Petershill Partners

Operated by Goldman Sachs Asset Management

Propelling Performance

Annual Report 2024

Petershill Partners plc

Propelling Performance

As a publicly listed investor in middle-market alternative asset managers, Petershill Partners plc ("Petershill Partners" or the "Company")[1] offers Shareholders diversified access to the growth in private markets. Through our non-controlling ownership in carefully selected Partner-firms, we provide public market investors with access to the profitability of ambitious private capital firms focused on the middle-market.

Our Shareholders benefit from the growth of over 20 firms and long-term, stable, cash flows generated by the fee income from over 200 funds, managed by our Partner-firms across multiple asset classes and investment strategies.

The Glossary of Capitalised Defined Terms on pages 134 to 135 and Glossary of Key Operating Metrics on pages 138 to 140 include definitions of the APMs and reconciliation to the relevant IFRS measures.

1. Includes Petershill Partners plc and its subsidiaries.

Contents

Strategic Report

Governance Report

Financial Statements

Additional Information

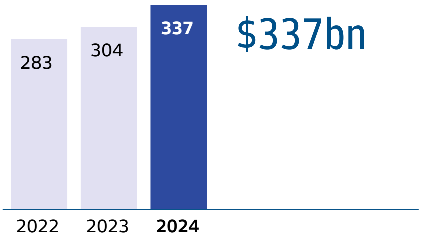
Our Performance Highlights

To measure the progress and performance of the Company over time, we use a combination of Key Performance Indicators, Alternative Performance Measures and Operating Metrics. Along with our Operator Goldman Sachs Asset Management, we use these to help evaluate trends and assess the performance both of our Partner-firms and of the Company.

Growth KPIs

Aggregate Partner-firm AuM
OM

At 31 Dec 2024

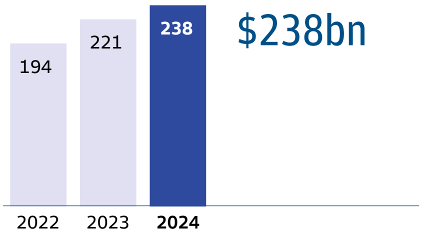


$337bn

Aggregate Partner-firm AuM is a meaningful measure of the size, scope and composition of the Company's Partner-firms, as well as of their capital-raising activities. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of Petershill Partners' ownership interests in the Partner-firms.

Aggregate Fee-paying Partner-firm AuM
OM

At 31 Dec 2024

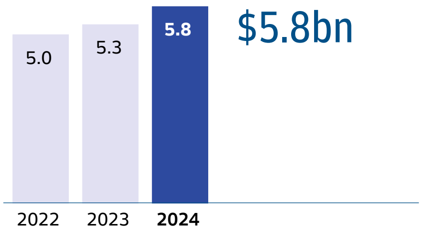


$238bn

Aggregate Fee-paying Partner-firm AuM is a meaningful measure of the Partner-firms' capital base upon which they earn management fees, and the measure is used in assessing the management fee-related performance of the Partner-firms. This is an aggregated figure across all Partner-firms and includes Fee-paying Partner-firm AuM outside of Petershill Partners' ownership interests in the Partner-firms.

Investments in Partner-firms at Fair Value
IFRS

At 31 Dec 2024



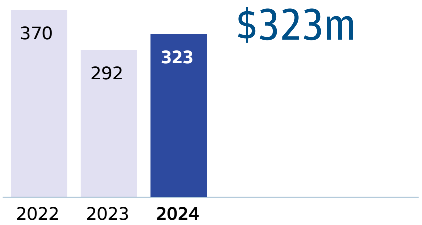
$5.8bn

The fair value of investments in Partner-firms represents the current value of the Company's investments.

Profitability KPIs

Partner Distributable Earnings
OM

Full year 2024

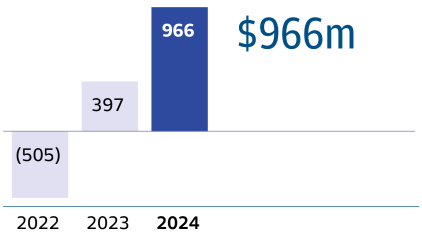


$323m

Partner Distributable Earnings is defined as the sum of Partner Fee-Related Earnings (FRE), Partner Realised Performance Revenues (PRE) and Partner Realised Investment Income. It is a meaningful measure of Petershill's income from its interests in Partner-firms.

Profit/(Loss) Before Tax
IFRS

Full year 2024

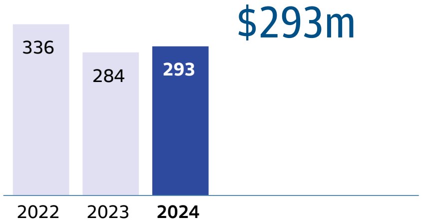


$966m

The profit before tax is a measure of the profitability of the Company. It includes earnings from investments in Partner-firms, the impact of valuing those interests, and the other income and costs of the Company.

Adjusted EBIT
APM

Full year 2024

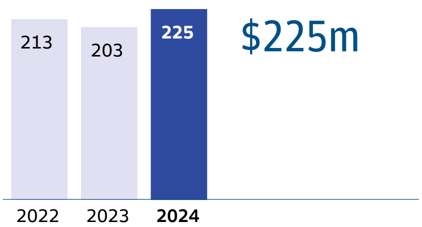


$293m

Adjusted EBIT is a meaningful measure as it enables a clear view of the Company's operational profitability by excluding certain items that do not form part of the Company's recurring activities.

Partner FRE
OM

Full year 2024



$225m

Partner Fee-Related Earnings is a meaningful measure of the management fee-related earnings of the Partner-firms.

Key

APM Alternative Performance Measure

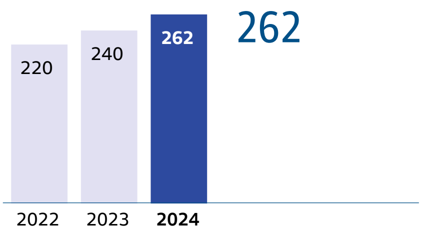
IFRS International Financial Reporting Standard

OM Operating Metric

Diversification KPIs

Partner-firm Funds
OM

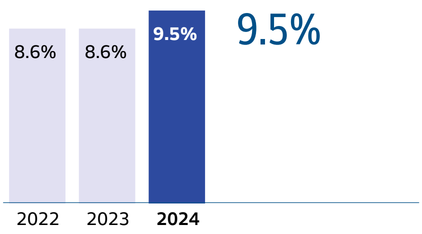
At 31 Dec 2024



Partner-firm funds are defined as the number of underlying Partner-firm funds to which the Company is exposed.

Partner FRE Concentration by Largest Fund
OM

Full year 2024

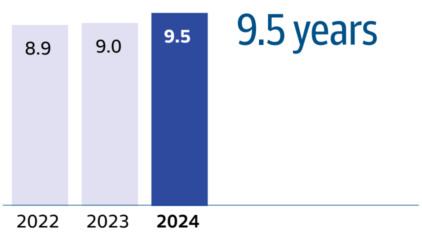


Partner FRE Concentration by Largest Fund is calculated as FRE from the largest fund divided by total FRE, and highlights the diversified nature of the Company.

Quality of Partner-firm Earnings KPIs

Weighted Average Capital Duration
OM

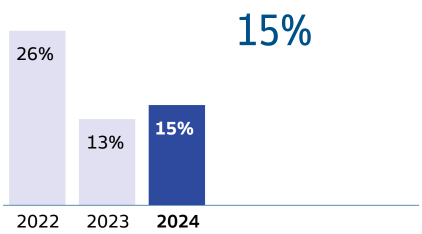
At 31 Dec 2024



Weighted Average Capital Duration is a key measure of the long-term, locked-up capital of Aggregate Fee-paying Partner-firm AuM.

Partner Realised PRE as a Percentage of Partner Revenue
OM

Full year 2024



This KPI highlights the management-fee-centric nature of the Company's financial profile.

Key

APM Alternative Performance Measure

IFRS International Financial Reporting Standard

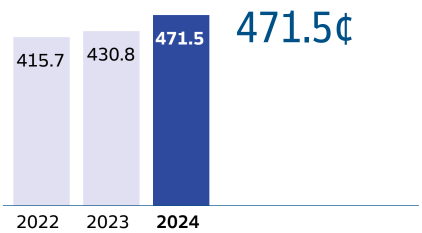
OM Operating Metric

Per Share Metrics

Book Value Per Share

IFRS

At 31 Dec 2024

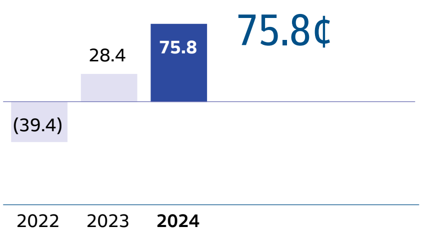


Book value per share indicates the Company's net asset value on a per-share basis by dividing total Shareholders' funds by the total number of shares outstanding.

Earnings Per Share

IFRS

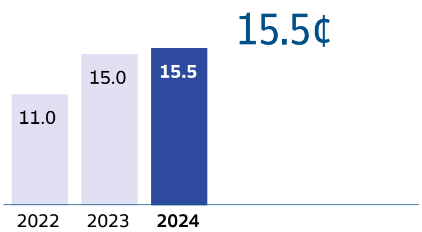
Full Year 2024



Earnings per share (EPS) is calculated by dividing the net profit after tax by the weighted average number of Ordinary Shares in issue, to provide the portion of the Company's profit allocated to each outstanding share.

Ordinary Dividend Per Share

Full year 2024



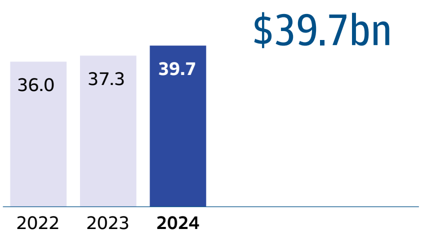
The Proposed Ordinary Dividend Per Share is comprised of an interim and final dividend each year. The interim dividend is equal to one-third of the prior year total dividend and the dividend is proposed by the Board and subject to approval by Shareholders at the Annual General Meeting.

Ownership Weighted Operating Metrics

Ownership Weighted AuM

OM

At 31 Dec 2024

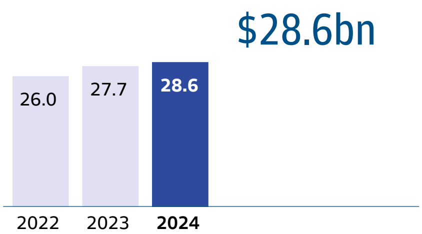


Ownership weighted AuM represents the sum of the Company's ownership stakes in each Partner-firm's AuM.

Ownership Weighted Fee-paying AuM

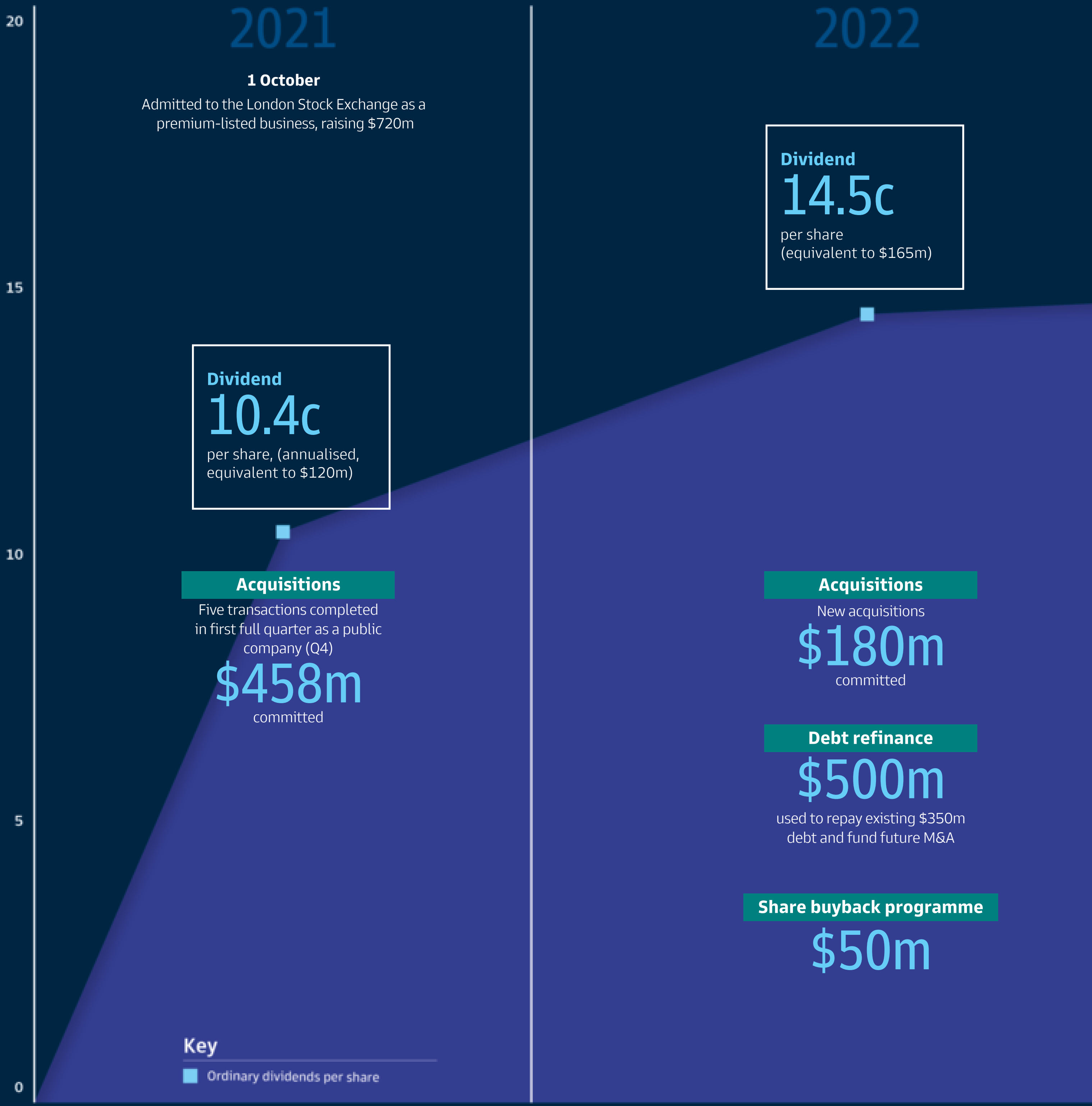
OM

At 31 Dec 2024



Ownership weighted Fee-paying AuM represents the sum of the Company's ownership stakes in each Partner-firm's Fee-paying AuM. It is the AuM base on which we earn management fees.

Our Strategy in Action



2021

1 October

Admitted to the London Stock Exchange as a premium-listed business, raising $720m

Dividend

10.4c

per share, (annualised, equivalent to $120m)

Acquisitions

Five transactions completed in first full quarter as a public company (Q4)

$458m

committed

2022

Dividend

14.5c

per share (equivalent to $165m)

Acquisitions

New acquisitions

$180m

committed

Debt refinance

$500m

used to repay existing $350m debt and fund future M&A

Share buyback programme

$50m

2024 marked Petershill Partners' third full year as a publicly listed company. During this period, we completed four acquisitions and three disposals, returned $563 million of capital to Shareholders and maintained our progressive dividend policy.

2023

Dividend
15.0c
per share delivered in 2024 (equivalent to $168m)

Acquisitions
None in 2023

Share buyback programme
$50m
Completed $26m at the end of the year

2024

Dividend
15.5c
per share interim and 2024 final dividend proposed (equivalent to $168m)

Special dividends
26.5c
per share (equivalent to $287m)

Acquisitions
Completed four acquisitions totalling
$205m
committed

Tender offer
$103m[1]
tender offer completed in June 2024

Share buyback programme
$6m
Completed in 1H 2024

Disposals
Completed three disposals totalling
$575m
expected proceeds

1. Excludes capitalised transaction costs of $3.4m.

Chairman's Statement

"Our business is well-positioned to capitalise on the GP-stakes opportunity we have identified through the strong execution both by our Partner-firms and by the Company."

Dear Shareholders

2024 was an active and productive year for your Company. Underlying performance from our Partner-firms improved and we completed a number of value creating acquisitions and disposals. The Board also undertook a number of capital management actions including a share buyback, a tender offer and the distribution of two special dividends. As a result, the market has begun to better reflect the value of the business and the total shareholder return was strong.

This was against a backdrop of a good year for global equity markets with the US, where the majority of our businesses invest, leading the way – the S&P500 ended the year up 23%. The headline number, however, masks the fact that stock market index growth was concentrated in a few names and both stock and bond markets experienced periods of heightened volatility as a result of geopolitical events that took place throughout the year. Periodic bouts of uncertainty around the timing and depth of interest rate cuts in major developed markets also weighed on sentiment. Against this improving, but still challenging backdrop, private markets asset-raising at the industry level contracted for a third successive year coming in 21% lower year-on-year. It is encouraging to note that, despite the volatile environment, our Partner-firms exceeded the aggregate guidance we set a year ago, raising $32 billion of new fee-eligible AuM (assets under management) during the year.

High-quality Partner-firms

This is the third consecutive year that our asset-raising guidance has either been met or exceeded. In all, 16 different firms contributed to the overall figure this year. We view this as testament to the quality of the alternative asset management companies we invest in, the benefits of having a portfolio of GP stakes that is diversified across asset class, strategy and vintage and our focus on specialist middle-market managers, an area we believe enjoys a long runway of growth.

The quality of our Partner-firms can also be seen in Petershill Partners' own financial performance for the year. Fee-Related Earnings (FRE) are up 11% driven by 10% growth in Partner Net Management and Advisory Fees, in-line with the 10% cost growth at our Partner-firms. FRE accounts for 70% of our overall income with the remainder primarily generated from Partner Realised Performance Revenues (PRE). Here too, we are reporting growth of 33% for the year, driven partly by improving activity levels as the year progressed. Overall, we are reporting an 11% increase in our Partner Distributable Earnings for the year.

The pick-up in activity levels seen across our Partner-firms is mirrored by Petershill Partners' own experience. In 2023, we did not conclude a single acquisition or divestment. By contrast, 2024 saw the Company complete four acquisitions at a total cost of $205 million, along with three divestments for a total consideration of $575 million, a 19% premium to the $483 million carrying value at the transaction dates. This reflected sales at significantly higher earnings multiples than the company trades on, and also in excess of our carrying valuation multiples.

In terms of acquisitions made, we increased our interest in three existing Partner-firm investments via a secondary transaction from a financial investor executed at a discount to our carrying value. We also added a new Partner-firm to our portfolio after we acquired a stake in private credit manager Kennedy Lewis Investment Management, which operates in the private credit space, a segment which is growing rapidly.

As for disposals, we sold a partial interest in Accel-KKR ("AKKR") followed by a further sale of mainly investment capital in the same manager. In addition, we disposed of our stake in LMR Partners ("LMR"), an absolute return manager. All the above activity was in line with our strategy of focusing on high-quality management fee-centric earnings.

Subsequent to the year end we announced the sale of the substantial majority of our interest in General Catalyst for a consideration of $726 million, representing a premium to its last reported carrying value of 62%. In addition, on the 14 March 2025, the Company acquired a stake for $330 million in Frazier Healthcare Partners, a specialist mid-market private equity firm with $5.5 billion in AuM.

Stewards of capital

As a Board, we take our role as stewards of Shareholder capital seriously. In line with this, we are focused on optimising capital efficiency. So, as well as funding the $205 million spent on the above acquisitions, the operating cashflows and proceeds raised from the various sales enabled us to return a total of $563 million to Shareholders through a combination of a tender offer, special dividends, a buyback programme and our progressive dividend policy. We approved all these steps over the course of the year because, in our view, they represented efficient uses of capital. Subsequent to year end the Board announced a special dividend of $151 million representing the majority of the profit realised on the General Catalyst sale. The balance of the proceeds from that transaction will be retained for redeployment into new investments.

The tender offer serves as an example of how our focus on capital efficiency works in practice. During the first quarter of the year, we believed the Petershill Partners share price, which was regularly trading at a 45-50% discount to net asset value, represented a compelling investment opportunity. We therefore completed a tender offer of $103 million to Shareholders at a price of 214p per Ordinary Share, a 15% premium to the previous day's closing price of 186p. Petershill's share price went on to finish the year at 248p, 16% higher than the tender offer price, highlighting how the exercise was not only significantly value accretive but also an effective use of the Company's capital. We will continue to review and undertake other actions designed to continue to narrow the discount to net asset value at which the Company's shares trade.

The careful stewardship of your capital can also be seen in the year end carrying value of the Company's investments, which increased by 11% over the year. The increase in the value of our investments was a result of higher multiples on comparable listed businesses which in turn was in response to rising markets and a reduction in the cost of capital and the revaluation of the stake in General Catalyst to the exit value.

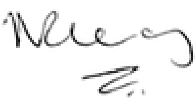
The disposals also illustrate the value creation within our investment model. In the 2025 disposal of General Catalyst, the blended cost of capital implied in our holding value of GC at the time of the transaction was approximately 17%, compared to the implied blended cost of capital on exit of approximately 11%, which implies a higher exit multiple relative to entry multiple. At the time we underwrite new deals, the typical implied blended cost of capital is approximately 15-20%, and projected returns are predicated on growth and cashflow and not multiple expansion. The outcomes have shown the approach to underwriting to be conservative.

Aside from the return of capital to Shareholders, there have been no other changes to the capital structure of the Company. Our fixed-rate debt remains relatively low cost and long term with a maturity range of between 4 and 17 years. Based on the solid free cash flow that continues to be generated by our Partner-firms, we have been able to increase our dividends for the year. The Board approved an interim dividend of 5.0 cents per share and is recommending a final dividend of 10.5 cents per share, bringing the full-year payout to 15.5 cents per share, an increase of 3% compared to 2023's 15.0 cents per share. We have therefore maintained our track record of raising our regular annual payout in each of the years since our IPO. During this year we were also able to return 26.5 cents per share to investors in the form of two special dividends bringing total capital return from dividends in respect of 2024 to 42.0 cents per share, equivalent to approximately 33 pence per share. Subsequent to the year end, the Board announced a special dividend of 14.0 cents per share, relating to the 2025 General Catalyst disposal.

During the year, we held 11 Board meetings and 3 Board sub-committee meetings, supplemented by 12 meetings of Board Committees, covering Audit and Risk, Remuneration, Nomination and Management Engagement. As a Board, we make ourselves available to meet with our Shareholders both via direct engagement and the investor relations activities of the Operator and our brokers. Board members also attend the Operator's annual meeting for limited partners in its private funds which invest in GP stakes. This provides an opportunity to engage with the end investors which collectively own the majority of the Company through funds managed by Goldman Sachs Asset Management. As part of the Board's continued engagement with the Company's Partner-firms, we met with a number of our Partner-firms during the year. In addition, 2024 saw 402 engagements between the Operator and Partner-firms via the Operator's GP services platform. The support and services provided by the platform are focused on unlocking value and growing returns.

Outlook

The year under review has seen significant progress made at the portfolio and corporate level. Whilst the higher level of economic and market uncertainty may impact industry deal volumes, we believe our business is well-positioned to capitalise on GP-stakes opportunities. In our view, the market is starting to recognise the value creation opportunity that acquiring stakes in alternative asset managers presents, as well as the Company's focus on capital efficiency. Despite the volatility in markets in 2025, we hope to deliver attractive risk-adjusted returns in the long term.



Naguib Kheraj
Chairman

8 April 2025

Highlights

$575m
Nominal consideration from disposals during 2024

$563m
Total capital returned to Shareholder during 2024

$205m
Acquisitions announced during 2024

Our Model for Growth

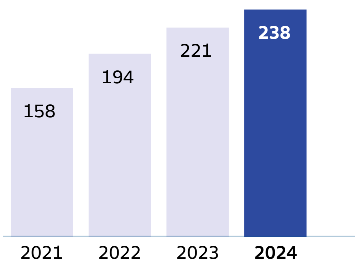
Petershill Partners aims to provide public market investors with access to both the stable and recurring income our Partner-firms deliver and the attractive risk-adjusted returns our diversified portfolio of interests generates.

By investing in Partner-firms, we cultivate long-lasting relationships supporting our Partner-firms' aspirations. We earn a share of the earnings generated predominately from management fees charged on the funds they manage. The experience and expertise of the Operator team provides a platform that provides Partner-firms with the advice and support needed to capture growth opportunities.

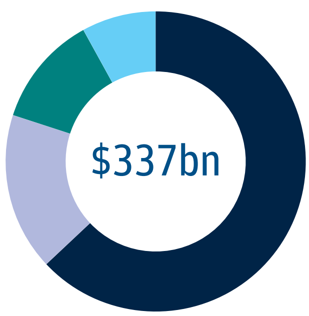
200+ Alternative Investment Funds

with broad coverage of the alternatives universe

Growth in FP AuM since 2021 ($bn)



Total AuM by Asset class[1]



- Private Equity - 64%
- Private Credit - 18%
- Private Real Assets - 13%
- Absolute Return - 5%

1. Represents Total AuM as of 31 December 2024, reported with a one-period (three-month) lag due to the timing of the financial information received by the Operator from the Partner-firms.

Over 20 Partner-firms

Private Capital firms generating stable revenue from a blend of fee income and investment appreciation

Partner Fee-Related Earnings (FRE)

70%

Partner Realised Performance Revenues (PRE)

23%

Partner Realised Investment Income

7%

See page 136 for more information on our Partner-firms

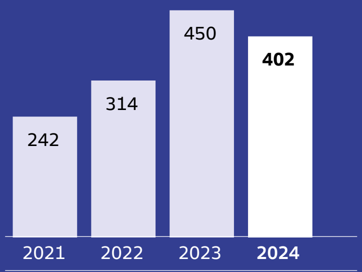
Petershill Partners

We deliver diversified, highly visible, risk-adjusted returns for our Shareholders across multiple asset classes and investment strategies. We may invest alongside Petershill IV, or other funds with a substantially similar investment policy which are managed or advised on by the Operator or any member of the Operator's group, but the Company will not be limited to such investments.

Operated by Goldman Sachs Asset Management

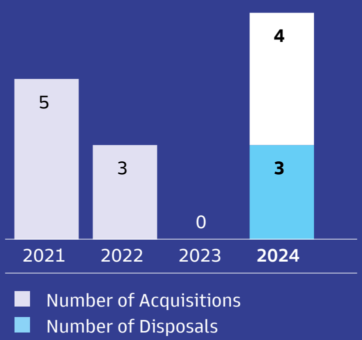
A global, broad and deep platform with diversified capabilities across public and private asset classes.

GP Services Engagements



See page 12 for more information on GP Services Engagements

Investment Activity



Shareholder Returns

Our purpose is to provide Shareholders with best-in-class diversified access to the growth and profitability of the alternatives industry, focusing on the quality of recurring cash-based earnings.

Dividend

15.5c

per share, inclusive of the interim and final dividend

Special dividends

26.5c

per share, equivalent to $287m

Tender offer

$103m

Completed at 214 pence per share

Share buyback programme

$6m

Completed in 2024

Capital returned to Shareholders since IPO

$1,008m

Inclusive of the 10.5c per share proposed 2024 final dividend

How we create value

Business Model

Our business model is centred around acquiring non-controlling interests in specialist middle-market managers operating in the alternative asset management industry and building a portfolio of General Partner ("GP") stakes that delivers attractive risk-adjusted returns for Shareholders. We look to make non-controlling investments across a wide range of Partner-firms that are specialists in their areas of interest within the alternative asset management space, have a track record of strong performance, with meaningful cash flow generation and possess attractive growth opportunities. Bringing these stakes together under one portfolio generates a diversified, stable and growing income stream.

The experience and expertise of the Operator team provides access to extensive insights and datasets and the Operator has a platform that provides Partner-firms with the advice and support needed to capture growth opportunities. The Operator carries out rigorous underwriting and due diligence prior to investing. The combination of an an underlying market that is growing and is expected to grow strongly in the years ahead supports an attractive risk-adjusted return profile.

The inputs

Strategy: The alternative asset management universe is large, but we focus on middle-market managers who have specialist knowledge of individual sectors and asset classes. We do this because we believe the middle-market segment benefits from having a long runway of growth and we see more scope for middle-market managers to move the needle in areas such as asset raising compared to larger managers. Similarly, we believe the middle-market is more likely to benefit from consolidation activity, providing increased scope for both growth and exit opportunities.

Diversification: Diversity is at the centre of our business model and we aim to build a portfolio of interests that is diversified on multiple levels – asset class, strategy, sector and vintage.

High-quality Partner-firms: To capitalise fully on the growth opportunities presented by a specific asset class or sector, we need to identify high-quality Partner-firms, specifically firms that are well established, already have multi-billion dollar AuM with significant scope to grow further. Partner-firms have to satisfy a number of key investment criteria. For a full list of what we look for when assessing a potential investment please go to page 23. Our criteria include a category-leading performance track record, strong culture, entrepreneurial spirit, a cohesive and aligned team, strong leadership and attractive financials.

Best-in-class data and insights: Our Operator, Goldman Sachs Asset Management (GSAM), which includes GSAM Financial Services Ltd (GSAMFSL), pioneered GP-stakes investing. The Petershill business was established by GSAM in 2007 as the first dedicated GP-stakes business, and has the longest track record of delivery and therefore access to the most extensive datasets. Through our Operator's strategic affiliation with GSAM, we are also able to leverage the resources of a leading global investment bank and financial services company, The Goldman Sachs Group, Inc, such as its extensive network of relationships, in-house industry knowledge and leading institutional infrastructure.

GP Services platform: GSAM has a platform in place through which the Operator can support our Partner-firms, share best practices and make available the extensive analytics and insights at its disposal through our strategic affiliation with The Goldman Sachs Group, Inc. The GP Services platform is made up of experienced professionals and covers a range of areas that are critical to our Partner-firms' development and value creation. These include capital formation, product development, human capital, environment, social and governance, operations, consulting, investment portfolio services, corporate finance and strategy, reporting and communications, and legal and regulatory.

Listed vehicle: Our listing on the London Stock Exchange gives us access to permanent capital that enables us to establish long-term relationships with our Partner-firms. Our listing also delivers liquidity for Shareholders.

Growing underlying markets

Private markets have grown rapidly in recent years from an overall value of $3 trillion in 2010 to over $13 trillion today. This growth has been driven by structural trends:

- Institutional and retail investors are increasing their respective allocations to private markets to capture the benefits alternative assets have to offer – track record of higher absolute and risk-adjusted returns, reduced volatility, low correlation with mainstream assets, such as public equity and fixed interest.
- Larger pools of capital being made available from private equity groups, venture capital firms and family offices, increasing the funding options for companies.
- Companies are choosing to stay private for longer or return to being privately held.
- As private markets have grown, so too has trading in secondary markets. This in turn increases liquidity, improves price discovery and further narrows the advantages public markets have traditionally had over private markets.

As the growth seen to date has been driven by factors that still have further to run, private markets are expected to continue to grow in the years ahead. According to Preqin, private markets are forecast to grow at a compound annual growth rate (CAGR) of 12% over the next five years to reach an overall global value of over $23 trillion.

The outputs

Key Inputs + Growing Underlying Markets = Positive Outputs

A portfolio of minority stakes in high-quality Partner-firms: Our portfolio is diversified across asset classes, strategies and sectors, and with Partner-firms possessing a strong platform in place for future growth.

Stable and recurring income stream: The majority of the revenues we earn consist of our share of recurring management fees generated by the existing and future funds managed by our Partner-firms.

Long runway of growth: The middle-market alternative asset managers we focus on have a large growth opportunity set in front of them, both organic and inorganic.

Attractive risk-adjusted returns: The combination of a diversified portfolio, a stable and recurring income stream and a long runway of growth generates an attractive risk–adjusted return profile.

Exposure to alternative assets market: As a publicly listed dedicated GP-stakes investor, Petershill Partners provides public investors with a unique route to gain exposure to private markets.

Track record of delivering capital returns to Shareholders: The Board continues to focus on capital efficiency, which has included returning capital to Shareholders as and when it is appropriate to do so.

Diversified across asset class, strategy, sector and vintage

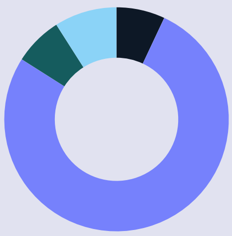
Asset Class: Our Partner-firms are grouped into four main categories according to the principal assets they manage: **1. Private Equity** – acquiring controlling/co-controlling/influential minority stakes in developing or developed unlisted companies; **2. Private Credit** – investing in unlisted credit assets across the credit spectrum from lower-risk senior debt to opportunistic distressed investments; **3. Private Real Assets** – investing in private real estate, private infrastructure and private natural resources; **4. Absolute Return** – investing in liquid securities, such as debt and equity, as well as derivatives and other unconventional assets to deliver positive returns in rising and falling markets.

By having exposure to a spread of asset classes, factors that may negatively affect an individual asset class can be mitigated while allowing positive developments to be captured wherever they may occur in the unquoted sector.

Multiple Strategies and Sectors: When investing, fund managers deploy a wide range of investment strategies including buyout; long or short equity; real estate; energy; infrastructure; and credit. As at the end of 2024, our portfolio was exposed to 115 different strategies. Meanwhile our exposure to a broad spread of sectors leads to a low correlation of outcomes and a reduced "netting" risk across firms.

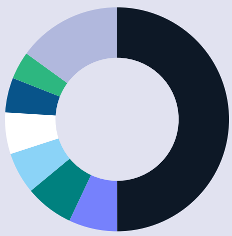
Multiple Vintages: Partner-firms typically raise funds every three to four years. The year in which a fund closes is known as its vintage. It follows that each vintage is subject to different economic conditions during the fund's lifetime. A mix of vintages, therefore, further diversifies the portfolio. As the Operator has been actively investing in minority stakes in alternative asset managers for 18 years, our investments in Partner-firms cover many vintages, enabling us to better withstand some of the pressures faced by those with shorter track records.

AuM by Duration[1]



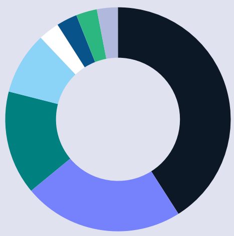
- Permanent - 7%
- 8+ years - 77%
- 3-8 years - 7%
- 0-3 years - 9%

AuM by Strategy



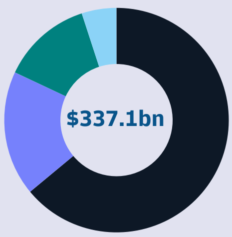
- Buyout - 50%
- Credit - 7%
- Real estate - 7%
- Growth - 6%
- Venture capital - 6%
- CLO - 5%
- Global macro - 4%
- Other - 15%

AuM by Sector



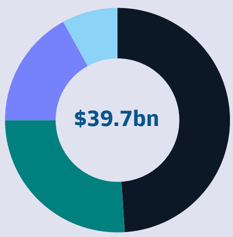
- Technology - 41%
- Diversified - 23%
- Credit - 15%
- Real estate - 9%
- Healthcare - 3%
- Energy - 3%
- Infrastructure - 3%
- Other - 3%

AuM Asset Class Exposure ($bn)



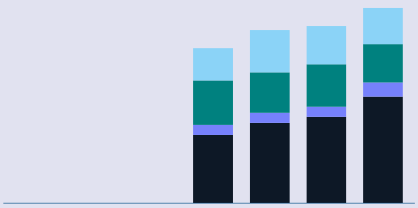
- Private equity - 64%
- Private credit - 18%
- Private real assets - 13%
- Absolute return - 5%

Ownership-Weighted AuM by Asset Class ($bn)



- Private equity - 49%
- Private real assets - 26%
- Private credit - 17%
- Absolute return - 8%

Partner Net Management and Advisory Fees by Asset Class ($m)



	2021	2022	2023	**2024**
Private equity	139	162	175	212
Private credit	20	20	20	27
Private real assets	87	78	80	77
Absolute return	61	82	75	70

1. Weighted average duration of Aggregate Partner-firm total AuM.

A Letter From the Co-Heads of Petershill

Dear Shareholders

Last year, we ended our letter with the following sentence: "Overall, we believe our business is well positioned with strong cash flow generation providing flexibility for growth and capital return." One year on and the cash flows generated by our diversified portfolio of interests in private alternative asset managers and the flexibility these provide have very much been in evidence. We have posted growth across our key performance metrics, and made strategic investments and disposals, leading to an increase in the proportion of management fee-centric earnings. And we have continued to return capital to Shareholders as and when it has been appropriate to do so.

Growth: Our Partner-firms raised gross fee-eligible AuM of $32 billion during the year, exceeding our guidance of $20-25 billion, in what was a challenging asset-raising environment for the industry, making it the third year in a row our Partner-firms have met or exceeded the asset-raising guidance. Aggregate Fee-paying Partner-firm AuM ended the year at $238 billion, an increase of 8% year-on-year, while ownership-weighted fee-paying AuM grew 4% to $29 billion. Our headline numbers are also in line with the guidance we provided 12 months ago, FRE up 11% year-on-year to $225 million, total income of $332 million (2023: $319 million), Adjusted EBIT of $293 million (2023: $284 million), and Adjusted EPS of 19.7 cents (2023 17.6 cents).

Strategic investments and disposals: We completed four acquisitions during the year, totalling $205 million. We also disposed of our stake in LMR, an absolute return manager and divested predominately investment capital in AKKR through two separate transactions. Subsequent to the year end we sold the majority of our stake in General Catalyst at a premium of 62% to its last reported carrying value prior to the disposal. The aggregate consideration from all the disposals during the year including the General Catalyst disposal, represents a 40% premium above carrying value of the assets disposed. In addition, on the 14 March 2025, the Company acquired a stake for $330 million in Frazier Healthcare Partners, a specialist mid-market private equity firm with $5.5 billion in AuM. The acquisitions and disposals align with our strategy to increase exposure to management fee-centric earnings. Book value per share ended the year at 471.5 cents compared to 430.8 cents as at 31 December 2023, reflecting the increase in the fair value of investments and the result of our capital management actions.

Capital return: We announced capital return of $563 million to Shareholders during the year. Our progressive dividend policy remains core to our annual capital returns, and during 2024, we supplemented this with two special dividends, a tender offer and buybacks. The tender offer was funded from the unused M&A budget from the prior year, while the special dividends were paid using a portion of the proceeds received from the strategic divestments highlighted above. The year's capital returns bring the total we have now returned to Shareholders to $1,008 million since the IPO. The Board has also announced a special dividend of 14.0 cents per share relating to the majority of the net gain on the disposal of the stake in General Catalyst.

Resilient income

Underpinning the progress made is the resilient and largely recurring income that our diversified portfolio generates. Management fees, which fall under Partner Fee-Related Earnings (FRE), account for the bulk of our income. Derived from management fees generated by the 200+ funds managed by our Partner-firms, FRE is sustainable, diversified and visible.

FRE is growing. During the year, FRE came in at $225 million, a 11% increase on 2023's $203 million. Growth was driven by our Partner-firms successfully raising $32 billion of gross fee-eligible assets supporting growth in fee-paying AuM. That this asset growth was achieved during what was an uncertain political and economic environment demonstrates the resilience of our business model. As well as the tragic conflicts in Ukraine and the Middle East that sadly continue, 2024 saw multiple elections around the world, resulting in numerous changes in government, while inflation proved stickier than expected, leading to interest rates staying higher for longer. It is therefore encouraging that, against this uncertain backdrop, Petershill Partners met and, in some cases, exceeded guidance we set for the year.

According to Preqin, despite industry asset raising down for the third consecutive year, with 2024 down by 21% compared to 2023, our Partner-firms collectively raised fee-eligible assets that exceeded the guidance range. To be able to execute in such an uncertain environment, in our view, highlights the quality of the Partner-firms we invest in which, in turn, is testament to our strict investment criteria and process.

Our focus

We are beneficiaries of the private markets growth story – the overall value of assets in private markets has risen from $3 trillion in 2010 to $13 trillion today. And more growth is expected - private assets under management are forecast to grow by 12% per annum over the next five years. Within private markets, we concentrate on the middle-market sector specialist segment. Our middle-market focus is down to our belief that this segment benefits from strong fundamentals, a long runway of growth and the potential to benefit from consolidation. The numbers back this up. During the year, which overall was a down for asset raising, middle-market funds (ranging from $1 billion to $5 billion) were the only category that bucked the trend, with fundraising flat year-on-year. The fact that our portfolio of middle-market managers outperformed in terms of year-on-year asset raising growth highlights the quality of the managers themselves and the Petershill Partners' investment process.

At the portfolio level, we seek out high-quality managers who specialise in sectors benefiting from long-term structural drivers, such as life sciences, healthcare and technology. Specifically, managers who have already achieved some scale but are not sector incumbents and who still have, in our view, their best days ahead of them. Diversified in terms of sectors, strategies and geographies, FRE is sustainable and so more highly valued compared to performance-based fees. The year under review saw us make changes to our portfolio that position us to generate a greater proportion of management fee income or FRE as a percentage of the overall total income from private markets. In all, we completed four acquisitions totalling $205 million, including acquiring a stake in Kennedy Lewis Investment Management, a private credit manager, along with additional interests in three existing Partner-firms. As a result of the acquisitions and capital management actions, we utilised the surplus liquidity held on our balance sheet but continue to have substantial liquidity resources from our undrawn revolving credit facility, receipt of deferred payments from the Partner-firm disposals and potential to utilise additional leverage capacity.

"We are well positioned to capitalise on the exciting and significant opportunity in the middle-market segment"

Ali Raissi-Dehkordy
Co-Head of Goldman Sachs Petershill Group

"Strategic investments and disposals plus capital management underpins Shareholder value creation"

Robert Hamilton Kelly
Co-Head of Goldman Sachs Petershill Group

We also carried out sales of less FRE-centric assets. We sold a partial interest in AKKR earlier in the year and completed a subsequent sale of mainly investment capital in AKKR. We also completed the disposal of our stake in LMR Partners. Subsequent to the year end, we disposed of the majority of our stake in General Catalyst for $726 million relative to the last reported carrying value of $447 million prior to the disposal. The transaction further demonstrates the Petershill Partners value creation model, where the blended discount rate implied in our holding value for General Catalyst was approximately 17%, compared to the implied blended discount rate on exit of approximately 11% at the transaction date, and the typical reinvestment in new deals at an implied blended discount rate of 15-20%. The total consideration from these disposals including General Catalyst of $1,301 million, relative to a carrying value of $930 million, represented a premium of approximately 40%. With all divestments executed above carrying value, they serve to highlight the reasonableness of our valuation process.

During 2024 while we sold $575 million of assets (LMR and AKKR in two separate transactions). We purchased $205 million of assets ($150 million into Kennedy Lewis and additional interests in three existing Partner-firms in a secondary transaction for $55 million - funded largely from the difference between the disposal proceeds and investments made). We also established a foundation to generate a larger proportion of FRE from private markets. Following this activity, the proportion of our income that is derived from management fees stands at 70%.

Our aim is not just to be a provider of capital to private middle-market managers but also a provider of best-in-class support, advice and value creation. We want our Partner-firms to maintain the entrepreneurial spirit that got them to the point of investment in the first place, and we also recognise we can add value by sharing the benefits of our strategic affiliation with Goldman Sachs. We deliver this via our GP Services offering which taps into the network and expertise of one of the world's leading investment banks. This year, we added external industry sector specialists to the platform which we believe will help drive future engagement growth among our Partner-firms and help them achieve their objectives.

Highlights

$575m
Nominal consideration from disposal during 2024

$287m
Special dividends paid during 2024

$205m
New acquisitions completed during 2024

Outlook

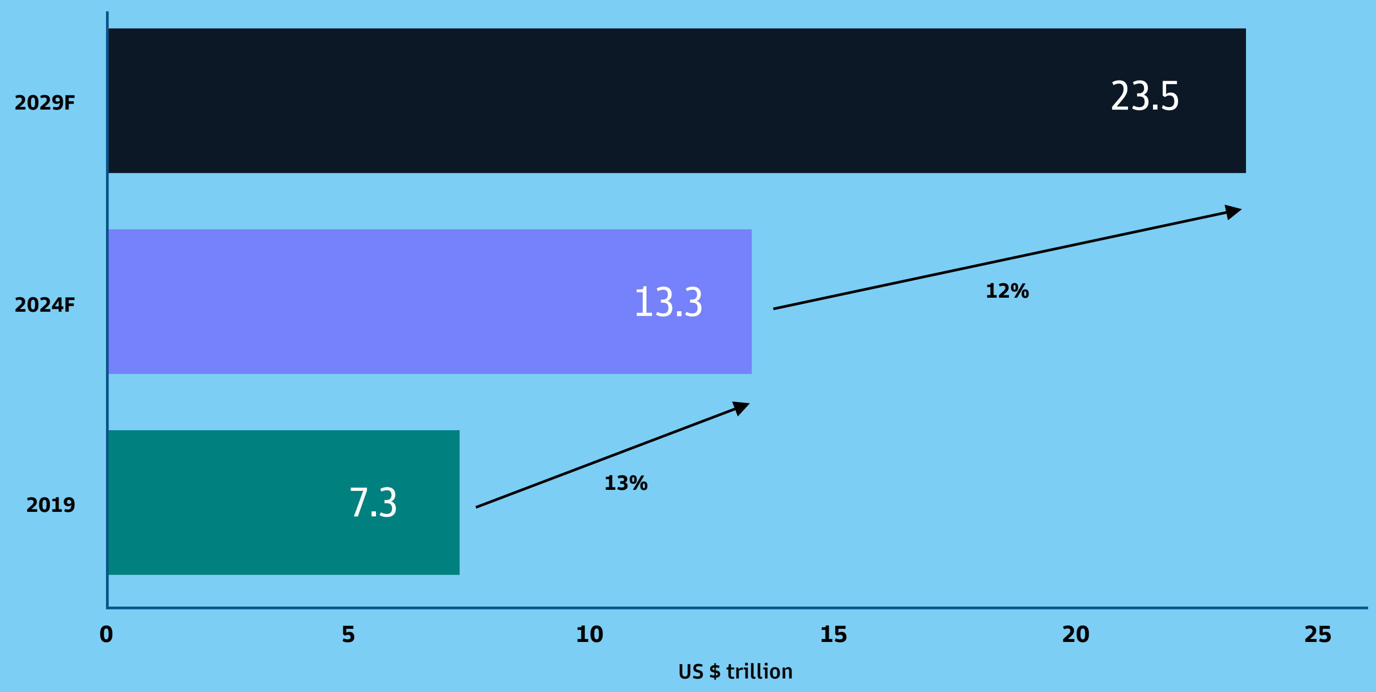
We expect gross fee-eligible asset raising in 2025 of $20 – $25 billion and realisations of $5 – $10 billion. Adjusting for disposals made during the year, we expect FRE growth in 2025 and onwards. Whilst the higher level of economic and market uncertainty may impact industry deal activity and the timing of PRE, the higher private markets accrued carried interest does bode well for the medium-term outlook.

Strong financial performance; strategic progress; GP Services expansion: continue to lay the foundations for future growth. Together with forecasts of underlying market growth – private markets are expected to grow at a compound annual growth rate (CAGR) of 12% over the next five years – and our focus on the exciting middle-market segment, we are well positioned to capitalise on the significant opportunity in front of us. Petershill Partners as a publicly listed vehicle offers shareholders a unique and diversified means of getting exposure to the attractive sector specialist mid-market private capital space. We believe that our strategic affiliation with Goldman Sachs and our track record of delivery in this sector positions investors in Petershill Partners well to participate in this opportunity.

Industry Growth Dynamics Remain Attractive

We operate in the GP-stakes market, a market our Operator, Goldman Sachs Asset Management, pioneered 18 years ago. By providing capital to management companies rather than individual funds, GP-stakes investing offers an alternative route to gaining exposure to the significant growth opportunity that is private markets, a route with a growing track record of delivering attractive risk-adjusted returns for Shareholders.

Private Markets expected to deliver 12% growth per annum over the next 5 years



Source: Preqin, September 2024

At Petershill Partners, we are focused on investing in private as opposed to public markets via a diversified portfolio of non-controlling interests in alternative asset management companies. The private markets in which these asset managers invest are growing strongly and performing well, but they remain a fraction of the size of global public markets.

Growing: The overall value of assets in global private markets currently stands at around $13 trillion. That compares to $3 trillion in 2010. The growth seen to date reflects a fundamental shift in capital flows that has taken place across the global economy in recent years. Increasingly, private markets are assuming the role of public markets in terms of driving growth and innovation at both corporate and asset levels.

Despite the four-fold increase in size, private markets are expected to continue growing. Over the next five years, they are forecast to increase at a compound annual growth rate (CAGR) of around 12%, reaching assets of around $23.5 trillion.

Long-term structural factors support future growth across the alternative asset management industry. Drivers include companies electing to stay private for longer, and investors looking to gain exposure to alternative assets to benefit from their relatively stable income, attractive returns and low correlation to mainstream asset classes, such as public equity and fixed interest.

Staying private for longer: According to Pitchbook between 2000 and 2023, the number of US private equity backed companies increased more than fivefold, while the number of US publicly traded firms decreased by 34%.

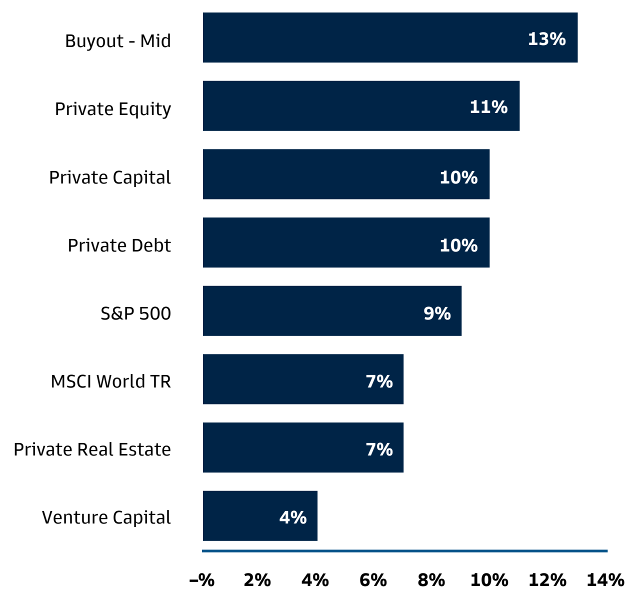
Historically, public markets have been the primary source of growth capital for companies. Today with the increase in assets raised and held by private capital funds, businesses are able to access the finance they need via private markets. In parallel with this, institutional investors, such as public pension funds, endowments, and sovereign wealth funds have been increasing their allocations to private market investments. With private markets now offering an alternative source of capital, companies are able to avoid the costs and more burdensome disclosure obligations associated with public markets. The result is that more companies have been electing to stay private for longer.

Stable income and low correlation to mainstream assets: Institutions have been upping their exposure to alternative assets and in particular private market assets to capture the diversification benefits on offer. The returns generated by alternative assets tend to be less correlated to mainstream asset classes, such as public equity and fixed-income markets.

Furthermore, with developments in fund structures such as semi-liquid products combined with new distribution channels, including wealth management and investment platforms, this presents opportunities for retail investors to access private markets too, providing another potential source of demand.

Performing: The long-term annualised investment performance of the private capital industry since the end of 2000 compares favourably to public market equivalents. In particular, the mid-market buyout segment has delivered the strongest annualised investment performance over the period at 13%. The mid-market segment is where the majority of our Partner-firms operate.

Annualised investment performance since end 2000



Source: Preqin

Private market investments also have a track record of delivering higher absolute and risk-adjusted returns compared to public equity and fixed-income markets, thanks largely to the stable income generated and low volatility observed.

GP stakes investing

Rather than invest in individual assets or funds, as the majority of investors in the private markets space do, we invest in the asset management companies that run private markets funds. We provide the management companies with capital to grow. In return, Petershill Partners gains a share of both the income generated by these private market asset management companies and participates in their future growth. We also gain diversified exposure to the private markets space via the 200+ funds managed by the management companies we invest in – diversified in terms of asset class, investment strategy and vintage. As our overall income is largely derived from the management fees generated by the funds our Partner-firms manage, our earnings are relatively stable, largely recurring and well-diversified.

As private markets have grown, so too has the number of sophisticated asset managers who operate across a wide range of asset classes and geographies within the private markets space. Our investable universe is therefore growing – the number of private equity asset managers has increased to around 18,500 at the end of 2024 from approximately 4,500 in 2010, representing an annualised growth rate over the period of 10%. As a result, the secondary trading market is also growing, which, in turn, has positive implications for liquidity and price discovery within private markets.

As a pioneer in GP-stakes investing, our Operator identified an opportunity to provide the same financing and support that private equity provides to other sectors to the alternative asset management industry itself. We, therefore, have access to our Operator's extensive datasets, expertise and insights, and we believe we are well-placed to capitalise on the expected future growth of our industry.

Middle-market focus

The 20+ Partner-firms in which we have acquired minority stakes largely operate in the middle-market segment, an area that has seen strong investment performance and more resilient asset raising.

The middle-market benefits from attractive fundamentals and consolidation opportunities and this is reflected in the numbers. The mid-market has outperformed the overall private markets sector. The mid-market buyout sector, since the end of 2000 has delivered annualised investment performance of 13% which compares to the private equity industry delivering annualised investment performance of 11% over the same period. Turning to asset raising, according to the McKinsey Global Private Markets Report 2025, mid-market private equity funds ($1-5bn in size) have seen broadly stable cumulative average growth rates ("CAGR") in fund raising between 2019-24. This compares to negative growth rates in fundraising for the overall private equity industry over the same period, with -15% CAGR (2019-24) for funds smaller than $250m in size and -6% CAGR (2019-24) for funds larger than $10bn in size.

Based on the success seen to date, we expect the number of middle-market asset managers to continue to grow in the years ahead, as they look to take advantage of the more compelling deal valuations, greater availability of debt, more diversified return strategies and multiple exit avenues on offer.

Medium-term outlook

Macro uncertainty has led to headwinds in the near term for industry asset raising, deployment and realisations. Despite these near-term challenges, the long-term growth for the alternative investments industry remains underpinned by a number of secular trends that we expect will continue to benefit the Company.

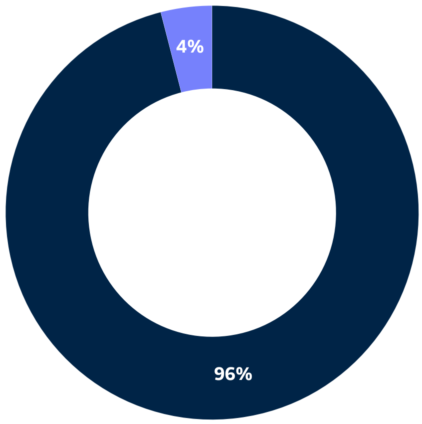
Economic growth

The economic outlook for 2024 remained challenging as we started the year with political uncertainty, lack of a clear direction on the path for interest rates and a subdued environment for GDP growth globally. According to Bloomberg consensus, US Real GDP growth in 2024 was forecast to be around 2.8%, broadly flat compared to 2023. The level of Real GDP growth in the Euro Zone and in the UK during 2024 was forecast to be at 0.8%. The stronger Real GDP growth in the US is expected to continue in 2025, forecast to be around 2.1%, which is considerably higher than the projected Real GDP growth in the Euro Area and in the UK at 1.0% and 1.3% respectively.

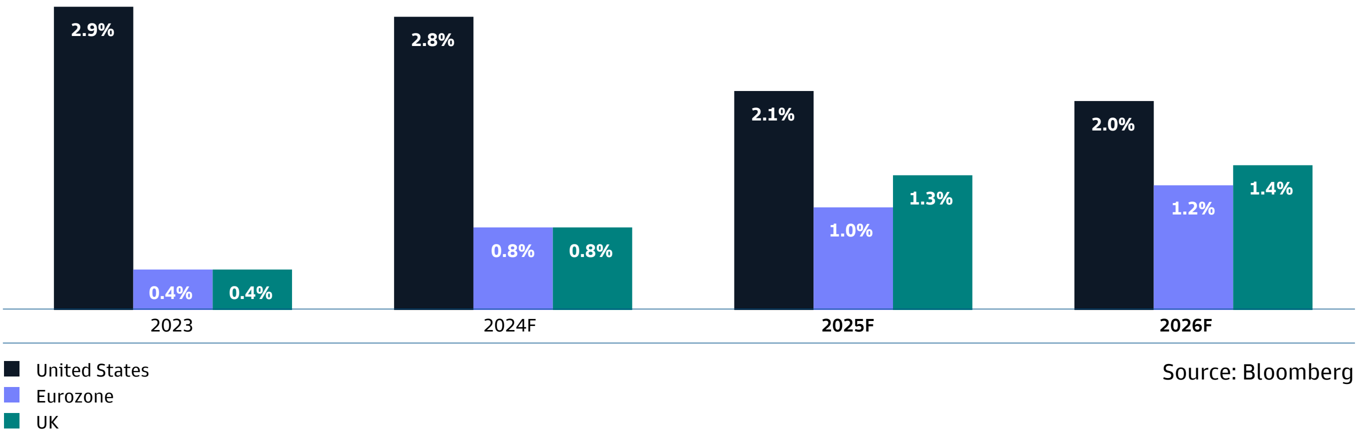
Implications for Petershill Partners

Our diversified exposure across a range of investment strategies and asset classes positions the Company well to navigate economic cycles. As part of our due diligence and underwriting process when making investments, we assess how Partner-firms are likely to perform during a range of scenarios including a downturn. Consequently, lower or a reduction in global growth is factored into our underwriting for new deals. Most of our Partner-firms are exposed to North America, with the region representing over 90% of our Partner-firm AuM, with the stronger Real GDP growth in the US potentially supporting growth across our Partner-firms.

Petershill Partners portfolio AuM exposure by region based on 2024 data



Real GDP growth



Source: Bloomberg

Inflation

In the US, the Eurozone and the UK, the rate of inflation has continued to trend downwards since the end of 2022. The rate of inflation at the end of 2024 in the US, Eurozone and the UK stood at 3.0%, 2.4% and 2.5% respectively. The inflation rate in 2025 is forecast to be broadly similar across the three regions, at around 2.5% in the US and the UK, and modestly lower at 2.1% in the Eurozone. Whilst the rate of inflation is declining, the environment may still pose a headwind for companies to enhance operating margins and increase profitability.

Implications for Petershill Partners

Higher inflation can have an impact on the cost growth at our Partner-firms which can affect the level of Fee-related Earnings that are generated. In addition, certain strategies including credit, real assets and absolute return may potentially benefit from increases in inflation and interest rates, as these asset classes have historically provided a hedge to rising rates and inflation. As at 31 December 2024, real assets and absolute return firms made up 18% of our Aggregate Partner-firm AuM at $59 billion. Most of our Partner-firms' activity is based in North America, where the level of inflation, according to Bloomberg consensus in 2025 is expected to be in the region of 2.5%.

Interest rates

Central bank interest rates across the US, Eurozone and the UK declined during 2024, although there were fewer rate cuts compared to expectations at the start of 2024. Lower interest rates should support a reduction in the uncertainty across markets and lead to a recovery in asset raising, deployment and realisation activity. According to Bloomberg consensus, central banks are forecast to reduce interest rates further during 2025, although there remains some uncertainty around the pace at which interest rates decline, partly dependent on the outcome for inflation.

Implications for Petershill Partners

Despite interest rates staying higher for longer, our Partner-firms' capital raising has exceeded our expectations for 2024. Our revenues are largely derived from management fees on committed long-duration capital, which is not directly impacted by movements in interest rates. The current level and future expectations for interest rates may affect the level of realisations which can have an impact on the timing rather than the absolute level of performance-related fees over time. The Company's long-term debt has a fixed rate and is consequently not impacted by changes in interest rates. The expectation is for rates to decline during 2025, which could prove to be a positive catalyst for asset raising, deployments and realisation for our Partner-firms.

Asset Raising by Partner-firms Remained Resilient

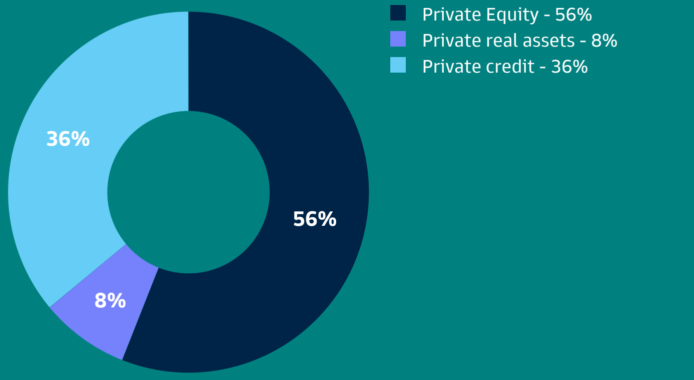
Partner-firm fee-eligible AuM raised across asset classes

$32bn

2024 Fee-eligible Assets Raised
(2023: $23bn)

56%

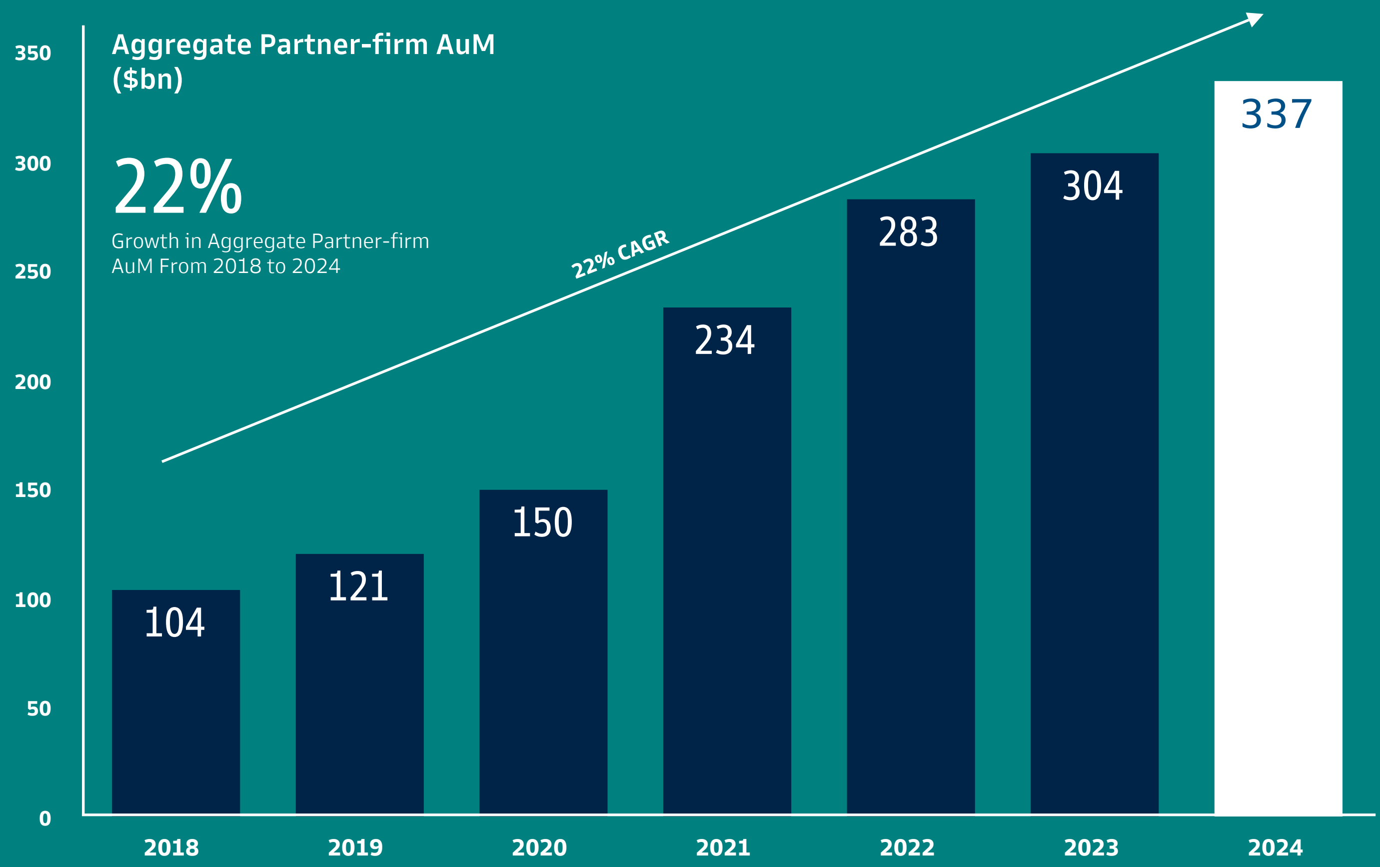
Percentage of Assets Raised in PE
(2023: $60%)



Aggregate Partner-firm AuM ($bn)

22%

Growth in Aggregate Partner-firm AuM From 2018 to 2024



Private markets and the management companies that operate in them are expected to continue to grow strongly in the years ahead. As the alternative asset management industry grows, Petershill Partners also has the opportunity to grow its portfolio of stakes in high-quality, specialist, middle-market managers. Key to capturing this growth and generating attractive risk-adjusted returns is the continued execution of our strategy to acquire stakes in, and build long-term partnerships with, specialist middle-market managers.

Sourcing New Partner-Firms

The Partner-firms we look to invest in and partner with are predominantly alternative asset managers with long-term track records of strong performance and cash flow generation. We seek established firms with billions of dollars in assets under management (AuM) with a proven platform in place to expand their fund range and product offerings.

What our typical Partner-firm looks like:

- An operational history of more than 10 years
- Already have between $2 billion and $15 billion of AuM
- Generate $50 million+ of run-rate management fee income
- Have attractive fee margins

Our asset base is diversified across multiple investment strategies, but increasingly, the focus is on real assets, private credit and private equity, specifically sectors, such as healthcare, which we believe offer the potential for accelerated growth. Whether real assets, private credit or private equity, we aim to invest in high-quality specialist middle-market managers. As a result, we and our Operator have a number of key investment criteria that potential Partner-firms must satisfy:

- **Performance:** Firms that are category leaders with proven track records of generating attractive risk-adjusted returns for clients. Performance must rank in the top or second quartile across multiple vintages
- **Sector:** A focus on sectors that are benefiting from positive and sustainable tailwinds that have the potential to develop further
- **Opportunity:** Room to grow and develop in a sustainable way by capitalising on the attractive opportunity set in front them
- **Culture:** A strong and cohesive culture embedded across the team with a focus on generational development and on apprenticeship. Furthermore, the entrepreneurial spirit behind the business' success needs to be evident
- **Alignment:** Firms defined by their entrepreneurial spirit and majority-employee ownership, and with a high-degree of alignment with other stakeholders including LPs
- **Stability:** High-quality, stable and diversified capital bases with an emphasis on building enduring client relationships across the platform
- **Financials:** Strong profitability and cash conversion centred around attractive recurring earnings
- **Goals and responsibilities:** A focus on building an enduring, diverse platform and instilling best practices of corporate responsibility, ethics and transparency throughout the underlying portfolio companies
- **ESG engagement:** A commitment to socially responsible investing and actively working to elevate ESG issues as focal points
- **Leadership:** Highly capable management teams with a proven ability to manage and develop their platforms

Healthy Acquisition Pipeline

Expanding private markets generate both organic and M&A growth opportunities. The size of the private markets industry has already increased to around $13 trillion in 2024 from $7 trillion in 2019 and is forecast to continue to grow. The private markets industry is expected to manage around $23.5 trillion of aggregate AuM by 2029, representing 12% CAGR between 2024 and 2029.

Private markets industry aggregate AuM by 2029

$23.5tn

Private markets CAGR (2024-2029)

12%

As private markets grow so does the total addressable market for private alternative asset management firms as well as the number of investable assets. Based on growth seen to date and that which is expected in the future, significant scope remains for Petershill Partners to add new Partner-firms to its portfolio of GP stakes.

In addition, with the number of private asset managers growing in tandem with the alternative asset management industry, the GP stakes market is becoming more active as more firms are looking to buy and sell GP stakes. This generates deeper liquidity, which in turn, provides a further driver of activity and growth within the GP-stakes market.

We target those management companies that are best placed to take advantage of the opportunity, and our Operator has a robust, repeatable evaluation process that leverages significant proprietary data and processes to identify best-in-class businesses.

Highly Experienced Operator Team

Ali Raissi-Dehkordy – Partner Goldman Sachs Asset Management, Co-head of Goldman Sachs Petershill Group

Ali is Global Co-Head of the Goldman Sachs Asset Management Petershill Group, leading initiatives for Petershill Partners as well as the Petershill private funds. He is chair of the Goldman Sachs Asset Management Petershill Investment Committee, directing investing in leading established private-market and public-market alternative asset management companies and in newly established private-market managers. Ali first joined Goldman Sachs in 1999 in the Financial Institutions Group in the Investment Banking Division and rejoined the firm in Goldman Sachs Asset Management, helping found the existing Petershill Group in 2007 as a portfolio manager for the first Petershill Fund. He earned a BA in Economics and a general honours degree from the University of Pennsylvania, where he was a Benjamin Franklin Scholar.

Robert Hamilton Kelly – Partner Goldman Sachs Asset Management, Co-head of Goldman Sachs Petershill Group

Robert is Global Co-Head of the Goldman Sachs Asset Management Petershill Group, leading initiatives for Petershill Partners as well as the Petershill private funds. He is a member of the Goldman Sachs Asset Management Petershill Investment Committee, directing investing in leading established private-market and public-market alternative asset management companies and in newly established private-market managers. Prior to joining Goldman Sachs, Robert worked at Gleacher & Co./Gleacher Shacklock in investment banking and in special situations. Robert earned a BA (Hons) and a MA from the University of Oxford.

Our Acquisition Strategy and Investment Policy

The Company seeks to make growth capital investments in the general partnerships of alternative asset management businesses ("Partner-firms", with such stakes in Partner-firms being referred to as "Alternative Asset Manager Stakes"). The Company's structured investments represent non-controlling ownership positions in such Partner-firms in which the Company has an Alternative Asset Manager Stake.

The Company seeks to invest in Alternative Asset Manager Stakes primarily across the following four asset classes:

1. **Private equity**
2. **Private real assets (including real estate, infrastructure and natural resources)**
3. **Private credit**
4. **Absolute return strategies invested principally in publicly traded securities**

The Company may also invest in adjacent businesses that involve investment management, including traditional asset management firms, wealth managers and insurance businesses. As part of partnering with the Partner-firms, the Company may be required, or choose, to invest in funds and products that are managed by Partner-firms in which it holds an Alternative Asset Manager Stake. The amount the Company invests in the Partner-firms' funds and products will typically be significantly less than the amounts the Company invests in Alternative Asset Manager Stakes. The investment restrictions set out in this policy support the Company's objective of spreading investment risk by limiting the Company's ability to invest in individual Partner-firms and in the funds and products that are managed by those Partner-firms in which the Company has an Alternative Asset Manager Stake.

The Company targets well-established alternative asset managers with a track record of strong performance and meaningful cash flow generation who are well-positioned to develop their business across future fund and product offerings.

The Company's portfolio will comprise investments in Partner-firms globally, with a primary focus on North America and Europe, and a lesser focus on Asia. The geographic scope and asset class focus will evolve according to the investment opportunities identified. The Company expects to ensure that at least 30% of annual Partner FRE is derived from investments in Partner-firms that primarily manage or advise on investments in assets in North America.

The Company's initial investment into any one Partner-firm will typically range from \$10 million to \$400 million, although secondary transactions involving a portfolio or number of different stakes may cause the resulting aggregate investment to be larger than this.

The Company will seek to spread Alternative Asset Manager Stake investments by segment in order to ensure it has a diverse portfolio.

The Company's investments in Partner-firms will typically take the form of unlisted ordinary equity and partnership interests (but may also take other forms, including unlisted preferred equity and unlisted debt investments). What form an investment takes will be determined by the Operator and will be the form that, in its reasonable opinion, is the most appropriate for the investment in question. As a result of realisations from the funds managed by Partner-firms, as well as the Partner-firms themselves, the Company may hold shares in listed businesses, which would typically be on a temporary basis.

From time to time, a portion of the Company's assets may be held in the form of cash. Pending the identification of new investment opportunities by the Operator, and the application of some or all of that cash as part of any such investment or for working capital purposes, it may be invested in cash deposits, cash equivalents or investments including, but not limited to, gilts, money market funds, government securities and/or other investment grade securities. Investment ratings shall be "AA" rated or higher and the duration of any investment shall not exceed two years at the time of purchase.

There is no limit on the amount of cash that the Company may, from time to time, hold in cash, cash deposits, money market funds and/or cash equivalents and investments. No more than the lesser of \$250m or 5% of the Company's gross assets will be deposited in any single bank for longer than two weeks at a time. Excluding US Government investments, investments in money markets and investments in Partner-firms, no more than 5% of gross assets will be invested in any single issuer at the time of purchase. The Company may, from time to time, (but shall not be required to) enter into hedging or other derivative arrangements which are, in the reasonable opinion of the Operator, considered appropriate for the purposes of efficient portfolio management (including without limitation for interest rate hedging purposes) and managing investment exposures.

The Company will not conduct a trading activity which is significant in the context of the Company and its investments as a whole.

Investment Restrictions

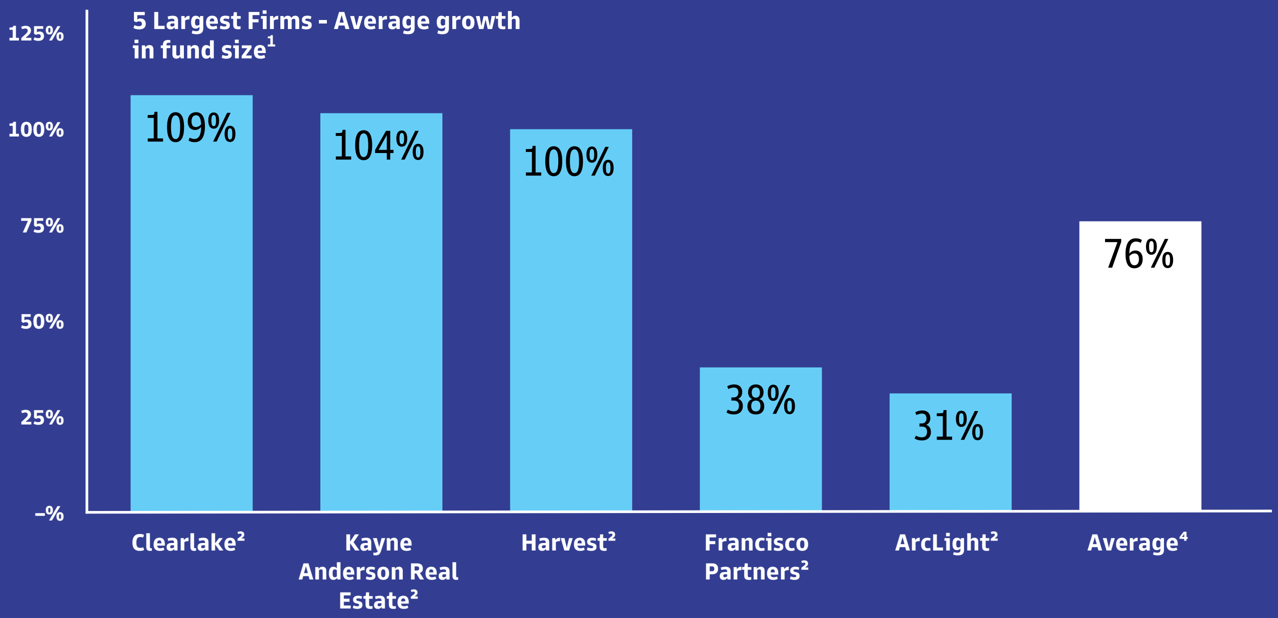
Investments will be selected with a view to diversifying risk. In addition, the Company will invest and manage its assets in compliance with the restrictions set out below, also with the objective of spreading investment risk:

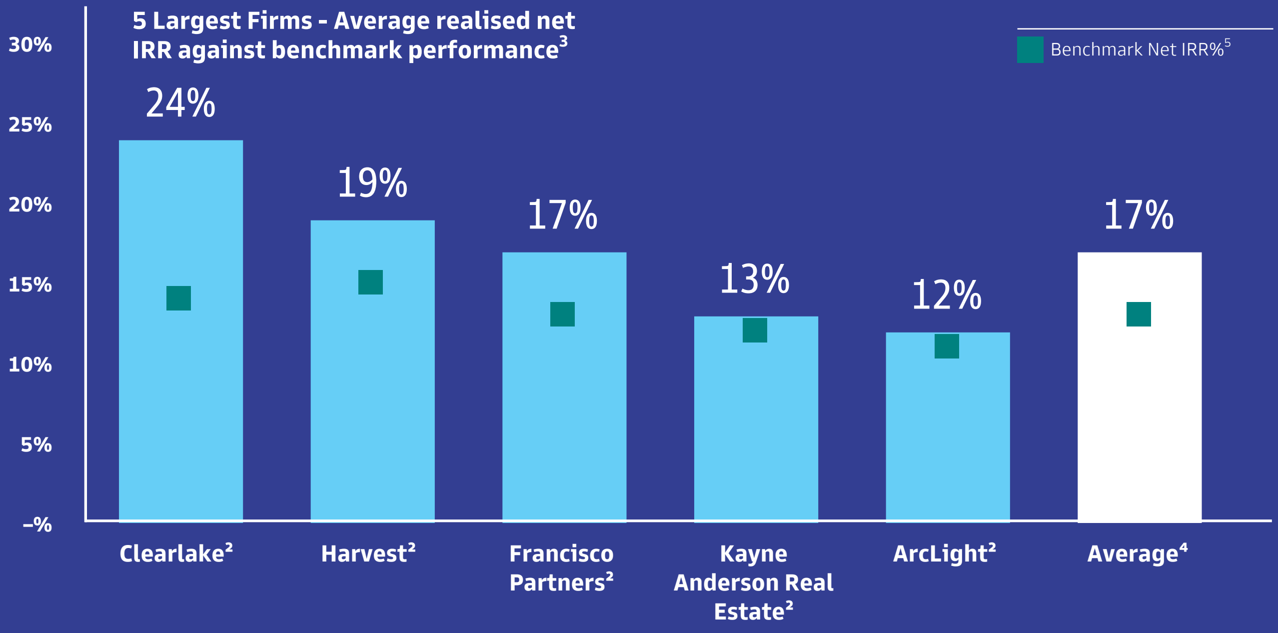
- The Company will only make an investment in a Partner-firm if such Partner-firm will contribute no more than 20% of annual Partner FRE measured in reference to the 12-month period ended on the latest practicable date prior to the date of the investment. Shareholders should note that such Partner FRE data will be unaudited. For the avoidance of doubt, the limits in this paragraph exclude any investment in a fund or product that is managed or advised on by such Partner-firm and any returns from any such fund or product.
- The Company will only make an additional investment in a Partner-firm that is already within the Company's portfolio if such Partner-firm will contribute no more than 20% of annual Partner FRE measured in reference to the 12-month period ended on the latest practicable date prior to the date of the additional investment. Shareholders should note that such Partner FRE data will be unaudited. For the avoidance of doubt, the limits in this paragraph exclude any investment in a fund or product that is managed or advised on by such Partner-firm and any returns from any such fund or product.
- The Company will ensure that no investment will be made in a fund or product managed or advised on by a Partner-firm unless the aggregate value of all such investments, including the amount proposed to be invested, is no more than 20% of the Company's gross assets, as shown in its most recently published balance sheet.
- The Company will invest in funds or products only if they are managed or advised on by a Partner-firm within the Company's portfolio.
- For so long as required by the Listing Rules, the Company will, at all times, seek to ensure that the Operator invests and manages its assets in a way which is consistent with the Company's objective of spreading risk and in accordance with its Acquisition Strategy and Investment Policy.

The investment restrictions are measured at the time at which the Company makes the relevant investment. There will be no requirement to sell any investment (in whole or in part) to the extent subsequent changes to the Company's gross assets valuation result in any investment exceeding the limits set by the above restrictions. Where the Company holds its investments indirectly, including through one or more holding entities, the investment restrictions will be applied on a look-through basis.

Unfunded further payment commitments in respect of investments in Partner-firms or funds or products managed or advised on by a Partner-firm will be treated as forming part of the original investment and will not be considered an additional investment in the relevant Partner-firm or in the relevant funds or products for the purposes of any of the above investment restrictions.

Investment Performance Supports Fund Growth





1. Largest 5 Partner-firms by Ownership Weighted AuM for the year ended 31 December 2024 for private markets. General Catalyst is excluded due to sale of Petershill Partner's majority stake in January 2025. Source: Preqin, on February 2025.
2. Clearlake represents funds I to VII, Kayne Anderson Real Estate represents funds I to VI, Harvest represents funds II to IX, Francisco Partners represents funds I to VII, ArcLight represents funds I to VII.
3. Performance represents Flagship Funds older than 5 years as at 30-Sept-2024 and benchmark performance as a factor of vintage year and asset class.
4. Average growth in funds and Average growth in net IRR of the largest 5 Partner-firms by Ownership Weighted AUM (FY24) for private markets.
5. Benchmark Net IRR, corresponds to the Partner-firm's fund vintage year and asset class.

Co-Investment and Co-Financing

The Company may invest alongside Petershill IV, or other funds with a substantially similar investment policy which are managed or advised on by the Operator or any member of the Operator's group at the relevant time, but for the avoidance of doubt the Company will not be limited solely to such investments.

Borrowing Policy and Gearing

The Company may incur indebtedness (less available cash) of up to a maximum of three times the Company's adjusted EBITDA as published in the Company's last financial statements, calculated at the time of drawdown, for the purposes of financing investments, share buybacks, general working capital purposes or any other purpose approved by the Board. Adjusted Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") will be defined as earnings before interest, tax, depreciation and amortisation, less net gain on investment transactions and non-recurring items.

Intra-group indebtedness will not be included for the purposes of calculating the Company's indebtedness. Any indebtedness of any holding entity through which the Company makes investments will not be included for the purposes of calculating the Company's indebtedness for so long as either: (a) the creditor of such indebtedness only has recourse to the assets of the holding entity and does not have recourse to the other assets of the Company or any of the Company's investments; or (b) that debt is owed to the Company or its subsidiaries.

The Company may borrow funds for general purposes, including to make investments, to leverage existing investments and to pay expenses and other obligations. Any such borrowings may be secured by the Company's investments (as described below under "EU AIFMD Leverage Limit"). The Company may, directly or indirectly, through wholly or partially owned subsidiaries of the Company (including an investment vehicle), or otherwise, incur indebtedness or enter into guarantees, provided that the Company complies with its Acquisition Strategy and Investment Policy. Credit facilities may be secured by the Company's assets.

The Company may also, subject to the overall limitations set out in this Acquisition Strategy and Investment Policy, guarantee or pledge its assets in support of or otherwise provide credit support (including by giving equity commitments) for the obligations of Partner-firms in which it is invested, which may be structured as a guarantee in full or by providing collateral or other credit support for the full value (and not just a pro rata portion) of the obligations of a Partner-firm.

EU Alternative Investment Fund Managers Directive ("AIFMD") Leverage Limit

In accordance with its risk management function and the investment objectives of the Company, the Operator has set a maximum level of leverage which the Operator may employ on behalf of the Company. For the avoidance of doubt, this maximum level of leverage only applies at the level of the Company (including, where applicable, financial or legal structures involving third parties controlled by the Company and specifically set up to directly or indirectly increase leverage at the level of the Company).

The methods used for the determination of the maximum level of leverage of the Company and the circumstances in which borrowings are treated as leverage for these purposes, are prescribed under EU AIFMD and are the gross method (as such term is defined in article 7 of the AIFMD Delegated Regulation) and the commitment method (as such term is defined in article 8 of the AIFMD Delegated Regulation). The Operator has determined that leverage, for this purpose and calculated in this manner, will not exceed 1,500% (expressed as percentage and calculated using the gross method of calculation) and 1,500% (expressed as percentage and calculated using the commitment method of calculation), other than if and to the extent that leverage for these purposes results from borrowings under revolving credit facilities on a short-term basis to make investments pending the drawdown of (and covered by) capital commitments of Shareholders ("Subscription Facility Borrowings") which, due to the way in which such borrowings can impact the calculation of leverage for the purposes of the EU AIFMD, may be unlimited. Such limits should not be viewed as indicative of the amount of leverage that will be employed on behalf of the Company or as a target for the Company, and it may be that such leverage will be significantly lower in practice. Shareholders should note that in exceptional circumstances, the Central Bank of Ireland may impose limits on the level of leverage (calculated in this manner) that the Operator is entitled to employ or other restrictions on the management of the Operator with respect to the Company.

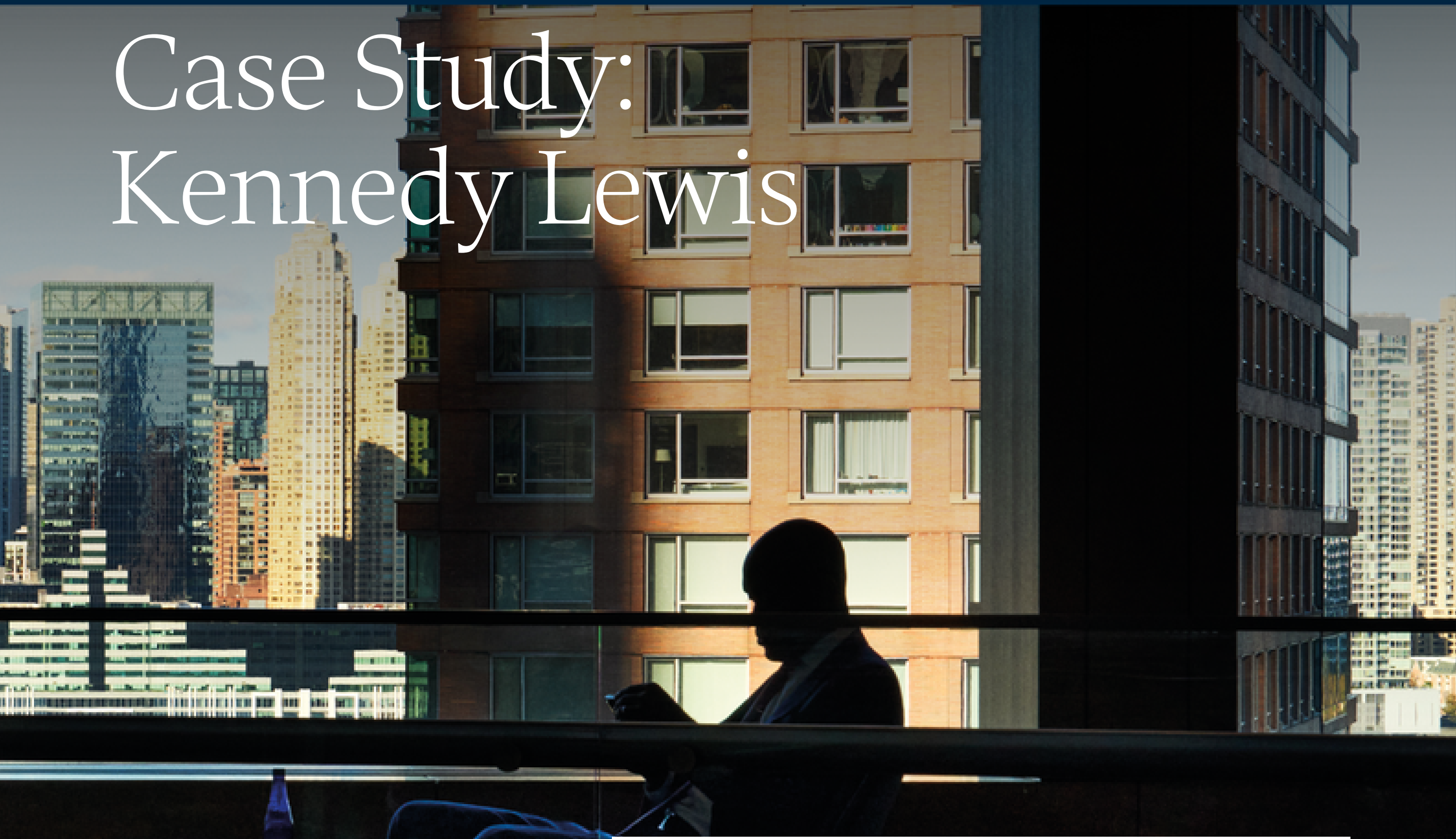
Shareholders should note that the level of leverage as calculated under the gross method of calculation does not necessarily provide any reasonable illustration of the overall risk profile of the Company as financial derivative instruments and borrowing of cash or securities are used to manage risk as well as to seek return. This is largely due to the fact that the gross method simply aggregates the absolute sum of all long and short financial derivative instrument positions, even if they are for hedging or offsetting purposes, and further uses just notional values rather than measures that calculate the overall contributions to risk which will often explain why the leverage levels under this method appear high. Shareholders should also note that the incurrence of Subscription Facility Borrowings can lead to very high reported leverage levels for the purposes of the EU AIFMD, for reasons including the inability to include undrawn capital commitments in determining the net asset value of the Company for these purposes and the inability to exclude drawdowns under revolving facility agreements as "temporary" in nature. Further details on the leverage level are disclosed in Note 13 of the consolidated financial statements for the relevant accounting period.

Shareholders should not expect that the Operator can or will lend money to the Petershill Partners Group for the purposes of paying interest, financing, transaction and other costs or for any other purpose.

For the risks related to the Petershill Partners Group's incurrence of leverage, please see the risk factor entitled "The Operator may cause the Petershill Partners Group to incur indebtedness pursuant to the Acquisition Strategy and Investment Policy" in Part 1 (Risk Factors) of the Prospectus.

Changes to Investment Policy

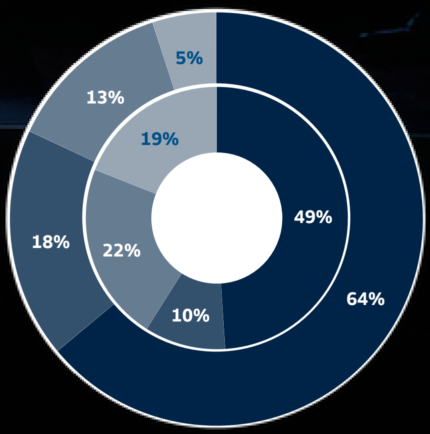
The Company must at all times comply with its published investment policy. Whilst the Ordinary Shares are listed on the closed-ended funds category of the Official List of the Financial Conduct Authority (the "FCA"), no material change may be made to the Company's investment policy other than with the prior approval of both the Company's Shareholders and the FCA in accordance with the Listing Rules.



Case Study: Kennedy Lewis

Delivering on our intention to increase exposure to private credit

The outer circle represents AuM split at the end of 2024 and the inner circle represents AuM split at IPO



- Private Equity
- Private Credit
- Real Assets
- Absolute Return

When Petershill Partners first listed on the London Stock Exchange in 2021, we highlighted the intention of the Company to increase exposure to private credit, given the benefits from recurring returns, diversification and future growth potential. According to Preqin, private credit is expected to deliver AuM CAGR of over 10% in the next five years.

At the time of the Company's IPO, 10% of our portfolio of GP-stakes was invested in private credit. In April 2024, we took a major step in growing our private credit exposure with the $150 million acquisition of a non-controlling stake in alternative credit manager Kennedy Lewis Investment Management. The acquisition increased our exposure to private credit to 18%.

Kennedy Lewis fits our investment criteria well. The business is a leading opportunistic credit manager - the team specialises in investing in complex situations and providing clients with income streams that can deliver attractive returns as well as diversification from other credit managers. The investment process has a track record of growth – since it was established in 2017, Kennedy Lewis has increased assets under management to $14 billion. And the manager sees a significant runway for future growth – through our GP Services platform, we can offer our newest Partner-firm support to capture this growth.

David K. Chene and Darren L. Richman, Co-Founders and Co-Managing Partners of Kennedy Lewis, said, "We are honoured to welcome Petershill. Their experience and track record of supporting marquee alternative asset managers will be helpful to us as we continue to grow".

Financial and Operating Review

The Company's purpose is to provide investors with access to the growth of the alternative asset management industry via a diversified portfolio of minority interests in private asset management companies. The Company earns a share of management fees generated by over 200 funds managed by 20+ Partner-firms operating across the alternative assets space. The Company's overall income is diversified by asset class, strategy, sector and vintage and is largely stable and recurring.

Alternative Performance Measures and Operating Metrics

To assist readers, we refer throughout this section to adjusted measures which the Company considers to be Alternative Performance Measures or APMs and Operating Metrics. APMs are non-IFRS measures that analyse our performance, using a variety of measures that are not specifically defined under IFRS; while Operating Metrics are non-IFRS measures that are based on the performance of the Partner-firms which are not related to the Company's financial statements.

APMs and Operating Metrics are used by the Directors and the Operator to analyse the business and financial performance, track the Company's progress, and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs and Operating Metrics are useful to investors, analysts and other interested parties as supplemental measures of performance and liquidity.

Definitions of APMs and Operating Metrics, along with reconciliations to the relevant IFRS measures for APMs, where appropriate, can be found in the Glossary of Key Operating Metrics on pages 138 to 140 and Alternative Performance Measures on pages 130 to 133.

The IFRS and APM basis numbers discussed and presented below include changes in fair value of investments, and it should be noted that, while permitted, it is not the Company's core strategy to exit or realise these investments. Therefore, management results are also presented, excluding the change in investments at fair value through profit and loss and related divestment fee.

Management Results

	Year ended 31 December 2024 $m	Year ended 31 December 2023 $m
Income		
Partner Fee-Related Earnings[1]	**224.7**	203.0
Partner Realised Performance Revenues[1]	**72.9**	54.7
Partner Realised Investment Income[1]	**25.2**	34.4
Total Partner Distributable Earnings	**322.8**	292.1
Interest income	**9.5**	27.3
Total Income[2]	**332.3**	319.4
Operating costs		
Board of Directors' fees and expenses	**(1.7)**	(1.7)
Operator charge	**(24.2)**	(21.9)
Profit sharing charge	**(1.5)**	(0.1)
Other operating expenses[3]	**(11.7)**	(11.3)
Total operating costs	**(39.1)**	(35.0)
Adjusted Earnings before interest and tax (EBIT)[2]	**293.2**	284.4
Finance income	**2.4**	–
Finance cost	**(36.7)**	(37.1)
Adjusted Earnings before tax (EBT)[2]	**258.9**	247.3
Tax and tax related expenses[2]	**(42.7)**	(47.7)
Adjusted profit after tax[2]	**216.2**	199.6
Reconciliation of Adjusted profit after tax to IFRS profit for the year after tax		
Adjusted profit after tax[2]	**216.2**	199.6
Movement in financial assets and liabilities held at fair value[4]	**873.6**	220.6
Divestment fee expense	**(152.5)**	(50.5)
Transaction costs[5]	**(6.2)**	–
Non-recurring operating (expense)/credit[6]	**(0.5)**	1.2
Change in liability for Tax Receivables Agreement	**(7.8)**	(21.5)
Adjustment for Tax and tax related expenses[7]	**(90.4)**	(28.3)
IFRS profit for the year after tax	**832.4**	321.1

1. Partner-firm key operating metrics and IFRS. Refer to the glossary on pages 138 to 140 for additional information.
2. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on pages 130 to 133.
3. 2024 amount excludes transaction costs of $6.2 million and non-recurring expenses of $0.5 million. 2023 amount excludes $1.2 million VAT reclaim.
4. Includes $837.6 million (31 December 2023: $227.0 million) relating to unrealised gain on fair value of current and non-current investments held at year end, $29.1 million (31 December 2023: $nil) relating to year-to-date realised gain on fair value of investments disposed of during the year and $6.9 million (2023: loss of $6.4 million) relating to net unrealised gain on the fair value of contingent consideration at fair value through profit or loss.
5. 2024 amount includes deal transaction costs of $6.2 million related to acquisitions and disposals.
6. 2024 amount includes non-recurring operating expense of $0.5 million. 2023 amount includes $1.2 million VAT reclaim.
7. Includes deferred tax expense related to movement in financial assets and liabilities held at fair value.

Company Performance

The Company's income increased in 2024 as earnings generated by our Partner-firms grew over the course of the year. Partner-firm FRE and PRE increased 11% and 33% respectively over the prior year, while Partner Realised Investment Income decreased (26)% in 2024, resulting in an overall increase in Partner Distributable Earnings of 11% over the prior year. Fund-raising by Partner-firms continued to be robust despite a challenging environment. The $32 billion fee-eligible AuM raised in 2024 is attributable to the high quality of our Partner-firms and the diversification of our portfolio. Aggregate Partner-firm AuM grew 11% and Aggregate Fee-paying AuM grew 8% for the year. Ownership weighted AuM increased 8% year-over-year to $40 billion and Fee-paying ownership-weighted AuM increased 4% year-over-year to $29 billion.

The Company's results for 2024 cover the period from 1 January 2024 through 31 December 2024 and are presented with comparative data for 2023.

The Company's revenue model is comprised of three types of income from Partner-firms: management fee income, performance fee income and investment income. Of these three, management fee income in particular provides stable, recurring profits. FRE Margin was flat at 58% (2023: 58%), the management fee income for the year was $225 million (2023: $203 million), performance fee income $73 million (2023: $55 million), and investment income $25 million (2023: $34 million).

The IFRS Profit and total comprehensive income for the year after tax was $832 million (2023: profit of $321 million) equating to an Earnings Per Share (EPS) of 75.8 cents (2023: 28.4 cents). This includes an increase in financial assets and liabilities held at fair value of $874 million (2023: $221 million increase), a divestment fee expense of $153 million (2023: $51 million), non-recurring operating expenses of $1 million (2023: $1 million credit), transaction costs of $6 million (2023: $nil), change in liability for Tax Receivables Agreement of $8 million (2023: $22 million), an increase in deferred tax of $120 million (2023: $53 million increase) and excludes an expected payment towards the Tax Receivables Agreement of $30 million (2023: $24 million).

The Company's Adjusted Profit after tax[1] was $216 million (2023: $200 million). The Company's Adjusted EBIT[1] for the year was $293 million (2023: $284 million), resulting in an Adjusted EBIT margin[1] of 88% (2023: 89%).

The Company's results continue to highlight Petershill Partners' key characteristics as a business with significant growth of durable capital, delivering stable and recurring revenues with a highly efficient Adjusted EBIT margin and significant cash flow.

Dividends

Petershill Partners has set a progressive dividend policy which will reflect earnings growth over time. The Board reviews the distributable reserves periodically, including consideration of any material changes since the most recent audited financial statements, ahead of proposing any dividend. The interim dividend is set to one-third of the prior year's annual dividend amount, and the final dividend proposed is set to reach the target for the year. Shareholders will be given the opportunity to approve the final dividend for the year at the Company's Annual General Meeting.

During the year ended 31 December 2024, the Company paid a final dividend with respect of the year ended 31 December 2023 of 10.1 cents per share, an interim dividend in respect of the year ended 31 December 2024 of 5.0 cents per share and two special dividends in relation to the disposals of LMR Partners and Accel-KKR LLC of 9.0 cents per share and 17.5 cents per share respectively.

Based on the financial results for the year, the Board has proposed a final dividend of 10.5 cents per Ordinary Share to be approved by Shareholders at the AGM on 22 May 2025. This dividend, when combined with the interim dividend declared of 5.0 cents per Ordinary Share, totals 15.5 cents per Ordinary Share for 2024.

The Board has approved a special dividend payment of 14.0 cents (USD) per share payable on 13 June 2025 to shareholders on the register as at close of business on 9 May 2025, with ex-dividend date of 8 May 2025.

Given our financials are primarily driven by USD denominated economics (management fees and USD denominated funds, and performance fees and balance sheet income on USD denominated funds), our dividends are proposed and paid in USD. However, Shareholders have the option to elect for payment in either GBP or EUR.

Investments at Fair Value through Profit or Loss

	2024 $m	2023 $m
At beginning of year	**5,255**	4,959
Investments (includes new, follow on, and prior commitments, net of disposals)	**(310)**	69
Change in investments at fair value through profit and loss	**867**	227
At end of year	**5,812**	5,255

The fair value of the Company's investments in Partner-firms at 31 December 2024 was $5,812 million (31 December 2023: $5,255 million). The fair value of the Company's investments in Partner-firms is determined using both earnings multiples and discounted cash flow techniques, which are common industry approaches. In valuing the investments, key assumptions include estimates of future AuM growth, expected management and performance fee margins, expected current and future underlying fund returns and timing of realisations.

There was an increase in the fair value of investments through profit and loss of $867 million (2023: $227 million increase) for the year ended 31 December 2024. The increase in fair value was predominantly due to a decrease in the weighted average discount rate used to value private markets fee-related earnings and private markets performance fee-related earnings to 11.9% and 24.1% in 2024 from 13.0% and 25.2% in 2023 respectively, as a result of lower risk premiums for individual managers driven by de-risked cash flow projections, an increase in valuations multiples of comparable businesses and the uplift in relation to the fair valuation of General Catalyst to exit price. Refer to Note 4, Investments at fair value through profit or loss, beginning on page 98 for additional details.

The fair valuation uplift was offset by the impact of net investment activity. During the year ended 31 December 2024, the Company made an acquisition in Kennedy Lewis Investment Management and additional investments in three other existing Partner-firms, disposed fully of its holdings of FORT Investment Management and LMR Partners LLP and disposed partially its holdings in Accel-KKR LLC.

See Note 4 in the Notes to the consolidated financial statements on page 98 for additional information.

Cash and Investments in Money Market Funds

The Company's balance sheet continues to be strong and well-capitalised. On 14 December 2023, the Company entered into a fixed term deposit of $150 million, which matured on 15 March 2024. At 31 December 2024 the Company had $15 million in cash and cash equivalents (2023: $243 million) and $9 million invested in money market funds (31 December 2023: $62 million) with an AAA credit rating. The reduction in cash and cash equivalents was mainly the result of dividends declared and paid, tender offer, and the acquisitions during the year.

1. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on pages 130 to 133.

Borrowing

The Company has $500 million of long-term, unsecured debt with an effective interest rate of 6.2% and a range of maturities between 7 and 20 years. This debt was issued in 2022 and the proceeds were used to retire $350 million of notes outstanding at the time.

On 6 January 2023, the Company entered into a $100 million revolving credit facility with a term of three years. The Company is subject to a fee on the drawn and undrawn amounts. The rate for any drawn amount is based on reference rate plus a spread. The interest rate on the revolving credit facility is subject to changes in market interest rates. In 2024, the Company did not draw down on the revolving credit facility. Any interest expense incurred is included in finance cost.

Deferred Payment Obligations

Certain investments in Partner-firms are purchased with deferred payment terms. These deferred payment obligations represent amounts payable by the Company at various dates in the future. When the Company enters into deferred payment obligations, a portion of the purchase price is recognised as finance cost through the settlement of the payables under the effective interest method. The interest rate used is based on the reasonable borrowing rate for the Company at the time of the transaction. At 31 December 2024, the Company has recorded deferred payment obligations of $88 million (31 December 2023: $52 million). In 2024, $6 million was included in finance costs (2023: $6 million), which was associated with deferred payment obligations.

Deferred Consideration Receivable

Certain investments in Partner-firms have been sold in the year ended 31 December 2024 with deferred payment terms. This deferred consideration represent amounts owed to the Company at various dates in the future. When the Company enters into a deferred consideration agreement, a portion of the sale price is recognised as finance income through the settlement of the receivables under the effective interest method. The interest rate used is based on the reasonable borrowing rate for the Company at the time of the transaction. At 31 December 2024, the Company has recorded deferred consideration receivable of $152 million (31 December 2023: $nil). In 2024, the Company earned finance income including $2 million (2023: $nil) arising from deferred consideration receivable.

Contingent assets and liabilities at fair value through profit or loss

When certain investments in Partner-firms are purchased or sold, it is probable that the Company may have to pay or receive additional consideration based on the underlying terms of the purchase or sale agreement respectively. As a result of investment activity, the Company has recorded a contingent liability of $8 million (31 December 2023: $6 million) representing a portion of the total consideration payable which is probable in connection with its purchase of investments in certain Partner-firms, based on the Partner-firms' ability to raise capital or meet certain revenue thresholds as defined in the relevant investment agreement. In addition, the Company has recorded a contingent asset of $96 million (31 December 2023: $nil) representing a portion of the total consideration receivable which is probable in connection with its sale of investments in certain Partner-firms.

Tax Receivables Agreement

The Company entered into a Tax Receivables Agreement as part of the Initial Acquisition on 28 September 2021. The agreement provides for the payment of 75% of cash tax savings, if any, in US federal, state and local income tax that the Company actually realises. The cash tax savings are defined as the difference between the taxes actually due, and the taxes due had there been no step-up in tax basis from the Initial Acquisition. The Company expects these payments to arise over a period of 15 to 20 years from 31 December 2024. The value of these estimated payments at 31 December 2024 is $159 million (31 December 2023: $175 million) assuming an 18% discount rate and using the Company's most recent projections relating to the estimated timing of the payments. The expected payment for 2024 related to the Tax Receivables Agreement is approximately $30 million (2023: $24 million). Refer to Note 3 in the Notes to the consolidated financial statements on page 97 for additional information.

Operating Expenses

Operating expenses were $198 million (2023: $84 million). Included in the operating expenses for 2024 was a $153 million expense (2023: $51 million) related to the fee payable on the divestment of investments and $6 million (2023: $nil) related to transaction costs during the year. The accrual is calculated and charged to the income statement based on the fair value of the Company's investment in Partner-firms at the balance sheet date. Divestment fees only become payable once gains are realised.

The Operator is entitled to such divestment fee calculated at 20% of the realised profit on the exit of an investment. Although the Company does not intend to exit all of its investments, an accrual is reflected representing an amount that would be payable if the Company were to exit all of its investments at carrying value. At 31 December 2024, the fee payable on divestment of investments was $247 million (31 December 2023: $95 million). No payment was made in 2023 or 2024.

The Operator is entitled to a fee (Operator charge) of 7.5% of Income from investments in Partner-firms. The Operator charge for the year was $24 million (2023: $22 million).

The Operator is entitled to a Profit Sharing Charge on a quarterly basis. The Profit-Sharing Charge is equal to 20% of total income from investments in Partner-firms, as defined under IFRS, from new investments made post admission, in the relevant quarter and only after a two-year ownership period from the date on which the investment is closed, and subject to the relevant investment achieving an investment return of at least 6.0%. The Profit Sharing Charge for the year was $2 million (2023: $0.1 million).

The Directors' fees for the year were $1.7 million (2023: $1.7 million). Fees paid to Directors for the year are unchanged in local currency.

The Adjusted EBIT margin[1] for 2024 was 88% (2023: 89%) reflecting the relatively low cost to operate the Company.

Finance Cost

The finance cost for the year ended 31 December 2024 was $37 million (2023: $37 million). Included in the finance cost for 2024 is an amount of $28 million (2023: $28 million) of interest associated with the $500 long-term, unsecured debt and $6 million (2023: $6 million) of imputed interest relating to deferred payment obligations. Refer to Note 10 on page 107 in the Notes to the consolidated financial statements for further breakdown.

Tax Expense

The Company's tax charges are comprised primarily of certain taxes in the United States (where the 2024 federal corporate tax rate was 21.0% and state and local taxes may vary) as well as certain taxes in the United Kingdom (where the 2024 corporate tax rate was 25.0%). Accordingly, the effective tax rate payable by the Company may vary from year to year based on the geographic mix and nature of the income earned by the Company. Notably, a substantial amount of income derived from Management fee income will be subject to United States federal corporate tax as well as applicable state and local taxes. Income derived from Performance fee income and Investment income may be subject to taxes in the jurisdiction in which the investment in the Partner-firm is held, including the United Kingdom.

1. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on pages 130 to 133.

As a result of the above considerations, as well as the items discussed above under "Tax Receivables Agreement", the Company calculates tax and tax related expenses[1] and its Adjusted tax and tax related expense rate[1] by combining the estimated payment under the Tax Receivables Agreement and the current tax.

Current tax expenses comprise obligations to tax authorities related to current period reporting. Deferred tax expenses arise with respect to temporary differences between carrying amounts of assets and liabilities and their tax bases.

Analysis of Tax

	2024 $m	2023 $m
Analysis of tax on profit		
Current tax	**13.1**	23.5
Deferred taxation	**120.0**	52.5
Tax expense	**133.1**	76.0

The tax expense does not include the related expected payments under the Tax Receivables Agreement for the current year. The expected payment under the Tax Receivables Agreement for the year ended 31 December 2024 was $30 million (2023: $24 million).

The tax and tax related expenses[1] for the year, which considers both the current tax and the expected payment under the Tax Receivables Agreement ("TRA") were $43 million (2023: $48 million) and the adjusted tax and tax related expense rate[1] was 16.5% (2023: 19.3%). These amounts represent current taxes payable in addition to any expected payments under the Tax Receivables Agreement for the year and exclude deferred taxes.

Capital

As at 31 December 2024, the Company's issued share capital comprised of 1,081,708,167 Ordinary Shares (31 December 2023: 1,122,202,824). During the year ended 31 December 2024, the Company undertook a tender offer and share buyback programme, purchasing an aggregate 40.5 million shares at an average price of 214p per share.

Total Shareholders' funds was $5,100 million at 31 December 2024 (31 December 2023: $4,834 million). As at 31 December 2024, there were retained earnings of $3,399 million (31 December 2023: $3,133 million). Retained earnings included the change in fair value of investments for the year of $867 million (2023: $227 million).

In 2024, the Company paid dividends totalling $454 million and bought back Ordinary Shares via the tender offer and buyback programme totalling $113 million, including transaction costs.

Approximately 80% of Petershill Partners shares are held by long-dated private funds managed by Goldman Sachs Asset Management. Goldman Sachs Asset Management is the manager of these shares and exercises discretion over how and when they could be sold in the future, on behalf of the investors in those funds.

Petershill Partners Operating Metrics

		31 December		
		2024	2023	△
Aggregate Partner-firm AuM	($bn)	**337**	304	11%
Aggregate Fee-paying Partner-firm AuM	($bn)	**238**	221	8%
Ownership Weighted Partner-firm AuM	($bn)	**40**	37	8%
Ownership Weighted Fee-paying Partner-firm AuM	($bn)	**29**	28	4%
Partner Blended Net Management Fee Rate	(%)	**1.34%**	1.31%	+3 bps
Implied Blended Partner-firm FRE Ownership	(%)	**12.4%**	13.3%	-90 bps
Partner Net Management and Advisory Fees	($m)	**386**	350	10%
Management Fees	($m)	**395**	356	11%
Fee Offsets	($m)	**(17)**	(18)	(6)%
Transaction and Advisory Fees	($m)	**8**	12	(33)%
Partner Fee-Related Expenses	($m)	**(161)**	(147)	10%
Partner FRE	($m)	**225**	203	11%
Partner Realised Performance Revenues (PRE)	($m)	**73**	55	33%
Partner Realised Investment Income	($m)	**25**	34	(26)%
Partner Distributable Earnings	($m)	**323**	292	11%
Partner FRE Margin	(%)	**58%**	58%	– pts
Partner Distributable Earnings Margin	(%)	**67%**	67%	– pts
Partner Realised PRE as a percentage of Partner Revenue	(%)	**15%**	13%	+2 pts
Partner Realised PRE over Average Aggregate Performance Fee Eligible Partner-firm AuM[2]	(bps)	**2.6 bps**	2.0 bps	+0.6 bps
Additional Metrics:				
Partner Private Markets Accrued Carried Interest	($m)	**702**	615	14%
Investment Capital	($m)	**274**	423	(35)%

1. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on pages 130 to 133.
2. Realised Performance Fee Revenues for the period divided by the Average Aggregate Performance Fee Eligible Partner-firm AuM. The Average Aggregate Performance Fee Eligible Partner-firm AuM represents the average of the beginning and ending period stated.

Partner-firm Full Year Performance

Key Operating Metrics

We provide significant detail on our Partner-firms in our key Operating Metrics as this gives investors insight into the revenues and revenue model of the Company.

In 2024, fundraising continued across the Company's Partner-firms with Aggregate Fee-paying Partner-firm AuM growing 8% year-on-year to $238 billion. Ownership weighted AuM grew 8% to $40 billion (2023: $37 billion). Strong aggregate Partner-firm AuM and Aggregate Fee-paying AuM growth are the basis for future earnings development and highlight the positive operating dynamics and pricing power of our Partner-firms. This growth has translated into recurring, and high-quality earnings from our Partner-firms, with full year Partner Distributable Earnings of $323 million, despite the challenging environment.

Petershill Partners is not reliant on any one firm, track record or brand. Our approach is to invest in a range of high-quality, high-performing alternative asset management firms, who manage a diverse range of funds, giving the Company stable, high-quality, recurring earnings.

The total AuM at year end comprised over 200 funds, spanning private equity, absolute return and other private capital funds, with an average life cycle of 9+ years. That means capital is locked in for an average duration of 9+ years, generating recurring management fees and the opportunity for meaningful profit participation throughout this time. We believe our long-term approach differentiates us and provides for enhanced alignment with the key principals at each Partner-firm and, as a result, allows the Company to participate in their income streams in a way that provides high-margin, diversified and stable cash flows for our Shareholders.

Partner Fee-Related Earnings (FRE)

Partner FRE, drawn from management fees, increased 11% year-over-year to $225 million (2023: $203 million), primarily reflecting continued growth in Aggregate AuM. Partner Fee-Related Expenses were $161 million in 2024, up from $147 million in 2023. The higher costs were due to Partner-firm fundraising and team expansions, although the Partner FRE margin was flat year-over-year at 58% (2023: 58%).

Transaction and advisory fees were $8 million in 2024 compared to $12 million in the prior year. The lower transaction and advisory fees reflected the subdued transaction environment that impacted global markets in 2024. In 2024, the Partner Blended Net Management Fee Rate was 1.34% (2023: 1.31%).

Partner Realised Performance Revenues (PRE)

PRE, which represents direct participation in the upside performance of Partner-firms' funds and products, increased year-over-year to $73 million for 2024 (2023: $55 million) as we saw the realisation environment picking up in the year. Performance of the absolute return strategies was lower compared to the prior year, driven by our increasing focus on private market alternative asset firms. $8 million was attributable to the absolute return strategy in 2024 (2023: $10 million). 15% of total Partner Revenue in 2024 was derived from PRE (2023: 13%).

Partner-firms manage a variety of performance fee-eligible funds at different stages of their life cycle. Due to this diversification, the Company anticipates that Realised Performance Revenues will be earned regularly from a wide range of funds going forward, with a range of 20–30% of total Partner Revenues over the medium term, assuming market conditions and environment are broadly supportive.

Partner Private Markets Accrued Carried Interest was $702 million at 31 December 2024, compared to $615 million at 31 December 2023.

Partner Realised Investment Income

As an owner in the Partner-firms, the Company shares in a percentage of the investment and balance sheet income of the Partner-firms and realises this through a number of direct positions in the funds of underlying Partner-firms, known as Realised Investment Income. This totalled $25 million in 2024, compared to $34 million in 2023, the decrease is partly driven by the sale of stake in AKKR consisting of the entirety of its balance sheet investment capital.

Stakeholder Engagement

The Company's stakeholders are key to our long-term success. The importance of each key stakeholder and the Board's engagement with them are described below. Highlights of some of the principal decisions that have been made as a result of this engagement can be found within the section 172 statement as outlined on pages 35 and 37. Given the Company has no employees and the Directors have all been appointed on a Non-Executive basis, it must rely upon the Operator to perform certain executive functions and other third-party service providers, including the Administrator, to perform other administrative and operational functions.

Stakeholder	How the Board engages
Shareholders, prospective Shareholders and lenders Continued Shareholder support, engagement and attracting new investors critical to the success of the Company and the delivery of its long-term strategy	▪ Receives updates from the Operator at every Board meeting on investor relations ▪ Engages regularly with the Company's corporate brokers, and receives frequent market and trading updates ▪ Receives Shareholder reports from the Company's Registrar and regularly monitors the views of Shareholders and the Shareholder profile of the Company ▪ Communicates with Shareholders and lenders through the Operator; with financial reporting and updates published on the Company's website ▪ Meets Shareholders through general meetings ▪ The Chairman has met a number of Shareholders at their request during the year and continues to be available to meet with Shareholders ▪ Several Directors attended the Petershill Alternative Funds Summit and AGM, where Directors have the opportunity to meet underlying LPs ▪ Holds strategy meetings to ensure the Board is acting in Shareholders' and lenders' best interests
Goldman Sachs Asset Management (the Operator) Fundamental to the business model, overall strategy and long-term success of the Company	▪ Oversees the performance of investment management services that are integral to the Company's operations and financial performance ▪ Active dialogue and regular meetings with the Operator ▪ Open, respectful, and clear communication, with constructive challenge and a strong partnership ethos ▪ Detailed monitoring of the Partner-firms and investment process ▪ Strategic planning with the common goal of helping the Company fulfil its purpose ▪ Visits the Operator's offices ▪ Requests ad-hoc meetings and updates as necessary ▪ Works with the Operator to evolve Board reports and share insights
Community Full support of ESG as integral to the Company's success	▪ Reviews service providers' ESG policies and initiatives ▪ For additional information on the impact of the Company's operations on the community and the environment, please refer to pages 38 and 39
Partner-firms Effective relations to facilitate growth	▪ Maintains regular dialogue with the Operator on Partner-firms ▪ Receives formal Partner-firm performance review from the Operator ▪ When opportunity arises, meets with leaders of Partner-firms, to hear direct presentations and feedback from them
Service providers Effective relations to provide advice and support and foster compliant and efficient operations	▪ Maintains regular interaction as part of the provision of services ▪ Receives reports from core service providers at Board meetings ▪ Formal performance review conducted annually ▪ Receives updates from the Operator on dialogue with lenders and service providers
Regulators Effective relations to comply with all regulations	▪ Engages with regulators in a transparent manner, completing required filings and other submissions and acts responsively and thoughtfully in relation to any inbound queries
Lenders Availability of funding and liquidity is important to the Company's ability to take advantage of investment opportunities as they arise	▪ Regular updates provided on covenant compliance and current positioning from the Operator

Engagement with Shareholders

The Company reports to Shareholders in a number of formal ways, including its Annual Report, interim report and regulatory news releases, all of which are approved by the Board and are made available on the Company's website. In addition, the Company's website contains comprehensive information, including Company notifications, share information, financial reports, investor contacts and information on the Board and corporate governance. Shareholders and other interested parties can subscribe to email news updates by registering on the website.

The AGM, detailed below, is used as a forum for the Board and the Operator to communicate Company performance and future plans and prospects. It is expected that all members of the Board will be in attendance and will be available to answer any Shareholder questions. The Company's website contains comprehensive information for Shareholders and provides regular market commentary at www.petershillpartners.com.

In addition, the Chairman, the Administrator and the Operator's contact email addresses are also available for Shareholders to contact the Company outside of the AGM. The Board invites representatives from its brokers to provide regular analysis of Shareholder movements, industry changes and contact with investors. The Company Secretary also receives informal feedback via queries submitted through the Company's website, and these are addressed by the Board, the Operator or the Company Secretary, as applicable.

Employees, Social, Human Rights, Environment and Community Issues

The Board has a responsibility to help protect, preserve and promote human rights around the world. The Board supports statements made by the Operator's parent company, The Goldman Sachs Group, Inc., on human rights, modern slavery, and human trafficking. The Board also published its Modern Slavery and Human Trafficking Statement on 3 June 2024 on the Company's website at www.petershillpartners.com.

As the Company has outsourced operations to third parties, there are no significant greenhouse gas emissions or other environmental matters to report in relation to the operation of the Company. The Board encourages all service providers associated with the Company to consider matters of ESG, including diversity and inclusion, and report on progress to the Board annually.

Acquisition Strategy and Investment Policy

The Company seeks to achieve its investment objective through acquiring stakes in alternative asset managers, via direct investments representing a non-controlling ownership position. The Operator adopts a responsible investing approach which takes into account the Company's ESG principles and strategy, as outlined on pages 38 and 39. The Board has reviewed and approved the Acquisition Strategy and Investment Policy on pages 22 to 23. The Company reports to Shareholders through regulatory news releases, using the London Stock Exchange Regulatory News Service and interim and annual reports. Significant new investments are announced promptly, and portfolio updates, realisations, valuation updates and distribution announcements are all communicated in a timely manner through these means.

Dividend Policy

The Board has reviewed the Company's dividend policy, as set out on page 52, and agreed that it remained appropriate. The Board proposes a final dividend of 10.5 cents per share to be approved by Shareholders at the AGM on 22 May 2025, delivering a full year dividend of 15.5 cents per share to the Company's Shareholders.

2025 Dividend Timetable	
Dividend Announcement	Monday, 31 March 2025
Ex-Dividend Date	Thursday, 8 May 2025
Record Date	Friday, 9 May 2025
Currency election	Friday, 23 May 2025
Payment Date	Friday, 13 June 2025

The Board has approved a special dividend payment of 14.0 cents (USD) per share, payable on 9 May 2025 to shareholders on the register as at close of business on 11 April 2025, with ex-dividend date of 10 April 2025. Shareholders should note that the default payment currency is USD, however, shareholders can elect to have their dividends paid in either GBP or EUR. The last day for currency elections to be registered is 25 April 2025. Currency elections should be submitted via CREST in the usual manner.

Board Committees

The Audit and Risk Committee, Nomination Committee, Remuneration Committee and Management Engagement Committee were formed in order to establish a good corporate governance framework for the Company. The Chairperson of each Committee attends the AGM to answer any questions on their Committee's activities. More information on the Committees' activities can be found on pages 61 to 63.

AGM

The AGM of the Company will be held at 1.00 pm (BST) on Thursday, 22 May 2025 at the Goldman Sachs London office. Details of the resolutions to be proposed at the AGM, together with explanations, will appear in the notice of meeting which will be made available on the Company's website www.petershillpartners.com in due course. As a matter of good practice, all resolutions will be conducted on a poll and the results will be announced to the market as soon as possible after the AGM.

Employees and Officers of the Company

The Company does not have any employees and therefore employee policies are not required and a statement detailing the split between employees and senior managers is not relevant. The Directors of the Company are detailed on page 48 and 49. As at the date of this report, the Board comprises three men and two women, all of whom are Non-Executive Directors who are considered to be independent of the Operator and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

Case study: Capital Management

When it comes to the allocation of capital, we take a holistic approach. Where we see an opportunity to invest in a high-quality specialist, middle-market alternative asset manager that matches our investment criteria, we will pursue it. Where we see an opportunity to implement a value-accretive corporate action, such as a tender offer, share buyback or special dividend, we will look to do this too.

Total Shareholder Return in 2024

69%[1]

Highest TSR in UK Investment Trust universe[2]

Share price discount

34%[3]

Total return

$563m[4]

FRE Alignment

The year ended 31 December 2024 serves to demonstrate how our approach to capital management works in practice and how delivering on our strategy to lay the foundations for future growth and returning capital to Shareholders can go hand in hand.

In line with our objective to increase the proportion of our income generated from management fee earnings as opposed to performance-based earnings, we made changes to the composition of our portfolio of GP-stakes. We sold our interests in absolute return manager LMR Partners and a predominately balance sheet interest in AKKR, raising total consideration of $575 million. We committed $205 million of the proceeds to increase our interest in three existing Partner-firms at a discount to carrying value and to add a new Partner-firm to our portfolio through the acquisition of a stake in Kennedy Lewis Investment Management, a private credit manager.

Value-Accretion

The disposal proceeds also enabled us to take advantage of a value-accretive opportunity we saw in our own shares. When we announced our intention to return up to $100 million to Shareholders via a tender offer, Petershill Partners' share price was trading at a 45-50% discount to the net asset value. We viewed this as representing excellent value, and we set the tender offer price at 214p per share, a 15% premium to the previous closing price of 186p per share. The Company successfully completed the tender offer returning $103 million, excluding transaction costs and adjusted for foreign exchange. By the end of the year, our share price had increased to 248p, a 16% premium to the tender offer price, while the share price discount to the book value per share had narrowed to 34%.

Significant Shareholder Returns

In all, this year we returned a total of $563 million to Shareholders through a combination of a tender offer, special dividends, a buyback programme and our progressive dividend policy. Despite returning such a large sum to Shareholders, we still managed to post earnings growth for the year, report a marginal increase in the carrying value of our investments and meet our financial targets.

1. Source: Bloomberg. The Total Shareholder Return is expressed as a percentage, including the price appreciation of the share plus any dividends paid and reinvested during the performance period. This is a non-recurring APM, further information on page 133.
2. Patrick, H (2025) The Times - Petershill crowned UK's best-performing investment trust. Available at: https://www.thetimes.com/business-money/companies/article/petershill-crowned-uks-best-performing-investment-trust-0bzhc7whv (Accessed: 26 February 2025).
3. Share price discount defined if the share price is lower than the Net Asset Value. This is a non-recurring metric.
4. Total return is a metric that represents all returns on an investment, including dividends. This is a non-recurring metric.

Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006

The Directors are responsible for acting in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard to the factors set out in section 172(1)(a) to (f) of the UK Companies Act 2006, which includes the needs of stakeholders and the wider society.

Details of the Company's key stakeholders are set out on page 32. In particular, the Directors recognise the importance of acting in a way that promotes the long-term success of the Company for the benefit of its members as a whole.

The Board considers that the interests of the Company and its stakeholders must be balanced for the Company to succeed. Key decisions are those that are material or of strategic importance to the Company or are significant to any of the Company's key stakeholders, as described on page 32. The below key decisions were made or approved by the Directors during the year, with the overall aim of promoting the long-term success of the Company for the benefit of its members as a whole, while considering the impact on its members, stakeholders and the wider society. For more information on the approach to ESG please see pages 38 to 39.

Decisions made by the Board in 2024	Considerations of factors set out in section 172(1) in the decision-making process	Outcomes as a result of these considerations
Capital structure: Tender offer	During the year, the Board undertook a review of the Company's capital structure, cash generation prospects and cash requirements, both now and in the future, and concluded that the Company had structurally surplus cash. On 23 April 2024, the Company announced a tender offer to return up to $100 million to Shareholders, subject to Shareholder approval at the Company's 2024 AGM. With the support of Shareholders via a special resolution passed at the AGM on 23 May 2024, the Company successfully completed the tender offer in June, returning approximately £81 million ($103 million excluding transaction costs and adjusted for foreign exchange) to Shareholders, representing 3.38% of the Company's issued ordinary share capital at such time. The Board was mindful of the regulatory requirements involved and engaged advisors such as corporate brokers, external legal counsel, and other service providers to provide advice and support throughout the process and it was determined that the most appropriate mechanism for the return of capital was by way of a tender offer.	The primary outcome of the tender offer was the ability to return capital to Shareholders and therefore contribute to the long-term strategy and success of the Company. → **More information on the tender offer can be found on page 50.**
Capital structure: Share buyback programme	The Board is focused on the efficient and disciplined management of capital with the overriding objective of driving Shareholder value. The conclusion to commence a further buyback programme on 17 May 2023 involved careful consideration by the Board after evaluating the likely impact on the Company's net asset value per share, capital structure and leverage as well as the cost associated with the share buyback programme. The Board was mindful of the regulatory requirements involved and engaged advisors such as corporate bankers, external legal counsel and other service providers to provide advice and support throughout the process. The buyback programme ended on 11 April 2024 and in the period from 1 January 2024 to 11 April 2024, the Company purchased a total of approximately 2.6 million shares at an aggregate cost of $6 million. In addition to the tender offer announced in June 2024 and the buyback programme, the ordinary dividend and special dividends, resulted in a total capital return of $563 million announced and completed during 2024.	Undertaking a share buyback programme was beneficial in returning capital to Shareholders and creating some additional market liquidity. → **More information concerning the programme can be found on page 109 and 110.**

Decisions made by the Board in 2024	Considerations of factors set out in section 172(1) in the decision-making process	Outcomes as a result of these considerations
ESG	Whilst the Company's operations are limited (with all substantive operations being conducted by its third-party service providers), ESG is an important area of focus for the Company and the Board considers it important to ensure that steps taken are sensible and proportionate in order to ensure compliance and competitiveness of the Company and to avoid green washing. As a Shareholder value-focused Company, the Board is interested in understanding how a broader ESG strategy could fit into its unique operating model. Transparency and integrity in reporting is a top priority for the Board, for the benefit of investors and the wider stakeholder base. The Board is interested in the indirect impact of the Company's operations and has discussed minimum standards expected of our service providers and suppliers, ensuring these are incorporated into the Company's onboarding processes. The Company intends to stay ahead of the ever-changing regulatory environment, with the view that this readiness will ensure a smooth transition into compliance or early adoption in future. As such, ESG continues to be an important standing agenda item for the Board.	The current primary outcome, taking the long-term aspirations of the Board into consideration, was embedding ESG as a strategic objective. The desired outcome is to manage a considerate and low-impact Company, attracting the discerning investor through a best practice approach to ESG. **More information concerning ESG can be found on pages 38 to 39.**
Dividend policy and payments	The Board reviewed the Company's dividend policy and agreed that it remained appropriate. In determining the appropriateness of the dividend policy, the Board considered the interests of all its stakeholders, ensuring a balance between the short-term expectation of returns to Shareholders and the longer-term growth opportunities and capital needs of the Company. Given the Board's continued focus on capital efficiency, the Company also announced payment of two special dividends during the period, on 17 September 2024 of 9.0 cents (USD) per share, equivalent to $97m, and on 14 November 2024 of 17.5 cents (USD) per share, equivalent to $189 million. In 2025, the Board has approved a special dividend payment of 14.0 cents (USD) per share, payable on 9 May 2025 to shareholders on the register as at close of business on 11 April 2025, with ex-dividend date of 10 April 2025.	The Board continues to maintain a progressive dividend policy which will reflect earnings growth over time. The Board proposes a final dividend of 10.5 cents per share to be approved by Shareholders at the AGM on 22 May 2025. The payment of special dividends throughout the year enabled further capital to be returned to Shareholders, in addition to the tender offer completed during the period and the progressive dividend. **More information on the dividend policy can be found on page 33.**
Management of investment portfolio	The Company has appointed the Operator to manage its investments on a discretionary basis. In considering proposals put forward by the Operator, the Board considered its strategic focus in relation to the management of the Company's portfolio. During the year, the Company completed selective disposals of investments in line with the Operator's focus on private market alternative asset firms and towards increasing the proportion of management fee-centric earnings and demonstrated the ability to exit positions or partial positions at attractive valuations relative to the carrying value. The Company also completed four acquisitions during the year, including a stake in a new Partner-firm and additional interests in three existing Partner-firms. The Board continues to focus on capital efficiency and will consider the most appropriate use for the proceeds received from the sales going forward.	Selective disposals and effective management of the Company's portfolio assists with the Company's strategic focus. **More information on the delivery of strategy can be found on page 12. More information on investment disposals can be found on page 98.**
Carry plan	In consultation with the Operator, on 1 January 2024, new subsidiaries were introduced into the Group structure to enable employees of the Operator to be direct beneficiaries of a portion of the Profit-Sharing Charge payable by the Company to the Operator. The Operator Agreement was amended and restated, and acceded to by Petershill Partners II Ltd and Petershill Partners II, Inc., on 1 January 2024 in order to implement those arrangements. There is not expected to be any impact on the Company from existing contracts.	The main objective of the implementation of the Carry Plan was to further improve the alignment of the incentives of the Company, the Operator and the employees of the Operator to better promote the success of the Company. **More information on the Carry Plan can be found on page 95.**
Approval of the interim and annual financial statements and AuM statements	The Audit and Risk Committee is responsible for monitoring the integrity of the Group and the Company's financial statements and regulatory announcements relating to its financial performance. As part of this, the Company's interim and annual financial statements and AUM statements are prepared by the Operator and thoroughly reviewed by the Audit and Risk Committee ahead of recommendation to the Board for approval. The Operator and the independent auditors were in attendance at these meetings to provide further insight and comfort and address queries as necessary.	The primary outcome was to provide Shareholders with accurate and understandable high-quality financial statements that met all applicable requirements. **More information on the Audit and Risk Committee can be found on pages 67 to 69.**

Decisions made by the Board in 2024	Considerations of factors set out in section 172(1) in the decision-making process	Outcomes as a result of these considerations
Strategy session	In October 2024, the Board held a strategy session with the Operator outside of the scheduled quarterly Board meetings, including a meeting with Partner-firm Caxton. Topics discussed included industry updates, portfolio management considerations, investor engagement strategy and Shareholder roadshow feedback, Partner-firm updates and addressing the Company's liquidity and discount to NAV. In November 2024, several Board members also attended the Goldman Sachs Alternative Investment Summit in New York as well as meetings with key personnel from some of the Company's Partner-firms and considered areas such as business and industry updates, and strategic options for value creation.	The primary outcome was a clear and collaborative vision for the strategic direction of the Company, while taking into account the views and needs of stakeholders. The Board will continue to conduct a strategy session annually. → **More information on the strategy and investment objective can be found on page 12.**
Annual review of service providers	The Management Engagement Committee met during the year to review the Company's external service providers, including the Operator and the Administrator, and, in particular, the quality and costs of the services provided (details of the review are included on pages 32 and 62). The Management Engagement Committee was mindful of the importance to the Company of fostering positive business relationships with service providers for Shareholder value creation.	The Management Engagement Committee concluded that the interests of the Company's Shareholders would be best served by the ongoing appointments of the Operator, the Administrator and other key service providers on the existing terms. → **More information on the annual review of service providers can be found on page 62.**
Non-Executive Director Recruitment	Following the conclusion of the external Board effectiveness review in October 2024, the Board commenced a Non-Executive Director recruitment process with the assistance of external recruitment consultants. In consideration of the Board's skillset and succession planning, as well as continuing to enhance sector and industry knowledge, the Board believes it is an appropriate time to conduct a Non-Executive Director recruitment process. Maintaining a diverse culture on the Board is very important and so this will also be a key consideration during the recruitment process. The Company is currently in the process of reviewing potential candidates with the assistance of external recruitment consultants, Spencer Stuart & Associates Limited and Nurole Ltd. The Company had engaged Spencer Stuart & Associates Limited during the director recruitment process at IPO. There are no previous connections with Nurole Ltd with the Company or any individual Directors.	The recruitment of one or more Non-Executive Director(s) will serve to strengthen the skills and knowledge of the Board and enable the Board to act in the best interests of the Company as a whole. → **More information on Board composition can be found on page 59.**

Environmental, Social and Governance ("ESG") at Petershill Partners

We recognise that, even though Petershill Partners does not have any physical operations or employees that directly impact the environment, we can still contribute to the global shift towards ESG and sustainability that is underway. We can do this through the support we give and the advice we provide to the management companies we invest in.

We believe a trade-off does not exist between embracing ESG and generating attractive returns. Rather, the Board believes that businesses that promote and embrace sustainable practices will be more successful over time.

As Petershill Partners is an investment company with no employees or physical operations and therefore does not itself engage in activities that directly impact the environment or the community, we are not required to make climate-related financial disclosures under the Listing Rules, Companies Act 2006 or the EU Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("SFDR"). Petershill Partners instead relies on the policies, processes and procedures of the Operator, Goldman Sachs Asset Management Limited.

Goldman Sachs Asset Management has been a signatory to the United Nations Principles for Responsible Investing (UNPRI) since December 2011. As a signatory, the Operator is committed to considering the investment implications of ESG issues within its portfolio management and investment decision-making processes where appropriate. The Operator reports annually to the UNPRI on its ESG and impact-investing commitment and activities and publicly discloses the report on its website.

In terms of Petershill Partners, the Board supports the Operator's efforts to incorporate an ESG-strategy across the full range of the Company's activities from the investment process to ongoing Partner-firm engagement and dealings with the supply chain.

ESG integration into the investment process

ESG is a consideration at the due diligence stage of the acquisition process for potential new Partner-firms. ESG is one of several investment criteria included in the assessment of a proposal that is submitted to the Petershill Investment Committee for consideration. Included among the ESG risks and opportunities that are considered by the investment team at this stage of the process are the firm's ethos, investment philosophy/process, resources and portfolio engagement. Where appropriate, potential acquisitions are quantitatively assessed against an internal five-factor ESG framework which in turn is used to derive a blended ESG score.

The five-factor ESG framework

1. **Firm ethos**
The extent to which the Partner-firm is committed to ESG and incorporates sustainable practices into the management of its business

2. **Investment philosophy**
The degree to which ESG is viewed as a material driver of risk and returns

3. **Team and resources**
The depth, breadth and organisation of the team incorporating ESG, and the level and use of other external resources

4. **Investment process**
The degree to which ESG-related factors are formally incorporated into the investment process with the objective of enhancing risk-adjusted returns

5. **Portfolio engagement**
The level and type of engagement with portfolio companies on ESG and the ability to add value post-investment and the degree to which this is reflected in outcomes

When assessing a potential acquisition, the investment committee may reflect diversity, equity and inclusion considerations in its investment process where appropriate, applicable and such information is reliably available.

In addition, pursuant to the Operator Agreement, the Operator from time to time consults with the Petershill Investment Committee, who abide by regulations set forth in the Operator's broader Goldman Sachs policies. Goldman Sachs' Firmwide Reputational Risk Committee ("FRRC"), for example, maintains a List of Prohibited Transactions, which sets out transactions that are prohibited by Goldman Sachs. The FRRC also maintains an Escalation Criteria Grid (the "Grid"), which sets out the types of transactions that would need to be escalated to the FRRC. The List of Prohibited Transactions and the Grid are constantly monitored and may be amended from time to time.

ESG integration and ongoing engagement with Partner-firms

Once an investment has been made, a new Partner-firm is able to access the Petershill General Partner (GP) Services team for support on a range of ESG issues such as integrating best-practice ESG policies, processes and systems within their business. Our GP-Services team, for example, produce ESG-focused modules centred on value creation. As with all the advice and support it gives, the GP-Services team is able to draw on the extensive resources of Goldman Sachs through its strategic affiliation with the Operator.

To help identify, monitor and share industry best practices, the Operator carries out diagnostic exercises and is currently developing a framework that will facilitate the collection of information on ESG practices across the Partner-firms. This in turn will be used in the ongoing monitoring of investment performance.

ESG integration into the supply chain

The Board recognises it can reflect an acknowledgement of, or a commitment to, sustainability in its choice of the vendors or service providers it selects to act on its behalf. In line with this, all vendors selected by recommendation of the Operator are subject to the Goldman Sachs vendor management system and selected in accordance with Goldman Sachs policies on Vendor Diversity, Modern Slavery and Anti-Corruption.

Please note that the Petershill Partners portfolio does not promote environmental or social characteristics and does not have sustainable investment as its investment objective. It does not commit to environmental or social targets and does not score or assess its portfolio assets with reference to any sustainability themes including environmental or social factors. For the purposes of the EU Sustainable Finance Disclosure Regulation, disclosure is made with reference only to the integration of sustainability risk in the investment decision-making process. The above information should be read in this context.

Principal Risks and Uncertainties

Risk Management

Our Risk Management Approach

The Board believes comprehensive and effective risk management is key to the Company delivering on its long-term strategic objectives. The enablers behind effective risk management include a strong risk culture as well as an open and transparent operating environment that encourages the Operator and the Company's other service providers to embrace risk management. Further details on our cultural framework can be found on page 59.

Delegated by the Board, the Audit and Risk Committee ("the Committee") reviews the effectiveness of the Company's risk management processes. Key areas of focus include the assessment of current identified principal risks and the process to identify emerging risks. Supported by the Operator, the Committee carries out a robust assessment of the principal and emerging risks facing the Company. The Committee presents a risk matrix to the Board for review and discussion on an annual basis, but also as and when it is thought necessary by the Committee and the Board.

The risk matrix, which is prepared by the Operator primarily through a Risk and Control Self-Assessment ("RCSA") process, sets out the key risks faced by the Company, their likelihood and impact and the associated control procedures and mitigating measures. The Committee then reviews the risk matrix and provides an independent assessment, oversight and challenge of the risks identified. The Committee also monitors and reviews the adequacy and effectiveness of internal control and risk management systems and advises the Board on the Company's overall risk appetite.

The Operator, as delegated by the Board, provides portfolio management and risk management services to the Company. The Operator is accountable for the application and execution of the Company's investment strategy, and therefore has a key role in managing the Company's risk. The Operator, in its normal course of business, faces various risks and leverages the "three lines of defence" model employed by Goldman Sachs to delineate the roles and responsibilities for risk-taking, risk management and risk assurance activities for the Company.

The three lines of defence model

- The first line of defence is The Petershill Group within Goldman Sachs Asset Management, which is responsible for implementing effective internal controls and maintaining processes for managing risks of the Operator.
- The second line of defence is the independent risk oversight and control functions of Goldman Sachs, which provide independent assessment, oversight and challenge of the risks taken by the first line of defence. Independent risk oversight and control functions include Goldman Sachs' Conflicts Resolution Group, Controllers, Global Compliance, Legal, Risk, and Tax functions.
- The third line of defence is Goldman Sachs' Internal Audit division, which provides independent risk assurance to senior management, the Board of Goldman Sachs and regulators that the governance, risk management, and control activities of the first and second lines of defence are effective.

Principal Risks and Uncertainties

The Company's underlying investments are high-risk, illiquid assets within the alternative investment industry. Principal risks therefore relate to revenue generated by the alternative asset managers in which the Company invests and the performance of the Partner-firms, their funds and the products they manage. The Operator seeks to mitigate these risks through active engagement and action, as outlined in the Acquisition Strategy and Investment Policy (pages 22 to 23) and by carrying out due diligence work on potential targets before entering into any investments. The Company's business model involves the acquisition of non-controlling investments in independent Partner-firms, and, although the Company has certain controls as part of contractual rights, the Company does not control the risk tolerance of the underlying Partner-firms.

The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis, and these risks are reported and discussed at Board meetings. The Board ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld.

For each risk, the likelihood and impact are identified, management controls and frequency of monitoring are confirmed and results are reported to and discussed by the Audit and Risk Committee on a quarterly basis. The Audit and Risk Committee has reviewed the Company's risk management process and has evaluated the principal and emerging risks, which are discussed on pages 41 to 43.

The key areas of risk faced by the Company and mitigating measures are summarised below:

Strategy/ Investment Risk	Description/Impact	Mitigating Measures	Residual Risk	Trend
1. Alternative Assets Industry Risk	The alternative investments industry may not grow at the same rate as it has in the past, in line with forecasts or at all. If the alternative investments industry does not grow sufficiently, whether as a result of evolving laws and regulation or any other risk, the Company's investments may not produce attractive returns and the Operator may not be able to identify additional investment targets on suitable terms or at all. In addition, industry dynamics could negatively impact the fee rates that managers in the alternative investments industry are able to charge, which could negatively impact the Company's income from Partner-firms derived from management fees.	The Company's revenue streams are diverse and are composed substantially of income from Partner-firms derived from management fee income on contractually committed, long-dated assets, therefore minimising the concentration of risk. Investments in Partner-firms span multiple asset classes providing diversification within the alternative asset management industry. The Company has limits on how much any new investment may represent as a percentage of Partner FRE or the Company's gross assets. Board approval is required when proposed acquisitions exceed 12% of the Company's market capitalisation. The Company monitors its exposure to the different asset classes which it is exposed to.	Low	↔
2. Partner-firm Revenue Risk	The Company's revenue is largely dependent on the management fees generated by the Partner-firms in which the Company invests. The Company's revenue is also dependent on the performance of their funds and the products they manage, as well as the growth and profitability of their businesses. The Company is therefore exposed to the risk that the Partner-firms may not be able to generate adequate management fees and performance fee-related earnings. Additionally, the investments made by the Partner-firms include high-risk, illiquid assets. The Partner-firms may not be able to sell or otherwise dispose of investments in their funds when they desire and therefore may not be able to realise the full value of such investments, resulting in an impact to performance-related fees.	While Partner-firm specific revenue risk cannot be eliminated, it can be reduced by diversifying the Company's investments across different Partner-firms. The Operator monitors the concentration of revenue quarterly. A significant amount of the Company's revenues are derived from a capital base that is long term. The Company has limits on how much any new investment may represent as a percentage of Partner FRE or the Company's gross assets. Board approval is required when proposed acquisitions or disposals exceed 12% of the Company's market capitalisation. The Company monitors its exposure to the different asset classes which it is exposed to.	Medium	↔
3. Investment Diligence Risk	The due diligence process that the Operator undertakes in connection with investments may not reveal all facts that may be relevant in connection with an acquisition. Any shortcomings in the due diligence process in respect of the Company's investments, including as a result of fraud by the seller or target, could result in diminished returns or losses on the acquisitions by the Company compared to the financial projections used when evaluating such partnership.	Investment decisions are underpinned by an established and rigorous investment due diligence process to determine the feasibility and attractiveness of an investment. The Operator has a track record of evaluating and undertaking due diligence exercises on non-controlling stakes in alternative asset managers, and also extensive expertise in negotiating and structuring bilateral contracts which govern the minority investor rights. For each potential acquisition, the Operator conducts due diligence of the following types: Partner-firm, product, asset-level, operational, legal and audit and tax.	Low	↔

Key

Residual risk

Low | Medium | High

Trend

↑ Increased | ↔ No change | ↓ Decreased

Strategy/ Investment Risk	Description/Impact	Mitigating Measures	Residual Risk	Trend
4. Macroeconomic Risk	Macroeconomic uncertainty on a global basis due to rising inflation and interest rates that may result in increased costs to the Partner-firms, further driven by the changing political landscape. The possibility of softer fundraising assumptions and portfolio realisations for individual Partner-firms can lead to lower expectations of future income from Partner-firms. In addition, volatility and disruption in the equity and credit markets can adversely affect the underlying earnings of the Partner-firms and the value of their earnings, and therefore the Company's balance sheet and income. Rising interest rates may result in reduced Partner-firm PRE both in frequency as assets are held for longer, and in quantum as multiples of realisation are lower. The impact of inflation on returns may challenge the ability of Partner-firms to enhance operating margins given the challenges of rising costs and may potentially impact profitability. The Company uses leverage as part of its overall operating strategy, which may be impacted by changes in interest rates.	The Company's revenue streams are diverse and are composed substantially of contractually committed, high and stable income derived from Partner-firms' management fee income on long-dated assets. Additionally, there is a rigorous investment due diligence process which includes detailed financial and valuation analysis and stress testing to ensure an investment is resilient across varying factors and outcomes. The Company monitors its ongoing risks to interest rates and foreign exchange. The Company's long-term debt is at fixed rates. Partner-firms operating within the private credit, private real assets, credit and some absolute return asset classes may potentially benefit from increases in rates and inflation, as these asset classes have historically presented a hedge to rising rates and inflation.	Medium	↔
5. Regulatory Risk	The Company and the Operator are subject to extensive laws and regulations in various jurisdictions. These laws and regulations (and the interpretations thereof) may change, and the imposition of stricter laws and regulations could result in increased compliance costs for the Partner-firms and the Operator or could limit their operational flexibility and efficiency. The Company is also subject to Listing Rules and UK-Adopted International Accounting Standards. Moreover, governmental policy changes and regulatory or tax reform (for example, in relation to prevailing tax rates, the treatment of a foreign corporation as such, or the treatment of carried interest) could also have a material effect on the Operator and/or the Partner-firms and their funds and the products they manage. In 2023, the UK enacted certain provisions of the Organisation for Economic Co-operation and Development's Global Anti-Base Erosion Model Rules (Pillar Two) to ensure that UK headquartered multinational enterprises pay a minimum tax of 15% on UK and overseas profits arising after 31 December 2023. The legislation applies to groups with revenues in excess of €750 million in at least two of the four previous periods and therefore the Group is not currently expected to be within scope for 2024. The Group meets the revenue threshold for the 2024 period and will continue to assess whether Pillar Two rules will apply for future periods.	The Operator, Board, Administrator and Company Secretary have established policies, procedures and oversight functions to ensure compliance with applicable laws and regulations. Changes to the regulatory framework, as well as compliance with all reporting, notifications and filing requirements are closely monitored. The Operator also leverages the expertise of its external tax and legal counsel and other advisors as needed to analyse the impact of potential governmental policy changes and regulatory or tax reform.	Low	↔

Key

Residual risk

Low · Medium · High

Trend

↑ Increased · ↔ No change · ↓ Decreased

Strategy/ Investment Risk	Description/Impact	Mitigating Measures	Residual Risk	Trend
6. Key Persons Risk	The Operator relies on highly skilled qualified investment professionals. Because the Operator will perform investment management services that are integral to the Company's operations and financial performance, a failure by the Operator to retain its senior leadership or to recruit and retain additional qualified investment, sales and other professionals could have a material adverse effect on the Company's investment performance and, as a result, its business, financial condition, results and the value of its assets.	The Operator benefits from the global footprint of Goldman Sachs, whose professional employees possess a combination of deep industry knowledge, financial expertise and operating capabilities. The Board believes that the Operator has appropriate experience and expertise to implement the Company's investment policy and strategies successfully. A strong culture of excellence is essential to attract and retain the best talent. The Operator's strategy for its human resources is focused on attracting individuals with drive and values aligned with its wider team and retaining and rewarding those individuals who make an exceptional contribution to the team.		↔
7. Operator, Administrator and Service Provider Resiliency and Performance Risk	The Company has no employees and relies on the Operator, Administrator, and other service providers. Failure by the Operator or other third-party service providers to the Operator, the Administrator and other service providers to carry out their obligations could have a material adverse effect on the Company's performance.	The Company has entered into detailed agreements with the Operator, Administrator and other service providers and the performance of all service providers is formally reviewed annually. The Board believes this risk is mitigated by the fact that the Operator and the Administrator are well-established and resourced companies with robust track records. Both have robust business continuity plans in place, which are updated and tested on an ongoing basis, to ensure the continued ability to service the Company in the event there are disruptions of normal operations.		↔
8. Partner-firm Reporting Risk	The Operator depends on the continuation of its relationships with Partner-firms in order to maintain current data on its investments and private market activity. Restrictions on the Operator's ability to use the data it obtains for its reporting and monitoring processes could adversely affect its ability to provide the same level of disclosure for the Company, which could have a material adverse effect on the Company.	The Operator has contractual information rights in place for all Partner-firms, which all specify timing in relation to communicating information, to provide the Company with sufficient information for its regulatory reporting requirements. The Operator has implemented processes to review certain financial and other information reported by the Partner-firms and assess for reasonableness.		↔
9. Cyber/ Information Security Risk	Cyber and security risks could adversely affect the Operator and the Company. The Operator and the Company rely on its information technology infrastructure to conduct daily business operations, and any cybersecurity attacks or threats to this infrastructure could result in business disruption and the breach of confidential and proprietary information.	The Operator is committed to implementing the highest standards of information security to protect the privacy and confidentiality of information related to its activities. The Operator has implemented processes, procedures and internal controls designed to mitigate cybersecurity risks and cyber intrusions, including maintaining physical, electronic and procedural safeguards to protect the information against loss, misuse, damage or modification and unauthorised access or disclosure. Additionally, the Operator has a dedicated Security Incident Response Team which handles information security threats and incidents that may have an impact on the confidentiality, integrity or availability of the Operator's information and technology environment.		↔
10. Liquidity Risk	The risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an excessive cost.	To protect the Company, the Operator monitors its liquidity needs including those under stressed conditions. The liquidity is monitored to ensure there are sufficient liquid assets at all times to cover cash flow movements and fluctuations in funding and enable the Company to meet all financial obligations and to support anticipated growth. Liquidity conditions under stressed conditions are considered as part of the Guidelines on liquidity stress testing in UCITS and AIFS by the European Securities and Markets Authority ("ESMA").		↔

Emerging Risks

Emerging risks are those to which the Company is exposed and are uncertain in terms of their impact and timelines. These risks have the potential to become principal risks but are not yet considered to be so. The Audit and Risk Committee is responsible for carrying out an assessment of emerging risks and overseeing procedures for identifying and managing these risks. The Audit and Risk Committee, as part of its responsibilities, identifies and assesses emerging risks to be referred to the Board for review. This process includes monitoring the external environment for global trends or potential changes that may impact the drivers of growth and performance of the Company.

Emerging risks may also arise from internal factors. Monitoring pressure points on operational processes, personnel and third-party vendors is another avenue through which emerging risks can be identified. The monitoring and management of emerging risks include ongoing assessments of the time horizon in which an emerging risk may potentially become a principal risk and the level of impact to the Company if it were to become a principal risk.

The Board, via the Audit and Risk Committee, has discussed several emerging risks over the course of the year. These include geopolitical risks, elevated levels of inflation, higher interest rates and implications of the UK Government's audit and Corporate Governance reform.

Viability Statement

In accordance with the UK Corporate Governance Code (the "UK Code") and the Association of Investment Companies Code of Corporate Governance (the "AIC Code"), the Board has assessed the viability of the Company. The Board has considered the Company's strategic plan as well as the Company's principal risks in its assessment. The Board has chosen a period of three years to 31 December 2027 for its formal assessment of viability on the basis that assumptions made during this period are the most reliable due to the visibility of earnings from investments in Partner-firms. The Board is satisfied that this forward-looking assessment of the Company is sufficient to enable a reasonable statement of viability.

The assessment reflects the Company's Acquisition Strategy and Investment Policy as outlined on pages 22 to 23. Key considerations in the assessment are:

- the investments in Partner-firms are long-term investments with no plan to exit;
- the amount and timing of returns from investments in Partner-firms comprises management fee income, performance fee income and investment income;
- the fixed operational costs of the Company are low relative to its recurring revenues; and
- the Operator charge is variable based on the income from investments in Partner-firms.

The assessment of viability requires the Board to consider the principal risks to the Company, which appear on pages 40 to 43.

While all of the risks outlined may have an impact on the Company's performance, there are certain risks that are more likely to have a greater impact on the future solvency and liquidity of the Company in the three-year period considered:

- Partner-firm revenue risk – the risk that Partner-firms are unable to generate adequate fees, which would result in lower-than-expected revenue for the Company.
- Macroeconomic risks – volatility in the markets may affect the Partner-firms' ability to realise investments, which could delay or reduce the income the Company is expected to earn.

The Company's investments in Partner-firms are long term. As a result, the Company expects long-term recurring revenues from its investments in Partner-firms. Income from investments in Partner-firms is derived from management fee income, performance fee income and investment income. Management fee income is typically based on committed capital on private capital funds managed by the Partner-firms that are locked up for a period of eight or more years.

The income from management fees is therefore stable and recurring. Income derived from performance fee income and investment income from Partner-firms is dependent on underlying fund and underlying investment performance of the Partner-firms.

The Company has a low, and relatively stable, cost structure. The Operator charge is variable and based on the income earned by the Company from its investments in Partner-firms. The other operating expenses and finance costs are considerably lower than the income derived from management fee income. The Company has a strong balance sheet with substantial funding headroom in place. The Company's unsecured loan notes are long term in duration and the interest rates are fixed.

The Board reviewed the key risks and considered options available to the Company to mitigate these risks and to ensure the viability of the Company.

Stress testing has been performed, which considers the impact of the Company's key risks over the three-year period to 31 December 2027. A severe but plausible downside scenario was assessed, which includes:

- a 90% reduction in income from Partner-firms derived from performance fee income and investment income because of underlying fund and underlying investment performance risk of the Partner-firms. This translates to a substantial reduction in overall income from Partner-firms over the three years. Such a reduction might be a result of Partner-firm revenue and macroeconomic risks;
- a 20% decline in the fee-paying AuM held by absolute return funds, while private market funds AuM remains relatively stable. This would have a slight impact on the management fee income;
- the Operator charge is based on the amount of income from Partner-firms and therefore changes commensurate with the change in income from Partner-firms;
- the Company's access to the revolving credit facility which expires in January 2026, is assumed as not renewed. The $500 million private placement debt and associated financial covenants remain unchanged;
- if interest rates were to increase in the future, this would not have a material negative effect since the Company's long-term debt has fixed interest rates; and
- any reduction in the valuation of investments at fair value through profit and loss would not impact free cash flow, debt covenants or leverage limitations.

The severe but plausible downside scenario also included putting a hold on additional investments in Partner-firms and other capital management activities, if the circumstances determined this to be necessary.

The Company's ability to pay its expenses, including the Operator charge, can continue under the severe but plausible downside scenario. The Company would remain in compliance with its financial covenants, satisfy the requirements under ESMA's liquidity stress tests guidelines for alternative investment funds and continue to conform to the leverage limits prescribed in the Acquisition Strategy and Investment Policy.

The Board has concluded that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due. The Board's assessment has been made with reference to the Company's current position, the Company's outlook, its strategy and the Company's principal risks.

Going Concern Statement

In accordance with the Companies Act 2006, the Board has a responsibility to evaluate whether the Company has adequate resources to continue its operational existence for the foreseeable future and at least for the 12 months following the issuance of the financial statements.

The Company's business activities are set out in the Strategic Report on pages 2 to 9. The financial position of the Company is described in the Operator's Report on pages 27 to 31. The Board has taken into account the Company's risk management process set out on page 40. The Board has made an assessment of going concern, which takes into account the current performance and the Company's outlook, using information that is available as of the date of these financial statements.

The Company's business model involves earning income from investments in Partner-firms. The Company's investments in Partner-firms are long term and the Company has no exit strategy for its investments. As a result, the Company expects long-term recurring revenues from its investments in Partner-firms. Income from investments in Partner-firms is derived from management fee income, performance fee income and investment income. Management fee income is typically based on private capital commitment funds managed by the Partner-firms that are locked up for a period of eight or more years. The income from management fees is therefore stable and recurring. Income derived from performance fee income and investment income from Partner-firms is dependent on underlying fund and underlying investment performance of the Partner-firms. The Company has good visibility into the income from investments in Partner-firms.

The Company has a low, and relatively predictable, cost structure. When taken together with the visibility into the income from investments in Partner-firms the Company has reasonably stable earnings.

As at 31 December 2024, there was $9 million invested in money market investments and $15 million of cash and cash equivalents, and the Company had a revolving credit facility of $100 million which remained undrawn, reflecting a strong liquidity position to meet operating costs. There were gross liabilities related to notes payable of $500 million at 31 December 2024.

In making the assessment of going concern, the Board has considered the severe but plausible downside scenario prepared in conjunction with the viability statement. Testing has been performed, which considers the impact of the Company's key risks for the 12 months from the date of the approval of the annual report.

The Board acknowledges its responsibilities related to the financial statements. based on the analysis outlined above, the Board of Directors are comfortable that the Company has sufficient cash to support its ongoing operations and meet its liquidity requirements in the downside scenario. After making an assessment of going concern, the Board has concluded that the preparation of the financial statements on a going concern basis for at least 12 months from the date of the approval of the financial statements is appropriate.

The 2024 Annual Report and Financial Statements for Petershill Partners incorporates:

- the Strategic Report;
- the Report of the Directors;
- the Corporate Governance Report;
- the Directors' Remuneration Report; and
- the Consolidated Financial Statements.

Each of which have been approved by the Board of Directors of Petershill Partners.

Naguib Kheraj
Chairman

Governance Report

Governance Report

Chairman's Introduction

Dear Shareholder

I am pleased to introduce the Corporate Governance section of this year's Annual Report which describes the activities of the Board during the year, along with our governance framework and how we have complied with the AIC Code of Corporate Governance. The Board believes that a strong corporate governance culture is essential for the Company to achieve its investment objectives, to mitigate downside risk, and to take account of the interests of key stakeholders as part of its decision-making process. Further information on the Company's engagement with stakeholders and the key decisions made with the aim of promoting the long-term success of the Company can be found on pages 32 to 33.

The Board in 2024

The Board focused on a number of important topics throughout the year and, whilst the below list is by no means exhaustive, it provides an overview of the key subjects addressed at Board meetings:

- Capital structure and allocation, including share buybacks, dividends (including special dividends), and tax strategy
- Consideration and approval of the tender offer as a means to return capital to Shareholders
- Financial disclosures by way of trading statements, financial statements, and the Company's tax statement, based on the recommendations of the Audit and Risk Committee
- The governance framework, including the application of the updated AIC Corporate Governance Code and updated UK Listing Rules, policies, terms of reference, and the structure and conduct of meetings including the quality of reporting to the Board
- The annual review of service providers, including the Operator and the Administrator
- The review of Board effectiveness, conducted by external consultants as per the AIC Code
- The identification of risk, risk management, internal controls and oversight
- The commencement of a Non-Executive Director recruitment process
- Monitoring and reviewing the performance of Partner-firms;
- Investor relations and how we communicate with stakeholders
- Strategic options for value creation and recognition for the Shareholder base
- Discussions related to M&A activity
- Considerations around succession planning

The Board formally met 11 times during the year to consider the above topics which involved significant contribution from all Directors and a full list of meetings can be found on page 63.

The external review of Board effectiveness raised no significant issues and more information about the process and outcomes can be found on page 37.

Corporate Governance

The Board recognises the role it has in ensuring the Company operates in a manner that is consistent with the highest standards of corporate governance. We have continued to strengthen Board governance this year, which has included reviewing and updating governance processes and policies in light of the changes to the UK Listing Rules and upcoming changes to the AIC Corporate Governance Code and will continue to develop reporting on risk management and internal controls.

Relations with Shareholders

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. The Company's AGM in particular provides a forum for Shareholders to meet and discuss issues with the Directors of the Company, who are also available to meet with Shareholders to hear their views and discuss any issues or concerns, including in relation to Board composition, governance and strategy. The Board values the insight it gains from Shareholder engagement and I have been delighted to have been able to meet with a range of Shareholders this year alongside the Operator.

The Company's Annual General Meeting will be held at 1.00 p.m. on 22 May 2025 at Plumtree Court, 25 Shoe Lane, London and details of the resolutions to be proposed at the AGM, together with explanations, will appear in the Notice of Meeting to be distributed to Shareholders together with this Annual Report.

Looking Ahead

Looking forward to 2025, the Board intends to continue to focus on the execution of the Company's strategy and investment objectives to drive forward key growth initiatives whilst taking into consideration the wider macroeconomic environment. With the assistance of the Operator and the Administrator, the Board is confident that the Company is well positioned to realise future opportunities in order to promote the success of the Company as a whole.

I would like to take this opportunity to extend my thanks to all the members of the Board and to all our service providers for their continued dedication to the Company this year. To our Shareholders and wider stakeholders, I thank you for your continued support.

Naguib Kheraj
Chairman

8 April 2025

An Experienced and Independent Board

The Board comprises five individuals from relevant and complementary backgrounds. The Directors are of the opinion that the Board as a whole comprises an appropriate balance of skills, experience and diversity. The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed as follows.

Naguib Kheraj, CBE
Chairman of the Board

Appointed 4 September 2021

R N ME

Mr Kheraj is Chairman of Rothesay Limited, a specialist pensions insurer and is a Senior Adviser to the Aga Khan Development Network where he serves on the boards of a number of entities within its network and chairs its Endowment Committee. He is also an advisor to the Queensway Group Ltd, a hospitality focused business.

Mr Kheraj began his career at Salomon Brothers in 1986 and went on to hold senior positions at a number of leading financial institutions. Over the course of 12 years at Barclays, Mr Kheraj served as Group Finance Director and Vice-Chair and in various business leadership positions in wealth management, institutional asset management and investment banking. He also served as Chief Executive Officer of JP Morgan Cazenove. Mr Kheraj was also Deputy Chairman of Standard Chartered plc, a major international bank. During his tenure of over eight years at Standard Chartered he served as Chairman of the Board Risk Committee and the Board Audit Committee and as Senior Independent Director.

Mr Kheraj is a former Non-Executive Director of NHS England and served as a Senior Adviser to Her Majesty's Revenue and Customs and to the Financial Services Authority in the United Kingdom. He has also served as a member of the Investment Committee of the Wellcome Trust, the Finance Committee of Oxford University Press and the Finance Committee of the University of Cambridge.

Mr Kheraj was educated at Dulwich College London and Cambridge University where he graduated with a degree in Economics.

Everard Barclay Simmons
Senior Independent Director

Appointed 4 September 2021

A R N ME

Mr Simmons practised as an attorney in Bermuda before moving to the United States for business school and joining Goldman Sachs as an investment banker. Returning to Bermuda, he became Chief Executive Officer of a reinsurance law firm. Mr Simmons is currently Chair and Chief Executive Officer of Rose Investment Limited, a Bermuda-based advisory business focused on financial services.

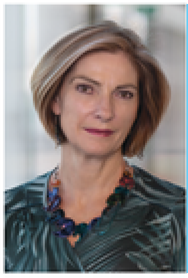
Mr Simmons was Lead Director and then Chairman of the Board of the Bank of N.T. Butterfield & Son Limited during its listing on the NYSE. Mr. Simmons served on the board of Bermuda's financial services regulator, the Bermuda Monetary Authority and serves as a Director at Eight Roads, the international venture capital platform of Fidelity.

Mr Simmons serves as a Senior Advisor at Further Global Capital Management, is Chair of the Public Funds Investment Committee, responsible for Bermuda's pension funds and leads the Bermuda Pension Fund Reform Committee. Mr Simmons sits on the Board of the Argus Group, a Bermuda multiline insurer, was appointed as a Director to the Ivy Group of companies and most recently was appointed as a Director of Soteria Reinsurance and as a Director of Hamiliton Insurance Group.

Mr Simmons attended the University of Kent at Canterbury where he graduated with a law degree, the Inns of Court School of Law where he qualified as a barrister, and Harvard Business School where he graduated with a Masters in Business Administration.

Committee Membership

A Audit and Risk Committee
R Remuneration Committee
N Nomination Committee
ME Management Engagement Committee
● Chair



Annemarie Durbin
Non-Executive Director

Appointed 4 September 2021

A R N ME

Ms Durbin has 35 years of international business and banking experience with ANZ Banking Group and Standard Chartered PLC. Having qualified and practised as a commercial barrister and solicitor, in New Zealand, she moved into banking in 1987 with ANZ. Ms Durbin joined Standard Chartered PLC, a FTSE 100 international banking group, in 1995 and went on to hold a number of senior positions including being CEO and Executive Director of a large, publicly listed banking subsidiary in Thailand and, separately, as CEO in the Philippines. Latterly she served as Group Company Secretary of Standard Chartered and as a member of the banking Group Executive Committee with a broad portfolio of responsibilities.

Ms Durbin has served on public company boards since 2012 and is Chair of Yorkshire Building Society and is a Non-Executive Director and Chair of the Remuneration Committee at Persimmon Plc. She is also an executive coach/mentor.

Until December 2023 Ms Durbin was the senior ringfence bank director and Remuneration Committee Chair for Santander UK plc and Chair of Cater Allen Private Bank.

Other former roles included being Chair of the Listing Authority Advisory Panel (LAAP) in the United Kingdom (advising the Financial Conduct Authority on the effectiveness of primary markets), Non-Executive Director & Remuneration Committee Chair of WHSmith PLC, Non-Executive Director of Ladbrokes Coral PLC and Fleming Family & Partners Ltd.

Ms Durbin has degrees in Law and Commerce from the University of Auckland, is a qualified barrister and solicitor and has a Masters (MSc) in Executive Coaching from Ashridge Business School. She is also a Fellow of The Chartered Governance Institute.

Erica Handling
Non-Executive Director

Appointed 4 September 2021

A R N ME

Ms Handling began her career in 1988 at Allen & Overy LLP before moving to Weil, Gotshal & Manges LLP to help open their office in London. She became a partner there in 1998 and moved a team to Ashurst LLP in 2001 where she founded a securities and structured finance practice. After 10 years at Ashurst she moved to take on the role of General Counsel in Europe for Barclays Investment Bank from 2011 to 2015, where she served on the EMEA Executive Committee and Global Operating Committee. She then moved to BlackRock from 2015 to 2019 as European General Counsel, where she served on various boards and committees.

Ms Handling left BlackRock in 2019 to develop a career as an executive coach, non-executive director and charity trustee. In addition to the Petershill Partners Board, Ms Handling is a member of the Supervisory Board of Dutch market maker Optiver Holding B.V.

Ms Handling also spends time working with various charities in the criminal justice sector and is currently Deputy Chair of St Giles Trust, as well as Chair of Spark Inside which provides coaching in prisons.

Ms Handling was educated at Wycombe High School and Exeter University where she graduated with a degree in Law (LLB) before attending Guildford Law School.

Mark Merson
Non-Executive Director

Appointed 4 September 2021

A R N ME

Mr Merson began his career in the financial services division of Arthur Andersen in London in 1989, becoming a partner in 1999. He provided audit and advisory services to banking and investment businesses throughout Europe before moving to Tokyo as steward of Andersen's investment into its financial services business in Japan. He subsequently returned to London to become a partner in Deloitte Business Consulting.

In 2003, Mr Merson joined Barclays PLC as Group Financial Controller, as the bank adopted International Accounting Standards. In a 14-year career at Barclays he went on to become Head of Investor Relations; CFO for Corporate & Investment Banking; and, latterly, Deputy Group Finance Director, in which role he was leader of the global finance function.

Mr Merson was a founding partner of Veritum Partners Limited, advisors to European financial services companies on their interaction with the equity market.

In a non-executive capacity, Mr Merson is Chair of Absa Securities UK Limited and a governor of Sevenoaks School. He was formerly an independent Non-Executive Director of Absa Group Limited, chairing the Board Finance Committee, the Group Risk and Capital Management Committee and the Group Credit Risk Committee.

Mr Merson is a chartered accountant and a graduate of Oxford University.

Report of the Directors

The Directors present their Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2024. The Corporate Governance Report on pages 59 to 66 forms part of this report.

Throughout the financial year, the Board was comprised of five Non-Executive Directors, whose details can be found on pages 48 and 49.

Capital Structure

The Company is incorporated and registered in England and Wales under the Companies Act 2006 with registered number 13289144 as a public limited company under the name Petershill Partners plc.

As at 31 December 2024, the Company's issued share capital comprised 1,081,708,167 Ordinary Shares (31 December 2023: 1,122,202,824). No shares were allotted during the year.

Shareholders are entitled to all dividends paid by the Company. On a winding up, provided the Company has satisfied all its liabilities, Shareholders are entitled to the surplus assets of the Company. Shareholders are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

Tender Offer

On 23 April 2024, the Company announced a proposed return of up to $100 million to Shareholders by way of tender offer for up to 37,870,955 Ordinary Shares, subject to Shareholder approval at the 2024 AGM. The Company successfully completed the tender offer in June, returning approximately £81 million ($103 million excluding transaction costs and adjusted for foreign exchange) to Shareholders.

At the AGM held on 23 May 2024, the Company was generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of Companies Act 2006) of its own Ordinary Shares pursuant to, for the purposes of, or in connection with a tender offer for Ordinary Shares, provided that:

1. the maximum number of Ordinary Shares authorised to be purchased was 37,870,955;
2. the minimum price, exclusive of all expenses, which may be paid for an Ordinary Share was £2.14;
3. the maximum price, exclusive of all expenses, which may be paid for an Ordinary Share was £2.14; and
4. the authority expired on 31 July 2024, save that the Company may before the expiry of such authority make a contract to purchase Ordinary Shares which will or may be executed wholly or partly after such expiry and the Company may make a purchase of such Ordinary Shares after such expiry pursuant to such contract.

On 5 June 2024, the Company announced that 37,870,952 Ordinary Shares had been purchased at a price per Ordinary Share of £2.14, for a total cost of £81,043,837, representing approximately 3.38% of the Company's issued ordinary share capital. The purchased shares were subsequently cancelled.

More information may be found in Note 15 to the consolidated financial statements on pages 109 and 110.

Authority to Purchase Own Shares

At the AGM held on 23 May 2024, the Company was generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its Ordinary Shares of $0.01 each in the capital of the Company, subject to the following conditions:

1. the maximum number of Ordinary Shares authorised to be purchased is 108,170,816, representing 10% of the Company's issued Ordinary Share capital as at 22 April 2024;
2. the minimum price (excluding expenses) which may be paid for an Ordinary Share is $0.01;
3. the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of: (i) an amount equal to 105% of the average of the middle-market quotations of an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out;
4. the authority shall expire at the close of the AGM of the Company held in 2025 or 30 June 2025, whichever is earlier; and
5. a contract to purchase Ordinary Shares under the authority may be made before the expiry of the authority (as per paragraph 4 above), and concluded in whole or in part after the expiry of the authority (as per paragraph 4 above).

During the year, 2.6 million shares were purchased for a total cash consideration of $6 million under the above authority following a share buyback programme announced on 17 May 2023 and the purchased shares were cancelled. More information may be found in Note 15 on pages 109 and 110.

In total, 40.5 million shares were purchased during the year for a total cash consideration of $109.4 million between the tender offer and the share buyback programme.

Special resolution 15 will be proposed at the forthcoming AGM seeking renewal of the buyback authority until the 2026 AGM or 30 June 2026, whichever is the earlier. The Directors believe that the renewal of the Company's authority to purchase shares is in the best interests of Shareholders as a whole and therefore recommend Shareholders to vote in favour of special resolution 15.

Major Interests in Shares

Significant shareholdings as at 31 December 2024 are detailed below.

	Ordinary Shares held % 31 December 2024
Petershill Funds	79.50%
The Vanguard Group Inc	1.24%
Alberta Investment Management Corp	1.23%

The Company has not been notified of any changes to the significant shareholdings detailed above between 31 December 2024 and the date of this report.

Shares held by Goldman Sachs Asset Management's Private Funds

Approximately 80% of Petershill Partners shares are held by the Petershill Funds' private funds and funds managed for certain co-investors. Teams within Goldman Sachs Asset Management manage these shares and exercise discretion over how and when they could be sold in future, on behalf of the investors in the Petershill Funds.

The following table provides further details on the holdings of the Petershill Funds as at 31 December 2024.

	As at 31 December 2024	
	Amount	%
PH PE IM Aggregator LP	273,135,529	31.8
PH PE GP Aggregator LP	143,267,721	16.7
PH II IM Aggregator LP	128,249,969	14.9
PH II GP Aggregator LP	108,330,412	12.6
VF VII IM Aggregator LP	84,910,220	9.9
Co-Invest IM Aggregator LP	51,760,204	6.0
VF VII GP Aggregator LP	43,906,398	5.1
Co-Invest GP Aggregator LP	26,242,364	3.0

The Petershill II fund complex holds shares in Petershill Partners through PH II GP Aggregator LP and PH II IM Aggregator LP, the Petershill PE and the Petershill III fund complex hold shares in Petershill Partners through PH PE GP Aggregator LP and PH PE IM Aggregator LP, the Vintage VII fund complex holds shares in Petershill Partners through VF VII GP Aggregator LP and VF VII IM Aggregator LP and certain co-investor structures hold shares in Petershill Partners through Co-Invest GP Aggregator LP and Co-Invest IM Aggregator LP.

The interests of the Petershill II fund complex, the Petershill PE fund complexes and the co-investor structures, on the one hand, and the interests of the Vintage VII fund complex, on the other hand, are managed on a day-to-day basis by distinct teams within the larger Goldman Sachs Asset Management platform.

Co-investors are able to withdraw their shares from within the pertinent management structures at any time, subject to notice, lock-up and other customary requirements.

Vintage VII Funds (VF VII)

While the management structure of each of the Vintage VII Funds is slightly distinct due to the difference in jurisdiction of incorporation and applicable legal requirements, Goldman Sachs Asset Management, L.P., which forms part of Goldman Sachs Asset Management, has the role of an investment manager/investment advisor, as applicable.

Within Goldman Sachs Asset Management, L.P., there is (a) a specific team (Vintage Team) responsible for day-to-day management of investments to pursue the investment objective of Vintage VII Funds and (b) a specific investment committee responsible for oversight and final say on investments. These teams are distinct from those responsible for the Petershill family of funds, including the Company.

With respect to co-investments with the Petershill Funds, including holdings in the Company, the Vintage Team seeks input from (and may give weight to the views of) the Petershill team within the Operator but does not delegate decision-making to such team.

For FTSE purposes, we believe that this setup is analogous to more conventional equity funds managed by a single asset management institution but with distinct and different portfolio managers.

Companies Act 2006 Disclosures

In accordance with Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, the Directors disclose the following information:

- the Company's capital structure is detailed in Note 15 to the Consolidated Financial Statements. Ordinary Shareholders are entitled to attend and vote at all general meetings of the Company. On a show of hands, every holder of Ordinary Shares in the capital of the Company who is present in person shall have one vote and, on a poll, every holder of Ordinary Shares present in person or by proxy shall have one vote per Ordinary Share. All Ordinary Shares are non-redeemable;
- There are no restrictions on voting rights and the Company is not aware of any agreement between holders of securities that would result in restrictions on the transfer of securities or on voting rights;
- Other than as described below, there are no restrictions on the transfer of securities of the Company, subject to applicable law and regulation and contractual lock-ups for certain Shareholders;
- The Board may, in its absolute discretion, decline to transfer, convert or register any transfer of Ordinary Shares to any person:
  - whose ownership of Ordinary Shares may cause the Company's assets to be deemed "plan assets" for the purposes of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA") or the US Internal Revenue Code of 1986, as amended ("the US Tax Code");
  - whose ownership of Ordinary Shares may cause the Company to be required to register as an "investment company" under the US Investment Company Act of 1940, as amended ("the US Investment Company Act") or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of Ordinary Shares is not a "qualified purchaser" as defined in the US Investment Company Act);
  - whose ownership of Ordinary Shares may cause the Company to be required to register under the US Exchange Act of 1934, as amended ("the US Exchange Act") or any similar legislation;
  - whose ownership of Ordinary Shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code);
  - whose ownership of Ordinary Shares may cause the Company to cease to be considered a "foreign private issuer" for the purposes of the US Securities Act of 1933, as amended or the US Exchange Act; or
  - whose ownership of Ordinary Shares would or might result in the Company not being able to satisfy its obligations on the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development, the Foreign Account Tax Compliance Act or such similar reporting obligations on account of, inter alia, non-compliance by such person with any information request made by the Company (each person described in (i) to (vi) above, being a "Non-Qualified Holder"). Under the Company's Articles of Association, the Directors have the power to require the sale or transfer of Ordinary Shares, or refuse to register a transfer of Ordinary Shares, in respect of any Non-Qualified Holder;

- Subject to consultation with the Operator and within certain restrictions, the Directors may determine changes to the Company's capital structure, including any reduction of capital, share buybacks (including the use of treasury shares) or issue of shares or other securities (subject to the existing Shareholder authority granted on 23 May 2024 and which the Company will seek to renew at its forthcoming AGM);
- There exist no securities carrying special rights with regard to the control of the Company;
- The Company does not have an employees' share scheme;
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006;
- There are no provisions in the Company's Articles of Association relating to amendments to the Articles of Association; there exist no agreements to which the Company is party that may affect its control following a takeover bid;
- There exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid;
- The Directors' responsibilities pursuant to section 172 of the Companies Act 2006 are as detailed in the Strategic Report on pages 35 to 37; and
- No political or charitable donations have been made during the year.

Business Review and Diversity

A business review is detailed in the Operator's Report on pages 27 to 31, and the Company's policy on diversity is detailed in the Corporate Governance Report on page 62.

Directors' Indemnity

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association state that each Director is entitled to be indemnified out of the assets of the Company against any liability incurred by them for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company to the extent permitted by law against any loss or liability incurred by them in the execution of their duties in relation to the affairs of the Company.

Third-party indemnity provisions in favour of the Directors were in force for the financial year and up to the date of this report which conform to the requirements for qualifying third-party indemnity provision under the Companies Act 2006.

Global Greenhouse Gas Emissions

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions-producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons as set out above, the Company considers itself to be a low energy user under the UK Streamlined Energy and Carbon Reporting regulations and therefore is not required to disclose energy and carbon information under those regulations.

Stakeholder Engagement

The stakeholders of the Company comprise its Shareholders and prospective Shareholders, lenders, the Operator, the Administrator, the Company Secretary, other Service Providers, Partner-firms, regulators and the community, and the Board recognises and values these stakeholders and gives regular consideration to the need to foster the Company's business relationships with them. As a public limited company with no employees, trade suppliers or customers, the Company's relationship with its service providers is of particular importance. The effect of this consideration upon the key decisions taken by the Company during the year is set out in further detail in the Strategic Report on pages 32 and 33.

Risks and Risk Management

The Company is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk, and the management and monitoring of these risks are detailed in Note 19 to the Consolidated Financial Statements.

Strategic Report

A review of the business and future outlook, the going concern statement and the principal risks and uncertainties of the Company have not been included in this report as they are disclosed in the Strategic Report on pages 2 to 9. In accordance with section 414C (11) of the Companies Act 2006, the Company has chosen to include in its Strategic Report the following information, which would otherwise be disclosed in this Report of the Directors:

- Our engagement with suppliers, customers and others in a business relationship with the Company; and
- Future developments in the business of the Company.

Independent Auditors

The Directors recommend the reappointment of PricewaterhouseCoopers LLP as the Company's independent auditors, and resolutions concerning this and the remuneration of the Company's independent auditors will be proposed at the AGM.

At the time that this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the independent auditors are unaware; and
- each Director has taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the independent auditors are aware of that information.

Annual Report

After due consideration, the Directors believe that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and therefore are of the opinion that the Annual Report provides the information necessary for Shareholders to assess the position, performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Report of the Directors and the independent auditors' Report for the year ended 31 December 2024 are received and adopted by the Shareholders and a resolution concerning this will be proposed at the AGM.

Dividend

The Board has recommended a final dividend of 10.5 cents per share, with respect to the year ended 31 December 2024. For more information on the Company's dividend policy see page 28.

Subsequent Events

Significant subsequent events have been disclosed in note 22 to the Consolidated Financial Statements.

On behalf of the Board

Naguib Kheraj
Chairman

8 April 2025

Directors' Remuneration Report

Chair's Statement

The Directors' Remuneration Report that follows has been prepared in accordance with the Listing Rules, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006.

We were pleased with the support given for the remuneration resolution passed at the Company's AGM on 24 May 2024, with almost 100% of votes in favour approving the Directors' Remuneration Report for the period ended 31 December 2023.

This Directors' Remuneration Report covers the year ended 31 December 2024. As a reminder, the Company does not have any executive directors, management or employees, so this report relates solely to the Chairman and other Non-Executive Directors.

This Directors' Remuneration Report consists of three parts:

- The Directors' Remuneration Policy (the "Policy") which sets out the remuneration framework that applies to the Chairman and the other Non-Executive Directors. This was approved by Shareholders at the Company's AGM on 31 May 2022 and the Policy will next be put to a vote by Shareholders at the upcoming AGM on 22 May 2025;
- The Annual Report on Remuneration. This explains how the Directors have been paid in the financial year and will be subject to an advisory vote at the Company's forthcoming AGM; and
- The Annual Statement, which summarises the Remuneration Committee's activities, including our approach to remuneration, key decisions made and the context for those decisions.

The Context of Remuneration Decisions

The Board's remuneration remains consistent with the disclosures contained in the Company's Prospectus dated 28 September 2021. Since the IPO in September 2021, there have been no changes to the remuneration of the Directors, all of whom are independent Non-Executive Directors. With effect from 1 January 2025, a limited adjustment has been made to the Audit and Risk Committee chairman's fee. As noted in last year's Annual Report, the complexity of the Company's business combined with the fact that there are no finance executives directly employed by the Company, means that additional burdens and time commitments are placed on the Audit and Risk Committee chairman. These have not abated since the IPO and are unlikely to do so going forward. In recognition of this, the Board deemed it appropriate to increase the fee paid for chairing the Audit and Risk Committee by £15,000 from £35,000 to £50,000 per annum. Further details can be found on pages 55 and 56.

The Board also noted that the time commitment for other Non-Executive Directors, particularly the Company Chairman, remained elevated although this has abated to some degree since the IPO. On balance, the Board decided not to make any changes to the fees for the Company Chairman or the other Non-Executive Directors (other than stated above) for 2025. The Board noted that the Board fees benchmark competitively with the very small number of observable comparators. This was a deliberate decision at the time of the IPO to attract the right calibre of Directors given the nature and complexity of the Company's business. It was noted that several other companies in the industry had been making inflation-related adjustments to Board fees over the past few years and consideration will be given to this in coming years to ensure that, on a relative basis, the Company Chairman and Director fees continue to benchmark appropriately.

In accordance with best practices, in Q1 2025, the committee's remuneration policy advisor, FT Remuneration Consultants LLP ("FIT"), reported on remuneration market trends, including benchmarking data for the Chairman's and the Non-Executive Director's fees.

Directors' Remuneration Policy

The Directors' Remuneration Policy was approved by Shareholders at the Company's AGM on 31 May 2022 and will be put to a vote by Shareholders at the upcoming AGM on 22 May 2025. When designing the Policy, the Remuneration Committee was mindful of the six factors listed in the UK Code: clarity, simplicity, risk, predictability, proportionality and alignment to culture. The Company has no employees and, therefore, the Policy relates solely to the fees which are payable to the Chairman and other Non-Executive Directors. No elements of the fees are linked to financial or other performance of the Company.

Implementing the Policy for Full Year 2024

Details on the adjustments made to Board remuneration levels for 2025 can be found on page 56.

Conclusions

We will continue to engage with our Shareholders and other stakeholders on an ongoing basis. I welcome any feedback or comments on the Directors' Remuneration Report more generally.

Annemarie Durbin
Chair of the Remuneration Committee

8 April 2025

Directors' Remuneration Policy

The Directors' Remuneration Policy was approved by Shareholders at the Company's AGM on 31 May 2022 with almost 100% of Shareholders voted in favour to approve the Remuneration Policy. The Remuneration Committee intends that the Policy will continue to operate for three years without any amendments and will be put to a vote by Shareholders at the upcoming AGM on 22 May 2025. The details of the Company's Remuneration Policy are set out in full below.

It is not part of the Company's strategy to appoint executive directors (or indeed any employees). However, in the highly unlikely event that the Company subsequently chooses to appoint executive directors, it would then develop a policy which would be subject to Shareholder approval before such Board appointments could be made.

Fees Policy for Chairman and Non-Executive Directors

The following table summarises the fees policy for the Chairman and the Non-Executive Directors.

Element of pay	Purpose/link to strategy	Operation/performance	Maximum
Fees	To provide a competitive fee to attract Non-Executive Directors who have the requisite skills and experience to oversee the implementation of the Company's strategy.	Fees for the Chairman are set by the Committee. Fees for the other Non-Executive Directors are set by the Board. Directors are recused from any decision relating to their fees. Fees are reviewed, but not necessarily increased, annually. Fee levels are determined based on expected time commitments for each role and by reference to comparable fee levels in other similar-sized companies. Additional fees are payable to the Senior Independent Director and Chairs of Board Committees to reflect their additional responsibilities. Additional fees may be paid for other responsibilities which include a higher time commitment than normal.	The overall aggregate annual limit for fees payable to the Chairman and Non-Executive Directors is £2 million.
Expenses	To facilitate the performance of their duties.	Reasonable business expenses (including any tax thereon) will be reimbursed.	
Variable pay	Bonuses, shares and long-term incentives.	There is no provision for the payment of variable pay. The Chair and Non-Executive Directors do not receive bonuses or LTIP awards from the Company. Therefore, there are no recoupment (malus or clawback) provisions relating to variable pay. There is no minimum shareholding requirement. Actual shareholdings are shown on page 57.	

Statement of Consideration of Shareholder Views

The Committee is advised on investor views and continues to engage with Shareholders and to respond to Shareholder feedback.

Material changes to the Policy will be subject to prior consultation with major Shareholders.

The Company has no employees and, therefore, there were no such persons with whom to consult.

Recruitment Policy

The remuneration package for any new Chairman or Non-Executive Director will be set in accordance with the terms of the Policy in place at the time of appointment, including the overall cap on fees.

Non-Executive Directors' Terms of Appointment

The Non-Executive Directors do not have service contracts with the Company, but instead have letters of appointment. The date of appointment and length of service for each Non-Executive Director up to the year end are shown in the table below:

	Date of appointment	Length of service
Naguib Kheraj (Chairman)	4 September 2021	40 months
Everard Barclay Simmons	4 September 2021	40 months
Annemarie Durbin	4 September 2021	40 months
Erica Handling	4 September 2021	40 months
Mark Merson	4 September 2021	40 months

Each Non-Executive Director is subject to annual re-election by Shareholders at the AGM in accordance with the AIC Code. None of the Non-Executive Directors are appointed for a fixed term. The appointment of the Chairman may be terminated by either the Chairman or the Company giving six months' notice. The appointment of each of the other Non-Executive Directors may be terminated by either that Non-Executive Director or the Company giving three months' notice. Payment may be made in lieu of providing the full notice period.

Annual Report on Remuneration

Single Total Figure of Remuneration (Audited)

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	2024 Fees (£'000)	**Taxable[1] Benefits (£'000)**	**Total 2024 (£'000)**	2023 Fees (£'000)	Taxable[1] Benefits (£'000)	Total 2023 (£'000)
Naguib Kheraj	**475**	**–**	**475**	475	–	475
Everard Barclay Simmons	**175**	**38**	**213**	175	28	203
Annemarie Durbin	**155**	**–**	**155**	155	–	155
Erica Handling	**150**	**–**	**150**	150	–	150
Mark Merson	**170**	**–**	**170**	170	–	170
Total	**1,125**	**38**	**1,163**	1,125	28	1,153

	2024 Fee % change	**2024 Taxable Benefits % change[1]**	2023 Fee % change	2023 Taxable Benefits % change[1]	2022 Fee % change	2022 Taxable Benefits % change[1]
Naguib Kheraj	**–%**	**–%**	–%	–%	–%	– %
Everard Barclay Simmons	**–%**	**36%**	–%	211%	–%	(69)%
Annemarie Durbin	**–%**	**–%**	–%	–%	–%	– %
Erica Handling	**–%**	**–%**	–%	–%	–%	– %
Mark Merson	**–%**	**–%**	–%	–%	–%	– %

Notes to Single Total Figure of Remuneration Table

1. Taxable benefits relate to reimbursement of travel and accommodation expenses to attend Board meetings, together with associated taxes.

Statement of voting on remuneration at Annual General Meeting

The table below shows votes cast by proxy at the AGM held on 23 May 2024 in respect of the Directors' Remuneration Report.

	Votes for		Votes against		Votes withheld number
	Number		Number		
2023 Remuneration Report (at the 2024 AGM)	970,964,461	99.997%	31,980	0.003%	36,995

The table below shows votes cast by proxy at the AGM held on 31 May 2022 in respect of the Directors' Remuneration Policy.

	Votes for		Votes against		Votes withheld number
	Number		Number		
Remuneration Policy (at the 2022 AGM)	1,098,799,848	99.9999	875	0.0001	843

Fees

The Company is operationally complex and, in the absence of any employees, the expectation on the Company's Board members is considerably greater when compared to traditional investment companies. This is reflected in the fees paid to the Chairman and other Non-Executive Directors. The Board's skills matrix reflects the balance of the knowledge, skills, qualifications, and experience required to discharge its duty of stewardship over the Company.

The Chairman and Non-Executive Director fees for the year ended 2024 are outlined below:

	Fees (£'000)
Chairman of the Board fee	475
NED base fee	120
Senior Independent Director fee	25
Chair of the Audit and Risk Committee	35
Chair of the Remuneration Committee	10
Member of the Audit and Risk Committee	15
Member of the Nomination, Remuneration or Management Engagement Committees (per Committee)	5

With effect from 1 January 2025, the fee for the role of chairman of the Audit and Risk Committee increased by £15,000. No other amendments have been made. Accordingly, the Chairman and Non-Executive Director fees effective from 1 January 2025 are set out below:

	Fees (£'000)
Chairman of the Board	475
NED base fee	120
Senior Independent Director fee	25
Chair of the Audit and Risk Committee	50
Chair of the Remuneration Committee	10
Member of the Audit and Risk Committee	15
Member of the Nomination, Remuneration or Management Engagement Committees (per Committee)	5

It should also be noted that, with the exception of the one fee change, no other fees have been increased since IPO and represent a real fall over the period after taking inflation into account. Fees will continue to be monitored on an annual basis and it is envisaged that the Board will consider modest annual increases going forwards in line with comparative data.

Expenses

Expenses include the reimbursement (including any tax payable) of business-related costs.

Annual Statement on the Role and Activities of the Remuneration Committee

Role and Responsibilities of the Remuneration Committee

Whilst the Board is ultimately responsible for setting the Directors' remuneration, the Remuneration Committee is responsible for determining the remuneration of the Chairman and setting the fees accordingly and reviewing the ongoing appropriateness and relevance of remuneration levels of the Board as a whole. Any remuneration consists only of fees and expenses. The Committee is also responsible for appointing external remuneration consultants. Directors do not set their own levels of remuneration and are expected to recuse themselves from discussions pertaining to their fees. The Committee is responsible for recommending the Remuneration Policy for approval by Shareholders every three years, and approval of the annual disclosures in relation to the implementation of the Remuneration Policy. FIT Remuneration Consultants LLP remain as advisors to the Committee on remuneration matters.

The Remuneration Committee meets at least once a year. The members of the Remuneration Committee are Annemarie Durbin (Chair), Naguib Kheraj, Everard Barclay Simmons, Erica Handling and Mark Merson. As all of the Directors are independent and there are no executives, the Committee's membership comprises the whole Board.

Advisors

The Committee appointed FIT as its independent advisor early in 2022. FIT is a member of the Remuneration Consultants' Group and complies with its Code of Conduct which sets out guidelines to ensure that its advice is independent and free of undue influence. Fees charged for time incurred in respect of the year ended 31 December 2024 amounted to £5,000 ($6,260) (2023: £12,970 ($15,970)). FIT has no other connection with the Company and its only connection with its Non-Executive Directors is as advisor to other remuneration committees on which they may serve.

Key Activities During the Year

The Committee held a meeting on 18 January 2024 in which the remuneration of the Chairman was reviewed and the remuneration of the other Board members was considered. The Committee also reviewed the Committee terms of reference, which were recommended for approval by the Board.

Other Statutory Requirements

Share Interests (Audited)

There is no requirement for Directors to hold shares in the Company. The Directors who held office during the year and had interests in the Ordinary Shares of the Company as at 31 December 2024 are set out below.

	Shares owned 31 December 2024	Shares owned 31 December 2023
Naguib Kheraj*	**970,000**	895,000
Everard Barclay Simmons	**–**	–
Annemarie Durbin	**–**	–
Erica Handling	**85,714**	85,714
Mark Merson	**114,285**	114,285

* 307,000 of Mr Kheraj's shares are held directly and the balance is held through a Self-Invested Personal Pension.

As Independent Non-Executive Directors, no Director participates in any form of incentives. The Company's mid-market share price at the close of business on 31 December 2024 was 248p (31 December 2023: 170p) and the range of the mid-market price during the year was 156p to 258p (from year end 2022 to year end 2023: 142p to 179p).

Total Shareholder Return Performance

The following chart shows the value of £100 invested in the Company (at the date of Admission) compared with the value of £100 invested in the FTSE 250 Index. We have chosen the FTSE 250 Index as it provides the most appropriate and widely recognised index for benchmarking the Company's corporate performance since Admission.

Total Shareholder Return

Value of a 100 unit investment made at Admission

Relative Importance of Spend on Pay

The table below shows amounts paid to the Company's Non-Executive Directors compared to amounts distributed to Shareholders by way of dividends and share buybacks.

	Non-Executive Director Fees $m	Distributions by way of dividends and share buybacks $m
For the year ended 31 December 2024 of £1.1 million	**1.4**	563.2
For the year ended 31 December 2023 of £1.1 million	**1.4**	206.5
Percentage change	**0.0 %**	272.7 %

CEO Pay Ratio

The Company has no Chief Executive or any equivalent executives and no employees, so no such ratio is required.

Payments for Loss of Office and/or Payments to Former Directors (Audited)

No payments for loss of office, nor payments to former Directors, were made during the year.

On behalf of the Remuneration Committee

Annemarie Durbin
Chair of the Remuneration Committee

8 April 2025

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted International Accounting Standards ("IFRS"). 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 Group and Company and of the profit or loss for the Group and Company for that period.

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

- select suitable accounting policies in accordance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and performance;
- state whether applicable UK-adopted International 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 and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report 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.

In the case of each Director in office at the date the Report of the Directors is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's independent auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's independent auditors are aware of that information.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Report of the Directors, Directors' Remuneration Report and Corporate Governance Report that comply with that law and those regulations.

The Directors are also responsible under section 172 of the Companies Act 2006 for promoting the success of the Company for the benefit of its members as a whole and in doing so having regard for the needs of wider society and other stakeholders.

Website Publication

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm that to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities and financial position and profit or loss of the Group and Company, and of the profit or loss of the Group;
- the Annual Report and Financial Statements, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider that this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's and the Group's position and performance, business model and strategy.

On behalf of the Board

Naguib Kheraj
Chairman

8 April 2025

Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as disclosed on pages 50 to 52. The Board operates under a framework for corporate governance which is appropriate for closed-ended investment funds. This report describes how the Company has applied the principles identified in the Association of Investment Companies Code of Corporate Governance (the AIC Code) during the year ended 31 December 2024.

The AIC Code

The Board is committed to the highest standards of corporate governance and operates under an appropriate framework for corporate governance for a listed investment company. The Company is required under the UK Listing Rules to report on how it has applied its governance code in this Annual Report and financial statements. The Company became a member of the AIC with effect from 1 October 2021 and has put in place arrangements to comply with the AIC Code unless otherwise disclosed. In August 2024, the AIC Code was updated and endorsed by the FRC and the 2024 AIC Code applies to accounting periods beginning on or after 1 January 2025, with the exception of Provision 34 which will apply to accounting periods beginning on or after 1 January 2026. It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for listed closed-ended investment companies. By reporting against the AIC Code, as explained by the AIC Guide, the Company meets its obligations in relation to the UK Corporate Governance Code and the associated disclosure requirements of the Disclosure Rules. The AIC Code and the related AIC Guide are available on the AIC's website, www.theaic.co.uk.

The Company has complied with the recommendations and relevant principles and provisions of the AIC Code, during the year ended 31 December 2024.

Purpose and Culture

The Company's purpose is to provide Shareholders with best-in-class access to the growth and profitability of the alternative asset management industry, focusing on the quality of recurring earnings.

As the Company has no employees, the Board has agreed that its culture and values should be aligned with those of the Operator to encourage a culture that is responsive to the views of its stakeholders. This is reflected in the way in which Board meetings are conducted. The Chairman promotes and facilitates a strong culture of open debate on topics, encouraging participation and input from all Directors, the Operator and other advisors and service providers to ensure a wide exchange of views. The Directors are committed to providing the highest standards of diligence in governance and reporting and to maintaining a constructive and collaborative relationship with the Operator, while ensuring that the Operator manages conflicts of interest appropriately. The Company has delegated its operating responsibilities to the Operator and is reassured by and supportive of the Operator's values.

The Board sets the strategy for the Company to align with its purpose. Having a strong culture of collaboration and transparency will help the Company achieve its strategy to offer high-quality Partner-firms a "win-win" solution as a source of partnership and capital. It will also help Partner-firms build enduring businesses that are responsive to the trends we expect to shape the future, while maintaining alignment with our Shareholders, Operator, Partner-firms and service providers. The Board has focused on ensuring that this culture is embedded across the Company's operations and monitors progress in that regard.

The Board undertakes continued engagement with the Operator and other advisors and service providers to ensure that practices and behaviour throughout the business are aligned with the Company's purpose and strategy. They are also formally reviewed as part of the Board and the Operator evaluation processes.

The Board

The Company is led and controlled by an independent Board of Directors, which is collectively responsible for the long-term success of the Company. It does this by creating and preserving value and has acting in the interests of Shareholders, other stakeholders and wider society as its foremost principle. The importance of the Board's role to the delivery of the Company's purpose, values and strategy is further outlined within the Strategic Report, in the Chairman's Statement (pages 8 and 9) and in our Business Model (pages 10 to 13).

The Company believes that the composition of the Board will be a fundamental driver of its success, as the Board must provide strong and effective governance of the Company. The Directors, as their biographies on pages 48 and 49 illustrate, bring a breadth of knowledge, skills and business experience to the Company. The Non-Executive Directors provide independent challenge and review, bringing wide experience, specific expertise and a fresh objective perspective. The Company is also conducting a Non-Executive Director recruitment process, with a focus on succession planning and maintaining the appropriate balance of skills, knowledge and experience to complement those already on the Board, further details on this process can be found on page 61.

The Company has no employees, and all five Directors, who were appointed on a Non-Executive basis on 4 September 2021, are independent of the Company's Operator and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The AIC Code requires that Directors be subject to an annual re-election by Shareholders, and the Directors comply with this requirement. All of the Directors, including the Chairman, shall offer themselves for re-election at the forthcoming AGM. Having considered their effectiveness, demonstration of commitment to the role, length of service, attendance at meetings and contribution to the Board's deliberations, the Board approves the nomination for re-election of all of the Directors at the forthcoming AGM.

The Chairman of the Board is independent and is appointed in accordance with the Company's Articles of Association. Mr Kheraj is considered to be independent because he, among other criteria:

- has no current or historical employment with the Operator;
- has not provided services to the Operator within the last three years; and
- has no current Directorships or partnerships in any other investment fund managed by the Operator.

The responsibilities of the Chairman are available on the Company's website. The terms and conditions of appointment of Non-Executive Directors are available for inspection from the Company's registered office.

The Board has regular planned formal meetings at least four times during a full year and holds such additional ad-hoc meetings as are necessary to fulfil its duties. See page 63 for a full list of meetings that have taken place during the year. Directors are given access to the information necessary to assist them in the performance of their duties. An agenda and Board papers are circulated to the Directors in advance of Board meetings to allow them adequate opportunity for review and preparation for Board meetings.

Duties and Responsibilities

The Directors have adopted a formal schedule of matters specifically reserved for Board approval, which are set out on the Company's website. The primary focus at Board meetings is a review of investment activity, performance, business conduct and policy and associated matters such as asset allocation, share price discount/premium management, investor relations, acquisitions, acquisition policies, peer group information, capital structure, industry issues and principal risks and uncertainties – in particular those identified in the Strategic Report on pages 2 to 9.

The Directors have overall responsibility for overseeing the performance of the Operator and the Group's activities. The Company has entered into the Operator Agreement with the Operator, pursuant to which the Operator is responsible for the risk and portfolio management of the Group's assets, and has full discretionary authority to enter into transactions for and on behalf of the Group provided they are permitted by the Company's Acquisition Strategy and Investment Policy, subject to the following:

- Where the value of a proposed acquisition of an Alternative Asset Manager Stake represents between 5% and 12% of the Company's market capitalisation, the Operator will submit such proposal to the Board for review and consultation; and
- Where the value of a proposed acquisition of an Alternative Asset Manager Stake represents more than 12% of the Company's market capitalisation, the Operator will submit such proposal to the Board for approval and will publicly announce the acquisition with such announcement also subject to Board approval.

The Directors also review and supervise the Company's advisors and service providers, including the Operator. The Directors may delegate certain functions to other parties. In particular, the Directors have delegated responsibility for management of the Company's portfolio of investments to the Operator. Between meetings there is regular contact with the Operator and the Administrator. The Board is supplied with information by the Operator, the Administrator and other advisors in a form appropriate to enable it to discharge its duties.

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with applicable regulation. It is the Board's responsibility to present a fair, balanced and understandable Annual Report, which provides the information necessary for Shareholders to assess the position, performance, strategy and business model of the Company. This responsibility extends to the interim results and other price-sensitive public reports.

The Directors have access to Ocorian as Administrator, a third-party service provider that provides company secretarial and governance advice and services and is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable law and regulations of the London Stock Exchange and the provisions of the AIC Code. Where necessary, in carrying out their duties, the Directors may seek independent professional advice and services at the expense of the Company. The Company maintains Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

UK Market Abuse Regulation

The Company has adopted a code of securities dealings based on the requirements of the UK Market Abuse Regulation. The Directors are responsible for taking all proper and reasonable steps to ensure compliance with this code.

The Board also considers whether the Company has inside information and if an announcement obligation has arisen. The Board reviews the scope and content of disclosures in order to ensure that information released to the market by the Company is appropriate. It is responsible for reviewing the systems, procedures and controls in place to enable the Company to comply with its legal and regulatory obligations in relation to inside information.

Conflicts of Interest

The Board is also responsible for reviewing and considering any actual or potential conflicts of interest referred to it in accordance with the Company's conflicts of interest policy and for approving any such conflicts. At least annually, the Board reviews the adequacy of disclosure to Shareholders regarding potential conflicts of interest and the effectiveness of the Company's conflicts of interest policy. In addition, the Board is responsible for reviewing and approving any related party transactions pursuant to the Company's related party transactions policy (which was updated during the year to reflect the updated UK Listing Rules). Other key matters requiring Board approval include capital allocation and capital structure, the Company's dividend policy and changes to the Acquisition Strategy and Investment Policy.

In accordance with Provision 9 of the AIC Code, the appointment of any Director has included consideration of the time they have available to the role. Any additional external appointments will be submitted by Directors to the Board for approval before the appointment is accepted.

Communicating with Shareholders

In the performance of its duties, the Board is committed to maintaining a good understanding of the views of Shareholders and considerable importance is attached to communicating with Shareholders. The Board's responsibilities for the Annual Report are set out in the Directors' Responsibilities Statement.

Senior Independent Director

The Company has appointed Everard Barclay Simmons as Senior Independent Director. The Senior Independent Director acts as a sounding board for the Chairman, serves as an intermediary for the other Directors and Shareholders, and leads the annual review of the Chairman's performance. The responsibilities of the Senior Independent Director are available on the Company's website.

Board Committees

The Company has established an Audit and Risk Committee, a Remuneration Committee, a Nomination Committee and a Management Engagement Committee, each of which has formally delegated duties and responsibilities and written terms of reference that have been approved by the Board. The terms of reference for each Committee are available on the Company's website and reviewed on an annual basis.

The Directors believe that the Board and its Committees have an appropriate composition and blend of skills, experience, independence and diversity of backgrounds to discharge their duties and responsibilities effectively. The Directors are of the view that no one individual or small group dominates decision-making. The Board keeps its membership, and that of its Committees, under review to ensure that an acceptable balance is maintained, and that the collective skills and experience of its members continue to be refreshed. It is satisfied that all Directors have sufficient time to devote to their roles and that undue reliance is not placed on any individual.

All Committee members are provided with appropriate induction on joining their respective Committees, as well as ongoing access to training. Minutes of all meetings of the Committees are made available to all Directors, and feedback from each of the Committees is provided to the Board by the respective Committee Chairs at the next Board meeting. The Chair of each Committee attends the AGM to answer any questions on their Committee's activities.

The Board and its Committees are provided with information that enables the Directors to discharge their duties effectively. All Directors are able to make further enquiries of the Operator whenever necessary and have access to the services of the Company Secretary.

Audit and Risk Committee

The members of the Audit and Risk Committee are Mark Merson (Chair), Everard Barclay Simmons, Annemarie Durbin and Erica Handling. The Audit and Risk Committee, the Operator, the Administrator and the independent auditors have held discussions regarding the audit approach and identified risks. The Audit and Risk Committee meets at least four times a year pursuant to its terms of reference. Further details on the roles and responsibilities of the Audit and Risk Committee and its key activities during the year are contained in the Audit and Risk Committee Report on pages 67 to 69.

Remuneration Committee

The members of the Remuneration Committee are Annemarie Durbin (Chair), Naguib Kheraj, Everard Barclay Simmons, Erica Handling and Mark Merson. In accordance with the recommendations of the AIC Code, all members of the Remuneration Committee are Non-Executive Directors, and the Chair of the Remuneration Committee has the relevant experience and understanding of the Company. Given the small size of the Board, all members of the Board are members of the Remuneration Committee. Further details on the roles and responsibilities of the Remuneration Committee and its key activities during the year are contained in the Directors' Remuneration Report on pages 53 to 57.

Nomination Committee

The members of the Nomination Committee are Naguib Kheraj (Chair), Everard Barclay Simmons, Annemarie Durbin, Erica Handling and Mark Merson. Given the small size of the Board, all members of the Board are members of the Nomination Committee. The Nomination Committee meets at least once a year pursuant to its terms of reference.

Roles and Responsibilities

The Nomination Committee leads the process for Board appointments, reappointments and the succession planning process. The Nomination Committee is responsible for monitoring and assessing the structure, size and composition of the Board, including the skills, knowledge, independence, experience and diversity of its members, and making recommendations to the Board with regard to any changes. With regard to Board appointments, the Nomination Committee prepares specifications of the roles and responsibilities, including expected time commitments, and consideration is given to the existing experience, knowledge and background of current Board members, as well as the strategic and business objectives of the Company. The Committee uses open advertising and/or an external search consultancy to facilitate recruitment. The appointment of any new Director is made on merit and against objective criteria with the aim of bringing complementary skills and different perspectives to the Board, while promoting diversity of gender, and of social and ethnic background. Any additional external appointments are submitted for Board approval before the appointment is accepted. The Nomination Committee is responsible for ensuring an annual Board evaluation process is conducted detailing the nature and extent of any external evaluator's contact with the Board and individual Directors (once every three years), the outcomes and actions taken and how it influences Board composition. As a result, the Nomination Committee also makes recommendations to the Board in relation to the composition of the Audit and Risk Committee and Remuneration Committee, and any other Board committees as appropriate.

Key Activities During the Year

The Nomination Committee held a meeting on 18 January 2024 to consider Board composition and succession planning and the approval of the Nomination Committee's policies and Board skills matrix, as well as discussing the recommendations following the 2023 internal Board evaluation review and the external Board effectiveness review process to be conducted during 2024. On 15 October 2024, the Nomination Committee met to discuss the recommendations following the external Board effectiveness review process and more information on the process and outcomes of the external review are contained on page 64. As a result of recommendations received from the external Board effectiveness review process relating to Board composition and succession, the Company decided to commence a Non-Executive recruitment process, and this is currently ongoing with the assistance of external recruitment consultants, Spencer Stuart & Associates Limited and Nurole Ltd. The Company had engaged Spencer Stuart & Associates Limited during the director recruitment process at IPO. There are no previous connections with Nurole Ltd with the Company or any individual Directors. The Nomination Committee also reviewed the Committee terms of reference, which were recommended for approval by the Board.

Management Engagement Committee

The members of the Management Engagement Committee are Naguib Kheraj (Chair), Everard Barclay Simmons, Annemarie Durbin, Erica Handling and Mark Merson. Given the small size of the Board, all members of the Board are members of the Management Engagement Committee. The Management Engagement Committee meets at least once a year pursuant to its terms of reference.

Roles and Responsibilities

The role of the Management Engagement Committee is to provide a formal mechanism for the review of the performance of the Operator and the Company's other advisors and service providers. It carries out this review through consideration of a number of objective criteria and through a review of the terms and conditions of the advisors' and service providers', appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for

Shareholders. The Management Engagement Committee specifically considers matters such as:

- monitoring and evaluating the Operator's investment performance and, if necessary, providing appropriate guidance;
- regularly reviewing the scope and the continued retention of the Operator's services;
- considering the merit of obtaining, on a regular basis, an independent appraisal of the Operator's services; and
- reviewing the level and method of remuneration, the basis of Profit Sharing Charge and the notice period.

The Management Engagement Committee is responsible for reviewing the terms of the Operator Agreement and monitoring and evaluating the performance of the Operator and its compliance with the Operator Agreement.

Key Activities During the Year

The Management Engagement Committee held 2 meetings on 23 May 2024 and 15 October 2024. During these meetings, the Management Engagement Committee formally reviewed the performance of the key service providers, including the evaluation of the Operator, the Administrator and the Company Secretary. The Management Engagement Committee concluded that no material issues were raised as part of the service provider review and overall performance of the key service providers was satisfactory and were continuing to deliver in line with the terms of their engagements. Furthermore, the service provider review process produced several action points for the Operator, Administrator and Company Secretary to enhance their support to the Board and these proposed improvements are being monitored regularly.

Directors' Attendance at Board and Committee Meetings

One of the key criteria the Board uses when selecting Non-Executive Directors is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner.

The Board formally met 11 times during the year ended 31 December 2024.

Directors are encouraged when they are unable to attend a meeting to give the Chairman their views and comments on matters to be discussed, in advance. In addition to their meeting commitments, the Directors also liaise with the Operator whenever required and there is regular contact outside the Board meeting schedule.

Board Diversity Policy

The Board acknowledges the importance of all aspects of diversity for the effective functioning of the Board and commits to supporting diversity in the boardroom. During the year, the Board approved a Company-specific diversity policy which will be reviewed at least once a year. It is the Board's ongoing aspiration to have a diverse Board, and the Board broadly complies with gender and ethnicity guidelines currently. Appointments to the Board are based on merit and objective criteria and within this context promote diversity of gender, of social and ethnic background and of cognitive and personal strengths. The Board also values diversity of business skills and experience because Directors with diverse skill sets, capabilities and experience gained from different geographical backgrounds enhance the Board by bringing a wide range of perspectives to the Company.

The Company's compliance with the FCA's diversity disclosure requirements is set out below. These targets are:

- At least 40% of the Board are women;
- At least one of the senior Board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO) is a woman; and
- At least one member of the Board is from a minority ethnic background.

The Board is cognisant that the positions of Chairman and Senior Independent Director are both currently occupied by men, which does not meet the FCA's targets on board diversity set out at UK Listing Rule 6.6.6R(9)(a)(ii) relating to a senior board position being held by a woman. However, the Board notes that such requirements were not specifically designed with companies which may not have any executive directors in mind, which is specifically acknowledged by the FCA in UK Listing Rule 11.4.23R. Notwithstanding this, the Company has met, or exceeded, the targets contained in UK Listing Rule 6.6.6R(9)(a)(i) and (iii) relating to gender and ethnic diversity. The Board has committed to setting criteria for future appointments and, in considering succession planning, to ensure that the targets relating to a senior board position being held by a woman are met in future. However, given the short tenure of the Board and in the interest of continuity, this target cannot reasonably be met at this time.

As at the date of this report, and as explained above, the composition of the Board is as follows (for the purposes of Listing Rule 6.6.6R(10)):

	Number of Board members in scope	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
Men	3	60%	2
Women	2	40%	–
Not specified/prefer not to say	–	–%	–

* The positions of CEO and CFO are not applicable to the Company as an externally managed investment fund with no employees. Senior Board positions will continue to be reviewed.

	Number of Board members in scope	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
White British or other White (including minority-White groups)	3	60%	0
Mixed/Multiple Ethnic Groups	1	20%	Chairman
Asian/Asian British	–	–%	–
Black/African/Caribbean /Black British	1	20%	Senior Independent Director
Other ethnic group, including Arab	–	–%	–
Not specified/prefer not to say	–	–%	–

The above information is based on voluntary self-declaration from the Directors, who were asked to indicate which of the categories specified in the prescribed tables were most applicable to them.

The Operator has a diverse employee base and continues to dedicate recruiting resources to increasing diversity across all positions and levels. The Operator recognises that diversity at senior management level is an area for improvement, particularly female representation at executive level.

The Board recognises the importance of an inclusive and diverse Board in facilitating a collaborative culture and enhancing the delivery of the Company's strategic objectives. The Board will continue to monitor and actively work on ensuring that it maintains and nurtures a Board that is as diverse as possible. This baseline representation and understanding will help inform the development of future initiatives on diversity and inclusion.

Board Tenure and Re-Election

As the Company was incorporated on 24 March 2021 and all Directors were appointed on 4 September 2021, no issues have arisen to be considered by the Board with respect to long tenure. In accordance with the AIC Code, in the event that any Director shall have been in office (or on re-election would have been in office at the end of that term of office) for more than nine years, the Directors will consider further whether there is a risk that such a Director might reasonably be deemed to have lost independence through such long service. In accordance with the AIC Code, the Board recognises that Directors serving nine years or more may appear to have their independence impaired. However, the Board may nonetheless consider Directors to remain independent beyond nine years' tenure and in such circumstances would provide a clear explanation within a future annual report and financial statements as to its reasoning.

The Board approved the Chair Tenure Policy in November 2024. The Company's policy on Chair tenure is that the Chair should normally serve no longer than nine years as a Director and Chair but, where it is in the best interests of the Company, its Shareholders and stakeholders, the Chair may serve for a limited time beyond that. In such circumstances, the independence of the other Directors will ensure that the Board as a whole remains independent. The Board's view is that the continuity and experience of its Directors is important and that a suitable balance needs to be struck with the need for independence and the refreshing of the skills and expertise of the Board. The Directors believe that some limited flexibility in its approach to Chair tenure will enable it to manage succession planning more effectively.

The Board considers its composition and succession planning on an ongoing basis. All Directors will stand for re-election at the Company's AGM on 22 May 2025. A Director who retires at an AGM may, if willing to continue to act, be elected or re-elected at that meeting. If, at a general meeting at which a Director retires, the Company neither re-elects that Director nor appoints another person to the Board in the place of that Director, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the general meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and not passed.

See page 61 for a description of the Board appointment process.

Following a full review of the effectiveness of the Board, its Committees and each Director, the Board considers that each Director continues to make an effective contribution to the running of the Company and therefore recommends that Shareholders vote in favour of the re-election of all Directors at the forthcoming AGM.

The number of meetings of the full Board and Committees during the year ended 31 December 2024 and attendance by each Director are set out below:

	Board Meetings* (min 4)		Remuneration Committee Meetings (min 1)		Audit and Risk Committee Meetings (min 4)		Nomination Committee Meetings (min 1)		Management Engagement Committee Meetings (min 1)		Tenure as at 31 December 2024
Director	A	B	A	B	A	B	A	B	A	B	
Naguib Kheraj	11	11	1	1	7	7	2	2	2	2	40 months
Everard Barclay Simmons	11	11	1	1	7	7	2	2	2	2	40 months
Annemarie Durbin	11	11	1	1	7	7	2	2	2	2	40 months
Erica Handling	11	11	1	1	7	7	2	2	2	2	40 months
Mark Merson	11	11	1	1	7	7	2	2	2	2	40 months

Column A: indicates the number of meetings held during the year.

Column B: indicates the number of meetings attended by the Director during the year.

A quorum comprises any two members of the Board or Committee from time to time, to perform administrative and other routine functions on behalf of the Board, subject to such limitations as the Board may expressly impose on a Committee from time to time.

Naguib Kheraj is not a member of the Audit and Risk Committee but attends as an observer.

*This was supplemented by 3 Board sub-commitee meetings.

Board Performance and Effectiveness

In accordance with Provision 26 of the AIC Code, the Board is required to undertake a formal and rigorous evaluation of its performance on an annual basis. Such an evaluation of the performance of the Board as a whole, the Audit and Risk Committee, the Nomination Committee, the Remuneration Committee, the Management Engagement Committee, individual Directors and the Chairman was carried out under the mandate of the Nomination Committee.

As a FTSE 250 company, in keeping with the provisions of the AIC Code, a formal review of the Board's performance is carried out by an external consultant every three years. During the year, this formal review was conducted by Lintstock Ltd. ("Lintstock") and Manchester Square Partners LLP ("MSP"), who were independent from the Board. This review was conducted during 2024 and involved the completion of questionnaires, Board and Committee meeting observation by Lintstock and interviews conducted by MSP. This process commenced in May 2024 and the results were considered by the Nomination Committee in October. This independent review concluded that while the Board and its committees were committed and appropriately composed to promote the success of the Company, there were a number of areas in which performance could be improved. A number of recommendations were made, all of which were embraced by the Board, such as (i) consideration of succession planning and maintaining an appropriate skill and knowledge level within the Board; (ii) continued insight of Company activities and investment decisions; (iii) engagement with Shareholders and Partner-firms, to gain a holistic view of performance; and (iv) enhancement of information provided to the Board. Certain changes were implemented as a result of this review and will be monitored during 2025. The Board believes that the current mix of skills, experience, knowledge and age of the Directors is appropriate to the requirements of the Company, and in consideration of future succession planning and the development of the Board, considerations related to the Non-Executive Director recruitment process are ongoing with external recruitment consultants, Spencer Stuart & Associates Limited and Nurole Ltd.

An internal evaluation of the Board, its committees and the individual Directors will be conducted during 2025 in the form of annual performance appraisals, questionnaires and discussions to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure. This process will be facilitated by the Company Secretary and the results of this review will be reported in the next Annual Report.

Directors regularly meet with senior management employed by the Operator and Administrator, both formally and informally, to ensure that the Board remains regularly updated on all issues. Members of the Board are members of professional bodies and/or serve on other boards, which ensures they keep abreast of the latest technical developments in their areas of expertise.

The Board arranges for presentations from the Operator, the Company's brokers and other advisors and service providers on matters relevant to the Company's business. The Board will assess the training needs of Directors on an annual basis as set out in the terms of reference of the Nomination Committee.

Internal Control and Financial Reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatements or loss. However, the Board's objective is to ensure that the Group has appropriate systems in place for the identification and management of risks. The Directors carry out a robust assessment of the Group's principal and emerging risks, including events or circumstances that might threaten its business model, future performance, solvency or liquidity and reputation. As further explained in the Audit and Risk Committee Report, the principal risks and uncertainties in relation to the Group are outlined in a risk matrix set out on pages 41 to 43 of the Strategic Report.

The Board continually reviews its policy setting. The risk register is reviewed quarterly and the risk framework is reviewed at least annually to ensure that procedures are in place with the intention of identifying, mitigating and minimising the impact of risks should they crystallise.

The key procedures which have been established to provide internal control are that:

- the Board has delegated the oversight of internal controls and financial reporting to the Operator and relies on the Operator to perform such functions;
- the Board has delegated the day-to-day operations of the Company to the Administrator, Company Secretary and Operator; however, it retains accountability for all functions it delegates. Each contract was entered into after detailed consideration of the quality and cost of services provided;
- the Board clearly defines the duties and responsibilities of the Company's advisors and service providers and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such advisors and service providers and will continue to do so through the Management Engagement Committee;
- the Operator Agreement details defined duties and responsibilities with lines of control and reporting. There is a formal structure in place to review the Operator through the Management Engagement Committee which then makes recommendations to the Board. The Board is also given updates on developments arising from the operations and strategic direction of the underlying investee companies;
- the Administrator provides administration services to the Company and maintains a system of internal control on which it reports to the Board; and
- the Audit and Risk Committee monitors risks, including those of the Administrator and Operator.

The Board, via the Audit and Risk Committee, has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Operator, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. The Board has also considered that the Operator leverages the risk management framework of Goldman Sachs, which includes an internal audit function responsible for independently assessing and validating the effectiveness of key controls undertaken by the Operator. During the year, the Operator's internal audit function engaged directly with the Directors providing assurance reports which were discussed at the Company's Audit and Risk Committee meetings held in May and November 2024. Additional information on the risk framework of Goldman Sachs is set out on page 40.

An internal audit function specific to the Company is therefore considered unnecessary.

The Board is cognisant that the implementation of Provision 34 of the AIC Code will be effective from the accounting period beginning after 1 January 2026 and work is currently being undertaken by the relevant advisors to ensure the appropriate detail in relation to the review of the risk management and internal control systems reported by the Operator will be implemented by the period ended 31 December 2026.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The Administrator and Operator both operate risk-controlled frameworks on a continual ongoing basis within a regulated environment. The Administrator formally reports to the Board, via the Audit and Risk

Committee, quarterly through a compliance report and holds International Standard on Assurance Engagements (ISAE) 3402 Type 2 certification. This entails an independent rigorous examination and testing of its controls and processes. The Operator formally reports to the Board quarterly and also engages with the Board on an ad-hoc basis as required. No weaknesses or failings within the Administrator or Operator have been identified.

The systems of control referred to above, which have been in place to date, are designed to ensure that the Company can effectively identify and manage its risks as well as ensuring that it is in compliance with all applicable laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and the costs of control. It follows therefore that the systems of internal control can only provide reasonable, not absolute, assurance against the risk of material misstatement or loss. The Board has reviewed the effectiveness of the risk management and internal control processes and is satisfied that they are in accordance with the FRC's internal control publication titled Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Operator Agreement

The Company and Goldman Sachs Asset Management Fund Services Limited entered into an agreement originally dated 28 September 2021, as amended on 1 January 2024, pursuant to which the Operator was appointed as the Company's exclusive alternative investment fund manager and is responsible for the day-to-day operation and portfolio management of the Group's investment portfolio. The Operator is subject at all times to the overall supervision of the Board in accordance with the terms of the Operator Agreement, as well as the Company's Acquisition Strategy and Investment Policy (adopted by the Board in September 2021), the UK Listing Rules and applicable law. The Company undertakes in the Operator Agreement to authorise no one other than the Operator to deal in the Company's assets for the duration of the Operator Agreement, except on the advice of the Operator. A summary of the fees paid to the Operator is given in note 6 to the financial statements. In accordance with the UK Listing Rules, the Directors confirm that the continued appointment of the Operator under the current terms of the agreement is in the interests of Shareholders. The Board also reviewed the performance of other service providers and examined the effectiveness of the Company's internal control systems during the year. As set out in more detail in the Company's last Annual Report, certain new subsidiaries were introduced into the Group structure on 1 January 2024 to enable employees of the Operator to be direct beneficiaries of a portion of the Profit Sharing Charge and Divestment Fee (if any) payable by the Company to the Operator. The Operator Agreement was amended and restated, and acceded to by Petershill Partners II Ltd and Petershill Partners II, Inc., on 1 January 2024 in order to implement those arrangements.

Authority of the Operator

Pursuant to the Operator Agreement, the Operator has discretion to acquire, dispose of and manage the direct and indirect assets of the Company subject to and in accordance with the Company's Acquisition Strategy and Investment Policy. All activities engaged in under the Operator Agreement by the Operator are at all times subject to the overall policies, supervision, review and control of the Board.

The authority granted to the Operator pursuant to the Operator Agreement is subject to the Company's Acquisition Strategy and Investment Policy, pursuant to which the Operator is required to notify the Board or to seek approval from the Board or the Shareholders before undertaking acquisitions or disposals or incurring leverage at certain thresholds established by the Board from time to time.

The Operator may delegate certain of its functions, powers and duties under the Operator Agreement to any affiliate of the Operator. The Operator has exercised this power and has delegated its portfolio management functions to Goldman Sachs Asset Management International Ltd. which has further delegated the provision of portfolio management services to Goldman Sachs Asset Management International, LP as the Investment Advisor. The Operator has also established an Investment Committee to oversee portfolio construction and monitoring. Currently, the members of the Investment Committee are senior executives of Goldman Sachs Asset Management selected by the Operator and serve without direct compensation for their services. The Operator is liable for the acts or omissions of any person to whom any of its functions, powers and duties may be delegated to the extent that it would itself have been liable for such acts or omissions.

Term and Termination

The Operator Agreement has an initial term of seven years, after which it will automatically renew on an annual basis until terminated in accordance with its terms.

During the initial term of seven years (the Initial Term), the Operator Agreement is terminable by the Company on three months' written notice if, in the opinion of the independent members of the Board acting reasonably, the Operator is in material breach of the Operator Agreement and such breach is incapable of remedy or has not been remedied to the reasonable satisfaction of the Company during this three-month notice period. Additionally, during the Initial Term, the Operator Agreement may be terminated on immediate written notice if (a) in the opinion of the independent members of the Board acting reasonably, the Operator has (i) committed an act of wilful misconduct in relation to the Company which has resulted in material harm to the Company's business or (ii) committed an act of fraud, or (b) the Operator has ceased to have the necessary authorisations to provide the services it has agreed to provide under the Operator Agreement and there is no suitable replacement, in the sole judgement of Goldman Sachs, within the Goldman Sachs Group.

After the Initial Term, the Operator Agreement is terminable by the Company if, in the opinion of the independent members of the Board acting reasonably, (i) the Operator is in material breach of the Operator Agreement and such breach is incapable of remedy or has not been remedied to the reasonable satisfaction of the Company within three months of providing written notice to the Operator, or (ii) the Operator has committed an act of (a) wilful misconduct in relation to the Company which has resulted in material harm to the Company's business or (b) fraud, or (iii) the Operator has failed to provide the Company with services to the standard or with the due care and attention that would be expected of an Operator of a comparable listed company where such failure has not been remedied to the reasonable satisfaction of the Company within six months of the Company giving notice to the Operator specifying such failure. Additionally, after the Initial Term, the Operator Agreement may also be terminated without cause with the approval of at least three-quarters of the independent members of the Board, subject to the payment referred to below.

The Operator may terminate the Operator Agreement at any time:

(i) by giving 12 months' notice to the Company, if the Company is in material breach of its obligations under the Operator Agreement, (ii) if the Company undergoes a change of control, (iii) if the Company undertakes a material action, or declines to act, and such action or inaction is against the advice of the Operator and where the Operator notified the Company in writing of its disagreement with such proposed action or inaction or (iv) the Company materially amends its Acquisition Strategy and Investment Policy without the prior consent of the Operator.

The Operator Agreement may also be terminated by either party at any time if the other party is subject to a bankruptcy or other similar insolvency event (other than in the context of a scheme for solvent amalgamation or reconstruction).

Other than the payment required to be made in the event that the Company terminates the Operator Agreement without cause and described below, termination of the Operator Agreement in accordance with its terms does not require payment of a penalty or other additional payment from either party save that the Company shall pay any outstanding portion of the Recurring Operating Charge (defined below under Operator Charges and Alignment) to the Operator pro-rated to the date of termination of the Operator Agreement and the Company shall honour any authorised transactions entered into before the date of any such termination. In the event the Company terminates the Operator Agreement without cause after the Initial Term, the Operator will be entitled to receive (i) payment of an amount equal to the aggregate Recurring Operating Charge for the most recent four fiscal quarters multiplied by three, and (ii) crystallisation of the Profit Sharing Charge and Divestment Fee (defined below under Operator Charges and Alignment) based on the immediately prior fiscal quarter's holding values.

During the year, the Board as a whole reviewed the Company's compliance with the UK Code, the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the AIC Code. In accordance with UK Listing Rule 11.7.2R(2) and having formally appraised the performance and resources of the Operator prior to the IPO, as outlined under the roles and responsibilities of the Management Engagement Committee on page 61, in the opinion of the Directors, the continuing appointment of the Operator on the terms agreed is in the interests of Shareholders as a whole.

Operator Charges and Alignment

The Operator fee structure is designed to align with performance against the strategic objectives, taking into consideration the Company's culture and values. The fee structure is underpinned by the level of investments in Partner-firms, encouraging the Operator's focus on long-term relationships, collaboration and the success of the Partner-firms and aligning with Company and Shareholder interests.

As consideration for its services pursuant to the Operator Agreement, the Company pays the Operator a Recurring Operating Charge in respect of the management of its assets. The Recurring Operating Charge is payable quarterly in arrears in an amount equal to 7.5% of the Group's income from investments in Partner-firms, as defined under IFRS, for the relevant quarter.

The Company also pays the Operator a Profit Sharing Charge on a quarterly basis. The Profit Sharing Charge comprises a profit sharing charge of 20% of total income from investments in Partner-firms, as defined under IFRS, from new investments made by them post Admission, in the relevant quarter (net of any Recurring Operating Charge in respect of such new investments), chargeable only after a two-year ownership period from the date on which the investment closed, and subject to the relevant investment achieving an investment return of at least 6.0%. The Profit Sharing Required Investment Return is calculated at the end of each quarter only on the total invested capital funded to date; in other words, it excludes any potential deferred consideration embedded in the total investment amount, if not yet paid. The Profit Sharing Charge is only applicable if the average annual return, comprising income from investments in Partner-firms and change in fair value of the investment since the date of acquisition, as defined under IFRS, exceeds the Profit Sharing Required Investment Return of 6.0%.

While the Group does not typically seek to exit its assets, in the event that there are realisations, the Company will pay to the Operator a Divestment Fee of 20% of the total profits from the divestment (in respect of any investments which pre-date the Initial Acquisition, to be based upon the contribution value of such asset pursuant to the Initial Acquisition).

The total profits from the divestment, which represent the capital return of the investment, will be calculated as the sale price minus the contribution value of such asset as defined at the Initial Acquisition, excluding any income from investments in Partner-firms received over the holding period (and on which the Company has already paid Recurring Operating Charges and, in the case of new investments made by them following Admission, Profit Sharing Charges).

On 1 January 2024, new subsidiaries were introduced into the Group structure to enable employees of the Operator to be direct beneficiaries of a portion of the Profit Sharing Charge and Divestment Fee (if any) payable by the Company to the Operator. This was done to further improve the alignment of the interests of the Company, the Operator and the employees of the Operator. There is no change to the amount or timing of any Profit Sharing Charge payable by the Company under the original Operator Agreement. Furthermore, this arrangement is not expected to give rise to any material tax consequences for the Company and all initial and ongoing costs of implementing this arrangement have been and will be borne by the Operator. Further details on the Profit Sharing Charge and Divestment Fee are provided in Note 6 of the consolidated financial statements.

Engagement with Other Stakeholders

The Board places great importance on communication with Shareholders, as well as with the Operator, Administrator and other key stakeholders. Service providers have been selected and engaged based on due diligence and references including consideration of their internal controls and expertise. The Management Engagement Committee reviews the performance of each service provider annually and provides feedback as appropriate, to maintain good working relationships.

More information on stakeholder engagement may be found on pages 32 and 33 of this report.

The Board recognises that relationships with suppliers are enhanced by prompt payment and the Operator, in conjunction with the Administrator, ensures all payments are processed within the contractual terms agreed with the individual suppliers.

Consumer Duty

On 31 July 2023 the FCA introduced a new Principle for Businesses (Principle 12) applicable to authorised firms in the UK which carry on "retail market business" and who can determine, or materially influence retail customer outcomes. This new Principle 12 was accompanied by a package of rules and guidance, which are collectively known as the Consumer Duty.

The Company is not subject to the Consumer Duty as it is not an FCA authorised firm. However, the Company is aware that its shares may be held by or on behalf of retail customers, and that other firms within the distribution chain of its shares are within scope of the Consumer Duty requirements. Accordingly, it is the Board's intention that the Company will respond to information and other requests from UK authorised firms in the distribution chain of the Company's shares.

Whistleblowing

As the Company has no employees, it does not have a formal whistleblowing policy concerning the raising, in confidence, of any concerns about possible improprieties for appropriate independent investigation. The Board relies on the Operator and Administrator's whistleblowing policies and It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisations. However, any matters concerning the Company may be raised with the Chairman or Senior Independent Director.

By order of the Board

Naguib Kheraj
Chairman

8 April 2025

Audit and Risk Committee Report

The Audit and Risk Committee, chaired by Mark Merson, operates within clearly defined terms of reference which are available on the Company's website and include all matters indicated by Disclosure Guidance and Transparency Rule 7.1, the AIC Code and the UK Code. Its other members are Everard Barclay Simmons, Annemarie Durbin and Erica Handling. Advisors and department heads from the Operator are invited to attend meetings from time to time and, in line with corporate governance best practice, the Chairman of the Board is not a member of the Committee but attends in an advisory capacity. The Chair of the Audit and Risk Committee also acts as the Company's Senior Accounting Officer from a tax perspective.

Members of the Audit and Risk Committee must be, and are, independent of the Company's independent auditors and Operator. The Audit and Risk Committee meet no less than four times in a year at appropriate points in the reporting and auditing cycle and at such other times as the Audit and Risk Committee Chair shall require. The independent auditors attend the Audit and Risk Committee meetings and meets at least once a year with the Audit and Risk Committee without the presence of the Operator or the Administrator. The Chair of the Audit and Risk Committee also regularly and routinely meets the Senior Statutory Auditor to discuss the progress of the audit and related activities.

The Committee members have considerable financial and business experience, and the Board has determined that the membership as a whole has sufficient recent and relevant sector and financial experience to discharge its responsibilities and that at least one member has competence in accounting or auditing. The biographies of each member of the Committee, detailing their relevant qualifications and experience, are on pages 48 and 49.

Responsibilities

The main duties of the Audit and Risk Committee are:

- to monitor the integrity of the Group and Company's financial statements and regulatory announcements relating to its financial performance, and to review significant financial reporting judgements;
- to report to the Board on the appropriateness of the Company's accounting policies and practices;
- to consider the ongoing assessment of the Group as a going concern and the assessment of longer-term viability;
- to be responsible for discharging governance responsibilities in respect of audit, risk and internal control, and to assist the Board in fulfilling its responsibilities regarding all matters related to external and internal financial reporting;
- to review the valuations of the Company's investments prepared by the Operator, and provide a recommendation to the Board on the valuation of the Company's investments;
- to oversee and assess the Company's relations with the independent auditors, including agreeing their remuneration and terms of engagement, reviewing reporting, monitoring independence, objectivity and effectiveness, ensuring that any non-audit services are appropriately considered, and making recommendations to the Board on the independent auditors' appointment, reappointment or removal, for the Board to put to the Shareholders in general meeting;
- to communicate regularly and openly with the independent auditors to ensure that the independent auditors have full access to relevant individuals and records and to seek to ensure co-ordination with the independent auditors;
- to discuss and agree with the independent auditors the nature and scope of the audit;
- to work to create a work culture which recognises the work of, and encourages challenge by the independent auditors, giving due consideration to points raised and making changes to financial statements in response, where appropriate;
- to monitor and consider annually whether there is a need for the Company to have its own internal audit function;
- to keep under review the effectiveness of the Group's risk management and internal control frameworks, including the internal financial control systems of the Operator and the Administrator;
- to review and consider applicable requirements of the UK Code, the AIC Code, the AIC Guidance on Audit;
- to follow the Audit Committees and the External Audit: Minimum Standard published by the FRC; and
- to report to the Board on how it has discharged its responsibilities.

The Audit and Risk Committee is aware that certain sections of the Annual Report are not subject to formal statutory audit, including the Chairman's Statement, the Operator's Report and certain sections of the Directors' Remuneration Report. Financial information in these sections is reviewed by the Audit and Risk Committee as part of its review of the overall Annual Report.

The Company continues to comply with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

The Audit and Risk Committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and making recommendations on the steps to be taken.

Financial Reporting

The primary role of the Audit and Risk Committee in relation to financial reporting is to review with the Administrator, the Operator and the independent auditors the appropriateness of the Annual Report and Financial Statements and interim results and to report to the Board, concentrating on, among other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or where there has been discussion with the independent auditors, including the going concern and viability statement;
- whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- the consideration of disclosure and governance matters relating to financial reporting by the Chair of the Audit and Risk Committee in the first instance in consultation with the Operator, and the engagement of the wider Board if necessary; and
- any correspondence from regulators in relation to financial reporting.

To aid its review, the Audit and Risk Committee considers reports from the Administrator and the Operator and also reports from the independent auditors on the outcomes of the half-year review and annual audit.

Meetings

During the year, the Audit and Risk Committee met seven times, and there was ongoing liaison and discussion between the Senior Statutory Auditor and the Audit and Risk Committee Chair with regard to the audit approach and the identified risks. The matters discussed at those meetings included:

- review of the accounting policies, content and format of the financial statements;
- review of all proposed communications to Shareholders by the Company, for approval by the Board;
- review and approval of the budget and other financial projections and estimates;
- review and approval of the Company's tax strategy;
- consideration of the independent auditors' audit report on the 2023 financial statements and review of the 2024 Interim Report;
- review and approval of the independent auditors' audit plan for 2024;
- review of the internal audit plan of the Operators' internal audit function in respect of Petershill Partners;
- review of the results of the work of the Operator's internal audit function as it pertains to the Company;
- consideration of the independent auditors' fee for the external audit and half-year review;
- monitoring the provision of non-audit services by the independent auditors;
- governance and compliance responsibilities of the Company, including consideration of the application of Provision 34 of the AIC Code which will apply to accounting periods beginning on or after 1 January 2026;
- assessment of the independence of the independent auditors;
- adherence of the Company's processes to the requirements set out in the FRC's Minimum Audit Standard through the completion of the Company's checklist, including the assessment of the effectiveness of the external audit process;
- the requirement for climate-related financial disclosures; and
- review of the Group's key risks and internal controls, including reports from the Operator's control functions and internal audit function;
- review of the terms of reference of the Audit and Risk Committee, for approval by the Board.

After the year ended 31 December 2024, the Audit and Risk Committee met on 16 January 2025 and 28 March 2025 to consider the significant areas of judgement, estimates and assumptions in the draft financial statements; to review the results of the external audit; and to consider and approve the preliminary results announcement and the Annual Report.

Significant Areas of Judgement Considered by the Audit and Risk Committee

The significant areas of judgement, as well as estimates and assumptions, considered by the Audit and Risk Committee are outlined in note 3 to the Consolidated Financial Statements.

The revenue recognition, valuations and tax receivable agreement were discussed with the Operator and with the independent auditors at the Audit and Risk Committee meetings held on 18 November 2024, 16 January 2025 and 28 March 2025. The value of investments and other financial assets and liabilities of the Company is determined periodically by the Operator, with the assistance of Goldman Sachs & Co. acting as Valuer, and is subject to review by the Valuation Committee of the Operator.

The independent auditors have explained the results of their audit work on valuations in the independent auditors' Report on pages 73 to 75. There were no adjustments proposed and uncorrected that were material in the context of the Annual Report and Financial Statements as a whole.

Risk Management

On behalf of the Board, the Audit and Risk Committee has carried out a robust assessment of the principal and emerging risks facing the Group, including those threatening its business model, future earnings potential, and operational resilience. It has also reviewed the Group's risk assessment process, the way in which significant business risks are managed and the overall effectiveness of the Group's risk management processes. The Audit and Risk Committee received reports from the Operator on the Group's risk evaluation process and reviewed changes to significant risks identified. The work of the Audit and Risk Committee was driven primarily by the Board's assessment of its principal risks and uncertainties as set out on pages 40 to 43 of the Strategic Report.

Internal Audit

Currently, the Audit and Risk Committee does not consider there to be a need for the Company to maintain its own internal audit function. There are no employees in the Company and all outsourced functions are with service providers who have their own internal controls and procedures. The Operator is subject to internal audit by the Goldman Sachs internal audit function. The Audit and Risk Committee reviewed reports from the Goldman Sachs internal audit function on the work of the Operator, including in relation to the operation of the outsourced functions. The Audit and Risk Committee reviewed and approved the internal audit plan and received assurance reports and updates from the Goldman Sachs internal audit function. During the year, the Audit and Risk Committee was apprised of the methods and systems in place at the Operator and how they apply to the Company. The Audit and Risk Committee was satisfied that the systems in place were robust and that the team was qualified to perform adequate monitoring and oversight activities. The Operator's internal audit function is aware of the Audit and Risk Committee's responsibilities and will bring all matters requiring its consideration to its attention. There is also ongoing liaison through the year between the Operator's internal audit team and the Chair of the Audit and Risk Committee.

The Committee recognises that the implementation of Provision 34 of the AIC Code will be effective from the accounting period beginning after 1 January 2026 and work is currently being undertaken by the relevant advisors to ensure the appropriate detail in relation to the review of the risk management and internal control systems reported by the Operator will be included within the Annual Report for the period ended 31 December 2026.

Independent Audit

PricewaterhouseCoopers LLP has been the Company's independent auditors since 4 August 2021. There are no contractual obligations restricting the choice of independent auditors, and the Company will put the audit services contract out to tender at least every ten years. Under the Companies Act 2006, the reappointment of the independent auditors is subject to Shareholder approval at the AGM. The Senior Statutory Auditor responsible for the audit will be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the Company. Richard McGuire, the current Senior Statutory Auditor, has held this role for four years and intends to continue as Senior Statutory Auditor until the conclusion of the 2025 audit. The Audit and Risk Committee will continue to monitor the performance of the independent auditors on an annual basis and will consider independence and objectivity, taking account of appropriate guidelines. In addition, the Committee Chair will continue to maintain regular contact with the Senior Statutory Auditor outside of the formal Committee meeting schedule, not only to discuss formal agenda items for upcoming meetings, but also to review any other significant matters. The Audit and Risk Committee reviews the scope and results of the audit, its cost-effectiveness and the independence and objectivity of the independent auditors, with particular regard to the level of any non-audit fees.

Notwithstanding such services, the Audit and Risk Committee considers PricewaterhouseCoopers LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To further safeguard the objectivity and independence of the independent auditors from becoming compromised, the Audit and Risk Committee is aware of the cap on fees that may be charged by a company's independent auditors for non-audit services at 70% of the average statutory audit fees for the previous three years. This cap is applicable to the Group for the year ending 31 December 2024 onwards. PricewaterhouseCoopers LLP is precluded from providing, and does not provide, certain services such as valuation work or accounting services. There is also a presumption that PricewaterhouseCoopers LLP should only be engaged for non-audit services where it is best placed to provide those services; for example engagement as Reporting Accountant prior to the Company's listing and a review of the Interim Report. Note 7 to the consolidated financial statements details services provided by PricewaterhouseCoopers LLP during the year. Fees payable for audit services for the year, including prior year overruns and excluding VAT, were: £1,085k (2023: £905k). Fees payable for non-audit services for the year excluding VAT were: £110k (2023: £105k excluding VAT).

The Audit and Risk Committee approved these fees after a review of the level and nature of work to be performed, and was satisfied that they are appropriate for the scope of the work required. The Audit and Risk Committee sought to ensure that any non-audit services provided by the independent auditors did not conflict with the auditors' statutory and regulatory responsibilities, as well as their independence, before giving written approval prior to their engagement. The Audit and Risk Committee was satisfied that provision of these non-audit services did not provide threats to the auditors' independence.

To fulfil their responsibility regarding the independence of the independent auditors, the Audit and Risk Committee considered:

- discussions with or reports from the independent auditors describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the independent auditors.

To assess the effectiveness of the independent auditors, the Committee considered the nature and quality of the engagement with the Senior Statutory Auditor through the year and reviews:

- the independent auditors' fulfilment of the agreed audit plan, through review of the audit plan, including the audit approach to significant risks and monitoring any changes in response to new issues identified and any variations from the audit plan;
- discussions or reports highlighting the major issues that arose during the course of the audit; and
- feedback from other service providers evaluating the performance of the audit team.

The Audit and Risk Committee is satisfied with PricewaterhouseCoopers LLP's effectiveness and independence as independent auditors, having considered the degree of diligence and professional scepticism demonstrated. Having carried out the review described above and having satisfied itself that the independent auditors remain independent and effective, the Audit and Risk Committee has recommended to the Board that PricewaterhouseCoopers LLP be reappointed as independent auditors for the year ending 31 December 2025. Accordingly, a resolution proposing the reappointment of PricewaterhouseCoopers LLP as the Group's independent auditors will be put to Shareholders at the AGM.

On behalf of the Audit and Risk Committee

Mark Merson
Audit and Risk Committee Chair

8 April 2025

Financial Statements

Financial Statements

Additional Information

Report on the audit of the financial statements

Opinion

In our opinion, Petershill Partners plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statement of Financial Position as at 31 December 2024; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, and the Consolidated and Company Statement of Cash Flows for the year then ended; and the Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 7 to the Consolidated Financial Statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

In planning for our audit of Petershill Partners plc and its subsidiaries (the "Group"), we met with the Audit and Risk Committee, the Board of Directors and the Operator to discuss and confirm our understanding of significant business activities during the year, and to understand their perspectives on associated business risks. We used this insight when forming our own views regarding the business, as part of developing our audit plan and when scoping and performing our audit procedures. The Group was formed with the objective of investing in Partner-firms to achieve capital growth and to generate income. Given the complexity and judgements required in determining the value of the investments we considered this a significant risk to both the Group and the Company. Income from investments in Partner-firms derived from management fee income, performance fee income and investment income is based on contractual terms in place with the Partner-firms and is the majority of the Group's income, and therefore considered a key audit matter. We have considered the valuation of the liability for the Tax Receivables Agreement, which arose on the initial acquisition of the stakes in the Partner-firms on 28 September 2021 to remain a significant risk to the Group, due to the complexity of the underlying tax laws and the magnitude of the balance.

Overview

Audit scope

- We audited the consolidated financial information of the Group as a whole. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made significant judgements and estimates. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key audit matters

- Valuation of unlisted investments at fair value through profit and loss (Group)
- Valuation of the liability for the Tax Receivables Agreement (Group)
- Valuation of investments in subsidiary undertakings (Company)
- Income from Investments in Partner-firms (Group)

Materiality

- Overall Group materiality: $51.0m (2023: $48.3m) based on 1% of net assets.
- Overall Company materiality: $48.5m (2023: $46.0m) based on 1% of net assets, capped at 95% of Group materiality.
- Performance materiality: $38.3m (2023: £36.3m) (Group) and $36.3m (2023: $34.4m) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of unlisted investments at fair value through profit and loss (Group)	
Refer to the Audit and Risk Committee Report, Notes to the Consolidated Financial Statements – Note 2, 3 and 4. The investments at fair value through profit or loss for the Group were $5,812.0m as at 31 December 2024. The investments in Partner-firms held by the Group are not quoted or traded in an active market and as such their fair values are determined using valuation techniques, such as the market approach or income approach. A third-party valuation advisor ("Valuer") is engaged to assist the Operator in the preparation of the fair valuation of a selection of investments. In valuing the investments, key assumptions include estimates around future fundraise timing and sizes, expected management and performance fee rates, margins of the Partner-firms, expected current and future fund returns and timing of realisations. The inputs in the market approach include observable data, such as market multiples of comparable companies to the relevant Partner-firms, and unobservable data, such as forecast earnings for the Partner-firms. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant Partner-firms and the discount rates applied. The valuation of the Group investments at fair value through profit and loss was identified as a key audit matter given the valuation is inherently subjective due to, among other factors, the individual nature of each investment and the expected future cash flows and the significance of the estimates and judgements involved.	We understood and evaluated the valuation methodologies applied, by reference to industry practice and applicable accounting standards, and tested the techniques used by management in determining the fair value of the investments. We performed the following over the fair value of investments as at 31 December 2024: ▪ Discussed and challenged the Operator and Valuer's approach to valuations and significant estimates; ▪ Undertook further investigations by holding further discussions with the Operator and Valuer and obtained evidence to support explanations received where assumptions were outside the expected range or showed unexpected movements based on our knowledge; ▪ Observed that alternative assumptions had been considered and evaluated by the Operator and the Valuer before determining the final valuation. ▪ Challenged management about the rationale of any non-observable inputs or significant estimates used in valuations and obtained corroborative evidence such as past performance of the Partner-firms or data provided by the Partner-firm. We concluded that the assumptions used in the valuations were supportable in light of available and comparable market evidence; ▪ Obtained confirmations directly from the Partner-firms to corroborate ownership and other interests held; ▪ Performed recalculations of valuation workings to ensure mathematical accuracy; ▪ Agreed data inputs in the valuation model, such as fee rates and assets under management, to supporting documentation on a sample basis; and ▪ Agreed the amounts per the valuation reports to the accounting records and the financial statements. In addition, given the inherent subjectivity involved in the valuation of the investments, and therefore the need for specialised market knowledge when determining the most appropriate assumptions and the technicalities of the valuation methodology, we engaged our internal valuation experts to assist us in our audit of this area. The experts performed the following procedures for a sample of investments: ▪ Reviewed the appropriateness of valuation methodology; ▪ Reviewed key valuation inputs and estimates used, such as comparable company multiples and discount rates at 31 December 2024; and ▪ Reported their findings and conclusions to the Group audit team for overall consideration and conclusions. We considered the appropriateness and adequacy of the disclosures around the estimation uncertainty and sensitivities on the accounting estimates. Our testing did not identify any evidence of material misstatement.

Key audit matter	How our audit addressed the key audit matter
Valuation of the liability for the Tax Receivables Agreement (Group)	
Refer to the Audit and Risk Committee Report, Notes to the Consolidated Financial Statements – Note 2 and 3. The Group recorded a Liability for the Tax Receivables Agreement ("TRA") of $159.0m as at 31 December 2024. The Operator, with the support of an external tax specialist, has estimated the step-up tax basis of the acquired assets based on tax information provided by the Partner-firms, projected the amortisation of the step-up tax basis, applied an effective interest rate of 18% and utilised the current effective tax rate of Petershill Partners Inc in calculating the future tax benefits and resulting payments under the TRA. The valuation of the Liability for the Tax Receivables Agreement is identified as a key audit matter due to the complexity of the underlying tax laws and the magnitude of the balance.	We understood and evaluated the calculation and methodologies applied, by reference to industry practice and relevant tax laws, and tested the techniques used by management in determining the liability for the TRA. We obtained management's computations and workings relating to the amounts recognised for the liability of the TRA as at 31 December 2024.We performed the following procedures: ▪ Checked the mathematical accuracy of management's calculation; ▪ On a sample basis agreed the inputs used in the computations to supporting documentation; ▪ Challenged management about the rationale of assumptions used in the calculation and obtained corroborative evidence; ▪ Confirmed management had appropriately reflected US federal and state tax rates in the calculations; and ▪ Agreed the disclosures made in the financial statements back to supporting documentation. Given the complexity of tax laws, and therefore the need for specialised market knowledge when determining the most appropriate assumptions and the technicalities, we engaged our internal tax experts to assist us in our audit of this area. Our testing did not identify any evidence of material misstatement.
Valuation of investment in subsidiary undertakings (Company)	
Refer to the Notes to the Company Financial Statements– Note 1, 2, 3 and 6. The investments in subsidiary undertakings relate to the direct ownerships in Petershill Partners Inc., Petershill Partners II, Inc., Petershill Partners Ltd and Petershill Partners II Ltd. These entities hold, either directly or indirectly, interests in stakes in the Partner-firms. The investments in subsidiary undertakings are held at fair value which is their net asset value. The valuation of the investments in subsidiary undertakings was identified as a key audit matter given the components of the underlying valuation such as investments in Partner-firms are inherently subjective as noted in the key audit matter above.	We obtained management's calculations of the fair value of the investments in subsidiary undertakings. We performed the following procedures: ▪ Agreed inputs to supporting documentation and other audit work performed over areas such as the valuation of investments at fair value through profit and loss as noted in the key audit matter above; ▪ Tested the mathematical accuracy of the calculation; and ▪ Agreed ownership to supporting documentation. Our testing did not identify any evidence of material misstatement.

Key audit matter	How our audit addressed the key audit matter
Income from Investments in Partner-firms (Group)	
Refer to the Audit and Risk Committee Report, Notes to the Consolidated Financial Statements – Note 2x. The income from investments in Partner-firms for the Group was $322.8m and is based on contractual terms in place with the Partner-firms, and is the majority of the Group's income.	We confirmed our understanding of and evaluated the accounting policies relating to recognition and measurement of the income from investments in Partner-firms, as well as confirmed our understanding of the nature of each principal income stream on a disaggregated basis. We understood and evaluated the design of the relevant controls over income recognition. We performed the following procedures over income from investments in Partner-firms: ▪ Reviewed the contracts of the Group with each Partner-firm to ensure that income receivable from the Partner-firms is recognised in line with the contractual terms; ▪ Tested a sample of journals to supporting documentation, focusing on unusual account combinations; ▪ Agreed the income from the Partner-firms booked by the Group for the reporting year, to confirmations received directly from the Partner-firms; ▪ Agreed the settlement of income received during the reporting year to the distribution notices and bank statements. Confirmed the year-end balance of income receivable to confirmations received directly from the Partner-firms; ▪ Tested post year-end settlements of the income receivable to the bank statements; and ▪ Challenged the Operator on the appropriateness of the assumptions used in the computation of the expected credit losses on the amounts receivable from the Partner-firms. Our testing did not identify any evidence of material misstatement.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

We audited the consolidated financial information of the Group as a whole. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Group and Company financial statements. In particular, we looked at where the Directors made significant judgements and estimates. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. In particular, we understood management's consideration of the impact of climate change in the valuation of investments in so far as they are able. We also considered the consistency of the climate change disclosures included in the Strategic Report with the financial statements and our knowledge from our audit. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	$51.0m (2023: $48.3m).	$48.5m (2023: $46.0m).
How we determined it	1% of Net assets	1% of Net assets, capped at 95% of Group materiality
Rationale for benchmark applied	Given the objective of the Group is to hold stakes in Partner-firms, which will then generate returns, the primary focus of the financial statements is the fair value of investments at fair value through profit or loss. Therefore we consider that the net assets of the Group is the appropriate benchmark for calculating overall materiality.	Consistent with the Group's objective to hold stakes in Partner-firms, which will then generate returns, the primary focus for the financial statements is the valuation of the investments in subsidiary undertakings. Therefore we consider that the net assets of the Company is the appropriate benchmark for calculating overall materiality. This was restricted to 95% of the Group's total materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to $38.3m (2023: £36.3m) for the Group financial statements and $36.3m (2023: $34.4m) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

In addition to overall Group materiality, a specific materiality was also applied to the Consolidated Statement of Comprehensive Income line items that impact Adjusted EBIT, namely Income from investments in Partner-firms; Interest Income; Board of Directors' fees and expenses; Operator charge; Other operating expenses; Profit sharing charge; Finance income and Finance cost. We set a specific materiality level of $11.5m (2023: $11.4m). In arriving at this judgement, we considered the fact that Adjusted EBIT is a secondary financial indicator of the Group.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above $2.55m (Group audit) (2023: $2.42m) and $2.42m (Company audit) (2023: $2.30m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtained the Directors' going concern assessment and corroborated key assumptions to underlying documentation and ensured this was consistent with our audit work in these areas;
- Assessed the appropriateness of the key assumptions used both in the base case and in the severe but plausible downside scenario, including assessing whether we considered the downside sensitivities to be appropriately severe;
- Tested the integrity of the underlying formulae and calculations within the going concern and cash flow models;
- Considered the appropriateness of the mitigating actions available to management in the event of the downside scenario materialising. Specifically, we focused on whether these actions are within the Group's control and are achievable; and
- Reviewed the disclosures provided relating to the going concern basis of preparation and found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.

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 Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' 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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Directors' Remuneration

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

Corporate governance statement

The Listing Rules require us to review the Directors' statements 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. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance Report and Strategic Report are materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, 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 and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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 Group’s and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ 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 auditors’ 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK regulatory principles, such as those governed by the Financial Conduct Authority’s Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, as well as US State and Federal Tax rules. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates such as the valuation of unlisted investments and the valuation of the liability for the Tax Receivables Agreement. Audit procedures performed by the engagement team included:

- Discussions with the Audit and Risk Committee, the Directors, the Administrator and the Operator, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management;
- Reviewing Board minutes as well as the relevant meeting minutes, including those of the Audit and Risk Committee;
- Performing audit procedures over the tax computations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions and judgements made by management in their significant areas of estimation identified in our key audit matters in respect of the valuation of unlisted investments and the valuation of the liability for the Tax Receivables Agreement; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the Directors on 4 August 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the years ended 31 December 2021 to 31 December 2024.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

8 April 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Income			
Income from investments in Partner-firms derived from:	2(x)		
Management fee income		**224.7**	203.0
Performance fee income		**72.9**	54.7
Investment income		**25.2**	34.4
Total income from investments in Partner-firms		**322.8**	292.1
Interest income from investments in money market funds	2(x)	**7.7**	24.7
Interest income from other assets	2(x)	**1.8**	2.6
Total interest income		**9.5**	27.3
Total income		**332.3**	319.4
Movement in financial assets and liabilities held at fair value			
Change in investments at fair value through profit or loss	2(vi), 4	**866.7**	227.0
Change in contingent consideration at fair value through profit or loss	2(vi), 4	**6.9**	(6.4)
Total movement in financial assets and liabilities held at fair value		**873.6**	220.6
Expenses	2(xi)		
Board of Directors' fees and expenses		**(1.7)**	(1.7)
Operator charge	6, 20	**(24.2)**	(21.9)
Profit sharing charge	6, 20	**(1.5)**	(0.1)
Divestment fee expense	6, 20	**(152.5)**	(50.5)
Other operating expenses		**(18.4)**	(10.1)
Total expenses		**(198.3)**	(84.3)
Operating profit for the year		**1,007.6**	455.7
Finance income/(expense)			
Finance income	4	**2.4**	–
Finance cost	10	**(36.7)**	(37.1)
Change in liability for Tax Receivables Agreement	2(v), 3	**(7.8)**	(21.5)
Total finance income/(expense)		**(42.1)**	(58.6)
Profit for the year before tax		**965.5**	397.1
Tax expense	8	**(133.1)**	(76.0)
Profit for the year after tax		**832.4**	321.1
Profit and total comprehensive income for the year		**832.4**	321.1
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**832.4**	321.1
Earnings per share			
Basic and diluted earnings per share (cents)	11	**75.81**	28.38

The accompanying notes on pages 85 to 119 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note(s)	31 December 2024 $m	31 December 2023 $m
Non-current assets			
Investments at fair value through profit or loss	2(vi), 3, 4	**5,085.8**	5,254.7
Contingent consideration at fair value through profit or loss	2(vi), 3, 4	**65.1**	–
		5,150.9	5,254.7
Current assets			
Investments at fair value through profit or loss	2(vi), 3, 4	**726.2**	–
Investments in money market funds at fair value through profit or loss	4	**8.9**	62.3
Cash and cash equivalents	2(xii), 5	**14.5**	242.9
Contingent consideration at fair value through profit or loss	2(vi), 3, 4	**30.7**	–
Deferred consideration receivable	2(vi), 4	**152.8**	–
Trade and other receivables	12	**165.6**	127.4
		1,098.7	432.6
Total assets		**6,249.6**	5,687.3
Non-current liabilities			
Unsecured Notes payable	13, 14	**494.4**	493.8
Deferred payment obligations	2(vi), 4	**32.5**	7.3
Liability for Tax Receivables Agreement	2(v), 3	**129.4**	150.5
Contingent consideration at fair value through profit or loss	2(vi), 3, 4	**–**	3.9
Deferred tax liability	9	**128.2**	8.2
Fee payable on divestment of investments	6, 20	**247.3**	94.8
		1,031.8	758.5
Current liabilities			
Trade and other payables		**7.2**	6.9
Deferred payment obligations	2(vi), 4	**55.3**	44.6
Interest payable	14	**10.0**	10.0
Operator charge payable	6, 20	**7.0**	6.6
Profit sharing charge payable	6, 20	**0.6**	0.1
Contingent consideration at fair value through profit or loss	2(vi), 3, 4	**8.1**	2.5
Liability for Tax Receivables Agreement	2(v), 3	**29.6**	24.2
		117.8	94.9
Total liabilities		**1,149.6**	853.4
Net assets		**5,100.0**	4,833.9
Equity			
Share capital	2(ix), 15	**10.8**	11.2
Share premium	2(ix), 15	**–**	–
Other reserve	2(ix), 15	**1,689.6**	1,689.6
Capital redemption reserve	2(ix), 15	**0.9**	0.5
Retained earnings	16	**3,398.7**	3,132.6
Total Shareholders' funds		**5,100.0**	4,833.9
Number of Ordinary Shares in issue at year end	15	**1,081,708,167**	1,122,202,824
Net assets per share (cents)	17	**471.48**	430.75

The financial statements on pages 81 to 84 of the Group were approved and authorised for issue by the Board of Directors on 8 April 2025 and signed on its behalf by:

Naguib Kheraj
Chairman

Mark Merson
Director

The accompanying notes on pages 85 to 119 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Note	**Share capital $m**	**Share premium $m**	**Other reserve $m**	**Capital redemption reserve $m**	**Retained earnings $m**	**Total $m**
Opening net assets attributable to Shareholders at 1 January 2024		**11.2**	**–**	**1,689.6**	**0.5**	**3,132.6**	**4,833.9**
Repurchase and cancellation of Ordinary Shares	15	**(0.4)**	**–**	**–**	**0.4**	**(112.5)**	**(112.5)**
Dividends paid	18	**–**	**–**	**–**	**–**	**(453.8)**	**(453.8)**
Profit and total comprehensive income for the year		**–**	**–**	**–**	**–**	**832.4**	**832.4**
Closing net assets attributable to Shareholders at 31 December 2024		**10.8**	**–**	**1,689.6**	**0.9**	**3,398.7**	**5,100.0**

For the year ended 31 December 2023

	Note	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	(Accumulated losses)/ Retained earnings $m	Total $m
Opening net assets attributable to Shareholders at 1 January 2023		11.4	3,346.7	1,689.6	0.3	(328.7)	4,719.3
Repurchase and cancellation of Ordinary Shares	15	(0.2)	–	–	0.2	(26.3)	(26.3)
Share premium cancellation	15	–	(3,346.7)	–	–	3,346.7	–
Dividends paid	18	–	–	–	–	(180.2)	(180.2)
Profit and total comprehensive income for the year		–	–	–	–	321.1	321.1
Closing net assets attributable to Shareholders at 31 December 2023		11.2	–	1,689.6	0.5	3,132.6	4,833.9

The accompanying notes on pages 85 to 119 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	**For the year ended 31 December 2024 $m**	For the year ended 31 December 2023 $m
Cash flows from operating activities			
Profit for the year before tax		**965.5**	397.1
Adjustments to reconcile operating profit for the year to net cash flows from operating activities:			
Reinvestment of income from investments in Partner-firms		**(2.2)**	(57.0)
Movement in investments at fair value through profit and loss	4	**(866.7)**	(228.8)
Movement in trade and other receivables		**(49.0)**	14.6
Movement in trade and other payables		**0.8**	(2.8)
Movement in fee payable on divestment of investments	6	**152.5**	50.5
Movement in operator charge payable	6	**0.4**	(14.4)
Movement in profit sharing charge payable	6	**0.5**	0.1
Movement in contingent consideration at fair value through profit or loss	4	**(6.9)**	6.4
Finance income		**(2.4)**	–
Finance expense		**44.5**	58.6
Purchase of investments in money market funds	4	**(1,258.0)**	(781.4)
Sale of investments in money market funds	4	**1,319.0**	1,227.1
Reinvested interest income from investments in money market funds	4	**(7.6)**	(24.6)
Taxes paid		**(10.1)**	(28.2)
Net cash flows from operating activities		**280.3**	617.2
Cash flows from investing activities			
Purchase of investments at fair value through profit or loss		**(154.7)**	(204.2)
Disposal of investments at fair value through profit or loss		**265.8**	–
Net cash flows from investing activities		**111.1**	(204.2)
Cash flows from financing activities			
Dividends paid	18	**(453.8)**	(180.2)
Interest expense payments		**(28.3)**	(28.3)
Repayment of share capital	15	**(113.3)**	(25.4)
Payment under Tax Receivables Agreement	20	**(24.4)**	(33.8)
Net cash flows from financing activities		**(619.8)**	(267.7)
Net (decrease)/increase in cash and cash equivalents during the year		**(228.4)**	145.3
Cash and cash equivalents at the beginning of the year		**242.9**	97.6
Cash and cash equivalents at the end of the year		**14.5**	242.9
Non-cash investing activities			
In kind distribution of investments at fair value through profit or loss		**6.1**	0.2

The accompanying notes on pages 85 to 119 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. General information

Petershill Partners plc (the "Company") is a company limited by shares, incorporated and registered in England and Wales whose shares are publicly traded on the Main Market of the London Stock Exchange. The consolidated financial statements of Petershill Partners plc for the year ended 31 December 2024 comprise the Company, its subsidiaries and its indirect subsidiaries together referred to as the "Group".

The Company was incorporated and registered in England and Wales under the UK Companies Act 2006 (as amended) as a private company limited by shares under the name Delta Epsilon Limited on 24 March 2021 with the registered number 13289144. On 12 August 2021, the Company was re-registered as a public limited company as Delta Epsilon plc, and on 2 September 2021, the Company was renamed Petershill Partners plc.

2. Basis of preparation, material accounting policies and other explanatory information

i. Basis of preparation

The consolidated financial statements of the Group have been prepared and approved by the Board of Directors in accordance with UK- adopted international accounting standards ("IFRS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements are presented to the nearest million United States Dollar ($m), the functional and presentational currency of the Company.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss. The preparation of the financial statements requires estimates and assumptions to be made that may affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from the estimates included in the financial statements herein. The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Refer to Note 2(xiv) for discussion on new and amended standards and interpretations that are applicable to the Company and the Group.

The principal accounting policies are set out below.

ii. Segmental reporting

The Operator serves as the Group's alternative investment fund manager for purposes of the UK AIFMR and EU AIFMD, which pursuant to the Operator Agreement has delegated its portfolio management functions to the Investment Manager, which has further delegated the provision of portfolio management services to the Investment Advisor. The Investment Advisor, acting as the chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments. The key measure of performance used by the Investment Advisor to assess the Group's performance and to allocate resources is the Group's income from investments in Partner-firms.

The Group is engaged in holding interests in and investing into Partner–firms for the purpose of generating revenues derived from the share of management fees, performance fees and investment income. The management of the Group, including assessment of performance, budgets and liquidity is managed for the portfolio as a whole and not by discrete segments. Hence, the Board, as recommended by the Investment Advisor, has concluded that the Group is organised into one main operating segment.

The Group derives 88% (2023: 85%) of its income from North America and the remaining 12% (2023: 15%) from Europe for the year ended 31 December 2024. 94% (31 December 2023: 91%) of the Group's fair value of investments are located in North America and the remaining 6% (31 December 2023: 9%) are located in Europe as at 31 December 2024.

iii. Functional currency and foreign currency transactions

The Board of Directors has determined that the functional currency of the Company and its subsidiaries is United States Dollar (US$), as this is the currency of the primary economic environment in which the Company and its subsidiaries operates and is the currency of the majority of the Group's Investments in Partner-firms. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most closely represents the economic effect of the underlying transactions, events and conditions. Although the Company is listed in the UK, the Group's investments are mostly held in the USA and transactions are mostly denominated in US$. Expenses (including the Operator charge, Divestment fee and Profit sharing charge) are denominated and paid mostly in US$.

Transactions in currencies other than US$ during the period, including income and expenses, are translated into US$ at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than US$ are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a currency other than US$ are translated using the exchange rates as at the dates of the initial transaction. Non-monetary items measured at fair value in a currency other than US$ are translated using the exchange rates at the date when the fair value was determined.

Foreign currency translation gains and losses on financial instruments classified at fair value through profit or loss are included in the Consolidated Statement of Comprehensive Income as part of the change in fair value of investments at fair value through profit or loss. Exchange differences on other financial instruments are included in the Statement of Comprehensive Income as Foreign exchange gain/(loss). Gains and losses on foreign exchange during the year were immaterial and have been included under Other operating expenses in the Consolidated Statement of Comprehensive Income.

iv. Financial instruments

i. Classification

Financial assets are classified based on the business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

All investments have been classified as financial assets at fair value through profit or loss as they are managed, and performance is evaluated on a fair value basis. The primary focus is on fair value information and the use of that information to assess the assets' performance and to make decisions.

Investments which meet the classification and presentation requirements of IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations, taking into account post balance sheet events consistent with IAS 10 - Events after the Reporting Period, are classified and presented as current assets in the Consolidated Statement of Financial Position.

Financial assets classified as receivables are carried at amortised cost less expected credit losses ("ECL").

ii. Impairment

The Group has adopted the general approach to measuring the loss allowance as required by IFRS 9 – Financials Instruments. A 12-month ECL is recognised for all financial assets within Stage 1 of the Group's impairment model and lifetime ECL for all other financial assets and is deducted from the gross carrying value of the receivables. ECL is determined as a product of Loss Given Default ("LGD"), Probability of Default ("PD"), and Exposure at Default ("EAD"), discounted at an effective interest rate.

The methodology is structured around three core steps: i) Risk differentiation, ii) Risk quantification, and iii) whether there has been a significant increase in credit risk since origination and/or exposures are considered to be credit impaired. In implementing this methodology, Partner-firms are distinguished for riskiness by leveraging key risk indicators through a comprehensive credit risk review framework.

Risk differentiation

1. The Partner-firms' liquidity position, indebtedness and ability to generate future cash flows are considered the key risk indicators, with weights assigned to each indicator that is informed by experience. A higher weight is attributed to the Liquidity Indicator on the basis that it is considered to be a strong reflection of a firm's ability to meet immediate cash obligations. The latter driver of "Cashflow adequacy Indicator" relies on the Partner-firm's ability to generate cash and incorporates forward-looking information.
2. The overall score for each Partner-firm is estimated by combining the risk indicator weights with the values for each selected risk indicator.

Risk quantification

1. The median risk score serves as the benchmark for quantifying risk across all Partner-firms.
2. This benchmark is a "BBB" rating, which is classified as an investment grade by S&P and indicates an adequate capacity to meet financial commitments but is also susceptible to adverse economic conditions.
3. The median risk score obtained is compared to the scores of all other Partner-firms, resulting in Partner-firms with lower comparative risk being rated as "A", and those with higher comparative risk as "BB".

Once the ratings are assigned using the above two steps, the scores are calibrated to a corresponding PD rate. The PDs are informed by using average cumulative default rates for US corporates from S&P publicly available data. To recognise the increased risk on absolute return Partner-firms which are considered to be volatile, a nominal increase is applied to the PD rates.

A LGD value is applied for exposures in all stages, albeit where considered appropriate the LGD for Stage 3 exposures will be adjusted to reflect the specific circumstances of the exposure. The LGD rate is consistent with the Basel II framework for corporates, sovereigns, and banks on senior subordinate claims.

Significant increase in credit risk
The Group assesses whether a significant increase in credit risk has occurred for an exposure through a comprehensive credit risk assessment framework. This framework employs both qualitative and quantitative indicators which includes days past due, review and reconciliation of aged receivables and periodic review of financials and cashflow data with Partner-firms. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Credit impaired exposure
The Group considers a financial asset in default when contractual payments are 90 days past due unless there is sufficient evidence from comprehensive credit risk assessment which suggests otherwise.

The Group applies the following stages when considering credit exposure:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date;
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment; and
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date.

The Group also considers a financial asset to be in default when the comprehensive credit risk assessment indicates that the Group is unlikely to receive the outstanding contractual amounts in full ("Stage 3").

The calculated ECL is detailed in Note 19.

iii. Write-off policy
The Group writes off financial assets, in whole or in part, when it has concluded that the amount is uncollectable and has therefore deemed that there is no reasonable expectation of recovery. The Group may seek to recover amounts it is legally owed in full, but which have been wholly or partially written off due to no reasonable expectation of full recovery.

iv. Recognition and derecognition
Financial assets and financial liabilities are initially recorded at their transaction price, (which is representative of fair value), plus transaction costs that are directly attributable to their acquisition or issue other than those classified as at fair value through profit or loss in which case transaction costs are recognised directly in profit or loss, and then measured at fair value subsequent to initial recognition. Gains and losses arising from changes in financial assets and financial liabilities at fair value through profit or loss are presented in the Consolidated Statement of Comprehensive Income in the period in which they arise. Assets and liabilities, other than those at fair value through profit or loss, are measured at amortised cost.

Realised gains and losses are recognised upon sale or disposal of investments. Unrealised gains and losses from financial assets and liabilities at fair value through profit or loss are included in the change in fair value of investments through profit or loss in the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have transferred. Financial liabilities are derecognised when the obligation specific in the contract is cancelled or expires.

The carrying amounts of assets comprised of cash and cash equivalents, deferred consideration receivable and trade and other receivables are held at amortised cost.

The carrying amounts of liabilities comprised of Unsecured Notes payable, Deferred payment obligations, Fee payable on divestment of investments, Liability for Tax Receivables Agreement, Interest payable, Profit sharing charge payable, Operator charge payable and Trade and other payables are held at amortised cost. The carrying value of assets and liabilities, except Unsecured Notes payable and the liability for Tax Receivables Agreement held at amortised cost, listed here approximates fair value as these do not contain any significant financing components. The fair value of the Unsecured Notes payable is estimated at $478.7 million based on interest rates as at 31 December 2024 (31 December 2023: $467.0 million). The fair value of the liability for Tax Receivables Agreement is estimated at $154.1 million (31 December 2023: $166.6 million).

v. Material accounting policies and other explanatory information

i. Notes payable and interest expense

Unsecured Notes payable are initially recognised at fair value. After initial recognition, these are subsequently measured at amortised cost using the effective interest method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the loans or borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs including interest expense are recognised in the period in which they are incurred using the effective interest method.

ii. Liability for Tax Receivables Agreement

The Group's initial acquisition of the Partner–firms from the Petershill Funds increased the tax basis, for US tax purposes, of the acquired assets, as compared with their pre-acquisition tax basis. This increase in tax basis is expected to increase the amortisation of such assets in the hands of Petershill Partners, Inc., a wholly owned subsidiary of the Company, and therefore reduce the amount of US tax that the Group would otherwise be required to pay in the future. This increase in tax basis may also decrease a taxable gain (or increase taxable loss) on future dispositions of certain assets to the extent this tax basis is allocated to those assets.

As part consideration for the Initial Transaction, Petershill Partners, Inc. entered into a Tax Receivables Agreement (the "Tax Receivables Agreement" or "TRA") with certain Petershill Funds and their subsidiaries, which will require Petershill Partners, Inc. to pay 75% of the amount of cash tax savings, if any, in US federal, state and local income tax that Petershill Partners, Inc. realises. The computation of the tax savings is based on the actual US federal tax savings realised on the tax returns of Petershill Partners, Inc. over the amount that would have been paid if the increase in tax basis had not occurred. State and local income tax savings are based on the assumption that the state and local tax rate is 6% of the reduction in federal taxable income due to the increased tax basis. In addition, any such savings that Petershill Partners, Inc. realises as a result of the tax benefits associated with the increases in tax basis that arise due to payments under the Tax Receivables Agreement, are assumed to result in additional increases in tax basis that will result in future tax benefits. The Group expects that, as a result of the size of the increases in the tax basis of the investments described above, the payments that it will be required to make under the Tax Receivables Agreement may be substantial. The majority of these incremental payments are expected to arise over the next 15 years.

The Group has estimated the future tax savings payable under the TRA based on information that has been provided by the underlying Partner-firms as to the amount of the step-up in tax basis and future expected amortisation. To the extent that a step-up did not result in a future amortisation deduction it has been assumed that no tax benefit will be payable under the TRA agreement. In addition, the Group has assumed that any amortisation will result in an immediate tax benefit in the year of the amortisation. As at 31 December 2024, the Group has recorded a liability of $159.0 million (31 December 2023: $174.7 million), representing the Operator's best estimate of the amounts currently expected to be owed to certain of the Petershill Funds and certain of their subsidiaries under the Tax Receivables Agreement. The liability that is recorded is associated with the expected future tax benefits related to the aggregate step-up in tax basis.

The Liability for the TRA was initially recognised at fair value of the expected liability. Any changes to the carrying value of the expected liability are recognised in the Consolidated Statement of Comprehensive Income at each reporting date. Refer to Note 3 for detailed discussion of the TRA.

The payable is subsequently carried at amortised cost based on assumptions discussed below and may be adjusted. These assumptions are based on the Operator's judgement and information provided by the Partner-firms. The Operator has estimated the step-up tax basis of the acquired assets based on tax information provided by the Partner-firms, and to the extent amortisable projected the amortisation of the step-up tax basis to occur over 15 years, applied an effective interest rate of 18% (31 December 2023: 18%) and utilised the current effective tax rate of Petershill Partners, Inc. in calculating the future tax benefits and resulting payments under the TRA.

In addition, the TRA provides for the payment on the TRA to become due on the original due date of the US federal income tax return and an interest that is payable on the final payment from the due date of the return until actual payment is made. The interest is recognised as a Finance cost in the Consolidated Statement of Comprehensive Income at each reporting date.

vi. Investments held at fair value through profit or loss

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Consolidated Statement of Comprehensive Income at each valuation point.

Financial assets are recognised/derecognised at the date of the purchase/disposal. Investments are initially recognised at fair value, which is the total fair value of upfront consideration and deferred consideration and approximates cost. Transaction costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

The Group measures its investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants at the measurement date. In the absence of quoted market prices, fair value is determined by the Operator. Due to the inherent uncertainties of valuation, these estimated fair values may differ significantly from the values that would have been realised had a readily available market for these investments existed, and these differences could be material.

The Operator is responsible for the implementation and maintenance of internal controls and procedures related to the valuation of the Group's investments. Valuations are prepared in accordance with the Operator's valuation policy and subject to verification procedures. A third-party valuation advisor is engaged to assist in the preparation of the valuation proposals including certain market data driven assumptions. The valuation proposals are reviewed by the Operator's functionally independent Valuation Oversight Group ("VOG").

Periodically, VOG presents the valuation proposals and their independent price verification review results to the Operator's valuation committee ("Valuation Committee") which convenes to approve and oversee the application of valuation policies and review fair value estimates for the investments. Subsequently, the Operator reports the valuation results to the Board of Directors.

Per the valuation policy, the Operator initially values the Group's investments based on their purchase price and thereafter values them using valuation methods that it determines, in its sole discretion. The Operator uses a number of different valuation techniques, including the market approach, which applies a multiple to current operating income of Partner-firms and the income approach, which applies discounted cash flow techniques based upon estimated future cash flows and discount rates. Since observable prices are generally not available for such investments, the Operator considers all available market evidence in determining fair value. Certain investments are valued at the most recent Net Asset Value per unit or capital account information available and the Operator considers such value to be an appropriate measure of fair value. Further information about investments held at fair value through profit and loss is included in Note 4.

Deferred payment obligations

Certain financial assets are purchased under various contracts containing deferred payment terms. These deferred payment obligations are initially recorded on the contractual purchase date with a discount being imputed for an effective interest rate that will be the equivalent rate of interest due on borrowings and subsequently carried at amortised cost.

Any difference between the initially recorded deferred payment obligations and the final contractual liability payable is recognised in the Consolidated Statement of Comprehensive Income as a finance cost over the period of the deferred payment obligation using the effective interest method.

Deferred consideration receivable

Certain financial assets are disposed under various contracts containing deferred payment terms. This deferred consideration receivable is initially recorded on the contractual disposal date with a discount being imputed for an effective interest rate that will be the equivalent rate of interest earned on lending and subsequently carried at amortised cost less ECL.

Any difference between the initially recorded deferred consideration receivable and the financial contractual payment is recognised in the Consolidated Statement of Comprehensive Income as a finance income over the period of the deferred consideration receivables using the effective interest rate method.

Contingent consideration

Certain financial assets are purchased and sold under various contracts containing contingent payment terms. These contingent payment obligations are initially recorded at fair value on the contractual purchase date, subject to probability of payment and time value of money, with a discount being imputed for an effective interest rate that will be the equivalent date of interest due on borrowings or lending and subsequently carried at fair value. Any change in fair value is recorded as a change in contingent consideration at fair value through profit or loss in the Consolidated Statement of Comprehensive Income.

The fair value of contingent consideration obligations represents the present value of the future expected payments and receipts based on an assessment of the likelihood of those payments and receipts against their contractual thresholds. The Operator uses a number of different valuation techniques, at its discretion, but primarily relies on the income approach which applies discounted cash flow techniques based on the estimated future payments and discount rates. Further information about contingent consideration is included in Note 4.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events, and it must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

vii. Dividends

Dividends payable are recognised as distributions in the financial statements when the dividend is approved by Shareholders or when paid.

viii. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Enterprises and individuals that directly, or indirectly through one or more intermediary, control, or are controlled by, or under common control with, the Group, including subsidiaries and fellow subsidiaries, are related parties of the Group. This includes its key management personnel, including directors and officers of the Operator, other affiliated entities of the Operator and the Petershill Funds. In considering related party relationships, attention is directed to the substance of the relationship and not merely the legal form.

ix. Share capital

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company's Ordinary Shares are classified as equity instruments.

For the issue of each Ordinary Share for cash, $0.01 has been recognised in Share capital and the remaining cash amount received has been recognised in Share premium and Other reserve. For the issue of each Ordinary Share issued to Petershill Funds in exchange for financial assets and liabilities, $0.01 has been recognised in Share capital and the remaining amount recognised in Share premium, and Other reserve such that the aggregate of the amount recognised in Share capital, Share premium and Other reserve is equal to the fair value of the financial assets and liabilities transferred to the Group.

Under Section 612 of the Companies Act, where an issuing company has secured at least 90% equity holding of another company in return for shares of the issuing company, then merger relief shall be applied requiring the premium, with respect to the shares issued, to be recorded to Other reserve as merger relief. The acquisition of Petershill Partners Ltd by the Company fell under the ambit of Section 612 of the Companies Act and hence merger relief was applied to the excess over the nominal value of shares.

The Company's Shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its Annual General Meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 by His Majesty's High Court in England (the "Court"). Accordingly, the Reduction of Capital has become effective and has created additional distributable reserves of approximately $3,346.7 million. Accordingly, the amounts standing to the credit of the share premium account have been transferred to Retained earnings. Refer to Note 15 for more information.

Incremental costs directly attributable to the issue of new shares ("Share issue costs") are shown as a deduction against proceeds from Share premium. Incremental costs include those incurred in connection with the placing and admission which include fees payable under a placing agreement, legal costs and any other applicable expenses.

The cost of repurchasing Ordinary Shares including the related stamp duty and transactions costs is charged to Retained earnings and dealt with in the Consolidated Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of Ordinary Share capital repurchased and cancelled is transferred out of Share capital and into the Capital redemption reserve.

x. Income from Investments in Partner-firms and interest income

Cumulative income and returns from Financial assets at fair value through profit or loss is made up of the Income from Investments in Partner-firms which comprises the current year income (including accruals where applicable) and the changes in fair value on financial assets at fair value through profit or loss which comprises the fair value changes of the future returns of the Investments in Partner-firms.

Income from Investments in money market funds and other assets is accounted for on an accrual basis. Income from Investments in Partner-firms is generally recognised when the rights to receive payment from the Financial assets at fair value through profit or loss have been established, and comprises three underlying components, as follows:

I. ***Income from Investments in Partner-firms derived from Management fee income ("FRE")*** is based on the net management fees earned by the underlying Partner-firms and is reported in the Consolidated Statement of Comprehensive Income. This comprises the portion of the income in respect of the Partner-firms' management fees that is due to the Group for each relevant current period. This arises from the investments held to earn a share of the underlying investee's management fee revenue.

   Typically, the investments entitle the Group to a set percentage share of the net management fee revenue earned by the underlying Partner-firm. Depending on the nature of the operations of the underlying Partner-firm, income arising will be accounted for on an accrual basis only when the right to receive payment has been established under the terms of the agreement with the Partner-firms.

II. ***Income from Investments in Partner-firms derived from Performance fee income ("PRE")*** is based on the realised performance fees earned by the underlying Partner-firms and is reported in the Consolidated Statement of Comprehensive Income. This comprises the portion of the income in respect of the Partner-firms' performance fees. Typically, these investments entitle the Group to a set percentage share of the performance fee revenue earned by the underlying investee. Depending on the nature of the operations of the underlying Partner-firm, income arising will be accounted for on an accrual basis only when the right to receive payment has been established under the terms of the agreement with the Partner-firms.

III. ***Income from Investments in Partner-firms derived from Investment Income*** is based on the investment income earned by the underlying Partner-firms and is reported in the Consolidated Statement of Comprehensive Income. This comprises the portion of the income in respect of the Partner-firms' realised gains and losses or any distributed income from the investments held on Partner-firms' balance sheets. Investment income arising will be accounted for on an accrual basis only when the right to receive payment has been established under the terms of the agreement with the Partner-firms.

Gains or losses resulting from the movement in fair value of the Group's investments held at fair value through profit or loss are recognised in the Consolidated Statement of Comprehensive Income at each valuation point.

xi. Expenses

Expenses are accounted for on an accruals basis. Share issue costs of the Company directly attributable to the issue and listing of shares are charged to the share premium account.

Operator charges, profit sharing charges, professional fees, divestment fees and other expenses incurred are recognised on an accruals basis and expensed to the Consolidated Statement of Comprehensive Income. Certain professional fees are transaction costs incurred to structure a deal to acquire or dispose of investments designated as financial assets at fair value through profit or loss. These transaction costs, when incurred, are immediately recognised in the Consolidated Statement of Comprehensive Income as an expense.

xii. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, and bank overdrafts.

xiii. Taxation

Income tax comprises current tax and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in Equity.

The current income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise, calculated using tax rates enacted or substantively enacted by the balance sheet date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for accounting and tax purposes. A deferred income tax asset or liability is recognised for each temporary difference, except for temporary differences subject to initial recognition exemption and earnings related to subsidiaries where the temporary differences will not reverse in the foreseeable future and the Group has the ability to control the timing of their reversal. Deferred tax assets and liabilities are determined based on the tax rates that are expected to be in effect in the period that the asset is expected to be realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset when they are levied by the same taxation authority on either the same taxable entity or within the same tax reporting group (which intends to settle on a net basis), and when there is a legal right to offset. Deferred tax assets and liabilities are offset when the same conditions are satisfied.

Deferred income tax assets are recognised to the extent it is probable that the benefits associated with these assets will be realised. The determination as to if it is probable that a deferred income tax asset will be recognisable is dependent on a number of factors including the expectations of future taxable income in the period the deferred income tax asset is realised. Further, in certain jurisdictions the character of the loss or deduction as either ordinary or capital may impact the ability to offset future income. As such, significant judgements may be required in determining the Group's ability to realise the future tax assets.

The Group is subject to income tax laws in various jurisdictions where it operates, and the complex tax laws are potentially subject to different interpretations by the Company and the relevant taxation authorities. Judgements may be required in the interpretation of the relevant tax laws and in assessing the probability of acceptance of tax positions. A tax reserve related to uncertainty over income taxes is recognised when a payment to tax authorities is considered probable.

xiv. New and amended standards and interpretations

Accounting standards and interpretations have been published and will be mandatory for the Group's and Company's accounting periods beginning on or after 1 January 2024 or later periods. The following are the new or amended accounting standards or interpretations applicable to the Group and the Company.

- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - Non-current Liabilities with Covenants (issued October 2022 and effective for annual periods beginning on or after 1 January 2024); and
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current (issued January 2020 and effective for annual periods beginning on or after 1 January 2024).

These amendments have been adopted and the impact of these amendments to the Group and the Company is not material.

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group and the Company. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (issued May 2024 and effective for annual periods beginning on or after 1 January 2026);
- IFRS 18 - Presentation and Disclosure in Financial Statements (issued April 2024 and effective for annual periods beginning on or after 1 January 2027); and
- Annual Improvements to IFRS Accounting Standards - Volume 11- IFRS 10, IFRS 9, IFRS 1, IAS 7 and IFRS 7 (issued July 2024 and effective for annual periods beginning on or after 1 January 2026).

xv. Assessment of investment entity

The Board of Directors has determined that the Company and its subsidiaries are not an investment entity and therefore the Company's financial statements have been prepared on a consolidated basis, as required by IFRS 10 - Consolidated Financial Statements.

The Board of Directors has assessed if the Company and its subsidiaries satisfy the three essential criteria to be regarded as an investment entity as defined in IFRS 10, IFRS 12 - Disclosure of Interests in Other Entities and IAS 27 - Consolidated and Separate Financial Statements. The three essential criteria are such that the entity must:

1. obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
2. commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
3. measure and evaluate the performance of substantially all of its investments on a fair value basis.

Also as set out in IFRS 10, further consideration should be given to the typical characteristics of an Investment Entity, which are that:

- it should have more than one investment, to diversify the risk portfolio and maximise returns;
- it should have multiple investors, who pool their funds to maximise investment opportunities;
- it should have investors that are not related parties of the entity; and
- it should have ownership interests in the form of equity or similar interests.

B85F of IFRS 10 that deals with exit strategies, stipulates that an entity's investment plans also provide evidence of its business purpose. One feature that differentiates an investment entity from other entities is that an investment entity does not plan to hold its investments indefinitely; it holds them for a limited period. Given equity investments and non-financial asset investments have the potential to be held indefinitely, an investment entity shall have an exit strategy documenting how the entity plans to realise capital appreciation from substantially all of its equity investments and non-financial asset investments.

The Company and its subsidiaries hold their investments primarily for income generation purposes and do not have plans to realise capital appreciation from substantially all of the investments in Partner-firms and non-financial assets in the normal course of operations. The Company and its subsidiaries do not have an exit strategy as defined by IFRS 10 and therefore do not meet one of the essential criteria to be treated as an investment entity.

Accordingly, the Company has not applied the provisions of Para 31 of IFRS 10 that requires an investment company to measure its investment in subsidiaries at fair value through profit or loss. Instead, the Company consolidates the subsidiaries that it controls as discussed in the next section.

xvi. Basis of consolidation of subsidiaries

IFRS 10 requires a parent to consolidate its subsidiaries that it controls. Consolidation of the subsidiaries shall begin from the date the parent obtains control of the subsidiaries and ceases when the parent loses control of the subsidiaries. A parent controls the subsidiaries when the parent is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

The Company consolidates its subsidiaries to the extent it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. The consolidated financial statements of the Group include the results of the Company and its wholly owned subsidiaries listed below.

Name of Subsidiary	Registered office	Purpose	**Interest as at 31 December 2024**	Interest as at 31 December 2023
Held directly				
Petershill Partners Ltd[1]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	100%
Petershill Partners II Ltd[1]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	100%
Petershill Partners, Inc.[1]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners II, Inc.[1,3]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	–
Held indirectly				
PHP DE 1 LP[2,3]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	–
PHP DE 2 LP[2,3]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	–
PHP C1 LP[2,3]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	–
PHP C2 LP[2,3]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	–
Petershill Partners GP Sub I Series LLC[4]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners GP Sub II Series LLC[4]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners GP Sub III Series LLC[4]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners GP Sub IV Series LLC[4]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
PHP Aggregator GP Ltd[5]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	General Partner of Cayman domiciled Petershill holding companies	**100%**	100%
Cook Holdings Series LLC[6]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Knight Holdings Series LLC[6]	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Lyndhurst Holdings LP[6]	One Nexus Way, Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%
Plum Holdings LP[6]	One Nexus Way, Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%
Peasy Holdings LP[6]	One Nexus Way, Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%

1. Referred to as Petershill Subsidiaries.
2. Referred to as Petershill Splitter Subsidiaries.
3. Acquired by the Group on 1 January 2024.
4. Held through the Petershill Splitter Subsidiaries and referred to as Petershill Blockers.
5. Held through Petershill Partners Ltd.
6. Held through the Petershill Blockers and the Petershill Splitter Subsidiaries and referred to as Petershill holding companies.

I. Consolidation of Petershill Subsidiaries and Petershill Blockers

The Company wholly owns the issued interests of the Petershill Subsidiaries and is able to exercise control and power over the Petershill Subsidiaries. Petershill Partners Ltd wholly owns the shares of the Petershill Blockers listed above indirectly through the respective Petershill Splitter Subsidiaries. The financial statements of the Petershill Subsidiaries and Petershill Blockers are consolidated in preparing the financial statements of the Group.

II. Consolidation of Petershill Splitter Subsidiaries

On 1 January 2024, new subsidiaries (the "Petershill Splitter Subsidiaries") were introduced into the Group structure to enable employees of the Operator to be direct beneficiaries of a portion of the Profit Sharing Charge and Divestment Fee (if any) payable by the Group to the Operator. This was done to align the interests in the incentives of the Group, the Operator and the employees of the Operator. There is no change to the amount or timing of any Profit Sharing Charge or Divestment Fee payable by the Group under the original Operator Agreement. Furthermore, this arrangement is not expected to give rise to any material tax consequences for the Group and all initial and ongoing costs of implementing this arrangement are borne by the Operator.

Effective from 1 January 2024, each of the Petershill Subsidiaries entered into a Contribution Agreement with the appropriate Petershill Splitter Subsidiary whereby the Petershill Subsidiaries transferred all of their investments, including their interest in the Petershill Blockers and Petershill holding companies, to the Petershill Splitter Subsidiaries in return for interest in the Petershill Splitter Subsidiaries at the carrying value on the same date (the "Restructure"). The Petershill Splitter Subsidiaries are substantially owned by the respective Petershill Subsidiaries and are fully consolidated into the Group's net asset value. The remainder of the Petershill Splitter Subsidiaries are owned by the respective special limited partners (the "Special Limited Partners"). The Special Limited Partners are invested in the Petershill Splitter Subsidiaries to share a portion of the Profit Sharing Charge and the Divestment Fee along with the Operator and do not have any other economic interest in the Petershill Splitter Subsidiaries (refer to Notes 6 and 20). The transaction is not considered to be a business combination due to the nature of involving entities under common control, which falls outside of the scope of IFRS 3.

III. Consolidation of Petershill holding companies

The Company has consolidated its investment in series and classes of assets that it wholly owns and controls in the Petershill holding companies. Such assets and liabilities are ring-fenced from the overall legal entity and treated as a silo in line with IFRS 10. Specified assets of the series or class are the only source of payment for specified liabilities in that series or class. Holders of other series or class do not have rights or obligations related to the specified assets or to residual cash flows from those assets. Silos that are not directly or indirectly controlled by the Company are not considered to be Subsidiaries and are accordingly not consolidated.

The Petershill Subsidiaries, Petershill Splitter Subsidiaries, Petershill Blockers and Petershill holding companies are collectively referred to as the Subsidiaries.

IV. Accounting for investments in Partner-firms

The Group's investments in Partner-firms are in the nature of non-controlling stakes that do not give rise to control or significant influence over the investees. The Group has assessed and concluded that the provisions contained in IAS 28 and IFRS 9 relating to joint control or accounting for associates are not applicable.

V. Elimination of intra-group balances and transactions

Intra-group balances and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the costs cannot be recovered. The financial results of Subsidiaries that are included in the consolidated financial statements are included from the date that control commences until the date that control ceases.

xvii. Going Concern

In accordance with the Companies Act 2006, the Board of Directors has a responsibility to evaluate whether the Group has adequate resources to continue its operational existence for the foreseeable future and at least for the 12 months following the issuance of the financial statements.

The Board of Directors has made an assessment of going concern, which takes into account the current performance and the Group's outlook, including future projections of profitability and cash flows as well as a downside scenario using information that is available as of the date of these financial statements, and the Group's access to the revolving credit facility and its debt arrangements, details of which are set out in the Financial and Operating Review on page 29. An analysis regarding settlement of liabilities within 12 months after the report date (current) and more than 12 months after the reporting date (non-current) is presented in Note 19.

After making reasonable inquiries and assessing all data relating to the Group's liquidity, the Board has concluded that the Group will be able to continue in operation and meet its liabilities as they fall due, for the 12 months from the date of signing the financial statements. For these reasons, the Company has adopted a going concern basis in preparing the financial statements.

Further information on the Board's going concern statement and viability statement is set out in the Strategic Report on pages 44 to 45.

xviii. Climate change

Climate change and other ESG-related issues may affect the Partner-firms in a variety of ways. The impacts can include items such as fundraising demand, which may have either headwinds or tailwinds depending on the strategy of the fund. The diversity of investments in Partner-firms, and related underlying funds, mitigates the risk to the Group if any, that climate change may have on any one underlying investment made by a Partner-firm.

In preparing the financial statements, the Operator considers the impact of climate change in the valuation of investments, insofar as they are reasonably able. For the years ended 31 December 2024 and 2023, in determining the fair value of the investments in Partner-firms, based on inputs provided by the third-party valuation advisor and discussions with Partner-firms, the Operator concluded that the impact of climate change to valuations is not material at this time and hence did not use climate change as an input for valuations.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on Board experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

Assessment as an investment entity

The Board of Directors has determined that the Company and its Subsidiaries are not an investment entity and therefore the Company's financial statements have been prepared on a consolidated basis, as required by IFRS 10 "Consolidated Financial Statements".

The Board of Directors has determined that the Company and its Subsidiaries do not have an exit strategy as required by IFRS 10 and fail to meet one of the essential criteria to be treated as an Investment Entity. The Company and its Subsidiaries hold their investments primarily for income generation purposes and do not have plans to realise capital appreciation from substantially all of its investments in Partner-firms and non-financial assets in the normal course of operations. Refer to Note 2(xv) for detailed discussion.

Estimates and assumptions

The Group makes estimates and assumptions, which are reviewed by the Board of Directors, that affect the reported amounts of assets and liabilities in the future. Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of investments not quoted in an active market

The Group was formed with the objective of investing in Partner-firms. The targeted Partner-firms are typically well-established multi-billion-dollar alternative investment firms with a track record of strong performance and meaningful cash flow generation and are well-positioned to develop their platform across future fund and product offerings.

The Group participates in the management fee income, performance fee income and investment income earned by the Partner-firms.

The investments in Partner-firms held by the Group are not quoted or traded in an active market and as such their fair values are determined using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The fair values of certain Partner-firms are fair valued with the assistance of a third-party valuation advisor engaged by the Operator.

The models used to determine fair values, which are individually bespoke and have individual assumptions applied to them, are the responsibility of the Operator and are validated and periodically reviewed by appropriately skilled and functionally independent teams within the Operator. In valuing the investments, key assumptions include estimates around future fundraise timing and sizes, expected management and performance fee rates and margins of the Partner-firms, expected current and future fund returns and timing of realisations. These assumptions are driven by factors including data provided by the Partner-firms, guidance provided by management of each Partner-firm, benchmarking analysis of related market data points, and other qualitative and quantitative factors assessed by the Operator for each period.

The inputs in the earnings multiple models include observable data, such as earnings multiples of companies comparable to the relevant Partner-firms, and unobservable data, such as forecast earnings for the Partner-firms and unobservable adjustments, such as those made to multiples. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant Partner-firms and the risk premium for liquidity and credit risk that are incorporated into the discount rate. The discount rates used for valuing investments are determined based on historical returns for other entities operating in the same industry for which market returns are observable.

Fair value of contingent consideration

The fair value of contingent consideration obligations is assessed leveraging the inputs, assumptions and estimates used for the corresponding Partner-firm valuations. These can include estimates around future fundraise timing and sizes, expected management and performance fee rates and margins of the Partner-firms, expected current and future fund returns and timing of realisations. The models include estimates of probabilities of the likelihood of those contingent payments and receipts against their contractual thresholds and milestones. The Operator uses a number of different valuation techniques, at its discretion, but primarily relies on the income approach which applies discounted cash flow techniques based on the estimated future payments and discount rates. Discount rates are determined based on the risk profile of the potential future payments which can be based on the returns applied to the same Partner-firm valuations or an effective interest rate on similar borrowings.

Liability for Tax Receivables Agreement

This estimate assumes that Petershill Partners, Inc. utilises the deductions arising from the increase in tax basis and any interest imputed with respect to its payment obligations under the Tax Receivables Agreement based on projections of its taxable income, and that there would be no future changes to the 21% US statutory federal tax rate. To the extent that the stepped-up tax basis is amortisable the Group has projected the amortisation of the step-up tax basis to occur over 15 years. To the extent that the step-up tax basis is not amortisable, the realisation of a benefit is outside of the Group's control and would only occur if the Partner-firm disposes of or otherwise realises a taxable gain or loss on the sale of the asset, and therefore the Group has estimated there would be no tax benefit in computing the payment obligation under the Tax Receivables Agreement with respect to that stepped-up tax basis. The Group applied a discount rate of 18%.

It should be noted that in certain circumstances if Petershill Partners, Inc. disposes of an underlying investment, it is possible that Petershill Partners, Inc. will not be obligated to make payments under the Tax Receivables Agreement. The likelihood of such an event has been considered in estimating the amount of the liability under the Tax Receivables Agreement.

The Group is not aware of any issue that would cause the taxing authorities to challenge a tax basis increase. However, the applicable Petershill Funds and their Subsidiaries will not reimburse Petershill Partners, Inc. for any payments previously made under the Tax Receivables Agreement if the related tax benefits that it claims arising from such increase, are successfully challenged by the applicable taxing authorities. As a result, in certain circumstances, payments under the Tax Receivables Agreement could be in excess of the relevant cash tax savings derived from the Tax Receivables Agreement.

In arriving at the liability for Tax Receivables Agreement, the Operator has assumed the applicable US federal and state combined tax rate to be 25.7% (31 December 2023: 25.7%) and considers the same as a significant estimate used in accruing the liability. For every change in tax rate by 5%, the liability for Tax Receivables Agreement would change by $32.2 million (31 December 2023: $36.8 million).

As indicated above, the Operator has projected both the current and future taxable income of Petershill Partners, Inc. that would be available to utilise the deductions arising from the increase in tax basis and any interest imputed with respect to the payment obligations under the Tax Receivables Agreement.

However, if the final tax returns filed for the year do not result in sufficient current taxable income to fully utilise the deductions as projected, there would be a reduction in the amount actually paid under the Tax Receivables Agreement. The reductions in payment obligations as a result of insufficient current taxable income will ultimately be paid in future years if taxable income exceeds the amount that is offset by the amortisation of the stepped-up tax basis in that year. The Operator expects the Group to have sufficient taxable income available in future years based on its best estimate of income projections available at 31 December 2024 to fully utilise the deductions arising from the increase in tax basis and any interest imputed with respect to the payment obligations under the Tax Receivables Agreement.

As at 31 December 2024, the carrying value of the liability for Tax Receivables Agreement was reported at amortised cost at a value of $159.0 million (31 December 2023: $174.7 million). The fair value of the liability for Tax Receivables Agreement is estimated at $154.1 million (31 December 2023: $166.6 million). The fair value of the liability for Tax Receivables Agreement would be classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs. A 3.0% increase/decrease in the underlying discount rate would result in a decrease/increase in fair value of approximately $15.9 million and $19.7 million respectively (31 December 2023: $21.0 million and $25.1 million respectively). The discount rate was determined based on the cost of capital adjusted for risks related to the potential elimination of the payments due to possible future disposal of the underlying investments.

4. Financial assets at fair value through profit or loss

Investments at fair value through profit or loss

The Group's investments include investments in Partner-firms, which hold a diversified portfolio of investments in private equity, absolute return, private credit and private real assets. This includes both current and non-current investments.

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Opening balance	**5,254.7**	4,958.9
Additions[1]	**192.1**	66.8
Disposals	**(507.6)**	–
In kind distribution of Investments in Partner-firms	**6.1**	0.2
Other movements	**–**	1.8
Change in investments at fair value through profit or loss[2]	**866.7**	227.0
Closing balance	**5,812.0**	5,254.7

1. Of the above, $85.1 million (31 December 2023: $nil) relates to consideration payable on a deferred basis, -$4.1 million relates to returns of dividend reinvestments (31 December 2023: $57.0 million relates to dividend reinvestments) and $111.1 million (31 December 2023: $9.8 million) relates to consideration payable on an upfront basis.
2. Of the above, an amount of $837.6 million (31 December 2023: $227.0 million) relates to unrealised gain on fair value of current and non-current investments held at year end and $29.1 million (31 December 2023: $nil) relates to year-to-date realised gain on fair value of investments disposed of during the year.

On 15 January 2025, the Group closed on the sale of a portion of one of its investments in Partner-firms, which was originally acquired by the Group in 2021, for a total consideration of $726.2 million. As at 31 December 2024, the portion of the investment sold is classified as held for sale and recorded as a current asset, at its fair value of $726.2 million, within Investments at fair value through profit or loss in the Consolidated Statement of Financial Position. Refer to Note 2(iv) for more details on the Group's policy.

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes "observable" requires significant judgement by the Group. The Board of Directors considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the assets and liabilities (by class) measured at fair value:

31 December 2024	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets				
Investments in money market funds at fair value through profit or loss	**–**	**8.9**	**–**	**8.9**
Contingent consideration at fair value through profit or loss (current and non-current)	**–**	**–**	**95.8**	**95.8**
Investments at fair value through profit or loss (current and non-current)	**2.1**	**–**	**5,809.9**	**5,812.0**
Liabilities				
Contingent consideration at fair value through profit or loss (current and non-current)	**–**	**–**	**(8.1)**	**(8.1)**

31 December 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Investment in money market funds at fair value through profit or loss	–	62.3	–	62.3
Investments at fair value through profit or loss	0.2	–	5,254.5	5,254.7
Liabilities				
Contingent consideration at fair value through profit or loss (current and non-current)	–	–	(6.4)	(6.4)

The fair value of investments in money market funds is based on the daily published net asset value of each fund and is therefore considered Level 2. Investments in listed stocks are classified as Level 1. Due to the nature of the investments in Partner-firms, they are always expected to be classified as Level 3. The fair value of contingent consideration is determined based on a combination of unobservable inputs, including discounted cash flow models, probability-weighted scenarios, and the Operator's assessment of performance targets. Given the reliance on significant judgement and estimation, the fair value can be classified as Level 3. However, if observable market data significantly influences the valuation, it may be classified as Level 2.

There have been no transfers between levels during the year. Any transfers between the levels would be accounted for on the last day of each financial year.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

Key assumptions including the timing and size of future fund raises by Partner-firms, future performance of funds managed by the Partner-firms, the timing of exits of investments managed by Partner-firms and margins of the Partner-firms are estimates made by the Operator and are not certain. The choice of discount rate or market multiple is somewhat correlated to the assumptions made above. The discount rates and multiples are therefore considered to be the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy. These, together with a quantitative sensitivity analysis as at 31 December 2024 and 31 December 2023, are as shown below:

Level 3 investments	Market value as of 31 December 2024	Significant unobservable inputs by valuation technique [1]	Range of significant unobservable inputs as of 31 December 2024	Weighted average	Reasonable shift [4]	Valuation sensitivity	
Investments in Management Companies: Private Markets	**Market Approach:**				**-/+**	**-**	**+**
	$1,398.1	**Profit Multiple - FRE[2]**	**12.0x - 24.0x**	**16.1x**	**1.0x**	**($89.6)**	**$89.6**
	$258.4	**Asset Based Multiple**	**1.0x**	**1.0x**	**10.0%**	**($25.8)**	**$25.8**
	Income Approach:						
	$1,463.3	**Terminal Multiple - FRE[2]**	**5.4x - 19.0x**	**15.4x**	**0.7x**	**($37.1)**	**$38.8**
		Discount Rate - FRE	**8.0% - 18.4%**	**11.9%**	**1.0%**	**($100.6)**	**$112.3**
	$1,617.6	**Terminal Multiple - PRE[3]**	**3.6x - 10.5x**	**6.6x**	**0.8x**	**($28.0)**	**$28.5**
		Discount Rate - PRE	**13.0% - 34.0%**	**24.1%**	**2.0%**	**($110.7)**	**$127.4**
Investments in Management Companies: Absolute Return	**Market Approach:**				**-/+**	**–**	**+**
	$115.1	**Profit Multiple - FRE[2]**	**7.9x**	**7.9x**	**1.7x**	**($24.9)**	**$24.9**
	$14.0	**Profit Multiple - PRE[3]**	**4.4x**	**4.4x**	**2.0x**	**($6.4)**	**$6.4**
	$15.8	**Asset Based Multiple**	**1.0x**	**1.0x**	**10.0%**	**($1.6)**	**$1.6**
	Income Approach:						
	$170.0	**Terminal Multiple - FRE[2]**	**5.7x - 7.4x**	**7.3x**	**1.1x**	**($13.1)**	**$17.1**
		Discount Rate - FRE	**13.5% - 17.6%**	**13.7%**	**2.0%**	**($13.2)**	**$17.4**
	$31.4	**Terminal Multiple - PRE[3]**	**3.4x - 4.1x**	**4.0x**	**0.6x**	**($2.8)**	**$3.6**
		Discount Rate - PRE	**24.2% - 29.8%**	**24.9%**	**3.6%**	**($2.4)**	**$3.2**

The above table excludes an amount of $726.2 million as at 31 December 2024 in relation to Level 3 investments, for which the Operator did not have significant estimation uncertainty.

Level 3 investments	Market value as of 31 December 2023	Significant unobservable inputs by valuation technique [1]	Range of significant unobservable inputs as of 31 December 2023	Weighted average	Reasonable shift [4]	Valuation sensitivity	
Investments in Management Companies: Private Markets	Market Approach:				-/+	-	+
	$1,201.9	Profit Multiple - FRE[2]	10.0x - 23.5x	14.5x	1.0x	($87.3)	$87.4
	$405.6	Asset Based Multiple	1.0x	1.0x	10.0%	($40.6)	$40.6
	Income Approach:						
	$1,670.3	Terminal Multiple - FRE[2]	4.7x - 17.5x	13.2x	0.7x	($42.0)	$43.4
		Discount Rate - FRE	8.0% - 21.4%	13.0%	1.0%	($110.1)	$122.3
	$1,460.9	Terminal Multiple - PRE[3]	2.7x - 10.0x	5.5x	0.8x	($32.9)	$34.1
		Discount Rate - PRE	13.0% - 37.0%	25.2%	2.0%	($107.0)	$123.6
Investments in Management Companies: Absolute Return	Market Approach:				-/+	–	+
	$135.2	Profit Multiple - FRE[2]	8.2x	8.2x	1.6x	($10.1)	$10.1
	$82.8	Profit Multiple - PRE[3]	4.5x - 5.0x	4.7x	2.0x	($14.2)	$14.2
	$17.5	Asset Based Multiple	1.0x	1.0x	10.0%	($1.7)	$1.7
	Income Approach:						
	$178.1	Terminal Multiple - FRE[2]	6.1x - 7.5x	7.4x	1.1x	($13.2)	$17.4
		Discount Rate - FRE	13.3% - 16.4%	13.6%	2.0%	($13.2)	$17.4
	$102.0	Terminal Multiple - PRE[3]	3.3x - 5.3x	4.5x	0.7x	($7.6)	$10.1
		Discount Rate - PRE	19.0% - 30.3%	22.9%	3.4%	($7.5)	$10.1

1. The fair value of any one instrument may be determined using multiple valuation techniques. For example, market comparable and discounted cash flows may be used together to determine fair value. Therefore, the Level 3 balance encompasses both of these techniques.
2. The range consists of multiples on management fee-related earnings ("FRE") and may represent historical or forward-looking multiples.
3. The range consists of multiples on performance-related earnings ("PRE") and may represent historical or forward-looking multiples.
4. The increase or decrease in the unobservable inputs may not be shifted negatively and positively by an equal amount. For the asset categories that have different reasonable possible shifts, the above table discloses the weighted average of the respective negative and positive shift.

As the Group's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

The below is a reconciliation of Level 3 assets held at fair value through profit or loss:

Level 3 Instrument	**For the year ended 31 December 2024 $m**	For the year ended 31 December 2023 $m
Assets		
Opening balance	**5,254.5**	4,958.9
Additions[1]	**192.1**	66.8
Disposals	**(503.9)**	–
Other movements	**–**	1.8
Change in investments at fair value through profit or loss[2]	**867.2**	227.0
	5,809.9	5,254.5

1. Of the above, $85.1 million (31 December 2023: $nil) relates to consideration payable on a deferred basis, -$4.1 million relates to returns of dividend reinvestments (31 December 2023: $57.0 million relates to dividend reinvestments) and $111.1 million (31 December 2023: $9.8 million) relates to consideration payable on an upfront basis.
2. Of the above, an amount of $837.9 million (31 December 2023: $227.0 million) relates to unrealised gain on fair value of current and non-current investments held at year end and $29.3 million (31 December 2023: $nil) relates to year-to-date realised gain on fair value of investments disposed of during the year.

Contingent consideration at fair value through profit or loss

In addition to above, the Group has $95.8 million (31 December 2023: $nil) of Level 3 assets and $8.1 million (31 December 2023: $6.4 million) of Level 3 liabilities as at 31 December 2024. The assets represent a portion of the total consideration which is probable under contingent consideration agreements in connection with its sale of investments in certain Partner-firms, wherein the Group may receive additional consideration based on the underlying terms of the sale agreement. The liabilities represent a portion of the total consideration which is probable under the contingent consideration agreements in connection with its investments in certain Partner-firms wherein the Group may have to pay additional consideration based on the underlying Partner-firms' ability to raise capital or meet certain revenue thresholds as defined in the relevant investment agreement. For the year ended 31 December 2024, the Group recorded a net fair value gain of $6.9 million (2023: loss of $6.4 million) on contingent consideration in the Consolidated Statement of Comprehensive Income, comprising of $8.6 million increase (2023: $nil) in contingent consideration assets and $1.7 million increase (2023: $6.4 million increase) in contingent consideration liabilities.

As at 31 December 2024, an increase/decrease in the underlying discount rate of 2.9% (31 December 2023: n/a) would result in a decrease/increase in the fair value of contingent consideration assets of -$4.3 million/+$5.0 million (31 December 2023: n/a) respectively.

As at 31 December 2024, an increase/decrease in the underlying discount rate of 1.9% (31 December 2023: 1.0%) would result in a decrease/increase in the fair value of the contingent consideration liabilities of -$0.1 million/+$0.1 million (31 December 2023: -$0.04 million/+$0.02 million) respectively.

Deferred consideration receivable

The Group has $152.8 million (31 December 2023: $nil) of deferred consideration receivable recorded in the Consolidated Statement of Financial Position as at 31 December 2024 and the carrying amount is imputed at an effective interest rate of 7.0% (31 December 2023: n/a). The assets represent a portion of the total consideration which is due to the Group on a deferred basis in connection with its sales of investments in certain Partner-firms. The assets are held at amortised cost. During the year ended 31 December 2024, the Group recorded $2.4 million (2023: $nil) of finance income in the Consolidated Statement of Comprehensive Income in relation to the accretion of the assets.

As at 31 December 2024, an increase/decrease in the underlying discount rate of 1.0% would result in a decrease/increase in the carrying amount of deferred consideration receivable of -$0.7 million/+$0.7 million (31 December 2023: n/a) respectively.

Deferred payment obligations

The Group has $87.8 million (31 December 2023: $51.9 million) of deferred payment obligations recorded in the Consolidated Statement of Financial Position as at 31 December 2024 and the carrying amount is imputed at an effective interest rate of 3.2% (31 December 2023: 2.4%). These liabilities represent a portion of the total consideration which is due from the Group on a deferred basis in connection with its purchases of investments in certain Partner-firms wherein the Group is required to pay additional consideration on an agreed future date. The liabilities are held at amortised cost. During the year ended 31 December 2024, the Group recorded $6.1 million (2023: $6.0 million) of finance cost in the Consolidated Statement of Comprehensive Income in relation to the amortisation of the liabilities.

As at 31 December 2024, an increase/decrease in the underlying discount rate of 1.0% would result in a decrease/increase in the carrying amount of deferred payment obligations of -$0.6 million/+$0.6 million (31 December 2023: -$0.5 million/+$0.5 million) respectively.

Investments in money market funds

The Group invests its overnight cash balance in money market funds representing a collective investment scheme promoted by an affiliate of the Operator. As at 31 December 2024, the money market funds were AAA (31 December 2023: AAA) rated. These investments are redeemable at short notice and have been classified as debt investments. As at 31 December 2024, the Group held investments in money market funds of $8.9 million (31 December 2023: $62.3 million) and during the year ended 31 December 2024 earned interest of $7.7 million (2023: $24.7 million).

5. Cash and cash equivalents

	31 December 2024 $m	31 December 2023 $m
Cash at bank	**14.5**	92.9
Fixed term deposit	**–**	150.0
	14.5	242.9

On 14 December 2023, the Company entered into a fixed term deposit of $150.0 million, which matured on 15 March 2024. Interest was earned on the fixed term deposit at a rate of 5.4% per annum. During the year ended 31 December 2024, the Company earned $1.7 million (2023: $0.4 million) of interest which is included in Interest income from other assets in the Consolidated Statement of Comprehensive Income.

6. Operator charges

On 1 January 2024, the Special Limited Partners contributed to each of the Petershill Splitter Subsidiaries as part of the Restructure (see Note 2) in return for a share in the Profit Sharing Charge and Divestment Fee previously due solely to the Operator. The total fees due to the paid by the Group did not change as a result.

Recurring Operating Charges

Under the Operator Agreement, the Operator is entitled to Recurring Operating Charges on a quarterly basis, such Recurring Operating Charges consisting of, in aggregate, 7.5% of the Group's relevant income from investments, as defined under IFRS, for the relevant quarter. For the year ended 31 December 2024, the income attributable to assets owned by the Group on which Recurring Operating Charges was earned amounted to $322.8 million (2023: $292.1 million).

Amounts recorded as Recurring Operating Charges during the year ended 31 December 2024 were $24.2 million (2023: $21.9 million), of which $7.0 million (31 December 2023: $6.6 million) was outstanding as at 31 December 2024. These amounts will be paid in accordance with the terms of the Operator Agreement.

Profit Sharing Charge

The Operator and Special Limited Partners are entitled to a profit sharing charge (the "Profit Sharing Charge") on a quarterly basis in arrears, which in aggregate shall be an amount equal to 20% of the total dividend income from each new investment ("New Investment") made by the Group after the Admission in the relevant fiscal quarter (net of any Recurring Operating Charges in respect of such New Investment), beginning in the ninth fiscal quarter from the date on which the New Investment closed and subject to such New Investment having achieved a return of 6% per annum calculated using the total invested capital funded to the pertinent date. These amounts will be paid in accordance with the terms of the Operator Agreement.

The aggregate of the Recurring Operating Charges and the Profit Sharing Charge is capped at 15% of the Group's income from investments in Partner-firms for the relevant quarter excluding any Divestment Fee payable for such quarter.

Amounts recorded as Profit Sharing Charge during the year ended 31 December 2024 were $0.6 million and $0.9 million (2023: $0.1 million and $nil) to the Operator and Special Limited Partners respectively, and an amount of $0.3 million and $0.3 million (31 December 2023: $0.1 million and $nil) was outstanding to the Operator and Special Limited Partners as at 31 December 2024 respectively. These amounts will be paid in accordance with the terms of the Operator Agreement.

Divestment Fee

The Operator and Special Limited Partners are entitled to a divestment fee ("Divestment Fee") calculated at 20% of the total Divestment Profit in the relevant quarter in relation to the Group's investments. Divestment Profit refers to the cash flows realised from the sale or divestment of assets calculated as the sale price minus the contribution value of such asset, excluding any dividend income received over the holding period and on which the Group has already paid Recurring Operating Charges and, in the case of New Investments, Profit Sharing Charge.

Although the Group does not have an exit strategy for its investments, it may be subject to exits or realisations at underlying Partner-firms and as such an accrual is reflected in the accounts representing an amount that would be payable if the Group were to exit all of its investments at the fair value reflected in these financial statements. As at 31 December 2024, an amount of $247.3 million (31 December 2023: $94.8 million), of which $119.5 million and $127.8 million would be due to the Operator and Special Limited Partners respectively (31 December 2023: $94.8 million and $nil), has been accrued towards fee payable on divestment of investments, of which $1.2 million (2023: $nil) related to disposals during the year ended 31 December 2024 and will be paid in accordance with the terms of the Operator Agreement.

7. Audit fees

Other operating expenses include fees payable to the Group's Auditors and its affiliates, which can be analysed as follows:

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Fees to the Company's Auditors[1]		
for audit of the statutory financial statements of £1.1million (2023: £0.9million)[2]	**1.4**	1.2
for audit-related assurance services of £0.1million (2023: £0.1million)	**0.1**	0.1
	1.5	1.3

1. All fees are excluding VAT.
2. The audit fee of £1.1 million for the year ended 31 December 2024 includes an amount of £54 thousand (excluding VAT) or £65 thousand (including VAT) relating to additional billing for the 2023 audit.

For the year ended 31 December 2024, the Company's Auditors were paid £0.1 million (2023: £0.1 million) in relation to its review of the Group's condensed interim consolidated financial statements and the same is included under audit-related assurance services.

8. Tax

The Group's income tax expense can be analysed as follows:

Amounts recognised in profit and loss	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Current tax expense:		
Adjustments for current tax of prior periods	**0.9**	12.7
Tax charge at standard US corporation tax rate	**1.9**	1.3
Tax charge at standard UK corporation tax rate	**4.9**	9.5
Withholding tax	**5.4**	–
Total current tax expense	**13.1**	23.5
Deferred tax expense:		
Origination and reversal of temporary differences	**152.0**	65.3
Adjustments for deferred tax of prior periods	**(12.2)**	5.9
Movements in unrecognised tax benefits	**(19.3)**	(16.7)
Other	**1.8**	–
Effect of changes in tax rates	**(2.3)**	(2.0)
Total deferred tax expense	**120.0**	52.5
Total income tax expense	**133.1**	76.0

The differences in the effective tax rate for the period and the standard rate of corporation tax in the UK at 25.0% (2023: 23.5%) are as follows:

Reconciliation of effective tax rate	US $m	UK $m	Other $m	For the year ended 31 December 2024 $m	%
Profit/(loss) before tax	**654.1**	**834.2**	**(522.8)**	**965.5**	
Tax charge/(credit) at standard UK corporation tax rate	**163.5**	**208.6**	**(130.7)**	**241.4**	**25.0%**
Foreign rate differential	**(26.2)**	**–**	**(76.8)**	**(103.0)**	**(10.7%)**
Intra-group dividend income not taxable	**–**	**(65.9)**	**65.9**	**–**	**–%**
US tax expense related to PLC income	**0.5**	**–**	**–**	**0.5**	**0.1%**
State and Local taxes	**14.2**	**–**	**–**	**14.2**	**1.5%**
Adjustments for prior periods	**4.1**	**(1.1)**	**–**	**3.0**	**0.3%**
Tax on partnership profits	**–**	**3.9**	**–**	**3.9**	**0.4%**
Other	**1.8**	**–**	**5.3**	**7.1**	**0.7%**
Deferred tax adjustment, net of Initial Recognition Exemption ("IRE")	**(14.7)**	**–**	**–**	**(14.7)**	**(1.5%)**
Movements in unrecognised deferred tax	**(19.3)**	**(141.6)**	**141.6**	**(19.3)**	**(2.0%)**
Total income tax expense	**123.9**	**3.9**	**5.3**	**133.1**	**13.8%**

Reconciliation of effective tax rate US jurisdiction	For the year ended 31 December 2024 $m	%
Profit before tax	**654.1**	
Total tax at the standard local country corporation tax rate	**137.3**	**21.0%**
US tax expense related to PLC income	**0.5**	**0.1%**
State and Local taxes	**14.2**	**2.2%**
Adjustments for prior periods (US Tax)	**4.1**	**0.6%**
Other	**1.8**	**0.3%**
Deferred tax adjustment, net of IRE	**(14.7)**	**(2.2%)**
Movements in unrecognised deferred tax	**(19.3)**	**(3.0%)**
Total income tax expense	**123.9**	**19.0%**

Reconciliation of effective tax rate	US $m	UK $m	Other $m	For the year ended 31 December 2023 $m	%
Profit/(loss) before tax	207.7	328.5	(139.1)	397.1	
Tax charge at standard UK corporation tax rate	48.8	77.3	(32.7)	93.4	23.5%
Foreign rate differential	(5.2)	–	(28.6)	(33.8)	(8.5%)
Intra-group dividend income not taxable	10.5	(23.5)	13.0	–	–%
US tax expense related to PLC income	1.3	–	–	1.3	0.3%
State and Local taxes	9.3	–	–	9.3	2.3%
Adjustments for prior periods	6.3	12.1	–	18.4	4.6%
Tax on partnership profits	–	4.1	–	4.1	1.0%
Movements in unrecognised deferred tax	(16.7)	(48.3)	48.3	(16.7)	(4.2%)
Total income tax expense	54.3	21.7	–	76.0	19.0%

Reconciliation of effective tax rate US jurisdiction	For the year ended 31 December 2023 $m	%
Profit before tax	207.7	
Total tax at the standard local country corporation tax rate	43.6	21.0 %
Intra-group dividend income not taxable	10.5	5.1 %
US tax expense related to PLC income	1.3	0.6 %
State and Local taxes	9.3	4.5 %
Adjustments for prior periods (US Tax)	6.3	3.0 %
Movements in unrecognised deferred tax	(16.7)	(8.0)%
Total income tax expense	54.3	26.2 %

The tax disclosures for the years ended 31 December 2024 and 31 December 2023 have been updated such that the tax impact of items which are eliminated on consolidation (being intercompany dividends and gains/losses on subsidiary investments) is offset in the tax reconciliation. There is no change in the tax expense in either year.

The Investments in Partner-firms were a purchase of assets for income tax purposes. Due to differences in the computation of the purchase price of the Partner-firms as well as the impact of the Tax Receivables Agreement, temporary differences arose on the acquisition. Due to initial recognition exception under paragraphs 15 and 24 of IAS 12 – Income Taxes no deferred tax is recognised in respect of these original temporary differences.

The UK statutory corporation tax rate increased from 19% to 25% with effect from 1 April 2023. The UK statutory rate for the year ended 31 December 2024 is therefore 25.00% (2023: blended rate of 23.54%). Deferred tax assets and liabilities in the UK as at 31 December 2024 have been calculated based on the 25% rate (31 December 2023: 25%). Deferred tax assets and liabilities in the US as at 31 December 2024 have been calculated based on the US federal statutory rate of 21% (31 December 2023: 21%) and estimated effective state tax rate of 2.93% (31 December 2023: 5.48%).

In 2023, the Finance (No. 2) Act 2023 enacted certain provisions of the G20-Organisation for Economic Co-operation and Development (OECD) Global Anti-Base Erosion Model Rules (Pillar Two), including a Domestic Minimum Top-up Tax and Income Inclusion rule. This legislation seeks to ensure that UK headquartered multinational enterprises pay a minimum tax rate of 15% on UK and overseas profits arising after 31 December 2023. The legislation applies for a period to groups with revenues in excess of €750 million in at least two of the previous four periods. The Group is not within the scope of Pillar Two in the year ended 31 December 2024. The application of Pillar Two to the Group shall continue to be closely monitored.

9. Deferred tax liability

Movement in deferred tax balances

	Net balance 1 January 2024 $m	Recognised in profit or loss $m	Recognised in OCI/equity $m	Foreign exchange $m	Net balance 31 December 2024 $m	Deferred tax assets $m	Deferred tax liabilities $m
Investment in Partner-firms	**(70.4)**	**(150.0)**	**–**	**–**	**(220.4)**	**–**	**(220.4)**
Tax Receivables Agreement	**23.6**	**2.9**	**–**	**–**	**26.5**	**26.5**	**–**
Deferred payment obligations	**(0.1)**	**0.1**	**–**	**–**	**–**	**–**	**–**
Divestment fee	**16.6**	**23.0**	**–**	**–**	**39.6**	**39.6**	**–**
Other	**6.9**	**3.3**	**–**	**–**	**10.2**	**10.2**	**–**
Losses	**15.2**	**(0.9)**	**–**	**–**	**14.3**	**14.3**	**–**
Capital loss	**–**	**1.6**	**–**	**–**	**1.6**	**1.6**	**–**
	(8.2)	**(120.0)**	**–**	**–**	**(128.2)**	**92.2**	**(220.4)**

	Net balance 1 January 2023 $m	Recognised in profit or loss $m	Recognised in OCI/equity $m	Foreign exchange $m	Net balance 31 December 2023 $m	Deferred tax assets $m	Deferred tax liabilities $m
Investment in Partner-firms	18.4	(88.8)	–	–	(70.4)	–	(70.4)
Tax Receivables Agreement	17.3	6.3	–	–	23.6	23.6	–
Deferred payment obligations	(0.6)	0.5	–	–	(0.1)	–	(0.1)
Divestment fee	7.1	9.5	–	–	16.6	16.6	–
Other	0.8	6.1	–	–	6.9	6.9	–
Losses	1.0	14.2	–	–	15.2	15.2	–
	44.0	(52.2)	–	–	(8.2)	62.3	(70.5)

After considering jurisdictional netting, the deferred tax balances shown above are presented on a net basis on the Consolidated Statement of Financial Position.

The gross deferred tax asset as at 31 December 2024 was $92.2 million (31 December 2023: $62.3 million). As at 31 December 2024, it is expected that $30.7 million (31 December 2023: $7.6 million) of the deferred tax asset will be recovered within the next 12 months and the remaining $61.5 million (31 December 2023: $54.7 million) of the deferred tax asset will be recovered after 12 months.

Losses carried forward as at 31 December 2024 will expire as follows:

	US $m	UK $m	Total $m
2025	**–**	**–**	**–**
2026 and onwards	**–**	**–**	**–**
Unlimited	**63.8**	**–**	**63.8**
	63.8	**–**	**63.8**

Losses carried forward as at 31 December 2023 will expire as follows:

	US $m	UK $m	Total $m
2024	–	–	–
2025 and onwards	–	–	–
Unlimited	58.0	–	58.0
	58.0	–	58.0

Unrecognised deductible temporary differences and unused tax losses

Deferred tax liabilities/assets have not been recognised in respect of the following items:

	31 December 2024 $m	31 December 2023 $m
(Taxable)/deductible temporary differences (UK) - no expiration	**(75.2)**	66.4
Deductible temporary differences (US) - subject to initial recognition exception	**10.4**	35.4
	(64.8)	101.8

Unrecognised taxable temporary differences associated with investments and interests in Partner-firms

The Investments in Partner-firms were a purchase of assets for income tax purposes. Due to differences in the computation of the purchase price of the Investments in Partner-firms as well as the impact of the Tax Receivables Agreement, temporary differences arose on the acquisition. Under the Initial Recognition Exemption under paragraphs 15 and 23 of IAS 12, these temporary differences were not recognised at the time of the original purchase. Consequently, as the unrecognised temporary differences reverse there will be no net impact to tax expense in the financial statements.

Further, to the extent that the Group has recognised unrealised losses with respect to the investments and interests in Partner-firms, such losses may result in a deferred tax asset to the extent that the unrealised losses are not currently deductible for income tax purposes. To the extent the recovery of these deferred tax assets will only result in future losses that may offset a future capital gain, the Group has not recognised the associated deferred tax assets unless it is probable that there will be sufficient income of the appropriate character in the future to utilise the associated tax benefits. As of 31 December 2024, the amount recognised is $1.6 million related to capital losses that are expected to offset capital gains arising from future disposals.

Uncertainty over income tax treatments

The Group has not identified any reserves related to uncertainty over income tax treatments as of 31 December 2024 or 31 December 2023.

10. Finance cost

	31 December 2024 $m	31 December 2023 $m
Interest on Unsecured Notes	**28.3**	28.3
Interest on Deferred payment obligations	**6.1**	6.0
Commitment fees	**0.4**	0.4
Borrowing cost amortisation	**0.6**	0.6
Other finance charges	**1.3**	1.8
	36.7	37.1

11. Earnings per share

	For the year ended 31 December 2024	For the year ended 31 December 2023
Profit attributable to equity holders of the Company ($m)	**832.4**	321.1
Weighted average number of Ordinary Shares in issue	**1,098,004,286**	1,131,506,310
Basic and diluted earnings per share from continuing operations in the year (cents)	**75.81**	28.38

The weighted average number of shares for the year ended 31 December 2024 and 31 December 2023 is calculated on a time weighted basis based on the timing of issue and redemption of Ordinary Shares. There are no dilutive shares in issue.

12. Trade and other receivables

	31 December 2024 $m	31 December 2023 $m
Amounts receivable from Investments	**147.6**	105.9
Tax recoverable	**12.5**	10.4
Prepayments	**1.3**	1.9
Other receivables	**4.2**	9.2
	165.6	127.4

13. Unsecured Notes payable

On 24 August 2022, Petershill Partners, Inc. issued US private placement senior unsecured notes (the "Unsecured Notes") to a group of institutional investors. The Unsecured Notes issued by Petershill Partners, Inc. are guaranteed by the Company.

The Unsecured Notes are comprised of five tranches:

Unsecured Notes	Notional (US$)	Tenor (years)	Maturity	Fixed Coupon
Series A	125,000,000	7	2029	5.51%
Series B	175,000,000	10	2032	5.54%
Series C	80,000,000	12	2034	5.69%
Series D	80,000,000	15	2037	5.84%
Series E	40,000,000	20	2042	6.14%

Petershill Partners, Inc. may be subject to pay a Make-Whole Amount (as contained in the Note Purchase Agreement) contingent upon certain principal repayment, prepayment or redemption of the Unsecured Notes in accordance with the provisions of the Note Purchase Agreement. Absent an intent by the Group to prepay the Unsecured Notes, no accrual for such Make-Whole Amount has been made as at 31 December 2024 or 31 December 2023.

In accordance with the Note Purchase Agreement, the Petershill Partners, Inc. is subject to various financial and non-financial covenants. The two financial covenants that the Petershill Partners, Inc. must adhere to are 1) the leverage ratio shall not exceed 4:1 and 2) the AuM shall not be less than the required minimum AUM amount (as defined in the Note Purchase Agreement). The Operator monitors the covenant requirements on at least a six-monthly basis. There have been no breaches of these covenants during the year.

As at 31 December 2024, the outstanding amount of the Unsecured Notes was $500.0 million (31 December 2023: $500.0 million). The carrying value of the Unsecured Notes was reported at amortised cost and was net of unamortised debt issuance costs of $5.6 million (31 December 2023: $6.2 million) in an amount of $494.4 million (31 December 2023: $493.8 million). For the year ended 31 December 2024, the effective interest rate on the Unsecured Notes was 6.2% per annum (2023: 6.2% per annum).

As of 31 December 2024, the fair value of the Unsecured Notes payable is estimated at $478.7 million (31 December 2023: $467.0 million) calculated based on discounted cash flows using the discount rate of 6.4% at 31 December 2024 and 6.6% at 31 December 2023 respectively. The Unsecured Notes payable would be classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs, including the Group's own credit risk. A 3.0% increase/decrease in the underlying discount rate would result in a movement in fair value of approximately -$82.2 million / +$107.4 million respectively (31 December 2023: -$87.0 million/+$113.6 million) or -17.2%/+22.4% (31 December 2023: -18.6%/+24.3%).

14. Net Debt Reconciliation

	31 December 2024 $m	31 December 2023 $m
Unsecured Notes payable	**494.4**	493.8
Interest payable	**10.0**	10.0
	504.4	503.8

Liabilities from financing activities for the year ended 31 December 2024

	Unsecured Notes Payable $m	Interest Payable $m
Net debt at 1 January 2024	**493.8**	**10.0**
Repayment of interest	**–**	**(28.3)**
Interest expense	**–**	**28.3**
Borrowing costs amortised	**0.6**	**–**
Net debt as at 31 December 2024	**494.4**	**10.0**

Liabilities from financing activities for the year ended 31 December 2023

	Unsecured Notes Payable $m	Interest Payable $m
Net debt at 1 January 2023	493.2	10.0
Repayment of interest	–	(28.3)
Interest expense	–	28.3
Borrowing costs amortised	0.6	–
Net debt as at 31 December 2023	493.8	10.0

15. Share capital and other reserve

For the year ended 31 December 2024

Date	Issued and fully paid	Number of Shares Issued	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Total $m
Shares at 1 January 2024		1,122,202,824	**11.2**	**–**	**1,689.6**	**0.5**	**1,701.3**
	Repurchase of Ordinary Shares – $0.01	(40,494,657)	**(0.4)**	**–**	**–**	**0.4**	**–**
Closing balance as at 31 December 2024		1,081,708,167	**10.8**	**–**	**1,689.6**	**0.9**	**1,701.3**

For the year ended 31 December 2023

Date	Issued and fully paid	Number of Shares Issued	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Total $m
Shares at 1 January 2023		1,135,399,597	11.4	3,346.7	1,689.6	0.3	5,048.0
	Share premium cancellation	–	–	(3,346.7)	–	–	(3,346.7)
	Repurchase of Ordinary Shares – $0.01	(13,196,773)	(0.2)	–	–	0.2	–
Closing balance as at 31 December 2023		1,122,202,824	11.2	–	1,689.6	0.5	1,701.3

On 17 May 2023, the Company commenced a share buyback programme of up to $50 million. During the year ended 31 December 2024, the Group repurchased and cancelled 2,623,705 Ordinary Shares (2023: 13,196,773) as part of its buyback programme for a total consideration of $5.8 million (2023: $26.3 million) including transaction costs. The programme was subsequently terminated on 11 April 2024.

The Company's Shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its Annual General Meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 from His Majesty's High Court in England (the "Court"), Accordingly, the Reduction of Capital became effective which created additional distributable reserves of approximately $3,346.7 million and the amounts standing to the credit of the share premium account have been transferred to Retained earnings.

On 23 April 2024, the Company proposed a tender of up to $100 million of Ordinary Shares. On 31 May 2024, the tender offer closed and 37,870,952 Ordinary Shares were purchased and cancelled for a total consideration of $106.7 million, including transaction costs.

As at 31 December 2024, the Company's issued share capital comprised 1,081,708,167 of Ordinary Shares (31 December 2023: 1,122,202,824) of $0.01 each. Ordinary Shareholders are entitled to all dividends paid by the Company. The Company does not have a limited amount of authorised capital.

16. Retained earnings

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Opening balance	**3,132.6**	(328.7)
Profit and total comprehensive income in the year	**832.4**	321.1
Dividends paid	**(453.8)**	(180.2)
Repurchase of Ordinary Shares	**(112.5)**	(26.3)
Share premium cancellation	**–**	3,346.7
Closing balance	**3,398.7**	3,132.6

17. Net assets per share

	31 December 2024	31 December 2023
Net Assets ($m)	**5,100.0**	4,833.9
Number of Ordinary Shares issued	**1,081,708,167**	1,122,202,824
Net assets per share (cents)	**471.48**	430.75

18. Dividends declared and paid

For the year ended 31 December 2024

Dividends declared and paid	Paid on	Dividend per share cents	Total dividend $m
Final dividend with respect to the year ended 31 December 2023	14 June 2024	**10.1**	**113.1**
Interim dividend with respect to the year ended 31 December 2024	31 October 2024	**5.0**	**54.1**
Special dividend with respect to the year ended 31 December 2024[1]	31 October 2024	**9.0**	**97.3**
Special dividend with respect to the year ended 31 December 2024[1]	20 December 2024	**17.5**	**189.3**
Total		**41.6**	**453.8**

1. Special dividends relate to the distribution of proceeds from investment activity.

For the year ended 31 December 2023

Dividends declared and paid	Paid on	Dividend per share cents	Total dividend $m
Final dividend with respect to the year ended 31 December 2022	13 June 2023	11.0	124.9
Interim dividend with respect to the year ended 31 December 2023	27 October 2023	4.9	55.3
Total		15.9	180.2

19. Financial risk management

Financial risk management objectives

The Group's investing activities expose it to various types of risks that are associated with the Partner-firms. The Group makes the investments with the goal of generating returns in accordance with its Acquisition Strategy and Investment Policy.

The most important types of financial risks to which the Group is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has delegated portfolio management and risk management responsibilities to the Operator. Accordingly, the Operator has overall responsibility for the determination of the Group's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

	31 December 2024 $m	31 December 2023 $m
Financial assets		
Non-current assets:		
Investments at fair value through profit or loss	**5,085.8**	5,254.7
Contingent consideration at fair value through profit or loss	**65.1**	–
Current financial assets:		
Investments at fair value through profit or loss	**726.2**	–
Investments in money market funds at fair value through profit or loss	**8.9**	62.3
Cash and cash equivalents	**14.5**	242.9
Contingent consideration at fair value through profit or loss	**30.7**	–
Deferred consideration receivable	**152.8**	–
Trade and other receivables (excluding prepayments)	**164.3**	125.5
Financial liabilities		
Non-current liabilities:		
Unsecured Notes payable	**(494.4)**	(493.8)
Deferred payment obligations	**(32.5)**	(7.3)
Liability for Tax Receivables Agreement	**(129.4)**	(150.5)
Contingent consideration at fair value through profit or loss	**–**	(3.9)
Fee payable on divestment of Investments	**(247.3)**	(94.8)
Current liabilities:		
Trade and other payables	**(7.2)**	(6.9)
Deferred payment obligations	**(55.3)**	(44.6)
Interest payable	**(10.0)**	(10.0)
Operator charge payable	**(7.0)**	(6.6)
Profit sharing charge payable	**(0.6)**	(0.1)
Contingent consideration at fair value through profit or loss	**(8.1)**	(2.5)
Liability for Tax Receivables Agreement	**(29.6)**	(24.2)

Categories of financial instruments

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to Shareholders. The Board of Directors approves the level of dividend distributions to Shareholders. The Group may purchase its own shares within the limits defined by the Board of Directors subject to restrictions imposed by applicable laws.

The capital structure of the Group consists of issued share capital, retained earnings and other reserves as stated in the Consolidated Statement of Financial Position.

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

a) Price risk

The majority of the Group's investments are held in Partner-firms which presents a potential risk of loss of capital to the Group. Price risk arises from changes in fair value of the investments in Partner-firms held by the Group. As discussed in Note 3, the fair value of these investments is determined using valuation techniques including earnings multiples, discounted cash flows and recent comparable transactions. In valuing the investments, key assumptions include estimates around future fundraise timing and sizes, expected management and performance fee rates and margins of the Partner-firms, expected current and future fund returns and timing of realisations. Periodically, the Valuation Oversight Group of the Operator presents the valuation proposals and their independent price verification review results to the Operator's Valuation Committee which convenes to approve and oversee the application of valuation policies, and review fair value estimates for the investments. Subsequently, the Operator reports the valuation results to the Board of Directors. As new information surfaces on these key assumptions, the valuation techniques may be adjusted causing the fair value of these investments to change.

As at 31 December 2024, the fair value of investments was $5,812.0 million (31 December 2023: $5,254.7 million). As presented in the Sensitivity analysis to significant changes in unobservable inputs table, the valuation of the non-current investments could vary from -$456.2 million to +$496.6 million (31 December 2023: -$487.4 million to +$532.4 million) depending on the valuation techniques used while keeping the key assumptions constant.

The Group is exposed to a variety of risks which may have an impact on the carrying value of the Group's investments. The Group's risk factors are set out below:

i. Not actively traded

The majority of the Group's investments are held in Partner-firms. These investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The Group investments vary as to industry sub-sector, geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

Although the investments are in the same industry, this risk is managed through careful selection of investments within the specified limits of the investment policy. The investments are monitored on a regular basis by the Operator.

ii. Concentration

The Group invests in the alternative asset sector, with a focus on investments in asset managers with asset classes such as private equity, private credit, private real assets and absolute return strategies. Concentration risk may relate to a subsector, relative size of an investment and geography. The Group is exposed to geographic concentration risk from its investments in the asset management sector as detailed in Note 2(ii) of these financial statements and page 85 of the Annual Report.

The Board of Directors and the Operator monitor the concentration of the investments on a quarterly basis to ensure compliance with the investment policy.

For the year ended 31 December 2024, the Group received a maximum of 17.9% (2023: 18.5%) of its total income from investments in Partner-firms from one single Partner-firm.

b) Foreign currency risk

The Group transacts in currencies other than US$. Consequently, the Group is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the US$. Any exposure to foreign currency risk at the underlying investment level is captured within price risk.

The following table sets out, in US$, the Group's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

As at 31 December 2024	US$ $m	CAD$ $m	GBP£ $m	Total $m
Non-current assets				
Investments at fair value through profit or loss	**4,979.1**	**106.0**	**0.7**	**5,085.8**
Contingent consideration at fair value through profit or loss	**65.1**	**–**	**–**	**65.1**
Total non-current assets	**5,044.2**	**106.0**	**0.7**	**5,150.9**
Current assets				
Investments at fair value through profit or loss	**726.2**	**–**	**–**	**726.2**
Investments in money market funds at fair value through profit or loss	**8.9**	**–**	**–**	**8.9**
Cash and cash equivalents	**14.3**	**–**	**0.2**	**14.5**
Contingent consideration at fair value through profit or loss	**30.7**	**–**	**–**	**30.7**
Deferred consideration receivable	**152.8**	**–**	**–**	**152.8**
Trade and other receivables (excluding prepayments)	**158.2**	**5.6**	**0.5**	**164.3**
Total current assets	**1,091.1**	**5.6**	**0.7**	**1,097.4**
Non-current liabilities				
Unsecured Notes payable	**(494.4)**	**–**	**–**	**(494.4)**
Deferred payment obligations	**(32.5)**	**–**	**–**	**(32.5)**
Liability for Tax Receivables Agreement	**(129.4)**	**–**	**–**	**(129.4)**
Contingent consideration at fair value through profit or loss	**–**	**–**	**–**	**–**
Fee payable on divestment of investments	**(247.3)**	**–**	**–**	**(247.3)**
Total non-current liabilities	**(903.6)**	**–**	**–**	**(903.6)**
Current liabilities				
Trade and other payables	**(5.1)**	**–**	**(2.1)**	**(7.2)**
Deferred payment obligations	**(55.3)**	**–**	**–**	**(55.3)**
Interest payable	**(10.0)**	**–**	**–**	**(10.0)**
Operator charge payable	**(7.0)**	**–**	**–**	**(7.0)**
Profit sharing charge payable	**(0.6)**	**–**	**–**	**(0.6)**
Contingent consideration at fair value through profit or loss	**(8.1)**	**–**	**–**	**(8.1)**
Liability for Tax Receivables Agreement	**(29.6)**	**–**	**–**	**(29.6)**
Total current liabilities	**(115.7)**	**–**	**(2.1)**	**(117.8)**

As at 31 December 2023	US$ $m	CAD$ $m	GBP£ $m	Total $m
Non-current assets				
Investments at fair value through profit or loss	5,149.2	102.9	2.6	5,254.7
Total non-current assets	5,149.2	102.9	2.6	5,254.7
Current assets				
Investments at fair value through profit or loss	–	–	–	–
Investments in money market funds at fair value through profit or loss	62.3	–	–	62.3
Cash and cash equivalents	241.1	–	1.8	242.9
Trade and other receivables (excluding prepayments)	123.1	–	2.4	125.5
Total current assets	426.5	–	4.2	430.7
Non-current liabilities				
Unsecured Notes payable	(493.8)	–	–	(493.8)
Deferred payment obligations	(7.3)	–	–	(7.3)
Liability for Tax Receivables Agreement	(150.5)	–	–	(150.5)
Contingent consideration at fair value through profit or loss	(3.9)	–	–	(3.9)
Fee payable on divestment of investments	(94.8)	–	–	(94.8)
Total non-current liabilities	(750.3)	–	–	(750.3)
Current liabilities				
Trade and other payables	(4.7)	–	(2.2)	(6.9)
Deferred payment obligations	(44.6)	–	–	(44.6)
Interest payable	(10.0)	–	–	(10.0)
Operator charge payable	(6.6)	–	–	(6.6)
Profit sharing charge payable	(0.1)	–	–	(0.1)
Contingent consideration at fair value through profit or loss	(2.5)	–	–	(2.5)
Liability for Tax Receivables Agreement	(24.2)	–	–	(24.2)
Total current liabilities	(92.7)	–	(2.2)	(94.9)

The Board of Directors does not consider that the foreign currency exchange risk at the balance sheet date is material and therefore sensitivity analysis for the foreign currency risk has not been provided.

c) Interest rate risk

The Group's exposure to interest rate risk relates to the Group's cash and cash equivalents and money market investments. The Group is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. As at the date of the Consolidated Statement of Financial Position, the majority of the Group's cash and cash equivalents were held in interest bearing fixed deposit accounts. The Group is not exposed to interest rate risk on debt due to fixed interest arrangements in place.

The Group's investment in money market funds is variable and is subject to fluctuations. Any exposure to interest rate risk at the underlying investment level is captured within price risk. An increase of 100 basis points, based on the closing balance sheet position over a 12-month period, would lead to an approximate increase in total profit before tax of $0.1 million (31 December 2023: $0.6 million) for the Group.

In addition, the Group has indirect exposure to interest rates through changes to the financial performance and the valuation of investments in Partner-firms caused by rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy and the Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemption of shares, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group's financial assets include investments in Partner-firms which are generally illiquid. As a result, the Group may not be able to liquidate its investments in time to meet its liquidity requirements. The Operator has a liquidity management policy which is designed to enable it to monitor the liquidity risk of the Group. The systems and procedures employed by the Operator in this regard allow it to apply various tools and arrangements necessary to respond appropriately to liquidity concerns. As part of the policy, the Operator prepares estimates of projected cash flows of the Group from its investment in Partner-firms, and evaluates them against the projected expenses, investment opportunities and potential distributions to the Company's Shareholders. Any surplus liquidity, as it arises, is invested into money market funds. As at 31 December 2024 and 31 December 2023, the Group had an undrawn $100 million revolving credit facility to manage the liquidity requirements.

The Operator updates the Board of Directors on its findings on a regular basis and highlights any risks from a liquidity management perspective.

The following tables detail the Group's expected maturity for its financial assets (excluding equity) and liabilities together with the contractual undiscounted cash flow amounts:

As at 31 December 2024	Less than 1 year $m	1-5 years $m	5+ years $m	Total $m
Assets				
Investments at fair value through profit and loss	**726.2**[1]	**–**	**5,085.8**	**5,812.0**
Contingent consideration at fair value through profit or loss	**32.2**	**95.0**	**–**	**127.2**
Deferred consideration receivable	**155.1**	**–**	**–**	**155.1**
Investments in money market funds at fair value through profit and loss	**8.9**	**–**	**–**	**8.9**
Cash and cash equivalents	**14.5**	**–**	**–**	**14.5**
Trade and other receivables (excluding prepayments)	**164.3**	**–**	**–**	**164.3**
Liabilities				
Trade and other payables	**(7.2)**	**–**	**–**	**(7.2)**
Unsecured Notes payable	**(28.3)**	**(235.8)**	**(489.2)**	**(753.3)**
Operator charge payable	**(7.0)**	**–**	**–**	**(7.0)**
Profit sharing charge payable	**(0.6)**	**–**	**–**	**(0.6)**
Contingent consideration at fair value through profit or loss	**(8.1)**	**–**	**–**	**(8.1)**
Deferred payment obligations	**(56.5)**	**(35.8)**	**–**	**(92.3)**
Liability for Tax Receivables Agreement	**(29.6)**	**(126.1)**	**(320.8)**	**(476.5)**
Fee payable on divestment of investments	**–**	**(95.4)**	**(151.9)**	**(247.3)**

1. $726.2 million represents the held for sale classification as at 31 December 2024 related to the sale of the majority of the Group's stake in General Catalyst on 15 January 2025 (see Note 22).

As at 31 December 2023	Less than 1 year $m	1-5 years $m	5+ years $m	Total $m
Assets				
Investments at fair value through profit and loss	–	–	5,254.7	5,254.7
Investments in money market funds at fair value through profit and loss	63.2	–	–	63.2
Cash and cash equivalents	243.9	–	–	243.9
Trade and other receivables (excluding prepayments)	125.5	–	–	125.5
Liabilities				
Trade and other payables	(6.9)	–	–	(6.9)
Unsecured Notes payable	(28.3)	(113.1)	(640.2)	(781.6)
Operator charge payable	(6.6)	–	–	(6.6)
Profit sharing charge payable	(0.1)	–	–	(0.1)
Contingent consideration at fair value through profit or loss	(2.5)	(3.9)	–	(6.4)
Deferred payment obligations	(44.6)	(7.3)	–	(51.9)
Liability for Tax Receivables Agreement	(24.2)	(137.0)	(393.3)	(554.5)
Fee payable on divestment of investments	–	–	(94.8)	(94.8)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in financial loss to the Group. Credit risk arises in the ordinary course of our business from deferred consideration and other receivables arising from disposals of investments in Partner-firms; from income receivable from Partner-firms; from investments of surplus liquidity as it arises from time to time in money market funds; and also from derivative financial assets and cash and cash equivalents. The Group's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out in the Company's prospectus. Further information of the Group's policy is detailed in Note 2(iv).

As at 31 December 2024, the Group has income receivables of $148.0 million (31 December 2023: $101.9 million), which is included within amounts receivable from Investments in Note 12, and deferred consideration receivable of $152.8 million (31 December 2023: $nil). Of the total outstanding receivables, 1.9% (31 December 2023: 2.2%) is classified as Stage 2 and 98.1% (31 December 2023: 97.7%) is classified as Stage 1. The counterparty ratings, where available, ranged from A to BBB in respect of both years. The calculated ECL as at 31 December 2024 is $0.4 million (31 December 2023: $0.1 million).

Credit risk is monitored on an ongoing basis by the Operator in accordance with the procedures and policies in place. The table below details the Group's exposure to credit risk:

	31 December 2024 $m	31 December 2023 $m
Interest bearing		
Investments in money market funds at fair value through profit or loss	**8.9**	62.3
Cash and cash equivalents	**14.5**	242.9
Non-interest bearing		
Deferred consideration receivable (current and non-current)	**152.8**	–
Trade and other receivables (excluding prepayments)	**164.3**	125.5

The table below shows the cash and money market deposit balances and the credit rating for each counterparty:

	Location	Rating	31 December 2024 $m	31 December 2023 $m
Counterparty				
State Street Bank and Trust Company	**USA**	**A-1+**	**14.5**	92.9
US$ Treasury Liquid Reserves Fund - Institutional Shares	**USA**	**AAA**	**2.5**	0.2
Financial SquareSM Government Fund – Institutional Shares	**USA**	**AAA**	**6.4**	10.5
Financial SquareSM Treasury Instruments Fund – Institutional Shares	**USA**	**AAA**	**–**	51.6
Goldman Sachs Bank USA	**USA**	**A-1**	**–**	150.0

The Group's maximum exposure to loss of capital at the year end is shown below:

	31 December 2024 $m	31 December 2023 $m
Investments at fair value through profit or loss (current and non-current)	**5,812.0**	5,254.7
Other financial assets (excluding prepayments)	**436.3**	430.7

20. Related party transactions

Board of Directors

The Company has five Non-Executive Directors. Directors' fees for the year ended 31 December 2024 amounted to $1.7 million (2023: $1.7 million), of which $nil (31 December 2023: $nil) was outstanding at year end. Amounts paid to the Board of Directors as reimbursement of travel and other incidental expenses during the year amounted to $78 thousand (2023: $32 thousand), of which, $nil (31 December 2023: $nil) was outstanding at year end.

The Board of Directors held beneficial interests in 1,169,999 (31 December 2023: 1,094,999) Ordinary Shares in the Company. Refer to the Directors' Remuneration Report on pages 53 to 57.

Money Market Funds

On 31 December 2024, the Group held an investment of $8.9 million (31 December 2023: $62.3 million) in money market funds that are managed by affiliates of the Operator. During 2024, the Group earned interest income of $7.7 million (2023: $24.7 million) from investments held in such money market funds managed by affiliates of the Operator.

Transactions with Petershill Funds

As at 31 December 2024, the Petershill Funds, managed by wholly-owned subsidiaries of the Goldman Sachs Group acting as the investment manager, owned approximately 79.5% (31 December 2023: 76.6%) of the Company. As at 31 December 2024, the Group had amounts payable to the Petershill Funds of $0.8 million (31 December 2023: $0.2 million) and amounts receivable from the Petershill Funds of $2.3 million (31 December 2023: $6.1 million). These amounts will be settled in the ordinary course of business.

Tax Receivables Agreement

As discussed in Note 2(v), the Group has entered into a Tax Receivables Agreement with Petershill Funds, an affiliate of the Operator and the Goldman Sachs Group, which will require the Group to pay 75% of the amount of cash tax savings, if any, in US federal, state and local income tax that the Group realises as a result of the tax benefits associated with this increase in tax basis. As of 31 December 2024, the carrying value of the liability for Tax Receivables Agreement was $159.0 million (31 December 2023: $174.7 million). During the year ended 31 December 2024, principal payments totaling $23.5 million (2023: $32.5 million) were made in relation to the liability for Tax Receivables Agreement.

Operator

The Operator is an affiliate and wholly-owned subsidiary of the Goldman Sachs Group and provides advice to the Group on the origination and completion of new investments, the management of the portfolio and on realisations, as well as on funding requirements, subject to approval by the Board of Directors. For the provision of services under the Operator Agreement, the Operator earns a Profit Sharing Charge, Recurring Operating Charges and Divestment Fee, as detailed in Note 6.

The Operator may, in its discretion, pay certain of the Group's fees or expenses and the Group will reimburse the Operator for the payment of any such fee or expense. For the year ended 31 December 2024, the Group incurred $0.1 million (2023: $0.1 million) of expenses under this arrangement, of which $nil (31 December 2023: $0.1 million) was outstanding at year end.

Special Limited Partners

The Special Limited Partners are affiliates of the Goldman Sachs Group and acts as a special limited partners to the respective Petershill Splitter Subsidiaries. The Special Limited Partners earns a Profit Sharing Charge and Divestment Fee, as detailed in Note 6.

Transactions with Goldman Sachs Bank USA

Goldman Sachs Bank USA ("GSBUSA") is an affiliate and wholly owned subsidiary of the Goldman Sachs Group. On 14 December 2023, the Company placed a fixed term deposit with GSBUSA for $150.0 million. The fixed term deposit matured on 15 March 2024 and accrued interest at a rate of 5.4% per annum. During the year ended 31 December 2024, the Company earned interest of $1.7 million (2023: $0.4 million), which settled at maturity.

21. Ultimate controlling party

The Board of Directors has reviewed the Shareholders of the Company and has concluded that there is no ultimate controlling party. The Company has a diversified investor base that does not cede control to any single investor or a group of investors. Although the Petershill Funds own 79.5% (31 December 2023: 76.6%) of the Company, Goldman Sachs Asset Management and its affiliates were the beneficial owner of less than 1% of the Ordinary Shares of the Company as at 31 December 2024.

The Petershill Funds are managed by Goldman Sachs Asset Management and its affiliates acting as the investment manager of the Petershill Funds. Goldman Sachs Asset Management and its affiliates act in in their capacity as an agent for the Equity Shareholders of the Company and such a relationship does not give rise to controlling ownership.

22. Subsequent events

The Group has evaluated activity through 8 April 2025, the date that the consolidated financial statements were available to be issued.

On 15 January 2025, the Group closed on the sale of the majority of its stake in General Catalyst for a total consideration of $726.2 million, in the form of interest-bearing loan notes. $207.0 million in relation to the first tranche of the outstanding principal amount of the loan notes was received before approval of the consolidated financial statements. The remaining $519.2 million outstanding principal amount is due to be repaid over time.

On 14 March 2025, the Group closed on the acquisition of the minority stake investment in Frazier Healthcare Partners for a total consideration of $330.0 million, in the form of $15.9 million of upfront and $314.1 million of deferred consideration, due primarily in 2026 and 2027.

On 28 March 2025, the Board of Directors approved a special dividend payment of 14.0 cents (USD) per share. The record date for the dividend is 11 April 2025 and the payment date is 9 May 2025.

The Group concluded that no other events took place that would require material adjustments to the amounts recognised in these consolidated financial statements.

Company Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 $m	31 December 2023 $m
Non-current assets			
Investments in Subsidiary undertakings at fair value through profit or loss	6	**5,088.5**	4,496.5
Intercompany note receivable	6	**–**	112.2
		5,088.5	4,608.7
Current assets			
Investments in money market funds at fair value through profit or loss	6	**0.4**	61.3
Trade and other receivables	7	**17.6**	12.2
Cash and cash equivalents	4	**0.2**	156.3
		18.2	229.8
Total assets		**5,106.7**	4,838.5
Current liabilities			
Trade and other payables		**6.7**	4.6
		6.7	4.6
Total liabilities		**6.7**	4.6
Net assets		**5,100.0**	4,833.9
Equity			
Share capital	8	**10.8**	11.2
Share premium	8	**–**	–
Other reserve	8	**1,689.6**	1,689.6
Capital redemption reserve	8	**0.9**	0.5
Retained earnings		**3,398.7**	3,132.6
Total Shareholders' funds		**5,100.0**	4,833.9
Number of Ordinary Shares in issue at year end	8	**1,081,708,167**	1,122,202,824
Net assets per share (cents)		**471.48**	430.75

The Board of Directors has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented a Statement of Comprehensive Income for the Company. The Company's profit for the year ended 31 December 2024 was $832.4 million (2023: $321.1 million).

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 8 April 2025 and signed on its behalf by:

Naguib Kheraj
Chairman

Mark Merson
Director

The accompanying notes on pages 123 to 129 form an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Retained earnings $m	Total $m
Opening net assets attributable to Shareholders at 1 January 2024		**11.2**	**–**	**1,689.6**	**0.5**	**3,132.6**	**4,833.9**
Repurchase and cancellation of Ordinary Shares	8	**(0.4)**	**–**	**–**	**0.4**	**(112.5)**	**(112.5)**
Dividends paid	9	**–**	**–**	**–**	**–**	**(453.8)**	**(453.8)**
Profit and total comprehensive income for the year		**–**	**–**	**–**	**–**	**832.4**	**832.4**
Closing net assets attributable to Shareholders at 31 December 2024		**10.8**	**–**	**1,689.6**	**0.9**	**3,398.7**	**5,100.0**

For the year ended 31 December 2023

	Note	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	(Accumulated losses)/ Retained earnings $m	Total $m
Opening net assets attributable to Shareholders at 1 January 2023		11.4	3,346.7	1,689.6	0.3	(328.7)	4,719.3
Repurchase and cancellation of Ordinary Shares	8	(0.2)	–	–	0.2	(26.3)	(26.3)
Share premium cancellation	8	–	(3,346.7)	–	–	3,346.7	–
Dividends paid	9	–	–	–	–	(180.2)	(180.2)
Profit and total comprehensive income for the year		–	–	–	–	321.1	321.1
Closing net assets attributable to Shareholders at 31 December 2023		11.2	–	1,689.6	0.5	3,132.6	4,833.9

The accompanying notes on pages 123 to 129 form an integral part of these financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2024

	Note	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Cash flows from operating activities			
Profit for the year before tax		**834.2**	328.5
Adjustments to reconcile operating profit for the year to net cash flows from operating activities:			
Movement in investments in Subsidiary undertakings at fair value through profit and loss		**(566.6)**	(205.5)
Movement in trade and other receivables	7	**(3.9)**	9.9
Movement in trade and other payables		**2.9**	(6.8)
Finance income		**(2.3)**	(3.1)
Finance expense		**0.2**	–
Purchase of investments in money market funds	6	**(516.1)**	(396.4)
Sale of investments in money market funds	6	**580.6**	770.1
Reinvested interest income from investments in money market funds	6	**(3.6)**	(20.8)
Taxes paid		**(3.5)**	(7.9)
Net cash flows from operating activities		**321.9**	468.0
Cash flows from investing activities			
Purchase of investments in Subsidiary undertakings at fair value through profit or loss		**(25.4)**	(165.0)
Issuance of Intercompany note receivable	6	**–**	(25.0)
Repayment of Intercompany note receivable	6	**108.8**	–
Intercompany note interest received	6	**5.7**	–
Net cash flows from investing activities		**89.1**	(190.0)
Cash flows from financing activities			
Dividends paid	9	**(453.8)**	(180.2)
Repayment of share capital	8	**(113.3)**	(25.4)
Net cash flows from financing activities		**(567.1)**	(205.6)
Net (decrease)/increase in cash and cash equivalents during the year		**(156.1)**	72.4
Cash and cash equivalents at the beginning of the year		**156.3**	83.9
Cash and cash equivalents at the end of the year		**0.2**	156.3

The accompanying notes on pages 123 to 129 form an integral part of these financial statements.

Notes to the Company Financial Statements

1. Basis of preparation and material accounting policies

The annual financial statements of the Company have been prepared and approved by the Board of Directors in accordance with UK-adopted international accounting standards ("IFRS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements are presented to the nearest million United States Dollar ($m), being the functional and reporting currency of the Company.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss. The preparation of the financial statements requires estimates and assumptions to be made that may affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from the estimates included in the financial statements herein. It also requires judgement to be exercised in the process of applying the accounting policies.

The material accounting policies and basis of preparation of the annual financial statements of the Company follow those as disclosed for the Group in Note 2 of the consolidated financial statements unless otherwise described below.

2. Critical accounting estimates and judgements

The Board of Directors has made judgements and estimates with respect to those items that have the most significant effect on the carrying amounts of the assets and liabilities in the financial statements. The Board of Directors has concluded that in arriving at the net asset value of the Subsidiaries, significant judgement is required in estimating the fair value of investments held by the Subsidiaries in Partner-firms as discussed in Note 3.

3. Investments in Subsidiary undertakings at fair value through profit or loss

The Company measures its investments in Subsidiaries at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants at the measurement date. In the absence of quoted market prices, fair value is determined by the Operator. Gains and losses arising from changes in financial assets and financial liabilities at fair value through profit or loss are recognised in the period in which they arise.

For the years ended 31 December 2024 and 31 December 2023, the Investments in Subsidiary undertakings were valued at the most recent NAV per unit which represents the fair value of these investments. The Board of Directors believe that it is appropriate to measure the investments in Subsidiaries at their net asset value which has taken into account risks to fair value, inclusive of liquidity discounts, through appropriate discount rates.

Investments in Partner-firms held by the subsidiary undertakings are held at fair value through profit and loss. Further details can be found in Note 4 of the consolidated financial statements.

4. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

5. Audit fees

The Auditors' remuneration for audit services and other audit-related services is disclosed in Note 7 to the consolidated financial statements.

6. Investments held at fair value through profit or loss

Non-current investments

Investments in Subsidiary undertakings at fair value through profit or loss

The Company's non-current investments comprise investments in Subsidiaries.

	31 December 2024 $m	31 December 2023 $m
Opening balance	**4,496.5**	4,125.9
Additions	**25.4**	165.1
Change in investments in Subsidiary undertakings at fair value through profit or loss	**566.6**	205.5
	5,088.5	4,496.5

The Company's investments in Subsidiaries is comprised of the below entities:

Name of Subsidiary	Registered office	Purpose	**Interest as at 31 December 2024**	Interest as at 31 December 2023
Petershill Partners, Inc.	251 Little Falls Drive Wilmington, DE 19808	Investment holding company	**100%**	100%
Petershill Partners Ltd	One Nexus Way Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%
Petershill Partners II Ltd	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	100%
Petershill Partners II, Inc.[1]	251 Little Falls Drive Wilmington, DE 19808	Investment holding company	**100%**	–

1. Acquired by the Group on 1 January 2024.

Refer to Note 2(xvi) of the consolidated financial statements for a full list of the Company's related Subsidiary undertakings.

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes "observable" requires significant judgement by the Group. The Board of Directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the assets and liabilities (by class) measured at fair value:

31 December 2024	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets				
Investments in money market funds at fair value through profit or loss	**–**	**0.4**	**–**	**0.4**
Investments in Subsidiary undertakings at fair value through profit or loss	**–**	**–**	**5,088.5**	**5,088.5**

31 December 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Investments in money market funds at fair value through profit or loss	–	61.3	–	61.3
Investments in Subsidiary undertakings at fair value through profit or loss	–	–	4,496.5	4,496.5

The fair value of investments in money market funds is based on the daily published net asset value of each fund and is therefore considered Level 2. Due to the nature of the Company's investments in its Subsidiaries, they are always expected to be classified as Level 3. There have been no transfers between levels during the year. Any transfers between the levels would be accounted for on the last day of each financial year.

Quantitative information of significant unobservable inputs – Level 3 – Investments

The Board of Directors believe that it is appropriate to measure the Investments in Subsidiaries at their net asset value which has taken into account risks to fair value, inclusive of liquidity discounts, through appropriate discount rates.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

Significant unobservable inputs are used in the fair value measurement categorised within Level 3 of the fair value hierarchy. If the fair value of the investments in Subsidiaries was to increase or decrease by 10% then the fair value of investments would increase/decrease by +/- $508.9 million respectively (31 December 2023: +/- $449.7 million).

As the Company's investments are not publicly quoted, valuations require meaningful judgement to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

Intercompany note receivable

The Company and Petershill Partners Ltd entered into a loan agreement ("Intercompany Note") with a maturity date of 9 November 2031 under which the Company provided loans to Petershill Partners Ltd. The Intercompany Note carried an annual interest rate of 3% to be paid at the end of every month. Any unpaid interest was capitalised and added to the amount of principal outstanding. The Intercompany Note was fully repaid as at 31 December 2024 following the repayment of outstanding principal and interest during the year (31 December 2023: $112.2 million outstanding, capitalised interest of $3.1 million).

Current investments

The Company invests its overnight cash balance in money market funds representing a collective investment scheme promoted by an affiliate of the Operator. The Company holds these investments for cash management purposes with the intent to manage excess cash and ensure these can be readily liquidated to meet the Company's investment commitments. These investments are redeemable at short notice and have been classified as debt investments. As at 31 December 2024, the Company held investments in money market funds of $0.4 million (31 December 2023: $61.3 million) and earned interest during 2024 of $3.6 million (2023: $20.8 million).

7. Trade and other receivables

	31 December 2024 $m	31 December 2023 $m
Amounts receivable from Investments	**13.3**	6.7
Prepayments	**1.4**	1.8
Tax recoverable	**2.9**	3.1
Other receivables	**–**	0.6
	17.6	12.2

8. Share capital and other reserves

For the year ended 31 December 2024

Issued and fully paid	**Number of Shares Issued**	**Share capital $m**	**Share premium $m**	**Other reserve $m**	**Capital redemption reserve $m**	**Total $m**
Shares at 1 January 2024	**1,122,202,824**	**11.2**	**–**	**1,689.6**	**0.5**	**1,701.3**
Repurchase of Ordinary Shares – $0.01	**(40,494,657)**	**(0.4)**	**–**	**–**	**0.4**	**–**
Closing balance as at 31 December 2024	**1,081,708,167**	**10.8**	**–**	**1,689.6**	**0.9**	**1,701.3**

For the year ended 31 December 2023

Issued and fully paid	Number of Shares Issued	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Total $m
Shares at 1 January 2023	1,135,399,597	11.4	3,346.7	1,689.6	0.3	5,048.0
Share premium cancellation	–	–	(3,346.7)	–	–	(3,346.7)
Repurchase of Ordinary Shares – $0.01	(13,196,773)	(0.2)	–	–	0.2	–
Closing balance as at 31 December 2023	1,122,202,824	11.2	–	1,689.6	0.5	1,701.3

On 17 May 2023, the Company commenced a share buyback programme of up to $50 million. During the year ended 31 December 2024, the Company repurchased and cancelled 2,623,705 Ordinary Shares (2023: 13,196,773) as part of its buyback programme for a total consideration of $5.8 million (2023: $26.3 million) including transaction costs. The programme was subsequently terminated on 11 April 2024.

The Company's Shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its Annual General Meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 from His Majesty's High Court in England (the "Court"), Accordingly, the Reduction of Capital became effective which created additional distributable reserves of approximately $3,346.7 million and the amounts standing to the credit of the share premium account have been transferred to Retained earnings.

On 23 April 2024, the Company proposed a tender of up to $100 million of Ordinary Shares. On 31 May 2024, the tender offer closed and 37,870,952 Ordinary Shares were purchased and cancelled for a total consideration of $106.7 million, including transaction costs.

As at 31 December 2024, the Company's issued share capital comprised 1,081,708,167 of Ordinary Shares (31 December 2023: 1,122,202,824) of $0.01 each. Ordinary Shareholders are entitled to all dividends paid by the Company. The Company does not have a limited amount of authorised capital.

9. Dividends declared and paid

For the year ended 31 December 2024

Dividends declared and paid	Paid on	Dividend per share cents	Total dividend $m
Final dividend with respect to the year ended 31 December 2023	14 June 2024	**10.1**	**113.1**
Interim dividend with respect to the year ended 31 December 2024	31 October 2024	**5.0**	**54.1**
Special dividend with respect to the year ended 31 December 2024[1]	31 October 2024	**9.0**	**97.3**
Special dividend with respect to the year ended 31 December 2024[1]	20 December 2024	**17.5**	**189.3**
Total		**41.6**	**453.8**

1. Special dividends relate to the distribution of proceeds from investment activity.

For the year ended 31 December 2023

Dividends declared and paid	Paid on	Dividend per share cents	Total dividend $m
Final dividend with respect to the year ended 31 December 2022	13 June 2023	11.0	124.9
Interim dividend with respect to the year ended 31 December 2023	27 October 2023	4.9	55.3
Total		15.9	180.2

10. Tax

As at 31 December 2024 and 31 December 2023, no deferred tax asset or liability is recognised by the Company in relation to the Company's investments and interests in Subsidiaries. This is because the Company controls the reversal of this deferred tax balance and it is expected that it will not reverse in the foreseeable future.

11. Financial instruments risk

In the normal course of business, the Company uses certain financial instruments including cash, trade and other receivables and investments. The Company is exposed to a number of risks through the performance of its normal operations. Refer to Note 19 to the consolidated financial statements for further details.

	31 December 2024 $m	31 December 2023 $m
Financial assets		
Non-current assets:		
Investments in Subsidiary undertakings at fair value through profit or loss	**5,088.5**	4,496.5
Intercompany note receivable	**–**	112.2
Current assets:		
Investments in money market at fair value through profit or loss	**0.4**	61.3
Trade and other receivables (excluding prepayments)	**16.2**	10.4
Cash and cash equivalents	**0.2**	156.3
Financial liabilities		
Current liabilities:		
Trade and other payables	**(6.7)**	(4.6)

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to the Company's Shareholders. The Board of Directors recommends to the Company's Shareholders the level of dividend distributions to the Company's Shareholders. The Company may purchase its own shares within the limits defined by the Board of Directors subject to restrictions imposed by applicable laws.

The capital structure of the Company consists of issued share capital, retained earnings and other reserves, as stated in the Statement of Financial Position.

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

(a) Price risk

The investments, held by the Company's Subsidiaries, in Partner-firms present a potential risk of loss of capital to the Company. Price risk arises from changes in fair value of the investments in Partner-firms held by the Group. As discussed in Note 4 of the consolidated financial statements, the fair value of these investments is determined using valuation techniques including earnings multiples, discounted cash flows and recent comparable transactions. In valuing the investments, key assumptions include estimates around future fundraise timing and sizes, expected management and performance fee rates and margins of the Partner-firms, expected current and future fund returns and timing of realisations. Such valuations are reviewed and approved semi-annually by committees and working groups functionally independent of the Operator prior to being incorporated into the Group's NAV. As new information surfaces on these key assumptions, the valuation techniques may be adjusted causing the fair value of these investments to change.

As at 31 December 2024, the fair value of investments in Partner-firms held by the Subsidiaries was $5,812.0 million (31 December 2023: $5,254.7 million). As presented in the Sensitivity analysis to significant changes in unobservable inputs table in Note 4 of the consolidated financial statements, the valuation of these investments could vary from -$456.2 million to +$496.6 million (31 December 2023: -$487.4 million to + $532.4 million) depending on the valuation techniques used while keeping the key assumptions constant.

The Company is exposed to a variety of risks which may have an impact on the carrying value of the Company's investments. The Company's risk factors are set out below.

(i) Not actively traded

The Company's investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The investments held by the Company's Subsidiaries vary as to industry sub-sector, geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty. Although the investments are in the same industry, this risk is managed through careful selection of investments within the specified limits of the investment policy. The investments are monitored on a regular basis by the Operator.

(ii) Concentration

The Group invests in the alternative asset sector, with a particular focus on asset classes such as private equity, private credit, private real assets and absolute return strategies. This means that the Group is exposed to the concentration risk of only making investments in the alternative asset sector, which concentration risk may further relate to sub-sector, geography and the relative size of an investment or other factors.

The Board of Directors and the Operator monitor the concentration of the investments on a quarterly basis to ensure compliance with the investment policy.

(iii) Liquidity

The Company and Group's liquidity risk arises from its investment commitments to Partner-firms and the flexibility for the Partner-firms to call capital as required. The Company and Group will maintain flexibility in funding by keeping sufficient liquidity in cash and cash equivalents, which may be invested on a temporary basis in line with the cash management policy as agreed by the Board of Directors from time to time.

As at 31 December 2024, $0.6 million or 0.01% (31 December 2023: $217.6 million or 4.40%) of the Company's financial assets, were investments in money market funds and cash balances held on deposit with several AAA or higher rated banks.

(b) Foreign currency risk

The Company transacts in currencies other than US$. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the US$. Any exposure to foreign currency risk at the underlying investment level is captured within price risk.

The following table sets out, in US$, the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

As at 31 December 2024	US$ $m	GBP£ $m	Total $m
Non-current assets			
Investments in Subsidiary undertakings at fair value through profit or loss	**5,088.5**	**–**	**5,088.5**
Total non-current assets	**5,088.5**	**–**	**5,088.5**
Current assets			
Investments in money market funds at fair value through profit or loss	**0.4**	**–**	**0.4**
Trade and other receivables (excluding prepayments)	**15.8**	**0.4**	**16.2**
Cash and cash equivalents	**–**	**0.2**	**0.2**
Total current assets	**16.2**	**0.6**	**16.8**
Current liabilities			
Trade and other payables	**(4.6)**	**(2.1)**	**(6.7)**
Total current liabilities	**(4.6)**	**(2.1)**	**(6.7)**

As at 31 December 2023	US$ $m	GBP£ $m	Total $m
Non-current assets			
Investments in Subsidiary undertakings at fair value through profit or loss	4,496.5	–	4,496.5
Intercompany note receivable	112.2	–	112.2
Total non-current assets	4,608.7	–	4,608.7
Current assets			
Investments in money market funds at fair value through profit or loss	61.3	–	61.3
Trade and other receivables (excluding prepayments)	7.3	3.1	10.4
Cash and cash equivalents	154.5	1.8	156.3
Total current assets	223.1	4.9	228.0
Current liabilities			–
Trade and other payables	(2.4)	(2.2)	(4.6)
Total current liabilities	(2.4)	(2.2)	(4.6)

The Board of Directors does not consider that the foreign currency exchange risk at the balance sheet date is material and therefore sensitivity analysis for the foreign currency risk has not been provided.

(c) Interest rate risk

The Company's exposure to interest rate risk relates to the Company's cash and cash equivalents and money market investments. The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. As at the date of the Statement of Financial Position, the majority of the Company's cash and cash equivalents were held on interest bearing fixed deposit accounts.

The Company's investment in money market funds is variable and is subject to fluctuations. Any exposure to interest rate risk at the underlying investment level is captured within price risk. An increase of 100 basis points, based on the closing balance sheet position over a 12-month period, would lead to an approximate increase in total profit before tax of $0.1 million (2023: $0.6 million) for the Company.

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and the valuation of investments in Partner-firms caused by rate fluctuations held through the Subsidiaries.

12. Related party transactions

Transactions with Goldman Sachs Bank USA

Goldman Sachs Bank USA ("GSBUSA") is an affiliate and wholly owned subsidiary of the Goldman Sachs Group. On 14 December 2023, the Company placed a fixed term deposit with GSBUSA for $150.0 million. The fixed term deposit matured on 15 March 2024 and accrued interest at a rate of 5.4% per annum. During the year ended 31 December 2024, the Company earned interest of $1.7 million (2023: $0.4 million), which settled at maturity of the deposit.

Subsidiaries

The Company entered into a consultancy agreement (the "Consultancy Agreement") with the Subsidiaries whereby the Company will provide services including but not limited to acquisition advice and review, and advice on strategy setting. During the year ended 31 December 2024, an amount of $13.2 million (2023: $6.7 million) was earned by the Company under this arrangement of which $10.6 million (2023: $5.4 million) was charged to Petershill Partners, Inc. and $2.6 million (2023: $1.3 million) was charged to Petershill Partners Ltd. An amount of $13.2 million was outstanding as at 31 December 2024 (31 December 2023: $6.7 million).

On 24 August 2022, Petershill Partners, Inc. issued US private placement senior unsecured notes (the "Unsecured Notes") to a group of institutional investors in the amount of $500m and the Unsecured Notes are guaranteed by the Company. These contracts are accounted for under IFRS 9 and no liability has been recognised in respect of these guarantees on the basis of materiality. The likelihood of these guarantees being called upon is considered remote. Refer to Note 13 of the consolidated financial statements for further information.

The Company and Petershill Partners Ltd entered into an Intercompany Note agreement with a maturity date of 9 November 2031 under which the Company provided loans to Petershill Partners Ltd. The Intercompany Note was fully repaid as at 31 December 2024 following the repayment of outstanding principal and interest during the year. Refer to Note 6 for additional details.

Board of Directors

The details of each individual Director's remuneration, as set out in the tables contained in the Directors' Remuneration Report on pages 53 to 57, form part of these financial statements.

Please refer to Note 20 to the consolidated financial statements for further details on related party transactions.

13. Subsequent events

The Company has evaluated activity through 8 April 2025, the date that the financial statements were available to be issued.

On 28 March 2025, the Board of Directors approved a special dividend payment of 14.0 cents (USD) per share. The record date for the dividend is 11 April 2025 and the payment date is 9 May 2025.

The Company concluded that no other events took place that would require material adjustments to the amounts recognised in these consolidated financial statements.

Alternative Performance Measures ("APMs")

The APM basis, which presents the financial information on a non IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect Shareholder returns, aids Shareholders in assessing their investment in the Company. There is one additional APM called Total Shareholder Return, provided as part of the capital management case study for 2024. This is a one-off APM for the year ended 31 December 2024.

The IFRS and APM basis numbers discussed and presented below include significant "unrealised" and non-cash items that include unrealised change in fair value of investments, and it should be noted that while permitted, it is not the Company's core strategy to exit or realise these investments. Therefore, management results are also presented excluding the change in fair value of investments at fair value through profit and loss and the related divestment fee.

APMs are used by the Directors and the Operator to analyse the business and financial performance, track the Company's progress, and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs are used by investors, analysts and other interested parties as supplemental measures of performance and liquidity.

Net cash position at end of year

Cash and cash equivalents plus investments in money market funds and deferred consideration receivable less deferred payment obligations, long-term debt and contingent consideration at fair value through profit or loss (net).

	31 December 2024 $m	31 December 2023 $m
Cash and cash equivalents	**14.5**	242.9
Investments in money market funds at fair value through profit or loss	**8.9**	62.3
Deferred consideration receivable	**152.8**	–
Deferred payment obligations	**(87.8)**	(51.9)
Unsecured Notes payable (gross)	**(500.0)**	(500.0)
Contingent consideration at fair value through profit or loss (net)	**87.7**	(6.4)
Net cash position at end of year	**(323.9)**	(253.1)

Free cash flow conversion

Free cash flow conversion is calculated as Free cash flow as a percent of the Adjusted EBIT. The Free cash flow is calculated as the net cash flows from operating activities adjusted for Purchase of investments in money market funds, Sale of investments in money market funds, Reinvestment of income from investments in Partner-firms and money market funds and Taxes paid.

	31 December 2024 $m	31 December 2023 $m
Net cash inflows from operating activities	**280.3**	617.2
Purchase of investments in money market funds	**1,258.0**	781.4
Sale of investments in money market funds	**(1,319.0)**	(1,227.1)
Reinvestment of income from investments in Partner-firms	**2.2**	57.0
Reinvestment of interest income from investments in money market funds	**7.6**	24.6
Taxes paid	**10.1**	28.2
Free cash flow	**239.2**	281.3
Adjusted EBIT	**293.2**	284.4
Free cash flow conversion	**81.6%**	98.9%

Book value

Total Shareholders' funds.

	31 December 2024 $m	31 December 2023 $m
Total Shareholders' funds	**5,100.0**	4,833.9

Book value per share

Total Shareholders' funds divided by the number of Ordinary Shares in issue at year end.

	31 December 2024	31 December 2023
Total Shareholders' funds ($m)	**5,100.0**	4,833.9
Number of Ordinary Shares in issue at year end	**1,081,708,167**	1,122,202,824
Book value per share (cents)	**471.48**	430.75

Adjusted Earnings Before Interest and Tax ("EBIT")

Sum of total income and expenses excluding transaction costs and non-recurring operating expense/(credit) before net finance result and before income taxes, change in investments at fair value through profit or loss, change in contingent consideration at fair value through profit or loss and divestment fee expense.

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Total income	**332.3**	319.4
Board of Directors' fees and expenses	**(1.7)**	(1.7)
Operator charge	**(24.2)**	(21.9)
Profit sharing charge	**(1.5)**	(0.1)
Other operating expenses	**(18.4)**	(10.1)
Transaction costs	**6.2**	–
Non-recurring operating expense/(credit)	**0.5**	(1.2)
Adjusted Earnings before interest and tax (EBIT)	**293.2**	284.4

Adjusted EBIT margin

Adjusted EBIT divided by total income.

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Total income	**332.3**	319.4
Adjusted EBIT	**293.2**	284.4
Adjusted EBIT margin	**88.2%**	89.0%

Adjusted Earnings Before Tax ("EBT")

Sum of total income and expenses excluding divestment fee expense, income taxes, change in liability for Tax Receivables Agreement, change in investments at fair value through profit or loss, change in contingent consideration at fair value through profit or loss, transaction costs and non-recurring operating expense/(credit).

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Total income	**332.3**	319.4
Board of Directors' fees and expenses	**(1.7)**	(1.7)
Operator charge	**(24.2)**	(21.9)
Profit sharing charge	**(1.5)**	(0.1)
Other operating expenses	**(18.4)**	(10.1)
Finance income	**2.4**	–
Finance cost	**(36.7)**	(37.1)
Transaction costs	**6.2**	–
Non-recurring operating expense/(credit)	**0.5**	(1.2)
Adjusted Earnings before tax (EBT)	**258.9**	247.3

Tax and tax related expenses

The current tax plus the actual/expected payment under the Tax Receivables Agreement for the current year.

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Current tax	**(13.1)**	(23.5)
Expected payment under the Tax Receivables Agreement	**(29.6)**	(24.2)
Tax and tax related expenses	**(42.7)**	(47.7)

Adjusted tax and tax related expense rate

The Tax and tax related expenses divided by the Adjusted EBT.

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Tax and related expenses	**42.7**	47.7
Adjusted Earnings before tax (EBT)	**258.9**	247.3
Adjusted tax and tax related expense rate	**16.5%**	19.3%

Adjusted Profit After Tax

Sum of total income and expense excluding divestment fee expense, income taxes, change in liability for Tax Receivables Agreement, change in investments at fair value through profit or loss, change in contingent consideration at fair value through profit or loss, transaction costs and non-recurring operating expense/(credit) and including tax and related expenses under the Tax Receivables Agreement.

	For the year ended 31 December 2024 $m	For the year ended 31 December 2023 $m
Total income	**332.3**	319.4
Board of Directors' fees and expenses	**(1.7)**	(1.7)
Operator charge	**(24.2)**	(21.9)
Profit sharing charge	**(1.5)**	(0.1)
Other operating expenses	**(18.4)**	(10.1)
Finance income	**2.4**	–
Finance cost	**(36.7)**	(37.1)
Transaction costs	**6.2**	–
Non-recurring operating expense/(credit)	**0.5**	(1.2)
Tax and tax related expenses	**(42.7)**	(47.7)
Adjusted profit after tax	**216.2**	199.6

Adjusted Earnings Per Share ("EPS")

Adjusted profit after tax divided by weighted average number of Ordinary Shares in issue.

	For the year ended 31 December 2024	For the year ended 31 December 2023
Adjusted profit after tax ($m)	**216.2**	199.6
Weighted average number of Ordinary Shares in issue	**1,098,004,286**	1,131,506,310
Adjusted Earnings per share (EPS) (cents)	**19.69**	17.64

Total Shareholder Return ("TSR")

Sum of closing share price, dividends paid and reinvestment of dividends divided by opening share price. Total Shareholder Return is provided as part of the capital management case study for 2024. This is a non-recurring APM.

	For the year ended 31 December 2024 pence per share
Closing share price	**248.0**
Dividends paid	**32.4**
Reinvestment of dividends	**6.0**
Adjusted closing share price	**286.4**
Opening share price	**169.6**
Total Shareholder Return	**68.9%**

Glossary of Capitalised Defined Terms

Acquisition Strategy and Investment Policy means the Company's acquisition strategy and investment policy as detailed on pages 25 to 27 of the Strategic Report

Administrator means Ocorian Administration (UK) Limited

Admission means admission of all of the Ordinary Shares issued and to be issued in connection with the Offer to the closed-ended investment funds category of the Official List and to trading on the London Stock Exchange's main market for listed securities

AGM means Annual General Meeting

AIC means the Association of Investment Companies

AIC Code means the AIC's Code of Corporate Governance, as amended from time to time

AIFM means alternative investment fund manager, within the meaning of the EU AIFMD and the UK AIFMR

Annual Report means the Company's report and financial statements for the period from 1 January 2023 to 31 December 2023

Articles of Association means the articles of association of the Company from time to time

Auditors means PricewaterhouseCoopers LLP or PwC and its affiliates

BEIS means the Department for Business, Energy and Industrial Strategy of the UK Government

Board means the Board of Directors of the Company

Capital Amount means the amount of gross proceeds of the IPO, plus the net proceeds of any future issues of Ordinary Shares, less any amounts expended by the Company on share repurchases and redemptions or, following a Realisation Election, attributable to Realisation Shares

Closed-ended Investment Fund means closed-ended investment fund as per the Financial Conduct Authority's definition

Companies Act means the Companies Act 2006 which forms the primary source of UK company law

Company means Petershill Partners Plc

Company Secretary means Ocorian Administration (UK) Limited

Directors means the Directors of the Company

DTR means the Disclosure Guidance and Transparency Rules sourcebook issued by the Financial Conduct Authority

ESG means Environmental, Social and Governance

EU AIFMD means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010 as supplemented by the AIFMD Delegated Regulation and, where applicable, as transposed (i) in Ireland by the European Union (Alternative Investment Fund Managers) Regulations 2013 (as amended) and (ii) in any other European Economic Area member state by the corresponding national implementing measures

Existing Petershill Group means the current and historic Petershill Funds being Petershill I, Petershill II, Petershill III, Petershill PE Seeding, Petershill IV and Vintage VII, as well as certain co-investment vehicles and GSAM

FCA means the UK Financial Conduct Authority (or its successor bodies)

FRC means the UK Financial Reporting Council

Goldman Sachs or Goldman Sachs group means Goldman Sachs Group, Inc. and its subsidiaries and subsidiary undertakings

GP means general partner

GP Services means the assistance provided to Partner-firms by the Operator through the GP Services Team including in the following areas: (a) Human Capital, (b) Operational Consulting & Digital Transformation, (c) Investment Portfolio Services, (d) Capital Formation, (e) Strategy, Corporate Finance and M&A, (f) Product Development & Peer Benchmarking, (g) Environment, Social & Governance, (h) Legal, Tax & Regulatory, and (i) Portfolio Monitoring, Reporting & Communication

Group or Petershill Partners Group means the Company together with its subsidiaries and its indirect subsidiaries

IFRS means the International Financial Reporting Standards, being the accounting standards issued by the International Accounting Standards Board (IASB). The Company's Consolidated Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards

Initial Acquisition means the acquisition that occurred prior to Admission, which saw the transfer of a portfolio of assets from the Petershill Funds to the Group

Investment Advisor means Goldman Sachs Asset Management, L.P.

Investment Manager means Goldman Sachs Asset Management International

IPEV Valuation Guidelines means the International Private Equity and Venture Capital Valuation Guidelines

Listing Rules means the listing rules made by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000

London Stock Exchange means London Stock Exchange plc

Main Market means the main market of the London Stock Exchange

Money Market Funds means open-ended mutual funds, that the Operator may or may not manage, which invest in cash and cash-equivalent securities

NAV or Net Asset Value means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in US dollars

Offer or IPO means the offer of the new Ordinary Shares by the Company and existing Ordinary Shares by the Selling Shareholders

Official List means the official list maintained by the FCA

Operator means Goldman Sachs Asset Management Fund Services Limited

Operator Agreement means the Operator Agreement entered into between the Operator and the Company

Ordinary Shares means Ordinary Shares of $0.01 in the capital of the Company issued and designated as "Ordinary Shares" and having the rights, restrictions and entitlements set out in the Company's articles of incorporation

Partner-firms means the alternative asset managers in which the Group holds, from time to time, investments representing minority ownership positions and rights to certain revenue streams of the alternative asset managers

Profit Sharing Charge means the profit sharing charge payable to the Operator pursuant to the Operator Agreement, as described in the Notes to the Consolidated Financial Statements

Profit Sharing Required Investment Return means the investment return required in respect of certain investments in order for the Profit Sharing Charge to become chargeable, as described in the Notes to the Consolidated Financial Statements

Recurring Operating Charges means the recurring operating charges payable to the Operator pursuant to the Operator Agreement, as described in the Notes to the Consolidated Financial Statements

Redeemable Deferred Shares means redeemable deferred shares having a nominal value of £1.00 each in the capital of the Company

Redeemable Shareholders means the holders of the Redeemable Deferred Shares

SFDR means Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector

Shareholders means the holders of the Ordinary Shares

Special Limited Partners means PHP PRE Aggregator SLP LP and PHP FRE Aggregator SLP LP

Tax Receivables Agreement or TRA means the tax receivables agreement entered into prior to Admission between Delta Epsilon Delaware Inc. and various subsidiaries of the Petershill Funds

TCFD means the Task Force on Climate-related Financial Disclosures issued by the Financial Stability Board to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders

Transfer Vehicles means the transfer vehicles established by the Petershill Funds to transfer a portfolio of assets to the Petershill Partners Group pursuant to the Initial Acquisition

UK AIFMR means the Alternative Investment Fund Managers Regulation 2013 (as amended) and supplemental measures relating thereto, including rules contained in the FCA's Handbook

UK Code means the UK Corporate Governance Code issued by the Financial Reporting Council

United Kingdom or UK means the United Kingdom of Great Britain and Northern Ireland

United States or US means the United States of America, its territories and possessions, any state of the United States and the District of Columbia

The Petershill Partners Group's Assets

Accel-KKR

Accel-KKR is a technology-focused investment firm that focuses on middle-market software and IT-enabled companies and provides a broad range of capital solutions including buyout capital, minority-growth investments and credit alternatives across its buyout, growth capital and credit investment strategies. On 27 April 2017, the Existing Petershill Group acquired an equity stake in Accel-KKR. The investment was structured as a primary commitment and no capital was distributed to Accel-KKR principals as part of the transaction. The investment is being used by Accel-KKR to increase its capital commitments to current strategies and to support potential new initiatives in the future.

ArcLight Capital Partners

Founded in 2001, ArcLight Capital Partners is a Boston-based energy-and-infrastructure-focused private equity manager that currently manages a single fund family and primarily invests in the midstream, infrastructure and power sectors. ArcLight helped pioneer an asset-based private equity approach to investing in the dynamic energy sector, targeting midstream power and production. On 23 December 2016, the Existing Petershill Group acquired an equity stake in ArcLight. The investment was used by ArcLight to fund current and future general partner commitments to ArcLight funds, as well as to facilitate leadership succession at the firm.

Arlington Capital Partners

Arlington Capital Partners is a North American middle-market private equity firm focused on investing in regulated industries and their adjacent markets. Arlington was founded in 1999 and is headquartered in Washington, DC.

Arsenal Capital Partners

Arsenal Capital Partners is a North American private equity firm specialising in buyout and growth investments in middle-market industrials and healthcare companies. Arsenal was founded in 2000 and is headquartered in New York, NY.

Caxton Associates

Founded in 1983, Caxton Associates is a New York-based trading and investment management firm specialising in global macro hedge fund strategies across a variety of global markets and instruments, with offices in New York, London, Princeton and Singapore. On 30 September 2014, the Existing Petershill Group acquired an equity stake in Caxton Associates. The investment provided secondary proceeds and facilitated generational succession.

Clearlake

Clearlake is a Santa Monica, California-based buyout and distressed debt investment firm founded in 2006. Clearlake's core sectors of focus are energy, industrials, and TMT. The firm targets investments in private equity, special situations and credit in the middle-market under three product platforms: Clearlake Capital Partners, Clearlake Opportunities Partners and Clearlake Credit Partners. On 25 May 2018, the Existing Petershill Group acquired a passive minority equity stake in Clearlake. The primary portion of the investment is being used by Clearlake as strategic capital to further invest in the business and fund future development initiatives.

Francisco Partners

Francisco Partners is a San Francisco, California-based middle-market technology buyout investment firm founded in 1999. Francisco Partners' core sectors include healthcare, IT, communications, security, software and fintech, with a focus on providing transformational capital for North American, European and Israeli technology companies under two product platforms: Francisco Partners Private Equity and Agility. Francisco Partners targets businesses ranging from $20 million to more than $3 billion across a wide range of transaction types. On 9 July 2018, the Existing Petershill Group acquired a minority equity stake in Francisco Partners, with proceeds being used by Francisco Partners to further increase its capital commitments to current and future funds as well as future development initiatives.

General Catalyst

General Catalyst is a Cambridge, Massachusetts-based growth and venture capital firm founded in 2000. General Catalyst has additional offices in New York, Palo Alto and San Francisco and is managed by the two founding partners as well as Hemant Taneja and Ken Chenault. General Catalyst targets early stage venture and growth investments in technology or tech-enabled businesses. On 21 November 2018, the Existing Petershill Group acquired a passive minority revenue share in General Catalyst. The investment is being used by General Catalyst to fund future GP commitments and facilitate the continued growth of the General Catalyst platform.

Harvest Partners

Harvest Partners is a New York-based middle-market leveraged buyout firm founded in 1981. Harvest is focused on the industrials, business services, healthcare, manufacturing and distribution and consumer sectors. Harvest targets control and non-controlling investments in the middle-market under two product platforms: Harvest Partners and the Harvest Partners Structured Capital Fund. On 12 October 2018, the Existing Petershill Group acquired a passive minority equity stake in Harvest. The investment is being used by Harvest to fund future GP commitments and facilitate the continued growth of the Harvest platform.

Industry Ventures

Industry Ventures is a venture capital investment firm that focuses on investing in companies and venture capital partnerships directly and via secondary transactions, from early stage to growth stage, and seeks to address inefficiencies in venture capital with flexible solutions for entrepreneurs, venture funds and limited partners. Industry Ventures was founded in 1999 and is headquartered in San Francisco, CA, with additional offices in Washington, DC and London.

Kayne Anderson Real Estate

Kayne Anderson Real Estate ("KARE") was founded in 2007 and is a US real estate asset management platform, focusing on opportunistic, core equity and debt investments in alternative sectors, including medical office, senior housing, multi-family housing, student housing and self-storage. KARE targets investments ranging from $30 million to $500 million, with an aim to enhance value through asset consolidation and the creation of geographically diverse portfolios. On 17 January 2020, the Existing Petershill Group acquired a minority interest in KARE. The investment is being used by KARE to fund GP commitments and facilitate employee retention through equalisation and long-term commitments to the business.

Kennedy Lewis Investment Management LLC

Kennedy Lewis Investment Management LLC ("Kennedy Lewis") is a credit focused alternative asset manager founded in 2017 by David Kennedy Chene and Darren Lewis Richman. The firm manages private funds, a business development company (Kennedy Lewis Capital Company), and collateralised loan obligations (Generate Advisors, LLC).

Knighthead Capital Management

Founded in 2008, Knighthead Capital Management is a New York-based hedge fund specialising in long/short event-driven, distressed credit and other special situations across a broad array of industries. On 6 January 2014, the Existing Petershill Group acquired an equity stake in Knighthead, with the proceeds being used by Knighthead to simplify Knighthead's capital structure.

Lakewood

Founded in 2007, Lakewood is a value-oriented equity long/short investment firm. It employs a broad investment strategy with the flexibility to capitalise on opportunities in all parts of the capital structure and across geographies, market capitalisations and industries. Lakewood makes investments in long equity, short equity and fixed income. Its long equity strategy comprises a concentrated portfolio of companies with attractive long-term appreciation potential with a minimised risk of capital loss. The short equity strategy seeks to generate profits in all market environments through a focus on a prudently diversified portfolio of significantly overvalued securities. The Existing Petershill Group acquired an equity stake in Lakewood on 27 June 2017, which provided necessary capital to transition out an existing minority partner while also increasing the Lakewood partner's capital commitment to the investment fund.

Littlejohn & Co.

Founded in 1996, Littlejohn & Co. is a Greenwich, Connecticut-based mid-market private equity manager. Littlejohn & Co.'s flagship private equity programme is focused on investing in middle-market companies that are undergoing a fundamental change in capital structure, strategy, operations or growth that can benefit from its operational and strategic approach. In addition, Littlejohn & Co. has built out a distressed credit product and a performing credit platform. On 8 August 2016, the Existing Petershill Group acquired an equity stake in Littlejohn & Co. The investment was structured as a primary capital contribution to build a balance sheet that enables Littlejohn & Co. to grow its private equity and credit strategies, including funding GP commitments and CLO equity retention tranches.

LLR Partners

LLR Partners is a lower middle-market private equity firm investing in technology and healthcare businesses. LLR was founded in 1999 and is based in Philadelphia, USA.

Pelham Capital

Founded in 2007, Pelham Capital is a London-based European equity long/short hedge fund that invests across a range of sectors and specialises in event-driven distressed credit and special situation opportunity funds. On 2 January 2014, the Existing Petershill Group acquired an equity stake in Pelham Capital. The investment was used by Pelham Capital for investment in its business or its funds.

Piney Lake Partners

Piney Lake Partners, a Greenwich, Connecticut firm, is an opportunistic private credit manager and focuses on lending capital to middle-market business, primarily in North America, that are either stressed or in a period of transition. On 21 June 2018, the Existing Petershill Group acquired a revenue share in Piney Lake Partners, with capital provided to help fund its initial credit portfolio.

Riverstone Holdings LLC

Riverstone Holdings LLC, founded in 2000, is one of the world's largest energy-focused private equity firms. Riverstone manages a portfolio of more than 200 energy, natural resources and renewables companies in 15 countries across a diversified product platform including private equity funds, private credit funds and permanent capital vehicles.
On 4 May 2017, the Existing Petershill Group acquired a passive minority revenue interest in Riverstone. The investment provided Riverstone with strategic capital to further invest in the business, fund business development and address certain capital commitments.

Slate Asset Management

Slate Asset Management, founded in 2005 with offices in Toronto, Chicago, Frankfurt and London, is a real estate-focused alternative investment platform. Slate is a value-oriented manager across private and publicly traded investment vehicles, investing across Canada, the United States and Europe, through multiple vehicles, including co-investments with global institutional partners, private equity funds and publicly traded Real Estate Investment Trusts. On 26 September 2019, the Existing Petershill Group acquired a minority interest in Slate. The investment is being used by Slate as balance sheet capital to simplify its capital structure and fund current and future GP commitments to facilitate development of the Slate platform.

SLR Capital Partners

SLR Capital Partners LLC is an independent boutique asset manager focused on direct lending with expertise across a range of primarily senior secured financing solutions for US middle-market companies. SLR was founded in 2006 and is based in New York, USA.

Symphony Technology Group

Symphony Technology Group is a North American, technology-focused private equity buyout firm, focusing on investments in middle-market enterprise software companies. Symphony Technology Group targets opportunities in the value-focused enterprise software market. Symphony Technology Group was founded in 2002 and is headquartered in Menlo Park, CA.

Westbrook Partners

Westbrook Partners is a value-added global real estate investment platform. Westbrook's strategy is focused on value-added investments in global gateway cities, investing across property types and the capital structure. On 5 October 2018, the Existing Petershill Group acquired a passive minority stake in Westbrook. The investment is being used by Westbrook to fund future GP commitments and facilitate the further institutionalisation of the Westbrook platform.

Wind Point Partners

Wind Point Partners is a North American private equity firm focusing on buyout investments in middle-market consumer products, industrial products and business services companies. Wind Point was founded in 1984 and is headquartered in Chicago, IL.

Glossary of Key Operating Metrics

The Operator and the Directors use key operating metrics to help evaluate trends, assess the performance of the Partner-firms and the Company, analyse and test dividends received from the Partner-firms and inform operating, budgeting and reinvestment decisions. The Directors believe that these metrics, which present certain operating and other information in respect of the Partner- firms, provide an enhanced understanding of the underlying portfolios and performance of the Partner-firms and are therefore essential to assessing the investments and performance of the Company.

The key operating metrics described in this section are derived from financial and other information reported to the Operator by the Partner-firms. The Operator, with the assistance of an independent accounting firm, performs due diligence procedures on the information provided by the Partner-firms. It should be noted, however, that these due diligence procedures do not constitute an audit.

In addition, each Partner-firm may account for and define certain financial and other information differently from one another. For example, each Partner-firm may calculate its fee-paying AuM differently, the result of which being that the inputs of the Company's Aggregate Fee-paying AuM are not consistently calculated.

Whilst the operating metrics described in this section are similar to those used by other alternative asset managers, there are no generally accepted principles governing their calculation, and the criteria upon which these metrics are based can vary from firm to firm. These metrics, by themselves, do not provide a sufficient basis to compare the Partner-firms' or the Company's performance with that of other companies.

None of Partner Distributable Earnings, Partner FRE, Partner Realised Performance Revenues or Partner Realised Investment Income are measures of or provide any indication of profits available for the purpose of a distribution by the Company within the meaning of section 830 of the Companies Act 2006, or of any Partner-firm in accordance with the equivalent applicable rules.

Aggregate Fee-paying AuM

Aggregate Fee-paying AuM is defined as the portion of Aggregate Partner-firm AuM for which Partner-firms are entitled to receive management fees, as reported by the Partner-firms to the Operator. The principal difference between Aggregate Fee-paying AuM and Aggregate Partner-firm AuM is that Aggregate Fee-paying AuM typically excludes co-investment on which Partner- firms generally do not charge fees and, to a lesser extent, fund commitments in Partner-firm funds (i) on which fees are only earned on investment, rather than from the point of commitment and (ii) where capital has been raised but fees have not yet been activated. This may also include legacy assets where fees are no longer being charged.

The Operator and the Directors consider Aggregate Fee-paying AuM to be a meaningful measure of the Partner-firms' capital base upon which they earn management fees and use the measure in assessing the management fee-related performance of the Partner-firms and to inform operating, budgeting and reinvestment decisions.

Aggregate Partner-firm AuM

Aggregate Partner-firm AuM is defined as the sum of (a) the net asset value of the Partner-firms' underlying funds and investment vehicles, and in most cases includes co-investment vehicles, GP commitments and other non fee-paying investment vehicles and (b) uncalled commitments from these entities, as reported by the Partner-firms to the Operator from time to time and aggregated by the Operator without material adjustment. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of the Company's ownership interest in the Partner-firms.

The Operator and the Directors consider Aggregate Partner-firm AuM to be a meaningful measure of the size, scope and composition of the Partner-firms, as well as of their capital-raising activities. The Operator uses Aggregate Partner-firm AuM to inform operating, budgeting and reinvestment decisions.

Aggregate Performance Fee Eligible Partner-firm AuM

The amount of Aggregate Partner-firm AuM that is eligible for performance fees.

AuM and Associated Data

The data presented in this document for the following key operating metrics reflects AuM data reported to the Operator on a three-month lag. This three-month data lag is due to the timing of the financial information received by the Operator from the Partner-firms, which generally require at least 90 days following each period end to present final financial information to the Operator. The key operating metrics reflected on a three-month lag are:

- Aggregate Partner-firm AuM
- Aggregate Fee-paying Partner-firm AuM
- Average Aggregate Fee-paying Partner-firm AuM
- Aggregate Performance Fee Eligible Partner-firm AuM
- Average Aggregate Performance Fee Eligible Partner-firm AuM
- Partner Blended Net Management Fee Rate
- Implied Blended Partner-firm FRE Ownership
- Investment Capital

Implied Blended Partner-firm FRE Ownership

Implied Blended Partner-firm FRE Ownership is defined as the weighted average of the Company's ownership stake in the Partner-firms' management fee-related earnings and is calculated based on the contribution of average Aggregate Fee-paying AuM from Partner-firms in each period. It will therefore be expected to change to some degree from period to period based on the contribution to average Aggregate Fee-paying AuM of each Partner-firm, even if the actual ownership of each underlying Partner-firm does not change. Excludes new acquisitions where Petershill has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Implied Blended Partner-firm FRE Ownership to be a meaningful measure of the composition of the Company's investments.

Intermediary Entities

Intermediary Entities comprise the following entities – PH Offshore GP Aggregator, PH Offshore IM Aggregator, PH Onshore GP Aggregator, PH Onshore IM Aggregator.

Investment Capital

Investment Capital is defined as the sum of the reported value of the balance sheet investments from the Partner-firms. The Operator and the Directors consider Investment Capital to be a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Operator therefore uses Investment Capital to assess future expected Partner Realised Investment Income and inform operating, budgeting and reinvestment decisions.

In respect of Investment Capital, the data may be adjusted for any known valuation impacts following the reporting date of the information received from the Partner-firms.

Issuer SPVs

Issuer SPVs comprise the following entities – PH Offshore GP Issuer, PH Offshore IM Issuer, PH Onshore GP Issuer, PH Onshore IM Issuer.

Ownership weighted AuM

Ownership weighted AuM represents the sum of the Company's ownership stakes in each Partner-firm's AuM.

Ownership weighted Fee-paying AuM

Ownership weighted Fee-paying AuM represents the sum of the Company's ownership stakes in each Partner-firm's Fee-paying AuM. Please refer to Aggregate Fee-paying AuM on page 138.

Partner Blended Net Management Fee Rate

Partner Blended Net Management Fee Rate is defined as Partner Net Management and Advisory Fees for the period, divided by the average Aggregate Fee-paying AuM weighted for the Company's ownership interests in each Partner-firm. The average Aggregate Fee-paying AuM is calculated as the mean of the Aggregate Fee-paying AuM at the start and the end of the reporting period and excludes new acquisitions where the Company has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner Blended Net Management Fee Rate to be a key metric in assessing the Company's overall management fee-related performance.

Partner Distributable Earnings and Partner Distributable Earnings Margin

Partner Distributable Earnings is defined as the sum of Partner FRE, Partner Realised Performance Revenues and Partner Realised Investment Income. Partner Distributable Earnings Margin is defined as Partner Distributable Earnings divided by the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Distributable Earnings and Partner Distributable Earnings Margin to be meaningful measures of the overall performance of the Partner-firms and key performance indicators of the Company's total income from investments in management companies. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions. These measures reflect any contractual margin protections or revenue share interests that the Company may have with the Partner-firms, which means that the Partner Distributable Earnings Margin may differ from the margins achieved by other Shareholders or partners of the Partner-firms.

Partner Fee-Related Earnings (FRE) and Partner FRE Margin

Partner FRE is defined as Partner Net Management and Advisory Fees, less the Partner-firms' operating expenses, fixed and bonus compensation, net interest income/(expense) and taxes (but not performance fee-related expenses) allocable to the Company's share of Partner Net Management and Advisory Fees, as reported by the Partner-firms to the Operator, and subject to applicable contractual margin protections in respect of certain Partner-firms. Partner FRE Margin is defined as Partner FRE divided by Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner FRE and Partner FRE Margin to be meaningful measures of the management fee-related earnings of the Partner-firms and key performance indicators of the Company's income from investments in management companies derived from management fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Net Management and Advisory Fees

Partner Net Management and Advisory Fees is defined as the Company's aggregate proportionate share of the Partner-firms' net management fees (as reported by the Partner-firms to the Operator), including monitoring and advisory fees and less any management fee offsets, payable by the Partner-firms' funds to their respective Partner-firms for the provision of investment management and advisory services.

Certain Partner-firms provide transaction and advisory services, as well as services to monitor ongoing operations of portfolio companies. Management fees paid to the Partner-firms may be subject to fee offsets, which are reductions to management fees and are based on a percentage of monitoring fees and transaction and advisory fees paid by portfolio companies to the Partner-firms.

The Operator and the Directors consider Partner Net Management and Advisory Fees to be a meaningful measure of the management fee-related performance of the Partner-firms, and the Operator uses this metric to analyse and test income received from the Partner-firms and to inform operating, budgeting and reinvestment decisions.

Partner Private Markets Accrued Carried Interest

Partner Private Markets Accrued Carried Interest is defined as the Company's proportionate share of the Partner-firms' balance sheet accrued carry (as reported by the Partner-firms to the Operator) and represents the Company's proportionate share of the accumulated balance of unrealised profits from the Partner-firms' funds.

The Operator and the Company consider Partner Accrued Carried Interest to be a meaningful measure of the performance of the private markets Partner-firms and potential future private markets Partner Realised Performance Revenues. Absolute return performance fees are not accrued and are instead realised annually. The Operator uses Partner Accrued Carried Interest to assess future expected carried interest payments and inform operating, budgeting and reinvestment decisions. This key operating metric reflects data reported to the Operator on a three-month lag.

Partner Realised Investment Income

Partner Realised Investment Income is defined as the Company's aggregate proportionate share of Partner-firm earnings resulting from the realised gains and losses, or any distributed income, from the investments held on Partner-firms' balance sheets, as reported by the Partner-firms to the Operator. Partner Realised Investment Income is also realised by the Company through a limited number of direct stakes in certain Partner-firms' funds. Realised Investment Income includes income that has been realised but not yet paid, as well as amounts that are realised and either fully or partially reinvested.

The Company's share of the Partner-firms' investment and balance sheet income will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' investment and balance sheet income is lower than its ownership stake in the Partner- firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Investment Income to be a meaningful measure of the investment performance of certain assets held by the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from investment income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Realised Performance Revenues

Partner Realised Performance Revenues is defined as the Company's aggregate proportionate share of the Partner-firms' realised carried interest allocations and incentive fees payable by the Partner-firms' funds to their respective Partner-firms, less any realised performance fee-related expenses of the Partner-firms allocable to the Company's share of performance fee-related revenues, as reported by the Partner-firms to the Operator.

The Company's share of the Partner-firms' performance fee-related earnings will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' performance fee-related earnings is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Performance Revenues to be a meaningful measure of the performance fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from performance fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Revenues

Partner Revenues is defined as the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Revenues to be a meaningful measure of the overall performance of the Partner-firms. The Operator uses this metric to inform operating, budgeting and reinvestment decisions.

Petershill Funds

The Petershill Funds refers to the following entities: Petershill II L.P. and Petershill II Offshore L.P., Petershill Private Equity L.P., Petershill Private Equity Offshore L.P., Vintage VII L.P. and related entities and certain co-investment vehicles.

Weighted Average Capital Duration

Weighted Average Capital Duration is a key measure of the long-term, locked-up capital of Aggregate Fee-paying Partner-firm AuM. It is defined as the average life of the underlying Partner-firm funds weighted based on Fee-paying AuM.

Company Information

Board of Directors (all Non-Executive)
Naguib Kheraj CBE (Chairman)
Everard Barclay Simmons
Annemarie Durbin
Erica Handling
Mark Merson
All independent and of the registered office below.

Registered Office
5th Floor
20 Fenchurch Street London
EC3M 3BY
United Kingdom

Operator
Goldman Sachs Asset Management Fund Services Limited[1]
47–49 St. Stephen's Green
Dublin
D02 W634
Republic of Ireland

Investment Manager
Goldman Sachs Asset Management International[1]
Plumtree Court
25 Shoe Lane
London
EC4A 4AU
United Kingdom

Investment Advisor
Goldman Sachs Asset Management, L.P.[1]
200 West Street
New York
NY 10282
United States

Independent Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT
United Kingdom

Company Secretary and Administrator
Ocorian Administration (UK) Limited 5th Floor
20 Fenchurch Street London
EC3M 3BY
United Kingdom

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road Bristol
BS13 8AE
United Kingdom

Depositary
Ocorian Depositary (UK) Limited
5th Floor
20 Fenchurch Street
London
EC3M 3BY
United Kingdom

1. Wholly owned affiliates of the Goldman Sachs Group.

Website: www.petershillpartners.com
ISIN GB00BL9ZF303
Ticker PHLL
Sedol BL9ZF30
Registered Company Number 13289144

Cautionary Statement

The Chairman's Statement and Operator's Report have been prepared solely to provide additional information for Shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman's Statement and Operator's Report may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Board of Directors and the Operator, concerning, among other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Group's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Board of Directors and the Operator expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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Petershill Partners plc
petershillpartners.com

Registered Office
5th Floor, 20 Fenchurch Street
London EC3M 3BY
United Kingdom