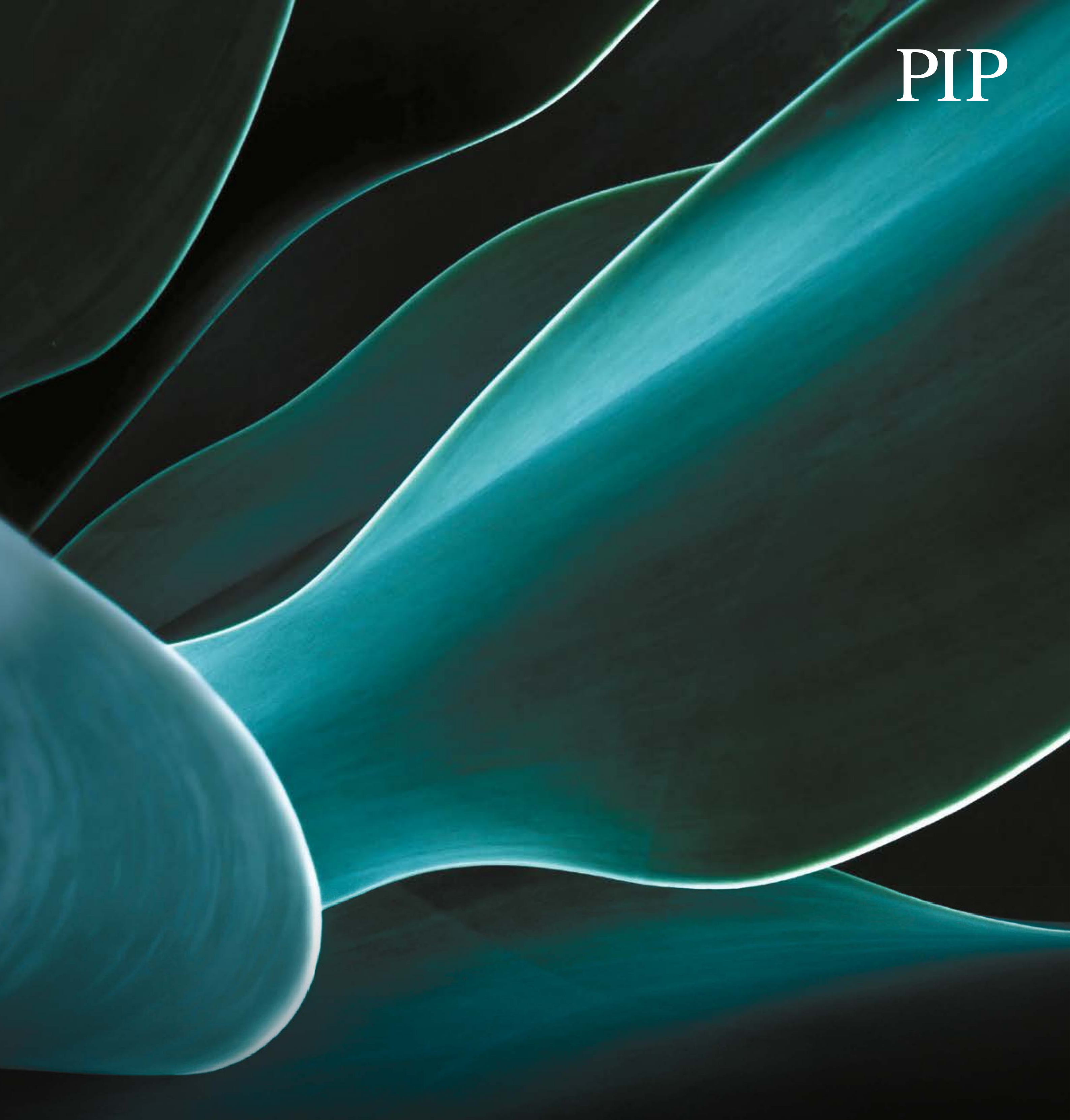


Proactive, responsible, long-term performance.

Pantheon International Plc
Annual Report and Accounts 2021

Contents

At a glance as at 31 May 2021

31.7%	Share price increase in the year
£1.5bn	Market capitalisation
19.6%	NAV per share growth in the year
+11.8%	Average annual NAV growth since 1987
£1.9bn	Net asset value
1.22%	AIC ongoing charges[1]

Retail investors advised by independent financial advisers

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

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

Privileged access to exciting companies

1 Including financing costs, PIP's total ongoing charges would be 1.43%.

About PIP

PIP makes the private, public

Pantheon International Plc ("PIP" or the "Company") is a listed FTSE 250 private equity investment trust, overseen by an independent Board of Directors and managed by Pantheon, one of the leading private equity investment managers globally.

Firms backed by private equity are all around us, making up a dynamic and growing market. For many people, this exciting sector can appear to be inaccessible. But with just one PIP share, investors can access a high quality, actively managed and diversified portfolio of private equity assets.

Pantheon's responsible, transparent and collegiate culture is one of the reasons why PIP has such an outstanding 33-year track record. It is also down to having the right skills, experience and relationships built up over many years. We believe that taking a long-term and ethical view leads to better outcomes, whatever is going on in the world.

Investors Chronicle Top 100 Funds 2020 Pantheon International Plc

Corporate & Financial Awards 2020 WINNER

At a glance

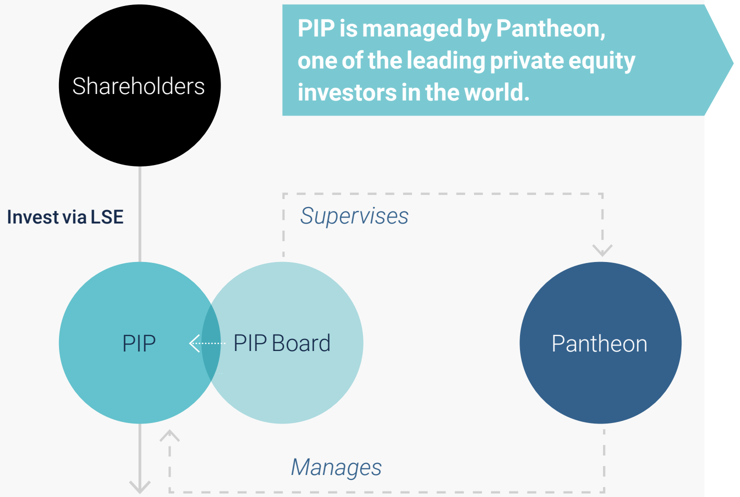
A straightforward investment, managed with integrity

Privileged access to the right companies

The dispersion of performance between managers in private equity is much wider than in other asset classes. Therefore, selecting and accessing the best private equity managers with robust organisations, proven operational and sector expertise, and a sustainable investment strategy is key to achieving success.

Pantheon, which has been in business for almost four decades, has an extensive network of relationships with private equity managers across the world, including invitation-only funds, exclusive secondary deals and co-investments with direct holdings in attractive private companies.

PIP



Putting shareholders first

PIP has an independent board that looks after shareholders' interests, with rigorous systems and processes applied to ensure that the relationship with Pantheon is effective and beneficial.

As part of this, the Board of PIP monitors Pantheon's investment strategy to ensure that it is relevant, adheres to the Company's investment policy, and is constructed around seeking the best performing assets worldwide that can generate attractive returns over the long term.

Why PIP's structure works

For the most part, capital in the private equity industry is managed in non-listed structures, typically limited partnerships. Investors wishing to invest directly in a private equity fund are often expected to lock up their capital for at least ten years and many private equity firms only accept high minimum commitments to their funds from selected investors. Shares in a listed private equity investment trust, such as PIP, give investors ready access to private equity opportunities. For just one share, investors can participate in an actively managed, globally diversified private equity portfolio. Investors can also benefit from the administrative simplicity and liquidity obtained from being able to buy and sell shares trading on a recognised stock exchange. In addition, the capital gains that arise are retained within the investment trust structure, and are not subject to corporation tax.

Pantheon

Founded in London in 1982, Pantheon serves an institutional client base...

US$65.9bn[1]
Assets Under Management

680+
clients around the world

Award-winning[3]

Private Equity International AWARDS 2020 – Secondaries Deal of the Year in Europe

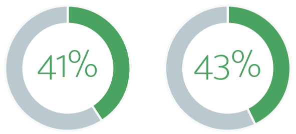
privateequitywire US AWARDS 2020 – BEST FUND OF FUNDS MANAGER

The Asset Management AWARDS 2021 WINNER – DIVERSITY AWARD

Pantheon has a strong reputation for responsible investing and diversity...

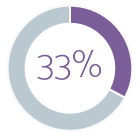
Gender diversity[4]

Overall workforce[5] | Investment team heads



Ethnic diversity[4]

Overall workforce[6]

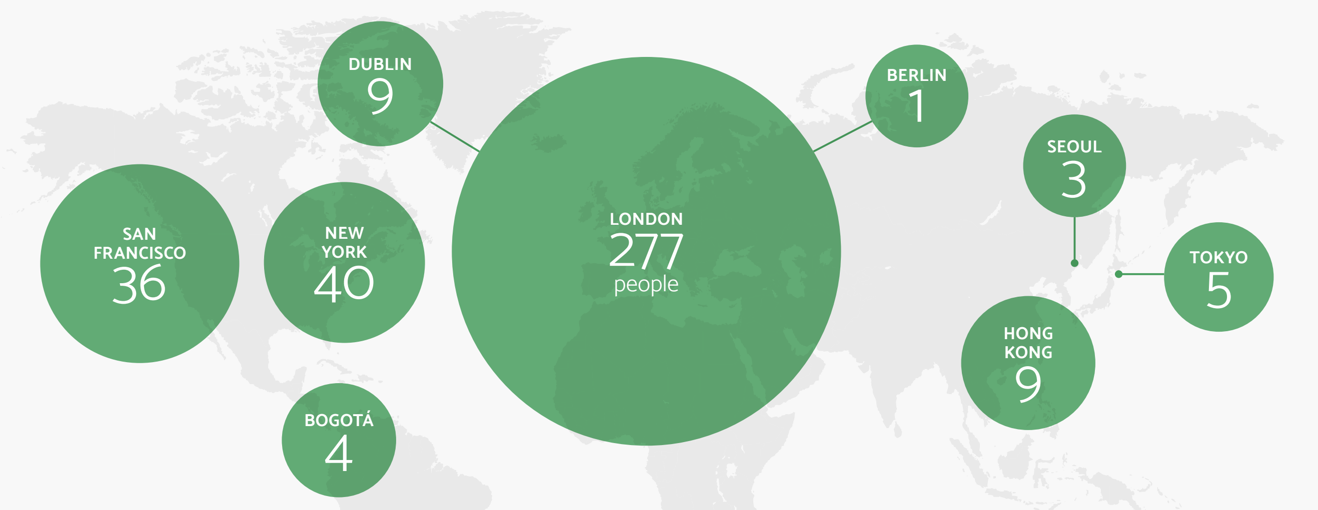


14
years of UNPRI[7] membership, one of the first private equity signatories

A+
awarded to Pantheon for private equity by the UNPRI in 2020

PRI Principles for Responsible Investment

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



9
offices

383[2]
people

113[2]
investment professionals with an aggregate of over 1,000 years' financial services experience

>485[2]
advisory board seats held

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

1 As at 31 December 2020.
2 As at 30 June 2021.
3 See the Award Methodologies section on Pantheon's website for details regarding the awards mentioned above: www.pantheon.com.
4 The response rate for our voluntary survey in December 2020 – January 2021 was 73%, compared to our 68% response rate in the prior annual survey.
5 c.1% prefer not to say.
6 c.2% prefer not to say.
7 United Nations Principles for Responsible Investment.

WHY CHOOSE US?

Our time-tested culture leads to strong outcomes

Private equity is the term used for privately negotiated investments typically made in non-public companies. It can be an attractive asset class for a broad range of investors as it can boost the performance of their investment portfolios. But barriers to entry are high and doing it well requires experience and expertise.

Long-term performance

Thinking long term, making the right choices and delivering results

Responsible investment

A thoughtful ESG approach informs every decision we make

Proactive

A carefully diversified and actively managed portfolio designed to perform well in a range of conditions

LONG-TERM PERFORMANCE

We think long term, make the right choices and deliver results

PIP is a FTSE 250 company and one of the longest established private equity funds listed on the London Stock Exchange.

Our long-term track record speaks for itself: PIP has outperformed the FTSE All-Share and MSCI World since its inception in 1987.

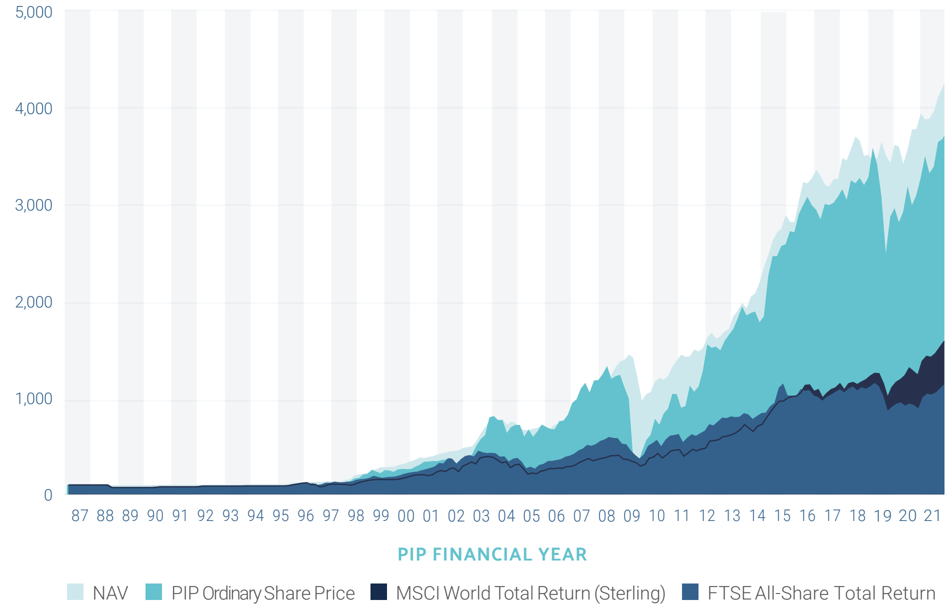
Annualised performance

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
NAV per share	19.6%	12.6%	14.7%	12.6%	11.8%
Ordinary share price	31.7%	10.6%	15.9%	13.4%	11.4%
FTSE All-Share, Total Return	23.1%	1.9%	7.0%	6.3%	7.5%
MSCI World, Total Return (Sterling)	37.6%	14.9%	16.8%	13.3%	8.6%

Share price vs. market performance

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Versus FTSE All-Share, Total Return	+8.6%	+8.7%	+8.9%	+7.1%	+3.9%
Versus MSCI World, Total Return (Sterling)	(5.9%)	(4.3%)	(0.9%)	+0.1%	+2.8%

Performance since inception (re-based to 100)



Why choose us?

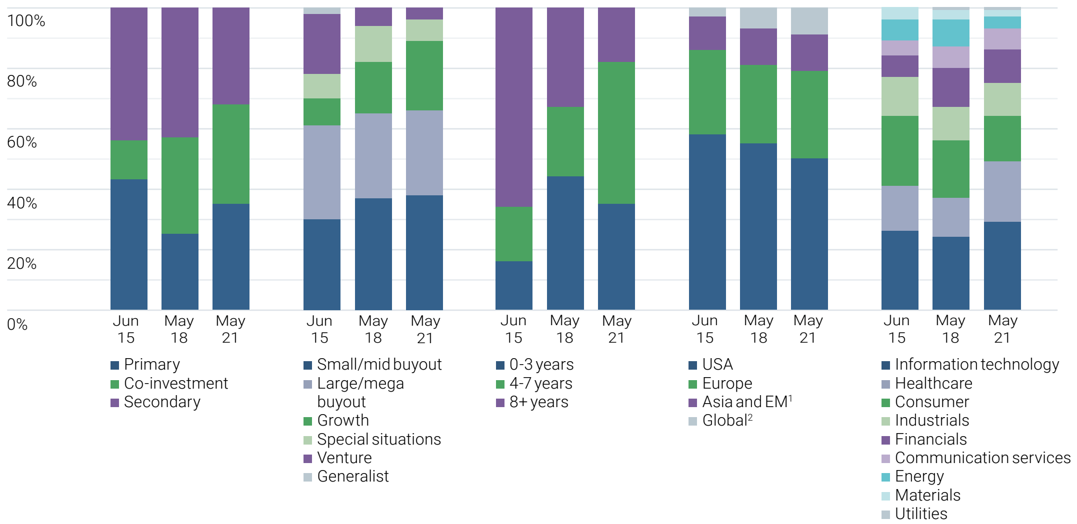
PROACTIVE

Our carefully diversified and actively managed portfolio is designed to perform well in a range of conditions

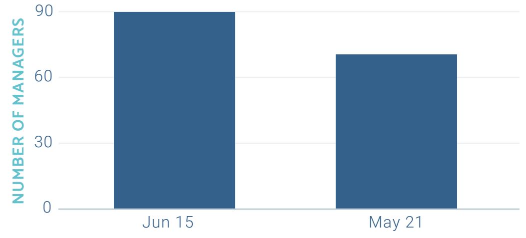
Deliberate choices have been made to position PIP for the future.

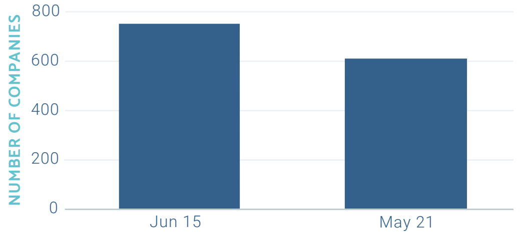
PIP's portfolio is carefully stewarded and has been actively managed to increase concentration, invest in more direct company holdings, allocate further to promising industry segments and reduce the maturity profile. We have made conscious decisions to expand PIP's co-investment and single asset secondary programmes, focus investment activity on mid-market and growth opportunities and increase exposure to more resilient sectors. This active and flexible management style underpins PIP's performance.

Active portfolio management



Portfolio concentration is increasing[3]

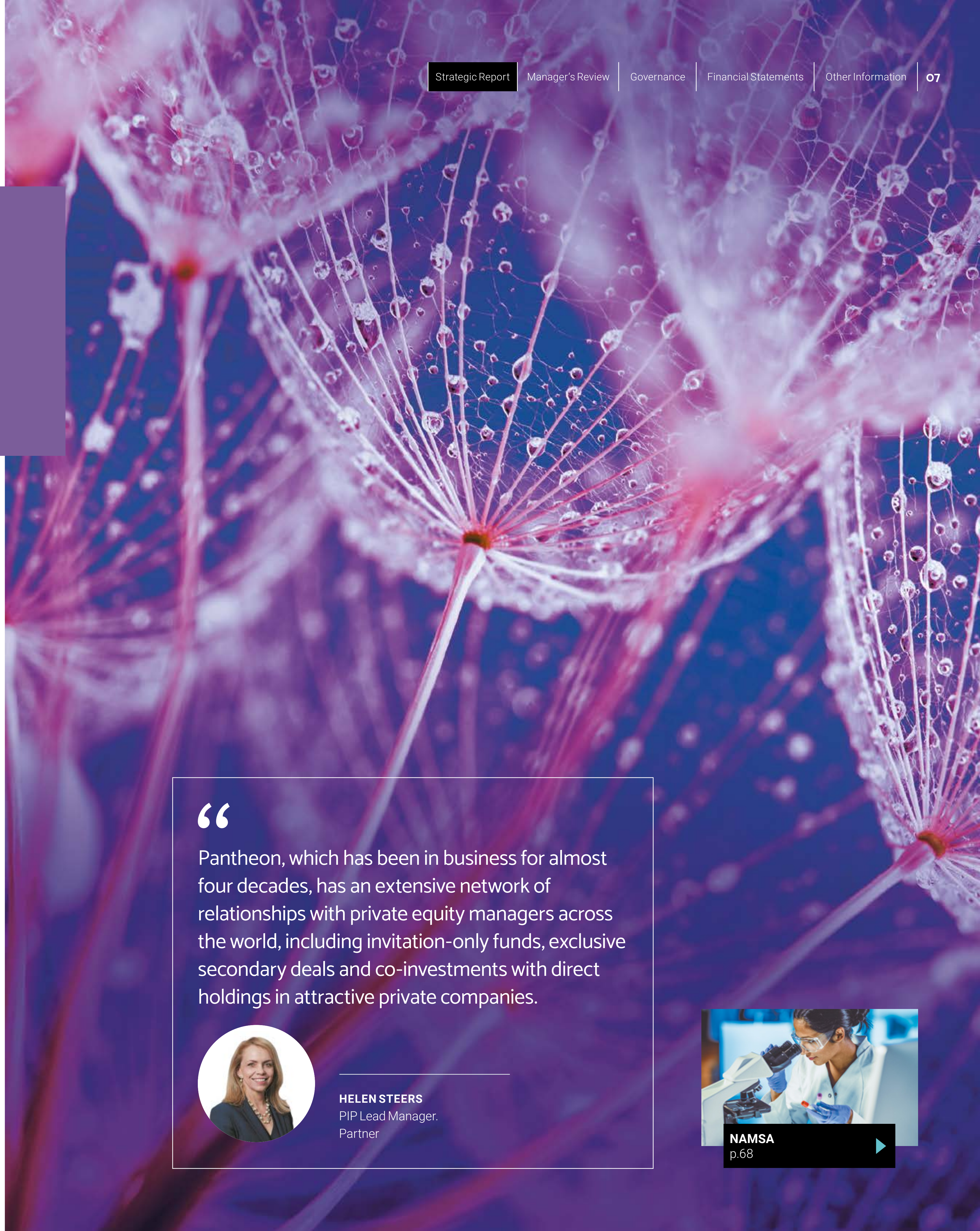




1 EM: Emerging Markets.

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

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



“Pantheon, which has been in business for almost four decades, has an extensive network of relationships with private equity managers across the world, including invitation-only funds, exclusive secondary deals and co-investments with direct holdings in attractive private companies.

HELEN STEERS
PIP Lead Manager.
Partner

NAMSA
p.68

Why choose us?

RESPONSIBLE INVESTMENT

A thoughtful ESG approach informs every decision we make

Pantheon is a responsible and highly experienced investment manager whose culture and values reflect the teamwork and diversity across its entire global workforce.

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

RepRisk, a third-party news information service, has been fully integrated into Pantheon's pre- and post-monitoring processes since 2017. This highly effective tool delivers excellent coverage on issues affecting the underlying portfolio companies, allowing Pantheon to follow up on material issues.

Pantheon is committed to advocating for sound ESG practices across the private equity industry, using its position on over 485[1] advisory boards worldwide to promote high ESG standards on behalf of PIP amongst private equity managers and investee companies.

Furthermore, Pantheon is also a strong proponent of diversity, equal opportunity and inclusion, believing that more diverse organisations make better decisions and enrich the communities that they operate in.

REPRISK ESG Business Intelligence

PRI Principles for Responsible Investment

ESG assessment is integrated into all of PIP's investments

1 DEAL SCREENING

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

2 DUE DILIGENCE

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

3 POST-INVESTMENT MONITORING

- Private equity manager's ESG reporting and Advisory Board engagement.
- Continuous company ESG risk assessment, using RepRisk.
- Pantheon receives live alerts and newsflow on issues affecting portfolio companies.

- ACTIVE ENGAGEMENT WITH MANAGERS ON THEIR INVESTEE COMPANIES
- TRANSPARENT REPORTING AND DISCLOSURE
- INDUSTRY ADVOCACY

Imperfect Foods
p.30

1 As at 30 June 2021.

Chairman's statement

Resilience, growth and opportunity

In summary

- Strong valuation gains in PIP's underlying portfolio demonstrate the resilience and growth orientation of our private equity investments.
- PIP's portfolio is tilted towards the more resilient industry sectors such as information technology, healthcare and consumer staples, with very low exposure to those areas that have been hardest hit by the pandemic.
- Proposed sub-division of PIP's shares to improve accessibility for a range of investors.

KEY STATISTICS

31.7%	Share price increase in the year
109%	Total shareholder return (5Y)
19.6%	NAV per share growth in the year
11.8%	Average annual NAV growth since inception
£1,865m	Net asset value
36.0%	Portfolio investment return in the year
£199m	Portfolio net cash flow in the year

PIP's NAV at 31 May 2021 reached £1.9 billion, equivalent to £34.48 per share, an increase of 19.6% during the year covered by this report.

This increase, which exceeded 30% before foreign exchange adjustments, demonstrates the resilience and growth orientation of our private equity investment portfolio. The valuation gains have included some very impressive results from specific company investments such as JFrog, an end-to-end software solutions provider, and Allegro, Poland's largest online marketplace, both of which had very successful IPO's during the period. As at PIP's financial year end, both JFrog, which listed on the NASDAQ in September, and Allegro, which was the largest European e-commerce IPO in history when it listed on the Warsaw Stock Exchange in November, were held at significant multiples of their respective cost.

Since PIP was formed in 1987, its NAV per share has grown on average by 11.8% per annum, outperforming the FTSE All-Share and MSCI World indices over the same period. The Company has delivered a total shareholder return of 109% over the last five years, with minimal adverse impact from the COVID-19 crisis. Despite this, PIP's shares continue to trade at a material discount to NAV (24% at the time of writing). The Board considers that the Company's consistent, superior performance over 33 years and the value of its Manager's experience and connections is insufficiently recognised in its share price.

Shareholders should note that the returns achieved by PIP are stated in this Annual Report after deducting all charges. Private equity investment management typically incurs higher costs than those generally applicable for managing a conventional listed equity portfolio. PIP's total annual expense ratio, including financing costs, amounted to 1.43% in respect of the year under review. Whilst the Board is vigilant in its efforts to control expenses, it considers that PIP's cost ratio is acceptable when measured in the light of the consistently strong returns delivered by its investment portfolio since the Company's inception.

PIP's Strategic Report, set out on pages 1 to 41, has been approved by the Board. The report includes case studies which showcase some of our investments and also, on pages 14 to 16, a discussion between two of our Directors, John Singer and John Burgess, covering their perspectives on the private equity sector and PIP in particular. Messrs Burgess and Singer have had very successful careers in the private equity world and shareholders should particularly note their evident confidence in PIP given their respective investments in the Company's shares which have a combined value of approximately £6m.

Cash flow and balance sheet liquidity

The Board is managing PIP's balance sheet to ensure that it can comfortably meet the Company's undrawn commitments while at the same time being able to invest for the future. During the financial year, PIP received £319.0m in distributions, equivalent to a distribution rate of 22% of PIP's opening portfolio value. Calls from existing commitments to private equity funds during the period amounted to £119.9m, equivalent to 22% of PIP's opening undrawn commitments. As a result, PIP generated net cash flow of £199.1m before taking into account the funding of new investments.

Repayment of the unlisted £200m Asset Linked Note ("ALN"), which is due to mature on 31 August 2027, is made only from cash distributions received from a reference portfolio of older investment assets. As at 31 May 2021, the ALN had a remaining value of £47m.

During the period, PIP agreed an amendment to its £300m multi-currency revolving credit facility. The entire facility, which was due to expire in June 2022, has been extended to May 2024, with a further provision that allows the Company to increase its committed facilities to £350m if required. The wholly undrawn facility, which has been denominated as to US$269.8m and €101.6m to match the principal currencies in which PIP's undrawn commitments are denominated, was equivalent to £277m by reference to exchange rates prevailing as at 31 May 2021. Including its cash balance of £198m and the credit facility, PIP had available liquid resources of £475m at the period end. PIP's financing cover, which measures the sum of PIP's undrawn commitments of £528m as at 31 May 2021 against its available financing and the value of its private equity portfolio, was 4.1 times.

Portfolio positioning

PIP manages the profile of its portfolio with the objective of receiving cash from the more mature assets as they are realised, thereby releasing funds for investment in new and growing opportunities. The average age of the funds in PIP's portfolio was 5.2 years as at 31 May 2021. The cash-generative nature of its portfolio has enabled PIP to build a strong cash position which can be used to finance new deal activity as well as its outstanding commitments.

The Board regularly reviews its overall investment strategy and has held a number of meetings (in addition to its scheduled board meetings) for this purpose during the past year. The Board and our Manager, Pantheon, remain cautious in an environment of high valuations and potential interest rate rises, but see opportunities to increase PIP's investment pacing to secure exciting opportunities in particular growth sectors. The Board intends that PIP's portfolio should continue to reflect a mix of investment types, geographies and industries which appropriately mitigate risk through diversification while, at the same time, increasing concentration in individual assets to provide a potential boost to NAV growth. The Board is seeking to achieve this by increasing allocations to co-investment and single-asset secondaries opportunities.

The £138.9m committed to seven secondaries during the year to 31 May 2021 included a £108.7m commitment to the Pantheon Secondaries Opportunities Fund ("PSOF"). PSOF seeks to partner with high quality private equity managers to acquire, as single transactions, their most attractive portfolio companies with the goal of jointly participating in such companies' next phase of growth. In addition, PIP invested £52.6m in 19 direct co-investments and committed £48.0m to seven primaries. Overall, during the period, PIP committed £239.5m to 33 new investments, of which £75.6m was drawn at the time of purchase. Since the period end, PIP has committed a further £13.6m to 5 new investments.

"The Board believes that PIP's actively managed "all weather" portfolio offers an attractive entry point for investors seeking access to high quality, fast growing companies around the world.

SIR LAURIE MAGNUS
Chairman

Chairman's statement

PIP's portfolio is tilted towards the more resilient industry sectors such as information technology, healthcare and consumer staples, with very low exposure to those areas that have been hardest hit by the pandemic. Pantheon had already identified many thematic trends, such as the digitalisation of business services and consumer products, which were well underway before the advent of COVID-19 and have been accelerated by the pandemic. Most of PIP's underlying private equity managers are sector specialists with track records in their respective fields. This is an important pre-requisite to ensure effective due diligence and subsequent monitoring of investee companies.

The Board remains alert to opportunities to buy back shares for investment purposes in line with its longstanding policy to consider such purchases in the context of its financial position at the time. No shares were bought back during the period under review. At the forthcoming AGM, the Board will be recommending that shareholders vote in favour of the resolution, put annually, that authorises the Company to undertake share buybacks. The Board believes that retaining the ability to buy back shares is in the best interests of shareholders as a whole.

Pantheon management experience and culture

Pantheon's large, global team of experienced investment professionals are able to utilise their extensive networks of relationships with many of the world's best private equity managers to ensure that PIP has a pipeline of high quality deals. These relationships, which can provide Pantheon with valuable and privileged information, are not built overnight but have been cultivated over many years. The private equity managers themselves benefit from Pantheon's open and collaborative approach to sharing market observations and in helping to shape transactions. In addition, they have worked with Pantheon in formulating the important environmental, social and corporate governance policies and principles which are intrinsic to Pantheon's own investment approach. Environmental sustainability, diversity, inclusion, standards of high integrity and close teamwork are embedded in Pantheon's culture. The Board expects Pantheon to seek those same qualities in the selected private equity managers and in their investee companies. The Board also expects Pantheon to undertake detailed due diligence on each investment opportunity, assessing the risks and opportunities from both an ESG and investment standpoint, and to be ready to decline an investment if it is not believed to be a good fit for PIP's portfolio.

Board changes

Susannah Nicklin, our Senior Independent Director and a member of the Board since November 2011, will retire following the conclusion of this year's AGM. The Board has benefitted enormously from Susannah's commitment and unfailingly thoughtful and constructive contributions to our deliberations. She will leave with our gratitude and warm wishes for the future.

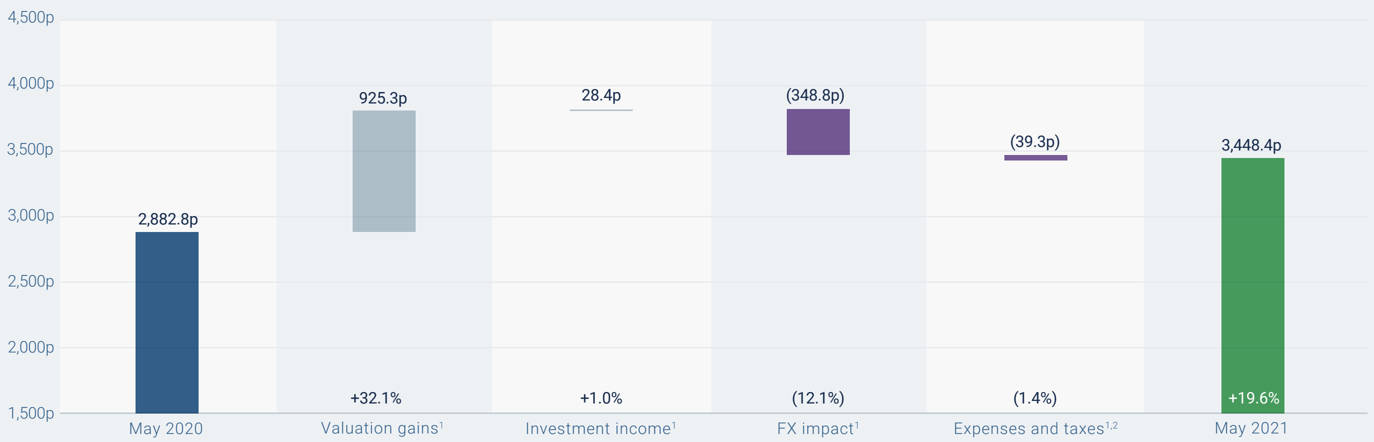
Mary Ann Sieghart, who was appointed to the Board in October 2019, will take over the role of Senior Independent Director upon Susannah's departure.

The Board will commence the search for a new Director in the autumn.

Proposed sub-division of PIP's shares

PIP's share price has grown strongly over recent years, from c. £13.00 per share 5 years ago to £26.20 at the time of writing. Whilst this growth is clearly positive for shareholders, the Directors recognise that the high share price might be a barrier to investment for certain investors including regular savers who may wish to invest smaller amounts and buy smaller quantities of shares. Accordingly, in order to make PIP's shares more accessible to a range of investors with a view to improving the marketability of PIP's shares, the Board proposes to split each share into 10.

NAV per share progression



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

2 Taxes relate to withholding taxes on investment distributions.

Shareholders will be invited to vote on these proposals at the forthcoming AGM in October. If shareholder approval is received for the proposals, each shareholder will receive 10 new ordinary shares for every one ordinary share held. The new ordinary shares are expected to be admitted to the Official List and to trading on the Main Market of the London Stock Exchange on 1 November 2021. It is important to note that the proposed share split will not alter any investor's shareholder rights and shareholders will hold the same proportionate interest in PIP following completion of the share split as before.

Further details of these proposals, including a detailed timetable, will be provided in the Notice of AGM Meeting that will be published towards the end of August.

Outlook

The rollout of the vaccination programmes and the gradual lifting of lockdowns has brought considerable relief to many parts of the world. There are, however, some significant uncertainties ahead. These include the prospect of rising inflation, concerns about how governments will manage their massive fiscal imbalances, tensions between the global super-powers and continuing cyber-related terrorism.

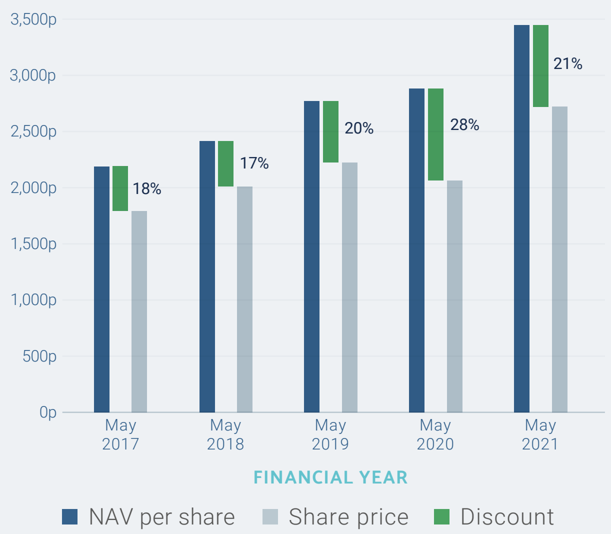
PIP's investment portfolio is certainly not immune from these uncertainties, but its performance over its 33-year history, including its results for the year under review, demonstrate the resilience of its long-term investment horizon and of Pantheon's active portfolio management. Private equity managers, with their unrestricted access to their investee companies, are able to monitor the performance of their investments at all times. This is a distinct advantage, particularly during times of uncertainty, compared with managers of listed equities, where access is often restricted by regulation.

The Board believes that PIP's actively managed "all weather" portfolio offers an attractive entry point for investors seeking access to high quality, fast growing companies around the world. The increasing proportion of dynamic businesses which are supported by private equity investors relative to public markets only serves to increase PIP's appeal in this context. The Board and Pantheon recognise that there is a considerable hurdle to overcome in terms of misunderstanding and distrust of private equity amongst both financial and non-financial commentators. We are therefore working on measures to increase PIP's profile with the investment community, particularly retail investors, and also with stock market analysts and the media.

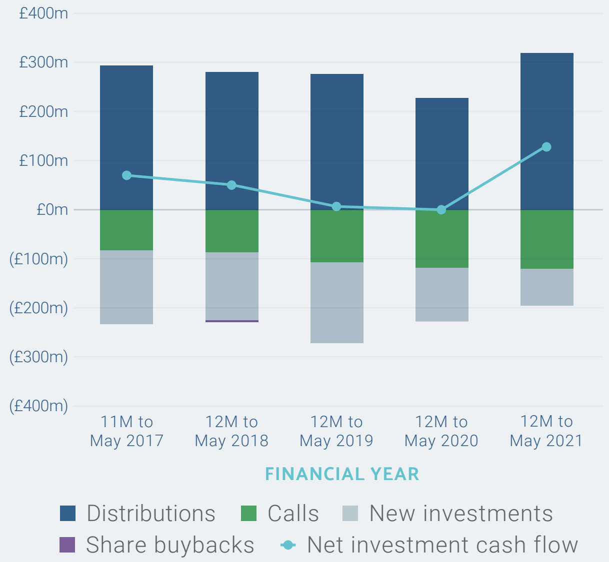
PIP's strategy is very simply to continue to deliver long-term growth for its shareholders. We believe that Pantheon is well equipped to manage our investment portfolio to maximise returns from our existing assets and to secure attractive new opportunities. Our balance sheet and liquidity underpin our financial strength and provide the flexibility to adapt swiftly to changing circumstances. The Board is confident that PIP has a promising future.

Sir Laurie Magnus
Chairman
4 August 2021

NAV and share price performance



Net investment cash flow*



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

Q&A with John Burgess and John Singer

"Growth is the only way to create long-term value"

In 2021, the advantages of private equity investing remain clear. Here, two of PIP's Directors discuss their lengthy experience in the industry, the benefits of private equity, and offer their views on PIP's competitive strengths and outlook.

You are both veterans of the private equity ("PE") industry, with over 50 years of investment experience between you, having invested with your partners more than €55bn in almost 300 companies around the world. What do you see as the main advantages for investors in private equity?

JS Performance! The best PE managers are hands-on, active investors and create substantial value in their underlying portfolio companies. Therefore their investments are able to significantly outperform public markets, in a sustainable way, and over the long term.

JB Early access to exciting, growth-orientated businesses in industry segments that are often under-represented in public markets! With the phenomenon of shrinking public markets, and the fact that many exciting companies stay private for longer, and some never IPO at all, investing in private equity is the only way to have a piece of these attractive opportunities.

Having participated in the industry for so long, you must have seen some big changes over the past 30 years. Which are the most important of these?

JB When I first started in the industry, PE was a small part of investors' portfolios and many institutions had no exposure at all. We had to explain to potential investors how a management buy-out (as they were then called) was structured and created shareholder value. It wasn't even called "private equity". Now, the vast majority of the world's leading institutional investors have an allocation to PE, and this has been growing over time. In addition, individual investors have an increasing appetite for private equity, driven by the search for attractive returns in a low-yielding investment environment. The range of investors looking to invest in private equity has widened, but many are locked out of traditional PE funds which require high minimum investments and are often invitation-only. It also takes years to build a diversified portfolio of investments directly in PE funds, and for many the long fund lives and lack of liquidity are an issue. PIP offers a solution to all of these problems and can be seen as an ideal vehicle for smaller institutional and retail investors to invest part of their portfolio in PE.

JS It is not only the investor base that has changed – private equity managers have also evolved enormously over time. In the past, capital gains depended heavily on multiple arbitrage and financial leverage, which PE managers could not control. Nowadays, the best managers create value by implementing significant operational and strategic changes in the underlying portfolio companies – boosting revenues and profits both organically and through buy-and-build strategies. PE firms help company managers improve their businesses through better procurement and supply chain management, the implementation of more effective go-to market strategies, and by investing in systems and processes. They also enhance management teams by recruiting talented people, who they often know and have worked with, into key positions, and augment the company's Boards of Directors with individuals who can add real expertise and relevant networks for growing the business.

JOHN SINGER
Appointed to the PIP Board on 23 November 2016
30+ years of private equity experience

This brings up an interesting point about value creation and the impact of private equity on society. What do you see as the benefits provided by PE-backed companies, beyond providing economic returns to investors?

JS Private equity managers generally invest for growth – and that means innovation, job creation and a well-managed company that will be around for a long time, beyond the period of ownership of the PE firm. There is a myth out there that PE makes money solely through financial leverage, but this could not be further from the truth. Managers generally use debt in a responsible way, putting businesses on a sure footing so that they can continue to grow and prosper in the future. Growth is the only way to create long-term value, not leverage per se or short-term cash-generation or the one-off benefit of cost-cutting measures. Good PE managers understand this. Another reason why one needs to recognise and have access to the upper quartile fund managers.

JB The private equity industry has embraced ESG and invests responsibly, with a strong emphasis on social impact and governance. Because PE managers generally take meaningful or control equity stakes in their portfolio companies, and their economic interests are aligned with company management teams, they have much more influence over their investments than public equity managers. This means that they have a stronger hand to encourage companies to adhere to best-in-class ESG standards and create businesses that have sustainable value for both investors and society.

JOHN BURGESS
Appointed to the PIP Board on 23 November 2016
20+ years of private equity experience

How has this played out over the past 18 months, during the COVID-19 crisis?

JS We have seen the PE industry using its close relationships with its portfolio companies to live up to its high ESG standards, supporting companies, their employees, and local communities throughout this very difficult period. Private equity managers took action early on, ensuring that their portfolio company employees were safe, moving swiftly to online working, and helping their underlying businesses by providing additional capital and expertise to get them through the crisis, positioning them well for the future. For example, when Asian supply chains were disrupted in the early stages of the pandemic, PE firms helped their manufacturing businesses find new sources of parts and materials. Also, as the whole world adjusted to remote working, they assisted their companies with moving their marketing and sales online. In addition, they actively sought ways to participate in the COVID-19 crisis relief effort, some making substantial donations, providing products and services free to healthcare systems and local communities, and in certain cases retooling their portfolio companies to manufacture items that were in short supply such as detergents, hand sanitisers and PPE.

JB From a performance perspective, it's worth noting that PE came through the past year relatively unscathed. The active, hands-on management style of private equity managers and the fact that many portfolios are orientated towards the more resilient industry sectors, such as information technology, healthcare and consumer services has meant that private companies have been able to grow revenue and profits, and in some cases take advantage of the dislocation and market disruption created by the pandemic to make accretive acquisitions and expand their businesses. Going forward, I expect that PE will continue to be part of the solution – as the world emerges from the COVID-19 and global economic crises, we need strongly growing, innovative companies to create a positive economic impact.

Q&A with John Burgess and John Singer

Turning to PIP, you both joined the Board four years ago, and you both hold substantial shareholdings in the Company. What attracted you to PIP?

JB I was delighted to join the PIP Board in 2016. PIP is an ideal way to get access to some of the best private equity investments in the world, and its shares are bought and sold on the London Stock Exchange like any other quoted company. I'm excited by the fact that I can participate in the growth of some really attractive businesses, long before they go public or are sold to a larger company. Also, I am not tied in for the long term so I can rebalance my holdings at any time. I've had a longstanding relationship with PIP's manager, Pantheon, and am impressed with its investment philosophy, the team and the strong partnerships they have developed over many decades working together with leading private equity managers. Those partnerships are key since new investors simply cannot get easy access to those funds. I invested in PIP through both my pension fund and my personal investment portfolio. Quite simply, I believe in it.

JS Similarly, during my decades of being involved in running a global PE fund, I had the opportunity to work closely with Pantheon over a long period of time, and know from my own experience that the firm is a highly respected and valued sounding board for private equity managers, adding value through Advisory Boards and through its day to day interactions with leading PE houses. I have always considered the key to any organisation's success lies with its shared culture and values. And it is these qualities within a close team that always made me want to work with Pantheon and now sit on PIP's Board. I was also attracted by the quality and diversity of the Directors and relished the opportunity to work together.

What do you regard as the Company's competitive strengths?

JB Selecting and then gaining access to the best private equity funds and co-investments is not easy – it takes a large experienced team, such as the one Pantheon has, decades of building up trusted relationships with top PE managers (who can usually choose with whom they wish to work) and the ability to evaluate them accurately in order to pick the greatest investment opportunities. The proof of the pudding is in the eating, and PIP has delivered significant outperformance over more than three decades.

JS Producing a strong track record over multiple economic periods and cycles is a huge and rare achievement and not easily replicated. I believe that one of the reasons that Pantheon has been successful is because of its stringent due diligence process. Every co-investment and secondary deal that PIP invests in has been through a "double filter" – firstly a comprehensive evaluation of the private equity manager, and secondly a deep evaluation of the portfolio company itself. This enables PIP to sift through the literally thousands of PE fund and company opportunities in the market, focusing on selecting the very best investments. Dispersion of returns is much higher in private equity than in public markets, so it is absolutely critical to be able to identify and gain access to long-successful top quartile PE managers and co-investment opportunities.

What changes have you seen at PIP during your tenure, and how do you think the Company is positioned for the future?

JS PIP has evolved quite considerably over the past few years. The company simplified its dual-class capital structure in 2017 and entered into the FTSE 250 index shortly after that. There has been a substantial shift towards co-investments and single asset, manager-led secondaries over the years, which are both very attractive from a portfolio construction and cost-effectiveness standpoint. Also, the Company's sector mix has moved towards the most resilient industry sectors, with information technology and healthcare being the largest focus. The portfolio has also been rejuvenated, with an average life now of just over five years, which means it is in a prime position to generate liquidity, which is then recycled into new opportunities.

JB The last year has probably been the litmus test of PIP's strength, flexibility and success. PIP entered the crisis well prepared and this discipline has paid off. The Company has been managed prudently through the crisis and is in a strong position going forward with a well-balanced portfolio and a full pipeline of attractive investment opportunities.

RESPONSIBLE BUSINESS

An intrinsically sustainable opportunity

SF Filter

COMMITMENT	£2.4m	**SECTOR**	Industrials
MANAGER	Ambienta	**COUNTRY**	Switzerland
TYPE	Co-investment		
STAGE	Mid-market buyout		
VINTAGE	2016		

ABOUT THE COMPANY

- Leading distributor of mobile and industrial filters for after-market applications.
- SF Filter's modern filtration technology contributes to a cleaner environment by reducing energy consumption and the emission of pollutants.

WHY INVEST IN THE COMPANY

- Resilient business model operating in a favourable regulatory environment.
- Opportunity to accelerate organic growth through the reorganisation of its sales force, the introduction of CRM tools and by strengthening the management team.
- Potential to acquire industrial clients through complementary add-on acquisitions.
- Ambienta's strong focus on operational improvement and internationalisation has resulted in the strengthening of the company's organisation and systems, the optimisation of the balance sheet and the fuelling of online sales.

OUR RELATIONSHIP

- Pantheon is a primary investor and holds Advisory Board seats in two Ambienta funds.

MANAGER ESG CREDENTIALS

- Ambienta is a leading European manager that invests exclusively in companies whose products or services generate resource efficiency or control the impact of pollution.
- Ambienta has developed a proprietary scoring system to reflect their sustainability-driven private equity investment approach. In addition, Ambienta applies a range of standardised metrics to capture the full environmental impact of their portfolio companies.
- Ambienta achieved the Climate-Neutral label in 2020 and is committed to addressing incremental emissions that may arise from the expansion of the firm's reach and operations.
- Ambienta's diversity strategy continues to be implemented extensively and has been embraced at the highest levels of the organisation. In 2020, 44% of new hires were female.
- Ambienta's longstanding commitment to sustainability and ESG has been recognised by the private equity industry.

2020 ESG Awards – Real Deals

2020 Private Equity ESG Fund of the Year Sustainable Investment Awards – Environmental Finance

Our business model

We aim to deliver consistent returns over the long term

Our investment process

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

Within our diversified portfolio, we back the best managers globally that are able to identify and create value in growing companies.

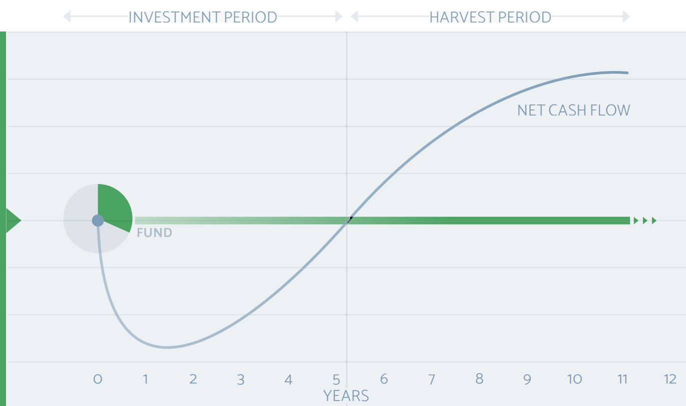
Cash generated when those companies are sold is returned to PIP and redeployed into new investment opportunities.

Investment strategies

Primary

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

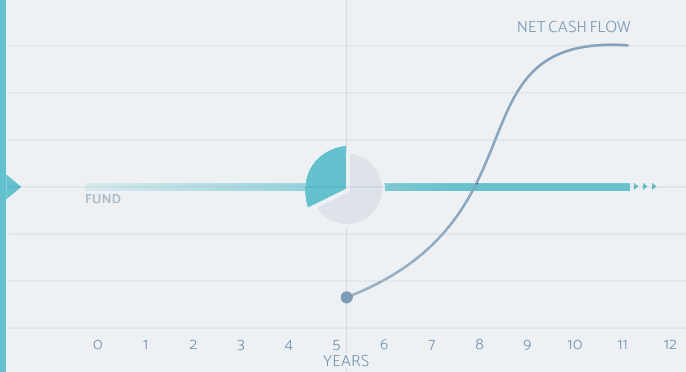
- Captures exposure to top-tier, well-recognised managers as well as to smaller niche funds that are generally hard to access.
- Targets leading managers predominantly in the USA and Europe, with a focus on funds rarely available in the secondary market.



Secondary

We purchase the interests of an investor in a fund or funds typically late into, or after, the investment period. We also acquire interests in individual companies through secondary sales by the existing owner.

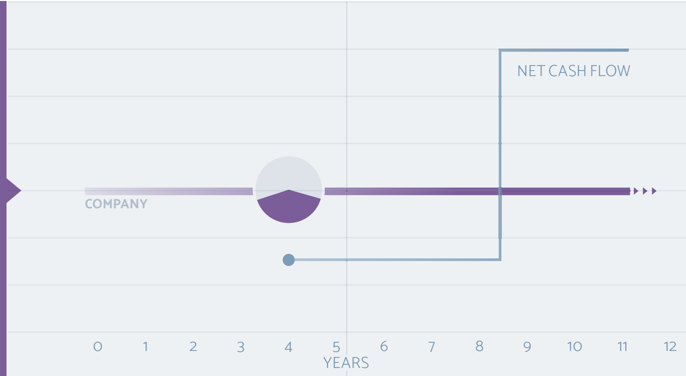
- Targets favoured funds and companies at a stage when the underlying assets' performance is visible and the funds are realising investments, returning cash to PIP more quickly.
- One of the advantages of investing in secondaries is that earlier fees will have been borne by the seller so total expenses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



Co-investments

We invest in a company directly, alongside a private equity manager, during the investment period of a fund.

- Invests in the securities of individual companies with attractive characteristics at the invitation of PIP's leading private equity managers.
- This boosts performance potential because there are typically very low or no fees, making it a cost-effective way of capitalising on the high value added by PIP's selected managers.



What we do

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

- An investment in PIP offers shareholders exposure to a growing market worth over US$5.3tn[1] globally where the best private equity managers might otherwise be inaccessible to shareholders.

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

Why we do it

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

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

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

How we do it

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

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

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

Private equity managers take controlling or influential positions in companies where they believe they can create value, with a view to exiting their position at a multiple to their original investment. As portfolio companies are sold by the managers, PIP's share of the cash that is generated from those sales is deployed into new investment opportunities.

For more information on the commitments that PIP has made during the year, see pages 63 to 65.

1 Source: Preqin, July 2021.
2 As at 30 June 2021.

What sets us apart

Track record

For over 33 years, PIP has been able to adapt quickly and effectively to changing market conditions. This flexible and proactive approach means that PIP is well placed to continue to deliver on its strategic objectives. PIP's NAV has outperformed its benchmark indices since the Company's inception in 1987.

Culture

Pantheon has a strong culture of collaborative and inclusive teamwork and diversity, as well as a long history of investing its clients' capital responsibly. PIP is supported strongly by a global workforce and a large and experienced team of investment professionals, many of whom have been at Pantheon for over 20 years. In addition, Pantheon's approach is to avoid investments with private equity managers whose own cultures are focused on the profile of an individual and that may encounter key person risk.

Broad and deep relationships

With investments in North America, Europe, Asia and Emerging Markets, PIP provides a carefully constructed, broad-based portfolio for investors. The presence of Pantheon's team of 383[2] people in its nine offices around the world means that they are on the ground locally, working with their extensive networks of relationships with private equity managers and taking advantage of proprietary information flows and access to opportunities. These relationships enable Pantheon to source and respond quickly to the best deal flow in those regions. In addition, through its participation on over 485[2] advisory boards globally, Pantheon actively engages with its General Partners ("GPs") on portfolio monitoring issues on a continuous basis.

Independence

PIP is offered the opportunity to participate in the full range of private equity investments that Pantheon sources, and it invests alongside other Pantheon managed funds into third-party funds and companies rather than as a feeder into Pantheon's other investment vehicles. The Board believes that this offers several benefits to PIP and its shareholders, including:

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

For more information on PIP's strategic objectives, see pages 20 to 23.

Our strategy

Our investment strategy is to build a resilient portfolio that can deliver long-term outperformance

The Board regularly reviews PIP's overall investment strategy and has held a number of additional meetings for this purpose during the past year.

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

In addition, the Board also reviews individual investments that exceed exposure limits, which are set at appropriate levels to reflect a diversified approach. At times, the Manager may make recommendations to the Board and seek approval for certain investments that fall outside of any limits expressed in the agreed strategic approach, but which the Manager 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. In addition, the Manager reports to the Board on PIP's marketing and investor relations activities, considering new initiatives that could help to increase PIP's profile, and to reach potential new shareholders in the Company. At the forthcoming AGM, the Board will propose a split of each existing share into 10 with the aim of making PIP's shares more accessible to a range of investors and with a view to improving the marketability of PIP's shares.

Maintain a carefully diversified approach while increasing potential for outperformance

As Manager of PIP, Pantheon focuses on investing with the best private equity managers worldwide, through both funds and direct co-investments, and thoughtfully constructing and maintaining a cash-generative portfolio that has exposure to different parts of the investment life cycle. PIP's portfolio is carefully diversified by manager, investment type, stage, geography, fund age (vintage) and sector. One of the key advantages of this approach is that it reduces the risk of any individual underperforming company or fund having a disproportionately material adverse effect on the Company's overall performance. Nevertheless, as a result of the selections made by the Manager through its investment activities, the mix of PIP's portfolio naturally emphasises investments that offer appropriate levels of downside protection as well as the potential for long-term growth.

1

Investment type: Focus on maturity profile and potential to boost performance

Primaries, secondaries and co-investments all have attractive characteristics, as highlighted in the Business Model on pages 18 and 19, and PIP's transparent and direct investment approach gives it the flexibility to take advantage of prevailing market conditions and to maximise control over the Company's financing risk, including its ability to generate positive cash flows.

As the weighting towards co-investments has been increased over time, the three different investment types have intentionally taken on more equal weightings. These weightings do not represent hard caps, however the Board and the Manager believe that this is the optimal mix to benefit from the cash generated by the more mature assets in PIP's portfolio while rejuvenating the portfolio with the younger vintages offered by primaries and co-investments. In addition, we have been steering PIP's secondary investment strategy towards single-asset secondaries which form a fast-growing part of the secondary market and are attractive for several reasons as highlighted on page 64.

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

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

The Board recognises that, on occasion, the discounts at which the Company's shares trade may make them an attractive investment proposition for PIP when considered alongside other new investment opportunities. The Manager reports to the Board on a regular basis on the investment market conditions and, on those occasions, the Board may authorise the Company to buy back a specified amount of its own shares. No share buybacks were completed during the year ended 31 May 2021.

Maturity[1]

2020 and later	9%
2019	12%
2018	14%
2017	15%
2016	14%
2015	14%
2014	4%
2011–2013	9%
2010 and earlier	9%

Investment type[2]

Primary	35%
Co-investments	33%
Secondary	32%

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

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

Our strategy

2

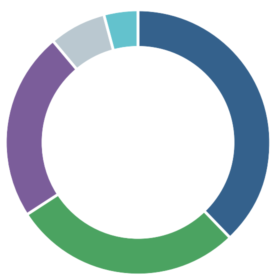
Investment stage: Focus on mid-market and growth

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

- More attractively priced assets which tend to have lower levels of leverage than the broader market average;
- Greater visibility of the value drivers and the levers to pull to improve operational efficiency to better drive growth, both organically and through buy-and-build strategies;
- More routes to exit including strategic acquisitions, sales to other private equity managers or initial public offerings ("IPOs").

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

Fund stage[3]



Small/mid buyout	38%
Large/mega buyout	28%
Growth	23%
Special situations	7%
Venture	4%

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

3

Sector and geographic exposure: Global outlook, with a focus on high-growth and niche areas

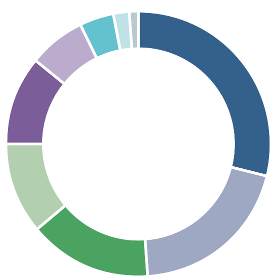
The Board is committed to offering investors a global portfolio with investments in North America, Europe, Asia and Emerging Markets. It takes an active approach towards the weightings of those geographies in response to market conditions but supports the majority of the Company's capital being invested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

The Board relies on Pantheon's investment teams around the world that are on the ground locally, to take advantage of proprietary information flows and access to opportunities through their extensive networks of relationships. The Board is confident that these relationships enable Pantheon to source and respond quickly to the best deal flow in those regions to optimise risk-adjusted performance.

It is our objective to seek managers globally that are able to take a thematic approach and focus on high-growth sectors, many of which may not be fully represented by the public markets. In addition, Pantheon has a deliberate strategy of targeting sectors experiencing dislocation, as well as niches where underlying growth is less correlated to GDP growth. Recent examples of this have been within the Information Technology and Healthcare sectors. For more information on the sectors in which PIP is invested, see pages 50 to 52.

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.

Company sectors[4]



Information technology	29%
Healthcare	20%
Consumer	15%
Financials	11%
Industrials	11%
Communication services	7%
Energy	4%
Materials	2%
Others	1%

4 The company sector chart is based upon underlying company valuations as at 31 March 2021, adjusted for calls and distributions to 31 May 2021. These account for 100% of PIP's overall portfolio value.

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 Board believes that, as an investment company with no employees, this is best achieved by working in partnership with Pantheon, our appointed Investment Manager. Further details of the Company's Business Model, including statements on what the Company does and why it does it, can be found on pages 18 and 19.

Culture

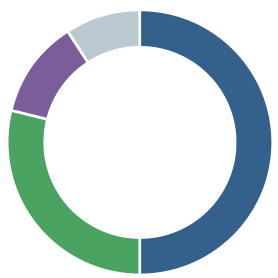
The Directors agree that establishing and maintaining a healthy corporate culture among the Board and in its interaction with the Manager, shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, debate and integrity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

PIP has a number of policies and procedures in place to assist with maintaining a culture of good governance, including those relating to diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares.

The Board assesses and monitors compliance with these policies as well as the general culture of the Board through Board meetings, and in particular during the annual evaluation process which is undertaken by each Director (see page 87 of the Statement on Corporate Governance for further details of the evaluation processes).

The Board seeks to appoint the best possible service providers and evaluates their service on a regular basis as described on page 90. The Board considers the culture of Pantheon and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders, and in particular during the annual review of the performance and continuing appointment of all service providers.

Fund region[5]



USA	50%
Europe	29%
Asia and EM[6]	12%
Global[7]	9%

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

6 EM: Emerging Markets.

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

Key performance indicators

WHAT IT IS | HOW WE HAVE PERFORMED | LINK TO OUR STRATEGIC OBJECTIVES | EXAMPLES OF RELATED FACTORS THAT WE MONITOR

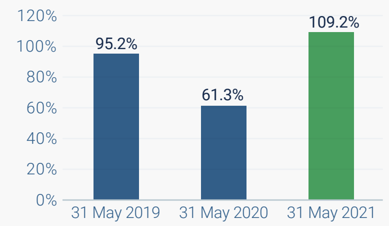
Performance

5-year cumulative total shareholder return

109.2%

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

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



- PIP's ordinary shares had a closing price of 2,720.0p at the year end (31 May 2020: 2,065.0p).
- Discount to NAV was 21% as at the year end (31 May 2020: 28%).

Link to our strategic objectives

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

Examples of related factors that we monitor

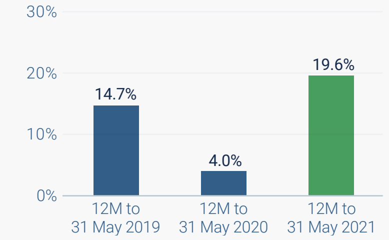
- Rate of NAV growth relative to listed markets.
- Trading volumes for the Company's shares.
- Share price discount to NAV.

NAV per share growth during the year

19.6%[1]

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.



- NAV per share increased by 565.6p to 3,448.4p during the year.

Link to our strategic objectives

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

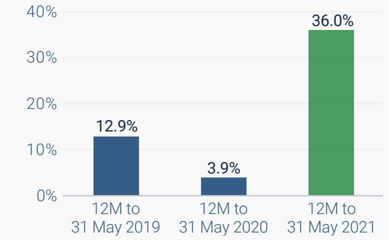
Examples of related factors that we monitor

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

Portfolio investment return

36.0%[1]

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



- Strong performance in the underlying portfolio.
- PIP continues to benefit from robust earnings growth in its underlying portfolio and from the favourable exit environment.
- Weighted average revenue and EBITDA growth of 12.8% and 20.2% respectively for PIP's sample buyout companies[3], versus -9.9% and -20.8% respectively for companies that constitute the MSCI World Index.

Link to our strategic objectives

- Maximise shareholder returns through long-term capital growth.

Examples of related factors that we monitor

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

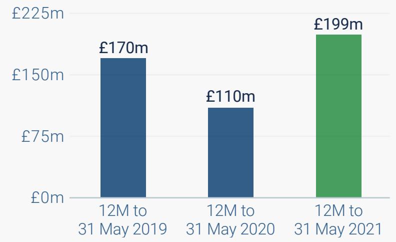
Liquidity

Net portfolio cash flow

£199m[2]

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

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



- PIP's portfolio generated £319m (31 May 2020: £228m) of distributions versus £120m (31 May 2020: £118m) of calls.
- In addition, the Company made new commitments of £240m (31 May 2020: £245m during the year, £76m (31 May 2020: £109m) of which was drawn at the time of purchase.
- PIP's portfolio has a weighted average fund age of 5.2 years[2] (31 May 2020: 5.1 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

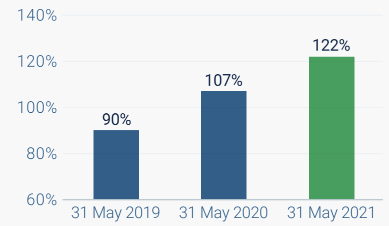
- Relationship between outstanding commitments and NAV.
- Portfolio maturity and distribution rates by vintage.
- Commitment rate to new investment opportunities.

Undrawn coverage ratio

122%

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

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



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

Link to our strategic objectives

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

Examples of related factors that we monitor

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

1 Excludes valuation gains and/or cash flows associated with the ALN.
2 Excludes the portion of the reference portfolio attributable to the ALN.
3 See page 134 of the Alternative Performance Measures section for sample calculations and disclosures.

Responsible investment and ESG

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

> "In the wake of the COVID-19 crisis, many businesses have increased their focus on how they can operate in a more sustainable manner with greater regard for their direct and indirect impact on their stakeholders and local communities. Pantheon believes that environmental, social and governance (ESG) issues should not be an after-thought and has integrated sound practices into its investment approach for well over a decade.

The theme of ESG covers a wide range of areas with definitions and materiality thresholds varying across different types of businesses and sectors. Nonetheless, the best private equity managers recognise the importance of ESG and that it is a fundamental driver of value in their portfolio companies. This can be achieved in a variety of ways including the reduction of waste, increasing efficiency, improving workforce relations and enhancing reputation.

While businesses in Europe are generally more advanced than those in other regions of the world when considering their environmental impacts, risks such as climate change are a threat to us all and cannot be ignored. Private equity managers have made great strides in this respect in recent years and many global managers have implemented global policies against which to measure and manage their investments regardless of the region in which a business is based. Furthermore, many managers see the opportunities that sustainable investment offers for value creation over the long term. For example, one of our private equity managers, Ambienta, is a leading European sustainability specialist that invests in companies whose products and services aim to improve resource efficiency and pollution control. See our company case study on page 17 to learn about SF Filter, a distributor of mobile and industrial filters in which PIP co-invested alongside Ambienta in 2016.

The "social" aspect of ESG has taken centre stage during the pandemic and we have been pleased to see many of the companies in PIP's global portfolio play their part in the relief effort by donating products, services and expertise to their local communities. As we look ahead, private equity managers have an enlarged opportunity to help the companies in PIP's portfolio to not only build value but to also bring long-lasting benefits to societies around the world.

Strong governance is a fundamental characteristic of private equity. Private equity managers typically invest in businesses alongside the existing management team in the company, to ensure their interests are aligned, and work closely with the management of their investee businesses to grow them over time. This tight governance approach leads to much shorter communication lines between company management and the investors, and means that private equity managers can adopt a much more active approach to enhancing the value of their investments.

Pantheon has been at the forefront of ESG for more than a decade

In 2007, Pantheon became only the second global private equity firm to sign up to the United Nations-backed Principles for Responsible Investment ("PRI"). Since then we have been at the forefront of helping to raise ESG standards across the industry, contributing to the drafting of new guidelines, working papers and other enabling tools through our active roles on both the PRI's Steering Committee and Private Equity Advisory Committee, which we joined for the maximum tenures in 2009 and 2017 respectively. In 2008, a year after we joined the PRI, we established an internal ESG working group, which led to us successfully integrating the six Principles for Responsible Investment into our investment processes. As a result of these efforts, when the UNPRI began conducting annual assessments of its signatories in 2015, Pantheon was awarded an A+ grade. We have maintained consistently high scores ever since.

Pantheon actively engages with private equity managers on ESG policy and issues on a continuous basis through its participation on over 485[1] fund advisory board seats and through regular portfolio monitoring meetings held with managers. This engagement extends from our initial commitment to an investment, all the way through to divestiture.

The six principles of the UNPRI underpin our ESG strategy

1. Incorporate ESG issues into our investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into our ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance our effectiveness in implementing the Principles.
6. Report on our activities and progress towards implementing the Principles.

PRI Principles for Responsible Investment

1 As at 30 June 2021.

In addition, Pantheon has demonstrated thought leadership in the private equity community by significantly contributing to policies, guidelines, industry-level dialogues and best practice sharing related to ESG. Some of the ways in which we have done this is through:

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

Pantheon's established in-house ESG committee – comprised of senior individuals from its investment, risk and investor relations teams – sets the ESG strategy and policy under which client capital, including that of PIP, is managed. Our ESG policy, which is kept under continuous review, describes our approach and clearly documents the types of investments that we will automatically exclude on ESG grounds. While the ESG Committee members are responsible for driving our ESG agenda, all of our investment professionals are committed to the same goals.

Embedding ESG in our pre- and post-investment processes

The application of sound ESG principles is a core part of how we make investments on behalf of PIP. When considering a new investment opportunity, we conduct a detailed ESG assessment on the private equity manager or co-investment deal as part of our due diligence process. For fund investments, each PE manager is assessed on a variety of factors. Those who are deemed to have low or medium levels of ESG integration are typically lacking in some critical aspect of ESG, for example not having a formal ESG policy in place, no ESG reporting mechanism, or no designated senior person overseeing ESG incorporation. Not having a high level of integration does not necessarily indicate a lack of intention to incorporate ESG or a shortage of the fiduciary mindset. Rather, most often it is a function of a manager being recently formed or with constrained team bandwidth and therefore not having had the time or resources to put in place its policies, or not having seen the benefit yet of ESG reporting. Whilst this assessment alone may not determine our eventual

Unifying diversity and inclusion ("D&I")

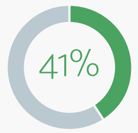
We believe that the diversity of our people and practices fuels the power of Pantheon's innovation and success. Diversity applies to a variety of factors and Pantheon strives to ensure that its workforce reflects the global nature of its business. In 2021, we have refreshed our D&I Strategy and welcomed new members to our established Global Inclusion & Diversity Committee. In recognition of its efforts and commitment, Pantheon won the Diversity Award at The Asset Management Awards organised by Money Age.

Pantheon proudly supports a number of organisations focused on equitable access to education and opportunity, and emphasises partnerships that target gender, LGBTQ+ and under-represented groups. Pantheon is a signatory to the UK Government's Women in Finance Charter, which commits to a pre-set target of gender diversity, and Helen Steers, a Partner at Pantheon and manager of PIP, is one of the co-founders of Level 20 (www.level20.org) whose aim is to inspire women to join and succeed in the private equity industry. In addition, three of the seven Directors on PIP's Board are female. Amongst other initiatives, Pantheon supports 100 Black Interns and is a Member of Out Investors.

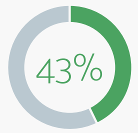
Our beliefs extend beyond how we run our own business. Pantheon has incorporated a diversity and inclusion section into its due diligence questionnaire for all primary investments and we look to ensure that the issue of diversity is continuously on our GPs' agendas. We believe that this is not only ethical but also improves performance; our strong belief is that more diverse private equity firms make better investment decisions and we have been pleased to note many developing their own D&I policies.

Gender diversity[2]

Overall workforce[3]



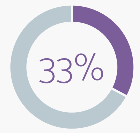
Investment team heads



● Women

Ethnic diversity[2]

Overall workforce[4]



● Non-white ethnic background

2 The response rate for our voluntary survey in December 2020 – January 2021 was 73%, compared to our 68% response rate in the prior annual survey.

3 c.1% prefer not to say.

4 c.2% prefer not to say.

Responsible investment and ESG

investment decision, it is a valuable guide and provides a basis on which we can continue to engage with private equity managers on improving ESG integration. Among the seven primary commitments made by PIP during the period, the majority had what Pantheon regards as a high level of ESG integration with the remainder displaying a medium level of integration.

In 2017, we appointed RepRisk to provide ESG data, quantify reputational risk related to ESG issues and track risk trends over time for our existing underlying portfolio companies. It also provides valuable information on prospective co-investments and, in a targeted way, on our secondary investments as part of our pre-investment due diligence. Through this monitoring tool we are able to get live reports and news on ESG issues affecting the companies in PIP's portfolio with "incidents" being logged to enable us to examine cases of specific interest in more detail and intervene with the private equity manager where necessary to find out more about the issue and what action has been – or will be – taken. In 2020, incidents in companies accounting for less than 1% of PIP's NAV required follow up with the relevant GP and in all cases, Pantheon was satisfied that the correct action had been taken where necessary and that the issue did not betray systematic underlying process issues. Using this tool, we have carried out an analysis across the whole of PIP's portfolio which reveals that the vast majority of the companies in PIP's portfolio pose a low ESG risk.

The UK's Modern Slavery Act 2015 requires Pantheon to report annually on the steps taken to ensure that slavery and human trafficking are not taking place anywhere within the business or supply chains. Pantheon's ESG policy is already aligned with a zero tolerance approach to modern slavery and trafficking, and both the policy and the Modern Slavery Statement can be found on Pantheon's website (www.pantheon.com).

Committed to maintaining high standards of ESG

The consideration of ESG factors has climbed up many investors' agendas in recent years and this has been escalated further by the COVID-19 crisis. As awareness increases, the topics and areas of focus are evolving as well. For example, the shift towards remote working and e-commerce, which has been accelerated by the pandemic, means that cybersecurity and customer data privacy have become new concerns and have taken more prominence. Recognition of the importance of Diversity & Inclusion and the adverse impacts of climate change has also grown. Another significant development is the increasing move towards standardisation of how ESG factors are monitored and reported by companies and, as a result, we expect that ESG disclosure requirements and compliance will become more technical, quantitative, and complex. We do not believe that increased and improved reporting should be seen as a regulatory burden, but rather as a force to stimulate good practices and accountability.

Investors in private equity expect adherence to high ESG standards as they would when investing in other asset classes. Our private equity managers must demonstrate that ESG is integrated into their own business models as well as into those of their portfolio companies. We know that we must practise what we preach and Pantheon has the systems, resources and cultural ethics in place to respond effectively to the demands of its clients, such as PIP and its Board. We are committed to continually enhancing and improving our own approach to ESG and we intend to continue playing a leading role in raising the standards in our industry. ”

Supporting communities through job creation and opportunities

The best private equity managers focus on the long-term prosperity and growth of their investee companies and adopt a "hands-on" approach to achieve this. As a result, research has shown that their backing can play an instrumental role in creating jobs and opportunities.

A recent study revealed that private equity supported 10.2 million jobs in Europe in 2019, equating to 4.3% of the entire European workforce, across all company stages[5]. While this data does not reflect the impact of the pandemic on private equity-backed companies, the increase was 5.5% compared to the previous year – more than six times the 0.9% growth achieved across Europe as a whole – and was in sectors including Biotech & Healthcare, Business Products & Services and Information Communications Technology[5]. This suggests that private equity in Europe was in a strong position at the start of the COVID-19 crisis. In the USA, which has the deepest and most established private equity market in the world, private equity invests half a trillion dollars in American businesses each year[6]. In 2020, private equity-backed companies directly employed more than 11.7 million workers in the USA and 86% of investments went to small businesses[6].

When we take into account the millions of people that are supported through supply chains and customers using private equity-backed companies' products and services, it is clear that private equity's reach extends beyond the direct employment that is generated by its activities.

We have observed the same job growth trends in many of the companies in PIP's portfolio. For example, three of PIP's portfolio companies, Visma, Transporeon and Medifox, where PIP co-invested directly alongside Hg, have grown their employee base on average by 48% over the last 3 years, both due to organic growth and growth via M&A.

As attention turns to rebuilding economies and restoring growth once the COVID-19 crisis ends, the indications are that private equity has the credentials to contribute positively to the recovery effort.

5 Source: Invest Europe: Private Equity at Work, May 2021 (https://www.investeurope.eu/research/private-equity-at-work-2/).
6 Source: American Investment Council, https://www.investmentcouncil.org.

RESPONSIBLE BUSINESS

Partnering for growth and sustainability

INCE Capital Partners[1]

COMMITMENT	£7.2m
TYPE	Primary
STAGE	Venture
VINTAGE	2021
GEOGRAPHY	Asia and EM

MANAGER OVERVIEW

- INCE Capital was founded in 2019 by JP Gan, the former Managing Partner and Head of Consumer Internet for Qiming Venture Partners.
- JP Gan is a renowned venture capitalist in China and has been featured in Forbes' Midas List of top 100 global venture capitalists.

PANTHEON ESG VALUE-ADD

- Pantheon has a strong relationship with INCE Capital and was one of the first investors to commit to the manager's first fund.
- Pantheon is a member of INCE Capital's Limited Partner Advisory Committee.
- JP Gan established INCE with a small team with limited resources. Pantheon provided substantial knowledge transfer to INCE and, among other things, assisted in the institutionalisation of the manager's ESG policies.
- With Pantheon's assistance, INCE was able to adopt ESG best-practices within a short period after its formation.
- Pantheon assisted INCE in its development of a formal ESG policy.
- Pantheon provided climate change training to INCE, and recommended the incorporation of climate change considerations into its ESG policy.
- INCE formulated a Diversity & Inclusion statement with Pantheon's support.
- Pantheon advised INCE on its anti-bribery & anti-corruption policy, business continuity plan, cybersecurity policy, and matters relating to fund liability insurance.

RESPONSIBLE BUSINESS

Worldwide reach in software outsourcing

Hexaware

COMMITMENT	£1.5m
MANAGER	Baring Private Equity Asia
TYPE	Co-investment
STAGE	Large buyout
COUNTRY	India
SECTOR	Information technology

COMPANY OVERVIEW

- Hexaware is an India-based company that delivers information technology and business process outsourcing services to enterprise clients worldwide.
- It employs more than 19,000 employees and operates through 37 global offices across the Americas, EMEA and Asia Pacific.

WHY INVEST IN THE COMPANY

- Attractive recurring revenue profile driven by a stable client base with multi-year contracts.
- IT business process outsourcing is a core sector for Baring Private Equity Asia ("BPEA") and the manager has a differentiated knowledge of both the sector and the company.

OUR RELATIONSHIP

- Pantheon is an investor in five BPEA funds and was the only major fund-of-funds investor in Baring Asia PE III.
- Pantheon is an Advisory Board member and a reference Limited Partner for BPEA.
- PIP, through the Pantheon platform, has completed five co-investments alongside BPEA.

MANAGER ESG CREDENTIALS

Since 2013, Baring Private Equity Asia and Hexaware have implemented ESG initiatives focused on environmental sustainability, gender diversity and transforming the communities in which the company operates:

- Increased water efficiency in corporate campuses by installing rainwater harvesting pits and promoting best-in-class wastewater management systems.
- Installed solar energy panels in company buildings as part of its commitment to reduce its carbon footprint.
- Formulated and put in place various employee empowerment initiatives such as W@H (Women at Hexaware).
- Spearheaded community projects such as the installation of solar-powered street lamps.
- Partnered with Smile Foundation in educating underprivileged youth and increasing their employability.

1 PIP made a primary commitment to funds managed by INCE Capital Partners in July 2021, shortly after its financial year end.

RESPONSIBLE BUSINESS

Groceries for a less wasteful world

Imperfect Foods

MANAGER Insight Partners
STAGE Growth
COUNTRY USA
SECTOR Consumer

ABOUT THE COMPANY

Imperfect Foods was founded in 2015 with a mission to eliminate food waste and build a better food system for everyone. The company offers imperfect (yet delicious) produce, affordable pantry items, and quality eggs and dairy, delivering conveniently and safely to customers' doorsteps. Imperfect Foods prides itself on offering affordable groceries, so customers can get the healthy, seasonal produce they want alongside the grocery staples they rely on, without having to compromise their budget or values.

WHY INVEST IN THE COMPANY

The nearly one trillion dollar US grocery market is moving online rapidly, further accelerated by the COVID-19 pandemic that caused an immediate inflection point in adoption. The emerging "ugly produce" grocery category offers a differentiated and recession-resistant value proposition, marrying the brand ethos of sustainability with greater convenience and freshness at low prices. Insight Partners ("Insight") identified Imperfect Foods as an early mover in this category, highly advantaged by its purpose-built value chain with high barriers to entry. Through Insight's due diligence, the manager identified further potential opportunity to deepen the company's defensibility and expand margins through continuous improvement across the value chain, including enhancements in automation, analytics, and customisation.

OUR RELATIONSHIP

Pantheon's relationship with Insight Partners dates back to 2005. Pantheon has invested in eight Insight funds and has completed five co-investments alongside the manager.

50m lbs
of food saved in 2020

ESG APPROACH

Imperfect Foods was founded to fight food waste by finding a home for the imperfect or "ugly" fruits and vegetables that farms could not sell to grocery stores. Imperfect Foods demonstrates a strong commitment to ESG causes both through its mission of environmental sustainability as well as through its commitment to its employees and the community more broadly:

- Imperfect Foods helps save food from waste and lesser outcomes, thereby avoiding emissions to produce food that is ultimately wasted, which currently account for 25% of the food system's greenhouse gas emissions. In 2020, the company saved over 50 million pounds of food, avoiding over 20,000 tonnes of carbon dioxide emissions.
- Imperfect Foods' last mile delivery network efficiently batches together customers and neighbourhoods, emitting approximately 12,800 tonnes less of carbon dioxide than if each customer went to the grocery store themselves, or the equivalent of taking 2,800 cars off the road for one year.
- Imperfect Foods' Reduced Cost Box programme provides a discount on food orders to qualifying low-income customers. The programme more than tripled in size in 2020 due to increased need caused by the COVID-19 pandemic. The company fulfilled over 282,000 orders of Reduced Cost Boxes, serving nearly 13,000 customers.
- Imperfect Foods has made a number of commitments supporting diversity, equity, and inclusion ("DE&I") within its workplace and more broadly. The company established three employee resource groups in 2020 – Black Imperfectionists Group, Imperfeminists, and Imperfectly Out. The company also launched an Anti-Racist Pledge to support black communities, improve internal practices, and promote racial justice. Progress in 2020 includes establishing a DE&I board, investing in DE&I software for recruiting to minimise implicit bias, and hiring a talent manager with a DE&I background.

Financing our undrawn commitments

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

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

As a result of this careful management, PIP entered the COVID-19 crisis well prepared for the expected volatility in market conditions. In the end, the spike in calls did not materialise and PIP's portfolio continued to distribute cash. This has left PIP in an even stronger financial position and allowed it to continue investing through the pandemic.

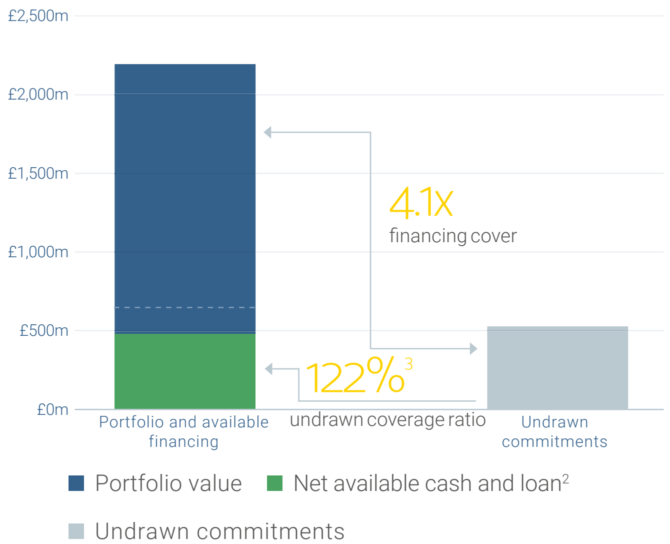
Managing our financing cover[1]

PIP's undrawn commitments were £528m as at 31 May 2021 (31 May 2020: £541m).

At 31 May 2021, PIP had net available cash balances of £198m (31 May 2020: £121m). In addition to these cash balances, PIP also has access to a wholly undrawn £300m multi-currency revolving credit facility agreement ("loan facility") that expires in May 2024. Using exchange rates at 31 May 2021, the loan facility amounted to a sterling equivalent of £277m (31 May 2020: £310m).

At 31 May 2021, the Company had £475m (31 May 2020: £431m) of available financing which, along with the value of the private equity portfolio, provides comfortable cover of 4.1 times (31 May 2020: 3.6 times) relative to its undrawn commitments.

Another important measure is the undrawn coverage ratio, which is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is a key indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn, and was 122% as at 31 May 2021 (31 May 2020: 107%).



Asset Linked Note (ALN)

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

The ALN is unlisted and subordinated to PIP's existing loan facility (and any refinancing), and is not transferable, other than to an affiliate of the Investor. The ALN is expected to mature on 31 August 2027, at which point the Company will make the final repayment under the ALN.

As at 31 May 2021, the ALN was valued at £47m (31 May 2020: £65m). For more information on the ALN, refer to page 113.

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

2 The available cash and loan figure excludes the current portion payable under the Asset Linked Note, which amounted to £6.2m as at 31 May 2021.

3 The 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%. See page 135 for further details.

Maturity[1]

We actively manage PIP's maturity profile to maximise the potential for growth and generate cash. This is achieved through a mix of primaries, secondaries and co-investments.

As at 31 May 2021, PIP's portfolio had a weighted average fund age of 5.2 years.

2020 and later	9%
2019	12%
2018	14%
2017	15%
2016	14%
2015	14%
2014	4%
2011–2013	9%
2010 and earlier	9%

Undrawn commitments by vintage[2]

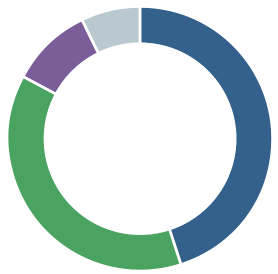
The rise in more recent vintages is a result of PIP's primary commitment and co-investment activity in recent years.

Approximately 21% of PIP's undrawn commitments are in funds with vintage years which are 2014 or older. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically.

2021	13%
2020	15%
2019	18%
2018	16%
2017	7%
2016	5%
2015	5%
2014	1%
2011–2013	5%
2010 and earlier	15%

Undrawn commitments by region[2]

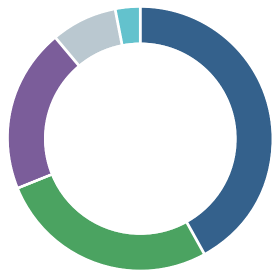
The largest share of undrawn commitments represents investments in the USA and Europe, which highlights the Company's investment focus on more developed private equity markets. PIP's undrawn loan facility is denominated in US$ and Euros to match the predominant currencies of its undrawn commitments.



USA	45%
Europe	38%
Global	10%
Asia and EM[3]	7%

Undrawn commitments by stage[2]

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



Small/mid buyout	42%
Large/mega buyout	27%
Growth	20%
Special situations	8%
Venture	3%

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

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

3 EM: Emerging Markets.

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 2021, 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 86 to 91.

Investment risk

TYPE AND DESCRIPTION OF RISK	POTENTIAL IMPACT	RISK MANAGEMENT	OUTCOME FOR THE YEAR
Impact of the COVID-19 crisis on the global economy and underlying portfolio companies.	■ COVID-19 has had a wide and adverse impact on businesses around the world and the full impact on the global economy is still unclear. This could potentially cause portfolio companies to become insolvent and ultimately impact PIP's valuations and cash flows.	■ PIP's close relationships with its private equity managers allows the Company to obtain timely valuation indications on underlying portfolio companies.	■ Pantheon's risk assessment process reviews potential impacts of corporate insolvency and valuation declines on performance of the Company and going concern status (refer to Going Concern assessment on page 84). ■ PIP's diversification and emphasis on sectors with resilient demand, such as information technology and healthcare, could help to mitigate the long-term impact of COVID-19.
Market factors such as interest rates, inflation and equity market performance, can affect the value of investments.	■ Impact of general economic conditions on underlying fund and company valuations, exit opportunities and the availability of credit.	■ Pantheon's investment process incorporates an assessment of market risk. ■ Investing alongside private equity managers with experience of navigating economic cycles, while achieving diversification by geography, stage, vintage and sector, helps to mitigate the effect of public market movements on the Company's performance.	■ PIP continues to adopt a diversified approach to portfolio construction. ■ Exposure to quoted assets was below 10% as at 31 May 2021. ■ In historical periods of significant public market volatility, private equity market valuations have typically been less affected than public equity market valuations.
Insufficient liquid resources to meet outstanding commitments to private equity funds.	■ Investment losses and reputational damage arising from the inability to meet capital call obligations.	■ PIP has a mature portfolio that is naturally cash generative. ■ In the event that cash balances and cash distributions are insufficient to cover capital calls, PIP has the ability to draw funds from a credit facility. ■ Pantheon manages the Company so that undrawn commitments remain at an acceptable level relative to its portfolio assets and available financing. ■ The Board conducts a comprehensive review of the Company's cash flow modelling forecasts under different scenarios on a regular basis.	■ PIP has access to a £300m loan facility that expires in May 2024. Together with PIP's net available cash balances of £198m, total available financing as at 31 May 2021 stood at £475m. Total available financing, along with the private equity portfolio, was greater than outstanding commitments by a factor of 4.1 times.
Lack of suitable investment opportunities to meet strategic diversification objectives.	■ Change in risk profile as a result of manager, fund or company exposures that are materially different from the Company's intended strategy.	■ Pantheon has put in place a dedicated investment management process designed to achieve the intended investment strategy agreed with the Board. ■ The Board regularly reviews investment and financial reports to monitor the effectiveness of the Manager's investment processes.	■ During the year, PIP has invested within strategic limits for vintage year, geography and stage allocations, as well as within concentration limits for individual managers, funds and companies.
Private equity investments are long term in nature and it may be some years before they can be realised.	■ Potential decline in realisation activity which may affect portfolio performance.	■ PIP pursues a flexible investment strategy, combining secondary investments which typically have shorter exit horizons, with co-investments and primary commitments.	■ The Company's flexible investment strategy has resulted in a portfolio with a healthy mix of likely exit horizons.
Investments in unquoted companies carry a higher degree of liquidity risk relative to investments in quoted securities.	■ Illiquidity of underlying assets may have an adverse effect on realisations and portfolio performance.	■ As part of its investment process, Pantheon assesses the approach of its managers to company illiquidity as well as projected exit outcomes.	■ Robust realisation activity during the year, with distributions of £319m and a distribution rate equivalent to 22% of opening portfolio assets.
Gearing, whether at the Company, fund investment or portfolio company level, could cause the magnification of gains and losses in the asset value of the Company.	■ Potential impact on performance and liquidity, especially in the event of a market downturn.	■ PIP's Articles of Association and investment policy impose limits on the amount of gearing that the Company can take on. ■ The principal covenant of the loan facility ensures that the Company is limited to a maximum gearing (excluding the ALN) of 34% of adjusted gross asset value (excluding the ALN). ■ The Board conducts regular reviews of the balance sheet and long-term cash flow projections, including downside scenarios that reflect the potential effects of significant declines in NAV performance, adverse changes in call/distribution rates and restrained liquidity sourcing in a distressed environment. ■ As part of its investment process, the Manager undertakes a detailed assessment of the impact of debt at the underlying fund level and underlying company level on the risk-return profile of a specific investment.	■ Cash flow forecasts under normal and stress conditions were reviewed with the Board. Downside scenario modelling indicates that the Company has the available financing in place to meet investment commitments, even in an environment characterised by large NAV declines and a material reduction in distribution activity. ■ There was no gearing at the Company level as at the end of the financial year. ■ Debt multiples in PIP's buyout portfolio remain at reasonable levels as at year end.

Risk management and principal risks

Investment risk

TYPE AND DESCRIPTION OF RISK	POTENTIAL IMPACT	RISK MANAGEMENT	OUTCOME FOR THE YEAR
Non-sterling investments expose the Company to fluctuations in currency exchange rates.	■ Unhedged foreign exchange rate movements could impact NAV total returns.	■ The Manager monitors the Company's underlying foreign currency exposure. ■ As part of its investment process, the Manager takes currency denominations into account when assessing the risk/return profile of a specific investment. ■ The multi-currency credit facility is a natural hedge for currency fluctuations relating to outstanding commitments.	■ Foreign exchange had a negative impact on performance during the year.
Reliance on the accuracy of information provided by GPs when valuing investments.	■ Risk of errors in financial statements and NAV reporting.	■ The valuation of investments is based on periodically audited valuations that are provided by the underlying private equity managers. ■ Pantheon carries out a formal valuation process involving monthly reviews of valuations, the verification of audit reports and a review of any potential adjustments required to ensure reasonable valuations in accordance to fair market value principles under Generally Accepted Accounting Principles (GAAP).	■ No material misstatements concerning the valuation and existence of investments during the year.
Possibility that another investor in a fund is unable or unwilling to meet future capital calls.	■ Counterparty defaults can have unintended consequences on the remaining investors' obligations and investment exposure.	■ PIP invests in high-quality funds alongside institutional private equity investors. ■ A considerable proportion of PIP's investments are in funded positions.	■ During the year, funds in which PIP is invested did not suffer from any limited partner defaulting events.

Non-investment risk

TYPE AND DESCRIPTION OF RISK	POTENTIAL IMPACT	RISK MANAGEMENT	OUTCOME FOR THE YEAR
Changes in the Company's tax status or in tax legislation and practice.	■ Failure to understand tax risks when investing or divesting could lead to tax exposure or financial loss.	■ Pantheon's investment process incorporates an assessment of tax. ■ The Manager reviews the appropriateness of an investment's legal structure to minimise the potential tax impact on the Company.	■ Taxes had a minimal effect on overall NAV performance in the year.
PIP relies on the services of Pantheon as its Manager and other third-party service providers.	■ Business disruption should the services of Pantheon and other third-party suppliers cease to be available to the Company.	■ The Board keeps the services of the Manager and third-party suppliers under continual review. ■ The Management Agreement is subject to a notice period of two years, giving the Board adequate time to make alternative arrangements in the event that the services of Pantheon cease to be available.	■ The Board has approved the continuing appointment of the Manager and other service providers following an assessment of their respective performance during the year. ■ As a result of the COVID-19 pandemic, Pantheon has enacted its business continuity plan, which has resulted in Pantheon staff operating entirely remotely. Pantheon had tested its own business continuity plans as well as those of its third-party service providers in advance of this eventuality, and is confident of being able to meet PIP's needs.
High dependency on effective information technology systems to support key business functions and the safeguarding of sensitive information.	■ Significant disruption to information technology systems may result in financial losses, the inability to perform business-critical functions, regulatory censure, legal liability and reputational damage.	■ Pantheon has a comprehensive set of policies, standards and procedures related to information technology. ■ Ongoing investment and training to improve the reliability and resilience of Pantheon's information technology processes and systems.	■ No material issues to report for the year. ■ Pantheon's systems, processes and technologies have been thoroughly tested and, are fully operational.
Global geopolitical risks and the resulting economic uncertainty may affect the Company.	■ Market and currency volatility may affect returns. ■ Geopolitical undercurrents may disrupt long-term investment and capital allocation decision making.	■ Pantheon continuously monitors geopolitical developments and societal issues relevant to its business.	■ Pantheon's established Risk, Legal and Tax functions have ensured compliance with local laws and regulations. ■ An assessment of geopolitical risk is embedded in Pantheon's investment process. ■ PIP's exposure to high risk countries are minimal.

s172(1) statement

Directors' Duties

Overview

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company, 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 the Company has on the community and the environment, take a long-term view on the consequences of the decisions they make, as well as aiming to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty supports the Company 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 the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to regular review and monitoring.

Decision-making

The importance of stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Further information on the role of the Board in safeguarding stakeholder interests and monitoring ongoing investment activity can be found on pages 24 to 25 of the Strategic Report.

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all its discussions and as part of its decision-making. During the period under review, the Board has continued to discuss and monitor which parties should be considered as stakeholders of the Company and has again concluded that, as the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its shareholders, the Investment Manager, General Partners, portfolio companies and service providers. The section below discusses why these stakeholders are considered of importance to the Company, and the actions taken to ensure that their interests are taken into account. Through the global COVID-19 pandemic our interactions have become virtual and not in person, but the Company has taken this as an opportunity to engage in new and efficient ways with many of its stakeholders.

Shareholders

IMPORTANCE	BOARD ENGAGEMENT
Continued shareholder support and engagement are critical to the business and the delivery of its long-term strategy. Further details on what PIP offers to its investors can be found on pages 2 to 9 of the Strategic Report.	The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of their views. These include: ■ **AGM** – With the exception of 2020 (owing to the COVID-19 pandemic), the Company welcomes and encourages attendance and participation from shareholders at the AGM. Shareholders have the opportunity to meet the Directors and Investment Manager, Pantheon, and to address questions to them directly. Pantheon attends the AGM and gives a presentation on the Company's performance and the future outlook. The Company values any feedback and questions 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 the Annual Report is circulated to shareholders. These reports provide shareholders with a clear understanding of the Company's business model, strategy, portfolio and financial position. This information is supplemented by a monthly newsletter, which is available on the website and the publication of which is announced via the London Stock Exchange. In addition, a quarterly "PIP News and Views" update is circulated by the Manager which provides a round-up of news, views and highlights key points of interest relating to the Company. Feedback and/or questions that the Company receives from shareholders help the Company to evolve its reporting, aiming to render the reports and updates transparent and understandable; ■ **Shareholder meetings** – Unlike trading companies, shareholder meetings often take the form of meeting with the Investment Manager rather than members of the Board. Shareholders are able to meet with Pantheon throughout the year and the Manager provides information on the Company. Feedback from all meetings between the Investment Manager and shareholders is shared with the Board. The Chairman, the Senior Independent Director, the Chairman of the Audit Committee and other members of the Board are available to meet with shareholders to understand their views on governance and the Company's performance should they wish to do so. With assistance from the Manager, the Chairman seeks meetings with shareholders who might wish to meet with him; ■ **Shareholder concerns** – In the event that shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman 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; ■ **Investor Relations updates** – At every Board meeting, the Directors receive updates from the Company's broker on the share trading activity and share price performance, as well as an update from Pantheon's Head of Investor Relations for PIP on specific shareholder feedback. Any pertinent feedback is taken into account when Directors discuss investment strategy. The willingness of the shareholders to maintain their holdings over the long term is another way for the Board to gauge how the Company is meeting its objectives.

Other stakeholders

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 GPs. The Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide shareholders with attractive and consistent returns over the long term. Further details of the Manager's investment approach can be found on pages 18 to 23 of the Strategic Report.	Maintaining a close and constructive working relationship with the Manager is crucial as the Board and the Manager both aim to achieve consistent, long-term returns in line with the Company's investment strategy. Throughout the course of the COVID-19 pandemic, the Board has been 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 united; ■ The regular review of underlying strategic and investment objectives; ■ Drawing on Directors' individual experience and knowledge to support and challenge the Manager in its monitoring of portfolio companies and engagement with its GPs; and ■ Willingness to make the Directors' experience available 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 networks and relationships with private equity managers globally, which gives the Company increased access to the best investment opportunities.	The relationship with Pantheon is fundamental to ensuring the Company meets its purpose. Day-to-day engagement with GPs is undertaken by Pantheon. Details of how Pantheon carries out portfolio management, as well as information on how GPs consistently transform companies to create long-term value, can be found in the Manager's Review on pages 42 to 75. The Board receives updates at each scheduled Board meeting from the Manager on specific investments, including regular valuation reports and detailed portfolio and returns analyses. Pantheon's engagement with GPs and due diligence of portfolio companies through the investment process and its investment strategies can be found in the Strategic Report on pages 2 to 9 and pages 18 to 23 and in the Manager's Review.
The Administrator, the Company Secretary, the Registrar, the Depositary and the Broker In order to function as an investment trust with a premium listing on the London Stock Exchange, the Company relies on a diverse range of reputable advisers for support in meeting all relevant obligations.	The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views are routinely taken into account. The Board (through the Management Engagement Committee) formally assesses their performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Audit Committee reviews and evaluates the financial reporting control environments in place at each service provider. There have been no material changes to the level of service provided by the Company's other third-party suppliers as a result of the COVID-19 pandemic.
The Environment and Society The Board places increasing emphasis on the importance of ESG factors in its investment deliberations. The Board and the Manager are fully committed to managing the business and its investment strategy responsibly.	The Board receives regular updates on Pantheon's ESG strategy and provides feedback on their approach, which in turn can lead to changes in its investment approach. Full details on the Manager's ESG practices, including examples of interaction with GPs, can be found on pages 26 to 28.
Revolving credit facility providers Availability of funding is crucial to PIP's ability to take advantage of investment opportunities as they arise as well as being able to meet future unfunded commitments.	The Company aims to demonstrate to its facility syndicate that it is a well-managed business, capable of consistently delivering long-term returns. Regular dialogue between the Manager and the syndicate is crucial to supporting the Company's relationship with its lenders. Further details of the Board's principal decision to extend the facility during the year can be found on page 40.
Regulators The Company can only operate as an investment trust if it conducts its affairs in compliance with such status. Interaction with regulators such as the Financial Conduct Authority (FCA) and Financial Reporting Council (FRC), who have a legitimate interest in how the Company operates in the market and treats its shareholders, and industry bodies such as the Association of Investment Companies, remains an area of Board focus.	The Company regularly considers how it meets various regulatory and statutory obligations and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term. The Board receives reports from the Manager and Auditor on their respective regulatory compliance and any inspections or reviews that are commissioned by regulatory bodies.

s172(1) statement

The mechanisms for engaging with stakeholders are kept under review by the Directors and will be discussed on a regular basis at Board meetings to ensure that they remain effective.

Examples of the Board's principal decisions during the year, and 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
Extension and amendment to PIP's revolving credit facility	In line with its prudent approach to balance sheet management, the Company agreed to an amendment and extension to its £300m multi-currency revolving credit facility agreement which was due to expire in June 2022. The amended facility now expires in May 2024. This provides additional assurance as to the Company's ability to comfortably finance its new investments and meet its unfunded commitments in the future.	The Board regularly reviews the Company's cash position and commitments, particularly its ability to finance future commitments. Effective engagement by the Manager with PIP's existing lending syndicate, was key to agreeing the amendment and extension of the facility. The extension and amended facility is beneficial to the long-term success of the Company given the ability of the Company to finance new investment opportunities in the current challenging economic environment.
Commitment to Pantheon Secondaries Opportunities Fund ("PSOF")	The Company committed US$150m as a cornerstone investor to the Pantheon Secondaries Opportunities Fund ("PSOF"). PSOF seeks to partner with high quality private equity managers to acquire, as single transactions, their most attractive portfolio companies with the goal of jointly participating in such companies' next phase of growth. The Company's commitment to PSOF formed part of the existing strategy to capitalise on the breadth of opportunities in this part of the secondaries market, which is undercapitalised and growing quickly.	PIP's strategic commitment as a cornerstone investor is another example of the Board taking steps to promote the long-term success of the Company by following is strategic objectives. Since the Company's commitment to the PSOF programme, the Board regularly receive updates from the Manager in relation to the investment strategy of the fund, its deal flow and fundraising, in order for it to monitor the benefits and profitability of the commitment. Effective engagement by the Board with Pantheon was key to completing this commitment.

Viability statement

Pursuant to provision 31 of the UK Corporate Governance Code 2018, the Board has assessed the viability of the Company over a three-year period from 31 May 2021. 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 and 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 47 to 49.

In making this statement, the Directors have reviewed the reports of the Investment Manager in relation to the resilience of the Company, taking account of its current position, the principal risks facing it in a severe low case scenario due to COVID-19, the effectiveness of any mitigating actions and the Company's risk appetite.

Commitments to new funds are restricted relative to the Company's assets and its available liquid financial resources to maintain a reasonable expectation of being able to finance the calls, which arise from such commitments out of cash flow that is internally generated. In addition, the Company has put in place a revolving credit facility to ensure that it is able to finance such calls in the event that distributions received from investments in the period are insufficient to finance calls. The Board reviews the Company's financing arrangements at least quarterly to ensure that the Company is in a strong position to finance all outstanding commitments on existing investments as well as be 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 34 to 37 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.

On behalf of the Board

Sir Laurie Magnus

4 August 2021

Investment policy

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

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

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

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

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

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

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

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

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

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

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

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

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

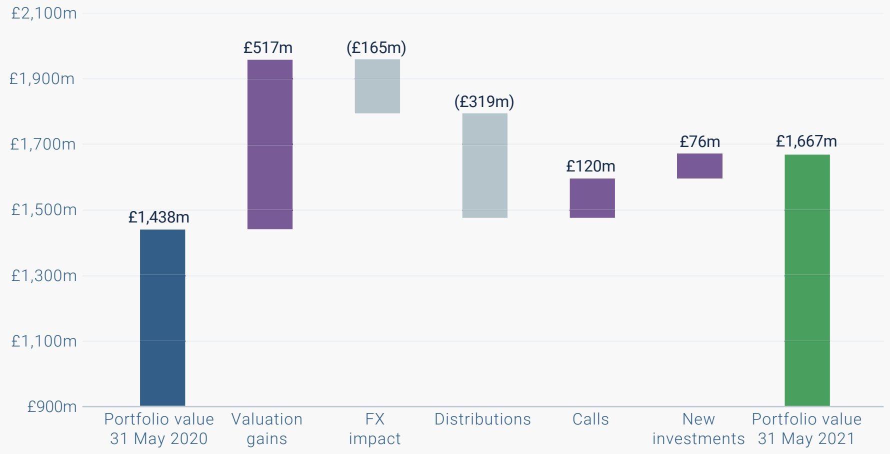
Manager's Review

Performance

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

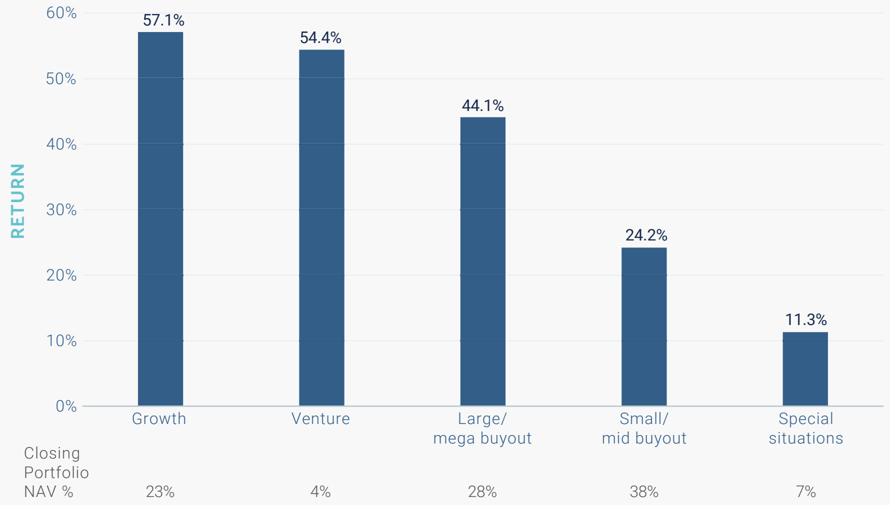
Private equity portfolio movements

- Excluding returns attributable to the ALN share of the portfolio, PIP's portfolio generated returns of 36.0% during the year.
- PIP's total portfolio generated investment returns, prior to foreign exchange effects, of 35.8%.



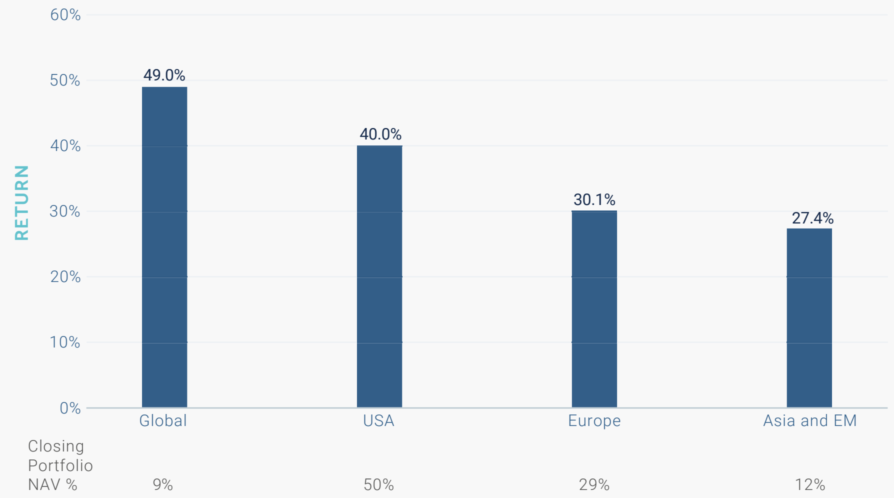
Valuation movements by stage[1]

- PIP experienced strong performance across its portfolio.
- Buyout and growth segments performed well, helped by strong exits and valuation gains.
- Venture performance was driven primarily by a successful initial public offering of a portfolio company in the information technology sector.



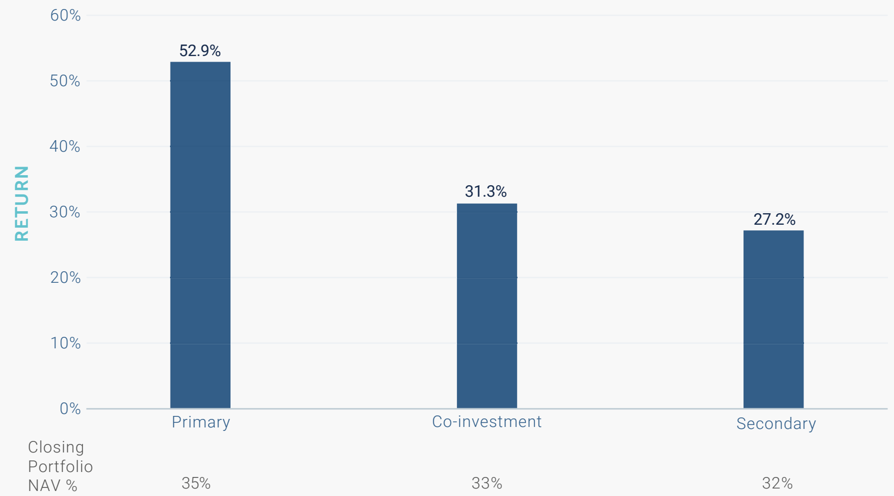
Valuation gains by region

- Strong performance in Global, US and European investments during the year, driven by favourable exits and large valuation movements in certain portfolio companies.
- Asia and EM performance weighed down by a handful of companies.



Valuation gains by type

- Strong primary and secondary performance underpinned by successful exits.
- Co-investment performance driven by public market valuation gains after successful IPOs, strong operational performance and a number of exits at significant uplifts to carrying value.



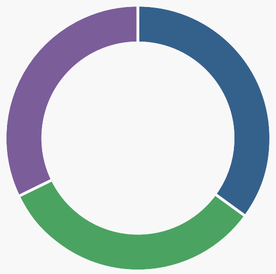
1 Portfolio returns include income, exclude gains and losses from foreign exchange movements, and look through feeders and funds-of-funds to the underlying funds. Portfolio returns exclude returns generated by the portion of the reference portfolio attributable to the ALN, and are calculated by dividing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

Portfolio

Since its inception, PIP has been able to generate excellent returns while 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.

Investment type[1]

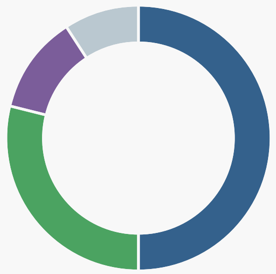
Flexible approach to portfolio construction increases potential for outperformance.



Primary	35%
Co-investments	33%
Secondary	32%

Fund region[1]

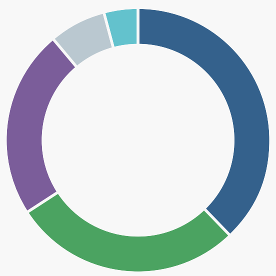
Weighted towards the more developed private equity markets in the USA and Europe while Asia and EM provide access to faster-growing economies.



USA	50%
Europe	29%
Asia and EM	12%
Global[2]	9%

Fund stage[1]

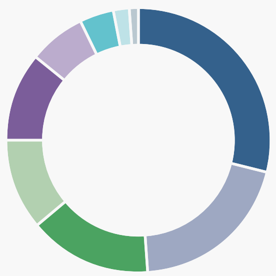
Well diversified across different investment stages with a particular focus on small/mid-market buyout and growth funds.



Small/mid buyout	38%
Large/mega buyout	28%
Growth	23%
Special situations	7%
Venture	4%

Company sectors[3]

Portfolio weighted towards high growth and resilient sectors.



Information technology	29%
Healthcare	20%
Consumer	15%
Financials	11%
Industrials	11%
Communication services	7%
Energy	4%
Materials	2%
Others	1%

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

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 2021, adjusted for calls and distributions to 31 May 2021. These account for 100% of PIP's overall portfolio value.

Our market

Sustained growth during an unprecedented chapter

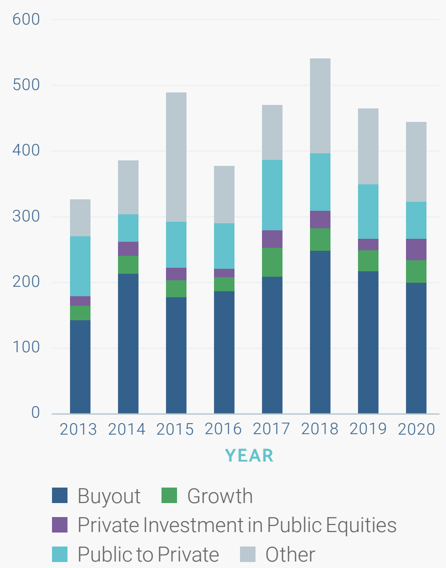
Helen Steers, Partner at Pantheon and manager of PIP, reflects on the strength, flexibility and resilience of the private equity sector which have served the industry well through the pandemic.

During the last eighteen months, the turbulence caused by the COVID-19 health crisis has reverberated through every region of the world, resulting in vast social and economic damage and generating extraordinary movements in financial markets.

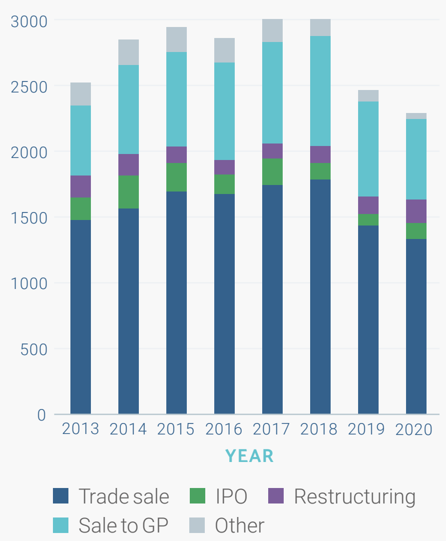
At the time of writing, many countries are beginning to emerge slowly from the pandemic, supported by the unprecedented policy actions of their governments, and the accelerating rollout of vaccination programmes. The major economies are showing initial signs of a sustained rebound, driven by increased consumer and business confidence. Forecasts for the global economic recovery continue to tick higher, primarily driven by the USA, which reported stronger than expected growth in the first quarter of 2021. The release of pent-up demand in the developed world is also likely to be a contributing factor. China has continued its recovery and growth expectations for 2021 and 2022 have been revised up slightly while the picture is more mixed in the rest of Asia. Of course, many economies still face significant challenges in combatting the social and economic damage wrought by the COVID-19 crisis and this cautiously positive outlook may be threatened by the emergence of new variants of the COVID-19 virus, a potential slowdown in consumer spending and the withdrawal of government support. In addition, inflation concerns are taking hold and the public markets are already pricing a potential rise into their assumptions, although it is unclear whether inflationary pressures may be transitory or longer lasting. These are factors that we consider as we manage PIP's portfolio and assess new deal opportunities.

The indications are that private equity has been left relatively unscathed by the COVID-19 crisis, with deal activity, exits and fundraising all recovering strongly in the second half of 2020, and into 2021. Furthermore, private equity performance through the crisis has been robust, and the asset class has demonstrated lower volatility than public markets. Although private equity valuations dipped in the first half of 2020, as a result of the onset of the COVID-19 crisis, they did not fall as far as the public markets and rebounded strongly in the second half of the year. After a hiatus in deal and exit activity during the second quarter of 2020, private equity bounced back to end the year only slightly behind 2019. Fundraising activity was also strong overall, although there was a bifurcation between the most in-demand, invitation-only funds, which closed rapidly and at their caps, versus less popular vehicles.

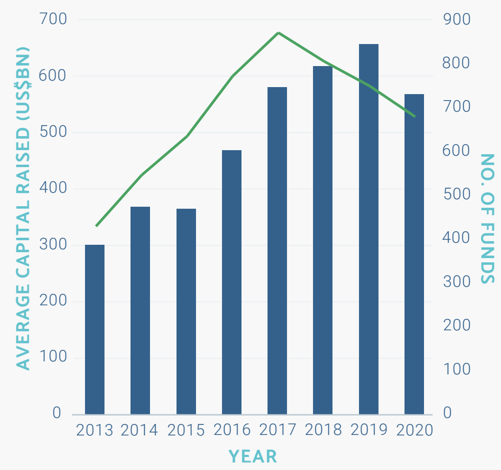
Global deal activity[1] (US$bn)



Global exit activity[1] (# of exits)



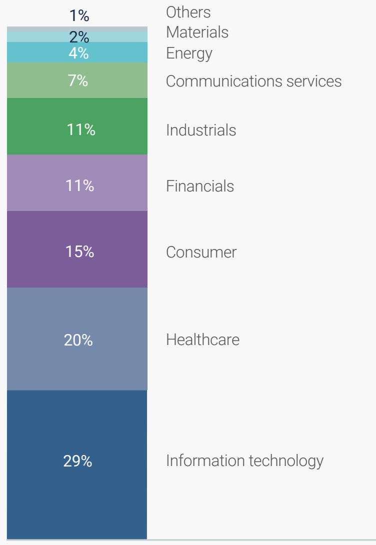
Global PE fundraising (US$bn)



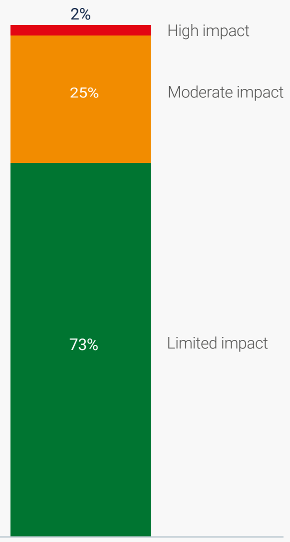
1 Source: Preqin. Deal activity based on completed and announced deals globally from 1 January 2013, to 31 December 2020. Excludes venture. "Other" includes add-ons, distressed debt, merger, recapitalisation, restructuring, special situations and turnarounds. Exit activity includes private equity backed exits from 1 January 2013 to 31 December 2020. Excluding venture. Global fundraising based on all private equity funds to hold a final close over $100m between 1 January 2013 to 31 December 2020.

Our market

Sector exposure



Sector resilience[4]



PIP's portfolio is tilted towards the Information Technology, Healthcare and Consumer Staples and Services sectors, which have been resilient throughout the pandemic, with certain sub-segments such as enterprise application software, education services, internet retail and interactive home entertainment benefitting from existing social and business trends that have been significantly accelerated. We remain alert, however, to the relatively high valuations in the market particularly in Information Technology and Healthcare, and are focused on targeting the most promising sub-segments within these broad sectors. A critical component of our due diligence process is identifying clear evidence of significant growth drivers in the target companies of our private equity managers, or General Partners ("GPs"), and that the GPs themselves have a track record of long-term value creation through implementing sustainable strategic and operational changes.

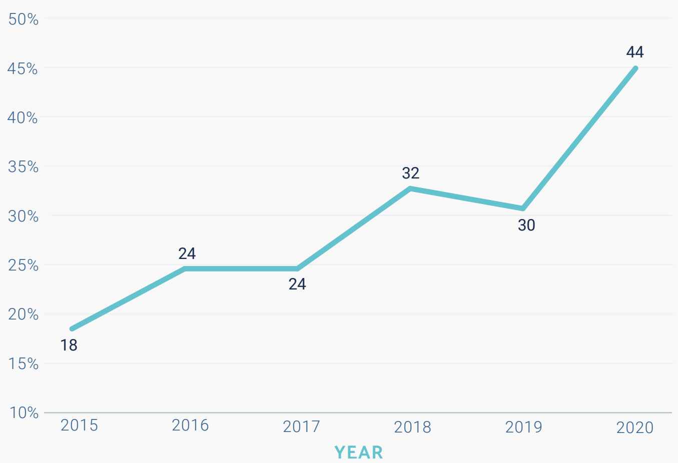
There is now an estimated US$1.6tn[2] of dry powder (capital raised and available to invest but not yet deployed) globally. As this capital is concentrated in larger global buyout funds, which often target secondary buyouts of smaller, but high growth businesses, this points to a healthy exit environment for companies in PIP's portfolio which is predominantly invested in the small/mid-market buyout and growth segments of the market.

We are able to access the highest quality assets in the private equity secondaries market

In line with the private equity sector overall, deal volumes in the global private equity secondaries market, which were lower in 2020 (US$60bn[3]) compared to 2019 (US$88bn[3]), rebounded strongly in the second half of 2020, and continued to expand in the first half of 2021. Against a backdrop of more certainty around the economic recovery, we expect volumes in the secondaries market to return to pre-COVID-19 levels in 2021. This deal flow is likely to be driven primarily by sponsor- or "manager-led" sales, which are deals where the private equity managers themselves are actively involved in providing liquidity for investors in their funds. While the manager-led market had been growing prior to the COVID-19 crisis, the acceleration in deal flow in the wake of the pandemic means that manager-led deals accounted for 44% of all transactions in 2020[3]. We believe that the highly attractive return profile of these kinds of deals will continue to drive growth in this area of the secondaries market. The number of single-asset secondaries, which form part of the manager-led activity, has been rising and growing at a faster rate than any other segment of the manager-led space. Single-asset deals occur when the private equity manager has carved an individual company out of an older fund that is coming to the end of its life and moved it into a continuation vehicle. These deals allow the existing investors in the fund to exit their positions while offering an opportunity for other investors to invest in the continued success of the portfolio company. Single asset secondaries are attractive to us because:

- They are typically highly prized companies which offer potential for further significant growth; it should be noted that most of the deals in 2020 were in COVID-19-resilient sectors;
- They offer an opportunity to invest alongside knowledgeable owners in their top performing assets; and
- The market is under-capitalised and less crowded, due to there being a lower number of market participants that have the required capabilities to operate in this highly specialised area of the secondaries market.

Manager-led market share continues to grow[5]



Pantheon, which is an experienced and well-established player in the secondaries market, has the resources and skills to invest effectively in single-asset secondaries and has already been able to selectively source compelling opportunities for PIP through its vast network of relationships that has been built up over many years. PIP's US$150m commitment to the Pantheon Secondary Opportunity Fund ("PSOF") allows it to access these high-quality assets on favourable terms.

We provide value in the co-investment market with our funding and co-underwriting capabilities

Co-investments, which are typically free of management and performance fees, enable PIP to invest directly in portfolio companies on the same terms and conditions as the private equity manager. PIP benefits from Pantheon's ability to source significant co-investment deal-flow from its managers, due to its very large installed base of primary and secondary relationships across the world. Pantheon has an experienced, dedicated team which carries out detailed and extensive due diligence on each co-investment opportunity, effectively applying a "double quality filter" on deals which have already been thoroughly scrutinised and approved by the underlying managers. We are an attractive co-investor for our GPs because we do not compete against them, we are reliable, responsive and have the scale to deploy capital quickly and efficiently, and we have the flexibility to co-underwrite transactions alongside our private equity managers if appropriate.

We are concentrating on deals where the private equity manager:

- Has high conviction in the target company, taking into account how it has performed through the pandemic and its positioning for the future;
- Can apply specialist sector expertise and drive significant value by implementing operating capabilities;
- Has a convincing ultimate realisation strategy, ideally with multiple exit routes; and
- Is not faced with factors that are out of their control such as the impact of wider macroeconomic conditions, regulatory uncertainty or market segments where private equity has historically had challenges.

Each co-investment is assessed on its own merits but our main investment themes and selection criteria are:

- Focus on the most compelling opportunities presented by our highest quality managers, which meet our exacting return expectations;
- Only invest where the targeted business is a good fit for the manager in terms of their sector, stage and geographic expertise;
- Target attractive, resilient sectors offering clear prospects for high organic growth through differentiated product or service offerings;
- Concentrate on businesses which are benefiting from long-term tailwinds, such as digitalisation and the move to the cloud, that are occurring across multiple sectors; and
- Seek strong platform companies that can pursue add-on acquisitions to build scale in existing businesses and consolidate fragmented end-markets.

We have seen co-investment deal flow return to pre-COVID-19 levels and co-investments form a significant and attractive part of PIP's deal pipeline.

Outlook

The US$5.3tn[6] global private equity market has more than doubled in size over the last 10 years and is expected to continue to benefit from the increase in supply of private company investment opportunities, and the demand for private capital. Private equity managers often invest in family-owned or founder-led firms where they can help with formalising organisational structures in addition to helping them grow internationally or into new markets. Institutional investors have been increasing their allocations to private equity as they target higher returns, a more diverse set of opportunities and the ability to tap into the growth phase of a company's development before it goes public, if indeed it does IPO at all. Through Pantheon's platform, investors in PIP can access carefully selected high-growth, exciting privately-owned companies around the world. The hands-on approach of our private equity managers has consistently resulted in significantly stronger revenue and earnings growth in the underlying companies in PIP's portfolio when compared to those of the MSCI World index.

In the short to medium term, it is expected that global economic growth will be propelled by the return of business confidence and the strength of consumer spending across the developed world as households wind down excess savings that have been built up over the last 12-18 months. However, we have all lived through the unpredictability of the pandemic over the past 18 months, and there still remains the threat of new waves and strains of the COVID-19 virus. Over the years our top private equity managers have demonstrated their ability to be flexible and innovative while steering their portfolio companies through various crises and periods of uncertainty. Equally, Pantheon's own experience – with almost 40 years in the business and over 33 years' experience of managing PIP through several cycles – has been reflected in PIP's resilience and strong performance during the last 12 month period, and underpins our measured but confident outlook for PIP in the future.

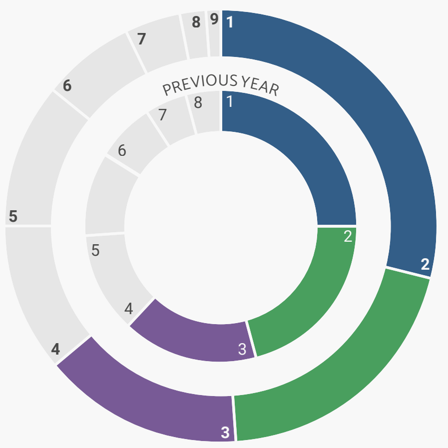
2 As at December 2020. Source: Preqin, July 2021.
3 Source: Greenhill Global Secondary Market Review, January 2021.
4 Based on an assessment of the impact of the COVID-19 pandemic on the sub-sectors within PIP's portfolio, and subject to change as conditions evolve.
5 Greenhill – Global Secondary Market Review, Jan 2021. There is no guarantee these trends will continue.

6 As at December 2020. Source: Preqin, July 2021.

Sector themes

Pantheon assesses deals across a range of sectors and over the past year has seen particularly interesting investment opportunities in Information Technology and Healthcare, as well as attractive deal dynamics in certain Consumer, Financials and Business Services sector transactions. PIP focuses on investing in companies with exposure to sub-sectors where durable long-term demographic or secular trends underpin demand growth. For example, accelerated digitalisation of processes in many end markets is providing a significant tailwind to the technology sector. The move to remote working, necessitated by the COVID-19 crisis, has only emphasised and hastened certain trends. Investing in, or alongside, managers who have the expertise to identify and capitalise on shifting developments gives PIP access to the most promising segments within these sectors.

Company sectors[1]



1	Information technology	29%
2	Healthcare	20%
3	Consumer	15%
4	Financials	11%
5	Industrials	11%
6	Communication services	7%
7	Energy	4%
8	Materials	2%
9	Others	1%

1 The company sector chart is based upon underlying company valuations as at 31 March 2021 and accounts for 100% of PIP's overall portfolio value.

1 Information technology 29%

Accelerating digitalisation to enable remote working

PORTFOLIO EXAMPLES

VISMA	Leading provider of mission-critical business software to businesses in Northern Europe.
Paycor	Offers cloud-based human resource, payroll and timekeeping software solutions to small and mid-sized businesses.

Security software and big data analytics are increasingly important

PORTFOLIO EXAMPLES

Recorded Future	Leading provider of software as a service (SaaS)-based cyberthreat intelligence.
CallRail	Provider of marketing analytics software for data-driven businesses.

Relentless move of consumers to online

PORTFOLIO EXAMPLES

MARQETA	Next-generation issuer and payment processor.
adyen	Global developer of multi-channel payment platforms.

2 Healthcare 20%

Ageing population underpinning demand for healthcare services

PORTFOLIO EXAMPLES

LANDMARK HEALTHPLAN	Provider of home-based medical care services.
OMNI	Ophthalmology and optometry referring practice providing a full range of specialty services and advanced treatment for eye diseases.

Growing demand for speciality pharmaceutical products

PORTFOLIO EXAMPLES

EUSAPharma	A speciality pharmaceutical company focused on oncology, rare diseases and pain treatment and supportive care.
KD Pharma Creating Health Solutions	Global leader in manufacturing pharmaceutical grade Omega 3.

Burgeoning demand for healthcare services in emerging economies

PORTFOLIO EXAMPLES

维健医药	Leading Chinese contract sales organisation ("CSO") company in the pharmaceuticals sector.
DIAGNOSTYKA	Poland's largest network of medical laboratories offering a wide range of laboratory analyses.

3 Consumer 15%

Robust consumer staple businesses with strong market positions

PORTFOLIO EXAMPLES

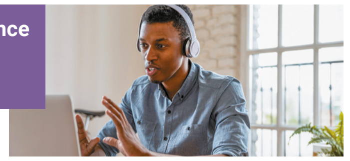
PROFI	Dominant convenience supermarket chain with more than 1,250 stores across Romania.
ACTION	Leading non-food discount retailer in Europe.

Unabated growth in demand for e-commerce

PORTFOLIO EXAMPLES

allegro	Leading B2C and C2C e-commerce platform in Poland which connects third-party merchants/vendors and buyers.
chewy	Online retailer of pet food and other pet-related products.

Education providers experience strong continued demand for services

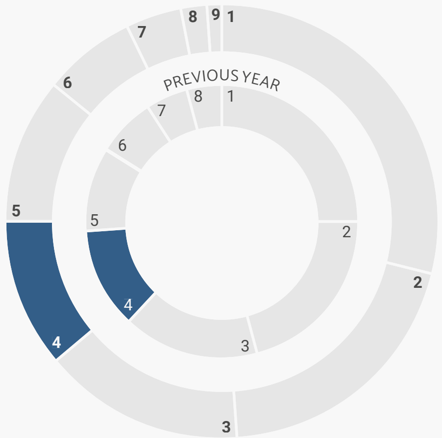


PORTFOLIO EXAMPLES

RENAISSANCE	Provider of educational software solutions.
APOLLO EDUCATION GROUP	Provides online and on-campus higher education services.

Sector themes

Company sectors[1]



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9	Others	1%

1 The company sector chart is based upon underlying company valuations as at 31 March 2021 and accounts for 100% of PIP's overall portfolio value.

4 Financials

11%

Sustained demand for trust and custody services

PORTFOLIO EXAMPLES

VISTRA — An integrated provider of customised trust, fund and corporate services worldwide.

Millennium Trust Company — Provides asset management, complex custodian and other financial services.

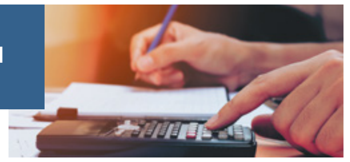
Consolidation of fragmented insurance market

PORTFOLIO EXAMPLES

Charles Taylor — Provides insurance services, claims and technology solutions.

HUB International — North American insurance brokerage firm.

Growing companies that provide loans to underserved end-user markets



PORTFOLIO EXAMPLES

CLIX — Provides non-banking financial services in India.

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

LONG-TERM PERFORMANCE

The premium outdoor experience, enhanced by technology

Sandaya

PROCEEDS	£3.5m	SECTOR	Consumer
MANAGER	Apax Partners SA	GEOGRAPHY	Europe
TYPE	Primary	EXIT TYPE	Secondary buyout
STAGE	Mid-market buyout		
VINTAGE	2016		

Sandaya is a premium outdoor leisure and hospitality group with 29 four and five-star campgrounds in France, Belgium and Spain.

WHY INVEST

Sandaya was already a successful business when Apax Partners SA invested in the company, with full control over the value chain (land, operations, marketing). Apax Partners SA identified an opportunity to further enhance Sandaya's operations and profitability through digitalisation, and to use Sandaya as a platform for consolidating the highly fragmented campsite market in Europe.

OUR RELATIONSHIP

Pantheon has a long-standing relationship with Apax Partners SA dating back to the early 2000s and has completed multiple co-investments alongside the manager. Pantheon sits on the advisory boards of three Apax Partners SA funds.

ACTIVE MANAGEMENT AND VALUE CREATION

Apax Partners SA monitored Sandaya for three years prior to investing in the company. Having developed a close relationship with its Founder & CEO over the years, Apax Partners SA was able to run an efficient due diligence process and submit a bid two weeks prior to the deadline.

Under Apax Partners SA ownership, the company:

- Acquired 21 additional campsites.
- Increased digital sales to 70% (vs. 30% at entry) by strengthening Sandaya's digital marketing capabilities and the relaunch of its website.
- Increased international customer sales by 315% through distribution partnerships and branding campaigns in the Netherlands, Germany and the UK.
- Showed strong resilience during the COVID-19 crisis, significantly outperforming its peers in 2020 with a limited 10% decrease in like-for-like revenues (vs. 20% for the sector).

EXIT

Sandaya was acquired by InfraVia Capital Partners in March 2021.

70%
digital sales as a percentage of total revenue (30% at the time of entry)

+315%
increase in international customer sales under private equity ownership

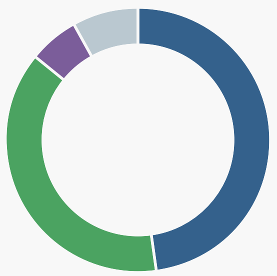
Distributions

PIP received more than 1,000[1] distributions during the year, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio is expected to continue to generate significant distributions.

Distributions by region and stage

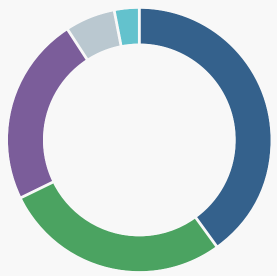
PIP received £319m (31 May 2020: £228m) in proceeds from PIP's portfolio in the year to 31 May 2021 equivalent to 22%[2] of opening private equity assets (31 May 2020: 17%). The USA accounted for the majority of PIP's distributions, where market conditions supported a good level of exits, particularly from buyouts.

Distributions by region



USA	48%
Europe	38%
Global	6%
Asia and EM	8%

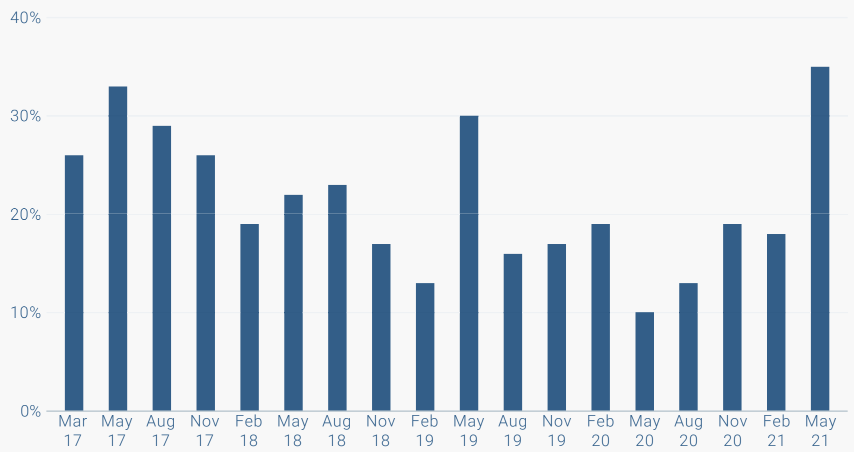
Distributions by stage



Small/mid buyout	40%
Large/mega buyout	28%
Growth	23%
Venture	6%
Special situations	3%

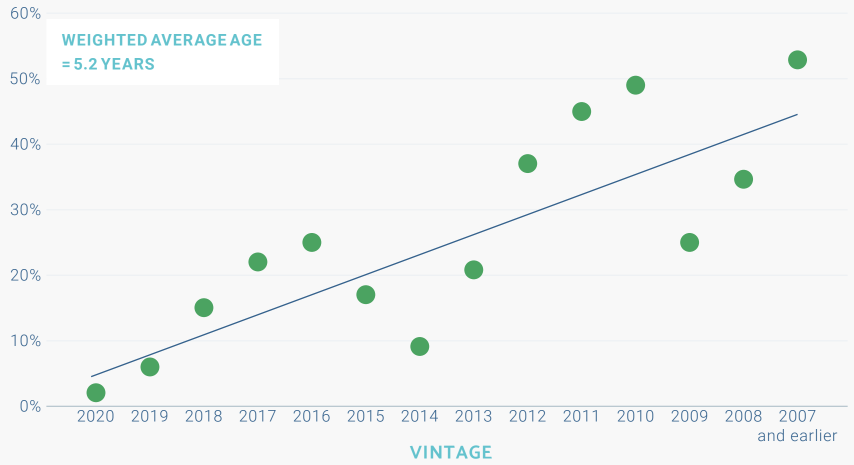
Quarterly distribution rates

- Distribution rate equals distributions in the period (annualised) divided by opening portfolio value.
- Strong quarterly distribution rates reflect the maturity of PIP's portfolio.
- Recovery in annualised distribution rate in the latter half of the financial year.



Distribution rates by vintage

With a weighted average fund maturity of 5.2 years[3] (31 May 2020: 5.1 years), PIP's portfolio should continue to generate significant levels of cash.



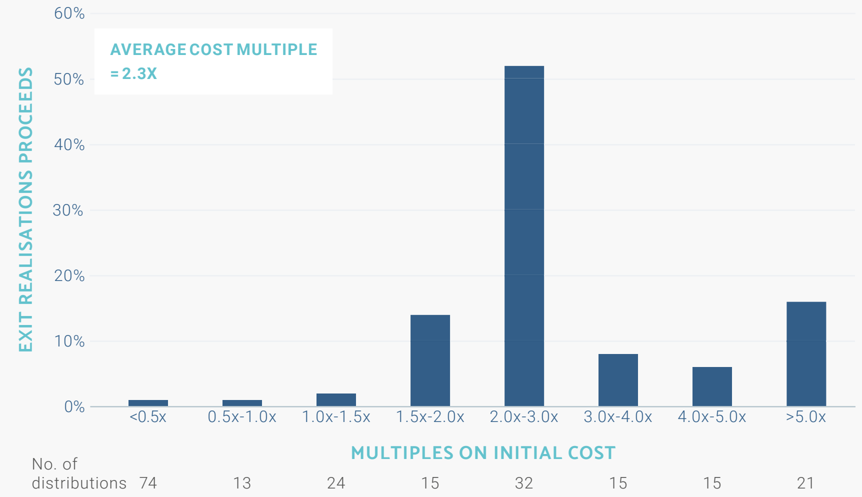
1 This figure looks through feeders and funds-of-funds.

2 Including distributions attributable to the Asset Linked Note, the distribution rate for the year was 23% (31 May 2020: 18%).

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

Cost multiples on exit realisations for the year to 31 May 2021[1]

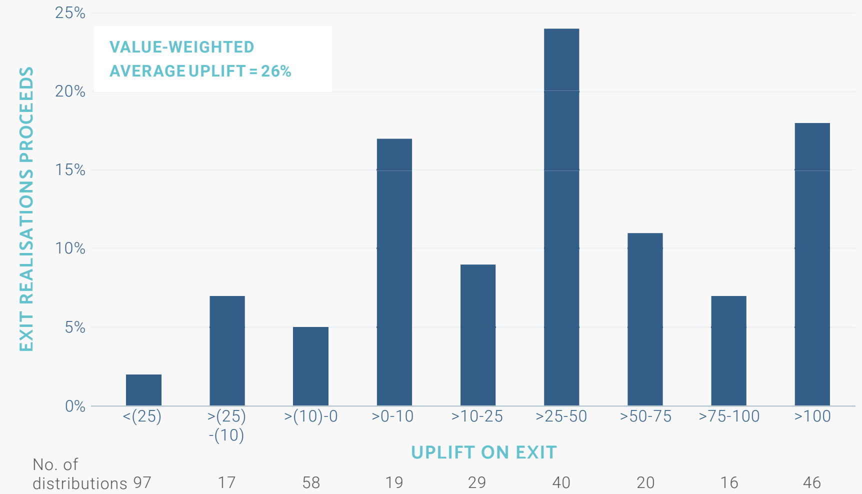
The average cost multiple on exit realisations of the sample was 2.3 times, highlighting value creation over the course of an investment.



Uplifts on exit realisations for the year to 31 May 2021[1]

The value-weighted average uplift on exit realisations in the year was 26%, consistent with our view that realisations can be significantly incremental to returns.

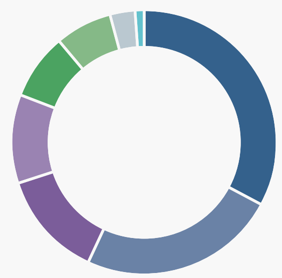
The method used to calculate the average uplift is to compare the value at exit with the value 12 months prior to exit.



Exit realisations by sector and type

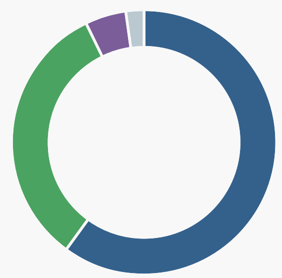
The portfolio benefitted from good realisation activity, particularly in the healthcare and information technology sectors. Trade sales and secondary buyouts represented the most significant source of exit activity during the year. The data in the sample provide coverage for 100% (for exit realisations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

Exit realisations by sector



Healthcare	33%
Information technology	24%
Consumer	13%
Communication services	11%
Financials	8%
Industrials	7%
Materials	3%
Energy	1%

Exit realisations by type



Trade sale	60%
Secondary buyout	33%
Public market sale	5%
Refinancing and recapitalisation	2%

1 See page 134 of the Alternative Performance Measures section for sample calculations and disclosures.

An appetite for significant growth

Signature Foods

PROCEEDS	£14.2m	**SECTOR**	Consumer
MANAGER	IK Investment Partners	**GEOGRAPHY**	Europe
TYPE	Co-investment	**EXIT TYPE**	Secondary buyout
STAGE	Mid-market buyout		
VINTAGE	2016		

Signature Foods (formerly Salad Signature) is a leading branded and private label food franchise offering chilled and packaged spreads, dips, bites, tapas and ready meal solutions. The company has a strong presence in the Benelux region and a rapidly growing European footprint across Poland, France, the UK, Germany and the Nordics. Headquartered in the Netherlands, Signature Foods employs over 600 people across seven manufacturing sites in the Netherlands, Belgium and Poland.

WHY INVEST

As the leading branded staple food provider in the Benelux region, Signature Foods was well positioned to tap into the growing addressable market for dips and salads. Together, the management of Signature Foods and IK Investment Partners ("IK"), identified a number of near-term acquisitions opportunities to expand Signature Foods' product offering and generate operational synergies.

OUR RELATIONSHIP

Pantheon has an established relationship with IK, dating back to the early 2000s. Pantheon is a primary investor in eight IK funds and has also acquired secondary interests in several IK funds. In addition, Pantheon has participated in a number of co-investments alongside the manager. Pantheon is an Advisory Board member in six IK funds.

ACTIVE MANAGEMENT AND VALUE CREATION

During IK's ownership, Signature Foods doubled in size on the back of robust organic growth and a dynamic buy-and-build strategy. IK, together with the management team, developed the company through the following value creation initiatives:

- Expanded into adjacent product categories by capitalising on the strength of its branded and private label products in order to continue the company's successful track record of above-market organic growth.
- Completed four add-on acquisitions to gain access to the faster growing dips and bites market in the Benelux region and to create a footprint in the attractive Polish market.
- Achieved cost savings, following investment programmes at two major production sites.

EXIT

Signature Foods was acquired by Pamplona Capital Management in December 2020.

4
add-on acquisitions completed

600+
employees across seven manufacturing sites in the Netherlands, Belgium and Poland

LONG-TERM PERFORMANCE

Partnering with a leading manager to participate in the growth of exciting companies

Providence Equity Partners

PROVIDENCE EQUITY

Providence Equity Partners ("PEP") is a leading private equity firm focused on growth and traditional buyout investments in media, communications, education and information services. Since its inception in 1989, PEP has invested nearly $45bn in over 170 companies globally. PEP prefers to be the lead investor in its portfolio companies and occupies at least one board seat so that it can proactively work with management teams to accomplish key company initiatives.

Since its founding in 1989, Providence has utilised a sector-focused approach that has helped establish it as one of the leading investment franchises in its core sectors. Building platform companies is the centerpiece to Providence's value creation strategy and the manager continues to acquire attractive base businesses that stand to benefit from accelerated growth and product expansion through accretive M&A.

Providence has over 50 investment professionals operating out of three main offices in Providence, Rhode Island, London and New York. The firm has additional offices in Hong Kong, Singapore, Houston and Boston.

OUR RELATIONSHIP

Pantheon has a well-established relationship with Providence Equity Partners with primary and secondary fund investments dating back to 2004. Pantheon has also participated in several co-investments alongside PEP.

c.$45bn
invested in over 170 companies globally

50+
investment professionals operating out of three offices in Providence, London and New York

LONG-TERM PERFORMANCE

Exceptional gaming experiences

ZeniMax Media

PROCEEDS	£17.5m
TYPE	Secondary
STAGE	Large buyout
VINTAGE	2007
SECTOR	Communication services
GEOGRAPHY	USA
EXIT TYPE	Trade sale

ZeniMax Media is a leading independent developer, publisher and distributor of video games and other interactive content for consoles, personal computers, handheld and mobile devices.

WHY INVEST

- High growth market driven by technological proliferation and increased consumer spending on gaming products.
- Existing portfolio of critically acclaimed, commercially successful gaming franchises.
- Experienced and innovative team with a long history of creating and selling premium video game titles to a worldwide market.
- Acquisition platform to consolidate a fragmented market.

VALUE CREATION TIMELINE

- **2007** Providence Equity Partners made an initial investment in ZeniMax Media via PEP VI
- **2009-2010** ZeniMax acquired four game developers with strong franchises. PEP made a further investment in ZeniMax
- **2011-2012** Expanded product portfolio by releasing some of the most successful video games at the time (Fallout Vegas, Elder Scrolls and Dishonored)
- **2015** Launched first mobile game, Fallout Shelter
- **2016-2020** Continued with new product launches, including the launch of a highly anticipated online multiplayer game
- **March 2021** ZeniMax Media was acquired by Microsoft in March 2021

LONG-TERM PERFORMANCE

A reputable, international higher education brand

Galileo Global Education

PROCEEDS	£17.4m
TYPE	Secondary
STAGE	Medium buyout
VINTAGE	2011
SECTOR	Consumer Discretionary
GEOGRAPHY	Europe
EXIT TYPE	Secondary buyout

Galileo is the largest private, for-profit tertiary education group in Europe, with 100,000 students across 88 campuses in 13 different countries.

WHY INVEST

- Growing demand for higher education and continued migration from public to private sector institutions.
- High quality platform underpinned by accreditations, well-reputed brands and good employability outcomes.
- Resilient business model characterised by low capex and stable revenue driven by multi-year courses.
- Opportunity to execute on a buy-and-build strategy in the fragmented higher education sector.

VALUE CREATION TIMELINE

- **2011** Galileo was founded by Raph Appaddoo in partnership with Providence Equity Partners. The manager's initial investment was made via PEP VI
- **April 2018** Investor consortium including PEP acquired Galileo. Shortly after the deal closed, Galileo acquired Comptalia, a French leader in the provision of online courses
- **2019** Galileo continued its consolidation strategy with six new bolt-on acquisitions in France. In addition, Galileo improved its capital structure by upsizing its term loan at more attractive terms
- **March 2021** Galileo was acquired by a consortium led by Canada Pension Plan Investment Board

Top 50 distributions

No.	Company	Country	Sector	Description	Total proceeds (£m)
1	ZeniMax Media	USA	Communication services	Interactive entertainment content provider	17.5
2	Galileo Global Education	Luxembourg	Consumer	Global post-secondary education platform	17.4
3	AAD Dermatology	USA	Healthcare	Provider of dermatology practice management services	17.3
4	Signature Foods	Netherlands	Consumer	Manufacturer of spreads and other convenience food items	14.2
5	Abacus Data Systems	USA	Information technology	Developer of legal practice management software	14.2
6	Colisée	France	Healthcare	Operator of nursing home facilities	12.7
7	JFrog	Israel	Information technology	Software development platform provider	7.4
8	Nexi	Italy	Information technology	Card and payment services company	7.2
9	Therapy Brands	USA	Information technology	Provider of practice management software for the healthcare industry	7.0
10	CPG International	USA	Industrials	Manufacturer of building products	6.1
11	Shift4 Payments	USA	Information technology	Provider of payment processing solutions	5.8
12	ConnectYourCare	USA	Healthcare	Provider of healthcare account administration services	5.7
13	Adyen	Netherlands	Information technology	Payment processing platform	4.8
14	NIBC Bank	Netherlands	Financials	Corporate and retail bank	4.8
15	Allegro	Poland	Consumer	Online marketplace	4.6
16	Advanced Micro-Fabrication	China	Information technology	Manufacturer of semi-conductor equipment	4.4
17	Apollo Education	USA	Consumer	Provider of continuing education programmes	4.3
18	Itasa	Spain	Materials	Manufacturer of silicone liners	3.9
19	Valet Waste	USA	Industrials	Provider of cleaning and sanitation services	3.6
20	Sandaya	Europe	Consumer	Premium outdoor leisure and hospitality group	3.5
21	Allworth Financial	USA	Financials	Investment management company	3.3
22	Cognate BioServices	USA	Healthcare	Biotechnology and research company	3.1
23	OB Hospitalist Group	USA	Healthcare	Provider of physician support services	2.9
24	Verisure	Switzerland	Industrials	Manufacturer of alarm systems	2.8
25	Integer	Poland	Industrials	Provider of postal and courier services	2.8
26	Compagnie Européenne de Prévoyance	France	Financials	Credit protection insurance broker	2.7
27	CrowdStrike	USA	Information technology	Security software company	2.7
28	Elite SEM	USA	Communication services	Search engine marketing agency	2.6
29	HelloFresh	Germany	Consumer	Food box delivery company	2.6
30	TotalMobile	UK	Information technology	Provider of mobile working solutions	2.5
31	Web Services Integration	UK	Information technology	Web services integration company	2.2
32	CarpetVista	Sweden	Consumer	Carpet retailer	2.1
33	Delivery Hero	Germany	Information technology	Food delivery service company	2.1
34	Landmark Health	USA	Healthcare	Provider of home-based medial care services	2.1
35	Visma	Norway	Information technology	Provider of business software solutions	2.1
36	Xplornet	Canada	Communication services	Internet and hosting services provider	2.0
37	Cargounit	Poland	Industrials	Provider of locomotive leasing services	1.9
38	Crump Energy Partners	USA	Energy	Oil and gas company	1.8
39	Elektroimportøren	Norway	Consumer	Distributor of electrical goods	1.8
40	Arbonne/NPG	USA	Consumer	International multi-level marketing company	1.8
41	Wayfair	USA	Consumer	Online furniture retailer	1.8
42	Tribute Technology	USA	Information technology	Payment platform for funeral homes	1.7
43	QUESTEL	France	Information technology	Provider of enterprise collaboration software	1.7
44	Netflix	USA	Communication services	Internet television subscription services company	1.7
45	Kaspi Bank	Kazakhstan	Financials	Commercial bank	1.7
46	Tenable Network Security	USA	Information technology	Developer of network vulnerability assessment solutions	1.7
47	Thycotic	USA	Information technology	Developer of password management software	1.7
48	eSolutions	USA	Healthcare	Provider of healthcare data analytics solutions	1.6
49	Adare Pharmaceuticals	USA	Healthcare	Pharmaceutical company	1.6
50	Indus Towers	India	Communication services	Telecommunication tower operator	1.6
	TOTAL				**231.1**
	COVERAGE OF TOTAL DISTRIBUTIONS				**72%**

ZeniMax

Interactive entertainment content provider

Signature Foods

Manufacturer of spreads and other convenience food items

Sandaya

Premium outdoor leisure and hospitality group

Verisure

Manufacturer of alarm systems

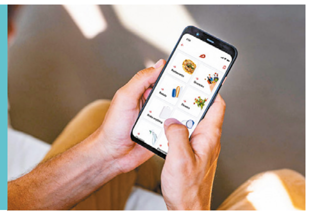
Integer

Provider of postal and courier services

HelloFresh

Food box delivery company

Delivery Hero



Food delivery service company

Wayfair

Online furniture retailer

Netflix

Internet television subscription services company

Adyen

Payment processing platform

Calls

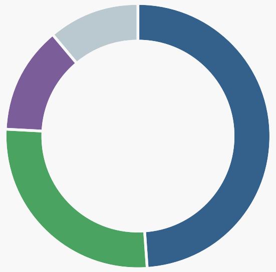
Calls during the year were used to finance investments in businesses such as application software, education services and specialty pharmaceutical companies. In addition, our managers sought to make attractively priced add-on acquisitions for existing platform companies.

Calls by region and stage

PIP paid £120m (31 May 2020: £118m) to finance calls on undrawn commitments during the year.

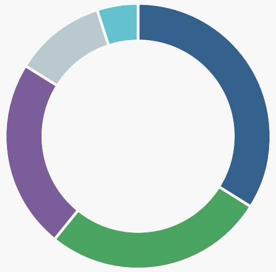
Calls were predominantly made by private equity managers in the growth and buyout segments.

Calls by region



USA	49%
Europe	27%
Asia and EM	13%
Global	11%

Calls by stage

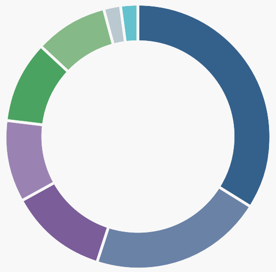


Growth	34%
Large/mega buyout	27%
Small/mid buyout	23%
Special situations	11%
Venture	5%

Calls by sector

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

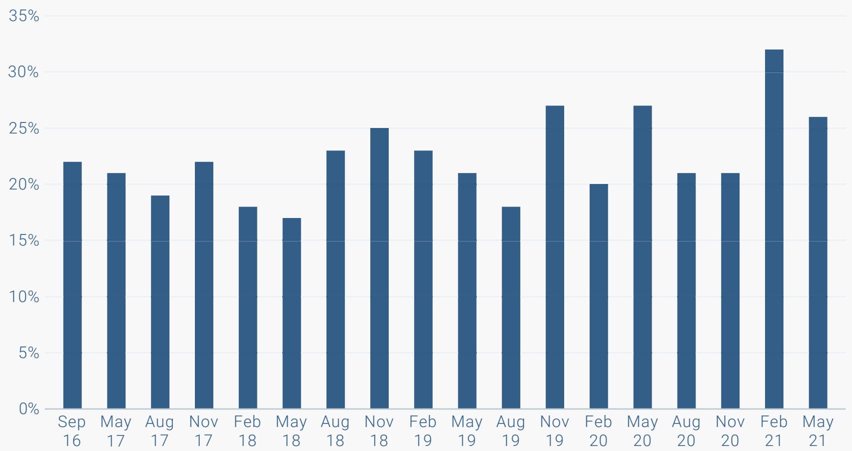
Calls by sector



Information technology	34%
Healthcare	21%
Consumer	12%
Financials	10%
Industrials	10%
Communication services	9%
Energy	2%
Materials	2%

Quarterly call rate[1]

The annualised call rate for the year to 31 May 2021 was equivalent to 22% of opening undrawn commitments (31 May 2020: 23%).



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

New commitments

PIP committed £240m to 33 new investments during the year (31 May 2020: £245m, 44 new investments). Of the total commitments made, £76m (31 May 2020: £109m) was drawn at the time of purchase. Since the period end, PIP has committed a further £14m to 5 new investments.

Our investment process

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

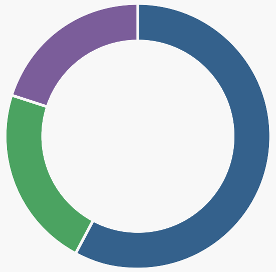
Within our diversified portfolio, we back the best managers globally that are able to identify and create value in growing companies.

Cash generated when those companies are sold is returned to PIP and redeployed into new investment opportunities.

New commitments by investment type

New commitments during the year reflected the attractiveness of opportunities across the spectrum of PIP's investment activity.

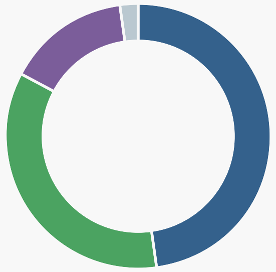
PIP committed £109m to manager-led secondaries via the Pantheon Secondary Opportunities Fund ("PSOF").



Secondary	58%
Co-investment	22%
Primary	20%

New commitments by region

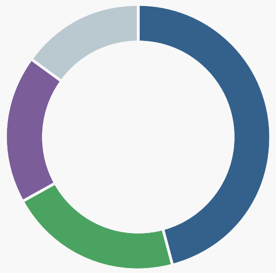
Regional splits during the year reflect PIP's commitment to PSOF. We continue to see strong deal activity across PIP's core US and European markets.



Global	48%
USA	35%
Europe	15%
Asia and EM	2%

New commitments by stage

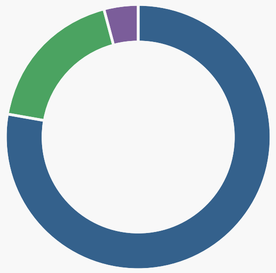
The majority of new commitments made in the year were in the generalist segment as a result of the commitment to PSOF. Growth and buyout investment activity was robust during the period.



Generalist	46%
Growth	21%
Small/mid buyout	18%
Large/mega buyout	15%

New commitments by vintage

Primaries, co-investments and manager-led secondaries, which accounted for 96% of total commitments during the year offer exposure to current vintages.



2021	78%
2020	18%
2019 and earlier	4%

New commitments

Secondary commitments

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

Manager-led secondary commitments

£129m committed to five manager-led secondary transactions during the year

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

2021 examples[1]

Region	Stage	Description	Commitments £m	Funded %[2]
Europe	Small/mid buyout	Radiopharmaceuticals company	7.2	76%
Global	Small/mid buyout	Manufacturer of fire protection products	5.0	88%
Global	Generalist	Pantheon fund focused on single asset secondary transactions	108.7	5%

Secondary fund commitments

£10m committed to two secondary fund transactions during the year

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

2021 examples[1]

Region	Stage	Description	Commitments £m	Funded %[2]
Europe	Small/mid buyout	UK mid-market buyout fund	5.0	74%
USA	Growth	Portfolio of eight US-based funds	4.7	49%

Primary commitments

£48m committed to seven primaries during the year

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

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

2021 examples

Fund	Stage	Description	Commitments £m
Balderton Growth Fund I	Growth	Technology-focused European growth fund	15.1
Hellman & Friedman X	Large/mega buyout	US-based large buyout fund	10.9
Shamrock Capital Growth Fund V	Growth	North American growth equity fund	9.8
Insight Venture Partners X Follow-On Fund	Growth	US growth fund established to make follow-on investments in predecessor fund portfolio companies	7.2

1 Companies and funds acquired in secondary transactions are not named due to non-disclosure agreements.
2 Funding level does not include deferred payments.

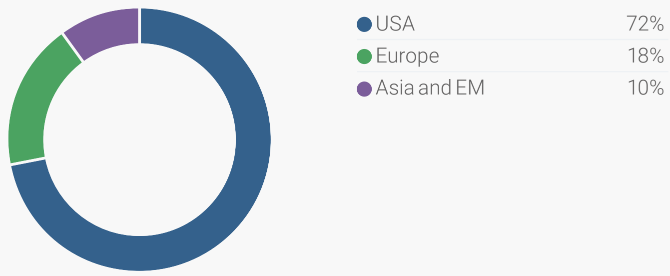
Co-investments

£53m committed to 19 co-investments during the year

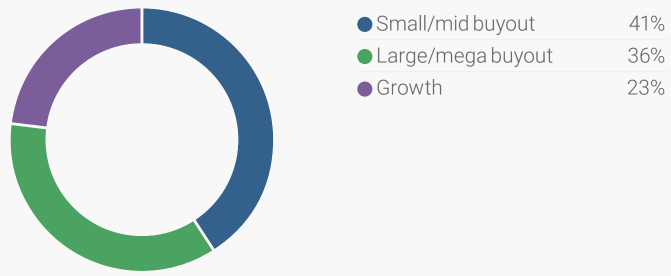
PIP's co-investment programme benefits from Pantheon's extensive primary investment platform which has enabled PIP to participate in proprietary deals that would otherwise be difficult to access.

PIP invests alongside private equity managers who have the sector expertise to source and acquire attractively priced companies and build value through operational enhancements, organic growth and buy-and-build strategies. The information technology sector offered compelling investment opportunities during the period.

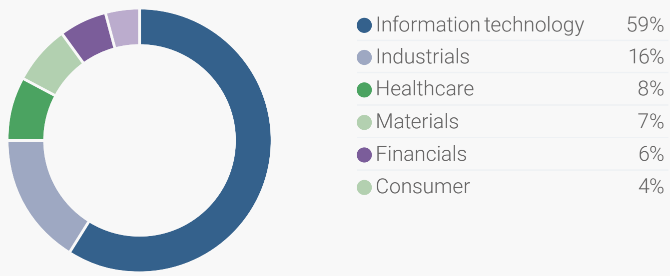
New co-investments by region



New co-investments by stage



New co-investments by sector



PROACTIVE

Making more digital transactions happen

Appetize Technologies

COMMITMENT £1.5m
MANAGER Shamrock Capital Advisors
TYPE Co-investment
STAGE Growth equity
SECTOR Information technology
GEOGRAPHY USA

Appetize Technologies is a provider of cloud-enabled point of sale, digital ordering and enterprise management software for multi-unit restaurants, sports and entertainment venues, education campuses, convention centres, theme parks, travel and leisure attractions, and more.

WHY INVEST

Appetize Technologies' business model is based on long-term contracts with a stable enterprise client base. Shamrock Capital Advisors ("Shamrock") saw an opportunity to invest in a business exhibiting multiple avenues for growth through increased channel penetration, cross-selling and international expansion.

Shamrock has a deep knowledge of the company, having owned Appetize Technologies through a prior fund.

OUR RELATIONSHIP

Pantheon has an active co-investment relationship with Shamrock Capital Advisors and PIP, through the Pantheon platform, has completed four co-investments alongside the manager.

ACTIVE MANAGEMENT

Pantheon was one of two co-investors approached by Shamrock due to the deal complexity and the speed of execution required.

PROACTIVE

An established leader in biosecurity

Kersia

COMMITMENT £3.8m
MANAGER IK Investment Partners
TYPE Co-investment
STAGE Mid-market buyout
SECTOR Healthcare
GEOGRAPHY Europe

Kersia was founded in 1985 as a subsidiary of Groupe Roullier. The company is a leading European provider of biosecurity, disinfection and hygiene solutions for the food and beverage, farm and healthcare industries. Headquartered in Dinard, France, Kersia operates 23 manufacturing sites and has approximately 1,800 employees.

WHY INVEST

As a leading manufacturer servicing non-cyclical end markets with stable growth prospects, Kersia has an attractive business model with demand driven by heightened regulation and established positions in key markets. IK Investment Partners ("IK") has prior experience in the healthcare sector and the biosecurity market in particular, with a strong focus on deal origination. Given the fragmented market and current consolidation trend, further buy-and-build to accelerate growth is anticipated. Company management has a track record of successfully integrating businesses.

OUR RELATIONSHIP

Pantheon has an established relationship with IK, dating back to the early 2000s. Pantheon is a primary investor in eight IK funds and has acquired secondary interests in several IK funds. In addition, Pantheon has participated in a number of co-investments alongside the manager. Pantheon is an Advisory Board member in six IK funds.

ACTIVE MANAGEMENT AND VALUE CREATION

Together with the management team, IK has continued to develop the company through the following value creation initiatives:

- Implemented cross-selling and operational excellence initiatives.
- Completed add-on acquisitions shortly after closing the deal (Sopura and Bio Armor).

PROACTIVE

Spurring innovation in medical devices

North American Science Associates

COMMITMENT	£1.9m
MANAGER	ArchiMed
TYPE	Co-investment
STAGE	Small buyout
SECTOR	Healthcare
GEOGRAPHY	USA

NAMSA®

North American Science Associates ("NAMSA") is a contract research organisation ("CRO") which provides outsourced research and development services to medical device companies. The company offers product development strategy, medical device testing, regulatory and quality control testing, and clinical research services to its clients. NAMSA has approximately 980 employees and a customer base including the top 30 medical device companies.

WHY INVEST

The depth and breadth of NAMSA's scientific, medical and regulatory expertise is widely recognised by the medical device industry. The company is well positioned to benefit from growing regulatory complexity and the resulting trend towards outsourcing.

ArchiMed is a healthcare-focused manager with sub-sector level knowledge and expertise that enables the sourcing of proprietary deals.

OUR RELATIONSHIP

Pantheon established a co-investment relationship with ArchiMed after completing a manager-led secondary transaction with the private equity manager.

ACTIVE MANAGEMENT

ArchiMed has an extensive deal sourcing network and, at the time of the transaction, already had a pipeline of near-term potential add-on acquisitions for NAMSA. As a consequence, two accretive add-on acquisitions were completed less than six months after the initial investment.

The manager has also pushed forward with plans to strengthen management team capabilities and further align incentive plans. A new CEO was appointed in April 2021. He is a former Operating Partner of ArchiMed.

2

accretive add-on acquisitions completed less than six months after the initial investment

Buyout analysis[1]

Revenue and EBITDA growth

Weighted average revenue and EBITDA growth of 12.8% and 20.2% respectively for PIP's sample buyout companies continued to exceed growth rates seen among companies that constitute the MSCI World Index. Strong top-line performance, disciplined cost control and good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

Valuation multiple

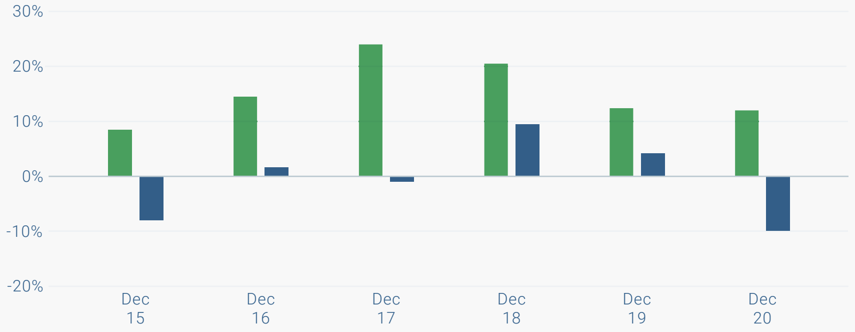
Accounting standards require private equity managers to value their portfolios at fair value. Public market movements can be reflected in valuations.

PIP's sample-weighted average Enterprise Value (EV)/EBITDA was 16.1 times, compared to 12.3 times and 16.8 times for the FTSE All-Share and MSCI World indices respectively.

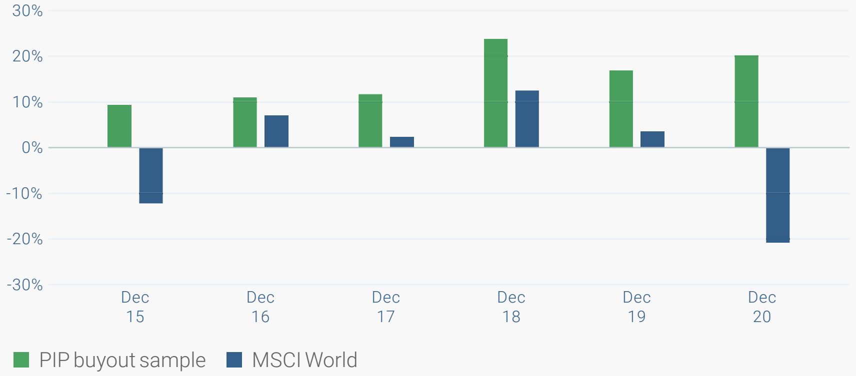
PIP invests proportionately more in high-growth sectors such as information technology and healthcare, and these sectors tend to trade at a premium to other sectors.

PIP's sample valuation multiple of 16.1 times should be considered in the context of the buyout sample's underlying growth rates relative to the MSCI World Index.

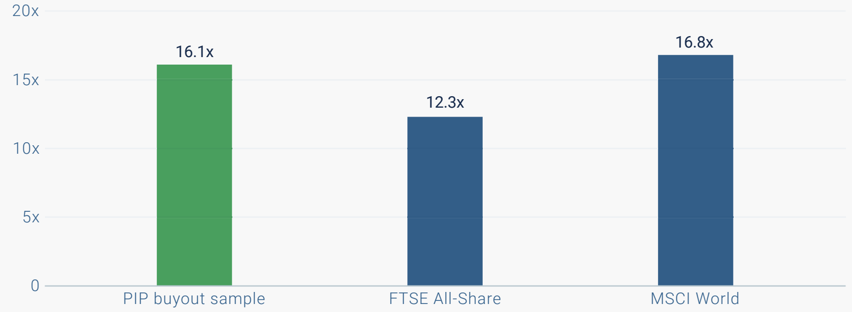
Annual revenue growth



Annual EBITDA growth



Valuation multiple

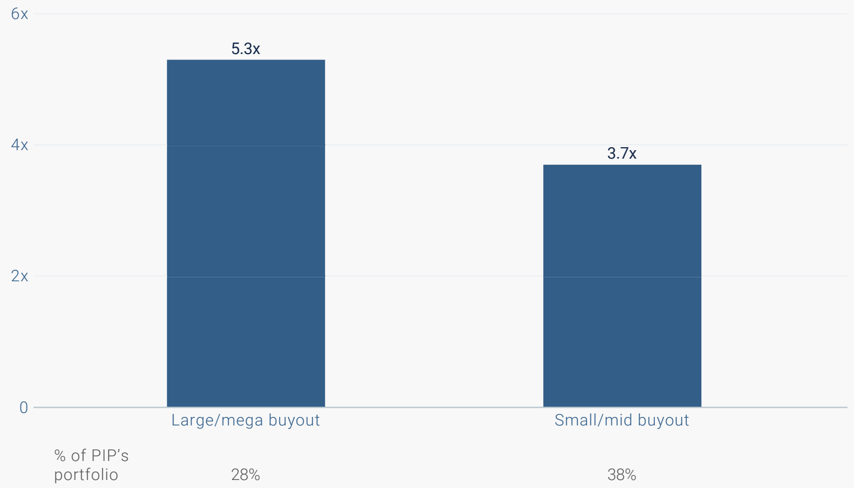


Debt multiples

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

The venture and growth portfolio has little or no reliance on leverage.

Debt/EBITDA multiple



1 The sample buyout figures for the 12 months to 31 December 2020 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI and FTSE data was sourced from Bloomberg. See page 134 of the Alternative Performance Measures section for sample calculations and disclosures.

Other information
The largest 50 managers by value

Rank	Manager	Region[1]	Stage bias	% Of total private equity asset value[2]
1	Insight Partners	USA	Growth	7.1%
2	Essex Woodlands	USA	Growth	3.7%
3	Providence Equity Partners	USA	Buyout, Growth	3.1%
4	Index Ventures	Europe	Venture, Growth	2.8%
5	Apax Partners SA	Europe	Buyout	2.7%
6	Baring Private Equity Asia	Asia and EM	Growth	2.6%
7	Veritas Capital	USA	Buyout	2.5%
8	Advent International	Global	Buyout	2.1%
9	Mid-Europa Partners	Europe	Buyout	2.0%
10	BC Partners	Europe	Buyout	1.9%
11	LYFE Capital	Asia and EM	Growth	1.8%
12	Parthenon Capital	USA	Buyout	1.7%
13	Hg	Europe	Buyout	1.7%
14	ABRY Partners	USA	Buyout	1.6%
15	Warburg Pincus Capital	Global	Growth	1.4%
16	Hellman & Friedman	USA	Buyout	1.3%
17	Ares Management	USA	Buyout	1.3%
18	Searchlight Capital Partners	Global	Special situations	1.2%
19	Gemini Capital	Europe	Venture	1.2%
20	Calera Capital	USA	Buyout	1.2%
21	Clearlake Capital Group	USA	Buyout	1.2%
22	Summa Equity	Europe	Buyout, Growth	1.2%
23	Energy Minerals Group	USA	Special situations	1.1%
24	Texas Pacific Group	USA	Buyout	1.1%
25	HIG Capital	USA	Buyout	1.1%
26	Oak HC/FT	USA	Growth	1.1%
27	Quantum Energy Partners	USA	Special situations	1.0%
28	Shamrock Capital Advisors	USA	Buyout	1.0%
29	Francisco Partners	USA	Buyout	1.0%
30	IK Investment Partners	Europe	Buyout	1.0%
31	Lee Equity Partners	USA	Growth	1.0%
32	NMS Management	USA	Buyout	1.0%
33	Equistone Partners Europe	Europe	Buyout	1.0%
34	Altor Capital	Europe	Buyout	1.0%
35	Growth Fund[3]	USA	Growth	0.9%
36	Charlesbank Capital Partners	USA	Buyout	0.8%
37	Apollo Advisors	USA	Buyout	0.8%
38	PAI Partners	Europe	Buyout	0.8%
39	ECI Partners	Europe	Buyout	0.8%
40	Horizon Capital	Europe	Buyout	0.8%
41	IVF Advisors	Asia and EM	Buyout	0.8%
42	Growth Fund[3]	USA	Growth	0.7%
43	Sageview Capital	USA	Growth	0.7%
44	TPG Asia	Asia and EM	Buyout	0.7%
45	Madison India Capital	Asia and EM	Buyout	0.7%
46	Ergon Capital Partners	Europe	Buyout	0.6%
47	Marguerite	Europe	Special situations	0.6%
48	Idinvest Partners	Europe	Growth	0.6%
49	Avenue Broadway Partners	Europe	Buyout	0.6%
50	Chequers Partenaires	Europe	Buyout	0.6%
COVERAGE OF PIP'S PRIVATE EQUITY ASSET VALUE[2]				**71.2%**

1 Refers to the regional exposure of funds.
2 Percentages look through feeders and fund-of-funds and excludes the portion of the reference portfolio attributable to the ALN.
3 The private equity manager does not permit the Company to disclose this information.

The largest 50 companies by value[1]

	Company	Country	Sector	Description	% of PIP's NAV
1	EUSA Pharma[2]	UK	Healthcare	Develops and licenses oncology products	3.0%
2	Chewy[2,3]	USA	Consumer	Pet food manufacturer	1.3%
3	Omni Eye Services	USA	Healthcare	Provider of ophthalmology services	0.9%
4	Asurion[2]	USA	Financials	Mobile phone insurance company	0.9%
5	Visma[2]	Norway	Information technology	Provider of business software solutions	0.8%
6	Software Company[2,4]	USA	Information technology	Security management solutions provider	0.8%
7	Recorded Future[2]	USA	Information technology	Cybersecurity software company	0.7%
8	JFrog[2,3]	Israel	Information technology	Offers software development platforms	0.7%
9	Olink[3]	Sweden	Healthcare	Biotechnology company	0.7%
10	Ascent Resources[2]	USA	Energy	Oil and gas exploration company	0.7%
11	Marlink[2]	France	Communication services	Satellite communications company	0.6%
12	Allegro[2,3]	Poland	Consumer	Online marketplace	0.6%
13	Star Health[2]	India	Financials	Health insurance provider	0.6%
14	Froneri[2]	UK	Consumer	Ice cream and frozen food manufacturer	0.6%
15	Squarespace	USA	Information technology	Developer of content management systems	0.6%
16	svt	Germany	Industrials	Manufacturer of fire protection products	0.6%
17	Vistra[2]	Hong Kong	Financials	Provider of trust and fund services	0.6%
18	Atria Convergence Technologies	India	Communication services	Broadband and cable TV provider	0.5%
19	Kaspi Bank[3]	Kazakhstan	Financials	Commercial bank	0.5%
20	Kyobo Life Insurance	South Korea	Financials	Life insurance company	0.5%
21	ALM Media[2]	USA	Communication services	Content provider to the legal industry	0.5%
22	Action	Netherlands	Consumer	Non-food discount stores	0.5%
23	Alion Science and Technology[2]	USA	Industrials	Systems engineering company	0.5%
24	LogicMonitor[2]	USA	Information technology	Managed IT service provider	0.5%
25	Virence Health Technologies	USA	Healthcare	Developer of software for healthcare applications	0.5%
26	Arnott Industries[2]	USA	Consumer	Manufacturer of vehicle suspension products	0.5%
27	Imeik Technology	China	Healthcare	Biotechnology company	0.5%
28	CallRail[2]	USA	Information technology	Mobile data analytics company	0.4%
29	Profi Rom[2]	Romania	Consumer	Supermarket chain	0.4%
30	WalkMe	USA	Information technology	Provider of digital platform integration solutions	0.4%
31	KD Pharma[2]	Germany	Healthcare	Pharmaceutical company	0.4%
32	Apollo Education Group[2]	USA	Consumer	Provider of continuing education programmes	0.4%
33	CPG International[2]	USA	Industrials	Manufacturer of building products	0.4%
34	Flynn Restaurant Group	USA	Consumer	Restaurant franchise	0.4%
35	Mobilitie[2]	USA	Industrials	Operator of wireless infrastructure networks	0.4%
36	Renaissance Learning[2]	USA	Consumer	Developer of educational software products	0.4%
37	Burning Rock Biological Technology[2]	China	Healthcare	Biotechnology company	0.4%
38	OWP Butendiek	Germany	Utilities	Offshore wind farms	0.4%
39	MRO[2]	USA	Healthcare	Provider of disclosure management services	0.4%
40	Paycor[2]	USA	Information technology	Human resources software developer	0.4%
41	Cotiviti	USA	Healthcare	Payment management solutions provider	0.4%
42	Marqeta	USA	Information technology	Prepaid debit and credit card platform	0.4%
43	Shawbrook Bank[2]	UK	Financials	Commercial bank	0.3%
44	Ports America	USA	Industrials	Provider of infrastructure solutions for ports	0.3%
45	Charles Taylor[2]	UK	Financials	Software solutions for the insurance industry	0.3%
46	Software Company[4]	USA	Information technology	Insurance software provider	0.3%
47	Correct Care Solutions[2]	USA	Healthcare	Provider of medical and behavioural health services	0.3%
48	nCino	USA	Information technology	Cloud banking platform developer	0.3%
49	Southern Dental Alliance[2]	USA	Healthcare	Dental service organisation	0.3%
50	HUB International[2]	USA	Financials	Property and casualty insurance company	0.3%
COVERAGE OF PIP'S PRIVATE EQUITY ASSET VALUE					**28.1%**

1 The largest 50 companies table is based upon underlying company valuations at 31 March 2021 adjusted for known call and distributions to 31 May 2021, and includes the portion of the reference portfolio attributable to the ALN.

2 Co-investments/directs.

3 Listed companies.

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

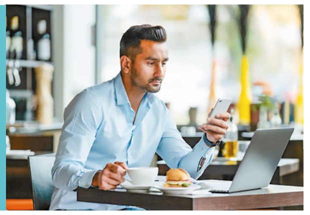
EUSA Pharma

Develops and licenses oncology products

Chewy

Pet food manufacturer

Visma



Provider of business software solutions

JFrog

Offers software development platforms

Froneri

Ice cream and frozen food manufacturer

svt

Manufacturer of fire protection products

Action

Non-food discount stores

Apollo Education Group

Provider of continuing education programmes

Shawbrook Bank

Commercial bank

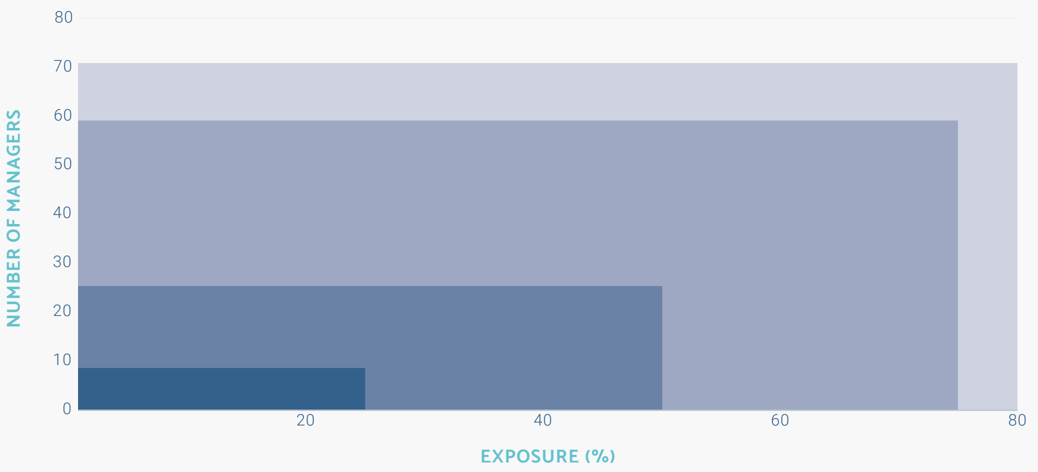
Renaissance Learning

Developer of educational software products

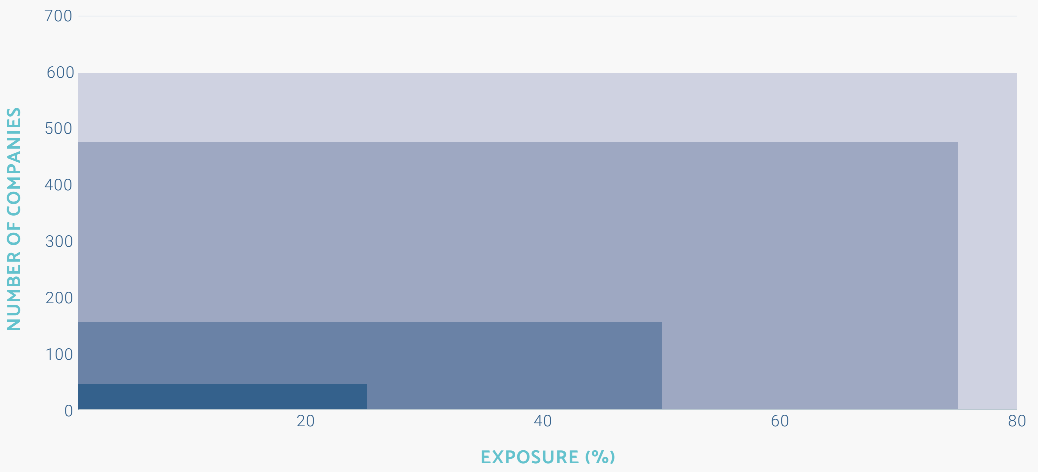
Portfolio concentration

70 managers and 600 companies account for approximately 80% of PIP's total exposure[1].

Portfolio concentration by manager[2]



Portfolio concentration by company[3]



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

Historical data

	NAV[1,2] (£m)	NAV per share[2] (pence)	Ordinary share price (pence)	Private equity portfolio (£m)	Outstanding commitments (£m)
Year ended 31 May 2021	1,865	3,448.4	2,720.0	1,714	528
Financial year[3]					
2020	1,559	2,882.8	2,065.0	1,496	541
2019	1,499	2,770.6	2,225.0	1,450	521
2018	1,307	2,414.9	2,010.0	1,275	440
2017	1,388	2,189.9	1,793.0	1,224	445
2016	1,187	1,873.6	1,285.0	1,072	382
2015	1,000	1,532.4	1,272.0	862	256
2014	902	1,364.2	1,150.0	815	176
2013	903	1,331.9	1,042.0	826	195
2012	845	1,193.5	725.5	800	191
2011	733	1,104.1	714.0	810	243
2010	637	958.7	486.0	763	331
2009	514	773.6	295.3	648	428
2008	736	1,108.7	750.0	806	641
2007	610	919.2	917.5	527	528
2006	441	796.8	726.5	372	365
2005	382	657.9	650.5	315	245
2004	245	572.5	463.0	233	137
2003	221	546.8	447.0	237	158
2002	196	541.6	486.5	175	138
2001	206	669.1	574.0	201	138
2000	161	599.9	457.5	140	77
1999	146	405.6	302.5	78	45
1998	131	368.6	294.5	79	50
1997	117	328.4	270.0	73	47
1996	106	302.5	225.0	48	25
1995	87	255.1	207.5	33	8
1994	47	239.6	176.5	42	7
1993	31	195.5	172.5	28	1
1992	21	139.7	93.5	28	0
1991	21	129.1	86.5	31	1
1990	20	126.7	80.5	32	2
1989	17	120.9	95.0	25	2
1988	12	102.5	75.0	2	0

1 Includes participating loan notes in issue between 2000 and 2004.
2 Historical NAV and NAV per share figures disclosed in the table above relate to adjusted NAV and adjusted NAV per share where applicable.
3 In April 2017, PIP changed its accounting reference date from 30 June to 31 May of each year. Figures for 2017 cover the 11 months to 31 May 2017.

Key Pantheon personnel supporting PIP
















1

Helen Steers

PIP and European Primary Investment. Partner

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

2

Vicki Bradley

Head of Investor Relations for PIP

Joined 2016; Vicki is Head of Investor Relations for PIP. She is also a member of the UK Investor Relations Society Policy Committee. Vicki has over 12 years of investor relations and communications experience with publicly listed companies. Prior to joining Pantheon, she held senior roles at FTSE 100 and FTSE 250 companies as well as at a Dutch-listed investment trust. Vicki is based in London.

3

Maria Candelario

Vice President

Joined in 2014; 12 years of private equity 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. Maria is based in London.

4

Farid Barekati

Senior Product Controller

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

5

Rhoddy Swire

Senior Partner

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

6

Paul Ward

Managing Partner

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

7

Dennis McCrary

Head of Investment. Partner

Joined 2007; 41 years of private markets experience. Dennis is a Partner and Pantheon's Head of Investment with management oversight of the investment team heads. He is a member of Pantheon's Partnership Board, Executive Committee, International Investment Committee, Co-Investment Committee, Global Secondary Investment Committee, U.S. Investment Committee, and Global Credit Committee. Dennis was previously the Head of the U.S. Partnership Team at Adams Street Partners where he was responsible for primary and secondary fund investments and was a member of the firm's global investment committee. Previously, Dennis held several investment banking and principal investing positions with Bank of America and Continental Bank. Dennis is based in San Francisco.

8

Susan Long-McAndrews

U.S. Primary Investment. Partner

Joined in 2002; 26 years of private equity experience. Susan is a Partner in Pantheon's U.S. investment team and leads Pantheon's global business development. She is a member of Pantheon's Partnership Board, Executive Committee, International Investment Committee, the U.S. Investment Committee and is the Chief Executive Officer of Pantheon Securities, LLC. Prior to joining Pantheon, Susan was a principal at Capital Z Partners in Asia, and a director at Russell Investments' private equity group. Susan has served on the Board of the American Investment Council, the Investment Committee for the Archdiocese of San Francisco and was a Term Member of the Council on Foreign Relations. Susan is based in San Francisco.

9

Alex Scott

European Primary Investment. Partner

Joined 2005; 24 years of private equity experience. Alex is a Partner in Pantheon's European investment team, a member of the European Investment Committee and Co-Head of the Global ESG, Diversity and Inclusion Committee, having led Pantheon's ESG initiatives and industry engagement since 2015. Prior to joining Pantheon, Alex worked for the West Midlands Pension Fund. Alex is based in London.

10

Jie Gong

Asian Investment. Partner

Joined 2013; 24 years of private equity experience. Jie is a Partner in Pantheon's Asia Investment Team, a member of Pantheon's Asian Regional Investment Committee, the Global Co-Investment Committee and the Co-Head Global ESG, Diversity and Inclusion Committee. Jie joined Pantheon from Morgan Stanley Alternative Investment Partners' private equity fund of funds group, where she was head of Asia, and before that she worked at JP Morgan in leverage finance. Jie is Vice Chairman of the Hong Kong Venture Capital and Private Equity Association (HKVCA), where she founded and chairs HKVCA's ESG committee, and co-chairs its LP committee. She also served on the United Nations Principles for Responsible Investment Private Equity Advisory Committee (UNPRI PEAC) in 2017-2019. Jie is based in Hong Kong.

11

Rudy Scarpa

Secondary Investment. Partner

Joined in 2007; 27 years of private equity experience. Rudy is a Partner and Co-Head of Pantheon's Global Secondaries Team. He is a member of the International Investment Committee and Global Secondary Investment Committee. Rudy was previously a Partner at Coller Capital and prior to that, Rudy worked at Thomas H. Lee Putnam Ventures, Merrill Lynch and Skadden Arps. Rudy is based in New York.

12

Elly Livingstone

Secondary Investment. Partner

Joined 2001; 25 years of private equity experience. Elly is a Partner in Pantheon's Global Secondaries Team. He is a member of the firm's International Investment Committee, Global Secondary Investment Committee and the Emerging Markets Investment Committee. Prior to joining Pantheon, Elly was an investment manager focusing on the analysis, structuring and execution of direct investments at Actis Capital (formerly part of the CDC Group), an emerging markets private equity fund manager, having worked previously for Accenture and PricewaterhouseCoopers on a wide range of international consulting and corporate finance advisory assignments. Elly is based in London.

13

Petra Bukovec

Secondary Investment. Partner

Joined 2006, 14 years of private equity experience. Petra is a Partner in Pantheon's Global Secondaries Team where she is involved in all aspects of secondary investments including the analysis, evaluation and completion of secondary transactions. She is a member of the Global Secondary Investment Committee and has been a member of the secondary team since joining Pantheon in 2006. Prior to joining Pantheon, Petra was an investment banking analyst at Lehman Brothers focusing on M&A and other corporate finance mandates. Petra is based in London.

14

Jeff Miller

Global Head of Co-Investments. Partner

Joined 2008, 20 years of private equity experience. Jeff is a Partner and Global Head of Co-Investments, leading all underlying co-investment activities and team management. He is a member of Pantheon's Global Partnership Board, International Investment Committee, Co-Investment Committee, U.S. Investment Committee and Global Credit Committee. Prior to joining Pantheon, Jeff was a Principal at Allied Capital, Vice President at Lehman Brothers and an Associate at Wells Fargo. Jeff is based in San Francisco.

15

Erik Wong

Co-Investment. Partner

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

16

Graeme Keenan

Chief Risk Officer, Partner

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

Governance

Board of Directors

Sir Laurie Magnus
Chairman

Appointed to the Board 22 November 2011

A M N I

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

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

Susannah Nicklin
Senior Independent Director

Appointed to the Board
22 November 2011

A M N I

Ms Nicklin is an investment and financial services professional with 25 years of experience in executive roles at Goldman Sachs and Alliance Bernstein in the USA, Australia and the UK. She has also worked in the social impact private equity sector with Bridges Ventures and the Global Impact Investing Network. Susannah is currently Chairman of The Schroder BSC Social Impact Trust Plc and Non-Executive Director of Amati AIM VCT plc, Baronsmead Venture Trust plc, North American Income Trust plc and Ecofin Global Utilities and Infrastructure Trust Plc. Susannah is a CFA® charterholder, CFA Institute.

David Melvin
Audit Committee Chairman

Appointed to the Board
23 February 2015

A M N I

Mr Melvin is an investment and financial services professional with 30 years' experience in investment banking and private equity. He is currently a senior adviser at CITIC CLSA Securities, a CITIC Securities Company, senior adviser at Bixteth Partners Limited, a boutique advisory firm, and Chairman of HBA Media Limited. Up to 2014, Mr Melvin was a Partner at TDR Capital, a European private equity firm, where he was a member of the Investment Committee and Head of Investor Relations. Prior to that, he spent 24 years at Merrill Lynch, where he held a number of leadership positions, including Global Co-Head of Financial Sponsors and Chairman of EMEA Financial Sponsors and Leverage Finance. He is a qualified Chartered Accountant.

John Burgess

Appointed to the Board
23 November 2016

A M N I

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.

John Singer

Appointed to the Board
23 November 2016

A M N I

Mr Singer is an investment and financial services professional with over 30 years' experience in private equity. Mr Singer spent over 20 years with Advent International plc as co-founder, member of the Global Executive Committee and, until 2012, Chairman of European operations. He was Managing Director and founder of Granville Europe plc, one of the first pan-European private equity funds. In addition, he was Chairman of the European Venture Capital Association. Mr Singer is involved with several organisations within the arts and education sectors: he is a Trustee of the National Gallery, London; Chairman of City of London Sinfonia and the Chairman of the National Youth Orchestra of Great Britain.

Mary Ann Sieghart

Appointed to the Board
30 October 2019

A M N I

Ms Sieghart is a Non-Executive Director of The Merchants Trust plc and a Trustee of the Social Market Foundation think tank. She is a Director of the Scott Trust, which owns *The Guardian* and *The Observer*, and is Chair of its Investment Committee. She is a Trustee of the Kennedy Memorial Trust, among other voluntary posts.

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

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

Dame Susan Owen DCB

Appointed to the Board
31 October 2019

A M N I

Dame Sue Owen is an economist with over 30 years' experience in government, including 14 years at the Treasury. She led the Department for Digital, Culture, Media and Sport from 2013–2019, having also worked in the British Embassy in Washington, No. 10, the Department of International Development and as Strategy Director General in the Department for Work and Pensions overseeing a £200bn budget. She has considerable experience of governance, making board and chair appointments including at the BBC, Channel 4, Ofcom, the Gambling Commission and the Tate.

She also chaired the civil service charity, and was the Civil Service Diversity Champion, leading a review of bullying and harassment in 2018. Currently Dame Sue Owen is Chair of the Governors of The Royal Ballet, a Senior adviser for Saxton Bampfylde, a Specialist Partner for Flint Global and a Non-Executive Director for Pool Re (Terrorism Reinsurance), Methera Global Communications and Serco PLC. In addition, she holds various positions in the not-for-profit space, including being a Trustee of the Centre for Global Development (Europe) and The Windsor Leadership Trust.

Directors' Report

The Directors are pleased to present their report, together with the audited financial statements of the Company for the year ended 31 May 2021.

Directors

The current Directors of PIP were in office during the whole of the year ended 31 May 2021. Ian Barby retired from the Board on 22 September 2020. The names and full biographies of the Directors can be found on pages 80 and 81. As at 31 May 2021, the Board of Directors of the Company comprised four male Directors and three female Directors.

With the exception of Susannah Nicklin, all Directors will retire and stand for re-election at the Company's Annual General Meeting ("AGM") on 27 October 2021. Ms Nicklin will be retiring from the Board upon conclusion of the AGM. Further details regarding the selection and appointment of Directors, including the Company's position on diversity, can be found on page 90.

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

Articles of Association

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

Share capital

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

Authorities given to the Directors at the AGM on 22 September 2020 to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM. No shares were issued or bought back during the year.

As at 31 May 2021 and as at the date of this Report, the Company had shares in issue as shown in the table below, all of which were listed on the official list maintained by the Financial Conduct Authority ("FCA") and admitted to trading on the London Stock Exchange. No shares were held in treasury at the year end.

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

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

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

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 2021 AGM Notice.

Share capital and voting rights at 31 May 2021

	Number of shares in issue	Voting rights attached to each share	Number of shares held in treasury
Ordinary shares of £0.67 each	54,089,447	1	–
Total voting rights	54,089,447	–	–

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 19 to the financial statements.

Management

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

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

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

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

The Manager is entitled to a monthly management fee 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 2021 (period ended 31 May 2020: £nil). Further detail as to how the performance fee is calculated is set out below.

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

The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such a period exceeds 110% of the applicable "high-water mark", i.e., the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation year ended 31 May 2021, the notional performance fee hurdle is a net asset value per share of 4,184.20p.

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

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

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.

Directors' Report

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

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

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

Continuing appointment of the Manager

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

The reasons for this view are that the investment performance is satisfactory and the Manager is well placed to continue to manage the assets of the Company according to the Company's strategy. Further details of the Board's engagement with the Manager is set out on page 88.

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 Securities Services 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 entered into between the Company, the AIFM and the Depositary. BNP Paribas Securities Services have also been appointed as Custodian. Full details of the Board's engagement with service providers are set out on page 89.

Related party transactions

Related party transactions are disclosed in Note 20 to the financial statements.

Going concern

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

The Directors have made an assessment of going concern, taking into account both the Company's financial position at the Balance Sheet date and the expected performance of the Company, which considers the impact of the COVID-19 pandemic, using the information available up to the date of issue of the financial statements.

The Directors have also considered the Company's position with reference to its investment trust structure, its business model, its business objectives, the principal risks and uncertainties as detailed on pages 34 to 37 of this report and its present and projected financial position. As part of the overall assessment, the Directors have taken into account the Manager's culture, which emphasises collaboration and accountability, the Manager's conservative approach to balance sheet management, and its emphasis on investing with underlying private equity managers that are focused on generating 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 the Company's borrowing capability. One-year cash flow scenarios are also presented at each meeting and discussed.

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

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 global financial crisis. This also included a combined reverse stressed scenario that analyses the factors that would have to simultaneously occur for the Company to be forced into a wind-down scenario, the effectiveness of any mitigating actions and the Company's risk appetite.

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

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 as at 31 May 2021. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

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 86 to 91.

Substantial shareholdings

As at 31 May 2021, the Company had received notification of the following disclosable interests in the voting rights of the Company. This information was correct at the date of notification. It should be noted that these holdings may have changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings as at 31 May 2021. However, notification of any change is not required until the next applicable threshold is crossed:

Shareholders	Number of shares held	% of total voting rights
Quilter plc	5,084,601	9.40
Universities Superannuation Scheme Ltd	4,410,228	8.15
Esperides S.A. Sicav-SIF	3,110,144	5.75
APG Asset Management N.V.	2,400,000	4.44
Investec Wealth & Investment Ltd	2,365,111	4.37
East Riding of Yorkshire Council	2,160,514	3.99
Private Syndicate Pty Ltd	2,032,173	3.76
Brewin Dolphin Ltd	1,864,446	3.45

No changes in substantial shareholdings have been notified to the Company between 31 May 2021 and the date of this report.

Greenhouse gas emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions or consume any energy reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK Government's policy on Streamlined Energy and Carbon Reporting. Under Listing Rule 15.4.29(R), the Company, as a closed ended investment fund, is currently exempt from complying with the Task Force on Climate related Financial Disclosures.

Further details of the Investment Manager's approach to responsible investment practices and ESG standards can be found in the Strategic Report on pages 26 to 31.

Modern Slavery Act

In 2015, the UK Government introduced the Modern Slavery Act ("the Act"). As an Investment Trust, the Company does not provide goods or services in the normal course of business, and does not have employees, customers or turnover. Accordingly, the Directors consider that the Company is not in scope because it does not have turnover and is therefore not required to make any slavery or human trafficking statement under the Act. The Company's own supply chain which consists predominately of professional advisers and service providers in the financial services industry, is considered to be low risk in relation to this matter. Details of the Investment Managers approach to Modern Slavery can be found in the Strategic Report on page 28.

Donations

The Company made no political or charitable donations during the year (2020: nil) to organisations either within or outside of the EU.

Future developments

The outlook for the Company is set out in the Chairman's Statement on page 13.

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 27 October 2021 and explanations of the business proposed at the AGM will be set out in a separate Notice of Meeting which will be published in due course.

Audit information

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

Approval

The Directors' Report has been approved by the Board.

On behalf of the Board

Sir Laurie Magnus

Chairman

4 August 2021

Statement on Corporate Governance

Introduction from the Chairman

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

Statement of compliance

This statement, together with the Statement of Directors' Responsibilities on page 99, indicates how the Company has applied the principles of recommended governance of the Financial Reporting Council's ("FRC") 2018 UK Corporate Governance Code (the 'UK Code') and the AIC Code issued in 2019, which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

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

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

Throughout the year ended 31 May 2021, 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 observe its principles. However, it should be noted that where the principles and provisions are related to the role of the Chief Executive, executive directors' remuneration and the establishment of a Remuneration Committee, the Board considers these principles and provisions not relevant as Pantheon International Plc is an externally managed Company with an entirely non-executive Board, no employees or internal operations.

The principles of the AIC Code

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

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

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

Viability Statement

The Viability Statement can be found on page 40.

The Board of Directors

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

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

Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 80 and 81.

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 23.

Board and Committee meeting attendance

The Board has at least seven scheduled meetings a year, and more if required. Directors' attendance at scheduled Board and Committee meetings held during the year to 31 May 2021 is set out in the table below.

Performance evaluation

During the year, in order to review the effectiveness of the Board as a whole, its Committees and individual Directors, including the independence of each Director, an external performance evaluation was carried out by Nurole. Nurole is independent of the Company and its Directors and does not have any other connection with the Company other than the provision of director search and recruitment services. As part of the evaluation, each Director was sent a link to complete an online review, with the results to which presented by via a telephone call with the Chairman and an infographic report sent to each Director. The review included an assessment of strategy and business, risk management and ESG, composition and diversity and board dynamics and processes.

Following conclusion of the review, Nurole provided a report on the outcome of the evaluation including a review of overall performance by the Company against its peer group (where the Company exceeded the peer group average across all areas of assessment), a summary of strengths and areas for development and qualitative feedback on how the Board could improve in each area of assessment. The report from Nurole was reviewed by the Nominations Committee as part of its assessment of Board performance. In addition, each individual Director received their own personal review report which included 360 degree feedback and a summary of individual strengths.

To complement the external evaluation, the Chairman also held follow up discussions with each Director to review their individual performance and the issues that arose from the external evaluation. Similarly the Senior Independent Director held individual discussions with Directors to access the performance of the Chairman.

The results of the evaluation process also indicated that the Board continues to work well and there are no significant concerns among the Directors about the Board's effectiveness. The resulting actions agreed by the Directors will be monitored during the 2021–22 financial year.

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

Insurance and indemnity provisions

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

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

Chairman and Senior Independent Director

The Board appointed Sir Laurie Magnus as Chairman of the Company at the conclusion of the Company's AGM in 2016. Sir Laurie Magnus is deemed by his fellow independent Board members to be independent. He considers himself to have sufficient time to commit to the Company's affairs. He has no significant commitments other than those disclosed in his biography on page 80.

Ms Susannah Nicklin was appointed Senior Independent Director of the Company at the conclusion of the Company's AGM in 2016. She provides a channel for any shareholder concerns regarding the Chairman and leads the Chairman's annual performance evaluation. Mary Ann Sieghart will succeed Ms Nicklin as Senior Independent Director on her retirement from the Board at the conclusion of the Company's 2021 AGM.

BOARD AND COMMITTEE MEETING ATTENDANCE

	Scheduled Board meetings	Audit Committee meetings	Management Engagement Committee meetings	Nomination Committee meetings
Sir Laurie Magnus	●●●●●●●	●●●	●	●
S.E. Nicklin	●●●●●●●	●●●	●	●
I.C.S. Barby[1]	●○	●○	●	●
D.L. Melvin	●●●●●●●	●●●	●	●
J.D. Burgess	●●●●●●●	●●●	●	●
J.B.H.C.A. Singer	●●●●●●●	●●●	●	●
M.A. Sieghart	●●●●●●●	●●●	●	●
Dame Sue Owen DCB	●●●●●●●	●●●	●	●

1 Mr Barby retired from the Board on 22 September 2020.

Statement on Corporate Governance

Directors' independence

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

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

Chairman 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 Chairman and the Directors is that the Chairman and all Directors will be subject to annual re-election at each AGM. Accordingly, resolutions to re-elect all applicable Directors are contained within the 2021 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 investment policy and 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 activity, the portfolio and investment performance over the preceding period. Ongoing communication with the Board is maintained 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 asset 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 the Chairman of the Audit Committee, is a qualified Chartered Accountant and contributes his knowledge and experience to the Audit Committee. It is felt by the Committee that he is sufficiently qualified for the position of Chairman of the Audit Committee.

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

The Audit Committee met on three occasions during the year ended 31 May 2021. It is intended that the Committee will continue to meet at least three times a year, to review the Half-Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts.

The Report of the Audit Committee can be found on pages 92 to 94.

MANAGEMENT ENGAGEMENT COMMITTEE

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

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

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

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

NOMINATION COMMITTEE

The Nomination Committee comprises all Directors and is chaired by Sir Laurie Magnus except when considering chairman succession.

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

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

During the year, the Nomination Committee reviewed the Company's Diversity Policy and was satisfied that Board has a balance of skills, qualifications and experience which are relevant to the Company.

Statement on Corporate Governance

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 support diversity and inclusion at Board level and encourage candidates from all educational backgrounds and walks of life.

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 33% female representation on all FTSE 350 companies by the end of 2020; PIP exceeded this recommendation and currently has 43% of women on the Board. In regard to the Parker Review, whilst the Board does not feel that it would be appropriate to use specific diversity targets, the Board supports the recommendation to have ethnic representation on the Board, and as such considers this integral to the Board's succession planning.

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. 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. The Chairman's remuneration is decided and approved by the Board under the leadership of the Senior Independent Director.

Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 95 to 98.

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 34 to 37.

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

Internal control assessment process

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

- The nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- The threat of such risks becoming a reality;
- The Company's ability to reduce the incidence and impact of risk on its performance;
- The cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- The extent to which third parties operate the relevant controls. Against this background, the Board has split the review into four sections reflecting the nature of the risks being addressed.

The sections are as follows:

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

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

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

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

- Investment management is provided by Pantheon Ventures (UK) LLP. The Board is responsible for the implementation of the overall investment policy and monitors the actions of the Manager at regular Board meetings.
- BNP Paribas Securities Services has been appointed as Depositary. Custody of assets is also undertaken by BNP Paribas Securities Services 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 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 other than the control failure noted on page 93 of the Audit Committee report.

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. In normal circumstances, all shareholders are encouraged to attend and vote at the AGM, during which the Board and the Manager are available to discuss issues affecting the Company, and shareholders have the opportunity to address questions to the Manager, the Board and the Chairs of the Board's Committees. At each AGM, a presentation is given by the Manager to all shareholders present.

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

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 138, 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 38 to 40.

On behalf of the Board

Sir Laurie Magnus

Chairman
4 August 2021

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 31 May 2021.

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

Further details about the composition of the Audit Committee are set out on page 89.

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

Role of the Audit Committee

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

- To monitor the integrity of the financial statements, the financial reporting process and the accounting policies of the Company;
- To review the effectiveness of the internal control environment of the Company and its reporting processes and to monitor adherence to best practice in corporate governance;
- To make recommendations to the Board in relation to the re-appointment of the Auditor and to approve the Auditor's remuneration and terms of engagement, including scope of work;
- To review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process; and
- To provide a forum through which the Company's Auditor reports to the Board.

The Audit Committee also reviews the Manager's whistleblowing procedures.

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

Matters considered in the year

We met on three occasions during the year ended 31 May 2021. At those meetings, the Audit Committee has:

- Reviewed and agreed the half-year and year-end portfolio valuation and the net asset values;
- Reviewed the Company's financial statements for the half year and year end and made formal recommendations to the Board;
- Reviewed the Company's going concern and viability statements;
- Reviewed the impact of COVID-19 on the Company's financial statements;
- Reviewed the internal controls and risk management systems (including cybersecurity) of the Company and its third-party service providers;
- Agreed the audit plan and fees with the Auditor, including the principal areas of focus;
- Reviewed the whistleblowing policy of the Manager (no incidents were reported during the period); and
- Reviewed its own performance as a Committee and its own terms of reference.

The principal issues considered by the Committee were:

A. Valuation process and ownership of assets

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

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

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

B. Undrawn commitments

As an investor in private equity, the Company has outstanding commitments to fund investments. Approximately 21% of these uncalled commitments relate to funds that are outside their investment periods. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically. During the year, the Manager undertook a detailed process to review the undrawn commitments, and the results were discussed with the Audit Committee. The Audit Committee received assurances from Pantheon about the systems and controls in place to track the undrawn commitments as part of the valuation entry process.

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

C. Going concern and long-term viability

The Committee considered the Company's financial requirements and viability for the forthcoming year and over a longer period of three years, particularly in view of the impact of the COVID-19 pandemic. This assessment included the review of various downside liquidity models with varying degrees of decline in investment valuations, the review of the level of undrawn commitments, and the impact of COVID-19 on financial statement disclosures including those relating to principal risks. As a result of this assessment, the Committee concluded that the Company had adequate resources to continue in operation and meet its liabilities as they fall due both for the forthcoming year and over the subsequent two years. Related going concern and long-term viability disclosures are set out on pages 84 and 40 and Note 1 on page 112.

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.

During the year, the Audit Committee was made aware of a control failure by Link Group which resulted in the voting instruction of one of the Company's significant shareholders, for the 2020 AGM, not being processed ahead of the voting deadline. These votes had been submitted by a proxy voting agency through a secure file transfer protocol ("SFTP") which failed as a result of an IT issue. Link Group were tasked with investigating this failure and have introduced additional internal controls to ensure that votes submitted in this manner are acknowledged at the time of submission into the SFTP; with additional communication steps introduced between Link and the proxy voting agency to mitigate the risk of a future control failure. The shareholder was notified of the control failure and the mitigating actions. The failure to process the votes had no impact on the outcome of the voting at the 2020 AGM, when all resolutions were passed. An update from Link Group was reviewed by the Audit Committee at its meeting in July 2021 and additional controls were noted as having been introduced to mitigate against further failures. Link Group have confirmed that the matter has been raised as part of the external audit of its AAF01/06 Assurance Report for Link Group's financial year ended 30 June 2021 which will be reviewed by the Audit Committee in due course.

No other incidents of significant control failings or weaknesses have been identified during the year ended 31 May 2021, within the Company or its third-party suppliers.

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

External audit

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

Audit fees

The audit fee incurred for the review of the 2021 Annual Report and Accounts was £115,000 (31 May 2020: £108,000). The Audit Committee continues to monitor the level of audit fees carefully.

Non-audit fees/independence and objectivity of the Auditor

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

Non-audit services amounting to £35,000 were provided during the year ended 31 May 2021 (31 May 2020: £35,000), relating to the review of the half year and year-end net asset value calculations and the review of the Half-Yearly Report. The ratio of non-audit to audit fees is 30.4%. The Audit Committee believes that it is appropriate for the Company's Auditor to provide these services to the Company as these services are audit related.

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

Effectiveness of external audit process

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

Continuing appointment of the Auditor

EY was appointed as the Company's Auditor at the AGM in 2019 and this is therefore the second 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 client.

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

Audit Committee Report

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

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

The Committee has considered the principal issues identified by the audit team during the audit of the financial statements for the year. The feedback provided by the Investment Manager regarding the audit team's performance on the audit was positive. The Auditor demonstrated a good understanding of the Group, 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. The Committee acknowledged that the audit team, including the audit partner, comprised staff with appropriate levels of knowledge and experience of the investment trust sector.

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 2021 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 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board.

David Melvin

Audit Committee Chairman
4 August 2021

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 100 to 105.

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 31 May 2021.

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

A resolution to approve the Remuneration Policy was proposed and approved by shareholders at the AGM of the Company held on 22 September 2020.

Following the Company's 2020 AGM, it was brought to the Board's attention by one of the Company's shareholders that there was a potential risk to the independence of the Directors through having a provision in the Remuneration Policy allowing for discretionary payments to be awarded to Directors for performance deemed to go beyond their ordinary duties. After due consideration of the matter, the Board approved the removal of this provision from the Remuneration Policy. As such, an ordinary resolution will be proposed at the 2021 AGM to approve an updated Directors' Remuneration Policy.

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 90, 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 the Remuneration Policy, the fees payable to Directors were increased in line with the Consumer Price Index ("CPI") for 12 months to May 2021 (being 2.1%) effective from 1 June 2021. As such, the fees for the 2021-22 financial year were set at the rate of £66,365 for the Chairman (year to 31 May 2021: £65,000), £53,603 for the Chairman of the Audit Committee (year to 31 May 2021: £52,500) and £40,840 for the other Directors (year to 31 May 2021: £40,000).

Directors' fees for the year (audited)

The Directors who served during the year received the following emoluments:

	Fees		Total	
	Year to 31 May 2021 £	Year to 31 May 2020 £	Year to 31 May 2021 £	Year to 31 May 2020 £
Sir Laurie Magnus (Chairman)	65,000	60,000	65,000	60,000
I.C.S. Barby[1]	13,334	46,167	13,334	46,167
S.E. Nicklin	40,000	36,500	40,000	36,500
D.L. Melvin	52,500	38,583	52,500	38,583
J.B.H.C.A. Singer	40,000	36,500	40,000	36,500
J.D. Burgess	40,000	36,500	40,000	36,500
M.A. Sieghart	40,000	28,250	40,000	28,250
Dame Sue Owen DCB	40,000	28,250	40,000	28,250
R.M. Swire[2]	–	13,623	–	13,623
Total	330,834	324,373	330,834	324,373

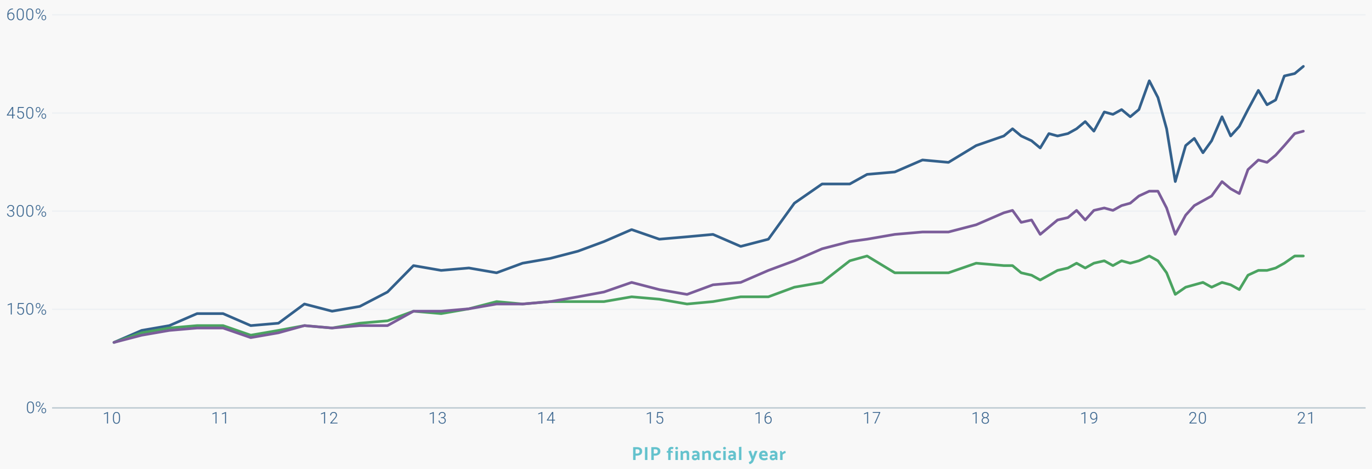
1 Mr Barby retired from the Board on 22 September 2020.
2 Mr Swire retired from the Board on 30 October 2019.

No travel expenses or any other expenses were claimed by the Directors from the Company during the year ended 31 May 2021 or as at the date of this Report.

Directors' Remuneration Report

Company performance

The graph below shows the total return to shareholders compared to the total shareholder returns of the FTSE All-Share Total Return Index and MSCI World Total Return (Sterling) Index. These indices have been selected as the most relevant, as there is no listed index that is directly comparable with the Company's portfolio.



Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 31 May 2021 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 2021 £'000	Year to 31 May 2020 £'000	Change %
Total remuneration paid to Directors	331	324	2
Management fee	18,544	17,674	5
Share buybacks	Nil	Nil	–

Directors' interests (audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company.

The interests of the Directors and any persons closely associated in the shares of the Company are set out below:

	31 May 2021	31 May 2020
Sir Laurie Magnus (Chairman)	14,324	14,324
S.E. Nicklin*	2,859	1,940
D.L. Melvin**	10,000	10,000
J.D. Burgess***	193,063	39,982
J.B.H.C.A. Singer	39,982	39,982
M.A. Sieghart	2,725	1,325
Dame Sue Owen DCB	820	820

* 860 shares are held by Ms Nicklin's husband under discretionary management arrangements which do not need to be notified for the purpose of UK Market Abuse Regulation but are included in the total shareholding specified.

** Held jointly with spouse.

*** Includes 153,081 shares held by The November 1990 Trust, a connected person.

There has been no change to the above interests between 31 May 2021 and the date of this report.

Voting at Annual General Meeting

The Directors' Remuneration Policy and Remuneration Report for the year ended 31 May 2020 were approved by shareholders at the AGM held on 22 September 2020.

The votes cast by proxy were as follows:

Remuneration Report

	Number of votes	% of votes cast
For	26,451,384	99.99
Against	1,686	0.01
At Chairman's discretion	–	–
Total votes cast	26,453,070	100.00
Number of votes withheld	4,957	–

Remuneration Policy

	Number of votes	% of votes cast
For	26,450,471	99.99
Against	2,686	0.01
At Chairman's discretion	–	–
Total votes cast	26,453,157	100.00
Number of votes withheld	4,870	–

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 22 September 2020. Given the changes to the Policy, mentioned on page 95, the updated Policy will be put to shareholders' vote at the Company's 2021 AGM.

The Policy

The Board's policy is that remuneration of Non-Executive Directors should reflect the experience of the Board as a whole and is determined with reference to comparable organisations and appointments. The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors, and the value and amount of time committed to the Company's affairs.

There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for Non-Executive Directors. The Directors do not receive pension benefits, long-term incentive schemes or share options.

All Directors act in a non-executive capacity and the fees for their services are approved by the whole Board. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolution of the Company.

From 1 June 2021, fees for the Directors will be increased annually, effective from the first day of the Company's financial year, by the rate of the CPI prevailing at that time.

The Chairman 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.

Directors' Remuneration Report

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.

	Expected fees for year to 31 May 2022 £	Fees for year to 31 May 2021 £
Chairman basic fee	66,365	65,000
Non-Executive Director basic fee	40,840	40,000
Audit Committee Chairman additional fee	12,763	12,500
Total aggregate annual fees that can be paid	450,000	450,000

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.

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board.

Approval

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

Sir Laurie Magnus

Chairman
4 August 2021

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations. 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Present a true and fair view of the financial position, financial performance and cash flows of the Company;
- Select suitable accounting policies in accordance with United Kingdom GAAP and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company's corporate and financial information included on the Company's website (www.piplc.com). Legislation in the United Kingdom 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 80 to 81, confirms that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Strategic Report contained in the annual report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The UK Corporate Governance Code requires Directors to ensure that the Annual Report and financial statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advises on whether it considers that the Annual Report and financial statements fulfil these requirements. The process by which the Audit Committee has reached these conclusions is set out in its report on pages 92 to 94. As a result, the Board has concluded that the Annual Report and financial statements for the year ended 31 May 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by

Sir Laurie Magnus

Chairman
4 August 2021

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 2021 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 20 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 2021 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 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 FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 revenue forecast, for the period to 4 August 2022 which is at least twelve months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- We have reviewed the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue 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 and 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 revenue forecasts and covenant calculations that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- We reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 4 August 2022 (twelve months from when the financial statements are authorised for issue).

In relation to the Company's '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.

Overview of our audit approach

Key audit matters	■ Risk of incorrect valuation of unlisted investments at fair value. – Incorrect valuation of investments in third party managed funds and co-investment vehicles which are audited on an annual basis and for which periodic fair value information is provided to the Company. – Incorrect valuation of investments in co-investment vehicles or third-party funds which are not audited on an annual basis. – Incorrect valuations of investments in funds and entities managed by Pantheon.
Materiality	■ Overall materiality of £18.7m which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

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 at fair value (£1,714m, 2020: £1,496m) (as described on page 92 in the Audit Committee's Report and as per the accounting policy set out on page 112). The unlisted investment portfolio represents 92% of the Net Asset Value (NAV) of the Company and consists of investments in: ■ Third party managed funds. ■ Funds or entities managed by Pantheon. ■ Co-investments. Within this investment portfolio are a pool of investments attributed to the Company's Asset Linked Note liability of £47m (2020: £58m). 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 for the shareholders. We attribute a higher risk of estimation uncertainty to a portfolio of this nature. We therefore deem that the valuation of unlisted investments at fair value to be a fraud and significant audit risk. We have further analysed the unlisted investment portfolio into three categories where specific audit procedures are performed in addition to the general audit procedures on unlisted investments to reflect the risk associated.	**We performed the following procedures:** We obtained an understanding of Pantheon's processes and controls surrounding the investment valuation process including controls that are in place within the Company and operated or performed by Pantheon by performing a walkthrough to assess the design and implementation of controls in place. We performed the following procedures for a sample of investments across all type of investments: ■ We obtained independently the most recently available capital allocation statements or direct confirmations from the general partner of the Company's capital account balance and compared the NAV attributable to the Company to the valuation per the accounting records. ■ Where the most recently available capital allocation statements were non-coterminous with the reporting date, we obtained details of adjustments for cash flows and fair value made by Pantheon and corroborated these to call and distribution notices and bank statements. ■ We reviewed a download from the investment management system to identify whether the valuation of all investments had at least one level of review evidenced within the investment system. We also assessed whether all investment valuations in our sample had received at least one level of review and approval at year end. ■ For a sample of new investments during the year, we have obtained and reviewed the due diligence performed by Pantheon to ensure that the investment recommendation pack was appropriately completed prior to making new investments. ■ For a sample of realised investments during the year, we agreed the proceeds of the disposal to the capital account statements and performed back testing by comparing the sale price and subsequent cash receipts to the most recent valuation recorded by the Company for the investment. ■ We reviewed the investment valuations and inquired of Pantheon regarding any potential fair value adjustments as a result of updated information received or observable market movements and obtained evidence to confirm these were immaterial to the Company's financial statements.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of unlisted investments at fair value.
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 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 unquoted investments. Our sample included the testing of 124 fund of fund investments, totalling £796m and 71 co-investments, totalling £423.5m. 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. ■ 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.	

Independent Auditor's Report to the Members of Pantheon International Plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Investments in third party managed funds and co-investment vehicles which are not audited on an annual basis Pantheon obtains the underlying data from the investment managers of these co-investment vehicles or third-party funds. Pantheon apply the Company's valuation policy and conclude whether key assumptions used in valuing these assets are reasonable. We consider the risk of management override to be more prevalent in this area.	**Additional procedures on investments in third party managed funds and co-investment vehicles which are not audited on an annual basis** Where the investments in third party managed funds or co-investments were not audited on an annual basis we have obtained the fair value calculations supporting the value held by the Company. Our sample included testing of 14 investments, totalling £58.6m, which did not have an audit performed either for the investment vehicle itself or a significant portion of its underlying holdings. We have challenged Pantheon on the key judgements made and obtained explanations and corroborative evidence for judgements applied and the key inputs used in deriving the fair values.	
Investments in other funds and entities managed by Pantheon Where the Company invests in other entities managed by Pantheon, there is an increased risk the prices are susceptible to manipulation due to the related party relationship as Pantheon is performing the valuation and therefore applying any judgements necessary to value these investments held by the Company.	**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 27 investments which had audited financial statements within the structure, totalling £152m, and 3 investments, totalling £28m, from internally managed funds which do not have annually audited financial statements. We performed the following procedures where applicable: ■ Inspected the Generally Accepted Accounting Principles ('GAAP') applied and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. ■ Compared the NAV per the audited financials to the capital account statements which are coterminous with the financial statements' year end date for a sample of investments. ■ Determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were modifications made to their audit report. ■ For unaudited investments, we have performed a look through into the investments held by the entity to determine whether the underlying holdings were subject to audit. We have inspected the Generally Accepted Accounting Principles ('GAAP') applied by the underlying holdings and reviewed accounting policies on key areas impacting the NAV and compared these to the fair value requirements per FRS102. ■ Where the internally managed fund and its underlying investments are not audited we have obtained the fair value calculations for these underlying investments from Pantheon. In addition, we have challenged Pantheon on the key judgements made, obtaining explanations and corroborative evidence for them and the key inputs used in deriving the fair values.	

In the prior year, our auditor's report included a key audit matter in relation to the impact of COVID-19. The impact of COVID-19 on going concern continued to be relevant to our audit of the Company and we considered this as part of our overall work on going concern which is set out under "Conclusions relating to going concern". The other elements of the prior year key audit matter have not been included as a separate key audit matter as it was determined that they did not have a significant impact on our audit strategy for this year's audit.

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 £18.7 million (2020: £15.6 million), which is 1% (2020: 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2020: 50%) of our planning materiality, namely £14.0m (2020: £7.8m). In the prior year our performance materiality was 50% of materiality as it was our first year of audit.

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 £0.93m (2020: £0.78m), 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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Pantheon International Plc

Corporate Governance Statement

The Listing Rules require us to review 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.

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:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 84;
- 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 40;
- Directors' statement on fair, balanced and understandable set out on page 99;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 34;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 91; and
- The section describing the work of the audit committee set out on page 89.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 99, 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 and 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.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to confirm compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 2 December 2019 to audit the financial statements for the year ending 31 May 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 2 years, covering the years ending 31 May 2020 to 31 May 2021.
- 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.
- The audit opinion is consistent with the additional report to the audit committee.

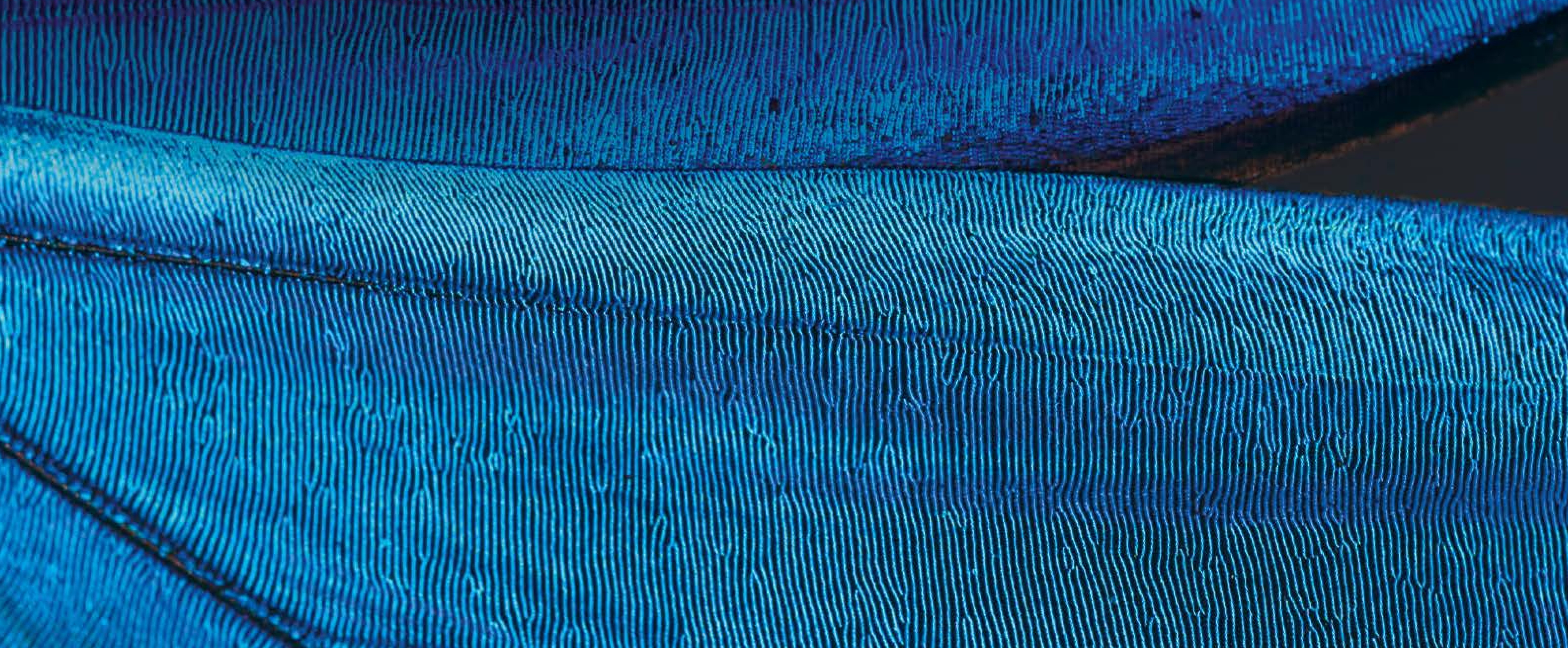
Use of our report

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
4 August 2021

Financial Statements



Income Statement
Year ended 31 May 2021

		Year Ended 31 May 2021			Year Ended 31 May 2020		
	Note	Revenue £'000	Capital £'000	Total* £'000	Revenue £'000	Capital £'000	Total* £'000
Gains on investments at fair value through profit or loss**	9b	–	341,802	341,802	–	72,264	72,264
(Losses)/gains on financial instruments at fair value through profit or loss – ALN**		(976)	(11,571)	(12,547)	(502)	277	(225)
Currency (losses)/gains on cash and borrowings		–	(18,452)	(18,452)	–	1,403	1,403
Investment income	2	16,418	–	16,418	11,198	–	11,198
Investment management fees	3	(18,544)	–	(18,544)	(17,674)	–	(17,674)
Other expenses	4	(1,417)	(1,340)	(2,757)	(730)	(1,719)	(2,449)
Return before financing and taxation		(4,519)	310,439	305,920	(7,708)	72,225	64,517
Interest payable and similar expenses	6	(3,488)	–	(3,488)	(2,223)	–	(2,223)
Return before taxation		(8,007)	310,439	302,432	(9,931)	72,225	62,294
Taxation recovered/(paid)	7	3,533	–	3,533	(1,616)	–	(1,616)
Return for the year, being total comprehensive income for the year		(4,474)	310,439	305,965	(11,547)	72,225	60,678
Return per ordinary share	8	(8.27)p	573.94p	565.67p	(21.35)p	133.53p	112.18p

* The Company does not have any income or expense that is not included in the return for the period, therefore the return for the period is also the total comprehensive income for the period. The supplementary revenue and capital columns are prepared under guidance published in the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

** Includes currency movements on investments.

All revenue and capital items in the above statement relate to continuing operations.

The total column of the statement represents the Company's Statement of Total Comprehensive Income prepared in accordance with Financial Reporting Standards ("FRS").

No operations were acquired or discontinued during the period.

There were no recognised gains or losses other than those passing through the Income Statement.

The Notes on pages 112 to 127 form part of these financial statements.

Statement of Changes in Equity
Year ended 31 May 2021

	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 period ended 31 May 2021							
Opening equity shareholders' funds	36,240	269,535	3,325	842,675	503,307	(95,816)	1,559,266
Return for the period	–	–	–	134,010	176,429	(4,474)	305,965
Closing equity shareholders' funds	36,240	269,535	3,325	976,685	679,736	(100,290)	1,865,231
Movement for the period ended 31 May 2020							
Opening equity shareholders' funds	36,240	269,535	3,325	735,104	538,653	(84,269)	1,498,588
Return for the period	–	–	–	107,571	(35,346)	(11,547)	60,678
Closing equity shareholders' funds	36,240	269,535	3,325	842,675	503,307	(95,816)	1,559,266

The Notes on pages 112 to 127 form part of these financial statements.

Balance Sheet
As at 31 May 2021

	Note	31 May 2021 £'000	31 May 2020 £'000
Fixed assets			
Investments at fair value	9a/b	1,713,724	1,495,689
Current assets			
Debtors	11	8,215	1,259
Cash at bank		199,118	130,091
		207,333	131,350
Creditors: Amounts falling due within one year			
Other creditors	12	9,039	10,030
		9,039	10,030
Net current assets		198,294	121,320
Total assets less current liabilities		1,912,018	1,617,009
Creditors: Amounts falling due after one year			
Asset Linked Loan	13	46,787	57,743
		46,787	57,743
Net assets		1,865,231	1,559,266
Capital and reserves			
Called-up share capital	14	36,240	36,240
Share premium	15	269,535	269,535
Capital redemption reserve	15	3,325	3,325
Other capital reserve	15	976,685	842,675
Capital reserve on investments held	15	679,736	503,307
Revenue reserve	15	(100,290)	(95,816)
Total equity shareholders' funds		1,865,231	1,559,266
Net asset value per Ordinary share	16	3,448.42p	2,882.75p

The Notes on pages 112 to 127 form part of these financial statements.

The financial statements were approved by the Board of Pantheon International Plc on 4 August 2021 and were authorised for issue by

Sir Laurie Magnus
Chairman

Company No. 2147984

Cash Flow Statement
Year ended 31 May 2021

	Note	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Cash flow from operating activities			
Investment income received		16,311	10,356
Deposit and other interest received		87	952
Investment management fees paid		(18,416)	(17,623)
Secretarial fees paid		(263)	(219)
Depositary fees paid		(225)	(219)
Legal & Professional fees paid		(1,544)	(1,913)
Other cash payments*		(1,316)	(1,517)
Witholding tax repaid/(deducted)		3,602	(1,776)
Net cash outflow from operating activities	17	(1,764)	(11,959)
Cash flows from investing activities			
Purchases of investments		(226,205)	(239,251)
Disposals of investments		344,559	267,126
Net cash inflow from investing activities		118,354	27,875
Cash flows from financing activities			
ALN repayments		(24,286)	(28,023)
Loan commitment and arrangement fees paid		(4,888)	(1,816)
Net cash outflow from financing activities		(29,174)	(29,839)
Increase/(decrease) in cash in the year		87,416	(13,923)
Cash and cash equivalents at the beginning of the year		130,091	142,773
Foreign exchange (losses)/gains		(18,389)	1,241
Cash and cash equivalents at the end of the period		199,118	130,091

* Includes interest paid during the year of £66,000 (2020: £31,000).

The Notes on pages 112 to 127 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 138. 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 2021. 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.

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.

COVID-19 presents the biggest risk to the global economy and to individual companies since the 2008 global financial crisis and unprecedented nature of the COVID-19 outbreak has resulted in uncertain financial markets and disruption of global commerce.

The Directors have made an assessment of going concern, taking into account the Company's current performance, financial position and the outlook, which considered the impact of the COVID-19 pandemic, using information available to 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, investment distributions, and increased call rates, with the worst being a low case downside scenario representing an impact to the portfolio that is worse than experienced during the global financial crisis. The Company manages and monitors liquidity regularly ensuring it is adequate and sufficient and is underpinned by its monitoring of investments, distributions, capital calls and outstanding commitments. Total available financing as at 31 May 2021 stood at £475m (31 May 2020: £431m), comprising £198m (31 May 2020: £121m) in available cash balances and £277m (31 May 2020: £310m) (sterling equivalent) in undrawn bank facilities.
- PIP's 31 May 2021 valuation is primarily based on reported GP valuations with a reference date of 31 March 2021, updated for capital movements and foreign exchange. As the impacts of COVID-19 are still not fully apparent and there has been significant volatility in asset prices and foreign exchange rates, the Directors have considered the impact that declining valuations could have on the Company's going concern assessment.
- Unfunded commitments – PIP's unfunded commitments at 31 May 2021 were £528m (31 May 2020: £541m). 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 available to fund these commitments.

In these scenarios PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility, pausing on new commitments, selling assets to increase liquidity and reducing outstanding commitments if necessary. In addition, subject to market conditions, the Company could also seek to raise additional credit or capital.

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 and 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. AIC SORP

The financial statements have been prepared in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts issued by the AIC, other than where restrictions are imposed on the Company which prohibit specific disclosures, as noted on pages 71 and 72.

D. Segmental Reporting

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

E. Valuation of Investments

Given the nature of the Company's assets which comprise predominantly unlisted fund investments, while the Company operates a robust and consistent valuation process, there is significant estimation uncertainty in the underlying fund valuations which are estimated at a point in time. Accordingly, while the Company considers circumstances where it might be appropriate to apply an override, for instance in response to a market crash, this will be exercised only where it is judged necessary to reflect fair value. Similarly, while relevant information relating to but received after the measurement date is considered, the Directors will only consider an adjustment to the financial statements if it were to have a significant impact and is indicative of conditions present at the measurement date.

The Company has fully adopted sections 11 and 12 of FRS 102. All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are recognised at fair value on initial recognition.

The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business at the Balance Sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

I. UNQUOTED FIXED ASSET INVESTMENTS ARE STATED AT THE ESTIMATED FAIR VALUE

In the case of investments in private equity funds, this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds and recorded up to the measurement date. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. In the absence of contrary information the values are assumed to be reliable. These valuations are reviewed periodically for reasonableness and recorded up to the measurement date. If a class of assets were sold post period end, management would consider the effect, if any, on the investment portfolio.

The Company may acquire secondary interests at either a premium or a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings are normally revalued to their stated net asset values at the next reporting date unless an adjustment against a specific investment is considered appropriate.

The fair value of each investment is derived at each reporting date. In the case of direct investments in unquoted companies, the initial valuation is based on the transaction price. Where better indications of fair value become available, such as through subsequent issues of capital or dealings between third parties, the valuation is adjusted to reflect the new evidence, at each reporting date. This information may include the valuations provided by private equity managers who are also invested in the Company.

II. QUOTED INVESTMENTS ARE VALUED AT THE BID PRICE ON THE RELEVANT STOCK EXCHANGE

Private equity funds may contain a proportion of quoted shares from time to time, for example where the underlying company investments have been taken public but the holdings have not yet been sold. The quoted market holdings at the date of the latest fund accounts are reviewed and compared with the value of those holdings at the period end.

III. DEFERRED PAYMENT TRANSACTIONS

The Company may engage in deferred payment transactions. Where the Company engages in deferred payment transactions the Company initially measures the financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the present value and the undiscounted value is amortised over the life of the transaction and shown as a finance cost in the revenue column in the Income Statement.

F. 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 13 for further information.

G. 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.

H. 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.

Notes to the Financial Statements

1. Accounting Policies continued

H. Taxation continued

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.

I. 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.

J. Foreign Currency

The functional and presentational currency of the Company is pounds sterling ("sterling") because this is the primary economic environment in which the Company operates. Also, the Company is registered in England & Wales. 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 (K) and (L) below.

K. Other Capital Reserve

The following are accounted for in this reserve:

- Investment performance fees;
- Gains and losses on the realisation of investments;
- Realised exchange difference of a capital nature; and
- Expenses of a capital nature.

Capital distributions from investments are accounted for on a reducing cost basis; cash received is first applied to reducing the historical cost of an investment, any gain will be recognised as realised only when the cost has been reduced to nil.

L. 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.

M. 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 2021, the notional performance fee hurdle is a net asset value per share of 4,184.20p. The performance fee is calculated using the adjusted net asset value.

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.

N. 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 (E) of this Note and also within the Market Price Risk section in Note 19.

O. 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.

Notes to the Financial Statements

2. Income

	31 May 2021 £'000	31 May 2020 £'000
Income from investments		
Investment income	16,331	10,267
	16,331	10,267
Other income		
Interest	89	919
Exchange difference on income	(2)	12
	87	931
Total income	16,418	11,198
Total income comprises		
Income distributions	16,331	10,267
Bank interest	39	919
Other interest	50	–
Exchange difference on income	(2)	12
	16,418	11,198
Analysis of income from investments		
Unlisted	16,331	10,267
	16,331	10,267
Geographical analysis		
UK	3	367
USA	12,345	8,862
Other overseas	3,983	1,038
	16,331	10,267

3. Investment Management Fees

			31 May 2021			31 May 2020
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	18,544	–	18,544	17,674	–	17,674
	18,544	–	18,544	17,674	–	17,674

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on page 83.

During the year, services with a total value of £18,896,000 (period to 31 May 2020: £18,102,000), being £18,544,000 (period to 31 May 2020: £17,674,000) directly from Pantheon Ventures (UK) LLP and £352,000 (period to 31 May 2020: £428,000) via Pantheon managed fund investments were purchased by the Company.

Notes to the Financial Statements

3. Investment Management Fees continued

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 £24,344,000 as at 31 May 2021 (31 May 2020: £13,634,000). 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 or equal to the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

At 31 May 2021 £1,646,000 (31 May 2020: £1,518,000) was owed for investment management fees. No performance fee is payable in respect of the year to 31 May 2021 (31 May 2020: nil). The basis upon which the performance fee is calculated is explained in Note 1(M) and in the Directors' Report on page 83.

4. Other Expenses

			31 May 2021			31 May 2020
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Secretarial and accountancy services	243	–	243	246	–	246
Depositary fees	233	–	233	221	–	221
Fees payable to the Company's Auditor for the						
– audit of the annual financial statements – current auditor	115	–	115	105	–	105
– audit of the annual financial statements – previous auditor	–	–	–	3	–	3
Fees payable to the Company's Auditor for						
– audit-related assurance services – Half-Yearly report – current auditor	35	–	35	35	–	35
Directors' remuneration (see Note 5)	331	–	331	324	–	324
Employer's National Insurance	25	–	25	32	–	32
Irrecoverable VAT	117	–	117	112	–	112
Legal and professional fees	315	1,245	1,560	194	1,719	1,913
Printing	107	–	107	128	–	128
Other*	599	95	694	436	–	436
ALN Expense Charge (see Note 1 (F))	(703)	–	(703)	(1,106)	–	(1,106)
	1,417	1,340	2,757	730	1,719	2,449

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditors.

* See Note 9b for detailed information.

5. Directors' Remuneration

Directors' emoluments comprise Directors' fees. A breakdown is provided in the Directors' Remuneration Report on pages 95 and 98.

6. Interest Payable and Similar Expenses

	31 May 2021 £'000	31 May 2020 £'000
Negative bank interest	66	31
Loan commitment and arrangement fees	3,422	2,192
	3,488	2,223

On 1 June 2018, the Company agreed a four year £175m multi-currency revolving credit facility agreement, arranged by Lloyds Bank and NatWest Markets. This replaced the 4 year £150m loan facility agreement, with the Royal Bank of Scotland plc and Lloyds Bank plc ,which was due to expire in November 2018.

The terms of the facility was materially the same as those of the previous facility but was due to expire in June 2022 with an option after one year to extend, by agreement, the maturity date by another year.

Upfront fees of £1.6m are being amortised from 1 June 2018, over the four-year life. A commitment fee of 0.94% per annum is payable quarterly, in respect of the amounts available for drawdown. Interest payable on any drawn down amount is payable for the duration of the drawdown period.

During the year to 31 May 2020, the Company agreed a further £125m accordion facility, with a new partner in the lending syndicate, Sate Street Bank and Trust Company, increasing the total facility available to £300m. The aggregate loan facility of £300m is split into two tranches of US$269.8m and €101.6m, retranslated to £277m as at 31 May 2021 (2020: £310m).

In February 2021, the Company agreed to extend the facility end date for a further two years, to 31 May 2024. Upfront fees of £2.2m, in relation to this extension agreement, are being amortised over the remaining life of the loan, until 31 May 2024.

This loan facility provides a margin of additional assurance that the Company has the ability to finance its unfunded commitments in the future. At 31 May 2021 and 31 May 2020 the loan facility remained fully undrawn.

7. Taxation

			31 May 2021			31 May 2020
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Witholding tax (repaid)/deducted from distributions	(3,533)	–	(3,533)	1,616	–	1,616

Tax charge

The tax credit/(charge) for the year differs from the standard rate of corporation tax in the UK (19%). The differences are explained below:

	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before tax	(8,007)	310,439	302,432	(9,931)	72,225	62,264
Theoretical tax at UK corporation tax rate of 19% (31 May 2020: 19%)	(1,521)	58,983	57,462	(1,887)	13,723	11,836
Non-taxable investment, derivative and currency gains	–	(59,238)	(59,238)	–	(14,050)	(14,050)
Effect of expenses in excess of taxable income	–	237	237	–	327	327
Expenses disallowable for tax purposes	–	18	18	–	–	–
Carry forward management expenses	1,521	–	1,521	1,887	–	1,887
Withholding tax (repaid)/deducted from distributions	(3,533)	–	(3,533)	1,616	–	1,616
	(3,533)	–	(3,533)	1,616	–	1,616

The tax credit for the year ended 31 March 2021 is £3.5m (31 May 2020; tax charge of £1.6m). Tax charges are wholly comprised of irrecoverable withholding tax suffered. Investment gains are exempt from capital gains tax, owing to the Company's status as an investment trust. In addition, during the year ended 31 May 2021, £6.1m of taxation was recovered from the United States Internal Revenue Service, relating to prior years' taxation, which resulted in an overall tax credit of £3.5m in the period.

Notes to the Financial Statements

7. Taxation continued

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 2021, excess management expenses are estimated to be in excess of £249m (31 May 2020: £240m).

At 31 May 2021, the Company had no unprovided deferred tax liabilities (31 May 2020: £nil).

8. Return per Share

			31 May 2021			31 May 2020
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return for the financial period in £'000	(4,474)	310,439	305,965	(11,547)	72,225	60,678
Weighted average ordinary and redeemable shares			54,089,447			54,089,447
Return per share	(8.27)p	573.94p	565.67p	(21.35)p	133.53p	112.18p

There are no dilutive effects to earnings per share.

9a. Movements on Investments

	31 May 2021 £'000	31 May 2020 £'000
Book cost brought forward	973,761	892,083
Opening unrealised appreciation on investments held		
– Unlisted investments	521,565	551,852
– Listed investments	363	5,699
Valuation of investments brought forward	1,495,689	1,449,634
Movements in year:		
Acquisitions at cost	226,205	239,251
Capital distributions – proceeds	(349,972)	(265,462)
Capital distributions – realised gains on sales	153,802	107,889
Increase/(decrease) in appreciation on investments held	188,000	(35,623)
Valuation of investments at year end	1,713,724	1,495,689
Book cost at year end	1,003,796	973,761
Closing unrealised appreciation on investments held		
– Unlisted investments	709,712	521,565
– Listed investments	216	363
Valuation of investments at year end	1,713,724	1,495,689
Fair value of investments:		
Unlisted investments	1,713,508	1,494,944
Listed investments	216	745
Valuation of investments at year end	1,713,724	1,495,689

9b. Analysis of Investments

	31 May 2021 £'000	31 May 2020 £'000
Sterling		
Unlisted investments	67,451	49,930
	67,451	49,930
US dollar		
Unlisted investments	1,266,123	1,121,246
Listed investments	216	412
	1,266,339	1,121,658
Euro		
Unlisted investments	337,522	288,474
Listed investments	–	333
	337,522	288,807
Other		
Unlisted investments	42,412	35,294
	42,412	35,294
	1,713,724	1,495,689
Realised gains on sales	153,802	107,889
Amounts previously recognised as unrealised appreciation on those sales	363	5,699
Increase/(decrease) in unrealised appreciation	187,637	(41,322)
Revaluation of amounts owed in respect of transactions	–	(2)
Gains on investments	341,802	72,264

Further analysis of the investment portfolio is provided in the Strategic Report on page 6.

Transaction costs, (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (31 May 2020: £nil) and to the disposals of investments totalled £12,000 (31 May 2020: £14,000) for the period. In addition, legal fees incidental to the acquisition of investments totalled £1,245,000 (31 May 2020: £1,719,000), as disclosed in Note 4, have been taken to the capital column in the Income Statement since they are capital in nature.

9c. Material Investment

At the year end, the Company held the following material holdings in an investee undertaking which exceeded 3% of any class of capital.

Investment	% ownership	Closing net asset value £'000
Gemini Israel V	4.7%	19,996

Notes to the Financial Statements

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;

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 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,713,508	1,713,508
Listed holdings	216	–	–	216
	216	–	1,713,508	1,713,724

Financial Assets at Fair Value Through Profit or Loss at 31 May 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,494,944	1,494,944
Listed holdings	745	–	–	745
	745	–	1,494,944	1,495,689

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	–	–	53,015	53,015
	–	–	53,015	53,015

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	–	–	65,386	65,386
	–	–	65,386	65,386

11. Debtors

	31 May 2021 £'000	31 May 2020 £'000
Amounts owed by investment funds	5,656	305
Prepayments and accrued income	2,559	954
	8,215	1,259

12. Creditors Amounts Falling Due Within One Year

	31 May 2021 £'000	31 May 2020 £'000
Investment management fees	1,646	1,518
ALN repayment to the Investor	6,228	7,643
Other creditors and accruals	1,165	869
	9,039	10,030

13. Creditors Amounts Falling Due After One Year – Asset Linked Note

	31 May 2021 £'000	31 May 2020 £'000
Opening value of ALN	65,386	94,449
Repayment of net cashflows received	(24,286)	(28,023)
Fair value movement through profit or loss	12,547	225
Expense Charge and ALN share of withholding taxes	(632)	(1,265)
Closing Value of ALN (see Note 1(F))	53,015	65,386
Transfer to creditors due within one year	(6,228)	(7,643)
	46,787	57,743

Notes to the Financial Statements

14. Called-up Share Capital

	31 May 2021 Shares	31 May 2021 £'000	31 May 2020 Shares	31 May 2020 £'000
Allotted, called up and fully paid:				
Ordinary shares of 0.67p each				
Opening position	54,089,447	36,240	54,089,447	36,240
Closing position	54,089,447	36,240	54,089,447	36,240
Total shares in issue	54,089,447	36,240	54,089,447	36,240

During the period there were no ordinary shares bought back in the market for cancellation. (31 May 2020: nil).

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.

15. Reserves

	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve* £'000
Beginning of period	269,535	3,325	842,675	503,307	(95,816)
Net gain on realisation of investments	–	–	153,802	–	–
Increase in unrealised appreciation	–	–	–	176,066	–
Transfer on disposal of investments	–	–	–	363	–
Revaluation of amounts owed in respect of transactions	–	–	–	–	–
Exchange differences on currency	–	–	(18,389)	–	–
Exchange differences on other capital items	–	–	(63)	–	–
Legal and professional expenses charged to capital	–	–	(1,245)	–	–
Other expenses charged to capital	–	–	(95)	–	–
Revenue return for the period	–	–	–	–	(4,474)
End of period	269,535	3,325	976,685	679,736	(100,290)

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

16. Net asset value per Share

	31 May 2021	31 May 2020
Net assets attributable in £'000	1,865,231	1,559,266
Ordinary shares	54,089,447	54,089,447
Net asset value per ordinary share	3,448.42p	2,882.75p

17. Reconciliation of Return Before Financing Costs and Taxation to Net Cash Flow from Operating Activities

	31 May 2021 £'000	31 May 2020 £'000
Return before finance costs and taxation	305,920	64,517
Withholding tax refunded/(deducted)	3,533	(1,616)
Gains on investments	(341,802)	(72,264)
Currency losses/(gains) on cash and borrowings	18,452	(1,403)
Increase/(decrease) in creditors	215	(216)
Decrease in other debtors	3	65
Losses on financial liabilities at fair value through profit or loss (ALN)	12,547	225
Income, expenses and taxation associated with the ALN	(632)	(1,265)
Net cash outflow from operating activities	(1,764)	(11,959)

18. Contingencies, Guarantees and Financial Commitments

At 31 May 2021 there were financial commitments outstanding of £528m (31 May 2020: £541m) in respect of investments in partly paid shares and interests in private equity funds. Further details are provided on page 7 of the Strategic Report.

Outstanding commitments include a £106.7m (31 May 2020: £nil) cornerstone commitment to the Pantheon Secondaries Opportunities Fund ("PSOF"). PSOF seeks to partner with high quality private equity managers to acquire, as single transactions, their most attractive portfolio companies with the goal of jointly participating in such companies next phase of growth. PIP has agreed a fee basis with Pantheon for this investment which, in recognition of its cornerstone role, is lower than the standard fee scale applied to the rest of the Company's portfolio.

Further detail of the available finance cover is provided in Note 19.

Notes to the Financial Statements

19. Analysis of Financial Assets and Liabilities

The primary investment objective of the Company is to seek to maximise long-term capital growth for its shareholders by investing in funds specialising in unquoted investments, acquiring unquoted portfolios and participating directly in private placements. Investments are not restricted to a single market but are made when the opportunity arises and on an international basis.

The Company's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations, for example sales and purchases awaiting settlement and debtors for accrued income.

The principal risks the Company faces in its portfolio management activities are:

- liquidity/marketability risk;
- interest rate risk;
- market price risk; and
- foreign currency risk.

The Company 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.

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 18 for outstanding commitments as at 31 May 2021) to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent upon it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.

On 1 June 2018, the Company agreed a four year £175m multi-currency revolving credit facility agreement, arranged by Lloyds Bank and NatWest Markets. This was further extended to £300m on 28 May 2020 (see Note 6 for further information). In February 2021, the Company further agreed an extension to the facility end date to 31 May 2024.

The principal covenant that applies to the loan facility is that gross borrowings do not exceed 30% of adjusted gross asset value. The facility is available should the Company have the requirement to cover any shortfalls in meeting its commitments.

Total available financing as at 31 May 2021 stood at £475m (31 May 2020: £431m), comprising £198m (31 May 2020: £121m) in cash balances and £277m (31 May 2020: £310m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 4.1 times (31 May 2020: 3.6 times).

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 LIBOR or EURIBOR + 2.35%, dependent on the currency drawn. The interest rate is then fixed for the duration that the loan is drawn down. At 31 May 2021 there was the sterling equivalent of £nil funds drawn down on the loan facilities (31 May 2020: £nil). A commitment fee of 0.94% per annum is payable in respect of the amounts available for drawdown in each facility.

19. Analysis of Financial Assets and Liabilities continued

Non-Interest Rate Exposure

The remainder of the Company's portfolio and current assets are not subject to interest rate risks.

Financial assets for 2021 and 2020 consisted of investments, cash and debtors (excluding prepayments). As at 31 May 2021, the interest rate risk and maturity profile of the Company's financial assets was as follows:

31 May 2021	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	74,668	74,668	–	–	–
US dollar	1,428,217	1,428,217	–	–	–
Euro	356,593	356,593	–	–	–
Other	53,364	53,364	–	–	–
	1,912,842	1,912,842	–	–	–

The interest rate and maturity profile of the Company's financial assets as at 31 May 2020 was as follows:

31 May 2020	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	65,420	65,420	–	–	–
US dollar	1,234,056	1,234,056	–	–	–
Euro	290,292	290,292	–	–	–
Other	36,012	36,012	–	–	–
	1,625,780	1,625,780	–	–	–

Financial Liabilities

At 31 May 2021, the Company had drawn the sterling equivalent of £nil (31 May 2020: £nil) of its committed revolving multi currency credit facility, expiring 31 May 2024, with Lloyds Bank, Natwest Markets, State Street Bank and Trust Company. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the year end, interest of £nil (31 May 2020: £nil) was accruing as the facilities were unutilised.

At 31 May 2021 and 31 May 2020, other than the ALN, all financial liabilities were due within one year and comprised short-term creditors. The ALN is repayable by no later than 31 August 2027.

Market Price Risk

The method of valuation of the fixed asset investments is described in Note 1(E) on page 112. 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 2021 valuation, with all other variables held constant, there would have been a reduction of £342,745,000 (31 May 2020: £299,138,000) in the return before taxation. An increase of 20% would have increased the return before taxation by an equal and opposite amount.

Notes to the Financial Statements

19. Analysis of Financial Assets and Liabilities continued

Foreign Currency Risk

Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates. A geographical analysis of the portfolio and hence its exposure to currency risk is given on page 6 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 34 to 37 and the Manager's Review on pages 22 to 23.

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 2021, realised exchange losses of £63,000 (31 May 2020: realised exchange gains of £162,000) and realised losses relating to currency of £18,389,000 (31 May 2020: realised gains of £1,241,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown below. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 31 May 2021, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £20,497,000 (31 May 2020: £12,639,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of decreasing equity shareholders' funds by £16,770,000 (31 May 2020: £10,341,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 31 May 2021 of 1.42155 (31 May 2020: 1.23680) sterling/dollar and 1.16255 (31 May 2020: 1.11185) sterling/euro. The Company's investment currency exposure is disclosed in Note 9b.

An analysis of the Company's exposure to foreign currency is given below:

	31 May 2021 Assets £'000	31 May 2021 Liabilities £'000	31 May 2020 Assets £'000	31 May 2020 Liabilities £'000
US dollar	166,058	455	112,583	310
Canadian dollar	18	–	–	–
Euro	19,071	203	1,606	127
Swedish krone	3,219	–	66	–
Norwegian krone	1,712	–	321	–
Australian dollar	7,480	–	331	–
	197,558	658	114,907	437

Fair Value of Financial Assets and Financial Liabilities

The financial assets of the Company are held at 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 14. Capital is managed so as to maximise the return to shareholders while maintaining a capital base that allows the Company to operate effectively in the marketplace and sustain future development of the business.

As at 31 May 2021 and 31 May 2020 the Company had bank debt facilities to increase the Company's liquidity. Details of available borrowings at the period end can be found earlier in this Note.

The Company's assets and borrowing levels are reviewed regularly by the Board of Directors with reference to the loan covenants.

The Company's capital requirement is reviewed regularly by the Board of Directors.

20. Transactions with the Manager and Related Parties

The amounts paid to the Manager, together with the details of the Investment Management Agreement, are disclosed in Note 3. The existence of an Independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the AIC SORP, the Manager is not considered to be a related party.

The Company's only related party transactions during the year pertain to the Directors Fees paid to the Company's Board and are disclosed in the Directors' Remuneration Report on pages 95 to 98. The Company's National Insurance contribution in relation to Directors' remuneration is disclosed in Note 4.

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

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 United Kingdom Accounting Standards and these continue to be presented in other sections of the Annual Report, principally the Strategic Report (pages 1 to 41), the Manager's Review (pages 42 to 76) and the financial statements (pages 106 to 127). 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 2021, including staff remunerated by affiliates of the Manager, was approximately 349, 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 2021 attributable to work relating to the Company was as follows:

	12 months to 31 May 2021			12 months to 31 May 2020		
	Fixed £'000	Variable £'000	Total £'000	Fixed £'000	Variable £'000	Total £'000
Senior management	440	526	966	571	870	1,441
Staff	1,108	698	1,807	1,331	794	2,125
Total staff	1,548	1,225	2,773	1,902	1,664	3,566
Identified staff	296	351	647	413	634	1,047

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.

Leverage

The AIFMD requires the Manager of the Company to set leverage limits for the Company. For the purposes of the AIFMD, leverage is any method by which the Company's exposure is increased, whether through the borrowing of cash or by the use of derivatives or by any other means. The AIFMD requires leverage to be expressed as a ratio between the Company's exposure and its net asset value and prescribes two methodologies, the gross method and the commitment method (as set out in Commission Delegated Regulation No. 231/2013), for calculating such exposure.

The following leverage limits have been set for the Company:

(i) Borrowings shall not exceed 100% of the Company's net asset value or such lower amount as is agreed from time to time with the Company's lenders.

(ii) Leverage calculated as the ratio between the exposure of the Company calculated in accordance with the gross method referred to above and its net asset value shall not exceed 200%.

(iii) Leverage calculated as the ratio between the exposure of the Company calculated in accordance with the commitment method referred to above and its net asset value shall not exceed 200%.

Using the methodologies prescribed under the AIFMD, the Company's leverage as at 31 May 2021 is shown below:

	Gross method	Commitment method
Leverage ratio	92%	103%

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 2021. There are no collateral or asset reuse arrangements in place.

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 34 to 37) and also in Note 19 of the financial statements (pages 124 to 125). 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 88). 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 34 to 37). These investment restrictions have not been exceeded in the financial year to 31 May 2021.

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 are defined below.

AIC ongoing charges

Annualised operating costs, excluding performance fees, financing costs and taxes, as a percentage of the average month-end NAV over the year.

	Page	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000	
Investment management fees	115	18,544	17,674	
Lookthrough charges	115	352	428	
Other expenses	116	1,417	730	
Total expenses		20,313	18,832	(a)
Average month-end NAV		1,668,186	1,527,317	(b)
AIC ongoing charges		1.22%	1.23%	(a/b)

Net available cash

Cash and net current assets (liabilities) less next ALN repayment (see Notes 11 and 12).

Available financing

Sum of available cash and undrawn loan facility.

	Page	At 31 May 2021 £m	At 31 May 2020 £m	
Available cash	110	198	121	(a)
Undrawn loan facility	124	277	310	(b)
Available financing		475	431	(a + b)

Capital call

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

	Page	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Purchases of investments	111	226	239	(a)
Recallable distributions		(29)	(11)	(b)
Amount drawn for new commitments		(76)	(109)	(c)
ALN share of calls		(1)	(1)	(d)
Capital calls		120	118	(a + b + c + d)

Capital call rate

Capital calls in the period divided by opening undrawn commitments.

	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Capital calls	120	118	(a)
Opening undrawn commitments	541	521	(b)
Capital calls	22%	23%	(a/b)

Portfolio Investment Return

Total movement in the valuation of the underlying funds and companies comprising the portfolio, expressed as a percentage of opening portfolio value. Foreign exchange effects and other expenses are excluded from the calculation. The figure excludes returns attributable to the ALN. A reconciliation of the Return after taxation to the portfolio valuation movement is shown below.

	Page	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Return after taxation (per Income Statement)	108	306	61	(a)
Adjusted for non portfolio income and expenses				
– Investment management fees	108	19	18	(b)
– Other expenses	108	3	2	(c)
– Interest payable and similar expenses	108	3	2	(d)
– Other income	115	–	(1)	(e)
– Portfolio and other FX	*	186	(29)	(f)
Portfolio valuation movement		517	53	(g) = (a) + (b) + (c) + (d) + (e) + (f)
Opening investments at fair value	110	1,496	1,450	(h)
ALN share of opening investments		(58)	(93)	(i)
Opening portfolio value (excluding the ALN)		1,438	1,357	(j) = (h) + (i)
Portfolio Investment Return		36.0%	3.9%	(g/j)

* Includes £165m of FX on the portfolio excluding the ALN (2020: £29m).

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 Asset Linked Note.

	Page	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Disposals of investments	111	345	267	(a)
Investment income received	111	16	10	(b)
Recallable distributions		(22)	(13)	(c)
Withholding tax deducted	111	4	(2)	(d)
ALN share of distributions		(24)	(34)	(e)
Distributions from PIP's portfolio		319	228	(a + b + c + d + e)

Distribution rate

Distributions for the period divided by opening portfolio value.

	Page	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Distributions from PIP's portfolio		319	228	(a)
Opening investments at fair value	110	1,496	1,450	(b)
ALN share of opening investments		(58)	(93)	(c)
Opening portfolio value (excluding the ALN)		1,438	1,357	(d) = (b + c)
Distribution rate from PIP's portfolio		22%	17%	(a/d)

Alternative Performance Measures

Financing cover

Ratio of available cash, private equity assets and undrawn loan facility to outstanding commitments. Future calls from outstanding commitments are expected to be funded from future distributions realised from the existing private equity assets portfolio, in addition to distributions realised from future investments.

	Page	At 31 May 2021 £m	At 31 May 2020 £m	
Available financing	132	475	431	(a)
Investments at fair value	110	1,714	1,496	(b)
Total		2,189	1,927	(c) = (a + b)
Outstanding commitments		528	541	(d)
Financing cover		4.1x	3.6x	(c/d)

Net portfolio cash flow

Income and capital distributions received from funds following exit realisations less capital calls made to finance investments or expenses.

	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Distributions from PIP's portfolio	319	228	(a)
Capital calls	120	(118)	(b)
Net portfolio cash flow	199	110	(a + b)

Sample calculations and disclosures

The sample buyout figures for the 12 months to 31 December 2020 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI and FTSE data was sourced from Bloomberg.

Revenue and EBITDA

The revenue and EBITDA figures were based upon the last 12 months to 31 December 2020 or where not available, the closest annual period disclosed, and provide coverage of 68% and 69% (12 months to 2019: 65% and 64%) 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 2015–2020 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 2020, or the closest disclosed period end. The valuation multiple sample covers approximately 54% (2019: 51%) of PIP's buyout portfolio. The debt multiple sample covers approximately 68% (2019: 66%) of PIP's buyout portfolio.

Cost multiple

The cost multiple data on page 55 is based on a sample that represented approximately 42% by value of proceeds from exit realisations for the year to 31 May 2021. The data covers primary investments and co-investments, and is based upon gross cost multiples available at the time of the distribution.

Uplift

Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the underlying private equity manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to the transaction taking place. The analysis on page 55 only includes exit realisations that occurred during the period and disregards the impact of any proceeds received outside of the 12 month period covered in the uplift analysis. The data in the sample represents 100% (2020: 100%) of proceeds from exit realisations and 74% (2020: 75%) of distributions received during the period.

Total ongoing charges

Annualised operating costs, including financing costs and any performance fees charged by Pantheon but excluding taxes, expressed as a percentage of the average month-end NAV over the year.

	Page	Year ended 31 May 2021 £m	Year ended 31 May 2020 £m	
Investment management fees	115	18,544	17,674	
Performance fee payable to Pantheon		–	–	
Lookthrough charges	115	352	428	
Other expenses	116	1,417	730	
Interest payable and similar expenses	108	3,488	2,223	
Total expenses and financing costs		23,801	21,055	(a)
Average month-end NAV		1,668,186	1,527,317	(b)
Total ongoing charges		1.43%	1.38%	(a/b)

Undrawn coverage ratio

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

	Page	At 31 May 2021 £m	At 31 May 2020 £m	
Available financing	132	475	431	(a)
Investments at fair value (10%)	110	171	150	(b)
Total liquid resources		646	580	(c) = (a + b)
Undrawn commitments		528	541	(d)
Undrawn coverage ratio		122%	107%	(c/d)

Glossary of Terms

AIFMD

Alternative Investment Fund Managers Directive.

Asset Linked Note ("ALN")

Unlisted, subordinated note due August 2027, the repayment and the performance of which are linked to a reference portfolio consisting of older vintage funds. The holder of the ALN has rights to receive c.75% of net cash flows arising from the reference portfolio prior to the repayment of any outstanding balance in August 2027.

Buyout funds

Funds that acquire controlling interests in companies with a view towards later selling those companies or taking them public.

Carried interest

Portion of realised investment gains payable to the General Partner as a profit share.

Co-investment

Direct shareholding in a company by invitation alongside a private equity fund.

Commitment

The amount of capital that each Limited Partner agrees to contribute to the fund when and as called by the General Partner.

Debt multiple

Ratio of net debt to EBITDA.

Dry powder

Capital raised and available to invest but not yet deployed.

Earnings before interest, taxes, depreciation and amortisation ("EBITDA")

A measure of earnings before interest and taxes that excludes non-cash expenses. Valuation methods are commonly based on a comparison of private and public companies' value as a multiple of EBITDA.

Enterprise value

The sum of a company's market capitalisation and net debt, (net debt equals debt less cash and cash equivalents).

Exit

Realisation of an investment usually through trade sale, sale by public offering (including IPO), or sale to a financial buyer.

Expense charge

A pro rata share of the Company's Total Ongoing Charges allocated to the ALN, reducing each quarterly payment. This is deducted from Other expenses through the revenue account of the Income Statement.

Feeder fund

An investment vehicle, often a limited partnership, that pools capital commitments of investors and invests or "feeds" such capital into an umbrella fund, often called a master fund ("Master"), which directs and oversees all investments held in the Master portfolio.

Fund-of-funds

Private equity fund that invests in a portfolio of several private equity funds to achieve, compared with a direct investment fund, a broader diversification of risk, including individual private equity manager risk.

Fund management fee

Annual fee, typically charged by the GP as a percentage of LP commitments to the fund during the investment period and attenuating thereafter, intended to cover the costs of running and administering a fund.

General Partner ("GP")

The entity managing a private equity fund that has been established as a limited partnership, also commonly referred to as the private equity fund manager.

Initial public offering ("IPO")

The first offering by a company of its own shares to the public on a regulated stock exchange.

Internal rate of return ("IRR")

The IRR, a common measure of private equity performance, is calculated as an annualised compounded rate of investment return based on the timing and quantity of cash flows.

Investment period

Period, typically five years, during which the GP is permitted to make new investments.

J-curve

Refers to the tendency of private equity funds to experience capital outflows and negative returns in early years, and cash flow distributions and investment gains in later years as portfolio companies mature and are exited.

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.

Market capitalisation

Share price multiplied by the number of shares outstanding.

Multiple of invested capital ("MOIC" or cost multiple)

A common measure of private equity performance, MOIC is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital.

Net asset value ("NAV")

Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor's attributable holding.

Net available cash

Cash and net current assets (liabilities) less next ALN repayment (see notes 12 and 13).

Paid-in capital

Cumulative amount of capital that has been called.

Portfolio company

A company that is an investment within a private equity fund.

Portfolio investment return

Total movement in the valuation of the underlying funds and companies comprising the portfolio, expressed as a percentage of opening portfolio value. Foreign exchange effects and other expenses are excluded from the calculation. The figure excludes returns attributable to the ALN.

Primaries

Commitments made to private equity funds at the time such funds are formed.

Private equity

Privately negotiated investments typically made in non-public companies.

Reference portfolio

As defined under the terms of the Asset Linked Note, a subset of PIP's private equity portfolio assets, substantially comprising the Company's oldest funds (2006 and earlier vintages).

Secondaries

Purchase of existing private equity fund or company interests and commitments from an investor seeking liquidity in such funds or companies.

Share price premium (discount)

Occurs when a company's share price is higher (lower) than the net asset value per share.

Single asset secondary

Purchase of an interest in a single 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.

Undrawn or outstanding commitments

Capital that is committed but is still to be drawn down by the GP for investment.

Uplift on exit

Increase in value received upon exit realisation of an investment relative to its carrying value 12 months prior to realisation.

Valuation multiples

Multiple of earnings (typically EBITDA or net income) or revenue applied in valuing a business enterprise.

Venture capital

Investment in early and development-stage companies, often used to finance technological product and market development.

Vintage

The year in which a private equity fund makes its first investment.

Weighted average fund age

Average fund age for the portfolio is weighted by the fund's respective closing net asset values. Fund age refers to the number of years since a private equity fund's first investment.

Directors and Advisers

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Dame Susan Owen DCB
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Notes

Notes

Electronic communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's annual reports, Notices of Meetings and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, visit www.signalshares.com. To register, you will need your investor code, which can be found on your share certificate.

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

By phone: call +44 (0)371 664 0300. Calls from outside the UK will be charged at the applicable international rate. Link is open between 09:00 and 17:30, Monday to Friday (excluding public holidays in England and Wales).

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

By post: Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, UK

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Paper from responsible sources
FSC® C022913

Designed and produced by **Friend**
www.friendstudio.com

Print: Pureprint Group

This report has been printed on Edixion Challenger Offset which is FSC® certified and made from 100% Elemental Chlorine Free (ECF) pulp. The mill and the printer are both certified to ISO 14001 environmental management system. The report was printed using vegetable-based inks by a CarbonNeutral® printer.

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