value creation bridge



Distributions case study

CONFLUENT

Proceeds	£2.7m	**Sector**	Information technology
Manager	Index Ventures ("Index")	**Stage**	Venture
Geography	USA	**Vintage**	2015
Investment type	Primary	**Exit type**	IPO

Supporting businesses with enhanced data insight

Confluent is a US-based technology company that offers a data platform to help enterprises harness business value from tracking and streaming data points such as sales, trades, orders and customer feedback.

CONFLUENT

Business description

- The company's solutions transform its customers' data into data products, spanning various end-user domains, including financial services, manufacturing, Internet of Things (IoT), retail and ecommerce.
- Confluent's cloud-native platform acts as a central nervous system for companies, allowing them to connect all their applications around real-time data streams, providing data integration, data processing and analytics.
- Confluent's offering is based on Apache Kafka, an open-source data streaming platform that is reliable, durable and scalable. Thousands of organisations (including more than 75% of the Fortune 500) use Kafka.

Investment rationale

- Strong upside potential, with businesses becoming ever more reliant on using data to drive decision-making. Confluent provides a unique solution by offering the infrastructure that connects data across organisations.
- Index Ventures has a very strong track record of providing venture capital backing to innovative entrepreneurs in the IT space. Index led the Series B round of funding in Confluent, in April 2015.
- The founders of the business were originally with LinkedIn, where they had been working on Apache Kafka, an open-source data streaming platform, and therefore were well placed to commercialise the technology with backing from Index Ventures.

Private equity manager profile

- Index Ventures is a leading European venture capital firm with offices in London, San Francisco, New York, Jersey and Geneva. It invests in technology-enabled companies with a focus on artificial intelligence, e-commerce, fintech, mobility and security. Since being founded in 1996, the firm has raised and invested more than $15 billion.
- Index Ventures has a strong investment track record, with notable successful investments including Adyen, Deliveroo, Dropbox, Farfetch, King and Slack.

Our relationship

- Pantheon has a 20-year relationship with Index Ventures. It has several primary and secondary investments in Index Ventures' funds and has also co-invested alongside Index in certain growth opportunities.
- Pantheon is a member of multiple Index Ventures and Index Growth Advisory Committees.

Active management and value creation

- During Index's period of active ownership, Confluent has emerged as a key player in the big-data software industry, with the demands imposed by artificial intelligence (AI) workloads fuelling growth further.
- The company's data infrastructure software platform has gained significant traction among enterprises, with a client portfolio that now has over 2,500 customers.
- As an active investor, Index made over 50 C-suite level introductions, significantly contributing to early-stage enterprise customer deals.
- In addition, Index participated in executive level hiring at Confluent, from introducing suitable candidates to helping Confluent complete executive hires, to working closely with the CEO and President on several executive transitions.
- Index headed the company's M&A sub-committee, with active involvement in several M&A transactions, and actively participated in the company's strategic development, especially in the creation of Confluent's key product, ConfluentCloud.
- With Index's backing, Confluent was successful in initiating partnerships with giant tech incumbents to broaden its reach. In April 2019, it partnered with Google Cloud and integrated Confluent's managed service with Google Cloud Platform. Additionally, in November 2020 the company announced plans for a partnership with IBM, when the computer manufacturer agreed to resell Confluent Platform to its own users.
- Confluent's last private valuation in 2019 was US$2.5 billion and by June 2021, when it completed an IPO on the Nasdaq, it was valued at US$ 9.0 billion.

Exit

- Index co-led the discussions for the Series C and D investments with external investors, and actively participated in the IPO process, including investment banker selection and pricing.
- After publicly listing Confluent on the Nasdaq in 2021, Index Ventures has been steadily selling down stock. It recently exited a significant portion of its holdings. So far, PIP has made a blended net return of c. 8.2x cost and a blended net IRR of c.45% on its investment (in USD terms), with more than 7x the original cost of the investment having been distributed to date.

Distributions case study

nomios

Proceeds	£2.5m	**Vintage**	2018
Manager	IK Partners	**Exit type**	Secondary buyout
Geography	Europe	**Exit money multiple**	**2.8x**
Investment type	Fund secondary	**IRR**	**25%**
Sector	Information technology		
Stage	Mid-market buyout		

Scaling enhanced cybersecurity across Europe

Nomios provides cybersecurity and networking solutions for enterprises. The company's services include managed detection and response, network security, and secure access service edge (SASE). The business aims to simplify and automate network operations while enhancing security.

Headquartered in France, Nomios has a presence in 20 offices across Europe and has more than 600 employees.

Distributions case study

nomios

Investment rationale

- The company operates in a large and growing cybersecurity market.
- It is the market leader in the Netherlands and France, with a growing presence in the UK, Belgium, Germany and Poland.
- At the time of the investment, there was a significant opportunity to conduct a buy-and-build strategy and drive consolidation in the market.

Private equity manager profile

- IK Partners is a London-headquartered European mid-market private equity firm focused on investments in the Benelux, DACH (Germany, Austria, Switzerland), France, Nordics, and the UK, with an emphasis on leveraging local expertise and market knowledge.
- Since its founding in 1989, IK Partners has raised more than €17 billion of capital and invested in over 190 European companies.
- IK Partners targets investments across various sectors, including business services, healthcare, consumer and industrials.

Our relationship

- Pantheon has a long-established relationship with IK Partners. It has several primary and secondary investments in various IK Partners funds and has also completed multiple co-investments alongside the private equity manager.

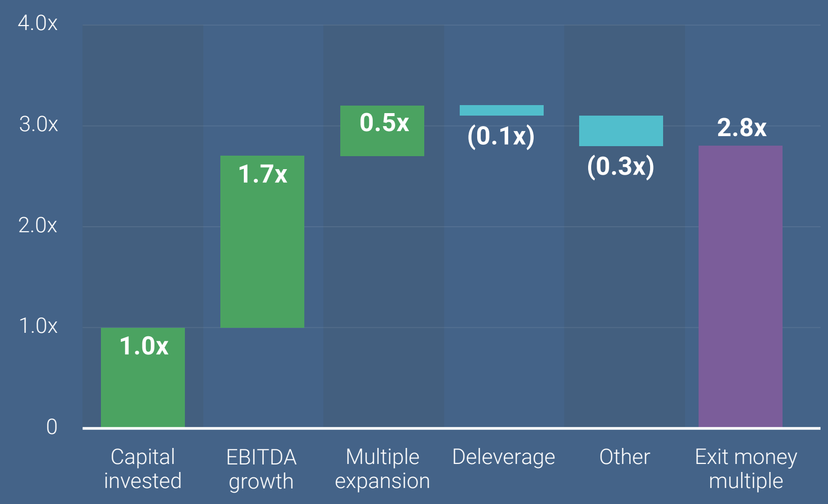
Active management and value creation

- Since IK Partners acquired the company in January 2019, Nomios has undergone a transition towards becoming a cybersecurity business of scale across Europe.
- The company successfully doubled its revenues through organic growth, which has been realised across service lines and geographies.
- Nomios capitalised on its proven track record of client stickiness, maintaining and achieving high vendor accreditations and high employee loyalty.
- Nomios has also launched several new strategic initiatives, including the successful unveiling of various security operating centres (SOC's) in its key markets.
- The company has also expanded its footprint in Europe through two acquisitions in Poland and Italy.

Exit

- In November 2023, Nomios was acquired by Keensight Capital, a private equity manager focused on pan-European growth buyout investments. PIP made a return of 2.8x on the original cost and IRR of 25%.

Value creation bridge



Distributions case study

Perspective
MANAGING WEALTH

Proceeds	£1.5m	**Sector**	Financials
Manager	CBPE	**Stage**	Small buyout
Geography	Europe	**Vintage**	2020
Investment type	Secondary	**Exit type**	Secondary buyout

UK-wide diversified wealth manager

Perspective is a wealth and investment manager with 143 advisers providing coverage of the UK market through a network of 40 local offices.

Headquartered in Chorley, United Kingdom, the business provides financial advisory services in the areas of retirement planning, asset management, personal wealth and corporate planning for customers in the United Kingdom.

Distributions case study

Perspective MANAGING WEALTH

Investment rationale

- The financial advisory market in the UK is highly fragmented. CBPE saw the potential to consolidate the market through Perspective.
- The business had strong foundations from which to launch a buy-and-build strategy. With a strong compliance culture, client and adviser churn was low. The team was highly experienced and well-aligned with CBPE on strategy. The business had experience of undertaking M&A but had only recently started its M&A journey.
- CBPE and the team recognised the opportunity to build a diversified wealth manager of scale through acquisitive growth of the long tail of relatively small Independent Financial Adviser ("IFA") firms. Many of these IFAs were approaching retirement and did not have the resources to invest in new technology and compliance systems.
- CBPE partnered with Perspective's management team, who all reinvested in the business, therefore ensuring a strong alignment of business objectives.
- CBPE understood the key element of a successful wealth business and the importance of maintaining Perspective's client-centric culture, which reduced compliance risks and ensured client retention and growth.

Private equity manager profile

- Founded in 1984, CBPE is a London-based private equity investment firm that specialises in investing in small and middle-market companies in the UK. The firm has a particular focus on acquiring businesses from founders and management teams in sectors such as healthcare, business and financial services, industrials and technology.
- Since becoming an independent business in 2008, CBPE has raised three funds and has over £1bn in assets under management.
- CBPE works very closely with the management teams of its portfolio companies to drive growth, and is adept at implementing buy-and-build strategies. Since 2008, CBPE has completed more than 180 investments, demonstrating its active role in the market.

Our relationship

- Pantheon has a long-established relationship with CBPE. It is a primary investor in several funds, and a secondary investor in CBPE IX and has also previously co-invested alongside the manager.

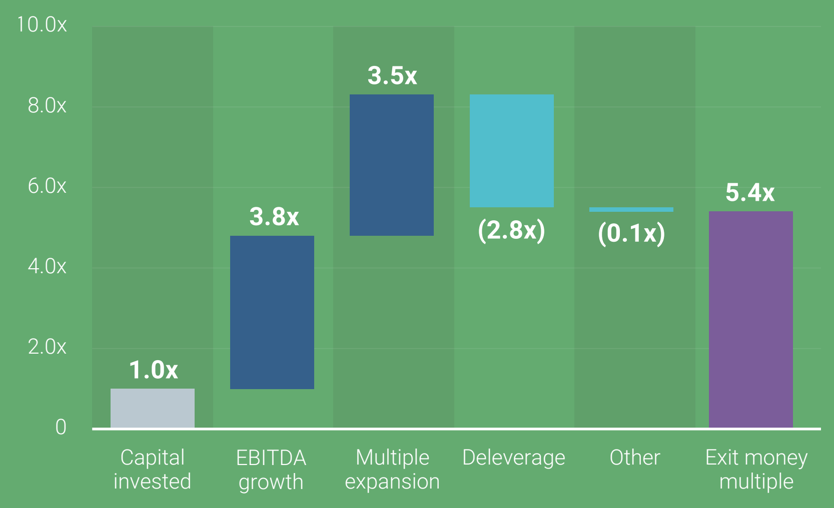
Active management and value creation

- During CBPE's investment, the business grew significantly from £2.6bn to £8.0bn of assets under management through a focused buy-and-build investment strategy, supported by strong organic growth.
- Together with Perspective, CBPE built a highly efficient M&A execution and integration team, which allowed Perspective to become the go-to acquirer for retiring Independent Financial Adviser businesses. Perspective has completed over 50 acquisitions since CBPE invested in it.
- CBPE facilitated significant investments in central support functions and technology. This enabled all acquisitions to benefit from consistently high standards of advice and compliance.

Exit

- In February 2024, Perspective agreed a sale to Charlesbank Capital Partners, a US middle-market private equity firm. The transaction closed in May 2024. PIP made a return of 5.4x on the original cost.

Value creation bridge



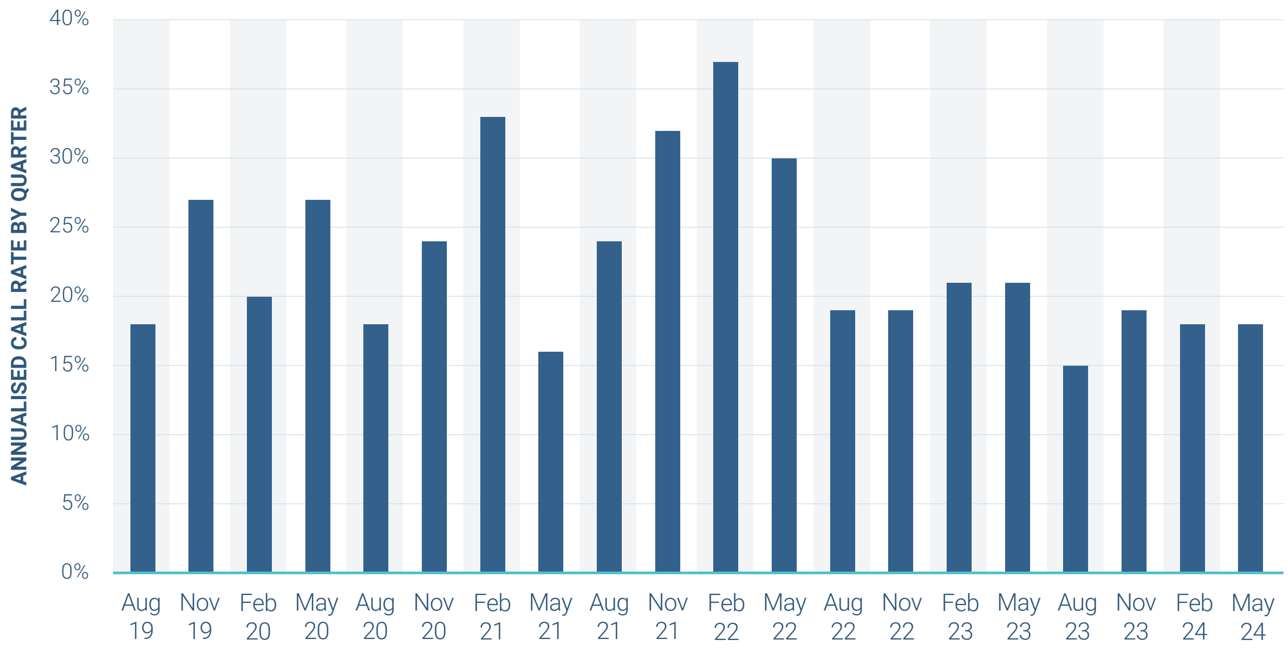
Calls

PIP paid £156m to finance calls on undrawn commitments during the year (31 May 2023: £155m).

Quarterly call rate[1]

The annualised call rate[1] for the year ended 31 May 2024 was equivalent to 18% of opening undrawn commitments (31 May 2023: 21%).

The observed call rate is below historical average levels and is a reflection of the subdued Mergers & Acquisitions ("M&A") market.



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

New Commitments

The Company intentionally managed investment pacing to ensure liquidity was preserved in a market environment experiencing lower exit levels than historically.

PIP made 16 new investments during the year to 31 May 2024, amounting to £153m in new commitments. These commitments were to nine primary funds (£99m), six co-investments (£42m) and one manager-led secondary (£12m).

In addition, PIP was able to deploy a significant amount of capital despite low levels of deal flow, and capture value for its shareholders, by acquiring its own shares at a significant discount to NAV. During the financial year, the Company invested £197m[1] in share buybacks at an average discount of 35%.

New commitments by region, by stage and by type

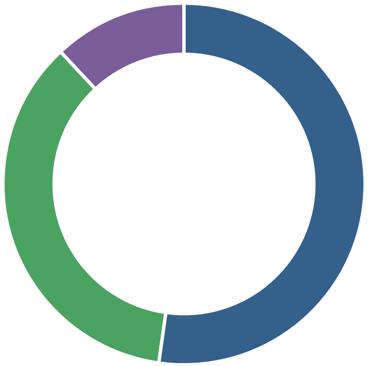
Our investment process

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

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

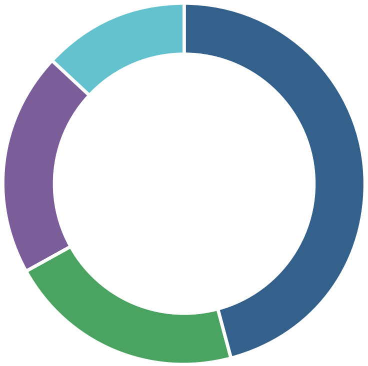
Cash generated from the sale of those companies is returned to PIP and redeployed into new investment opportunities, including share buybacks in accordance with the capital allocation policy.

New commitments by region



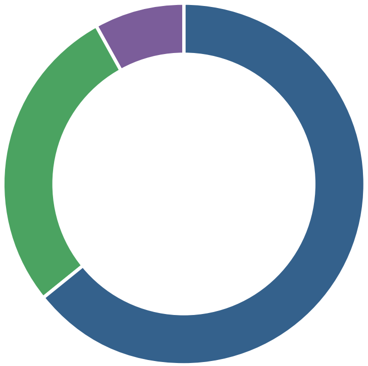
Europe	53%
USA	35%
Global	12%

New commitments by stage



Growth	46%
Small/mid buyout	21%
Venture	20%
Large/mega buyout	13%

New commitments by type



Primaries	64%
Co-investments	28%
Manager-led secondaries	8%

1 Excluding costs and stamp duty

New Commitments case study

ALTOR

Commitment	£20.0m	**Geography**	Europe
Private equity fund	Altor ACT I	**Investment type**	Primary
Manager	Altor Equity Partners ("Altor")		

Driving the green transition

Founded in 2003, Altor is a mid-market private equity firm based in Europe that seeks to scale and optimise companies with world-class potential through fundamental business improvements and earnings growth.

The consideration of sustainability is one of many factors that form part of Altor's investment approach. Beyond mitigating sustainability risks as part of its investment process, Altor has implemented a framework of comprehensive sustainability performance monitoring of its portfolio companies.

It is a signatory to the Science Based Targets initiative ("SBTi") and it is supporting its portfolio companies to develop science-based targets and implement decarbonisation pathways. Altor's ambition is to make every Altor-backed company a sustainability leader in its respective industry.

PIP has backed Altor since 2003 and, in March 2024, made a commitment to Altor's ACT I, which is a fund focused on investment opportunities that have a specific green transition or industrial decarbonisation theme. In Europe, there is a significant and growing push to decarbonise supply chains in order to meet the European Union's target to reduce net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

As a result, Altor believes that many businesses are seeking to secure compliant, more sustainable supply chains to achieve their own targets, and this push is leading to an increase in businesses that can help to deliver sustainable supply chains at significant scale within the next five to 10 years.

Altor's ACT I aims to primarily invest in companies across a range of sectors where the green transition is central to their business models, and will include businesses that either have existing green transition value chains or businesses that are developing newer but proven industrial processes to directly deliver green end-solutions.

Altor has already identified a long list of attractive targets within a range of investment themes.

Yellow Hive.

Commitment	£11.6m	**Geography**	Europe
Private equity fund	Financials	**Investment type**	Manager-led secondary
Manager	IK Partners ("IK")	**Stage**	Mid-market buyout

Making critical connections for insurers

Yellow Hive is a leading Dutch insurance distribution platform with active broker and managing general agent ("MGA") capabilities. The company, which serves both small and medium-sized enterprises and consumers, is a financial services intermediary for property and casualty insurances, employee benefits, risk assessment and mortgages.

The business is headquartered in the Netherlands and has more than 500 employees.

Investment rationale

- Yellow Hive had a high-quality platform displaying robust historical organic growth supplemented by proven buy-and-build capabilities.
- Resilient business model with expansion into higher margin MGA/niche sectors, which will drive cross-selling opportunities with the potential for significant synergies and economies of scale.
- Fragmented and growing underlying market provides an attractive buy-and-build opportunity.
- A strong alignment with a core, high-quality private equity manager.

Our relationship

Pantheon is an existing primary investor in IK's Small Cap Fund II and has been an active investor with the private equity manager since 2000, having invested in several of their mid-cap funds on a primary basis and completed eight co-investments.

Active management and value creation

- IK acquired Yellow Hive in 2020 and has since grown revenue and EBITDA by 5.5 and 6.0 times respectively.
- Mergers & Acquisitions are in the DNA of the company. All the business segments are supported by a shared services centre, which enables the business to seamlessly integrate new businesses to the platform, driving efficiency and generating synergies. Furthermore, the company has a good track record of transferring its portfolio of policies into its own MGA channel, and therefore further synergies are anticipated.
- Yellow Hive has the long-term goal of replicating the platform that it has today on a pan-European scale. The company, assisted by IK, has built a pipeline of targets into its plan and aims to execute on this to grow business earnings.

Buyout Analysis[1]

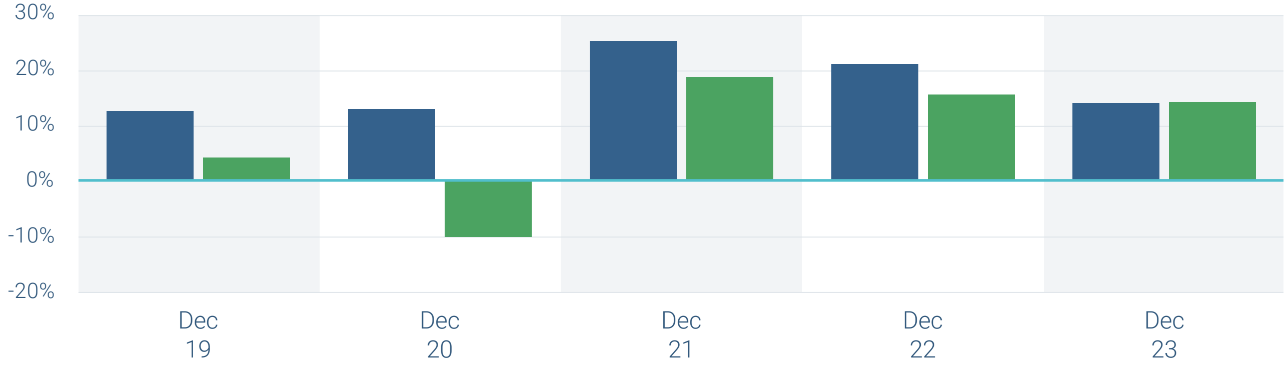
Over the past 12 months, the weighted-average revenue and EBITDA growth for PIP's buyout portfolio was 14% and 17% respectively. PIP's five year average revenue and for EBITDA growth have exceeded growth rates seen among companies that constitute the MSCI World Index. Strong top-line performance, disciplined cost control, operational expertise and good earnings growth, together with an efficient use of capital, underpin the investment thesis of our private equity managers.

Revenue and EBITDA growth

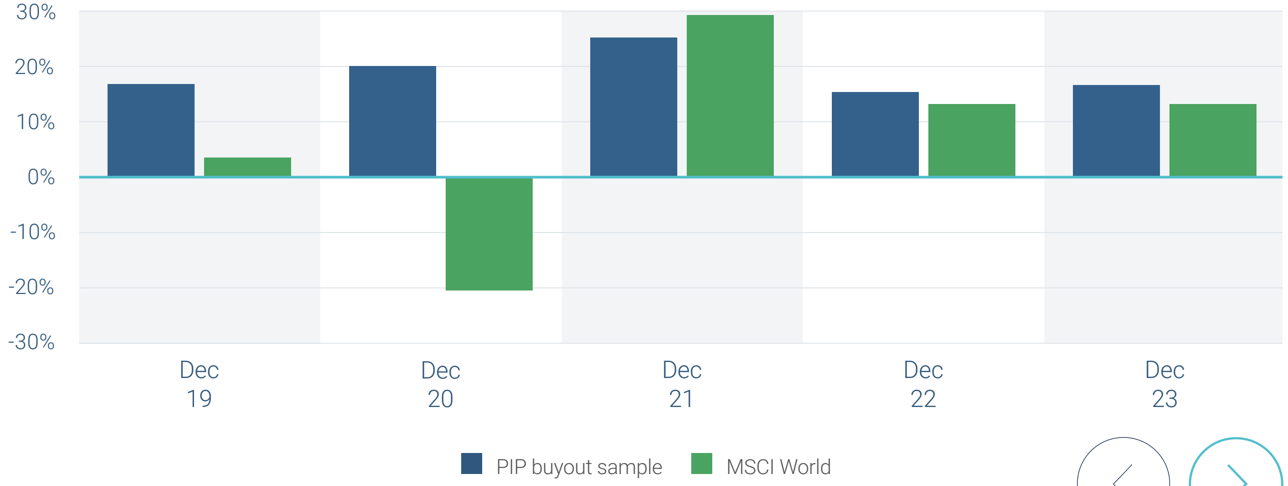
Valuation multiple

Debt multiples

Annual revenue growth[2]



Annual EBITDA growth[2]



1 The sample buyout figures for the 12 months to 31 December 2023 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 179 to 180 of the Alternative Performance Measures section for sample calculations and disclosures.

2 MSCI World, 2023 and 2022 aggregate market-weighted revenue and EBITDA growth data is derived from constituent companies compared on a year-on-year basis for the financial years ending 31 December 2023 and 2022.

Buyout Analysis[1]

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

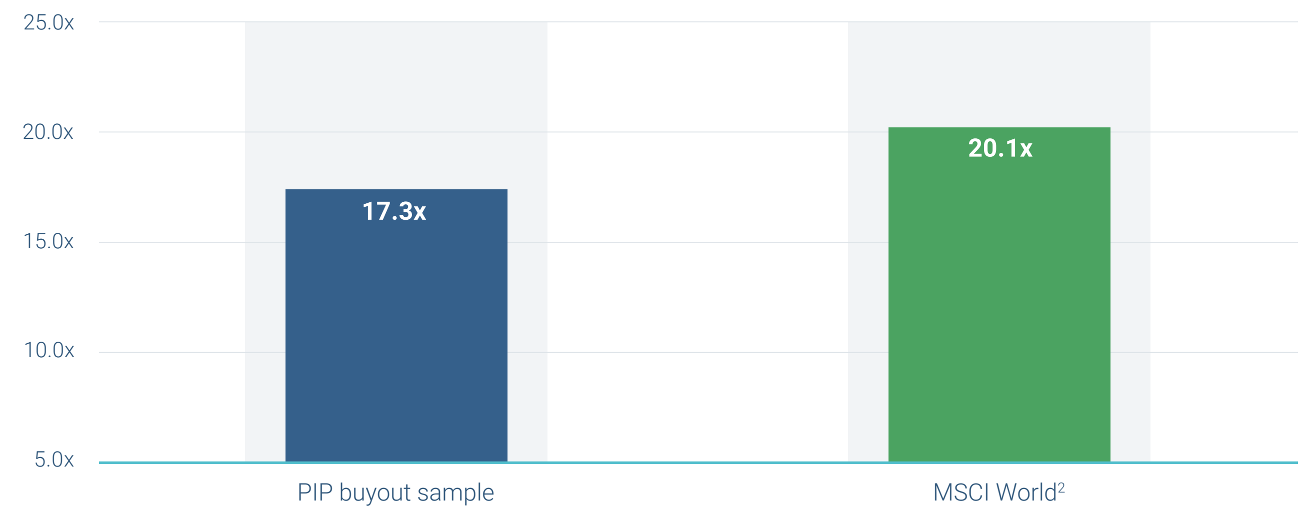
PIP's sample-weighted average Enterprise Value (EV)/EBITDA was 17.3 times compared with 20.1 times for the MSCI World Index.

PIP invests proportionately more in high-growth sectors such as mission-critical B2B information technology and healthcare, and these sectors tend to trade at a premium to other sectors.

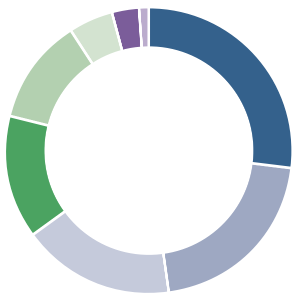
Revenue and EBITDA growth

Valuation multiple

Debt multiples

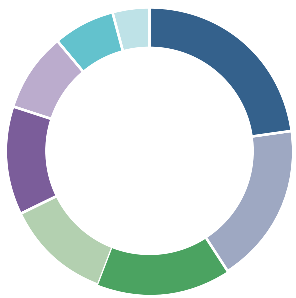


Buyout portfolio[3]



Information technology	27%
Healthcare	21%
Consumer	17%
Industrials	14%
Financials	12%
Communication services	5%
Materials	3%
Others	1%

MSCI World[4]



Information technology	23%
Consumer	18%
Financials	15%
Healthcare	12%
Industrials	12%
Others	9%
Communication services	7%
Materials	4%

1 The sample buyout figures for the 12 months to 31 December 2023 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 179 to 180 of the Alternative Performance Measures section for sample calculations and disclosures.

2 The MSCI World valuation multiple is derived from weighted valuation multiples data of the constituent companies as at 31 December 2023.

3 100% coverage of buyout portfolio.

4 As at 31 May 2024.

Buyout Analysis[1]

Venture, growth and buyout investments have differing leverage characteristics.

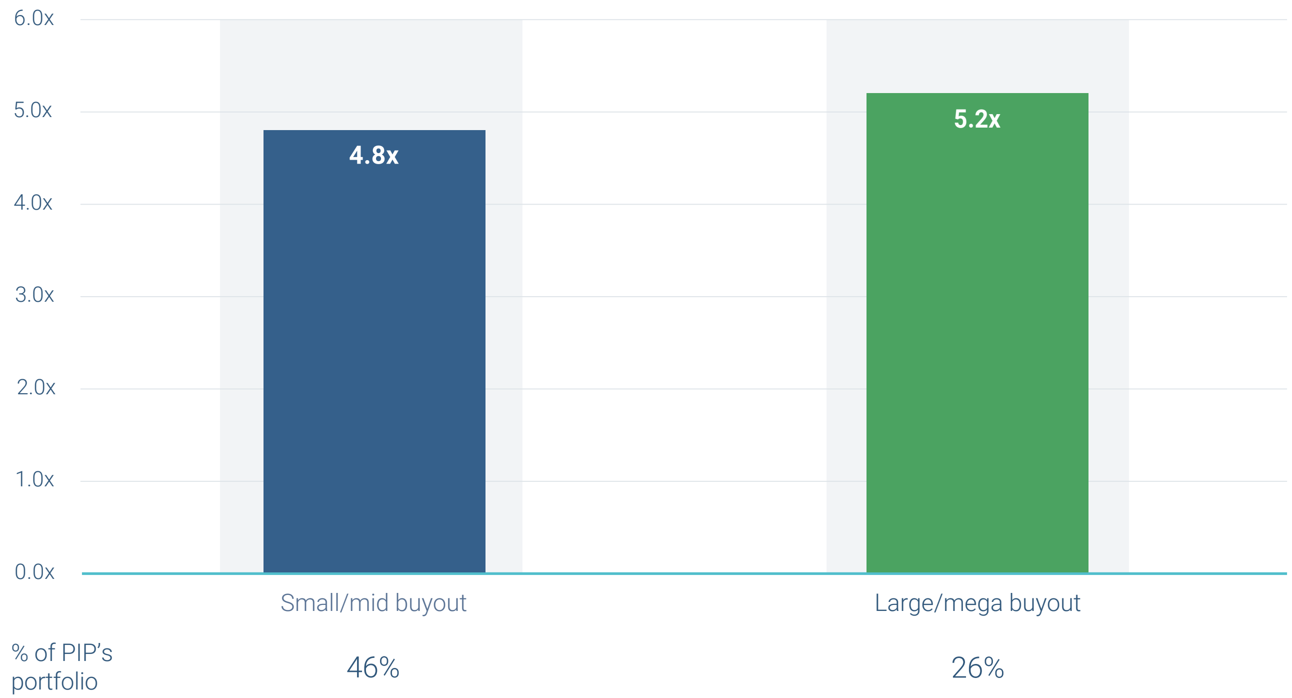
Average debt multiples for small/mid buyout investments, which represent the largest segment of PIP's buyout portfolio, are typically lower than debt levels in the large/mega-buyout segment.

The venture and growth portfolios have little or no leverage.

Revenue and EBITDA growth

Valuation multiple

Debt multiples



1 The sample buyout figures for the 12 months to 31 December 2023 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See pages 179 to 180 of the Alternative Performance Measures section for sample calculations and disclosures.

Largest 50 Companies by Value[1]

	Company	Website	Country	Sector	Investment type	Description	% of PIP portfolio
1	Action		Netherlands	Consumer	Manager-led Secondary	General merchandise discount stores	1.2%
2	Kaseya		Switzerland	Information Technology	Co-investment; Fund Secondary	Provider of IT management and monitoring software services	1.2%
3	Visma		Norway	Information Technology	Primary; Co-investment	Provider of software solutions for finance and HR departments	1.1%
4	Smile Doctors		USA	Healthcare	Manager-led Secondary	Orthodontic treatments and services provider	0.9%
5	shiftkey		USA	Healthcare	Manager-led Secondary	Recruitment platform for nurses	0.8%
6	valantic		Germany	Information Technology	Manager-led Secondary	Digital consulting and software company	0.8%
7	mro		USA	Healthcare	Co-investment; Primary	Provider of disclosure management services	0.8%
8	Froneri		United Kingdom	Consumer	Manager-led Secondary	Ice cream and frozen food manufacturer	0.8%
9	Omni Eye Services		USA	Healthcare	Manager-led Secondary	Specialist eye treatment provider	0.8%
10	Anaplan		USA	Information Technology	Co-investment; Primary	Developer of a cloud-based modelling and planning platform	0.7%
11	asurion		USA	Financials	Manager-led Secondary	Mobile phone insurance company	0.7%
12	SunMedia		Spain	Communication Services	Co-investment	Digital advertising company	0.7%
13	LifePoint Health		USA	Healthcare	Co-investment; Manager-led Secondary	Healthcare provider	0.7%

1 The largest 50 companies table is based upon underlying company valuations at 31 March 2024 adjusted for known call and distributions to 31 May 2024, and includes the portion of the reference portfolio attributable to the ALN.

Largest 50 Companies by Value[1]

	Company	Website	Country	Sector	Investment type	Description	% of PIP portfolio
14	JSI		USA	Industrials	Manager-led Secondary	Consultant to telecommunication service providers	0.7%
15	Millennium Trust Company		USA	Financials	Co-investment; Primary	Provider of technology-enabled retirement and investment services	0.7%
16	Eversana		USA	Healthcare	Manager-led Secondary	Commercial services platform for the life sciences sector	0.7%
17	doit		USA	Information Technology	Co-investment	Provider of cloud consulting and engineering services	0.7%
18	Recorded Future		USA	Information Technology	Primary; Co-Investment; Fund Secondary	Cybersecurity software company	0.7%
19	Nord Anglia Education		Hong Kong	Consumer	Primary; Co-Investment	Operator of educational institutions	0.7%
20	ascent resources plc		USA	Energy	Fund Secondary	Natural gas and oil producer	0.6%
21	confie		USA	Financials	Co-investment	Commercial insurance broker	0.6%
22	Cotiviti		USA	Healthcare	Co-investment	A provider of healthcare payment integrity and analytical solutions	0.6%
23	Kaspi.kz		Kazakhstan	Financials	Primary	Banking products and services provider	0.6%
24	RLDatix		USA	Healthcare	Manager-led Secondary	Developer of cloud-based patient safety and risk management software	0.6%
25	SailPoint		USA	Information Technology	Co-investment; Primary	Provider of enterprise identity governance solutions	0.6%
26	tag		Israel	Healthcare	Manager-led Secondary	Provider of medical equipment and implants	0.5%

1 The largest 50 companies table is based upon underlying company valuations at 31 March 2024 adjusted for known call and distributions to 31 May 2024, and includes the portion of the reference portfolio attributable to the ALN.

Largest 50 Companies by Value[1]

	Company	Website	Country	Sector	Investment type	Description	% of PIP portfolio
27	Krispy Krunchy Chicken		USA	Consumer	Co-investment; Primary	Operator of fast food chain stores	0.5%
28	24seven		USA	Industrials	Manager-led Secondary	Digital marketing and recruitment services provider	0.5%
29	access		United Kingdom	Information Technology	Co-investment	Provider of business management software solutions to SMEs	0.5%
30	101		USA	Industrials	Co-investment	Provider of food waste recycling services	0.5%
31	OptConnect		USA	Information Technology	Manager-led Secondary	Provider of wireless internet connectivity solutions	0.5%
32	IFS		Sweden	Information Technology	Co-investment; Primary	Developer of enterprise resource planning software	0.5%
33	Kilcoy Global Foods		Australia	Consumer	Manager-led Secondary	Producer of beef and other animal protein products	0.5%
34	satlink		Spain	Information Technology	Co-investment	Satellite communication equipment provider for the maritime industry	0.5%
35	Perspecta		USA	Information Technology	Co-investment	IT services management company	0.5%
36	Tanium		USA	Information Technology	Co-investment	Cybersecurity services provider	0.5%
37	LogicMonitor		USA	Information Technology	Primary; Co-Investment; Fund Secondary	Managed IT service provider	0.5%
38	Flynn Restaurant Group		USA	Consumer	Co-investment	Restaurant franchise company	0.5%
39	Inspire Brands		USA	Consumer	Manager-led Secondary	Restaurant franchise company	0.5%

1 The largest 50 companies table is based upon underlying company valuations at 31 March 2024 adjusted for known call and distributions to 31 May 2024, and includes the portion of the reference portfolio attributable to the ALN.

Largest 50 Companies by Value[1]

	Company	Website	Country	Sector	Investment type	Description	% of PIP portfolio
40	imagine360		USA	Healthcare	Manager-led Secondary	Provider of solutions to mitigate health insurance costs for mid-size employers	0.5%
41	shawbrook		United Kingdom	Financials	Co-investment	Provides lending and savings financial products	0.4%
42	TRIMECH		USA	Information Technology	Co-investment	Provider of 3D design, engineering and manufacturing solutions	0.4%
43	medica:		United Kingdom	Healthcare	Co-investment	Provides teleradiology reporting services to public and private health organisations	0.4%
44	svt		Germany	Industrials	Manager-led Secondary	Manufacturer of fire protection products and systems	0.4%
45	sonar		Switzerland	Information Technology	Primary; Fund Secondary	Developer of coding software	0.4%
46	KD Pharma Creating Health Solutions		Germany	Healthcare	Manager-led Secondary	Contract Development and Manufacturing Organisation	0.4%
47	olink PROTEOMICS		Sweden	Healthcare	Co-investment	Develops products and services for human protein biomarker discovery	0.4%
48	Arnott Suspension Products		USA	Consumer	Co-investment; Fund Secondary	Manufactures air suspension products and accessories for trucks and vehicles	0.4%
49	vizrt		Norway	Information Technology	Primary; Manager-led Secondary	Developer of content production tools for the digital media industry	0.4%
50	REGINA MARIA REȚEAUA PRIVATĂ DE SĂNĂTATE		Romania	Healthcare	Manager-led Secondary	Provides private healthcare services	0.4%
Coverage of PIP's private equity asset value							30.5%

1 The largest 50 companies table is based upon underlying company valuations at 31 March 2024 adjusted for known call and distributions to 31 May 2024, and includes the portion of the reference portfolio attributable to the ALN.

Largest 50 Managers by Value

Rank	Manager	Website	Region[1]	Stage	% of total private equity asset value[2]
1	INSIGHT PARTNERS		USA	Growth	7.1%
2	Index Ventures		Global	Venture, Growth	3.6%
3	Hg		Europe	Buyout	3.6%
4	PROVIDENCE EQUITY PARTNERS		USA	Buyout	3.1%
5	PARTHENON CAPITAL		USA	Buyout	2.5%
6	WATER STREET		USA	Buyout	2.4%
7	IK Partners		Europe	Buyout	2.4%
8	Advent International GLOBAL PRIVATE EQUITY		Global	Buyout	2.4%
9	abry partners		USA	Buyout	2.0%
10	THOMABRAVO		USA	Buyout	1.9%
11	MidEuropa		Europe	Buyout	1.5%
12	seven2 (Previously Apax Partners SAS)		Europe	Buyout	1.5%
13	Charlesbank		USA	Buyout	1.4%

1 Refers to the regional exposure of funds.
2 Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.

Largest 50 Managers by Value

Rank	Manager	Website	Region[1]	Stage	% of total private equity asset value[2]
14	Altamont Capital Partners		USA	Buyout	1.4%
15	3i		Europe	Buyout	1.3%
16	Searchlight		Global	Special Situations	1.3%
17	LYFE		Asia	Growth	1.3%
18	Veritas Capital		USA	Buyout	1.3%
19	Deutsche Private Equity		Europe	Buyout	1.2%
20	EQT		Global	Growth	1.2%
21	Hellman & Friedman		Global	Buyout	1.2%
22	Altor		Europe	Buyout	1.1%
23	H.I.G. Capital		USA	Buyout	1.1%
24	Main Post Partners		USA	Buyout	1.1%
25	Apollo		Global	Buyout	1.1%
26	Oak HC/FT		USA	Growth	1.1%

1 Refers to the regional exposure of funds.

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

Largest 50 Managers by Value

Rank	Manager	Website	Region[1]	Stage	% of total private equity asset value[2]
27	LINDEN		USA	Buyout	1.0%
28	APHEON (Previously Ergon Capital)		Europe	Buyout	1.0%
29	Growth fund[3]		USA	Growth	1.0%
30	eci building successful businesses		Europe	Buyout	1.0%
31	Five Arrows Principal Investments		Europe	Buyout	1.0%
32	Morgan Stanley CAPITAL PARTNERS		USA	Buyout	0.9%
33	LorientCapital		USA	Buyout	0.9%
34	PAI partners		Europe	Buyout	0.9%
35	ONEX		USA	Buyout	0.9%
36	THE ENERGY & MINERALS GROUP		USA	Special Situations	0.9%
37	NMS MANAGEMENT		USA	Buyout	0.8%
38	Balderton.		Europe	Growth	0.8%

1 Refers to the regional exposure of funds.
2 Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.
3 The private equity manager does not permit the Company to disclose this information.

Largest 50 Managers by Value

Rank	Manager	Website	Region[1]	Stage	% of total private equity asset value[2]
39	Calera Capital		USA	Buyout	0.8%
40	Shamrock Capital		USA	Growth	0.8%
41	Francisco Partners		USA	Buyout	0.8%
42	Alpine		USA	Buyout	0.8%
43	Chequers Capital		Europe	Buyout	0.8%
44	BC Partners		Global	Buyout	0.8%
45	Magnum Industrial Partners		Europe	Buyout	0.8%
46	Sentinel Capital Partners		USA	Buyout	0.7%
47	Knox Lane		USA	Buyout	0.7%
48	Stone Goff		USA	Buyout	0.7%
49	Roark Capital Group		USA	Buyout	0.6%
50	Tene Investment Funds		Europe	Growth	0.6%
Coverage of PIP's private equity asset value					71.1%

1 Refers to the regional exposure of funds.
2 Percentages look through underlying vehicle structures and exclude the portion of the reference portfolio attributable to the ALN.

Key Pantheon Personnel Supporting PIP

Helen Steers

PIP and European Investment, Partner

Joined 2004; 34 years of private equity experience. Helen is a Partner in Pantheon's European Investment Team and is responsible for co-managing the activities of PIP. She is a member of Pantheon's International Investment Committee, European Investment Committee and Global Co-investment Committee. Prior to joining Pantheon, Helen held senior positions at Russell Investments in Paris and at the Caisse de dépôt et placement du Québec in Montréal. Helen is a past Chair and member of the Council (Board) of the British Private Equity and Venture Capital Association ("BVCA"). She has also served as a Board member of Invest Europe and is a co-founder of Level 20.

Charlotte Morris

PIP and Secondary Investment, Partner

Joined 2006; 20 years of private equity experience. Charlotte is a Partner in Pantheon's Global Secondaries Team and is responsible for co-managing the activities of PIP. She is involved in all aspects of the secondaries business including the analysis, evaluation and completion of secondary investment opportunities. Charlotte joined Pantheon in 2006 from Cdb Web Tech, an investment vehicle listed on the Milan Stock Exchange, and spent 2.5 years working in Pantheon's San Francisco office. She serves as a member of Pantheon's Global Secondaries Investment Committee, Investment Management Committee and Sustainability Committee, and is engaged across Pantheon's transactional investment activities.

Vicki Bradley

Head of Investor Relations and Communications for PIP

Joined 2016; over 14 years of investor relations and communications experience with publicly listed companies. Vicki is also a member of the UK Investor Relations Society Policy Committee. Prior to joining Pantheon, she held senior roles at FTSE 100 and FTSE 250 companies, as well as at a Dutch-listed investment trust.

Maria Candelario

Principal, PIP

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

Key Pantheon Personnel Supporting PIP

Kalonga Mumba

Vice President, PIP

Joined 2023; 12 years' experience in advisory, equity research and private equity. Kalonga is responsible for portfolio analysis, investment analysis, financial forecasting, optimising vehicle financing, reporting and vehicle management. Prior to joining Pantheon, he worked as a freelance consultant on various corporate finance assignments. He also held assurance and advisory roles at PwC and later as an equity research analyst at a boutique research firm. He qualified as a certified chartered accountant with PwC.

Farid Barekati

Vice President, Fund Finance

Joined 2020; 10 years of private equity experience. Farid is a Vice President within Pantheon's Fund Finance Team, where he has operational oversight for the reporting, valuation and external audit of Pantheon's UK listed products, including PIP and Pantheon Infrastructure Plc. Prior to joining Pantheon, Farid was the Financial Controller for John Laing Capital Management, responsible for their listed funds. He also spent time in various finance and operations roles within 3i Group Plc, before moving to their listed infrastructure fund.

Amar Pervaz

Senior Associate, Fund Finance

Joined 2021; over 5 years of private equity experience. Amar is a Senior Associate within Pantheon's Fund Finance Team, where he is responsible for the reporting, valuation and external audit of PIP. Prior to joining Pantheon, Amar spent time in various finance and operations roles working across multiple products, working for both Fund Administrators and Asset Managers. Amar is a fellow of the Association of Chartered Certified Accountants (ACCA).

Brett Perryman

Global Head of Marketing and Communications, Partner

Joined 2021; Brett is a Partner and Pantheon's Global Head of Marketing and Communications. Prior to joining Pantheon, she was Head of External Relations at FCLTGlobal, a non-profit research organisation focused on rebalancing capital markets to support a long-term, sustainable economy. Before that, Brett was Head of Corporate Communications at BrightSphere Investment Group (NYSE: BSIG), a global multi-boutique asset management company based in Boston.

Key Pantheon Personnel Supporting PIP

Paul Ward

Managing Partner

Joined 2003; 25 years of private equity experience. Paul is Pantheon's Managing Partner and is a member of the Partnership Board. Paul joined Pantheon from Lehman Brothers Private Equity Group, where he was Investment Director. Previously, he worked for Lehman Brothers Investment Bank in New York and London on M&A and corporate finance advisory services and, prior to that, was a management consultant for PA Consulting.

Kathryn Leaf

Partner, Co-Head of Investment

Joined 2008; 26 years of private equity experience. Kathryn is a Partner, Co-Head of Investment and Global Head of Real Assets, which includes infrastructure, real estate and other real assets. She is a member of Pantheon's Partnership Board and International Investment Committee. Prior to joining Pantheon, Kathryn was with GIC Special Investments, before which she was responsible for direct investments at Centre Partners, a New York-based private equity firm. Kathryn began her career in Morgan Stanley's Investment Banking Division where she pursued real estate investments.

Jeff Miller

Global Head of Private Equity, Partner

Joined 2008; 22 years of private equity experience. Jeff is a Partner and Global Head of Private Equity. He is also Global Head of Co-investments, leading all underlying co-investment activities and team management, and is a member of Pantheon's Global Partnership Board, International Investment Committee, Co-investment Committee and US Investment Committee. Prior to joining Pantheon, Jeff was a Principal at Allied Capital, where he was responsible for evaluating and executing private equity and mezzanine investments. Previously, he was a Vice President in Lehman Brothers' investment banking division.

Eimear Palmer

Global Head of Sustainability, Partner

Joined 2022; 15 years of private markets experience. Eimear is a Partner and Global Head of Sustainability, with responsibility for overseeing and developing Pantheon's sustainability strategy, frameworks and range of initiatives. Eimear chairs Pantheon's Sustainability Committee and is a member of the International Investment Committee. Prior to joining the firm, Eimear worked for 14 years in private equity-focused sustainability roles, including most recently as Managing Director and Head of Responsible Investment at Intermediate Capital Group ("ICG"). Before that she worked at the Carlyle Group.

Key Pantheon Personnel Supporting PIP

Graeme Keenan

Chief Risk Officer, Partner

Joined 1999; 23 years of private markets experience. Graeme is a Partner and Pantheon's Chief Risk Officer, with responsibility for global risk management. Graeme also heads up the Performance Analytics function. He is a member of Pantheon's Risk Committee and Sustainability Committee. Prior to taking on the role of Chief Risk Officer, Graeme was Pantheon's Global Head of Operations, responsible for global client financial reporting, handling the processing, maintenance and reconciliation of transactions, valuations and company data for clients and Pantheon fund-of-funds within Pantheon's in-house systems.

Bradley Mitchell

Vice President, Fund Management

Joined 2022; 11 years of private equity and banking experience. Brad is a Vice President in Pantheon's Fund Management team, part of the Investment team, where he focuses on fund debt strategies and solutions. Prior to joining Pantheon, he worked at NatWest Group as a Director in its Institutional Banking, Funds Finance division. Brad has passed all three levels of the CFA Program.

Susan Long-McAndrews

US Primary Investment, Partner

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

Imogen Richards

Primary Investment, Partner

Joined 2005; 21 years of private markets experience. Imogen is a Partner on the European Private Equity team with responsibility for European primaries and co-investments, and also the portfolio strategy and treasury & fund management teams. Prior to Pantheon, Imogen worked on small and mid-market private equity and mezzanine transactions for Anglo Irish Bank in Dublin.

Key Pantheon Personnel Supporting PIP

Amyn Hassanally

Global Head of Private Equity Secondaries, Partner

Joined 2022; 23 years of private markets experience. Amyn is a Partner and Global Head of Private Equity Secondaries. He is a member of the Global Secondary Investment Committee. Prior to joining Pantheon, Amyn was an Investment Partner at Coller Capital, where he worked for 17 years in both London and New York and was formerly the global Co-Head of Investment Execution. Prior to joining Coller, he practised corporate law, focusing on private equity transactions and fund structuring.

Petra Bukovec

Secondary Investment, Partner

Joined 2006; 17 years of private equity experience. Petra is a Partner in Pantheon's Global Secondaries Team, where she is involved in all aspects of secondary investments including the analysis, evaluation and completion of secondary transactions. She is a member of the Global Secondary Investment Committee and has been a member of the Global Secondaries Team since joining Pantheon in 2006. Prior to joining Pantheon, Petra was an investment banking analyst at Lehman Brothers, focusing on M&A and other corporate finance mandates.

Erik Wong

Co-investment, Partner

Joined 2007; 23 years of private equity experience. Erik is a Partner in Pantheon's Global Co-investment Team and a member of the Co-investment Committee and European Investment Committee. Erik is responsible for sourcing, execution and monitoring co-investments in Europe. Prior to Pantheon, Erik worked for the Abu Dhabi Investment Authority, IFRS Foundation in the UK and with Quilvest Asia in Hong Kong.

Matt Cashion

Co-investment, Partner

Joined 2020; 25 years of private equity experience. Matt is a Partner in Pantheon's Global Co-investment Team. Matt is responsible for sourcing, execution and monitoring co-investments in the USA. Prior to joining Pantheon, Matt was a Managing Principal at GoldPoint Partners, where he was product head for the firm's co-investment business and also responsible for evaluating and executing private equity fund investments and private credit transactions in North America and Europe. Previously, Matt was an Analyst in the Private Finance Group of New York Life, specialising in bank loans and private high-yield investments.

Governance

Board of Directors

John Singer CBE

A M N I

Chair

Appointed to the Board 23 November 2016

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

Mr Singer is involved with several organisations within the arts and education sectors and is Chair of City of London Sinfonia.

Mary Ann Sieghart

A M N I

Senior Independent Director

Appointed to the Board 30 October 2019

Ms Sieghart is a Non-Executive Director of the Guardian Media Group and was formerly a Non-Executive Director of The Merchants Trust PLC and until 2022 was the Chair of the Investment Committee of the Scott Trust, overseeing its £1.2bn endowment. In addition, she is a Trustee of the Kennedy Memorial Trust and Esmée Fairbairn Foundation.

Ms Sieghart is also a journalist, broadcaster and author of *The Authority Gap: Why Women Are Still Taken Less Seriously Than Men, and What We Can Do About It*. She was formerly Assistant Editor of *The Times*, a Lex columnist at the *Financial Times* and City Editor of *Today*. She is a Visiting Professor of King's College London and also spent the academic year 2018–19 as a Visiting Fellow of All Souls College, Oxford.

David Melvin

A M N I

Audit Committee Chair

Appointed to the Board 23 February 2015

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

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

Board of Directors

John Burgess

A M N I

Appointed to the Board 23 November 2016

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

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

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

Dame Susan Owen DCB

A M N I

Appointed to the Board 31 October 2019

Dame Sue Owen is an economist with 30 years' experience in government, including 14 years at the Treasury. She led the Department for Digital, Culture, Media and Sport 2013-2019, having also worked in the British Embassy in Washington D.C., No.10 and the Department for International Development, and as Strategy Director General in the Department for Work and Pensions overseeing a £200bn budget. She has considerable experience of governance, advising ministers on board and chair appointments of 45 arm's-length bodies. She chaired the Civil Service Charity and was Civil Service Diversity Champion.

Currently, Dame Sue chairs the UK Debt Management Office Advisory Board, is Non-Executive Director at Serco plc, Pool Re, and DAF NV Supervisory Board. She is an ad hoc adviser at Flint Global; in pro-bono roles she chairs the Royal Ballet Governors, is a trustee of Opera Holland Park and NED at Methera Global start-up.

Zoe Clements

A M N I

Appointed to the Board 5 July 2023

Ms Clements is an investment, private equity and finance professional with over 15 years of board experience, and over 25 years of executive experience, notably in a private equity context at leading firms including Palatine Private Equity, Electra Partners, LGV Capital and Royal Bank of Scotland.

She is a current Non-Executive Director of JPMorgan Emerging Markets Investment Trust plc and is also a Member of the Social Investment Advisory Committee of the Growth Impact Fund and a Trustee of the Money and Mental Health Policy Institute. Ms Clements will also be appointed as non-executive Director of Senior plc with effect from 1 September 2024. She has previously sat on a range of consumer, retail, leisure, healthcare and professional services boards as a Non-Executive Director. She qualified as a Chartered Accountant with PwC.

Rahul Welde

A M N I

Appointed to the Board 25 July 2023

Mr Welde is a marketing and digital professional who spent almost 31 years in senior, international roles at Unilever. He is a current Non-Executive Director of Entain Plc and Parentinc Pte Ltd (Singapore), and is Chair of the Advisory Board of Migrant Leaders, a UK charity. He also serves in an advisory capacity to corporations and technology-led companies including those at the start-up and scale-up stages.

KEY

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

The Directors are pleased to present their report, together with the audited financial statements of the Company for the year ended 31 May 2024.

Some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance. Therefore, a review of the business of the Company, recent events and outlook can be found on pages 56 to 61 and information on our sustainability reporting can be found on pages 62 to 69. Important events affecting the Company and that occurred after 31 May 2024 are included in Note 25 to the financial statements.

Directors

The names and full biographies of the Directors, as at the date of this report, can be found on pages 116 and 117. Ms Zoe Clements and Mr Rahul Welde were appointed to the Board during the year, on 5 July 2023 and 25 July 2023 respectively. As at 31 May 2024 and the date of this report, the Board of Directors of the Company comprised four male Directors and three female Directors.

Apart from Mr Melvin, all Directors will retire and stand for re-election at the Company's Annual General Meeting ("AGM") on 16 October 2024. Mr Melvin will retire at the AGM and Ms Clements will succeed him as Audit Committee Chair. Further details regarding the selection and appointment of Directors, including the Company's position on diversity, can be found on pages 123 and 127.

The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association. There are no agreements between the Company and its Directors concerning any compensation for their loss of office.

Articles of Association

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

Share capital

The rights attaching to the Company's shares are set out in the Company's Articles of Association. Further details can be found in Note 17 of the financial statements.

Authorities given to the Directors at the AGM on 19 October 2023 to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM. In order to take advantage of the investment opportunity offered by the discount to NAV on the shares, during the year to 31 May 2024, 64,279,846 shares, representing 12.1% of the called-up share capital and a nominal value of £4,306,749.68, were bought back for an aggregate amount of £196,702,929 (excluding costs and stamp duty) subsequently cancelled. As at 31 May 2024, authority to buy back a further 67,002,984 shares remained.

As at 31 May 2024, the Company had shares in issue as shown in the table below, all of which were listed on the official list maintained by the Financial Conduct Authority ("FCA") and admitted to trading on the London Stock Exchange. No shares were held in Treasury at the year end or as at the date of this Report. The number of shares in issue and the voting rights as at the date of this report are 464,321,308.

The Company's ordinary shares are freely transferable. However, the Directors may refuse to register a transfer of shares held in certificated form which are not fully paid unless the instrument of transfer is (i) lodged, duly stamped at the Company's registered office, accompanied by the relevant share certificate(s) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer and (ii) not in favour of more than four persons jointly. The Directors may decline to register a transfer of an uncertificated share in the circumstances set out in the Uncertified Securities Regulations 2001 and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four. If the Directors decline to register a transfer, they are required to send notice of the refusal to the transferee within two months, giving reasons for their decision.

Unless the Directors determine otherwise, a holder of ordinary shares will cease to be entitled to attend or vote at general meetings of the Company or on any poll if he/she fails to comply with a request by the Company to provide details of any interest held by any person in his/her ordinary shares within 14 days of the request being made. Additionally, if the shares represent at least 0.25%, any dividends payable in respect of the shares will be withheld by the Company and no transfers of any of the shares held in certified form will be registered unless the shareholder is not him/herself in default as regards supplying the information required (and the Directors are satisfied that no person in default as regards supplying such information is interested in any of the shares that are subject of the transfer) or unless the transfer arises as a result of the acceptance of a takeover offer or a sale made through a recognised investment exchange (or any other stock exchange outside the UK on which the Company's shares are normally traded) or is a transfer which the Directors are satisfied is made in consequence of a sale of the entire beneficial interest in the shares to a person who is unconnected with the shareholder and with any other person appearing interested in the shares.

Share capital and voting rights

	As at the date of this Report	As at 31 May 2024	As at 31 May 2023
Number of ordinary shares of 6.7p each in issue	464,321,308	465,613,611	529,893,457
Voting rights attached to each share	1	1	1
Number of shares held in Treasury	–	–	–
Total voting rights	464,321,308	465,613,611	529,893,457

Directors' Report

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

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

The giving of authority to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares will be set out in the separate 2024 Notice of AGM.

Dividends

No final dividend is being recommended.

Investment Trust Status

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

Financial risk management

The principal financial risks and the Company's policies for managing these risks are set out in Note 23 to the financial statements (on pages 169 to 172).

Management

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

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

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

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

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

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

(i) 1.5% on the value of the Company's investment assets up to £150m; and

(ii) 1% on the value of such assets in excess of £150m.

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

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

The Manager is entitled to a performance fee from the Company in respect of each 12-month calendar period. No performance fee is payable in respect of the year ended 31 May 2024 (period ended 31 May 2023: £nil). Further detail as to how the performance fee is calculated is set out below.

The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such a period exceeds 110% of the applicable "high-water mark", i.e., the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation year ended 31 May 2024, the notional performance fee hurdle is a net asset value per share of 594.9p.

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.

Directors' Report

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

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

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

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

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

Continuing appointment of the Manager

The Board keeps the performance of the Manager under continual review, and the Management Engagement Committee carries out an annual review of the Manager's performance and the terms of the Management Agreement. The ongoing review of the Manager includes activities and performance over the course of the year and review against the Company's peer group.

The Board is of the opinion that it is in the interests of shareholders as a whole to continue the appointment. The reasons for this view are that the investment performance is satisfactory and the Manager is well placed to continue to manage the assets of the Company according to the Company's strategy. Further details of the Board's engagement with the Manager are set out on pages 125 to 126.

Other service providers

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

The Board has also appointed BNP Paribas Trust Corporation UK Limited (previously BNP Paribas Securities Services, London Branch) to act as the Company's Depositary (as required by the AIFM Directive) (the "Depositary") subject to the terms and conditions of a Depositary Agreement, as updated in 2022 by a Deed of Novation and Amendment, entered into between the Company, the AIFM and the Depositary. BNP Paribas Trust Corporation UK Limited has also been appointed as Custodian. Full details of the Board's engagement with service providers are set out on page 129.

Related party transactions

Related party transactions are disclosed in Note 24 to the financial statements.

Going concern

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

The Directors have made an assessment of going concern, taking into account the Company's current performance and financial position as at 31 May 2024. In addition, the Directors have assessed the outlook, which considers the potential further impact of ongoing international conflicts and election cycles which have brought about increased geopolitical uncertainties including the disruption to the global supply chain and increases in the cost of living as a result, persistent inflation, high interest rates and the impact of climate change on PIP's portfolio using the information available as at the date of issue of these financial statements.

Directors' Report

The Directors have also considered the Company's position with reference to its Investment Trust structure, its business model, its business objectives, the principal risks and uncertainties as detailed on pages 44 to 48 of this report and its present and projected financial position. The Directors have considered the impact of the Company's Capital Allocation Policy in regards to share buybacks. As part of the overall assessment, the Directors have taken into account the Manager's culture, which emphasises collaboration and accountability, the Manager's conservative approach to balance sheet management, and its emphasis on investing with underlying private equity managers that are focused on market outperformance.

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

PIP's Balance Sheet is managed to ensure that the Company can finance its undrawn commitments, which are carefully controlled relative to its assets and available liquidity. This disciplined approach enables the Company to withstand periods of volatility such as those experienced as a result of the ongoing international conflicts and periods of historically low exit and distribution levels.

Shareholdings

As at 31 May 2024, the Company's 10 largest shareholders were:

Name	Shareholding	% of total voting rights
Rathbones	24,531,199	5.27
BlackRock	22,860,462	4.91
Hargreaves Lansdown	17,928,329	3.85
Interactive Investor	17,798,434	3.82
West Midlands PF	17,551,940	3.77
Investec Wealth & Investment	17,403,673	3.74
Quilter Cheviot Investment Management	15,691,871	3.37
Schroder Investment Management	14,979,250	3.22
Suffolk CC PF	13,850,000	2.97
Contassur Assistance Conseil	13,101,440	2.81

Major interests in shares

As at 31 May 2024, the Company had received notification of the following disclosable interests in the voting rights of the Company[1]. This information was correct at the date of notification. It should be noted that these holdings may have changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings as at 31 May 2024. However, notification of any change is not required until the next applicable threshold is crossed:

	Number of shares held	% of total voting rights
Quilter Plc	23,292,326	4.95
AVI Global Trust Plc	14,055,700	2.98
Esperides S.A. Sicav-SIF	13,101,440	2.74
Universities Superannuation Scheme Ltd	9,728,041	2.03

The Company has not received any further notifications in the period from the financial year end to the date of this report.

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

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

After due consideration of the Balance Sheet, activities of the Company, its assets, liabilities, commitments and financial resources, the Directors have concluded that the Company has adequate resources to continue in operation for at least 12 months from the approval of the financial statements for the year ended 31 May 2024. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

1 The Company previously reported that APG Asset Management ("APG") had notified the Company that its holding represented 3.96% of the voting rights. This notification was received on 8 July 2022. No further notifications have been received by the Company from APG since that date; however, this holding has now been removed from the above table as the Company has become aware, through share register analysis, that APG's holding fell below the 3% notification threshold in 2022.

Directors' Report

Corporate Governance

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

The Company's Statement on Corporate Governance, which forms part of this Directors' Report, is set out on pages 123 to 129 and on its website (www.piplc.com).

Greenhouse gas emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions or consume any energy reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK Government's policy on Streamlined Energy and Carbon Reporting. Whilst the Company, as a closed ended investment fund, is currently exempt from including a statement on compliance with the Task Force on Climate-related Financial Disclosures under Listing Rule 15.4.29(R), the Manager has prepared a Sustainability Report during the year. This report, which includes a product-level TCFD report is available on www.piplc.com/investor-relations/reports-and-publications/.

Further details of the Manager's approach to responsible investment practices and sustainability standards and the Board's oversight of this can be found in the Strategic Report on pages 62 to 69.

Modern Slavery Act

In 2015, the UK Government introduced the Modern Slavery Act ("the Act"). As an Investment Trust, the Company does not provide goods or services in the normal course of business, and does not have employees, customers or turnover. Accordingly, the Directors consider that the Company is not in scope because it does not have turnover and is therefore not required to make any slavery or human trafficking statement under the Act. The Company's own supply chain, which consists predominantly of professional advisers and service providers in the financial services industry, is considered to be low risk in relation to this matter. In line with the Act, the Manager reports annually on the steps taken to ensure that slavery and human trafficking are not taking place anywhere within Pantheon's business or its supply chains. Pantheon's Sustainability Policy is aligned with a zero tolerance approach to modern slavery and trafficking, and both the policy and the modern slavery statement can be found on Pantheon's website (www.pantheon.com).

Donations

The Company made no political or charitable donations during the year (2023: £nil).

Future developments

The outlook for the Company is set out in the Chair's Statement on pages 5 to 11.

Requirements of the Listing Rules

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

Annual General Meeting ("AGM")

The Company's AGM will be held on 16 October 2024, and explanations of the business proposed at the AGM will be set out in a separate Notice of Meeting.

Audit information

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

Approval

The Directors' Report has been approved by the Board.

On behalf of the Board

JOHN SINGER CBE
Chair

31 July 2024

Statement on Corporate Governance

Introduction from the Chair

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

Statement of compliance

This statement, together with the Directors' Responsibility Statement on page 136, indicates how the Company has applied the principles of recommended governance of the Financial Reporting Council's ("FRC") 2018 UK Corporate Governance Code (the "UK Code") and the AIC Code issued in 2019, which complements the UK Code and provides a framework of best practice for investment trusts. The Board notes the publication of the 2024 UK Code, which will apply to financial years beginning on or after 1 January 2025, and confirms that it has reviewed the impact of the new UK Code on the Company and, where necessary, has commenced preparations to be able to report on compliance.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders and that by reporting against the AIC Code the Company has met its obligations in relation to the UK Code and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules.

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

Throughout the year ended 31 May 2024, the Company complied with the principles and provisions of the AIC Code which incorporates the UK Code. The Board attaches great importance to the matters set out in the UK Code and strives to apply its principles in a manner that would enable shareholders to evaluate how the principles have been applied. However, it should be noted that where the principles and provisions are related to the role of the Chief Executive, Executive Directors' remuneration and the establishment of a Remuneration Committee, the Board considers these principles and provisions not relevant as Pantheon International Plc is an externally managed Company with an entirely Non-Executive Board, and with no employees or internal operations.

The principles of the AIC Code

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

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

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

Viability Statement

The Viability Statement can be found on page 54.

The Board of Directors

At the start of the year under review, the Board consisted of five Non-Executive Directors (three male and two female). Following the appointments of Mr Welde and Ms Clements in July 2023, the Board consisted of seven Non-Executive Directors (four male and three female). The Company has no employees. The Board is responsible for all matters of direction and control of the Company.

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

Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 116 and 117.

The appointment of a new Director is always made on the basis of a candidate's merits and the skills/experience identified by the Board as being desirable to complement those of the existing Directors. The Board acknowledges the benefits of greater diversity, including gender and ethnic diversity, and the Board remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. A formal process exists for the selection of new Directors to the Company, and the level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company.

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

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

Further details on the Company's purpose, culture and values can be found in the Strategic Report on page 28.

Statement on Corporate Governance

Board and Committee meeting attendance

The Board has at least six scheduled meetings a year, and more if required. Directors' attendance at scheduled Board and Committee meetings held during the year to 31 May 2024 is set out on this page below.

Performance evaluation

During the year, in order to review the effectiveness of the Board as a whole, its Committees and individual Directors, an external performance evaluation was carried out. In line with the AIC Code, the Company is required to carry out an externally facilitated board evaluation at least every three years. This was last done in 2021 and therefore, the Company engaged Stogdale St James Ltd, an independent external consultancy with no connection to the Company to carry out this year's Board evaluation. The evaluation was conducted through individual conversations with each of the Directors and using tailored questionnaires. The questionnaires and conversations were structured to analyse Directors' feedback on Board composition and effectiveness, the Board's performance in relation to shareholder relations and value, governance, the efficiency of Board and Committee meetings, and to assess whether the operation of such meetings was appropriate, as well as any additional information that may be required to facilitate better Board discussions. The independence of the Directors and their ability to commit sufficient time to the Company's activities was considered as part of the evaluation process. The performance of the Chair was similarly evaluated by the other Directors.

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

The results of the evaluation process indicated that the Board continues to work well and there are no significant concerns among the Directors about the Board's effectiveness. The resulting actions agreed by the Directors will be discussed in more detail and monitored during the 2024–2025 financial year.

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

During the year, the Board took a number of actions based on the Board evaluation undertaken in the previous year. These included the expansion of the Board by the appointment and integration of two further Directors, an ongoing focus on Strategy discussions, including capital allocation and increased interaction with shareholders.

Insurance and indemnity provisions

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

The Company's Articles of Association take advantage of statutory provisions to indemnify the Directors against certain liabilities owed to third parties even where such liability arises from conduct amounting to negligence or breach of duty or of trust. In addition, under the terms

Board and Committee meeting attendance

● Meetings attended	Scheduled Board meetings	Scheduled Audit Committee meetings	Scheduled Management Engagement Committee meetings[3]	Scheduled Nomination Committee meetings[3]
J.B.H.C.A. Singer CBE	●●●●●●	●●●●●	●	●●
J.D. Burgess	●●●●●●	●●●●●	●	●●
Z. Clements[1]	●●●●●●	●●●●	●	●●
D.L. Melvin	●●●●●●	●●●●●	●	●●
Dame Sue Owen DCB	●●●●●●	●●●●●	●	●●
M.A. Sieghart	●●●●●●	●●●●●	●	●●
R.A. Welde[2]	●●●●●●	●●●	●	●●

1 Ms Clements was appointed with effect from 5 July 2023.

2 Mr Welde was appointed with effect from 25 July 2023.

3 The Nomination Committee met on two further occasions; once to consider and recommend Ms Clements' appointment to the Board and once to discuss routine agenda items, discussion of which had been postponed to ensure that sufficient time could be allocated to these. Two additional Management Engagement Committee meetings also took place for this reason.

As well as those meetings detailed in the table above, additional Board meetings were held during the year to approve the NAV, to approve the final versions of the Annual and Half-Year Reports, to approve Ms Clements' appointment, to discuss the Tender Offer carried out in the year and to discuss the delegation of authority to buy back the Company shares to the Company's brokers. A Finance Sub-Committee of the Board, comprising Messrs Singer, Melvin and Burgess, and Ms Clements, was established to discuss PIP's credit facility requirements, private placement loan issuance and Capital Allocation Policy and to make recommendations to the Board. This Sub-Committee met 10 times during the year under review.

of appointment of each Director, the Company has agreed, subject to the restrictions and limitations imposed by statute and by the Company's Articles of Association, to indemnify each Director against all costs, expenses, losses and liabilities incurred in execution of his/her office as Director or otherwise in relation to such office. Save for such indemnity provisions in the Company's Articles of Association and in the Directors' terms of appointment, there are no qualifying third-party indemnity provisions in force.

Chair and Senior Independent Director

The Chair leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. Mr John Singer CBE was deemed to be independent at the time of his appointment as Director in 2016 and as Chair in 2022 and, in line with the guidelines of the AIC Code of Corporate Governance, continues to be considered independent. He considers himself to have sufficient time to commit to the Company's affairs. He has no significant commitments other than those disclosed in his biography on page 116.

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

Directors' independence

In accordance with the Listing Rules that apply to closed-ended investment entities, and taking into consideration the AIC Code, the Board has reviewed the status of its individual Directors and the Board as a whole. All Directors were considered independent of the Manager at the time of their appointment and, in line with the guidelines of the AIC Code of Corporate Governance, all continue to be considered independent.

Chair and Director tenure/ re-appointment of Directors

Following the Company's inclusion in the FTSE 250 Index and in accordance with the AIC Code, the Board has determined that its policy on the tenure of the Chair and the Directors is that the Chair and all Directors will be subject to annual re-election at each AGM. Accordingly, resolutions to re-elect all Directors, apart from Mr Melvin who will retire, are contained within the 2024 AGM Notice of Meeting.

Board responsibilities and relationship with the Manager

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

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

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

The management of the Company's assets is delegated to Pantheon. At each Board meeting, representatives of Pantheon are in attendance to present verbal and written reports covering its activities, the portfolio and investment performance over the preceding period. Ongoing communication with the Board is maintained in between formal meetings. The Manager ensures that Directors have timely access to all relevant management, financial and regulatory information to enable informed decisions to be made and contacts the Board as required for specific guidance on particular issues. Pantheon has discretion to manage the assets of the Company in accordance with the Company's investment objectives and policies, subject to certain additional investment restrictions (which may be amended by the Company from time to time with the consent of the Manager). The additional investment restrictions currently imposed on the Manager are as follows:

– At the time of making an investment, the aggregate of all amounts committed by the Company in respect of investments (excluding all amounts paid pursuant to such commitments and including any such commitments in respect of the investment to be made) shall not exceed 300% of the available cash and loan resources of the Company without the prior approval of the Board.
– No direct or indirect investment in a single company shall form more than 5% of the gross value of the Company at the time the investment is made.
– The amount invested (including amounts committed for investment) in respect of a single fund shall not exceed 10% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time the investment is made.
– The prior approval of the Board is required for an investment (including investment commitments) in respect of a single secondary interest in an existing fund or a portfolio of secondary interests in existing funds and/or direct investments in one or more companies exceeding 3% of the net asset value of the Company at the time the investment is made.

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

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

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

Institutional investors – use of voting rights

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

Conflicts of interest

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

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

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

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

Committees of the Board

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

Audit Committee

The Audit Committee comprises the whole Board. Mr David Melvin, who is currently the Chair of the Audit Committee, is due to retire at the 2024 AGM. Following his retirement, Ms Zoe Clements will succeed him in this position. Both Mr Melvin and Ms Clements are qualified Chartered Accountants and contribute their knowledge and experience to the Audit Committee. It is felt by the Committee that both are sufficiently qualified for the position of Chair of the Audit Committee.

Mr John Singer CBE is an investment and financial professional with over 30 years of experience in private equity, and it is considered appropriate for the Chair of the Company to be a member of the Audit Committee as he provides a valuable contribution to the deliberations of the Committee.

The Audit Committee met on five occasions during the year ended 31 May 2024. It is intended that the Committee will continue to meet at least four times, to review the Half-Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts.

The Report of the Audit Committee can be found on pages 130 to 132.

Management Engagement Committee

The Management Engagement Committee comprises all the Directors and is chaired by Mr John Singer CBE. The Management Engagement Committee met on three occasions during the year under review.

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

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

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

Statement on Corporate Governance

Nomination Committee

The Nomination Committee comprises all Directors and is chaired by Mr John Singer CBE, except when the succession of the Chair is being considered. The Nomination Committee met four times during the year under review.

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

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

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

During the year, the Nomination Committee reviewed PIP's Diversity Policy and satisfied itself that the Board has a balance of skills, qualifications and experience which are relevant to the Company. As discussed in the 2023 Annual Report, during the year Ms Zoe Clements and Mr Rahul Welde were appointed as Non-Executive Directors following a recruitment process in which the Company was assisted by Sapphire Partners, an independent external consultancy with no connection to the Company.

The Board acknowledges and welcomes the recommendations from the Hampton-Alexander Review on gender diversity on boards and the Parker Review regarding ethnic representation on boards. The Hampton-Alexander Review recommended a minimum of 40% female representation on all FTSE 350 companies by the end of 2025. PIP exceeded this recommendation during the year, having 43% women on the Board as at 31 May 2024. The Board has also met the target of the Parker Review, which recommended that by December 2024 all FTSE 350 companies have at least one person from a minority ethnic group on its Board.

Gender identity or sex

	Number of Board members	Percentage on the Board	Number of senior positions on the Board[1]
Men	4	57	1
Women	3	43	1
Not specified/prefer not to say	–	–	–

Ethnic background

	Number of Board members	Percentage on the Board	Number of senior positions on the Board[1]
White British or other White (including minority white groups)	6	86	2
Mixed/Multiple Ethnic Groups	0	0	0
Asian/Asian British	1	14	0
Black/African/Caribbean/Black British	0	0	0
Other ethnic group, including Arab	0	0	0
Not specified/prefer not to say	0	0	0

1 As Listing Rule 9.8.6(9) includes only the positions of chair, chief executive, senior independent director and chief financial officer in this category, only those positions have been included in the table above. However, as the Company is an externally managed investment trust without employees, the Company considers the position of Audit Committee Chair as a senior position in addition to those reported above. This senior role is currently performed by a white man.

The data in the above tables was collected through self-reporting by the Directors, who were asked to indicate which of the categories specified in the prescribed tables were most applicable to them.

Further information regarding diversity and inclusion at Pantheon can be found on pages 34 and 69.

The Board also notes the FCA rules on diversity and inclusion on company boards, namely that from accounting periods commencing on or after 1 April 2022 included in Listing Rule 9.8.6 (9-11):

- At least 40% of individuals on the Board to be women;
- At least one senior Board position to be held by a woman; and
- At least one individual on the Board to be from a minority ethnic background.

The Board complies with each of the three diversity targets set in the Listing Rules. In accordance with Listing Rule 9 Annex 2.1, the tables on the previous page, in prescribed format, show the gender and ethnic backgrounds of the Directors at the year end.

Remuneration Committee

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

Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 133 to 135.

Internal control review

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

An ongoing process, in accordance with the guidance provided by the FRC on risk management, internal control and related finance and business reporting, has been established for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place throughout the year and up to the date the financial statements were approved. Full details of the principal risks and uncertainties faced by the Company can be found on pages 44 to 48.

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

Internal control assessment process

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

- The nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective:
  - The threat of such risks becoming a reality;
  - The Company's ability to reduce the incidence and impact of risk on its performance;
  - The cost to the Company and benefits related to the review of risk and associated controls of the Company; and
  - The extent to which third parties operate the relevant controls.

Against this background, the Board has split the review into five sections reflecting the nature of the risks being addressed.

The sections are as follows:

- Corporate strategy;
- Published information and compliance with laws and regulations;
- Relationship with service providers;
- Investment risks; and
- Operational Risks.

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

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

There were no significant matters of concern identified in the Board's review of the internal controls of its third-party suppliers.

Statement on Corporate Governance

The key procedures which have been established to provide effective internal financial controls are as follows:

- Investment management is provided by Pantheon Ventures (UK) LLP. The Board is responsible for the implementation of the overall investment policy and monitors the actions of the Manager at regular Board meetings.
- BNP Paribas Trust Corporation UK Limited (previously BNP Paribas Securities Services, London Branch) has been appointed as Depositary. Custody of assets is also undertaken by BNP Paribas Trust Corporation UK Limited as the Company's Custodian for equities and bonds.
- The provision of administration, accounting and Company secretarial duties is the responsibility of Link Alternative Fund Administrators Limited.
- The provision of services is provided by Link Market Services as Registrar of the Company.
- The duties of investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement one another.
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board, via the Management Engagement Committee, monitors their ongoing performance and contractual arrangements.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.
- The Board reviews detailed financial information produced by the Manager and the Administrator on a regular basis.

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

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

Company Secretary

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

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

Dialogue with shareholders

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

There is regular dialogue with institutional shareholders and a structured programme of shareholder presentations by the Manager to institutional investors taking place following publication of the Annual and Half-Yearly results. A detailed list of the Company's shareholders is reviewed at each Board meeting. PIP has also put in place a PR programme designed to promote the benefits that PIP can provide to an investor's portfolio.

The Half-Yearly and Annual Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance. Copies are dispatched to shareholders by mail or electronically as requested and are also available on the Company's website: www.piplc.com. The Company always responds to communications from shareholders. Shareholders wishing to communicate directly with the Board should contact the Company Secretary by email to pip_cosec@linkgroup.co.uk or by writing to the registered office shown on page 184, who will arrange for the relevant Board member to contact them.

Further details of our engagement with all of the Company's stakeholders and how the Board has regard to those stakeholders in the Board's decision-making processes are set out in the Strategic Report on pages 49 to 53.

On behalf of the Board

JOHN SINGER CBE
Chair

31 July 2024

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 31 May 2024.

The Audit Committee comprises myself, as Chair, and the entire Board, who are all independent Non-Executive Directors. Following my retirement at the upcoming AGM, Ms Clements will succeed me as Chair of the Audit Committee.

Further details about the composition of the Audit Committee are set out on page 126.

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

Role of the Audit Committee

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

- To monitor the integrity of the financial statements, the financial reporting process and the accounting policies of the Company;
- To review the effectiveness of the internal control environment of the Company and its reporting processes and to monitor adherence to best practice in corporate governance;
- To make recommendations to the Board in relation to the re-appointment of the Auditor and to approve the Auditor's remuneration and terms of engagement, including scope of work;
- To review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process; and
- To provide a forum through which the Company's Auditor reports to the Board.

The Audit Committee also reviews the Manager's whistleblowing procedures.

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

Matters considered in the year

We met on five occasions during the year ended 31 May 2024. At those meetings, the Audit Committee has:

- Reviewed and agreed the half-year and year-end portfolio valuation and the net asset values;
- Reviewed the Company's financial statements for the half year and year end and made formal recommendations to the Board;
- Reviewed the Company's going concern and viability statements;
- Reviewed the internal controls and risk management systems (including cybersecurity) of the Company and its third-party service providers;
- Agreed the audit plan and fees with the Auditor, including the principal areas of focus;
- Reviewed and discussed the assessment of the effectiveness of the external audit process for the year ended 31 May 2023 and received feedback on the 2023 Half Year Reporting process;
- Considered potential risks to audit quality;
- Discussed the use and purpose of case studies in the Annual Report;
- Carried out an in-depth review of the protocols of Pantheon's Valuation Committee and Board oversight on these;
- Reviewed the whistleblowing policy of the Manager (no incidents were reported during the period); and
- Reviewed its own performance as a Committee and its own terms of reference.

The principal issues considered by the Committee were as follows:

A. Valuation process

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

The Audit Committee has received reassurances about the robustness of the Manager's valuation system from Pantheon, including a memorandum setting out the valuation process and the basis for underlying valuations. Ms Clements has attended a recent Valuation Committee meeting and intends to continue doing so twice each year and report on these to the Audit Committee.

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

B. Undrawn commitments

As an investor in private equity, the Company has outstanding commitments to fund investments. Approximately 5.29% of these uncalled commitments relate to funds that are outside their investment periods. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically. The Audit Committee received an externally audited control report from Pantheon which provides comfort on the systems and controls in place to track the undrawn commitments as part of the valuation entry process.

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

C. Going concern and long-term viability

The Committee considered the Company's viability and made recommendations to the Board on whether it was appropriate to prepare the Company's financial statements on the going concern basis. The Board's conclusions are set out on pages 54, 120 to 121 and Note 1 on page 150.

D. Maintenance of investment trust status

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

E. Internal controls

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

No incidents of significant control failings or weaknesses have been identified during the year ended 31 May 2024, within the Company or its third-party suppliers, including Pantheon.

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

FRC's Minimum Standard for Audit Committees

During the year, the Audit Committee also carried out an in-depth review of the FRC's Minimum Standard for Audit Committees (the "Minimum Standard"). While the Minimum Standard has yet to become mandatory, the Committee has undertaken a number of actions to ensure compliance with the Minimum Standard. These actions include updating its Terms of Reference, adding a number of standing agenda items to its meetings throughout the year, expanding the questionnaires for the annual assessment of the auditor's performance and putting measures in place to ensure that the requirements relating to Audit Tenders are met when a tender is carried out next.

External audit

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

Audit fees

The audit fee incurred for the review of the 2024 Annual Report and Audit was £149,000 (31 May 2023: £146,000). The Audit Committee continues to monitor the level of audit fees carefully.

Non-audit fees/independence and objectivity of the Auditor

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

Non-audit services amounting to £46,000 were provided during the year ended 31 May 2024 (31 May 2023: £44,000), relating to the review of the Half-Yearly Report. The ratio of non-audit to audit fees is 31%. The Audit Committee believes that it is appropriate for the Company's Auditor to provide these services to the Company as these services are audit-related.

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

Effectiveness of external audit process

The Audit Committee meets at least twice a year with the Auditor. The Auditor provides a planning report in advance of the annual audit, a report on the annual audit and a report on their review of the half-year financial statements. The Audit Committee has an opportunity to question and challenge the Auditor in respect of each of these reports. In addition, at least once a year, the Audit Committee has an opportunity to discuss any aspect of the Auditor's work with the Auditor in the absence of the Manager. After each audit, the Audit Committee reviews the audit process and considers its effectiveness based on input received from the various parties involved in the audit, such as the Administrator and Manager through questionnaires. The assessment includes an assessment of the Auditor's ability to exercise professional scepticism and challenge. The Audit Committee specifically discussed this with the Auditor at its meeting held in July 2024 and the Auditor reported that they had observed Pantheon Valuation Committee meetings during the year to assess the valuation processes, and had no concerns to report. In addition, the Auditor challenged the Audit Committee to consider whether the period over which the Company's viability is assessed remains the most suitable. Following consideration, the Audit Committee agreed to continue to consider viability over a three year period for the current Annual Report, but to keep the matter under review.

Continuing appointment of the Auditor

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

A competitive tender must be carried out by the Company at least every 10 years. The Company is therefore required to carry out a tender no later than in respect of the financial year ending 31 May 2029. The current lead audit partner, Mr Matthew Price, has been in place since the appointment in 2019. Ethical standards generally require the rotation of the lead audit partner every five years for a listed company and preparations are being made for Mr Price to rotate off the audit of the Company following the conclusion of the current year's audit.

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

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

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

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

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

CMA Order

The Company complied throughout the year ended 31 May 2024 with the provisions of the Statutory Audit Services Order 2014, issued by the Competition and Markets Authority ("CMA Order").

Fair, balanced and understandable

As a result of the work performed, the Audit Committee has concluded that the Annual Report for the year ended 31 May 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board.

DAVID MELVIN
Audit Committee Chair

31 July 2024

Directors' Remuneration Report

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

The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the "Independent Auditor's Report" on pages 137 to 144.

Statement from the Chair

I am pleased to present the Directors' Remuneration Report for the year ended 31 May 2024.

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

A resolution to approve the Remuneration Policy was last proposed and approved by shareholders at the AGM of the Company held on 18 October 2022. The Remuneration Policy will apply until it is next put to shareholders for renewal of that approval at the Company's AGM in 2025, unless any variations to the policy are proposed prior to this. There will be no significant change in the way that the Remuneration Policy will be implemented in the course of the next financial year.

A resolution to approve the Remuneration Report will be proposed at the AGM of the Company to be held on 16 October 2024.

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

As explained on page 128, it is not considered appropriate for the Company to establish a separate Remuneration Committee. It is therefore the practice for the Board as a whole to consider and approve Directors' remuneration.

In accordance with PIP's Remuneration Policy adopted on 18 October 2022, fees for the Directors are increased annually, effective from the first day of the Company's financial year, at a rate no greater than the rate of the Consumer Price Index ("CPI") prevailing at the time.

In line with this policy, fees for the Directors were increased with effect from 1 June 2024 by the prevailing CPI of 2% as at 31 May 2024.

Directors' fees for the year (audited)

	Fees		Percentage change (%)*			
	Year to 31 May 2024 £	Year to 31 May 2023 £	2023–2024	2022–2023	2021–2022	2020–2021
J.B.H.C.A. Singer CBE (Chair)	84,000	66,549	26%[1]	63%[1]	2%	10%
D.L. Melvin	58,534	56,785	3%	6%	2%	36%[2]
M.A. Sieghart	50,107	46,520	8%[3]	14%[3]	2%	10%
J.D. Burgess	44,598	43,264	3%	6%	2%	10%
Dame Sue Owen DCB	44,598	43,264	3%	6%	2%	10%
Z. Clements[4]	40,424	N/A	N/A	N/A	N/A	N/A
R.A. Welde[5]	38,023	N/A	N/A	N/A	N/A	N/A
T. Sakovska[6]	N/A	7,426	N/A	N/A	N/A	N/A
Sir Laurie Magnus CBE[7]	N/A	27,477	N/A	N/A	2%	8%
Total	360,284	291,285				

* The average percentage change over the previous financial years. Fees for Directors who were appointed during a year were calculated on a pro rata basis, in order to provide a meaningful figure.

1 Mr Singer CBE was appointed as Chair of the Board on 18 October 2022, resulting in a higher fee from this date.

2 Mr Melvin was appointed as Chair of the Audit Committee in April 2020, resulting in a higher fee from this date.

3 Ms Sieghart was appointed as Senior Independent Director from 18 October 2022, resulting in a higher fee from this date.

4 Ms Clements joined the Board on 5 July 2023.

5 Mr Welde joined the Board on 25 July 2023.

6 Ms Sakovska joined the Board on 1 March 2022 and subsequently resigned on 22 July 2022.

7 Sir Laurie Magnus CBE retired from the Board on 18 October 2022.

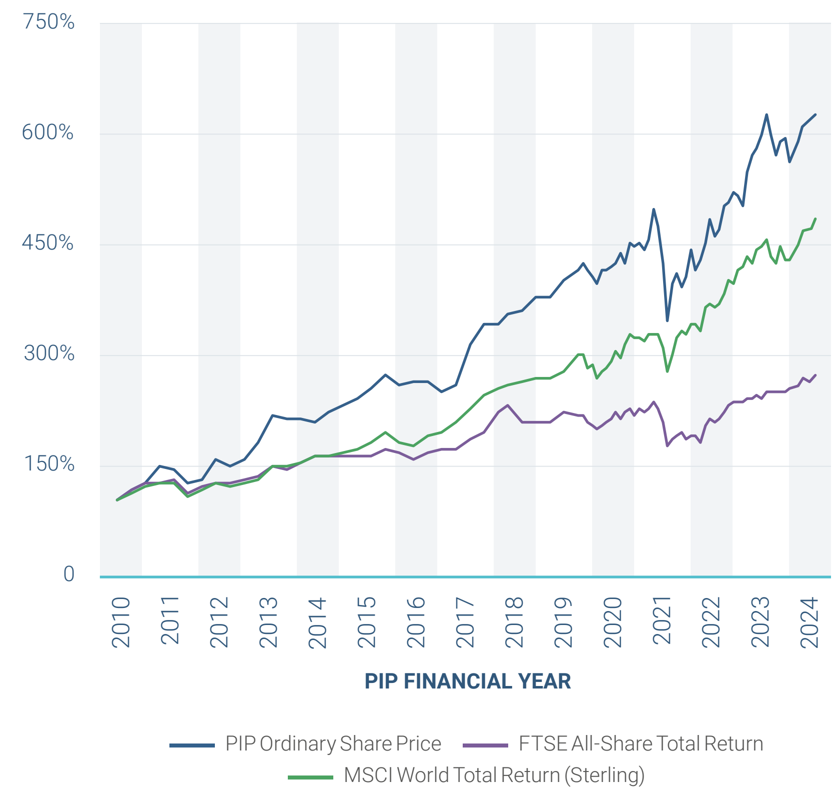
Directors' Remuneration Report

Directors' fees for the 12 months to 31 May 2025 are as set out on page 135.

No travel expenses or any other expenses were claimed by the Directors from the Company during the year ended 31 May 2024 or as at the date of this Report.

Company performance

The graph below shows the total return to shareholders compared with the total shareholder returns of the FTSE All-Share Total Return Index and MSCI World Total Return (Sterling) Index. These indices have been selected as the most relevant, as there is no listed index that is directly comparable with the Company's portfolio.



Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 31 May 2024 and the preceding financial period, the total remuneration paid to Directors, the management fee and share buybacks and the percentage change between the two periods:

	Year to 31 May 2024 £'000	Year to 31 May 2023 £'000	Change %
Total remuneration paid to Directors	360	291	24%
Management fee	25,674	27,707	(7%)
Share buybacks	196,703[1]	19,559	906%

1 Excluding costs and stamp duty.

Note: the items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ss.20, with the exception of the management fee, which has been included because the Directors believe that it will help shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in Note 3 to the financial statements.

Directors' interests (audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company.

The interests of the Directors and any persons closely associated in the shares of the Company as at 31 May 2024 are set out below:

	31 May 2024	31 May 2023
J.B.H.C.A. Singer CBE (Chair)	436,620	399,820
J.D. Burgess[2]	3,077,910	2,719,696
Z. Clements	22,143	–
D.L. Melvin[3]	105,000	105,000
Dame Sue Owen DCB	22,500	17,500
M.A. Sieghart	47,250	37,250
R.A. Welde	67,293	–

2 Includes 2,678,090 shares held by The November 1990 Trust, a connected person of Mr Burgess.

3 Held jointly with spouse.

There has been no change to the above interests between 31 May 2024 and the date of this report.

Directors' Remuneration Report

Voting at the AGM

The Directors' Remuneration Policy and the Directors' Remuneration Report for the year ended 31 May 2023 were approved by shareholders at the AGMs held on 18 October 2022 and 19 October 2023 respectively.

The votes cast by proxy were as follows:

Remuneration Report

	Number of votes	% of votes cast
For	223,584,580	99.94
Against	130,257	0.06
At Chair's discretion	–	–
Total votes cast	223,714,837	100.00
Number of votes withheld	137,966	–

Remuneration Policy

	Number of votes	% of votes cast
For	287,784,289	99.98
Against	54,330	0.02
At Chair's discretion	–	–
Total votes cast	287,838,619	100.00
Number of votes withheld	71,047	–

Directors' Remuneration Policy

The Directors' Remuneration Policy (the "Policy") is put to shareholders' vote at least once every three years and in any year if there is to be a change in the Policy.

A resolution to approve the Policy was approved by shareholders at the AGM held on 18 October 2022.

The Policy

The Board's policy is that remuneration of Non-Executive Directors should reflect the experience of the Board as a whole and is determined with reference to comparable organisations and appointments. The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors, and the value and amount of time committed to the Company's affairs.

There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for Non-Executive Directors. The Directors do not receive pension benefits, share options nor participate in long term incentive schemes.

All Directors act in a non-executive capacity, and the fees for their services are approved by the whole Board. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolution of the Company.

Since 1 June 2021, fees for the Directors are increased annually, effective from the first day of the Company's financial year and, since the 2022 AGM, the increase in Directors' fees will be set at a rate no greater than the rate of CPI prevailing at the time, with the rate being determined at the discretion of the Board.

The Chair does not participate in any discussions relating to his own fee, which is determined by the other Directors.

Directors are entitled to be paid all travelling, hotel or other expenses properly incurred by them in connection with their attendance at Director or shareholder meetings or otherwise in connection with the discharge of their duties as Directors.

No other additional fees are payable for membership of the Board's Committees.

Fees for any new Director appointed will be made on the above basis. Fees payable in respect of subsequent years will be determined following an annual CPI review, with additional market reviews taking place as appropriate, to ensure fees remain appropriate.

	Expected fees for year to 31 May 2025	Year to 31 May 2024
Chair	£85,680	£84,000
Chair of the Audit Committee	£59,704	£58,534
Senior Independent Director	£51,109	£50,107
Other Directors	£45,489	£44,598

Directors' service contracts

None of the Directors has a contract of service with the Company. Each Director has entered into terms of appointment as a Non-Executive Director of the Company. There has been no other contract or arrangement between the Company and any Director at any time during the year. Under the Articles of Association, each Director shall retire and be subject to re-appointment at the first AGM following appointment, and at least every three years thereafter. After nine years' service, Directors are subject to annual re-appointment. Following the Company's inclusion in the FTSE 250, and in accordance with the AIC Code, all Directors are subject to annual re-election at each AGM. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board.

Approval

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

JOHN SINGER CBE
Chair

31 July 2024

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations in accordance with FRS102. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Present a true and fair view of the financial position, financial performance and cash flows of the Company;
- Select suitable accounting policies in accordance with United Kingdom GAAP and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules.

The Directors have delegated responsibility to the Manager for the maintenance and integrity of the Company's corporate and financial information included on the Company's website (www.piplc.com). Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on pages 116 and 117, confirms that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The management report, which is incorporated in the Directors' Report and Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The UK Corporate Governance Code requires Directors to ensure that the Annual Report and financial statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advises on whether it considers that the Annual Report and financial statements fulfil these requirements. The process by which the Audit Committee has reached these conclusions is set out in its report on pages 130 to 132.
As a result, the Board has concluded that the Annual Report and financial statements for the year ended 31 May 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by

JOHN SINGER CBE
Chair

31 July 2024

Independent Auditor's Report to the Members of Pantheon International Plc

Opinion

We have audited the financial statements of Pantheon International plc (the "Company") for the year ended 31 May 2024 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 May 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- We inspected the Directors' assessment of going concern, including the portfolio cashflow forecast, for the periods covering at least twelve months from the date the financial statements were authorised for issue. In preparing the portfolio cashflow forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- We have reviewed the factors and assumptions as applied to the portfolio cashflow forecast and the liquidity assessment of the investment portfolio. We considered the appropriateness of the methods used to calculate the portfolio cashflow forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- In relation to the Company's borrowing arrangements, we inspected the Directors' assessment of the risk of breaching the loan facility covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with loan facility covenants in the scenarios assessed by the Directors who also performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- We considered the mitigating factors included in the portfolio cashflow forecasts and covenant calculations that are within the control of the Company.
- We reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period of at least 12 months from the date of issue of these financial statements.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditor's Report to the Members of Pantheon International Plc

Overview of our audit approach

Key audit matters	– Risk of incorrect valuation of unlisted investments. – Incorrect valuation of investments in third party managed funds and co-investment vehicles which are audited on an annual basis and for which periodic fair value information is provided to the Company. – Incorrect valuation of investments in co-investment vehicles or third-party funds which are not audited on an annual basis. – Incorrect valuations of investments in funds and entities managed by Pantheon Ventures (UK) LLP ("Pantheon").
Materiality	– Overall materiality of £22.8m which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed.

Climate change

Stakeholders are increasingly interested in how climate change will impact Pantheon International Plc. The Company has determined that the most significant future impacts from climate change on its operations may be from changes in regulations that may adversely affect their underlying portfolio investments. Their approach to managing climate and other ESG risks as part of managing investment risk is explained on page 47 of the Strategic Report, which form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1 and conclusion that there was no material impact from climate change on the financial statements. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation of unlisted investments (£2,496m, 2023: £2,416m) *Refer to the Audit Committee Report (page 130); Accounting policies (page 150); and Note 9 of the Financial Statements (page 158)* The unlisted investment portfolio represents 99% of the Net Asset Value (NAV) of the Company and consists of investments in: – Third party managed funds – Funds or entities managed by Pantheon Within this investment portfolio are a pool of investments attributed to the Company's Asset Linked Note liability of £30m (2023: £31m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment valuation could have a significant impact on the return generated by the shareholders. We attribute a higher risk of estimation uncertainty to a portfolio of this nature. We therefore deem the valuation of unlisted investments at fair value to be a fraud and significant audit risk. We have further analysed the unlisted investment portfolio into three categories where specific audit procedures are performed in addition to the general audit procedures on unlisted investments to reflect the risk associated.	**We performed the following procedures:** We obtained an understanding of Pantheon's processes and controls surrounding the investment valuation process including controls that are in place within the Company and operated or performed by Pantheon by performing a walkthrough to assess the design and implementation of controls in place. We performed the following procedures for a sample of investments across all types of investments: – We independently obtained the most recently available capital allocation statements or direct confirmations from the relevant General Partner and compared the NAV of the investment attributable to the Company to the valuation per the accounting records. – Where the most recently available capital allocation statements were non-coterminous with the reporting date, we obtained details of adjustments for cashflows and fair value made by Pantheon and corroborated these to call and distribution notices and bank statements. – For a sample of new investments during the year, we have obtained and reviewed the due diligence performed by Pantheon to ensure that the investment recommendation pack was appropriately completed prior to making new investments. – For a sample of realised investments during the year, we agreed the proceeds of the disposal to the capital account statements and performed back testing by comparing the sale price and subsequent cash receipts to the most recent valuation recorded by the Company for the investment. – We reviewed the investment valuations and inquired of Pantheon regarding any potential fair value adjustments as a result of updated information received or observable market movements and obtained evidence to confirm these were immaterial to the Company's financial statements. – We noted that management recognised a £3.7m adjustment over the valuations of investments with listed underlying investments and where the most recent General Partner valuation was as at March 2024. We obtained an understanding of the adjustment posted and performed audit procedures to assess industry movements aligned to the investment portfolio over the period March 2024 to May 2024.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of unlisted investments.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Investments in third party managed funds and co-investment vehicles which are audited on an annual basis and for which periodic fair value information is provided to the Company (£1,997m, 2023: £1,987m) The investment portfolio is susceptible to material error due to the investments being unquoted with no market price available and management relying on third party information.	**Additional procedures on investments in third party managed funds and co-investments which are audited on an annual basis and for which periodic fair value information is provided to the Company** We have obtained the most recent audited financial statements for a sample of these unlisted investments. Our sample included the testing of 197 investments, totalling £1,629m (2023: 198 investments, totalling £1,570m). We performed the following procedures where applicable: – Inspected the Generally Accepted Accounting Principles ("GAAP") applied and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. – Compared the NAV per the audited financial statements to the capital account statements which are coterminous with the financial statements' year end date for a sample of investments with balances which are above our performance materiality. – Determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were any modifications made to their audit reports.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of investments in third party managed funds and co-investment vehicles which are audited on an annual basis and for which periodic fair value information is provided to the Company.
Investments in third party managed funds and co-investment vehicles which are not audited on an annual basis (£220m, 2023: £133m) Pantheon obtains the underlying data from the investment managers of these third-party funds or co-investment vehicles. Pantheon applies the Company's valuation policy and concludes whether key assumptions used in valuing these assets are reasonable. We consider the risk of management override to be more prevalent in this area.	**Additional procedures on investments in third party managed funds and co-investment vehicles which are not audited on an annual basis** Where the investments in third party managed funds or co-investments were not audited on an annual basis: – We obtained the fair value calculations supporting the value held by the Company and, where applicable, agreed key inputs to the supporting evidence. – For investment vehicles with audited sponsor funds, we have inspected the GAAP applied by the sponsor fund and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. Our sample included testing of 24 investments, totalling £201m (2023: 15 investments, totalling £117m), which did not have an audit performed either for the investment vehicle itself or a significant portion of its underlying holdings.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of investments in third party managed funds and co-investment vehicles which are not audited on an annual basis.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Investments in other funds and entities managed by Pantheon (£279m, 2023: £296m) Where the Company invests in other entities managed by Pantheon, there is an increased risk the fund fair values are susceptible to manipulation due to the related party relationship as Pantheon is performing the valuation.	**Additional procedures on investments held in other funds and entities managed by Pantheon** For a sample of investments in Pantheon managed funds which are audited, we have obtained the most recent audited set of financial statements where available. Our samples included testing of seven investments which had audited financial statements within the structure, totalling £166m (2023: 10 investments, totalling £178m), and nine investments, totalling £90m (2023: 11 investments, totalling £93m), from internally managed funds which do not have annually audited financial statements. We performed the following procedures where applicable: – Inspected the GAAP applied and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. – Compared the NAV per the audited financials to the capital account statements which are coterminous with the financial statements' year end date for a sample of investments. – Determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were modifications made to their audit report. – For unaudited investments, we have performed a lookthrough into the investments held by the entity to determine whether the underlying holdings were subject to audit. For those that are audited, we have inspected the GAAP applied by the underlying holdings and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. – Where the internally managed fund and its underlying investments are not audited, we have obtained the fair value calculations supporting the value held by the Company and, where applicable, agreed key inputs to the supporting evidence.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of investments in other funds and entities managed by Pantheon.

Independent Auditor's Report to the Members of Pantheon International Plc

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £22.8 million (2023: £24.5 million), which is 1% (2023: 1%) of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measure of the Company's performance.

During the course of our audit, we reassessed initial materiality and made no changes to the basis of calculation from our original assessment at the planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £17.1m (2023: £18.4m). We have set performance materiality at this percentage due to our understanding of the control environment that indicates a lower risk of material misstatements, both corrected and uncorrected.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.14m (2023: £1.23m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 120 and 121;
- The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 54;
- The Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 120 and 121;
- The Directors' statement on fair, balanced and understandable set out on page 136;
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 44;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 128; and;
- The section describing the work of the Audit Committee set out on page 130.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 136, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and the Company Secretary and a review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to management override in relation to investments in funds and entities managed by Pantheon and investments in third party managed funds and co-investment vehicles which are not audited on an annual basis. Further discussion of our approach is set out in the section on the key audit matters above. In addition, we performed tests of journal entries, focusing on unusual and year-end manual journals.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of Pantheon and the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to confirm compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

Following the recommendation from the Audit Committee, we were appointed by the Company on 2 December 2019 to audit the financial statements for the year ending 31 May 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 May 2020 to 31 May 2024.

The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MATTHEW PRICE
(SENIOR STATUTORY AUDITOR)
for and on behalf of
Ernst & Young LLP, Statutory Auditor

London
31 July 2024

Financial Statements

Income Statement Year ended 31 May 2024

	Note	Year ended 31 May 2024 Revenue £'000	Capital £'000	Total[1] £'000	Year ended 31 May 2023 Revenue £'000	Capital £'000	Total[1] £'000
Gains on investments at fair value through profit or loss	9b	–	60,324	60,324	–	50,885	50,885
(Losses)/gains on financial instruments at fair value through profit or loss – ALN		(675)	(2,745)	(3,420)	(856)	4,240	3,384
Currency gains on cash and cash equivalents	18	–	5,491	5,491	–	9,179	9,179
Investment income	2	16,534	–	16,534	18,084	–	18,084
Investment management fees	3	(25,674)	–	(25,674)	(27,707)	–	(27,707)
Other expenses	4	(2,148)	(3,374)	(5,522)	(2,059)	(1,625)	(3,684)
Return before financing and taxation		(11,963)	59,696	47,733	(12,538)	62,679	50,141
Interest payable and similar expenses	6	(13,051)	–	(13,051)	(6,366)	–	(6,366)
Return before taxation		(25,014)	59,696	34,682	(18,904)	62,679	43,775
Taxation paid	7	(3,033)	–	(3,033)	(1,494)	–	(1,494)
Return for the year, being total comprehensive income for the year		(28,047)	59,696	31,649	(20,398)	62,679	42,281
Return per ordinary share	8	(5.68)p	12.08p	6.40p	(3.83)p	11.77p	7.94p

1 The Company does not have any income or expenses that are not included in the return for the year, therefore the return for the year is also the total comprehensive income for the year. The supplementary revenue and capital columns are prepared in accordance with Financial Reporting Standards ("FRS"), and under guidance published in the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

All revenue and capital items in the above statement relate to continuing operations. No operations were acquired or discontinued during the period.

The Notes on pages 150 to 173 form part of these financial statements.

Statement of Changes in Equity Year ended 31 May 2024

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve £'000	Total £'000
Movement for the year ended 31 May 2024								
Opening equity shareholders' funds		35,503	269,535	4,062	1,620,532	653,695	(133,255)	2,450,072
Return for the year		–	–	–	70,382	(10,686)	(28,047)	31,649
Ordinary shares bought back for cancellation in the market[1]	17	(1,012)	–	1,012	(47,030)	–	–	(47,030)
Ordinary shares bought back for cancellation via Tender Offer[1]	17	(3,295)	–	3,295	(151,050)	–	–	(151,050)
Closing equity shareholders' funds		31,196	269,535	8,369	1,492,834	643,009	(161,302)	2,283,641
Movement for the year ended 31 May 2023								
Opening equity shareholders' funds		36,012	269,535	3,553	1,556,346	674,875	(112,857)	2,427,464
Return for the year		–	–	–	83,859	(21,180)	(20,398)	42,281
Ordinary shares bought back for cancellation in the market[1]	17	(509)	–	509	(19,673)	–	–	(19,673)
Closing equity shareholders' funds		35,503	269,535	4,062	1,620,532	653,695	(133,255)	2,450,072

1 The value of ordinary shares bought back include any associated fees and stamp duty.

The Notes on pages 150 to 173 form part of these financial statements.

Balance Sheet As at 31 May 2024

	Note	31 May 2024 £'000	31 May 2023 £'000
Fixed assets			
Investments at fair value	9a/b	2,498,505	2,417,620
Current assets			
Debtors	11	2,487	2,347
Cash and cash equivalents	12	21,863	66,043
		24,350	68,390
Creditors: Amounts falling due within one year			
Bank loan (expiry October 2024)	14	(83,261)	–
Other creditors	13	(7,752)	(4,617)
		(91,013)	(4,617)
Net current (liabilities)/assets		(66,663)	63,773
Total assets less current liabilities		2,431,842	2,481,393
Creditors: Amounts falling due after one year			
Asset Linked Loan	15	(30,378)	(31,321)
Private placement loan notes	16	(117,823)	–
		(148,201)	(31,321)
Net assets		2,283,641	2,450,072
Capital and reserves			
Called-up share capital	17	31,196	35,503
Share premium	18	269,535	269,535
Capital redemption reserve	18	8,369	4,062
Other capital reserve	18	1,492,834	1,620,532
Capital reserve on investments held	18	643,009	653,695
Revenue reserve	18	(161,302)	(133,255)
Total equity shareholders' funds		2,283,641	2,450,072
Net asset value per ordinary share	19	490.46p	462.37p

The Notes on pages 150 to 173 form part of these financial statements.

The financial statements were approved by the Board of Pantheon International Plc on 31July 2024 and were authorised for issue by

JOHN SINGER CBE
Chair

Company No. 2147984

Cash Flow Statement Year ended 31 May 2024

	Note	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Cash flow from operating activities			
Investment income received; comprising			
– Dividend income		12,975	12,325
– Interest income		2,815	4,756
– Other investment income		86	211
Deposit and other interest received		669	780
Investment management fees paid		(25,639)	(27,586)
Secretarial fees paid		(464)	(354)
Depositary fees paid		(236)	(284)
Directors fees paid		(343)	(303)
Legal and professional fees paid		(1,208)	(1,996)
Capitalised project related legal costs		(2,497)	–
Other cash payments[1]		(1,079)	(1,036)
Withholding tax deducted		(2,933)	(1,502)
Net cash outflow from operating activities	21	(17,854)	(14,989)
Cash flows from investing activities			
Purchases of investments[2]		(152,960)	(289,020)
Disposals of investments[2]		131,544	161,168
Net cash (outflow) from investing activities		(21,416)	(127,852)
Cash flows from financing activities			
ALN repayments		(4,650)	(5,035)
Ordinary shares bought back for cancellation[3]		(46,140)	(19,678)
Ordinary shares bought back for cancellation via Tender Offer[3]		(151,050)	–
Drawdown of loan		200,375	–
Repayment of loan		(111,903)	–
Loan commitment and arrangement fees paid		(5,642)	(7,071)
Loan interest paid		(4,018)	–
Private placement loan note funding		118,274	–

	Note	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Net cash outflow from financing activities		(4,754)	(31,784)
Decrease in cash in the year		(44,024)	(174,625)
Cash and cash equivalents at the beginning of the year		66,043	231,458
Foreign exchange gains on cash accounts		(156)	9,210
Cash and cash equivalents at the end of the year		21,863	66,043

1 Includes interest paid during the year of £nil (2023: £22,000).
2 Purchases and disposals do not include investments actioned by Pantheon International Holdings LP.
3 The value of ordinary shares bought back include any associated fees and stamp duty.

The Notes on pages 150 to 173 form part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

PIP is a listed public limited company incorporated in England and Wales. The registered office is detailed on page 184. A summary of the principal accounting policies and measurement bases, all of which have been applied consistently throughout the year, is set out below.

A. Basis of Preparation

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 May 2024. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise. The investments in the subsidiaries are financial assets, and held at fair value through profit or loss.

The financial statements have been prepared in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts issued by the AIC, other than where restrictions are imposed on the Company which prohibit specific disclosures.

B. Going Concern

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value.

The Directors have made an assessment of going concern, taking into account the Company's current performance and financial position as at 31 May 2024. In addition, the Directors have assessed the outlook, which considers the potential further impact of the ongoing international conflicts and election cycles which have brought about increased geopolitical uncertainties including the disruption to the global supply chain and increases in the cost of living as a result, persistent inflation, high interest rates and the impact of climate change on PIP's portfolio using the information available as at the date of issue of these financial statements. As part of this assessment the Directors considered:

– Various downside liquidity modelling scenarios with varying degrees of decline in investment valuations and decreased investment distributions, and increased call rates, with the worst being a downside case downside scenario representing an impact to the portfolio that is worse than that experienced during the Global Financial Crisis.
– The Company manages and monitors liquidity regularly ensuring it is adequate and sufficient and is underpinned by its monitoring of investments, distributions, capital calls and outstanding commitments. Total available financing[1] as at 31 May 2024 stood at £414m (31 May 2023: £554m), comprising £16m (31 May 2023: £63m) in available cash balances and £398m (31 May 2023: £491m) in undrawn, sterling equivalent, bank facilities.
– PIP's 31 May 2024 valuation is primarily based on reported GP valuations with a reference date of 31 March 2024, updated for capital movements and foreign exchange impacts.
– Unfunded commitments – PIP's unfunded commitments at 31 May 2024 were £789m (31 May 2023: £857m). The Directors have considered the maximum level of unfunded commitments which could theoretically be drawn in a 12-month period, the ageing of commitments and available financing to fulfil these commitments. In these scenarios PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility, pausing on new commitments, selling assets to increase liquidity and reducing outstanding commitments if necessary. In addition, subject to market conditions, the Company could also seek to raise additional debt or equity capital.
– The impact of share buybacks and the Company's Capital Allocation Policy on available liquidity.
– Tenure of credit facilities – A £100m equivalent tranche of the facility expires in October 2024 and will be repaid with cash or drawings from the other existing loan.
– The Directors also considered the impact of climate change on PIP's portfolio and concluded that there was no significant impact on the Company as a result of climate change.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity, is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of issue of these financial statements.

C. Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being an investment business. Consequently no business segmental analysis is provided.

1 See page 177 of the Alternative Performance Measures section for calculations and disclosures.

1 Accounting Policies (continued)

D. Valuation of Investments

Given the nature of the Company's assets which comprise predominantly unlisted fund investments, while the Company operates a robust and consistent valuation process, there is significant estimation uncertainty in the underlying fund valuations which are estimated at a point in time. Accordingly, while the Company considers circumstances where it might be appropriate to apply an override, for instance in response to a market crash, this will be exercised only where it is judged necessary to reflect fair value.

Similarly, while relevant information relating to but received after the measurement date is considered, the Directors will only consider an adjustment to the financial statements if it were to have a significant impact and is indicative of conditions present at the measurement date.

The Company has fully adopted sections 11 and 12 of FRS 102. All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are recognised at fair value on initial recognition.

The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business at the Balance Sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

i. Unquoted fixed asset investments are stated at the estimated fair value

In the case of investments in private equity funds, this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds and recorded up to the measurement date. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. In the absence of contrary information, the values are assumed to be reliable. These valuations are reviewed periodically for reasonableness and recorded up to the measurement date. If a class of assets were sold post-period end, management would consider the effect, if any, on the investment portfolio.

The Company may acquire secondary interests at either a premium or a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings are normally revalued to their stated net asset values at the next reporting date unless an adjustment against a specific investment is considered appropriate.

The fair value of each investment is derived at each reporting date. In the case of direct investments in unquoted companies, the initial valuation is based on the transaction price. Where further indications of fair value become available, such as through subsequent issues of capital or dealings between third parties, the valuation is adjusted to reflect the new evidence, at each reporting date. This information may include the valuations provided by private equity managers who are also invested in the Company.

The Company holds an investment in its subsidiary, Pantheon International Holdings LP ("PIH LP"), which itself holds a basket of investments held at fair value. The fair value of PIH LP is based on its latest net asset value.

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

Private equity funds may contain a proportion of quoted shares from time to time; for example, where the underlying company investments have been taken public but the holdings have not yet been sold. The quoted market holdings at the date of the latest fund accounts are reviewed and adjusted to the published prices of those holdings at the period end.

E. Asset Linked Note

As part of the share consolidation effected on 31 October 2017, the Company issued an ALN with an initial principal amount of £200m to the Investor. Payments under the ALN are made quarterly in arrears and are linked to the ALN share (c.75%) of the net cash flows from a reference portfolio which consists of interests held by the Company in over 300 of its oldest private equity funds, substantially 2006 and earlier vintages. The Company retains the net cash flows relating to the remaining c.25% of the reference portfolio.

The ALN is held at fair value through profit or loss and therefore movements in fair value are reflected in the Income Statement. Fair value is calculated as the sum of the ALN share of fair value of the reference portfolio plus the ALN share of undistributed net cash flow. The fair value movement is allocated between revenue and capital pro rata to the fair value gains and income-generated movements in the reference portfolio.

A pro rata share of the Company's total ongoing charges is allocated to the ALN, reducing each quarterly payment ("the Expense Charge") and deducted from Other Expenses through the revenue account in the Income Statement.

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

See Note 15 for further information.

1 Accounting Policies (continued)

F. Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. The fixed return on a debt security is recognised on a time apportionment basis.

Income distributions from funds are recognised when the right to distributions is established.

G. Taxation

Corporation tax payable is based on the taxable profit for the period. The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the Balance Sheet date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the marginal method.

Dividends receivable are recognised at an amount that may include withholding tax (but excludes other taxes, such as attributable tax credits). Any withholding tax suffered is shown as part of the revenue account tax charge.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company, pursuant to sections 1158 and 1159 of the CTA.

Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted.

H. Expenses

All expenses are accounted for on an accruals basis. Expenses, including investment management fees, are charged through the revenue account except as follows:

- Expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 4;
- Expenses of a capital nature are accounted for through the capital account; and
- Investment performance fees.

I. Foreign Currency

The functional and presentational currency of the Company is pounds sterling ("sterling") because it is the primary currency in the economic environment in which the Company operates. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the revenue or capital column of the Income Statement depending on whether the gain or loss is of a capital or revenue nature. For non-monetary assets, these are covered by fair value adjustments. For details of transactions included in the capital column of the Income Statement please see (J) and (K) below.

J. Other Capital Reserve

The following are accounted for in this reserve:

- Investment performance fees;
- Gains and losses on the realisation of investments;
- Realised exchange difference of a capital nature;
- Expenses of a capital nature; and
- Costs of share buybacks.

Capital distributions received from investments are accounted for by firstly reducing any cost of that investment, with any gains being recognised as realised only when the cost has been reduced to nil.

1 Accounting Policies (continued)

K. Capital Reserve on Investments Held

The following are accounted for in this reserve:

– Increases and decreases in the value of investments held at the year end and the ALN.

L. Investment Performance Fee

The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 31 May in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 31 May 2024, the notional performance fee hurdle is a net asset value per share of 594.9p.

The performance fee is calculated using the adjusted net asset value. The net asset value per share at 31 May 2024 is 490.5p.

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

M. Significant Judgements and Estimates

The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of investments at fair value at the financial reporting date and the reported fair value movements during the reporting period. Actual results may differ from these estimates. Details of how the fair values of unlisted investments are estimated and any associated judgements applied are provided in Section (D) of this Note and also within the Market Price Risk section in Note 23.

N. Derecognition/Recognition of Assets and Liabilities

Financial assets and financial liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. In accordance with FRS102, financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition. Financial liabilities are derecognised when the obligation is discharged, extinguished or expired.

O. Cash and Cash Equivalents

Cash and cash equivalents include cash deposits held with banks and money market funds, together with other short-term highly liquid investments with original maturities of three months or less at the date of placement, free of any encumbrances, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. The Manager uses money market funds for cash management purposes.

2 Income

	31 May 2024 £'000	31 May 2023 £'000
Income from investments		
Investment income (comprising dividend income, interest income and other investment income)	15,882	17,292
	15,882	17,292
Other income		
Deposit and other interest received	643	784
Retrocession income	11	–
Exchange difference on income	(2)	8
	652	792
Total income	16,534	18,084
Total income comprises		
Dividend income	12,981	12,325
Interest income	2,815	4,756
Other investment income	86	211
Bank interest	172	767
Money market fund interest	471	17
Money market fund expense rebate	11	–
Exchange difference on income	(2)	8
	16,534	18,084
Analysis of income from investments		
Unlisted	15,882	17,292
	15,882	17,292
Geographical analysis		
UK	359	1,055
US	12,035	9,243
Other overseas	3,488	6,994
	15,882	17,292

3 Investment Management Fees

	31 May 2024			31 May 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	25,674	–	25,674	27,707	–	27,707
	25,674	–	25,674	27,707	–	27,707

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on pages 119 and 120.

During the year, investment management services with a total value of £28,501,000 (period to 31 May 2023: £29,010,000), being £25,674,000 (period to 31 May 2023: £27,707,000) directly from Pantheon Ventures (UK) LLP and £2,827,000 (period to 31 May 2023: £1,303,000) via Pantheon managed fund investments were purchased by the Company.

The value of investments, in and outstanding commitments to, investment funds managed or advised by the Pantheon Group ("Pantheon Funds") are excluded in calculating the monthly management fee and the commitment fee. The value of holdings in investments managed by the Pantheon Group totalled £1,235,005,000 as at 31 May 2024 (31 May 2023: £1,131,118,000), including £1,082,057,000 from the Pantheon managed Pantheon International Holdings subsidiaries (31 May 2023: £995,669,000). Please see Note 20 for further details.

In addition, the Manager has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon Group and attributable to the Company's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

At 31 May 2024, £2,280,000 (31 May 2023: £2,245,000) was owed for investment management fees. No performance fee is payable in respect of the year to 31 May 2024 (31 May 2023: £nil). The basis upon which the performance fee is calculated is explained in Note 1 (L) and in the Directors' Report on pages 119 and 120.

4 Other Expenses

	31 May 2024 Revenue £'000	31 May 2024 Capital £'000	31 May 2024 Total £'000	31 May 2023 Revenue £'000	31 May 2023 Capital £'000	31 May 2023 Total £'000
Secretarial and accountancy services	474	–	474	353	–	353
Depositary fees	258	–	258	280	–	280
Custodian	20	–	20	16	–	16
Fees payable to the Company's Auditor for the						
– audit of the annual financial statements	149	–	149	146	–	146
Fees payable to the Company's Auditor for						
– audit-related assurance services – Half-Yearly Report	46	–	46	44	–	44
Directors' remuneration (see Note 5)	360	–	360	291	–	291
Employer's National Insurance	27	–	27	42	–	42
Irrecoverable VAT	–	–	–	(5)	–	(5)
Legal and professional fees[1]	404	877	1,281	547	1,625	2,172
Project related costs[1]	–	2,497	2,497	–	–	–
Other[2]	872	–	872	831	–	831
ALN Expense Charge (see Note 1 (E))[3]	(462)	–	(462)	(486)	–	(486)
	2,148	3,374	5,522	2,059	1,625	3,684

1 Legal fees incidental to the acquisition of investments and project related costs are charged to the Capital column of the Income Statement, since they are capital in nature. Project related costs consist of legal expenses incurred in relation to the Share buyback tender offer and the loan note financing.

2 Other expenses predominantly comprise fees and expenses relating to printing, public relations, Stock Exchange listing, FCA fees, AIC Levy and share price publications.

3 A pro rata share of the Company's total ongoing charges is allocated to the ALN, reducing each quarterly payment.

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditors due to the half year review being an assurance service.

5 Directors' Remuneration

Directors' emoluments comprise Directors' fees. A breakdown is provided in the Directors' Remuneration Report on pages 133 to 135.

Notes to the Financial Statements

6 Interest Payable and Similar Expenses

	31 May 2024 £'000	31 May 2023 £'000
Negative bank interest	–	22
Loan commitment and arrangement fees	6,346	6,344
Loan interest	4,154	–
Private placement loan note coupon interest	2,551	–
	13,051	6,366

On 19 October 2023, the Company announced that it has agreed a new £500m equivalent multi-tranche, multi-currency revolving credit facility agreement (the "Loan Facility"), which on 20 October 2023, replaced the existing £500m equivalent credit facility and Credit Suisse AG London Branch as a Lender. There are five Lenders of the new facility, being Lloyds Bank plc, Mizuho, RBC Europe, Royal Bank of Scotland and State Street. Further details of the Loan Facility are disclosed in Note 14.

On 12 January 2024, the Company agreed a Private Placement of US$150m in loan notes with proceeds being received on 1 February 2024. The loan notes have been structured over different maturities of five, seven and 10 years with varying coupon rates, further details are disclosed in Note 16.

7 Taxation

			31 May 2024			31 May 2023
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Withholding tax deducted from distributions	3,033	–	3,033	1,494	–	1,494

Tax charge

The standard rate of corporation tax in the UK of 19% to 31 March 2023 rising to 25% from 1 April 2023, giving a weighted average for the year ended 31 May 2024 of 25% (year ended 31 May 2023: 20%).

The differences are explained below:

Net return before tax	(25,014)	59,696	34,682	(18,904)	62,679	43,775
Theoretical tax at UK corporation tax rate of 25% (31 May 2023: 20%)	(6,254)	14,924	8,670	(3,781)	12,536	8,755
Non-taxable investment, derivative and currency gains	–	(15,143)	(15,143)	–	(12,845)	(12,845)
Effect of expenses in excess of taxable income	–	219	219	–	309	309
Carry forward management expenses	6,254	–	6,254	3,781	–	3,781
Withholding tax deducted from distributions	3,033	–	3,033	1,494	–	1,494
	3,033	–	3,033	1,494	–	1,494

7 Taxation (continued)

The tax charge for the year ended 31 May 2024 is £3.0m (31 May 2023: £1.5m). The tax charge is wholly composed of irrecoverable withholding tax suffered.

Investment gains are exempt from capital gains tax owing to the Company's status as an investment trust.

Factors That May Affect Future Tax Charges

The Company is an investment trust and therefore is not subject to tax on capital gains. Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to meet for the foreseeable future) the conditions for approval as an investment trust company.

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there is sufficient future taxable revenue. As at 31 May 2024, excess management expenses are estimated to be in excess of £359m (31 May 2023: £330m).

At 31 May 2024, the Company had no unprovided deferred tax liabilities (31 May 2023: £nil).

8 Return per Share

			31 May 2024			31 May 2023
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return for the financial year in £'000	(28,047)	59,696	31,649	(20,398)	62,679	42,281
Weighted average ordinary shares			494,296,359			532,707,383
Return per share	(5.68)p	12.08p	6.40p	(3.83)p	11.77p	7.94p

There are no dilutive or potentially dilutive shares in issue.

9a Movement on Investments

	31 May 2024 £'000	31 May 2023 £'000
Book cost brought forward	1,734,850	1,530,419
Opening unrealised appreciation on investments held:		
– Unlisted investments	682,437	706,707
– Listed investments	333	1,482
Valuation of investments brought forward	2,417,620	2,238,608
Movements in year:		
Acquisitions at cost	152,960	289,020
Capital distributions – proceeds	(132,396)	(160,891)[1]
Capital distributions – realised gains on sales	68,262	76,302[1]
Increase in appreciation on investments held	(7,941)	(25,419)
Valuation of investments at year end	2,498,505	2,417,620
Book cost at year end	1,823,676	1,734,850
Closing unrealised appreciation on investments held:		
– Unlisted investments	673,924	682,437
– Listed investments	905	333
Valuation of investments at year end	2,498,505	2,417,620
Fair value of investments:		
Unlisted investments	2,495,920	2,415,800
Listed investments	2,585	1,820
Valuation of investments at year end	2,498,505	2,417,620

1 On 1 October 2022, the Company transferred one investment, at a fair value of £3.10m, to its wholly-owned subsidiary Pantheon International Holdings LP, in return for a 99% investment in Pantheon International Holdings LP, being £3.07m and the remaining 1% in Pantheon International Holdings GP LP, being £0.03m.

Further details in relation to the subsidiaries are included in Note 20.

9b Analysis of Investments

Further analysis of the investment portfolio is provided in the Manager's Review on pages 55 to 109.

The Company received £132,396,000 (2023: £160,891,000) from investments sold during the year. The book cost of these investments when they were purchased was £64,134,000 (2023: £84,589,000). These investments have been revalued over time until such time they were sold and up until that point, any unrealised gains or losses were included in the fair value of the investments.

Transaction costs (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (31 May 2023: £nil) and to the disposals of investments totalled £5,000 (31 May 2023: £7,000) for the period. In addition, legal fees incidental to the acquisition of investments totalled £877,000 (31 May 2023: £1,625,000), as disclosed in Note 4, have been taken to the Capital column in the Income Statement since they are capital in nature.

Included in investment are also investments that the Company holds in its subsidiaries. Please see Note 20 for further details.

Gains on investment per income statement	31 May 2024 £'000	31 May 2023 £'000
Realised gains on sales	68,262	76,302
Amounts previously recognised as unrealised appreciation on those sales	333	1,482
Decrease in unrealised appreciation	(8,274)	(26,902)
Revaluation of amounts owed in respect of transactions	3	3
Gains on investments	60,324	50,885

9b Analysis of Investments (continued)

Currency analysis of investment valuation	31 May 2024 £'000	31 May 2023 £'000
Sterling		
Unlisted investments	1,126,722	1,042,249
	1,126,722	1,042,249
US dollar		
Unlisted investments	1,102,043	1,116,006
Listed investments	2,246	1,820
	1,104,289	1,117,826
Euro		
Unlisted investments	244,243	230,424
	244,243	230,424
Other		
Unlisted investments	22,912	27,121
Listed investments	339	–
	23,251	27,121
Total valuation of investments	2,498,505	2,417,620

9c Material Investment

At the year end, the Company held no material holdings in any underlying company which exceeded 3% and funds which exceed 10% of any class of capital.

10 Fair Value Hierarchy

The fair value hierarchy consists of the following three levels:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. The Level 1 holdings include publicly listed holdings held directly by the Company from in specie distributions received from underlying investments, but do not include listed holdings held indirectly through the Company's underlying private equity managers which are classified under Level 3 holdings;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Financial Assets at Fair Value Through Profit or Loss at 31 May 2024

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	2,495,920	2,495,920
Listed holdings	2,585	–	–	2,585
	2,585	–	2,495,920	2,498,505

Financial Assets at Fair Value Through Profit or Loss at 31 May 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	2,415,800	2,415,800
Listed holdings	1,820	–	–	1,820
	1,820	–	2,415,800	2,417,620

10 Fair Value Hierarchy (continued)

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2024

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	–	–	30,815	30,815
	–	–	30,815	30,815

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	–	–	32,520	32,520
	–	–	32,520	32,520

11 Debtors

	31 May 2024 £'000	31 May 2023 £'000
Amounts receivable from investment funds	1,131	290
Accrued interest	–	17
Prepayments	1,356	2,040
	2,487	2,347

12 Cash and Cash Equivalents

	31 May 2024 £'000	31 May 2023 £'000
Cash at bank	21,863	49,906
Cash equivalents	–	16,137
	21,863	66,043

As at 31 May 2024, cash equivalents of £nil were held in a USD money market fund (31 May 2023: £16,137,000).

13 Creditors Amounts Falling Due Within One Year

	31 May 2024 £'000	31 May 2023 £'000
Investment management fees	2,280	2,245
Amounts owed in respect of share buybacks and trades	1,003	–
ALN repayment to the Investor	437	1,199
Private Placement loan note coupon interest	2,551	–
Other creditors and accruals	1,481	1,173
	7,752	4,617

14 Bank Loan

	31 May 2024 £'000	31 May 2023 £'000
Short term		
Tranche B (USD) $122,000,000 (£100,000,000) expiry October 2024	83,261	–
Long term		
Tranche A1 (USD) $365,700,000 (£300,000,000) expiry October 2026	–	–
Tranche A2 (EUR) Eur115,700,000 (£100,000,000) expiry October 2026	–	–
	83,261	–

On 19 October 2023, the Company announced that it has agreed a new £500m equivalent multi-tranche, multi-currency revolving credit facility agreement (the "Loan Facility"), which on 20 October 2023, replaced the existing £500m equivalent credit facility and Credit Suisse AG London Branch as a Lender. There are five Lenders of the new facility, being Lloyds Bank plc, Mizuho, RBC Europe, Royal Bank of Scotland and State Street. The new Loan Facility, which is secured by certain assets of the Company, is split as follows:

- Facility A: £400m, expiring in October 2026 with an ongoing option to extend, by agreement, the maturity date by 364 days at a time; and
- Facility B: £100m, expiring in October 2024.

The Company has sought to build a long-term, sustainable, more flexible, and diverse capital structure as part of this process, further strengthening the Company's balance sheet. The structure permits Facility A to be increased from £400m to £700m via an uncommitted accordion option, subject to the consent of the participating Lenders, with a covenant package that better supports utilisation under the Loan Facility, the announced Tender Offer and the ongoing share buyback programme.

Depending on the utilisation of the Loan Facility, PIP will pay a commitment fee of between 0.70% and 1.15% per annum on the undrawn portion of the Loan Facility. The rate of interest payable on the drawn portion is the aggregate of the relevant benchmark rate plus 2.95% or 2.25% depending on whether Facility A or B is utilised respectively. See Note 23 for details regarding loan covenants.

As at 31 May 2024, the Loan Facility had a sterling equivalent value of £83.3m, all drawn from the short term facility (Facility B).

Notes to the Financial Statements

15 Creditors Amounts Falling Due After One Year – Asset Linked Note

	31 May 2024 £'000	31 May 2023 £'000
Opening value of ALN	32,520	41,374
Repayment of net cash flows received	(4,650)	(5,035)
Fair value movement through profit or loss	3,420	(3,384)
Expense charge and ALN share of withholding taxes	(475)	(435)
Closing value of ALN (see Note 1(E))	30,815	32,520
Transfer to creditors due within one year	(437)	(1,199)
	30,378	31,321

16 Private Placement Loan Notes

On 12 January 2024, the Company agreed a private placement of US$150m in loan notes with proceeds being received on 1 February 2024. The loan notes have been structured over different maturities of five, seven and 10 years with varying coupon rates, as follows:

	31 May 2024 £'000	31 May 2023 £'000
Tranche A (USD) 6.36%. 1 February 2029	41,238	–
Tranche B (USD) 6.53%. 1 February 2031	53,020	–
Tranche C (USD) 6.65%. 1 February 2034	23,565	–
	117,823	–

17 Called-up Share Capital

	31 May 2024 Shares	31 May 2024 £'000	31 May 2023 Shares	31 May 2023 £'000
Allotted, called-up and fully paid:				
Ordinary shares of 6.7p each				
Opening position	529,893,457	35,503	537,493,640	36,012
Ordinary shares bought back for cancellation in the market	(15,099,519)	(1,012)	(7,600,183)	(509)
Ordinary shares bought back for cancellation via Tender Offer	(49,180,327)	(3,295)	–	–
Closing position	465,613,611	31,196	529,893,457	35,503
Total shares in issue	465,613,611	31,196	529,893,457	35,503

On 3 August 2023, upon publication of its annual results for the year ending 31 May 2023, the Company announced its intention to invest up to £200,000,000 in the Company's portfolio by buying back its own ordinary shares during the financial year to 31 May 2024. On 25 September 2023, the Company announced it would undertake a "Tender Offer", conducted as a reverse auction, for up to £150,000,000 in value (at the Strike Price, excluding costs and stamp duty) of ordinary shares with settlement taking place on 26 October 2023. Shareholders on the Register on the Record Date of 17 October 2023 were invited to tender for sale some or all (subject to the overall size limit of the Tender Offer) of their ordinary shares.

On 19 October 2023, the result of the Tender Offer was announced, being that the Company had acquired 49,180,327 of the Company's ordinary shares. All shares repurchased by the Company have been cancelled. Each share acquired by the Company in the Tender Offer was purchased at the Strike Price of 305 pence per ordinary share.

During the year ended 31 May 2024, in addition to the Tender Offer, 15,099,519 ordinary shares were bought back in the market, for cancellation at a total cost, including stamp duty, of £47.0m. During the year ended 31 May 2023, 7,600,183 ordinary shares were bought back for cancellation at a total cost, including stamp duty, of £19.7m.

As a result, there were 465,613,611 ordinary shares in issue as at 31 May 2024 (of which none are held in Treasury; year to 31 May 2023: 529,893,457 ordinary shares and no Treasury shares).

Each holder of ordinary shares is entitled, on a show of hands, to one vote and, on a poll, to one vote for each ordinary share held.

18 Reserves

Movement for the year ended 31 May 2024	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve[1] £'000
Beginning of year	269,535	4,062	1,620,532	653,695	(133,255)
Net gain on realisation of investments	–	–	68,262	–	–
Decrease in unrealised appreciation	–	–	–	(10,686)	–
Revaluation of amounts owed in respect of transactions	–	–	3	–	–
Exchange differences on currency	–	–	5,505	–	–
Exchange differences on other capital items	–	–	(14)	–	–
Legal and professional expenses charged to capital	–	–	(1,851)	–	–
Other expenses charged to capital	–	–	(1,523)	–	–
Share buybacks[2]	–	4,307	(198,080)	–	–
Revenue return for the year	–	–	–	–	(28,047)
End of year	269,535	8,369	1,492,834	643,009	(161,302)

Movement for the year ended 31 May 2023	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve[1] £'000
Beginning of year	269,535	3,553	1,556,346	674,875	(112,857)
Net gain on realisation of investments	–	–	76,302	–	–
Decrease in unrealised appreciation	–	–	–	(21,180)	–
Revaluation of amounts owed in respect of transactions	–	–	3	–	–
Exchange differences on currency	–	–	9,210	–	–
Exchange differences on other capital items	–	–	(31)	–	–
Legal and professional expenses charged to capital	–	–	(1,625)	–	–
Share buybacks[2]	–	509	(19,673)	–	–
Revenue return for the year	–	–	–	–	(20,398)
End of year	269,535	4,062	1,620,532	653,695	(133,255)

1 Reserves that are distributable by way of dividends. In addition,the Other Capital Reserve can be used for share buybacks.
2 The value of ordinary shares bought back include any associated fees and stamp duty.

19 Net Asset Value Per Share

	31 May 2024	31 May 2023
Net assets attributable in £'000	2,283,641	2,450,072
Ordinary shares	465,613,611	529,893,457
Net asset value per ordinary share	490.46p	462.37p

20 Subsidiaries

The Company has formed three wholly-owned subsidiaries, to provide security for future financial lending arrangements.

Pantheon International Holdings LP ("PIH LP") was incorporated on 29 March 2021 with a registered address in the State of Delaware (National Registered Agents, Inc., 209 Orange Street, Wilmington, Delaware, 19801), and is wholly owned by the Company.

The Company holds an investment in PIH LP, which itself holds a basket of investments, rather than to carry out business on the Company's behalf. Investments held within PIH LP are based on the fair value of the investments held in those entities.

On 31 December 2021, the Company transferred several investments, at a fair value of £627.1m, to its wholly-owned subsidiary Pantheon International Holdings LP in order to provide security for the £500m multi-currency facility. On 1 October 2022, the Company transferred one further investment, at a fair value of £3.1m. The investments that were transferred are in addition to PIH LP making its own investments.

The aggregate amount of its capital and reserves as at 31 May 2024 is £1,082,132,000 (2023: £995,928,000) and the profit or loss for the year ended 31 May 2024 is £3,168,000 (2023: £3,491,000).

The General Partner for PIH LP is Pantheon International Holdings GP ("PIH GP") Limited. Incorporated on 17 March 2021 with a registered address c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and is wholly owned by the Company.

The aggregate amount of its capital and reserves as at 31 May 2024 is £1 (2023: £1) and the profit or loss for the year ended 31 May 2024 is £nil (2023: £nil).

The General Partner and the Limited Partner formed an exempted limited partnership, named Pantheon International Holdings GP LP ("PIH GP LP"), incorporated on 17 March 2021 with a registered address c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company holds an investment in PIH GP LP.

Any investments made by the Company into PIH LP, generally invest at 99% directly into PIH LP, with the remaining 1% investing into PIH GP LP. PIH GP LP will then, in turn, wholly invest those funds into PIH LP, so no funds remain in PIH GP LP.

In accordance with FRS 102, the Company is exempted from the requirement to prepare consolidated financial statements on the grounds that its subsidiary PIH LP is held exclusively with a view to a subsequent resale as it is considered part of an investment portfolio and the Company meets the definition of an Investment Entity under FRS. PIH GP LP and PIH GP are not material. Therefore, the Company has no requirement to prepare consolidated accounts, and therefore the subsidiaries noted above are held as investments recognised at fair value through profit or loss.

21 Reconciliation of Return Before Financing Costs and Taxation to Net Cash Flow from Operating Activities

	31 May 2024 £'000	31 May 2023 £'000
Return before finance costs and taxation	47,733	50,141
Withholding tax deducted	(3,033)	(1,494)
Gains on investments	(60,324)	(50,885)
Currency gains on cash and borrowings	(5,491)	(9,179)
Increase in creditors	205	394
Decrease/(increase) in other debtors	111	(147)
Gain/(reduction) of financial liabilities at fair value through profit or loss (ALN)	3,420	(3,384)
Expenses and taxation associated with the ALN	(475)	(435)
Net cash outflow from operating activities	(17,854)	(14,989)

Notes to the Financial Statements

21 Reconciliation of Return Before Financing Costs and Taxation to Net Cash Flow from Operating Activities (continued)

Reconciliation of net cash/(debt)

Reconciliation of net cash flow to movement in net debt	31 May 2024 £'000
Decrease in cash	(44,024)
Net cash inflow from loans	(88,471)
Cash inflow from private placement loan notes	(118,274)
Change in net debt resulting from cash flows	(250,769)
Foreign exchange movements	5,505
Movement in net debt	(245,264)
Net cash at 1 June 2023	66,043
Net debt at 31 May 2024	(179,221)

Analysis in changes in net cash/(debt)

	1 June 2023 £'000	Cash flows £'000	Foreign exchange movements £'000	31 May 2024 £'000
Cash and cash equivalents	66,043	(44,024)	(156)	21,863
Debt due within one year				
– Bank loan	–	(88,471)	5,210	(83,261)
Debt due after more than one year				
– Private placement loan notes	–	(118,274)	451	(117,823)
Net cash/(debt)	66,043	(250,769)	5,505	(179,221)

22 Contingencies, Guarantees and Financial Commitments

At 31 May 2024, there were financial commitments outstanding of £789m (31 May 2023: £857m) in respect of investments in partly paid shares and interests in private equity funds.

We expect 18% of the financial commitments outstanding to be called within the next 12 months.

Further detail of the available finance cover is provided in Note 23.

23 Analysis of Financial Assets and Liabilities

The primary investment objective of the Company is to seek to maximise long-term capital growth for its shareholders by investing in funds specialising in unquoted investments, acquiring unquoted portfolios and participating directly in private placements. Investments are not restricted to a single market but are made when the opportunity arises and on an international basis.

The Company's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations; for example, sales and purchases awaiting settlement and debtors for accrued income.

The principal risks the Company faces in its portfolio management activities are:

– liquidity/marketability risk;

– interest rate risk;

– market price risk; and

– foreign currency risk.

The Manager only holds cash at banks with high credit ratings, therefore the Company has little exposure to credit risk. The Manager monitors the financial risks affecting the Company on a daily basis and the Directors regularly receive financial information, which is used to identify and monitor risk.

In accordance with FRS 102 an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is given below.

23 Analysis of Financial Assets and Liabilities (continued)

Liquidity Risk

Due to the nature of the Company's investment policy, the largest proportion of the portfolio is invested in unquoted securities, many of which are less readily marketable than, for example, "blue-chip" UK equities. The Directors believe that the Company, as a closed-end fund with no fixed wind-up date, is ideally suited to making long-term investments in instruments with limited marketability. The investments in unquoted securities are monitored by the Board on a regular basis.

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 22 for outstanding commitments as at 31 May 2024) to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent on it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.

On 19 October 2023, the Company agreed a new £500m equivalent multi-tranche, multi-currency revolving credit facility agreement (the "Loan Facility"), which on 20 October 2023, replaced the previous £500m equivalent credit facility and Credit Suisse AG London Branch as a Lender. There are five Lenders of the new facility, being Lloyds Bank plc, Mizuho, RBC Europe, Royal Bank of Scotland and State Street.

The new Loan Facility, which is secured by certain assets of the Company, is split as follows:

- Facility A: £400m, expiring in October 2026 with an ongoing option to extend, by agreement, the maturity date by 364 days at a time; and
- Facility B: £100m, expiring in October 2024.

The Company has sought to build a long-term, sustainable, more flexible and diverse capital structure as part of this process, further strengthening the Company's balance sheet.

The structure permits Facility A to be increased from £400m to £700m via an uncommitted accordion option, subject to the consent of the participating Lenders, with a covenant package that better supports utilisation under the Loan Facility, the announced Tender Offer and the ongoing share buyback programme.

For details of commitment fees and rates of interest, refer to Note 14. The Loan Facility is subject to market standard loan to value and liquidity covenants.

The principal covenants that apply to the loan facility require:

(i) that gross borrowings do not exceed 35% of the adjusted borrowing base[1]; and

(ii) the liquidity ratio[2] does not exceed 4.1x undrawn commitment.

Total available financing as at 31 May 2024 stood at £414m (31 May 2023: £554m), comprising £16m (31 May 2023: £63m) in cash balances and £398m (31 May 2023: £491m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 3.9 times (31 May 2023: 3.7 times) (which excludes any outstanding commitments relating to funds outside their investment period (>13 years old) as there is a low likelihood of these being drawn).

Interest Rate Risk

The Company may use gearing to achieve its investment objectives and manage cash flows and uses a multi-currency revolving credit facility for this purpose.

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as relevant benchmark rates plus 2.95% or 2.25% depending on whether Facility A or B is utilised respectively. The interest rate is then fixed for the duration that the loan is drawn down. At 31 May 2024, there was a sterling equivalent of £83.3m funds drawn down on the loan facilities (31 May 2023: £nil). A blended commitment fee of 0.95% per annum is payable in respect of the amounts available for drawdown in each facility.

Interest rate movements may affect:

- the level of interest receivable on cash deposits; and
- the interest payable on loan borrowings.

A 1% increase in market interest rates would be expected to decrease net assets, by approximately £0.8m (31 May 2023: nil), with all other factors being equal.

A 1% decrease would increase net assets by the same amount.

The loan notes issued by the Company pay a fixed rate of interest and therefore movements in interest rates will not affect net assets.

1 The adjusted borrowing base is the total collaterised proportion of assets adjusted for loan agreement specific restrictions.
2 Liquidity Ratio is computed as: (10% of PE portfolio + Cash + Undrawn facility)/(Undrawn commitments).

23 Analysis of Financial Assets and Liabilities (continued)

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

Non-interest Rate Exposure

The remainder of the Company's portfolio and current assets are not subject to interest rate risks.

The interest rate and maturity profile of the Company's financial assets as at 31 May 2024 was as follows:

31 May 2024	Total £'000	No maturity date £'000	Matures within 1 year £'000	Matures after 1 year £'000	Fixed interest average interest rate %
Fair value no interest rate risk financial assets					
Sterling	1,128,658	1,128,658	–	–	–
US dollar	1,123,644	1,123,644	–	–	–
Euro	246,409	246,409	–	–	–
Other	23,907	23,907	–	–	–
	2,522,618	2,522,618	–	–	–

The interest rate and maturity profile of the Company's financial assets as at 31 May 2023 was as follows:

31 May 2023	Total £'000	No maturity date £'000	Matures within 1 year £'000	Matures after 1 year £'000	Fixed interest average interest rate %
Fair value no interest rate risk financial assets					
Sterling	1,043,630	1,043,630	–	–	–
US dollar	1,171,627	1,171,627	–	–	–
Euro	240,745	240,745	–	–	–
Other	29,362	29,362	–	–	–
	2,485,364	2,485,364	–	–	–

Financial Liabilities

At 31 May 2024, the Company had drawn the sterling equivalent of £83.3m (31 May 2023: £nil) of its new £500m multi-currency credit facility, £400m of which expires in October 2026 and £100m expires in October 2024. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the year end, interest of £0.1m (31 May 2023: £nil) was accrued.

During the year ended 31 May 2024, the Company received US$150m through private placement loan notes, that have been structured over different maturities of five, seven and 10 years. At 31 May 2024, the sterling equivalent was £117.8m (31 May 2023: £nil). At the year end, coupon interest of £2.6m (31 May 2023: £nil) was accrued.

At 31 May 2024 and 31 May 2023, other than the ALN and the private placement debt, all financial liabilities were due within one year and comprised drawn loans payable within one year together with short-term creditors.

The ALN is repayable by no later than 31 August 2027.

23 Analysis of Financial Assets and Liabilities (continued)

Market Price Risk

The method of valuation of the fixed asset investments is described in Note 1(D) on page 151. The nature of the Company's fixed asset investments, with a high proportion of the portfolio invested in unquoted securities, means that the investments are valued by the Directors after due consideration of the most recent available information from the underlying investments.

PIP's portfolio is well diversified by the sectors in which the underlying companies operate. This sectoral diversification helps to minimise the effects of cyclical trends within particular industry segments.

If the investment portfolio fell by 20% from the 31 May 2024 valuation, with all other variables held constant, there would have been a reduction of £499,701,000 (31 May 2023: £483,524,000) in the return before taxation. An increase of 20% would have increased the return before taxation by an equal and opposite amount.

Foreign Currency Risk

Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates. A geographical analysis of the portfolio and hence its exposure to currency risk is given on pages 46 and 70 and in Note 9b. Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial period.

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report on pages 44 to 48 and the Manager's Review on pages 55 to 61.

The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 31 May 2024, realised exchange losses of £14,000 (31 May 2023: £31,000) and realised gains relating to currency of £5,505,000 (31 May 2023: realised gains of £9,210,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown on the next page. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 31 May 2024, it would have the effect, with all other variables held constant, of decreasing shareholder funds by £20,343,000 (31 May 2023: increasing shareholder funds by £7,065,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of increasing shareholder funds by £16,645,000 (31 May 2023: decreasing shareholder funds by £5,780,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 31 May 2024 of 1.2731 (31 May 2023: 1.2394) sterling/dollar and 1.1727 (31 May 2023: 1.16265) sterling/euro.

An analysis of the Company's exposure to foreign currency (excluding Investments) is given below:

	31 May 2024 Assets £'000	31 May 2024 Liabilities £'000	31 May 2023 Assets £'000	31 May 2023 Liabilities £'000
US dollar	19,355	204,488	53,801	478
Canadian dollar	276	–	32	–
Euro	2,166	123	10,321	59
Swedish krone	226	–	768	–
Norwegian krone	22	–	–	–
Australian dollar	132	–	1,441	–
	22,177	204,611	66,363	537

Fair Value of Financial Assets and Financial Liabilities

Investments of the Company are held at fair value. All other financial assets are held at cost, which is an approximation of fair value. Other than the ALN, the financial liabilities are held at amortised cost, which is not materially different from fair value.

Managing Capital

The Company's equity comprises ordinary shares as described in Note 17. Capital, which the Company considers to be its equity, is managed so as to maximise the return to shareholders while maintaining a capital base that allows the Company to operate effectively in the marketplace and sustain future development of the business.

As at 31 May 2024 and 31 May 2023, the Company had bank debt facilities to increase the Company's liquidity. Details of actual and available borrowings at the period end can be found earlier in this Note and in Note 14.

The Company's assets and borrowing levels are reviewed regularly by the Board of Directors with reference to the loan covenants.

The Company's capital requirement is reviewed regularly by the Board of Directors.

Notes to the Financial Statements

24 Transactions with the Manager and Related Parties

The amounts paid to the Manager, together with the details of the Investment Management Agreement, are disclosed in Note 3.

The fees paid to the Company's Board are disclosed in the Directors' Remuneration Report on pages 133 to 135. The Company's National Insurance contribution in relation to Directors' remuneration is disclosed in Note 4.

Amounts outstanding for Directors' fees as at 31 May 2024 amount to £62,000 (2023: £45,000).

The Company also has three wholly-owned subsidiaries. Please see Note 20 for further details.

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

25 Post Balance Sheet Events

There are no post balance sheet events to report.

Other Information

AIFMD Disclosures

The Company is an alternative investment fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD"), and the Manager was appointed as its alternative investment fund manager ("AIFM") for the purposes of the AIFMD with effect from 21 July 2014. The Manager is a "full scope" AIFM for the purposes of the AIFMD.

The AIFMD requires certain disclosures to be made in the Annual Report of the Company. Many of these disclosures were already required by the Listing Rules and/or UK Accounting Standards, and these continue to be presented in other sections of the Annual Report, principally the Strategic Report (pages 2 to 54), the Manager's Review (pages 55 to 114) and the financial statements (pages 145 to 173). This section completes the disclosures required by the AIFMD.

Assets subject to special arrangements

The Company holds no assets subject to special arrangements arising from their illiquid nature.

Remuneration disclosure

The total number of staff of the Manager for the period ended 31 May 2024, including staff remunerated by affiliates of the Manager, was approximately 450, of which 8 were senior management or other members of staff whose actions have a material impact on the risk profile of the Company ("identified staff").

The total remuneration paid by the Manager and its affiliates to staff of the Manager in respect of the financial year ended 31 May 2024 attributable to work relating to the Company was as follows:

	12 months to 31 May 2024			12 months to 31 May 2023		
	Fixed £'000	Variable £'000	Total £'000	Fixed £'000	Variable £'000	Total £'000
Senior management	473	677	1,150	459	634	1,094
Staff	1,492	909	2,401	1,643	933	2,576
Total staff	1,965	1,586	3,551	2,102	1,567	3,670
Identified staff	248	449	697	293	555	848

No carried interest was paid in respect of the Company during the year.

The above disclosures reflect only that element of the individuals' remuneration which is attributable to the activities of the Manager relating to the Company. It is not possible to attribute remuneration paid to individual staff directly to income received from any fund and hence the above figures represent a notional approximation only calculated by reference to the assets under management of the Company as a proportion of the total assets under management of the Pantheon Group.

In determining the remuneration paid to its staff, the Manager takes into account a number of factors including the performance of the Company, the Manager and each individual member of staff. These factors are considered over a multi-year framework and include whether staff have met the Manager's compliance standards. In addition, the Manager seeks to ensure that its remuneration policies and practices align financial incentives for staff with the risks undertaken and results achieved by investors; for example, by ensuring that a proportion of the variable income received by identified staff is deferred for a period of at least three years.

Full details of the Pantheon Group's remuneration policies and practices for staff (which includes the Manager's staff) can be found at www.pantheon.com.

AIFMD Disclosures

Leverage

The AIFMD requires the Manager of the Company to set leverage limits for the Company. For the purposes of the AIFMD, leverage is any method by which the Company's exposure is increased, whether through the borrowing of cash or by the use of derivatives or by any other means. The AIFMD requires leverage to be expressed as a ratio between the Company's exposure and its net asset value and prescribes two methodologies, the gross method and the commitment method (as set out in Commission Delegated Regulation No. 231/2013), for calculating such exposure.

The following leverage limits have been set for the Company:

(i) Borrowings shall not exceed 100% of the Company's net asset value or such lower amount as is agreed from time to time with the Company's lenders.

(ii) Leverage calculated as the ratio between the exposure of the Company calculated in accordance with the gross method referred to above and its net asset value shall not exceed 200%.

(iii) Leverage calculated as the ratio between the exposure of the Company calculated in accordance with the commitment method referred to above, and its net asset value shall not exceed 200%.

Using the methodologies prescribed under the AIFMD, the Company's leverage ratio as at 31 May 2024 is shown below:

	Gross method	Commitment method
Leverage ratio	109.5%	110.5%

There have been no changes to the maximum level of leverage which the Manager may employ on behalf of the Company during the financial year to 31 May 2024. There are no collateral or asset reuse arrangements in place as at the year end.

Risk profile and risk management

The principal risks to which the Company is exposed and the approach to managing those risks are set out in the Strategic Report (pages 44 to 48) and also in Note 23 of the financial statements (pages 169 to 172). The investment restrictions which seek to mitigate some of those principal risks in relation to the Company's investment activities are set out in the investment policy (page 41) and under "Board responsibilities and relationship with the Manager" in the Statement on Corporate Governance (page 125). Additionally, the individual counterparty exposure limit for deposits with each of the Company's bank counterparties has been set at £70m or the equivalent in foreign currencies. The Manager's risk management system incorporates regular review of the principal risks facing the Company and the investment restrictions applicable to the Company. The Manager has established appropriate internal control processes to mitigate the risks, including those described in the "Mitigation" column in the "Risk Management and Principal Risks" section of the Strategic Report (pages 44 to 48). These investment restrictions have not been exceeded in the financial year to 31 May 2024.

Article 23(1) disclosures to investors

The AIFMD requires certain information to be made available to investors in the Company before they invest and requires that material changes to this information be disclosed in the Annual Report of the Company. The information required to be disclosed is contained in the document "Information for Investors", which is available on the Company's website at www.piplc.com.

There have been no material changes to this information requiring disclosure.

Alternative Performance Measures

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed "APMs". The APMs that we use may not be directly comparable with those used by other companies. The APMs used by the Company are defined below.

Net available cash

Cash and net current assets/(liabilities) less next ALN repayment (see Notes 12 and 13).

Available financing

Sum of available cash and undrawn loan facility.

	Page	31 May 2024 £m	31 May 2023 £m	
Available cash	43	16	63	(a)
Undrawn loan facility	43	398	491	(b)
Available financing		414	554	(a + b)

Capital call

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

	Page	31 May 2024 £m	31 May 2023 £m	
Acquisitions at cost	149	153	289	(a)
Recallable distributions		(15)	(20)	(b)
Amount drawn for new commitments		(50)	(190)	(c)
ALN share of calls		–	1	(d)
PIH LP Investment		(58)	(191)	(e)
Investments made through PIH LP		126	266	(f)
Capital calls		156	155	(a + b + c + d + e + f)

Capital Allocation Policy ("CAP")

Effective 1 June 2024, PIP will dedicate a portion of cash flows to share buybacks if the Company's shares are trading at a wide discount to net asset value. Refer to page 29 for further details.

Capital call rate

Capital calls in the period divided by opening undrawn commitments.

	31 May 2024 £m	31 May 2023 £m	
Capital calls	156	155	(a)
Opening undrawn commitments	857	755	(b)
Capital call rate	18%	21%	(a/b) x 100

Distribution

Cash or stock returned to the LPs after the fund has exited from an investment by selling it, or from distributions received before a sale. Excludes such proceeds received relative to the portion of the portfolio attributable to the ALN.

	Page	31 May 2024 £m	31 May 2023 £m	
Disposal of investments	149	132	161	(a)
Investment income received	146	16	18	(b)
Recallable distributions		(15)	(20)	(c)
Withholding tax deducted		(3)	(1)	(d)
ALN share of distributions		(4)	(5)	(e)
Transferred investments to PIH LP		–	(3)	(f)
Disposals of investments received through PIH LP		67	73	(g)
Distributions from PIP's portfolio		193	223	(a + b + c + d + e + f + g)

Alternative Performance Measures

Distribution rate

Distributions for the period divided by opening portfolio value.

	Page	31 May 2024 £m	31 May 2023 £m	
Distributions from PIP's portfolio		193	223	(a)
Opening investments at fair value	161	2,418	2,239	(b)
ALN share of opening investments		(31)	(39)	(c)
Opening portfolio value (excluding the ALN)		2,387	2,200	(d) = (b + c)
Distribution rate from PIP's portfolio		8%	10%	(a/d) x 100

Financing cover

Ratio of available cash, private equity assets and undrawn loan facility to outstanding commitments. Future calls from outstanding commitments are expected to be funded from future distributions realised from the existing private equity assets portfolio, in addition to distributions realised from future investments.

	Page	31 May 2024 £m	31 May 2023 £m	
Available financing	43	414	554	(a)
Investments at fair value	161	2,499	2,418	(b)
Total		2,913	2,972	(c) = (a + b)
Outstanding undrawn commitments (excluding those outside their investment period)		747	809	(d)
Financing cover		3.9x	3.7x	(c/d)

The basis of calculation excludes any outstanding commitments relating to funds outside their investment period (>13 years old) as there is a low likelihood of these being drawn. This amounted to £41.7m as at 31 May 2024 and £48.2m as at 31 May 2023.

Net debt to NAV

Net debt calculated as borrowings (excluding the outstanding balance of the Asset Linked Note) less net available cash. The ALN is not considered in the calculation of gross borrowings or the loan-to-value ratio, as defined in PIP's credit facility and loan note agreements.

	Page	31 May 2024 £m	31 May 2023 £m	
Net available cash	43	16	63	(a)
Drawn credit facility	42	83	–	(b)
Private placement loan notes	42	118	–	(c)
Net asset value		2,284	2,450	(d)
Net debt as a % of NAV		8.1%	0.0%	- (a - b - c)/(d)

Net portfolio cash flow

Income and capital distributions received from funds following exit realisations less capital calls made to finance investments or expenses.

	31 May 2024 £m	31 May 2023 £m	
Distributions from PIP's portfolio	193	223	(a)
Capital calls	156	155	(b)
Net portfolio cash flow	37	68	(a - b)

Alternative Performance Measures

Loss ratio

Loss ratio is calculated as the sum of 1) the loss made on realised investments which have exited below cost and 2) the difference between the unrealised value and the cost of unrealised investments which are held below cost, divided by the aggregate costs of all investments.

	31 May 2024 £m	31 May 2023 £m	
For investments made in the last 10 years:			
NAV of realised and unrealised investments held below cost	300	275	(a)
Distributions on realised and unrealised investments held below cost	9	52	(b)
Total value of realised and unrealised investments held below cost	309	327	(c) = (a + b)
Total cost of realised and unrealised investments held below cost	411	423	(d)
Loss on investments	102	96	(e) = (d - c)
Aggregate cost of all investments	4,497	4,274	(f)
Loss ratio	2.3%	2.2%	(e/f)

Portfolio investment return

Total movement in the valuation of the underlying funds and companies comprising the portfolio, expressed as a percentage of opening portfolio value. Foreign exchange effects and other expenses are excluded from the calculation. The figure excludes returns attributable to the ALN. A reconciliation of the return after taxation to the portfolio valuation movement is shown below.

	Page	31 May 2024 £m	31 May 2023 £m	
Return after taxation (per Income Statement)	146	32	42	(a)
Adjusted for non-portfolio income and expenses				
– Investment management fees	146	26	28	(b)
– Other expenses	146	6	4	(c)
– Interest payable and similar expenses	146	13	6	(d)
– Other income		(1)	(1)	(e)
– Portfolio and other FX	*	42	(3)	(f)
Portfolio valuation movement		118	76	(g) = (a + b + c + d + e + f)
Opening investments at fair value	161	2,418	2,239	(h)
ALN share of opening investments		(31)	(39)	(i)
Opening portfolio value (excluding the ALN)		2,387	2,200	(j) = (h + i)
Portfolio investment return		4.9%	3.5%	(g/j) x 100

* Includes -£51m of FX on the portfolio excluding the ALN (May 2023: (-£11m)).

Sample calculations and disclosures

The sample buyout figures for the 12 months to 31 December 2023 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg.

Alternative Performance Measures

Revenue and EBITDA

The revenue and EBITDA figures were based on the past 12 months to 31 December 2023 or, where not available, the closest annual period disclosed, and provide coverage of 63% and 63% (12 months to 2022: 77% and 77%) for revenue and EBITDA growth respectively of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped if in excess of -100% and +100% to avoid distortions from large outliers. Sample data for 2016–2022 is based on the same methodology and provides coverage of 45%–75% of the portfolio in each year.

Valuation multiple and debt multiple

Enterprise value is defined as equity value plus net debt. The net debt and enterprise value figures were based on underlying valuations as at 31 December 2023, or the closest disclosed period end. The valuation multiple sample covers approximately 47% (31 December 2022: 54%) of PIP's buyout portfolio. The debt multiple sample covers approximately 54% (31 December 2022: 45%) of PIP's buyout portfolio.

Cost multiple

The cost multiple data on page 79 is based on a sample that represented approximately 84% by value of proceeds from exit realisations for the year to 31 May 2024. The data covers primary investments and co-investments, and is based on gross cost multiples available at the time of the distribution.

Uplift

Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the underlying private equity manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to exit or if known, the latest valuation unaffected by pricing effects arising from markets participants becoming aware of the imminent sale of an asset. The analysis on page 78 only includes exit realisations that occurred during the period and disregards the impact of any proceeds received outside the 12-month period covered in the uplift analysis. The data in the sample represents 98% (May 2023: 100%) of proceeds from exit realisations and 66% (May 2023: 61%) of distributions received during the period.

Ongoing charges

a) 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	31 May 2024 £'000	31 May 2023 £'000	
Investment management fees	154	25,674	27,707	
Look-through charges		2,827	1,303	
Other expenses	146	2,148	2,059	
Total expenses		30,649	31,069	(a)
Average month-end NAV		2,333,552	2,490,134	(b)
AIC ongoing charges		1.31%	1.25%	(a/b) x 100

b) 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	31 May 2024 £'000	31 May 2023 £'000	
Investment management fees	154	25,674	27,707	
Performance fee payable to Pantheon		–	–	
Look-through charges		2,827	1,303	
Other revenue expenses		2,148	2,059	
Interest payable and similar expenses	146	13,051	6,366	
Total expenses and financing costs		43,700	37,435	(a)
Average month-end NAV		2,333,552	2,490,134	(b)
Total ongoing charges		1.87%	1.50%	(a/b) x 100

Alternative Performance Measures

Undrawn coverage ratio

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

	Page	31 May 2024 £m	31 May 2023 £m	
Available financing	43	414	554	(a)
Investments at fair value @ 10%	161	250	242	(b)
Total		664	796	(c) = (a + b)
Outstanding undrawn commitments[1]		747	809	(d)
Undrawn coverage ratio		89%	98%	(c/d) x 100

1 The basis of calculation excludes any outstanding commitments relating to funds outside their investment period (>13 years old) as there is a low likelihood of these being drawn. This amounted to £41.7m as at 31 May 2024 and £48.2m as at 31 May 2023.

Glossary of Terms

AIFMD
Alternative Investment Fund Managers Directive.

Asset Linked Note ("ALN")
Unlisted, subordinated note due August 2027, the repayment and the performance of which are linked to a reference portfolio consisting of older vintage funds. The holder of the ALN has rights to receive c.75% of net cash flows arising from the reference portfolio prior to the repayment of any outstanding balance in August 2027.

Buyout funds
Funds that acquire controlling interests in companies with a view towards later selling those companies or taking them public.

Carried interest
Portion of realised investment gains payable to the General Partner as a profit share.

Co-investment
Direct shareholding in a company by invitation alongside a private equity fund.

Commitment
The amount of capital that each Limited Partner agrees to contribute to the fund when and as called by the General Partner.

Debt multiple
Ratio of net debt to EBITDA.

Deleverage
A reduction in a company's total debt.

Dry powder
Capital raised and available to invest but not yet deployed.

Earnings before interest, taxes, depreciation and amortisation ("EBITDA")
A measure of earnings before interest and taxes that excludes non-cash expenses. Valuation methods are commonly based on a comparison of private and public companies' value as a multiple of EBITDA.

Enterprise value
The sum of a company's market capitalisation and net debt (net debt equals debt less cash and cash equivalents).

Exit
Realisation of an investment usually through trade sale, sale by public offering (including IPO), or sale to a financial buyer.

Expense charge
A pro rata share of the Company's Total Ongoing Charges allocated to the ALN, reducing each quarterly payment. This is deducted from Other Expenses through the revenue account of the Income Statement.

Feeder fund
An investment vehicle, often a limited partnership, that pools capital commitments of investors and invests or "feeds" such capital into an umbrella fund, often called a master fund ("Master"), which directs and oversees all investments held in the Master portfolio.

Fund-of-funds
Private equity fund that invests in a portfolio of several private equity funds to achieve, compared with a direct investment fund, a broader diversification of risk, including individual private equity manager risk.

Fund management fee
Annual fee, typically charged by the GP as a percentage of LP commitments to the fund during the investment period and attenuating thereafter, intended to cover the costs of running and administering a fund.

General Partner ("GP")
The entity managing a private equity fund that has been established as a limited partnership, also commonly referred to as the private equity fund manager.

Initial public offering ("IPO")
The first offering by a company of its own shares to the public on a regulated stock exchange.

Internal rate of return ("IRR")
The IRR, a common measure of private equity performance, is calculated as an annualised compounded rate of investment return based on the timing and quantity of cash flows.

Investment period
Period, typically five years, during which the GP is permitted to make new investments.

J-curve
Refers to the tendency of private equity funds to experience capital outflows and negative returns in early years, and cash flow distributions and investment gains in later years, as portfolio companies mature and are exited.

Limited Partner ("LP")
An institution or individual who commits capital to a private equity fund established as a limited partnership. Limited Partners are generally protected from legal actions and any losses beyond their original commitment to the fund.

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

Glossary of Terms

Loss ratio
Loss ratio is calculated as the sum of 1) the loss made on realised investments which have exited below cost and 2) the difference between the unrealised value and the cost of unrealised investments which are held below cost, divided by the aggregate costs of all investments.

Manager-led secondary
Purchase of an interest in a portfolio company alongside a private equity manager, where the manager is seeking to extend the investment holding period in order to participate in the company's next phase of growth.

Market capitalisation
Share price multiplied by the number of shares outstanding.

Multiple of invested capital ("MOIC" or cost multiple)
A common measure of private equity performance, MOIC is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital.

Net asset value ("NAV")
Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor's attributable holding.

Net available cash
Cash and net current assets (liabilities) less next ALN repayment.

Net debt to NAV
Net debt calculated as borrowings (excluding the outstanding balance of the Asset Linked Note ('ALN')) less net available cash. The ALN is not considered in the calculation of gross borrowings or the loan-to-value ratio, as defined in PIP's credit facility and loan note agreements.

Paid-in capital
Cumulative amount of capital that has been called.

Portfolio company
A company that is an investment within a private equity fund.

Portfolio investment return
Total movement in the valuation of the underlying funds and companies comprising the portfolio, expressed as a percentage of opening portfolio value. Foreign exchange effects and other expenses are excluded from the calculation. The figure excludes returns attributable to the ALN.

Primaries
Commitments made to private equity funds at the time such funds are formed.

Private equity
Privately negotiated investments typically made in non-public companies.

Reference portfolio
As defined under the terms of the ALN, a subset of PIP's private equity portfolio assets, substantially comprising the Company's oldest funds (2006 and earlier vintages).

Secondaries
Purchase of existing private equity fund or company interests and commitments from an investor seeking liquidity in such funds or companies.

Share buyback
A share buyback is where a company purchases its own shares from the market. This can be done for several reasons, such as returning surplus cash to shareholders, taking advantage of wide discounts in share prices to net asset values or providing liquidity to existing shareholders.

Share cancellation
Share cancellations refer to the process of reducing the number of shares outstanding. Listed companies may cancel shares following a share buyback or to effect share capital reduction and share forfeitures.

Share price premium (discount)
Occurs when a company's share price is higher (lower) than the NAV per share.

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

Undrawn or outstanding commitments
Capital that is committed but is still to be drawn down by the GP for investment.

Uplift on exit
Uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to exit or if known, the latest valuation unaffected by pricing effects arising from markets participants becoming aware of the imminent sale of an asset.

Valuation multiples
Multiple of earnings (typically EBITDA or net income) or revenue applied in valuing a business enterprise.

Venture capital
Investment in early and development-stage companies, often used to finance technological product and market development.

Vintage
The year in which a private equity fund makes its first investment.

Weighted average fund age
Average fund age for the portfolio is weighted by the fund's respective closing net asset values. Fund age refers to the number of years since a private equity fund's first investment.

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Electronic communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's Annual Reports, Notices of Meetings and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits due to 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, on Monday to Friday (excluding public holidays in England and Wales).

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