Pantheon International Participations PLC

Annual Report and Accounts 2014

PIP

25 years

Pantheon International Participations ("PIP") invests in a diversified portfolio of private equity assets managed by third party managers across the world.

Private equity funds purchase large equity stakes in private companies. This gives investors access to a broader universe of opportunities than that offered by public markets. Private equity managers are long-term, disciplined investors who can bring about beneficial changes to businesses and align shareholder interests with those of company management through majority ownership.

The Manager, Pantheon, is one of the world's foremost private equity specialists. With more than 30 years' experience, and a team of over 75 investment professionals globally, Pantheon is well positioned to guide PIP towards its objective of maximising capital growth.

Contents

Year at a Glance

Key Performance Indicators

+2%

NAV per share increase

2013: +12%

16%

Ordinary share price discount to NAV

2013: 22%

22%

Redeemable share price discount to NAV

2013: 21%

1.34%

Total ongoing charges excluding tax

2013: 1.40%

Other Indicators

+10%

Ordinary share price increase

FTSE All-Share TR: +13%
MSCI World TR: +11%

+2%

Redeemable share price increase

FTSE All-Share TR: +13%
MSCI World TR: +11%

£902m

NAV

2013: £903m

1,364.2p

NAV per share

2013: 1,331.9p

£142m

Net cash flow generated from PIP's portfolio

2013: £150m

£148m

New investment commitments

2013: £129m

£18m

Investments in share buybacks for the year, generating a 0.5% uplift to NAV per share

2013: £27m; 1.2% uplift

5.7x

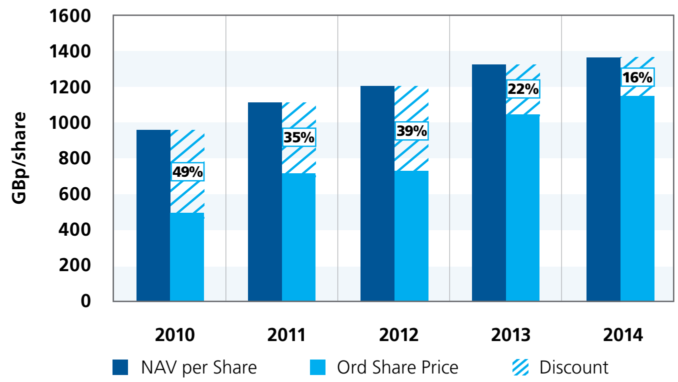
Ratio of assets and available financing to undrawn commitments

2013: 5.2x

This report contains terminology which may be unfamiliar to some readers. The Glossary on page 52 gives definitions for frequently used terms.

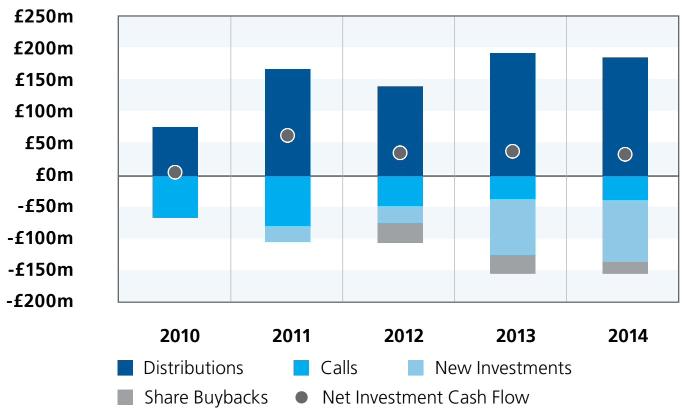
Performance Summary

NAV and Share Price Performance



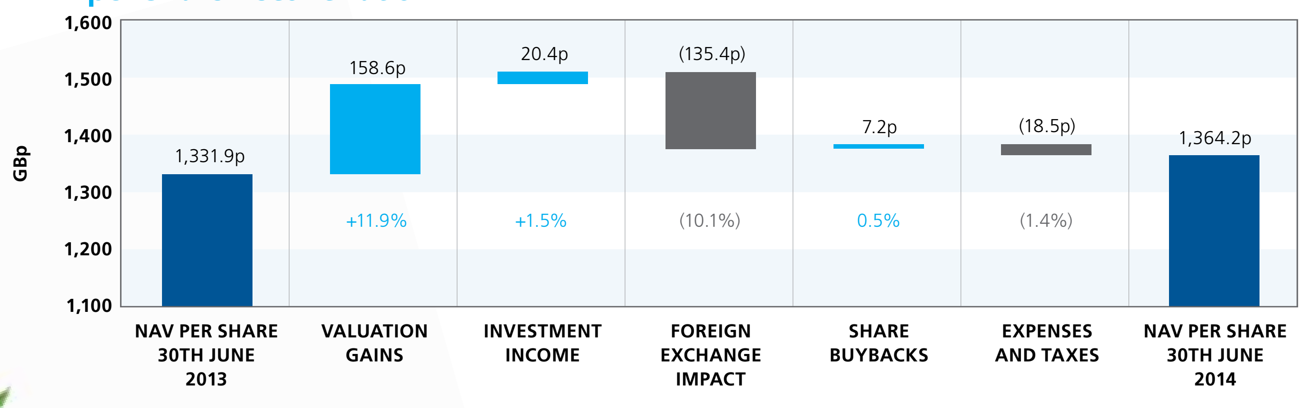
- NAV per share **increased by 2.4%**, from 1,331.9p to 1,364.2p
- The ordinary share price increased from 1,042.0p to 1,150.0p, **an increase of 10.4%**. The discount decreased from 21.8% to 15.7%.
- The redeemable share price increased from 1,050.0p to 1,070.0p, **an increase of 1.9%**. The discount increased slightly from 21.2% to 21.6%.

Net Investment Cash Flow



- Distributions received in the year were **£184.3m**, equivalent to 22% of opening private equity assets.
- PIP invested **£152.4m** in 2014 across calls (£42.1m), new investments (£92.3m), and share buybacks (£18.0m).
- Net investment cash flow was **£31.9m** (£38.3m in 2013).

NAV per Share Reconciliation

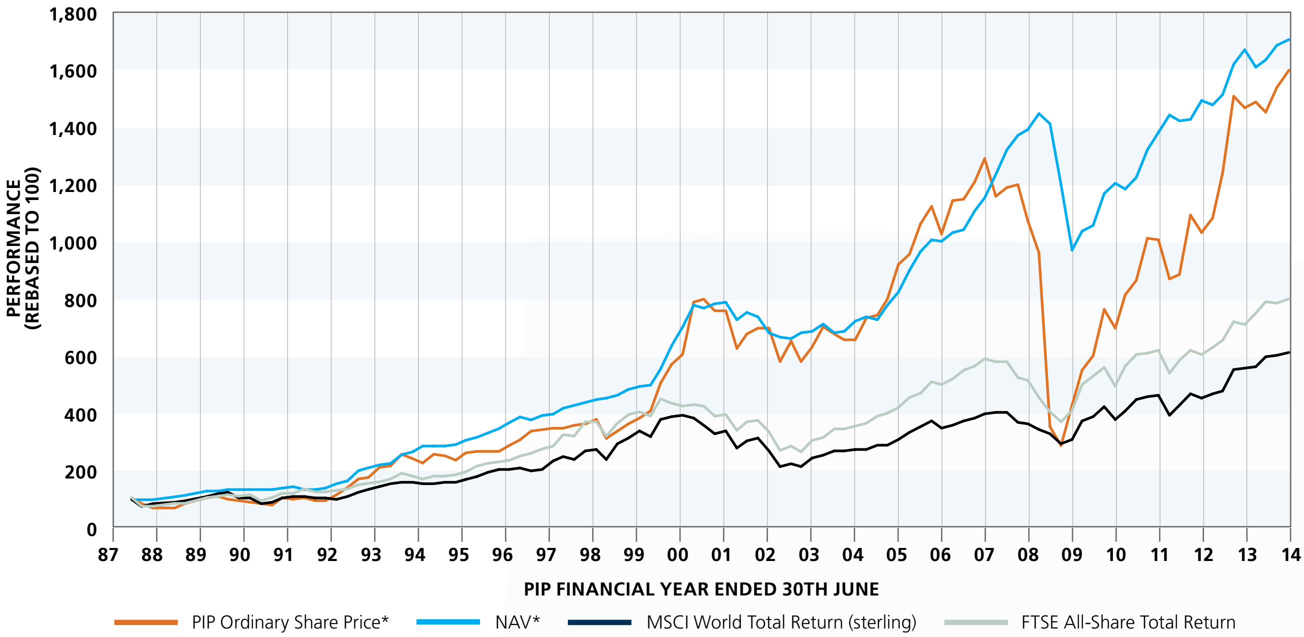


The above chart reconciles the opening and closing NAV per share for the 12 months to 30th June 2014.

Performance at 30th June 2014	1 YEAR %	3 YEARS % P.A.	5 YEARS % P.A.	10 YEARS % P.A.	SINCE INCEPTION % P.A.
NAV per share	2.4	7.3	12.0	9.1	11.2
Ordinary share price	10.4	17.2	31.3	9.5	11.1
FTSE All-Share Total Return	13.1	8.9	14.5	8.6	8.1
MSCI World Total Return (sterling)	10.7	10.1	14.7	8.5	7.1

PIP was launched on 18th September 1987. The figures since inception assume reinvestment of dividends, capital repayments and cash flows from the exercise of warrants.

Historical Record



** Includes the effects of dividends, capital repayments and warrants. NAV figure based upon adjusted NAV per share where applicable.*

Value of £1,000 invested on 30th June 2004*

PIP	£2,484
FTSE All-Share	£2,288
MSCI World	£2,255

** As at 30th June 2014*

Capital Structure at 30th June 2014

Ordinary shares	33,522,013
Redeemable shares	32,572,534
Total	66,094,547

Historical Data

Historical Data	NAV[1,2] (£M)	NAV PER SHARE[2] (PENCE)	ORDINARY SHARE PRICE (PENCE)	PRIVATE EQUITY PORTFOLIO (£M)	OUTSTANDING COMMITMENTS (£M)
Financial year end (30th June):					
2014	901.7	1,364.2	1,150.0	815	176
2013	903.3	1,331.9	1,042.0	826	195
2012	845.4	1,193.5	725.5	800	191
2011	733.1	1,104.1	714.0	810	243
2010	636.5	958.7	486.0	763	331
2009	513.6	773.6	295.3	648	428
2008	736.1	1,108.7	750.0	806	641
2007	610.3	919.2	917.5	527	528
2006	441.0	796.8	726.5	372	365
2005	381.5	657.9	650.5	315	245
2004	245.2	572.5	463.0	233	137
2003	220.9	546.8	447.0	237	158
2002	196.4	541.6	486.5	175	138
2001	206.1	669.1	574.0	201	138
2000	161.3	599.9	457.5	140	77
1999	145.8	405.6	302.5	78	45
1998	131.3	368.6	294.5	79	50
1997	116.8	328.4	270.0	73	47
1996	106.2	302.5	225.0	48	25
1995	86.9	255.1	207.5	33	8
1994	47.4	239.6	176.5	42	7
1993	30.8	195.5	172.5	28	1
1992	21.3	139.7	93.5	28	0
1991	21.0	129.1	86.5	31	1
1990	20.2	126.7	80.5	32	2
1989	16.7	120.9	95.0	25	2
1988	12.4	102.5	75.0	2	0

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

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

Strategic Report

(CONTINUED)

Chairman's Statement

In the financial year, our NAV rose by **2.4%**. The underlying investment gain of more than **13%** was reduced by foreign exchange effects caused by the strength of sterling relative to the US dollar and to a lesser extent the euro and other currencies. While adverse foreign exchange movements can be frustrating in the short term, over the long term we believe currency volatility has minimal effects on our investment returns.

The share prices of the ordinary and redeemable shares increased by **10.4%** and **1.9%** respectively and, in the case of the ordinary shares, the discount to NAV per share narrowed.

The portfolio generated significant cash inflows through distributions which we have redeployed in new investment opportunities including, from time to time, buying our own shares. We believe, given the positive outlook for realisations, and our ability flexibly to redeploy our capital in attractive investments, the outlook for the Company continues to be favourable.

Performance

PIP's portfolio generated a return including income of 13.4% relative to opening assets before foreign exchange effects, which reduced NAV per share by 10.1%. Share buybacks added 0.5% to the NAV per share and expenses including taxes amounted to 1.4%. The performance was particularly affected by the negative movement of the US dollar against sterling, as 54% of the portfolio is invested in funds focused on the USA, reflecting our belief in the greater resilience and depth of opportunity in that market. While exchange rates will from time to time fluctuate and have had a more positive impact on performance since the period end, over the long term we believe we can expect to derive the full economic benefit from our portfolio's exposure to higher growth businesses with a bias towards those operating in economies that have demonstrated greater commitment to sound economic management.

The net performance, therefore, masks strong underlying growth, in particular from our US portfolio in a period that saw US GDP grow, in real terms, by 1.9%, and the S&P 500 reach all-time highs. In Europe, while overall the economic outlook was not as resilient, we continue to see good performance out of the region.

> The portfolio generated significant cash inflows through distributions...

Despite a faltering GDP outlook, particularly in Europe, a sample representing approximately 70% of PIP's buyout portfolio continued to demonstrate earnings growth in excess of broader equity markets. Underlying revenue and EBITDA growth in the sample was 10.9% and 8.4% respectively. This compares favourably to the equivalent rates of the FTSE All-Share and MSCI World indices. Our portfolio, with its principal focus on businesses operating in niches with good growth prospects, can achieve investment performance through strategic and operational changes that private equity managers selected by Pantheon implement through a well-aligned, capital efficient investment model.

The prices of ordinary and redeemable shares increased by 10.4% and 1.9% respectively in the period. The ordinary share price benefited from a significant reduction in the discount to NAV from 22% to 16%, while the redeemable share price discount finished the period at 22%.

Share Buybacks

In the year to 30th June 2014, the Company invested £18m to buy back and cancel 1.0m ordinary shares and 0.7m redeemable shares, resulting in an uplift to NAV per share of 7.2p or 0.5% of PIP's NAV per share. PIP began buying back shares in August 2011 and so far has invested £76.2m in buying back 12.5% of the Company's shares. The discounts at which the Company's shares trade from time to time may make buybacks an attractive investment opportunity relative to other potential new investment commitments.

Investment Activity

PIP received distributions of £184m during the year, equivalent to an annual rate of 22% of opening portfolio assets. Calls from underlying private equity funds were £42m. This resulted in a net portfolio cash flow prior to new investment commitments of £142m during the year. PIP's portfolio is mature, with a weighted average fund age of 7.8 years. Given this maturity, it is expected that the portfolio will continue to generate positive net cash flows.

Realisations can contribute to performance as exits often occur at an uplift to their previous holding value. PIP's largest 100 distributions, representing 35% by value of total distributions, had realised an average uplift of 25%.

Balance Sheet

PIP's balance sheet remains ungeared. This gives the Company flexibility in redeploying capital as it receives distributions with an expectation of being able to steadily renew its portfolio. Consequently, while the Company maintains credit facilities as a matter of course to cover any unexpected cash needs, they again remained unutilised throughout the period. The Board expects to renew the credit facility before its expiry in June 2015.

At 30th June 2014, the Company's cash stood at £88m, which together with credit facilities, meant the Company had total liquid resources of £182m. Undrawn commitments of £176m at 30th June 2014 were covered by assets and loan facilities by a factor of 5.7 times.

New Investments

While the environment for new investments has undoubtedly become more competitive this year, the Company has benefited from its flexible investment strategy and Pantheon's extensive network to seek out opportunities which offer compelling relative value. PIP made 29 new investments in the year, amounting to £148m in commitments with £92m drawn. This consists of six secondary and four primary commitments totalling £106m of commitments to funds, and 19 co-investments alongside selected private equity managers of £42m.

Almost 54% of the secondary investments were in large buyout funds that were formed predominantly within the 2004-2008 vintages. This reflects both the emphasis of Pantheon's secondary origination initiative and sellers' focus on trimming their exposure to these fund vintages. The majority of PIP's co-investments were in buyouts.

Since the year end, the Company has committed a further £70m; £41m to three secondaries, £6m to two co-investments, and £23m to three primary funds.

Strategy

The Board regularly reviews the Company's investment strategy and the appropriate balance between secondaries, co-investments and primary investments in order to achieve our objective of maximising capital growth while controlling the level of asset concentration, maturity and financial risk. Emphasising secondary investment enables us to maintain a relatively mature portfolio. Consequently, the portfolio distribution rate can remain high from year to year, enabling the Company, through the re-investment of distribution proceeds, to renew the portfolio over a four to five year period as capital is re-invested at a controlled pace. We believe this steady renewal rate helps to control cyclical risk on our way to generating long-term investment performance.

PIP increased its allocation to co-investments this year. Co-investment is becoming a more established part of the market and with Pantheon's dedicated pool of professionals sourcing co-investment opportunities from amongst its manager relationships globally, we can take advantage of this opportunity. Therefore, as a proportion of PIP's investment activity, co-investments may account for up to 30% of our new investments and if so, we will see PIP's exposure to co-investments increase over the next 3-4 years if the market opportunity remains attractive.

> "We believe, given the positive outlook for realisations, and our ability to flexibly redeploy our capital in attractive investments, the outlook for the Company continues to be favourable

Chairman's Statement

(CONTINUED)

The Company will make primary commitments on a targeted basis, where there is an opportunity to gain access to top tier funds addressing particular market opportunities that might not otherwise be so accessible through the secondary market. Such commitments are made within the context of controlling the level of undrawn commitments so they do not ordinarily represent more than a third of PIP's assets. Subject both to this constraint and to the appropriate opportunities being available, we expect to make up to approximately £50m new primary commitments per year. At this level, undrawn commitments can be expected to be comfortably financed from internally-generated cashflow. However, we will also maintain borrowing facilities sufficient to finance any shortfall in net cash flow during unusually low periods of market liquidity.

Outlook

Although the pace of economic recovery across the regions and markets in which the Company operates is mixed, the general outlook for continued economic recovery in some major markets is helpful in underpinning the rates of underlying corporate earnings growth in our portfolio. Risks of a reversal in market sentiment, however, remain. As recovery takes hold and quantitative easing slows, some factors such as labour costs and interest rates, which have been subdued for some time, may begin putting a brake on the pace of corporate profit growth. Additionally, while the recent events in Ukraine and the Middle East have to date had little impact on public markets, these remain a potential threat to stability. Within the private equity market, easy availability of credit and buoyant equity markets have created a positive environment for realisations but can also lead to an increase in leverage risk.

Secondary pricing has tightened as public markets have risen and conditions for exits have remained benign, giving buyers greater confidence in valuations. However, this has also had the effect of increasing the number of secondary market sellers, with 2014 transaction volumes on track to exceed those of 2013, which in itself was a record year. Pantheon has been able to take advantage of these conditions to source high quality assets; we expect the pricing conditions, along with the upcoming regulatory-driven deadlines for banks and insurance companies, to result in a full pipeline of deals in the second half of 2014, although we will continue to exercise pricing discipline.

The Company's strong cash generation is helpful in providing investors with continuing evidence of the Company's performance potential so we can actively redeploy capital in new investments, including share buybacks. The portfolio's tendencies to produce better than public market underlying revenue and earnings growth rates and to experience uplifts to holding values on exits, coupled with early performance from new investments enhanced by share buybacks, are the factors that support the outlook for continued NAV growth. Indeed, since the year end, we have seen further NAV per share growth of 5.8%. This was partly driven by investment gains including income, and a reversal of foreign exchange effects, which gave rise to a 4.0% and 2.0% uplift per share respectively.

We are optimistic that there is potential for further narrowing of the share price discount, while the historically low average discounts elsewhere in the investment trust sector indicate that the listed private equity sector still offers good value.

> "The general outlook for continued economic recovery in some major markets is helpful in underpinning the rates of underlying corporate earnings growth in our portfolio

Board Changes

In my statement last year, I noted that the Board is aware that it has a number of long-serving Directors and is committed to ensuring that the pace of retirement and addition of new Directors in the coming years preserves a healthy balance between longer serving and newer members. Further to this, Peter Readman, who joined the Board in 1994, has decided to step down after 20 years as a Director and will be retiring at the Annual General Meeting. I would like to take this opportunity to thank Peter for his dedication and wise counsel, most recently as our Senior Independent Director, over these many years. We are conducting a search for a new Director to join the Board in Peter's place and will announce the new appointment when a suitable candidate has been identified.

The Strategic Report has been approved and signed on the Board's behalf.

TOM BARTLAM
Chairman
1st October 2014

Objective and Investment Policy

Investment Objective

The Company's primary investment objective is to maximise capital growth by investing in a diversified portfolio of private equity funds and directly in private companies.

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

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

Investment Rationale

The Board believes that there is a convincing rationale for investing in private equity funds or direct co-investments managed by private equity managers, selected for their ability to outperform their peers, within a globally diversified portfolio.

Private equity is the term used for investments made in non-public companies through privately negotiated transactions. More than 5,200 private equity managers globally collectively manage approximately $3 trillion in assets[1]. The asset class covers a broad range of strategies, which all share a common theme – capital structure optimisation combined with long-term investment horizons and hands-on management support.

For investors looking for attractive risk-adjusted returns relative to other asset classes, private equity has strong credentials. A broad range of institutions, including pension funds, sovereign wealth funds and endowments, as well as high net worth individuals, invest in private equity as it can offer a meaningful boost to the performance of their investment portfolios.

The Private Equity Investment Approach

Private equity investors acquire influential or controlling shareholdings in businesses where there is an opportunity to work closely with a company's management to implement both strategic and operational change that can transform a company's value. Typically specialising in market sectors in which they already have extensive investment experience, private equity managers are well placed to identify attractive investment opportunities based on proprietary research.

By ensuring that a company's management are investing at the same time, better alignment between management and shareholders can be achieved through joint ownership. Private equity managers aim to produce absolute returns that outperform public benchmarks through a clear value creation plan and careful alignment of management team interests, while at the same time using leverage to create an efficient capital structure.

The high level of outperformance achieved by top quartile managers in the private equity market, evident through multiple cycles, provides the opportunity for a specialist manager such as Pantheon to identify and select managers capable of outperforming public market benchmarks within a diversified portfolio that mitigates the risk of being over-exposed to any single fund, region or investment style.

The Board believes that investing the Company's capital in private equity funds flexibly between the primary and secondary markets or directly co-investing in companies alongside private equity managers, in each case selected by Pantheon, provides a good opportunity to generate attractive long-term investment performance.

[1] *Source: Credit Suisse Private Equity Market Overview, December 2013*

Our Business Model

Company Strategy

PIP's strategy is to invest with leading private equity managers whilst reducing investment risk through diversification of the underlying portfolio by geography, investment stage and sector. This strategy is implemented through PIP's access to Pantheon's primary, secondary and co-investment activities. PIP has the flexibility to vary the size and emphasis of its investments depending on its available financing.

The spread of performance in private equity is much wider than in other asset classes and the selection of managers has a significant influence on investment performance. As a specialist fund-of-funds manager monitoring and researching the global private equity market, Pantheon, PIP's Manager, is well positioned to identify fund managers who have the skills and strategies to deliver superior performance within their particular market segments.

The current portfolio reflects PIP's prolonged access to Pantheon's carefully selected primary and secondary investments over the past 27 years. Only funds that have passed through rigorous research and analysis can be selected for investment.

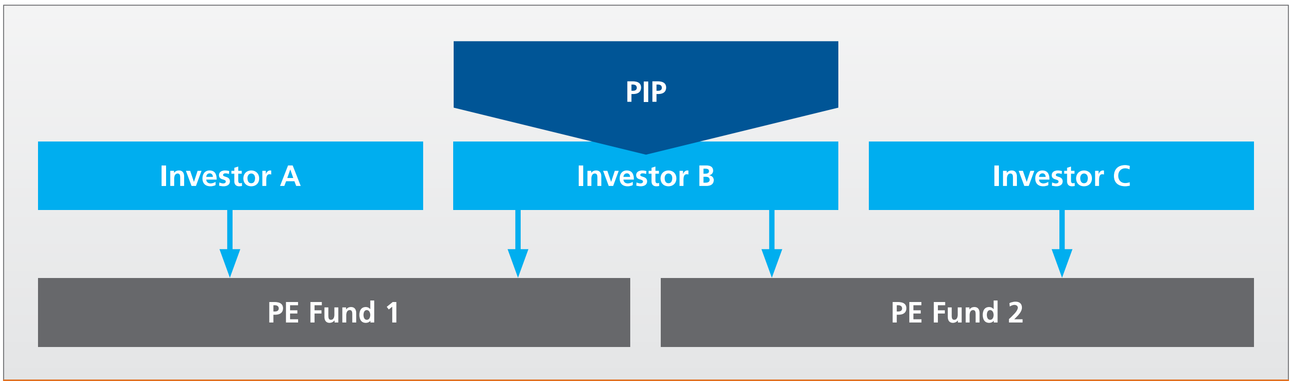
Secondary Commitments

It is the Board's current intention to emphasise secondary investment as the Company makes new commitments.

Secondary purchases of existing interests in private equity funds are typically acquired between three and six years after a fund's inception, when such funds are substantially invested. PIP benefits from secondaries because the fees and expenses in the first few years have been paid and distributions from the fund will be returned over a shorter time period. This helps to reduce the drag to performance from young and immature funds, known as the "J-curve effect". In addition, secondary assets can sometimes be purchased at a discount, especially in cases where the seller has a need for liquidity, increasing the opportunity for outperformance.

As the Company continues to build its financial resources through net portfolio realisations, the shorter duration of secondary investments and lower associated undrawn commitments will enable the Company to maintain its financial strength. In accordance with the terms of its management agreement with Pantheon, PIP is entitled under Pantheon's allocation policy to the opportunity to co-invest alongside Pantheon's latest global secondary fund, Pantheon Global Secondary Fund V, benefiting from access to larger secondary opportunities that it would not have had the capacity to complete alone. The secondary programme enables PIP to acquire attractively priced secondary interests as they become available, and aims to outperform market averages through judicious selection, pricing and timing.

Illustration: Secondary Investment



PIP purchases the LP interests from Investor B and replaces them as an investor in the Funds.

Our Business Model

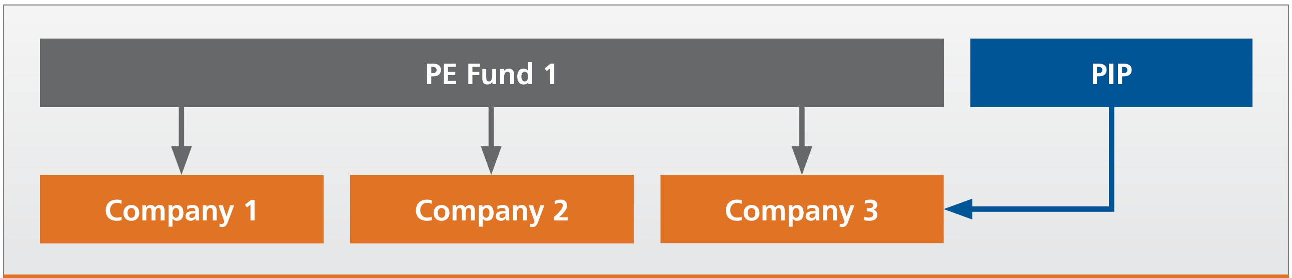
(CONTINUED)

Co-investments

The Company will also participate in co-investments alongside established private equity managers. The extent of Pantheon's General Partner relationships provide a significant advantage for the sourcing and evaluation of co-investments. As with secondary investing, co-investments allow the Company to put money to work at the time an investment is made.

In addition, as there are lower or no management fees charged on co-investments by the underlying private equity manager, co-investing can represent a cost-efficient way of investing, whilst providing PIP with exposure to current vintages. It is the Board's current intention that co-investments will not, on average, account for more than 30% of PIP's new commitments.

Illustration: Co-investment

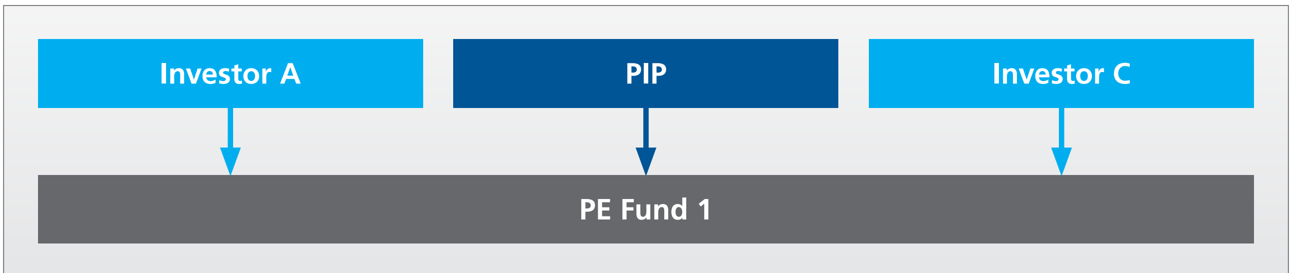


PIP participates directly in the purchase of a portfolio company investment alongside a private equity fund.

Primary Commitments

Investing in private equity through a primary commitment strategy (e.g. commitments to new private equity funds), by increasing the proportion of immature assets in its portfolio and by increasing its undrawn commitments relative to its assets, can reduce PIP's financial flexibility. New primary investments have longer payback periods, requiring the Company to maintain higher levels of standby financing against undrawn commitments. For these reasons, the Board de-emphasises primary commitments. However, the Company will consider making primary commitments on a targeted basis for portfolio construction purposes. The investment rationale for any new primary commitments will always be weighed against their effects on the Company's financial flexibility so as to keep the undrawn commitments to a level that can comfortably be expected to be financed from internally generated cash flows.

Illustration: Primary Investment



PIP invests in a new Fund when the Fund is established

Share Buybacks

In certain circumstances, usually where the Company's shares are quoted at a significant discount to NAV, the Board may view the shares as presenting an attractive investment opportunity relative to other uses of cash, such as new investment commitments. In such circumstances, the Board will consider targeted buybacks of ordinary and redeemable shares instead of, or in addition to, new investments as a means of utilising cash generated from the Company's portfolio.

Social, Environmental, Community, Human Rights and Employment Issues

The Company has no employees and the Board consists entirely of non-executive Directors. At the end of the year under review, the Board was comprised of five male Directors and one female Director.

As an investment trust, the Company has no direct impact on the community or the environment. The Manager is committed to the Principles for Responsible Investment and its policies are set out on pages 48 and 49. These Principles are integrated into Pantheon's investment analysis and decision-making process, as well as post-investment monitoring procedures.

Retail Investors Advised by IFAs

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

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

Principal Risks and Uncertainties

Risk	Mitigation
Funding of investment commitments and default risk	
In the normal course of its business, the Company typically has outstanding commitments to private equity funds which are substantial relative to the Company's assets and may be drawn down at any time. The Company's ability to meet these commitments is dependent upon it receiving cash distributions (the timing and amount of which can be unpredictable) from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.	The Company has a mature portfolio which is naturally cash generative and does not ordinarily gear its balance sheet for the purpose of enhancing performance. The Board intends to manage the Company so that undrawn commitments remain at a conservative level relative to its assets and available financing. The total available financing as at 30th June 2014 stood at £182m, comprising £88m in cash balances and £94m in undrawn bank facilities. As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 5.7 times. The Company expects ordinarily to finance the majority of calls from undrawn commitments out of distributions. In the event that the levels of cash distributions and cash balances are insufficient to cover capital calls, the Company has the ability to draw funds from a credit facility (see Gearing section on the following page for details on credit facility).
Risks relating to investment opportunities	
There is no guarantee that the Company will find sufficient suitable investment opportunities, or that the private equity funds in which it invests will find suitable investment opportunities, to achieve the level of diversification which the Company seeks to achieve in relation to its investment portfolio.	The Manager has in place a dedicated investment management process that is designed to help maximise the chances of the Board's intended investment strategy being achieved, in line with the Investment Policy section on page 9. The Board periodically reviews investment and financial reports from the Manager to monitor the effectiveness of the Manager's investment management process.
Financial risk of private equity	
The Company invests in private equity funds and unquoted companies which are less readily marketable than quoted securities. In addition, such investments may carry a higher degree of risk than investments in quoted securities.	The Manager's investment management process is designed to produce the best possible risk-adjusted returns from private equity investments. Where the Company commits to private equity funds, such funds are structured as limited life funds where the manager is incentivised to realise investments and return proceeds to investors within the funds' limited life span. As part of the investment process for secondaries and co-investments, an assessment is made to understand the possible impact of the underlying assets' illiquidity on projected exit outcomes. As part of the investment process for primaries, an assessment is made to understand a manager's approach to underlying company illiquidity.

Risk	Mitigation
Long-term nature of private equity investments	
Private equity investments are long-term in nature and may take some years before reaching a level of maturity at which they can be realised. Accordingly, it is possible that the Company may not receive a return on investments made by it for a number of years	The Company pursues a flexible investment strategy, emphasising secondary investments which will typically have shorter average exit horizons than co-investment and primary commitments. A flexible investment strategy therefore results in a range of likely exit horizons for underlying investments, mitigating this risk.
Valuation uncertainty	
In valuing its investments in private equity funds and unquoted companies and in publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by these funds and companies to the Manager. There is potential for inconsistency in the valuation methods adopted by the managers of these funds and companies. In addition, the information provided is typically more than 60 days old at the time the NAV of the Company's shares is reported.	In the case of the Company's investment in private equity funds and direct investments managed by private equity managers, the valuation of investments is based on valuations provided by the private equity managers that are periodically audited. Pantheon carries out a formal valuation process involving a monthly review of these valuations, verification of the latest audited reports coverage, as well as a review of any potential adjustments required to ensure reasonable valuation of underlying investments in accordance with fair market value principles required under GAAP.
Gearing	
The use of gearing can cause both gains and losses in the asset value of the Company to be magnified. The Company may also invest in private equity funds or unquoted companies which are geared by loan facilities that rank ahead of the Company's investment both for payment of interest and capital. As a consequence, the Company may be exposed to gearing through the borrowings from time to time of such private equity funds and companies, increasing its investment risk.	While debt is commonly used within the capital structure of private equity funds' portfolio investments, it is not commonly used at the fund level other than for working capital purposes. Thus, leverage risk is typically non-recourse between portfolio companies operating independently within the same portfolio. For working capital purposes, the Company maintains a revolving credit facility arranged by The Royal Bank of Scotland plc, due to expire in June 2015, and comprising facilities of \$82m and €57m. The principal covenant that applies to the loan facility ensures that the Company is limited to a maximum gearing of 30% of adjusted gross asset value. The facility was unutilised as at 30th June 2014.

Principal Risks and Uncertainties

(CONTINUED)

Risk	Mitigation
Foreign currency risk	
The Company makes investments in US dollars, euros and other currencies as well as sterling. Accordingly, the Company is exposed to currency exchange rate fluctuations.	The Manager monitors the Company's underlying foreign exchange exposure and seeks to balance the risks associated with holding different currencies through diversification and cost averaging effects. Furthermore, as part of the investment management process, the Manager will assess the risk-return of a specific investment, taking into consideration the currency denomination of the investment and the potential impact of currency risk. However, foreign currency risk tends to be mitigated over longer investment horizons.
Unregulated nature of underlying investments	
The private equity funds and underlying unquoted investments that form the basis of the majority of the Company's portfolio are not necessarily subject to regulation by the FCA or an equivalent regulatory body. Funds and unquoted companies in which the Company invests (directly or indirectly) may be domiciled in jurisdictions which do not have a regulatory regime which provides an equivalent level of investor protection to that provided under the laws of the United Kingdom.	The Manager's investment management process for primary and secondary investments requires verification of the regulatory jurisdiction of underlying funds. In addition, the managers of the underlying funds are mostly regulated by the FCA, SEC, or an equivalent body in the managers' respective jurisdictions.
Taxation	
Any change in the Company's tax status or in taxation legislation or practice could affect the value of the investments held by and the performance of the Company. In addition, the income and gains of the Company from its investments may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise.	The Manager's investment management process incorporates an assessment of the tax impact of each primary or secondary fund investment, or co-investment that is purchased. For every investment, the Manager also reviews the appropriateness of an investment's legal structure and any action required, including the establishment of special purpose and/or blocker vehicles, to tailor an investment's structure to minimise the potential tax impact on the Company.
The Manager and other third party advisers	
Like most investment trust companies, the Company has no employees and the Directors are all non-executive. The Company is dependent upon the services of Pantheon as Manager and may be adversely affected if the services of Pantheon cease to be available to the Company.	The Board keeps the performance of the Manager under continual review. In addition, the Management Agreement is subject to a notice period that is designed to provide the Board with adequate time to put in place alternative arrangements in the event the services of Pantheon cease to be available.

Manager's Review

The Manager (Pantheon)

Pantheon, one of the world's foremost private equity specialists, has acted as Manager to PIP since its inception in 1987, evaluating and managing investments on PIP's behalf in line with the strategy agreed by the Board. Pantheon is also one of the largest and most experienced secondary managers, having committed more than $8bn to secondaries over the last 30 years.

At a Glance

- $30.5bn[1] assets under management, on behalf of over 400 institutional investors
- A leader in private equity fund-of-funds management with over 30 years' experience
- International team comprising around 200 staff, including 75 investment professionals[2]
- At the forefront of the fast-growing secondary market, having committed more than $8bn to secondary investments globally, across more than 320 transactions

Strong Private Equity Track Record

Pantheon is one of the leading private equity fund investors in the world, with global assets under management of $30.5bn, and over 400 institutional investors.

Pantheon has a strong and consistent private equity investment track record. For over 30 years, Pantheon has made investments in over 1,400 private equity funds, gaining exceptional insight and access to the most attractive funds in all the major private equity markets.

Reputation as a Preferred Investor

Pantheon has been investing in private equity for over 30 years and has an enviable reputation in the industry. Pantheon is often considered a preferred investor due to its reputation, active approach and scale of commitments. In addition, Pantheon generally seeks advisory board seats to contribute actively to governance during the life of the fund. As such, Pantheon is represented on over 270 advisory boards worldwide. Long-standing partnerships with managers on a global basis can also enhance the firm's deal flow in the secondary market.

Diversification

Pantheon has substantial experience of investing in private equity through various economic cycles and in different regional markets. The firm's asset allocation, diversification strategies and disciplined investment process are structured with the objective of producing the best possible risk-adjusted returns. Pantheon's diversification strategy limits portfolio risk by including a multi-strategy approach, targeting funds with a variety of different return characteristics and deploying capital over a number of vintage years, generally ensuring that the most attractive segments of the market are represented in the portfolio. When applying this approach, the Board works closely with Pantheon to ensure that the management of the Company is in line with its agreed strategy.

Team-based Culture

Pantheon draws upon a deep pool of resources that contributes to a unique team-based culture. With teams operating in London, San Francisco, Hong Kong, Bogotá and New York, Pantheon adopts a collegiate approach to investment decision-making, globally leveraging the collective experience and expertise of its investment professionals. The team's experience is also brought to bear on the evaluation, selection and ongoing monitoring of fund investments. Pantheon's team of 75 investment professionals, supported by over 120 other professionals, work together with the ultimate aim of producing strong and consistent results.

[1] As at 31st March 2014. The figure includes assets subject to discretionary or non-discretionary management, advice, or those limited to a reporting function.

[2] All staff figures as at 1st July 2014.

Secondary Investing

Pantheon is one of the largest and longest established secondary investors in the world, with more than 30 years' experience of successful secondary investing. This size and experience means Pantheon can focus on large and complex transactions in which many other lesser resourced investors cannot participate.

Pantheon has committed more than $8bn in the secondary market globally across more than 320 transactions, including more than 100 portfolio transactions and more than 200 single fund secondaries.

Pantheon consistently utilises the knowledge and due diligence information of its primary fund teams and global offices. Long-standing partnerships with private equity managers around the world help to enhance the firm's deal flow.

While the increase in scale of the secondary market has been paralleled by growth in the number of would-be acquirers of secondary assets, Pantheon believes it has an advantage in having wide experience and coverage. As a result, the differentiation between experienced and well-resourced global specialists and the rest is becoming increasingly apparent as the market evolves.

The Investment Team

A: San Francisco – *22 investment professionals* **B:** New York – *9 investment professionals* **C:** London – *33 investment professionals* **D:** Hong Kong – *9 investment professionals* **E:** Bogotá – *2 investment professionals*

Market Review

The economic recovery has continued over the last year with many developed economies experiencing GDP growth, albeit at a low rate. Despite a slowdown in the first quarter of 2014 due to the severe winter, the US recovery seems to be on track. In Europe, recovery limps on and the risks to growth remain high. With public markets seeming fully valued, particularly in the US, and given the easy availability of credit, we believe investors must exercise vigilance in selecting assets and be prepared for any setbacks to recovery.

Although the public market rallies experienced in the second half of 2013 lost steam in the US and Europe during the first half of 2014, they have remained relatively stable. US markets in particular have pushed on to a record high, while volatility, as measured by the VIX, remains low. Credit is easily available and debt pricing has continued to fall. These conditions have proved supportive for exits by private equity managers both in the US and Europe.

Elsewhere, despite growth rates remaining lower, emerging markets continue to grow at a faster rate than developed economies. While markets in the region have been volatile, there is an increased possibility that GDP growth in China may stabilise and rise in 2015 as the government introduces measures to support the economy. Market confidence has also begun to return to India, anticipating positive economic developments following the recent change of government.

USA

The US recovery is now well underway, despite a slowdown in the first quarter of 2014 related to the unusually severe winter. US GDP grew 1.9% in 2013 and is forecasted to grow 1.7% and 2.3%, respectively, in 2014 and 2015[1]. Housing starts are on an upward trend, household debt has fallen, and property prices have recovered. The USA continues to benefit from increasingly competitive labour costs (relative to China) and inexpensive energy created by an abundant supply of natural gas, both of which have contributed to a re-shoring of manufacturing.

Private equity firms invested $89bn of capital during the first half of 2014, a 16% decrease over the first half of 2013[2]. A slowdown in the number of large deals completed contributed to this decline, as readily available and inexpensive debt financing have increased median purchase price multiples to pre-crisis levels. In contrast, deal activity by number increased by 8% during the first half of 2014[3], driven by growth and add-on transactions that are more conservatively valued and often have limited or no competition. The industrial and information technology sectors were the most active during the first half of 2014, representing 30% and 15% of deals completed, respectively[4]. We expect healthy deal activity in the second half of 2014 due to significant dry powder remaining in the market and investors' desire to put capital to work.

Exit activity has remained strong in 2014, despite the record $586bn distributed to investors by private equity managers in 2013[5]. During the first half of 2014, private equity investors exited 435 companies valued at $127bn[6], a 57% increase over 2013. IPOs continue to be an attractive exit route, comprising 7% of all exits in 2014 to date[7]. Private equity firms raised $15.6bn in 36 IPOs during the first half of 2014, a 44% year-over-year increase[8]. Secondary buyouts and trade sales remain the most popular exit routes as both sponsors and strategics are seeking to acquire high quality companies.

Venture capital ("VC") investment continued to increase during the first half of 2014, while financing activity slightly declined. VC funds invested $28.9bn in US start-ups, driven by large rounds for later stage companies, including Uber ($1.2bn), Airbnb ($519.7m), Lyft ($250m) and Pinterest ($200m)[9]. High valuations resulted in fewer seed stage financings, which also contributed to the 22% year-on-year volume decline. Exit activity remained steady, with investors selling $25.1bn of investments through 369 liquidity events[10], and is expected to end 2014 on a high note with the completion of Facebook's $19bn acquisition of WhatsApp. IPOs remain a popular exit route for investors, with 68 VC-backed IPOs completed in the first half of 2014[11]. Strong LP distributions in 2012 and 2013 fuelled a rebound in the VC fundraising market in 2014. Through the first half of the year, 105 US VC funds have been raised totalling $17.4bn in capital commitments, compared to the $18.2bn raised in all of 2013[12].

[1] Source:Capital Economics, Global Economic Outlook Q314 [2] Source: Preqin [3] Source: Preqin [4] Source: Preqin [5] Preqin PE Performance Monitor [6] Source: Preqin [7] Source: Preqin [8] Source: Renaissance Capital 2Q14 Review [9] Source: PitchBook 3Q14 US Venture Industry Report [10] Source: PitchBook 3Q14 US Venture Industry Report [11] Source: Renaissance Capital 2Q14 Review [12] Source: PitchBook 3Q14 US Venture Industry Report

US fundraising remains strong with continued investor demand for private equity, in part due to robust distributions. In 2013, private equity funds raised $167bn, a post-crisis record, driven by 11 funds that closed on more than $5bn of commitments[13]. Fundraising momentum continued in the first half of 2014, with private equity firms raising more than $87bn[14]. High-quality managers continue to benefit from scarcity value, resulting in quick fundraises often with a single close. Despite a strong first half, 2014 fundraising will likely not exceed that of 2013 as there are fewer large funds in the market and LPs have shifted their focus to small and middle market funds.

Europe

The picture in Europe remains mixed with overall GDP growth sluggish. Estimates of Q2 2014 GDP growth suggest this was flat in the Eurozone and +0.2% across the EU[15]. Consumer recovery remains slow, particularly in Southern Europe. Evidence of an improvement in either industry or exports is light, with a particular divergence between France and Germany[16]. Unemployment is lower but was still 11.5% in the Eurozone in June 2014[17], however, encouragingly, Spain and Portugal did see falls in unemployment and generally youth unemployment is creeping lower. There has been no significant pick-up in exports but prospects are brighter given the weakening of the euro and potential for growth amongst the principal export markets such as China and the US. The ECB's decision in September 2014 to cut interest rates and signal future purchases of asset-backed securities is supportive. Despite this relatively weak backdrop, as seen in our own portfolio, with careful selection of high quality assets, Europe can be an attractive investment prospect.

Investment activity has slowed slightly as valuations have increased but purchase price multiples for companies with enterprise values below $250m where many of our managers are active, have not experienced the same increases[18]. Private equity managers are favouring smaller add-on acquisitions to platform buyouts. Just as in the US, credit is easily available on attractive terms.

The exit environment has been strong during the first half of 2014. While trade sales and secondary buyouts have remained viable exit routes, there was a significant jump in IPO activity in the period, particularly in the UK, with numerous portfolio companies successfully listing on the London Stock Exchange. 2014 is on track to record one of the most active periods for larger exits since the pre-crisis boom, with a number of €1bn+ transactions closing in the first half of the year.

Rising equity markets and an increasing rate of distributions have encouraged investors to replenish their commitments to European private equity. New capital has been concentrated towards an ever-smaller group of high-quality funds, with investors continuing to favour the most experienced private equity managers with proven performance track records.

Asia

Emerging markets appear to have avoided a hard landing, with GDP growth in China expected to stabilise this year at around 7.4%[19]. Debt remains high but we are seeing steps from the Chinese government to control this. Investor confidence in India has improved with better exit conditions but uncertainty remains around regulatory issues.

The first half of 2014 saw a significant increase in the value of deals completed[20]. Many Asian company owners are finding traditional sources of capital restricted and they are becoming more familiar with private equity as a constructive source of capital. These improving perceptions are giving rise to a greater supply of investment opportunities, where private equity managers are taking significantly influential shareholdings, enabling their active involvement throughout the ownership period.

Investor confidence and optimism for the second half of 2014 remains high. Asia is an attractive diversification option for investors, and private equity managers continue to unlock opportunities from the large stock of private companies. Improving market conditions should provide the encouragement required for investment transactions throughout the remainder of 2014. Equally, robust credit markets have made capital more accessible and potentially facilitate increased deal-making going forward.

[13] Source: Preqin [14] Source: Preqin [15] Source: Eurostat [16] Source: Capital Economics [17] Source: Eurostat [18] Source: S&P Capital IQ, M&A Stats June 2014
[19] Source: IMF, World Economic Outlook Update, 24th July 2014 [20] Source: Preqin

Market Review

(CONTINUED)

Secondaries

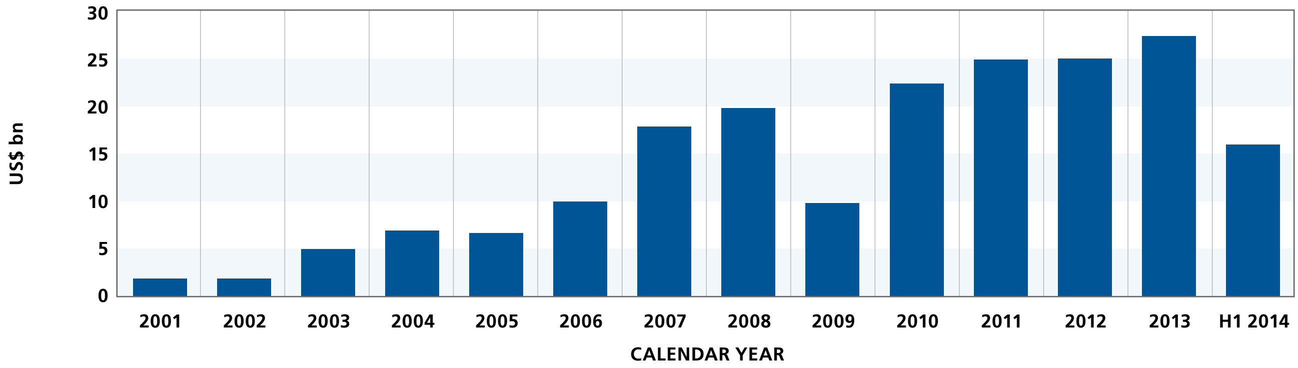
Secondary market activity reached a historical high, with $16bn of deal volume in the first half of 2014 versus $12bn in the same period last year[21]. Sellers came from a broad spectrum, with banks, public pension funds and asset managers among the most active participants in the market. Regulatory change, capital adequacy testing and portfolio management typically dominate sellers' motivations; this year, they were also enhanced by higher secondary market pricing levels.

The overall market saw $36.5bn of secondary deals transacted during the past year, significantly higher than the prior period due to a very busy second half of 2013[22]. Matching the broader increase in activity, Pantheon saw an increase in deal flow, reviewing over $50bn of transactions across approximately 280 sellers during the year to 30th June 2014.

During the year, secondary market pricing continued to recover towards pre-crisis ranges, with many funds trading at par, or even at premium pricing, to most recent net asset values[23]. This has been partly caused by rising public market valuations, but also by the expectation of further increases in public market valuations and continued strong realisation activity. In such a fully priced environment, Pantheon's approach remains highly selective, investing in opportunities only when convinced that there is a clear case for value at entry. This approach attempts to identify fundamentally sound businesses managed by high quality general partners, with robust prospects for medium-term capital gain.

Despite the potential for a delay in the implementation of the Volker rule compliance deadline beyond June 2015, banks that continue to hold private equity assets are expected to engage in more selling activity by the end of the year. In addition, if pricing levels persist at current levels, sellers are likely to continue to opportunistically access the secondary market. Given the likely deal flow in the second half of the year, there is a real prospect of secondary deal volume reaching record volumes of over $30bn in 2014.

Secondary Deals Transacted[24]



[21] *Source: Cogent Partners, Secondary Market Trends and Outlook, July 2014* [22] *Source: Cogent Partners, Secondary Market Trends and Outlook, January 2014 & July 2014*

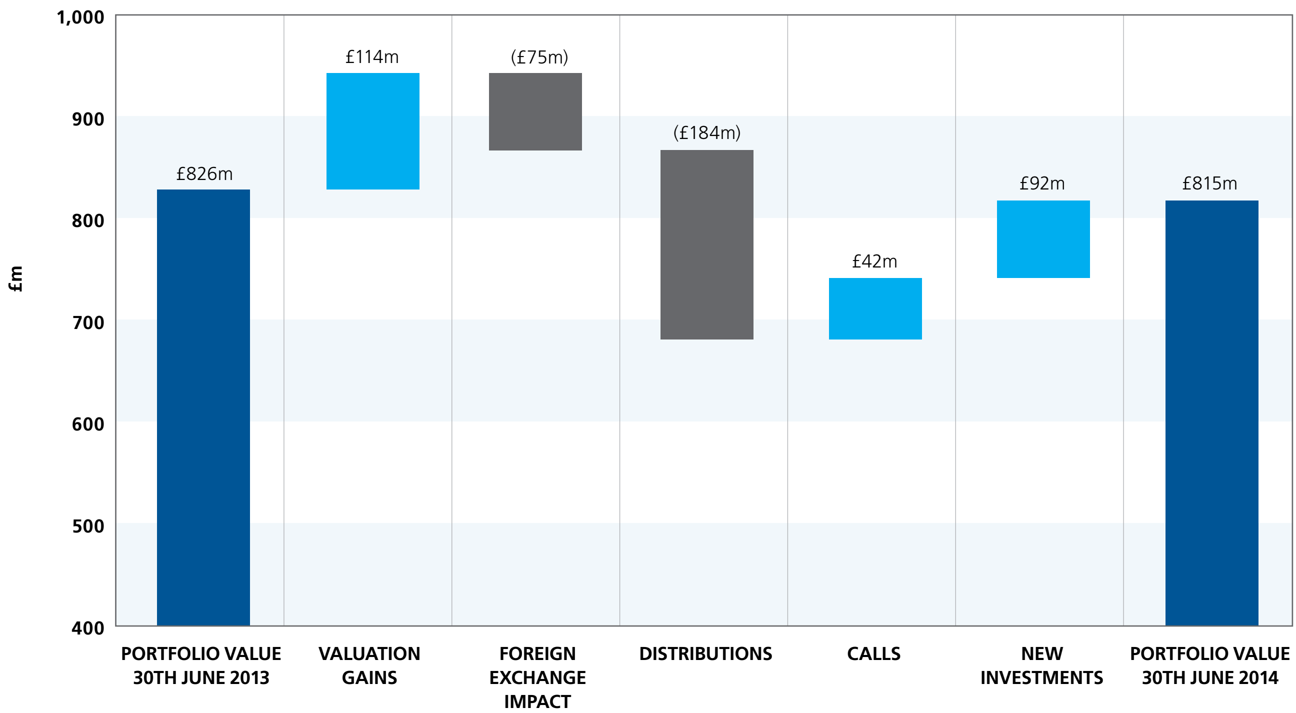
[23] *Source: Cogent Partners, Secondary Market Trends and Outlook, July 2014*

[24] *Source: Cogent Partners, Secondary Market Trends & Outlook, July 2014*

Portfolio Overview

13.4% Underlying (pre FX) return relative to opening assets	**£184m** Distributions	**£148m** Total new investment commitments made in the year
£142m Net cash flow generated from portfolio	**22%** Distributions as a percentage of opening portfolio	**£42m** New commitments made to 19 co-investments
25% Average realisation uplift on largest distributions	**£42m** Calls made from existing undrawn commitments	**7.8 years** Weighted average fund age of portfolio

Private Equity Portfolio Movements



Portfolio Overview

(CONTINUED)

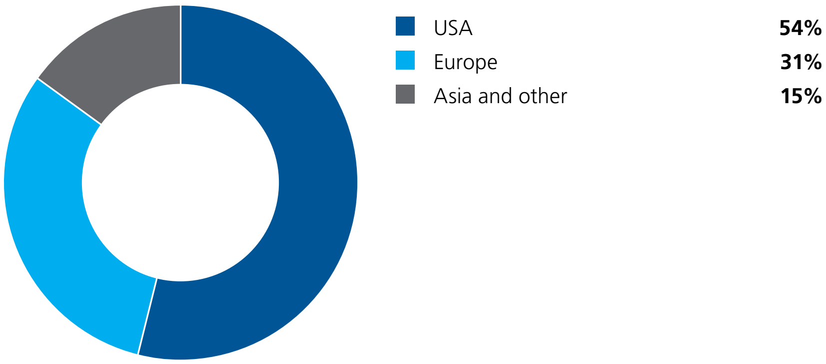
The Company offers a global, diversified selection of private equity assets, carefully selected by Pantheon for their quality. The diversification of PIP's portfolio, with assets spread across different investment styles and stages, including buyout, venture and growth, and special situations, helps to reduce volatility both of returns and cash flows. The maturity profile of the portfolio ensures that PIP is not overly exposed to any one vintage. PIP's geographical diversification extends its exposure beyond the USA and Europe, to regions with higher rates of economic growth such as Asia.

Portfolio Analysis by Value as at 30th June 2014[1]

Fund Geography

The majority of PIP's geographical exposure is focused on the USA and Europe, reflecting the fact that these regions have the most developed private equity markets.

Portfolio assets based in Asia and other regions provide access to faster-growing economies.



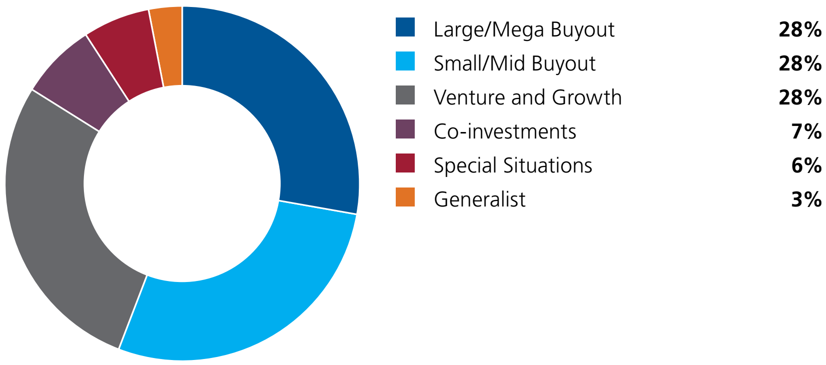
Fund Stage

PIP's portfolio is well diversified across different private equity investment styles and stages.

The majority of the portfolio is made up of buyout funds.

Larger buyout exposure increased through new investments during the period, leading to a corresponding reduction in smaller buyouts.

Exposure to co-investments increased to 7% (from 3%) during the year, due to new investments.



Pantheon Vehicles

At 30th June 2014, 7% of PIP's portfolio value and 6% of PIP's outstanding commitments were comprised of funds-of-funds directly managed by Pantheon. Pantheon is not entitled to management and commitment fees in respect of PIP's holdings in, and outstanding commitments to, the firm's managed fund-of-funds vehicles. In addition, Pantheon has agreed that PIP will never be disadvantaged in terms of fees compared with the position it would have been in had it made investments directly into the underlying funds rather than indirectly through such fund-of-funds vehicles.

[1] Fund geography, stage, maturity and primary/secondary charts are based upon underlying fund valuations and account for 100% of PIP's overall portfolio value. Company sector and company geography charts are based upon underlying company valuations at 31st December 2013 and account for approximately 90% of PIP's overall portfolio value.

Fund Maturity

The portfolio is well diversified by fund vintage. PIP's secondary activity is expected to lead to continued exposure to the high fundraising years of 2006-2008.

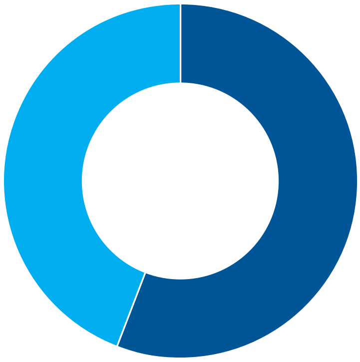
In addition, new co-investments are increasing PIP's exposure to more recent vintages, with the 2009 and later segment of the portfolio increasing to 11% (from 3%) during the year.

2009-2014	**11%**
2008	**13%**
2007	**24%**
2006	**21%**
2005	**12%**
2004	**5%**
2003	**2%**
2002	**1%**
2001 and earlier	**11%**

Primary/Secondary

56% of the portfolio is derived from primary commitments.

However, PIP's secondary emphasis has increased the secondary exposure of the portfolio to 44%, up from 40% at the end of the last financial year.



Primary	**56%**
Secondary	**44%**

Company Sectors

PIP's sectoral exposure diversifies the effects of cyclical trends within particular industry segments.

Relative to the FTSE All-Share and MSCI World indices, PIP has a high exposure to information technology, and low exposure to the banking, mining and utilities sectors.

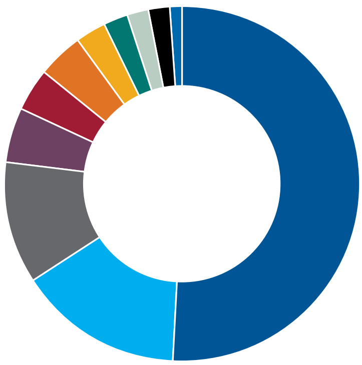
Consumer	**28%**
Information Technology	**24%**
Healthcare	**15%**
Industrials	**14%**
Financials	**7%**
Energy	**6%**
Materials	**4%**
Telecommunication Services	**2%**

Company Geography

Half of the portfolio is with companies based in North America, which benefit from greater market scope and depth.

PIP's European exposure, which represents just over a third of the portfolio, is predominantly in companies based in the stronger Northern European economies, including the UK, Scandinavia and Germany.

15% of PIP's portfolio is based in Asia and other regions, providing access to faster growing economies such as China and India.



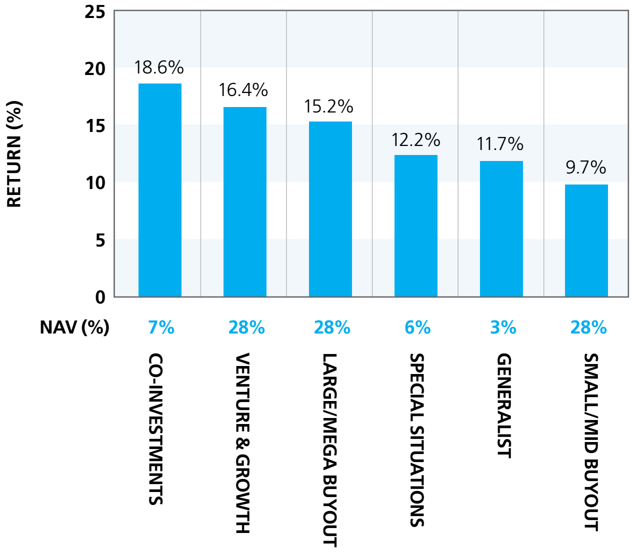
North America	**51%**
Asia and other	**15%**
UK	**11%**
Scandinavia	**5%**
Germany	**4%**
Central and Eastern Europe	**4%**
Benelux	**3%**
Italy	**2%**
France	**2%**
Iberia	**2%**
Other Europe	**1%**

Portfolio Analysis

Portfolio Performance by Stage for the Year to 30th June 2014[1]

- The portfolio generated investment returns equivalent to 13.4% on opening portfolio assets during the year.
- Returns were healthy across all stages, particularly in PIP's co-investment, large buyout, and venture and growth portfolios, which benefited from a number of significant realisations and good earnings growth at an underlying company level.

Portfolio Return: Year to 30th June 2014

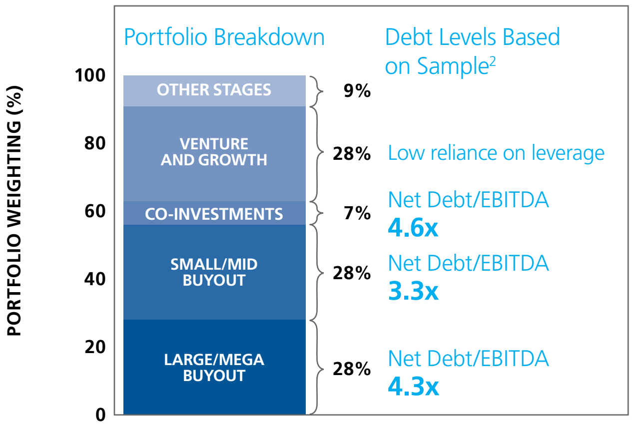


Debt Multiples[2]

Venture and growth and buyout investments have differing leverage characteristics.

- The venture and growth portfolio accounts for 28% of portfolio value and has little or no reliance on leverage.
- In a market associated with high leverage transactions, debt multiples on PIP's underlying companies have remained within reasonable levels.

PIP Portfolio at 31st December 2013

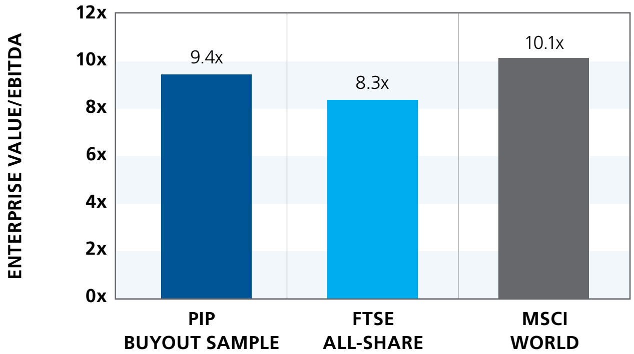


Portfolio Analysis – Buyout

Valuation Multiple[2]

- Accounting standards require private equity managers to value their portfolio at fair value. Public market movements can be reflected in valuations.
- Sample-weighted average enterprise value/EBITDA for the year to 31st December 2013 was 9.4 times, compared to 8.3 times and 10.1 times for the FTSE All-Share and MSCI World indices.

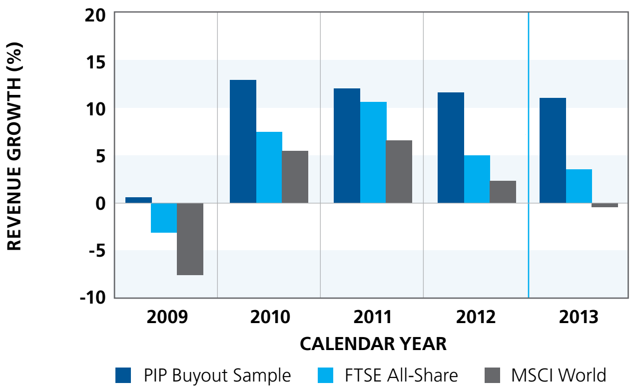
Valuation Multiple at 31st December 2013



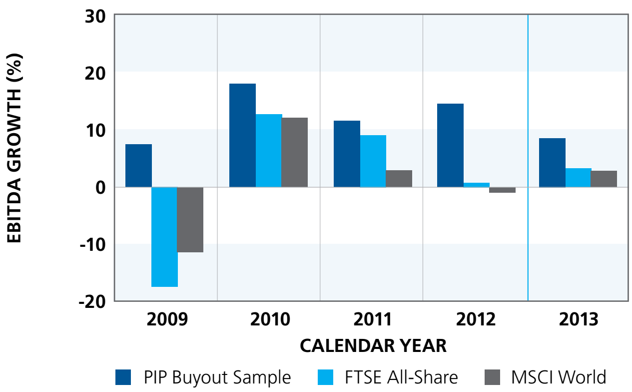
Revenue and EBITDA Growth[2]

- Weighted average revenue growth for the sample buyout companies was +10.9% in the 12 months to 31st December 2013, compared to +3.6% and -0.4% for the FTSE All-Share and MSCI World indices.
- Weighted average EBITDA growth for the sample buyout companies was +8.4% in the 12 months to 31st December 2013, compared to +3.1% and +2.6% for the FTSE All-Share and MSCI World indices.
- Strong top-line performance and cost control is a principal objective of private equity managers.

Annual Revenue Growth: PIP Sample vs Indices



Annual EBITDA Growth: PIP Sample vs Indices



[1] Portfolio stage returns include income, exclude gains and losses from foreign exchange movements, and look through feeders and funds-of-funds to the underlying funds.

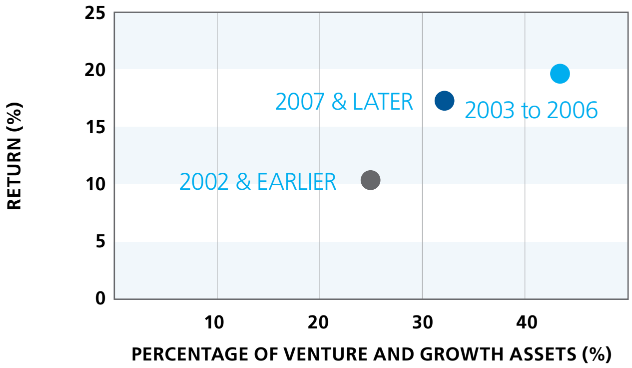
*[2] The data is based on a sample of PIP's buyout funds. **Buyout Sample Methodology:** The sample buyout figures for the 12 months to 31st December 2013 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 31st December 2013 or, where not available, the closest annual period disclosed, and provide coverage of 69% and 67% (for revenue and EBITDA respectively) of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped between +100% and –100% to avoid large distortions from excessive outliers. Sample data for 2009–2012 is based on the same methodology and provides coverage of 50-75% of the portfolio in each year. Enterprise value is defined as carrying value + net debt. The net debt and enterprise value figures were based upon 31st December 2013 underlying valuations, or the closest period end disclosed. The valuation multiple sample covers approximately 76% of PIP's buyout portfolio. The debt multiple sample covers 75% of PIP's buyout portfolio and 68% of PIP's co-investment portfolio. Data sourced from Bloomberg.*

Portfolio Analysis – Venture and Growth

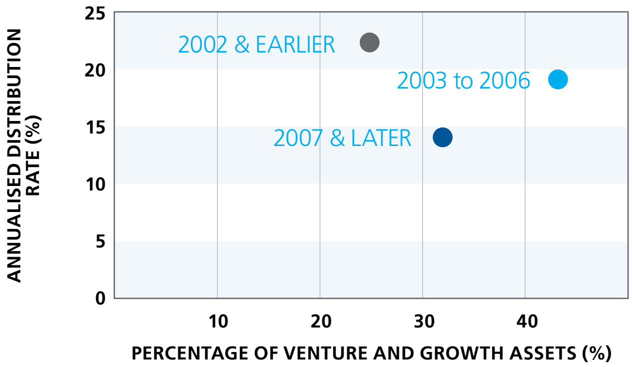
Venture and Growth Portfolio Analysis

- Prior to foreign exchange effects, PIP's venture and growth funds generated a return of 16.4% in 2014, up from 5.6% in the prior year.
- Although vintage 2002 and earlier returns are more modest, we continue to see distributions from these vintages.
- 2003 and later funds performed strongly, with returns exceeding 15%. These funds constitute 75% of the venture and growth portfolio.
- The venture and growth portfolio generated significant cash flow during the year, particularly the older vintage funds.
- 2003 to 2006 funds constitute 43% of the venture and growth portfolio and in our view, can continue to produce a substantial level of distributions.

Venture and Growth Returns[1]: Year to 30th June 2014



Venture and Growth Distributions[2]: Year to 30th June 2014



[1] *Returns exclude gains from foreign exchange movements.*

[2] *Distribution rate equals distributions in period divided by opening portfolio value.*

Portfolio Analysis – Sector Themes

Consumer

Trends
- New markets
- Evolving consumer patterns
- Ageing demographics

Examples of Private Equity Focus
- Niche brands in growth sectors
- Lifestyle trends
- Consumption patterns among ageing population
- E-commerce platforms

Key Data[1]
- **% of PIP NAV: 28%**
- Average EV/EBITDA: 9.3x
- Average Revenue Growth: 8%
- Average EBITDA Growth: 6%
- Average Net Debt to EBITDA: 4.2x

Distribution Examples

Investment Examples

Information Technology

Trends
- Increasing internet usage
- Software and hardware development
- Outsourcing of IT infrastructure and services

Examples of Private Equity Focus
- Mobile internet
- Internet infrastructure and data centres
- Internet security
- Cloud computing and software-as-a-service

Key Data[1]
- **% of PIP NAV: 24%**
- Average EV/EBITDA: 9.7x
- Average Revenue Growth: 8%
- Average EBITDA Growth: 12%
- Average Net Debt to EBITDA: 3.9x

Distribution Examples

Investment Examples

[1] *Apart from sector value as a proportion of PIP's NAV, key data is based on information provided by GPs and derived from a sample of PIP's buyout funds.*
Buyout Sample Methodology: *Figures above are based on data as at 31st December 2013 in GBP, accounting for approximately 90% of the value of PIP's portfolio. Data includes financials made available by GPs for PIP's active buyout investments. Enterprise value is defined as equity value + net debt. The valuation multiple samples cover the approximate percentage of NAV within each respective sector of PIP's portfolio, as shown in brackets: Consumer (53%), Information Technology (27%), Industrials (65%) and Healthcare (46%). The net debt multiple coverage for each of the sectors are: Consumer (52%), Information Technology (27%), Industrials (69%) and Healthcare (47%).*

Portfolio Analysis – Sector Themes

(CONTINUED)

Healthcare

Trends

- Demographic changes
- Rising healthcare costs
- Fiscal constraints

Examples of Private Equity Focus

- Specialty pharmaceuticals
- Testing and research laboratories
- Healthcare cost management solutions
- Specialist care sectors
- Medical device innovation

Key Data[1]

- **% of PIP NAV: 15%**
- Average EV/EBITDA: 10.6x
- Average Revenue Growth: 17%
- Average EBITDA Growth: 6%
- Average Net Debt to EBITDA: 4.7x

Distribution Examples

Investment Examples

Industrials

Trends

- Investment in R&D
- Product / process improvements
- Focus on cost efficiency

Examples of Private Equity Focus

- Niche manufacturing
- Business services
- Transportation and logistics

Key Data[1]

- **% of PIP NAV: 14%**
- Average EV/EBITDA: 8.9x
- Average Revenue Growth: 8%
- Average EBITDA Growth: 9%
- Average Net Debt to EBITDA: 3.9x

Distribution Examples

Investment Examples

[1] *Apart from sector value as a proportion of PIP's NAV, key data is based on information provided by GPs and derived from a sample of PIP's buyout funds.*
Buyout Sample Methodology: *Figures above are based on data as at 31st December 2013 in GBP, accounting for approximately 90% of the value of PIP's portfolio. Data includes financials made available by GPs for PIP's active buyout investments. Enterprise value is defined as equity value + net debt. The valuation multiple samples cover the approximate percentage of NAV within each respective sector of PIP's portfolio, as shown in brackets: Consumer (53%), Information Technology (27%), Industrials (65%) and Healthcare (46%). The net debt multiple coverage for each of the sectors are: Consumer (52%), Information Technology (27%), Industrials (69%) and Healthcare (47%).*

Distributions in the Year to 30th June 2014

PIP received more than 1,800[1] distributions in the year, with many at significant uplifts to carrying value. Given the current robust exit environment, the Company's mature portfolio should continue to generate significant distributions in the coming quarters.

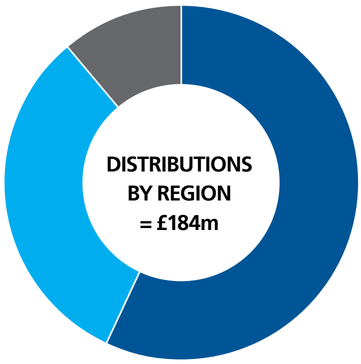
Distributions

Distributions by Region and Stage

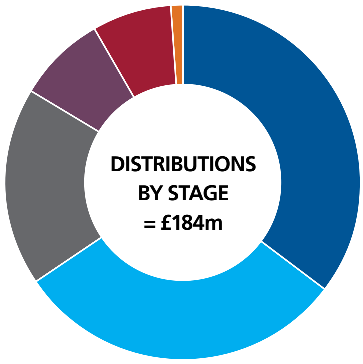
PIP received £184m in proceeds from the portfolio in the 12 months to 30th June 2014, implying an annualised distribution rate equivalent to 22% of opening private equity assets.

The US accounted for the majority of PIP's distributions, where market conditions enabled a good level of exits.

Despite economic headwinds, European distributions were also strong.



USA	57%
Europe	32%
Asia and other	11%

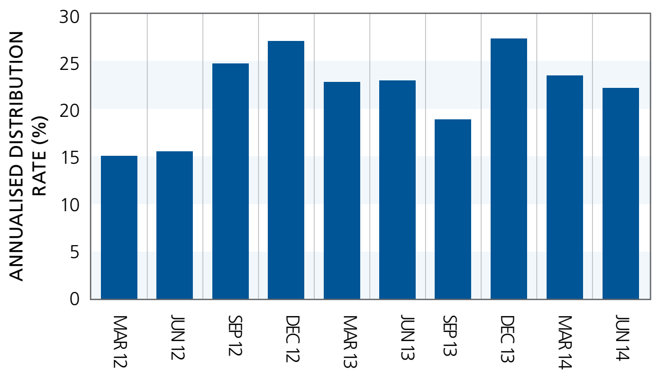


Large/Mega Buyout	35%
Small/Mid Buyout	30%
Venture and Growth	19%
Special Situations	8%
Co-investments	7%
Generalist	1%

Distribution Rates

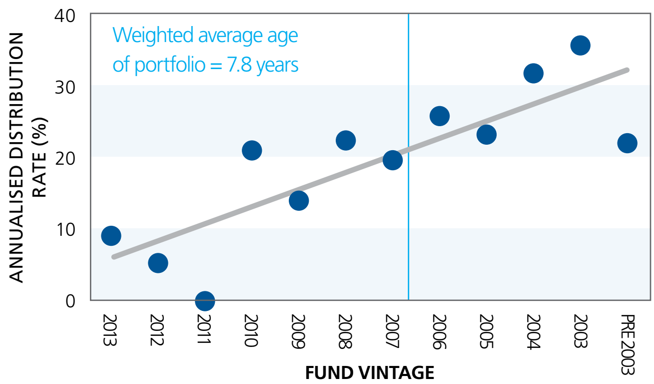
Quarterly Distribution Rate[2]

Quarterly distribution rates were strong throughout the year, reflecting a continued improvement in market conditions and the maturity of PIP's portfolio.



Distribution Rates[2] in the Year to 30th June 2014 by Vintage

Mature vintages continue to distribute at higher rates, with 2008 and earlier funds distributing at a rate in excess of 20%. With a weighted fund maturity of 7.8 years, PIP's mature portfolio should continue to generate significant levels of cash, particularly if we see sustained improvements in the financial markets.



[1] This figure looks through feeders and funds-of-funds. [2] Distribution rate equals distributions in period divided by opening portfolio value.

Oriental Brewery Case Study

오비맥주(주)
Oriental Brewery Company

Location	Seoul , South Korea
Sector	Consumer
Sub-Sector	Brewers
Stage	Buyout
Distribution / Return	£3.5m / 5.3x

Company Summary

Oriental Brewery is one of two leading breweries in the South Korean beer market.

- 41% market share by volume nationwide at entry
- Strong portfolio of leading brands; network of 650,000 sales outlets

GP Investment & Thesis

In May 2009, **Affinity** and **KKR Asia** acquired Oriental Brewery, InBev's South Korean beer operations, for an equity consideration of US$1.8bn.

- **Attractive market**: Oriental Brewery operated with an attractive share of a duopoly market
- **Market share upside**: Premium segment was only 6% of overall beer market but expected to grow with increase in GDP and consumer spending
- **Highly profitable and cash generative**: High EBITDA margins of ~33%, minimal CapEx, and limited working capital
- **Strong management team**: Managers had deep experience at leading consumer-focused businesses

PIP Investment & Thesis

PIP invested as part of a secondary deal in Affinity Asia Pacific Fund III in 2011.

- **Attractive financial profile**: Company was highly profitable with strong free cash flow and minimal CapEx
- **Duopoly position**: Oriental Brewery was operating in a duopoly market with the expectation of overtaking its main competitor in several key markets

Value Creation

- **Market expansion:** Aggressive expansion into southern regions of Korea to capture market share (grew from 20% to 39%) from competitor. Overall market share grew from 41% to 62%
- **Strategic initiatives:** Improved salesforce effectiveness, wholesale management, and optimised the brand portfolio
- **Broadening the product offering:** Launched premium beer brand to address fastest growing segment of the market

Exit

- **Affinity** sold its stake back to InBev in April 2014 for total cash proceeds of $1.7bn, representing a return of 5.6x invested capital and a 44% IRR
- **PIP** received distributions totalling £3.5m in April 2014 for a total return of 5.3x invested capital

Golden Boy Foods Case Study

GOLDEN BOY

Location	Burnaby, Canada
Sector	Consumer
Sub-Sector	Packaged Foods and Meats
Stage	Buyout
Distribution	£2.5m

Company Summary

Golden Boy ("GB") is a North American producer and distributor of a wide variety of health food products.

- Portfolio of more than 400 private label and branded products
- Leading presence in Western Canada and strong market position in the US

GP Investment & Thesis

In July 2007, **Tricor** invested $115m to acquire a majority interest in GB from its founding family. The purchase price represented a buy-in multiple of 7.4x 2006 adjusted EBITDA.

- **Attractive industry fundamentals**: Non-cyclical and stable end market, growing at 2.5% per year
- **Market leader**: #1 market share in categories representing 45% of total revenue
- **Strong barriers to entry**: Integrated global supply chain with hard to replicate cost advantages
- **Inorganic growth prospects**: Several acquisition targets had been identified

PIP Investment & Thesis

PIP participated as part of a secondary investment in Tricor Pacific IV in 2012.

- **Market leader**: Market leading position in Canada and further expansion potential in North America
- **NAV uplift**: Company held at zero but positioned for strong growth after adoption of new customer contracts; estimated this would lead to over $40m of uplift to the fund
- **GP value-add**: Opportunity for a private equity owner to transform what was largely a family-run business

Value Creation

- **Strategy:** Investment in production facilities and product line expansion
- **Add-ons**: Completed two strategic add-ons at accretive multiples of 5.5x and 4.9x respectively
- **Financial optimisation**: Increased focus on cash flow and working capital management
- **Operational improvement**: Implemented lean manufacturing to drive substantial cost savings

Exit

- **Tricor** exceeded Pantheon's initial expectations by selling GB to Post. Golden Boy was sold for CAD $320m, generating $246m of proceeds; the exit represented a 3.1x money multiple and a 23% IRR for the GP's investment
- **PIP** received distributions totalling £2.5m in February 2014 after the sale to Post. Including previous dividends paid, PIP received a total of £2.8m from Golden Boy relative to a valuation at entry of zero

TravelClick Case Study

Location	New York, United States
Sector	Information Technology
Sub-Sector	Application Software
Stage	Buyout
Distribution / Return	£1.8m / 3.9x

Company Summary

TravelClick provides business intelligence, reservation and marketing services to hoteliers worldwide.

- Presence in over 150 countries; revenue split 50% US and 50% international
- Target market comprised ~ 200,000 hotels and the $500bn+ global hospitality industry

GP Investment & Thesis

Genstar V purchased a 78% interest in TravelClick for $125.4m in December 2007. The transaction was valued at $290.8m or 10.9x last 12 months' EBITDA.

- **Technology leadership**: Hotels increasingly sophisticated with their use of technology – TravelClick's solutions are the leaders in this space
- **Customer trends**: Travellers migrating towards direct online transactions with hotels
- **Expansion**: Scaleable business model with the potential to grow internationally
- **Operational improvement**: Opportunity to upgrade, integrate and extend current product lines on a software-as-a-service platform

PIP Investment & Thesis

PIP invested in Genstar V on a primary basis in 2007.

- **Investment strategy**: Genstar's industry-focused investment strategy brings expertise and sources proprietary deal flow in the software sector
- **Value Creation**: Genstar typically takes active, controlling interests and board seats in its companies
- **GP with superior track record**: GP has consistently generated top-quartile performance with Funds II - IV

Value Creation

- **Management:** Genstar facilitated recurring management team changes
- **Add-ons:** Successfully integrated highly accretive Rubicon and EZYield acquisitions
- **Growing the business:** Invested over $160m to upgrade technology and product platforms, and grow the sales and operations teams

Exit

- **Genstar** sold TravelClick to Thoma Bravo in May 2014 for $930m, realising a return of 3.9x invested capital and 25% IRR
- **PIP** received distributions totalling £1.8m in May 2014, for a total return of 3.9x invested capital

Distribution Examples

Digital automotive marketplace operator

Distributions: £2.8m
Cost multiple: Confidential

Network of coffee houses

Distributions: £2.1m
Cost multiple: 1.6 times

Multi-channel marketer of paper products

Distributions: £1.7m
Cost multiple: Confidential

Italian asset manager

Distributions: £1.3m
Exit multiple: 3.4 times

Business process outsourcing for the airline industry

Distributions: £1.0m
Cost multiple: 4.8 times

Operates a chain of retail stores in Brazil[1]

Distributions: £0.9m
Cost multiple: 3.9 times

[1] *Company not named due to non-disclosure agreement.*

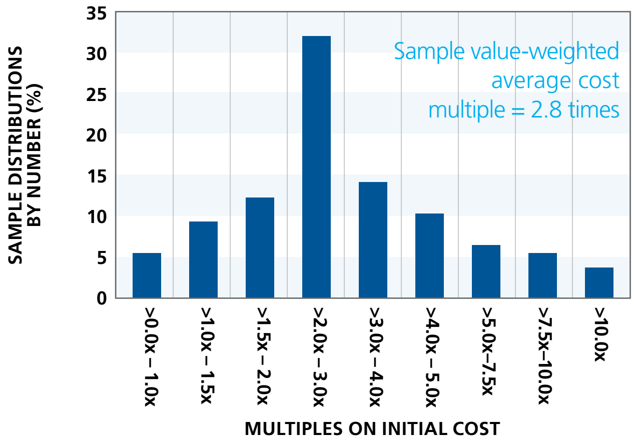
Distributions in the Year to 30th June 2014

(CONTINUED)

Cost Multiples on a Sample of the Largest Distributions in the Financial Year to 30th June 2014[1]

The chart shows shows the range of multiples, where information was available, on initial cost achieved by the underlying fund manager on the largest 100 distributions. The value-weighted average cost multiple of the sample was 2.8 times, highlighting the continued ability of private equity managers to create significant value over the course of an investment.

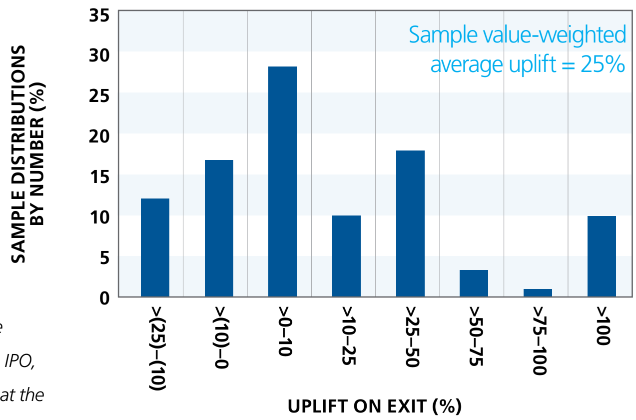
[1] *The available data in the sample represented approximately 40% by value of PIP's total distributions for the financial year to 30th June 2014. This data is based upon gross cost multiples available at the time of the distribution.*



Uplifts on Liquidity Event on a Sample of the Largest Distributions in the Financial Year to 30th June 2014[2]

The chart shows the range of uplifts on liquidity event achieved by the underlying fund manager on the largest 100 distributions. The value-weighted average uplift of the sample was 25%. This average uplift is consistent with PIP's view that realisations tend to be significantly incremental to returns. PIP's mature portfolio is well placed to continue to generate a good level of distributions in the coming year.

[2] *Uplift on liquidity event compares the value received upon realisation against the investment's carrying value prior to the transaction taking place. In the event of an IPO, the uplift is the difference between the carrying value prior to the IPO and the value at the close of the first day of trading. The available data in the sample represented approximately 35% by value of PIP's total distributions for the financial year to 30th June 2014.*

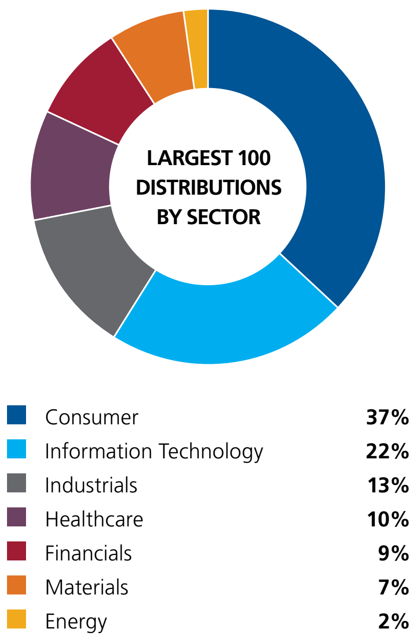


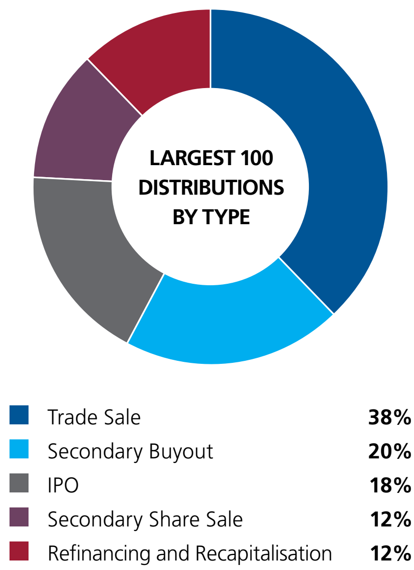
Largest 100 Distributions by Sector and Type

The portfolio generally benefited from better economic and public market conditions, with all sectors providing good levels of distributions. In particular, distributions reflected potentially growing confidence among acquirers in the consumer sector as the economic recovery becomes better established.

Trade sales again represented the most significant source of exit activity, with secondary buyouts and IPOs also playing an important part.

The number of IPO exits increased, reflecting more receptive IPO markets in the US and Europe.





Largest 50 Distributions During the Year to 30th June 2014

COMPANY[1]	SECTOR	DESCRIPTION	FUND DISTRIBUTIONS £M
Oriental Brewery	Consumer	Beer brewery	3.5
AutoTrader Group	Information Technology	US-based digital automotive marketplace operator	2.8
Golden Boy Foods	Consumer	Private label and branded food products	2.5
Caffè Nero	Consumer	Network of coffee houses	2.1
PRA International	Healthcare	Clinical research organisation	2.1
T-Mobile Czech Republic, SBB / Telemach Group	Information Technology	Mobile telecommunications / Pay TV and broadband	2.0
TravelClick	Information Technology	Travel solutions for hoteliers	1.8
OW Bunker / Wrist Ship Supplies	Industrials	Distributor of marine fuel / Service provider to shipping industry	1.7
Paper Source, Inc.	Industrials	Wholesale paper distributor	1.7
ComputerLinks	Information Technology	IT security and internet solutions	1.5
Vue Entertainment	Consumer	Multiplex cinema operator	1.4
US Silica	Materials	Miner and processor of industrial sand	1.3
Anima Holding SpA	Financials	Asset management	1.3
Avanza	Industrials	Transport services provider	1.2
Oxea Group	Materials	Supplier of chemicals and derivatives	1.2
Jetro Cash & Carry, Inc.	Consumer	Food preparation equipment and catering supplies	1.2
Stock Spirits Group	Consumer	Branded spirits	1.0
Host Europe Group	Information Technology	Internet hosting company	1.0
ChannelAdvisor Corporation	Information Technology	Software-as-a-service solutions	1.0
Accelya	Information Technology	Business process outsourcing for the airline industry	1.0
Geo Networks Limited	Information Technology	Fibre optic networks provider	1.0
McGraw-Hill Education	Consumer	Educational materials and learning solutions	1.0
Zale	Consumer	Specialty retailer of fine jewellery	0.9
Genesee & Wyoming	Industrials	Railroad operator	0.9
Masternaut / Grass Valley	Information Technology	Telematics solutions to commercial fleets / Broadcast equipment	0.9
Lojas Americanas S.A.	Consumer	Chain of retail stores in Brazil	0.9
Cathedral Capital Plc	Financials	Insurance underwriting	0.9
Everis	Industrials	Management consulting services	0.9
Cover-More	Financials	Travel insurance and medical assistance	0.9
Tinkoff Credit Systems	Financials	Credit card and consumer finance company	0.9
Pork Farms / Fletchers Bakeries	Consumer	Food manufacturers	0.9
ProSiebenSat.1	Consumer	Broadcasting company	0.8
ConvaTec Group	Healthcare	Medical products and technologies company	0.8
Hugo Boss	Consumer	Luxury apparel	0.8
Allied Glass Group	Materials	Designs and distributes glass containers and bottles	0.8
Hearthside Food Solutions / Santa Maria Foods	Consumer	Food manufacturers	0.8
Hydron	Consumer	Distributor of contact lenses	0.8
Allison Transmission Holdings	Materials	Automatic transmissions for commercial vehicles	0.7
Realogy Corporation	Financials	Provider of residential and relocation services	0.7
MultiPlan, Inc.	Healthcare	Healthcare cost management solutions	0.7
Bargain Booze	Consumer	UK chain of off-licence and convenience stores	0.7
Telekabel Enterprise	Consumer	Cable services provider	0.7
Campofrio Food Group	Consumer	Producer of processed meat products	0.7
PharMEDium Healthcare Corporation	Healthcare	Provider of pharmacy sterile compounding services	0.7
Peak 10, Inc.	Information Technology	Hybrid IT infrastructure, cloud solutions and managed services	0.6
Powervar, Inc.	Industrials	Manufacturer of power protection equipment	0.6
AVAST Software BV	Information Technology	Developer of security software and related solutions	0.6
HAAS Group, Inc.	Industrials	Outsourced chemical supply chain management	0.6
R&R Ice Cream	Consumer	Private-label frozen food products	0.6
The Brickman Group	Industrials	Commercial landscaping services	0.6
TOTAL			56.7
COVERAGE OF TOTAL DISTRIBUTIONS			31%

[1] *Relates to the main company associated with each distribution.*

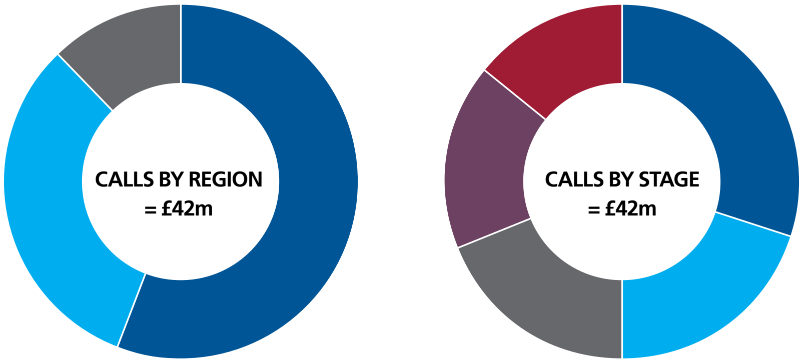
Investments Called in the Year to 30th June 2014

Investments called during the year ranged across regions and sectors, including consumer, specialty pharmaceuticals, energy companies and software-as-a-service providers.

Calls

Calls by Region and Stage

PIP paid £42m to finance calls on undrawn commitments during the year to 30th June 2014, equivalent to 22% of opening undrawn commitments.

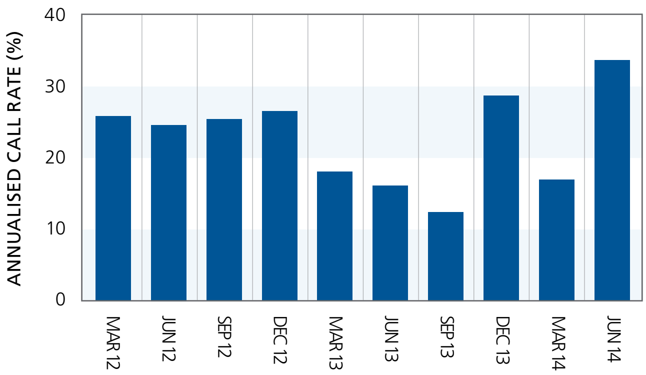


USA	56%
Europe	32%
Asia and other	12%

Large/Mega Buyout	30%
Small/Mid Buyout	20%
Venture and Growth	19%
Special Situations	17%
Co-investments	14%

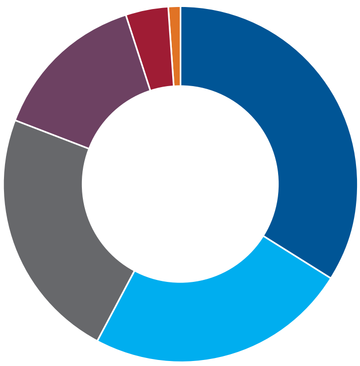
Quarterly Call Rate[1]

The higher call rate can be explained by the addition of undrawn commitments in the period through secondary investments and some primary commitments.



Largest 50 Calls by Value

The largest 50 calls show a high proportion of new investment focused on the consumer sector. Good quality consumer companies, often operating in niches with solid customer bases and sound business models, should be well positioned to benefit from a continuation in the recovery of the global economy.



Consumer	34%
Financials	24%
Industrials	23%
Healthcare	14%
Information Technology	4%
Energy	1%

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

Largest 20 Calls in the Year to 30th June 2014

COMPANY	SECTOR	DESCRIPTION	FUND CALLS £M
Byron Hamburgers	Consumer	Chain of casual dining restaurants	2.1
Black Knight / 1-800 CONTACTS / Phillips Pet Food	Financials / Consumer	Analytics for mortgage industry / Contact lens retailer / Pet food supplier	1.1
Permal	Financials	Alternative asset management	0.8
Wencor Group / PayScale	Industrials / IT	Aircraft parts distributor / Payroll software solutions	0.7
Umoe Schat-Harding AS / Noreq AS	Industrials	Maritime life-saving systems	0.5
Assisted Living Concepts / AV Homes	Healthcare / Consumer	Senior living residences / Property development	0.6
Oceanus / Crescent Communities	Industrials / Consumer	Acquirer of shipping assets / Real estate	0.8
Electronic Funds Source	Financials	Corporate payment solutions	0.4
Tecomet	Healthcare	Medical instrument manufacturer	0.4
Santander Asset Management / Dudalina	Financials / Consumer	Global asset manager / Brazilian fashion distributor	0.4
Harsco / PharMEDium	Industrials / Healthcare	Business consulting / Hospital pharmacy services	0.4
Move Loot	Consumer	Online marketplace for second-hand furniture	0.4
Intermedica	Healthcare	Brazilian pharmaceutical company	0.3
Alpha Medical / Walmark	Healthcare	Laboratory diagnostics / Dietary supplements	0.3
Beats Electronics	Consumer	Premium headphones and audio accessories	0.6
Etalon	Consumer	Russian residential homebuilder	0.3
Neiman Marcus	Consumer	US luxury retailer	0.3
Camfin S.p.A.	Financials	Italian investment company	0.3
Palomar Specialty Insurance	Financials	Catastrophe property insurance	0.3
TSL Education Limited	Consumer	Digital education	0.2
TOTAL			**11.2**
COVERAGE OF TOTAL CALLS			**27%**

New Co-investments in the Year to 30th June 2014

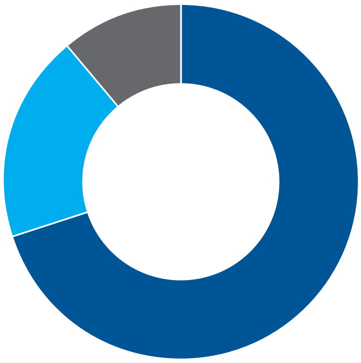
COMPANY	SECTOR	DESCRIPTION	COMMITMENTS £M
Miclyn	Energy	Service vessels for offshore oil and gas sector	4.7
Maplin	Consumer	Multi-channel retailer of electronics and computer accessories	3.9
Biotoscana	Healthcare	Specialty pharmaceuticals	3.5
Venari	Energy	Deepwater oil and gas exploration and production	2.8
Bracket	Healthcare	Pharmaceutical clinical trial support services	2.3
Allied Glass	Materials	Glass packaging for food and beverage industry	2.2
Reliable Parts	Consumer	Distributor of appliance parts	2.2
Heptagon	Information Technology	Optical components for electronic devices	2.1
P&I	Information Technology	Payroll and HR software provider	2.1
ILX	Energy	Oil and gas exploration	2.0
ISTA	Industrials	Utility metering hardware and services	2.0
Xeikon	Industrials	Printing systems supplier	1.9
Neiman Marcus	Consumer	Luxury goods retailer	1.8
Extraction Oil and Gas	Energy	Oil and gas exploration and production	1.8
Aegis	Healthcare	Specialty toxicology laboratory and testing services	1.7
Inseec	Consumer	Post-secondary education services provider	1.4
Globecomm	Telecommunications	Communication services and infrastructure	1.3
Athene	Financials	Fixed annuity platform	1.1
Schat Harding	Industrials	Lifeboat manufacturer and service provider	1.0
TOTAL			**41.8**

New Commitments

PIP committed £148m to new investments during the financial year, concentrated on buyout funds in the US and European markets. £92m was drawn at the time of purchase, with an emphasis on secondary interests in 2005-2008 vintage funds. As a result of Pantheon's targeted origination, PIP continued to benefit from good deal flow, with 72% of secondary deals in processes that were either proprietary or involved restricted competition[1].

New Commitments by Region

70% of new commitments were made to private equity funds focused on the US market, which continues to offer the greatest opportunity for investment.

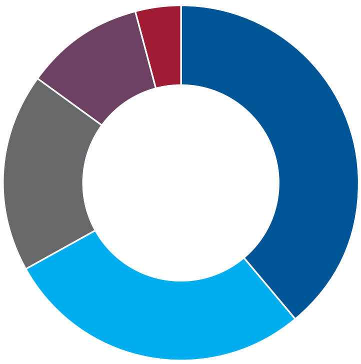


USA	**70%**
Europe	**19%**
Asia and other	**11%**

New Commitments by Stage

A significant majority of new investments were made in the large buyout and mid-market buyout space, targeting funds whose portfolio companies have high barriers to entry, strong cash generation and multiple potential exit routes.

PIP's co-investments in 2014 were in the buyout and growth stages. In line with PIP's strategy, co-investments as a percentage of new commitments in the period has increased to 28% in 2014.



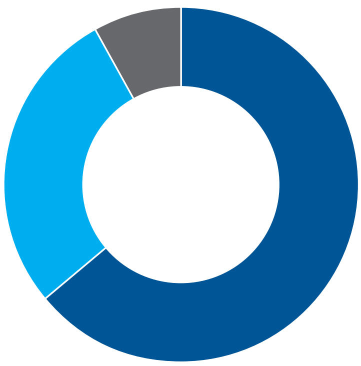
Large/Mega Buyout	**39%**
Co-investments	**28%**
Small/Mid Buyout	**18%**
Special Situations	**11%**
Venture and Growth	**4%**

New Commitments by Deal Type

In line with our investment strategy, six secondary transactions account for the majority of new commitments.

PIP also committed to 19 co-investments, and four primaries.

Co-investments and primaries offer exposure to more recent vintages and assets which may be less accessible in the secondary market.



Secondaries	**64%**
Co-investments	**28%**
Primaries	**8%**

[1] A proprietary deal is where Pantheon was in exclusive discussions with the seller. A restricted proocess deal is where there were three bidders or less for the asset.

New Commitments Secondary and Primary (Funds)

PIP committed £95.1m to six secondary transactions, with 54% of secondary commitments in large buyout fund interests. PIP also acquired assets in parts of the market where competition has been less intense, with investments focusing on niche strategies such as energy.

PIP's commitment to primaries in the year included three large buyout funds, and a venture capital firm, adding current vintage exposure with high quality managers.

New Secondary and Primary Commitments[1]

Secondary Commitments in the Year to 30th June 2014

INVESTMENT	STAGE	DESCRIPTION	COMMITMENTS £M	% FUNDED
Nov-13	**Buyout**	Portfolio of seven primarily European fund interests with global exposure	**15.8**	**92%**
Dec-13	**Buyout**	Portfolio of three brand name US fund interests with global exposure	**10.4**	**88%**
Dec-13	**Buyout**	Diversified portfolio of primarily US buyout fund interests	**38.2**	**51%**[2]
Dec-13	**Buyout**	Portfolio of two large US buyout interests	**9.4**	**38%**[2]
Mar-14	**Buyout**	Portfolio of two Spanish lower mid-market fund interests	**8.4**	**57%**
Jun-14	**Special Situations**	Portfolio of two US-based upstream energy-focused funds	**12.9**	**72%**
TOTAL			**95.1**	

Primary Commitments in the Year to 30th June 2014

INVESTMENT	STAGE	DESCRIPTION	COMMITMENTS £M
Nordic Capital VIII	**Buyout**	Large buyout manager operating primarily in the Scandinavia region	**2.0**
Bain Capital Fund XI	**Buyout**	US large buyout manager with global exposure	**2.9**
Clayton, Dubilier & Rice Fund IX	**Buyout**	Large buyout manager operating in the US and Western Europe	**2.4**
Venture Fund	**Venture and Growth**	Top tier international venture capital fund focused on IT sector	**4.0**
TOTAL			**11.3**

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

[2] Funded amount excludes the deferred portion of the purchase price.

New Commitments
Co-investments (Directs)

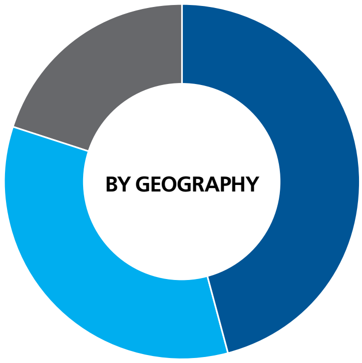
PIP committed £42m to 19 co-investments alongside top tier managers, mainly in large and mid-sized buyout companies. Consumer, industrials and energy constituted the largest areas of focus, with four investments completed in each sector.

Co-investments

The USA and Europe accounted for the majority of new co-investments, in line with PIP's preferred geographic focus.

Co-investment activity in 2014 has focused primarily on a few key sectors. PIP has participated in a number of attractive opportunities in the energy sector, alongside a number of managers that have been backed by Pantheon for their sector expertise.

Energy	**27%**
Consumer	**22%**
Healthcare	**18%**
Industrials	**17%**
Information Technology	**10%**
Others	**6%**



USA	**46%**
Europe	**34%**
Asia and other	**20%**

Co-investment Examples

£3.9m Co-investment
MAPLIN ELECTRONICS
(Rutland Partners)

- Multi-channel retailer of specialist electronic and computer components and accessories
- Attractive entry valuation, comparing favourably to quoted comparable companies
- Potential growth driven by refocusing business model and development of online retail channel

£3.5m Co-investment
BIOTOSCANA
(Essex Woodlands)

- Speciality pharmaceutical company focused on licensing and marketing products in Latin America
- Market leader by virtue of branded product portfolio, distribution networks and strong in-licensing pipeline
- Compelling entry valuation versus public comparables with attractive exit options

£2.8m Co-investment
VENARI RESOURCES
(Warburg Pincus)

- Exploration and production company focused on subsalt oil plays in the deepwater Gulf of Mexico
- Opportunity to invest alongside a highly experienced team looking to generate superior returns from niche energy investments
- Significant upside potential from successful discoveries and long-term drilling prospects

£2.2m Co-investment
ALLIED GLASS
(CBPE Capital)

- Supplier of glass packaging for the food and beverage industry, with a focus on spirits
- Resilient business model with robust revenue growth profile and cash flow generation capability
- Well positioned to benefit from increasing demand for premium packaging solutions

Outstanding Commitments

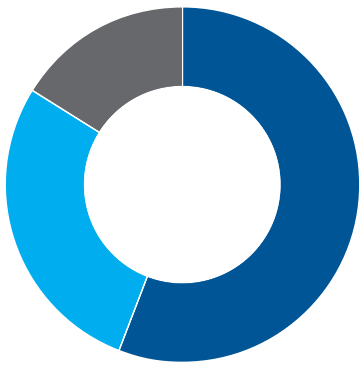
PIP's outstanding commitments to fund investments are well-diversified by stage and geography and will enable the Company to participate in future investments with many of the highest quality fund managers in the private equity industry worldwide.

Analysis of Outstanding Commitments as at 30th June 2014

PIP's outstanding commitments to investments decreased to £176m at 30th June 2014 compared with £195m at 30th June 2013. The Company paid calls of £42m and added an additional £56m of outstanding commitments associated with new investments made in the year. The remaining reduction of £33m was due to foreign exchange movements and cancellations of outstanding commitments in the portfolio's underlying funds.

Geography

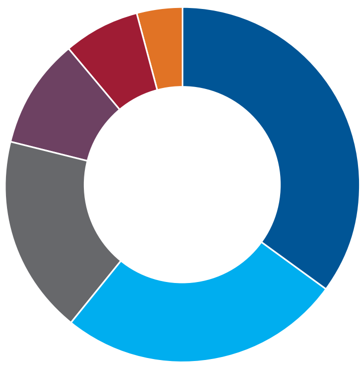
The USA and Europe have the largest outstanding commitments, reflecting the Company's investment emphasis. Commitments to Asia and other regions provide access to faster-growing economies.



USA	**56%**
Europe	**28%**
Asia and other	**16%**

Stage

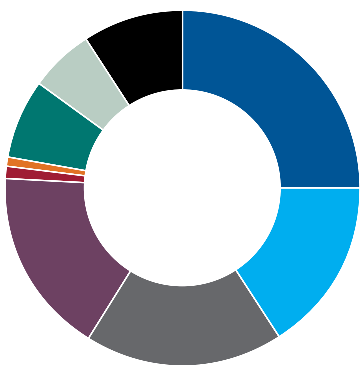
PIP's undrawn commitments are well-diversified across all major stages of private equity.



Large/Mega Buyout	**35%**
Small/Mid Buyout	**26%**
Venture and Growth	**18%**
Special Situations	**10%**
Co-investments	**7%**
Generalist	**4%**

Maturity

Over 50% of PIP's undrawn commitments are in the 2007 vintage or older. Most relate to funds that are outside their investment periods and, as such, should have slower call rates. It is likely that a portion of these commitments will not be drawn.



2005 and earlier	**25%**
2006	**16%**
2007	**18%**
2008	**17%**
2009	**1%**
2010	**1%**
2011	**0%**
2012	**7%**[1]
2013	**6%**
2014	**9%**

[1] *We seek to ensure consistency of classification across fund managers. As a result, a small portion of PIP's portfolio has been reclassified into the 2012 vintage.*

Finance and Share Buybacks

Finance

Cash and Available Bank Facility

At 30th June 2014, PIP had cash balances of £88m.

As well as these cash balances, PIP can also finance investments out of its multi-currency revolving credit facility agreement (“Loan Facility“). The Loan Facility is due to expire in June 2015 and comprises facilities of $82m and €57m which, using exchange rates at 30th June 2014, amount to a sterling equivalent of £94m. At 30th June 2014, the Loan Facility remained fully undrawn.

Undrawn Commitment Cover

At 30th June 2014, the Company had £182m of available financing, comprised of its cash balances and Loan Facility. The sum of PIP’s available financing and private equity portfolio provide 5.7 times cover relative to undrawn commitments.

It should be noted that a portion of the Company’s undrawn commitments of £176m are unlikely to be called in full by the underlying managers. When a fund is past its investment period, which is typically between five and six years, it generally cannot make any new investments (only drawing capital to fund existing follow-on investments or pay expenses). As a result, the rate of capital calls in these funds tends to slow dramatically.

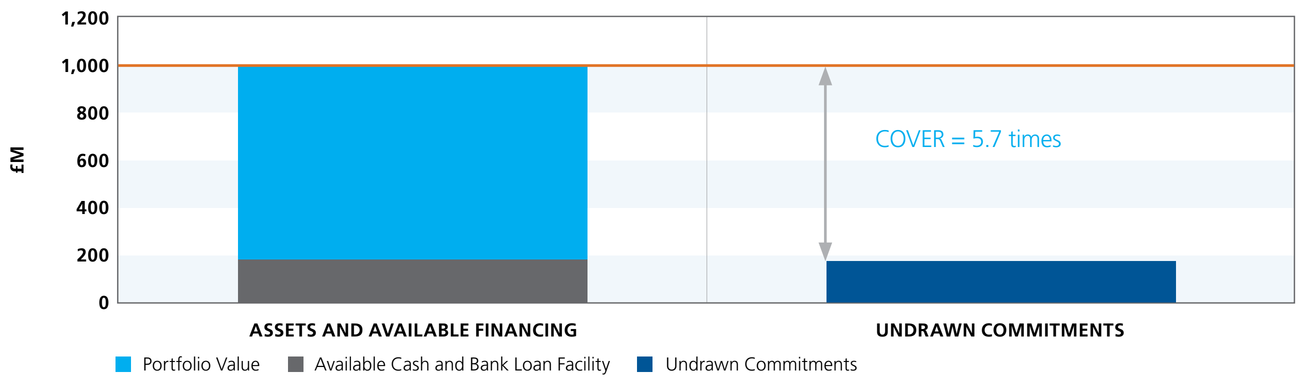
Approximately 59% of the Company’s undrawn commitments are in fund vintages that are greater than six years old.

Share Buybacks

PIP bought back 2.5% of its shares in the financial year[1]. In total, 1.0m ordinary shares and 0.7m redeemable shares were bought back at a weighted discount of 20% and 23% respectively, resulting in a total uplift to NAV per share of 7.2p, or 0.5% of opening NAV per share. The discounts at which the Company’s shares trade from time to time may make buybacks an attractive investment opportunity relative to other potential new investment commitments.

Since the financial year end, the Company has bought back a further 0.1m ordinary shares and 0.1m redeemable shares at a discount of 16% and 23% respectively.

Undrawn Commitment Cover as at 30th June 2014



[1] 2.5% is calculated using the number of shares bought back in the financial year divided by the number of shares outstanding at 30th June 2013.

The Largest 50 Managers by Value

Largest 50 Managers by Value as at 30th June 2014[1]

NUMBER	MANAGER	REGION[2]	STAGE BIAS	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	TPG	Global	Buyout	4.5%
2	Vision Capital	Europe	Buyout	2.3%
3	Carlyle Group	Global	Buyout	2.2%
4	Apax Partners	Europe	Buyout	2.2%
5	Blackstone Capital Partners	USA	Buyout	2.0%
6	Providence Equity Partners	USA	Buyout	1.9%
7	CVC Capital Partners	Global	Buyout	1.9%
8	Brentwood Associates	USA	Buyout	1.8%
9	Quantum Energy Partners	USA	Energy	1.5%
10	EQT	Global	Buyout	1.4%
11	Golden Gate Capital	USA	Buyout	1.4%
12	Baring Vostok Capital Partners	Russia	Buyout	1.4%
13	Equistone	Europe	Buyout	1.4%
14	Matlin Patterson	USA	Special Situations	1.2%
15	Apollo Management	USA	Buyout	1.2%
16	KRG Capital Partners	USA	Buyout	1.2%
17	Doughty Hanson & Co	Europe	Buyout	1.2%
18	Hutton Collins	Europe	Special Situations	1.1%
19	Cinven Partners	Europe	Buyout	1.1%
20	Warburg Pincus Partners	Global	Buyout	1.1%
21	Baring Private Equity	Asia	Venture and Growth	1.1%
22	Oak Investment Partners	USA	Venture and Growth	1.1%
23	Bain Capital	USA	Buyout	1.0%
24	ABS Capital Partners	USA	Venture and Growth	0.9%
25	Permira	Europe	Buyout	0.9%
26	Canaan Partners	USA	Venture and Growth	0.9%
27	IK Investment Partners	Europe	Buyout	0.9%
28	Apollo Advisors	USA	Buyout	0.9%
29	Summit Partners	Global	Venture and Growth	0.9%
30	Index Ventures	Europe	Venture and Growth	0.9%
31	Catalyst Investors	USA	Venture and Growth	0.8%
32	Hony Capital	Asia	Buyout	0.8%
33	Nordic Capital	Europe	Venture and Growth	0.8%
34	Polaris Venture Partners	USA	Venture and Growth	0.8%
35	Avista Capital Partners	USA	Buyout	0.8%
36	Nova Capital Management	Europe	Buyout	0.8%
37	Yorktown Partners	USA	Energy	0.8%
38	Mid-Europa Partners	Europe	Buyout	0.8%
39	Altor Capital	Europe	Buyout	0.8%
40	Riverstone Holdings	USA	Special Situations	0.8%
41	Bencis Capital Partners	Europe	Buyout	0.8%
42	Advent International Group	Global	Buyout	0.8%
43	HgCapital	Europe	Buyout	0.8%
44	Genstar Capital Partners	USA	Buyout	0.7%
45	Thomas H. Lee Partners	USA	Buyout	0.7%
46	Rutland Partners	Europe	Buyout	0.7%
47	Essex Venture Partners	USA	Venture and Growth	0.7%
48	Technology Crossover Ventures	USA	Venture and Growth	0.7%
49	New Enterprise Associates	USA	Venture and Growth	0.7%
50	Mercapital	Europe	Buyout	0.7%
COVERAGE OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE				58.8%

[1] *Percentages look through feeders and funds-of-funds.*

[2] *Refers to the regional exposure of the funds in which PIP is invested.*

Portfolio Managers by Geography

The Company has exposure to many of the best managers across the world. Our USA investments focus primarily on large and mid-market buyout, and mature venture and growth opportunities. In Europe, we focus primarily on buyouts through both Pan-European managers and regional specialists with a detailed knowledge of local markets. The Asian portfolio is focused on both the buyout and growth stages, investing with managers who have a strong local presence. In this section we disclose only the largest fund manager exposures (NAV + outstanding commitments).

USA

Buyout

SMALL/MID BUYOUT

Brentwood Associates	1.5%
Golden Gate Capital	1.3%
KRG Capital Partners	1.0%
Tricor U.S. Management	0.9%
Avista Capital Partners	0.7%
Genstar Capital Partners	0.7%
Castle Harlan Partners	0.5%
Sterling Investment Partners	0.4%
Sun Capital Partners	0.4%
ABRY Partners	0.4%
Churchill Capital Partners	0.3%
Code Hennessy & Simmons	0.3%

LARGE/MEGA BUYOUT

TPG	5.0%
Carlyle Group	2.3%
Providence Equity Partners	1.8%
Blackstone Capital Partners	1.8%
Thomas H. Lee Partners	1.5%
Bain Capital	1.1%
Apollo Management	1.0%
Apollo Advisors	0.9%
Francisco Partners	0.7%
Ares Management	0.5%
Vestar Capital Partners	0.5%
KKR	0.4%
Onex Partners	0.4%

SPECIAL SITUATIONS

Quantum Energy Partners	1.7%
Matlin Patterson	1.4%
Welsh, Carson, Anderson & Stowe	0.8%
Yorktown Partners	0.7%
Riverstone Holdings	0.7%

Venture and Growth

GROWTH CAPITAL

Summit Partners	1.0%
ABS Capital Partners	0.8%
Technology Crossover Ventures	0.6%
Weston Presidio Capital	0.5%
Granite Ventures	0.5%

BALANCED/DIVERSIFIED VENTURE

Oak Investment Partners	0.9%
Catalyst Investors	0.7%
Essex Venture Partners	0.7%
New Enterprise Associates	0.6%
Baker Capital Partners	0.5%
New Leaf Ventures	0.5%
Polaris Venture Partners	0.3%
Lightspeed Venture Partners	0.3%

EARLY STAGE VENTURE

Canaan Partners	0.8%
ARCH Venture Partners	0.5%
GrandBanks Capital	0.5%
Interwest Partners	0.4%

Figures above show the manager exposures (NAV + outstanding commitments) in each category shown with exposures greater than £3m in each category, as a percentage of the Company's total exposure. The above figures show both primary and secondary exposures. The manager exposures shown on pages 44 and 45 represent 77% of the Company's total exposure.

A detailed list of portfolio holdings is available on PIP's website at www.pipplc.com

EUROPE

GERMAN MANAGER	
Arcadia	0.4%

ISRAELI MANAGER	
Gemini Israel Funds	0.6%

ITALIAN MANAGERS	
Clessidra Capital Partners	0.8%
Private Equity Partners	0.4%

NORTHERN EUROPEAN MANAGERS	
Equistone	1.4%
EQT	1.3%
Nordic Capital	0.9%
Altor Capital	0.7%
IK Investment Partners	0.7%
Herkules Capital	0.5%

RUSSIAN MANAGER	
Baring Vostok Capital Partners	1.2%

SPANISH MANAGER	
Mercapital	0.6%

BENELUX MANAGER	
Bencis Capital Partners	0.7%

CENTRAL & EASTERN EUROPEAN MANAGER	
Mid-Europa Partners	0.8%

FRENCH MANAGER	
Chequers Capital	0.3%

PAN-EUROPEAN MANAGERS	
Apax Partners	2.0%
CVC Capital Partners	1.9%
Doughty Hanson & Co	1.2%
Hutton Collins	1.2%
Cinven Partners	1.1%
Index Ventures	1.1%
Permira	0.8%
Advent International Group	0.7%
Accel Partners	0.5%
Wellington Partners	0.5%
Bridgepoint Partners	0.5%
Cipio Partners	0.4%
BC Partners	0.4%

UK MANAGERS	
Vision Capital	2.1%
Nova Capital Management	0.7%
Rutland Partners	0.7%

ASIA AND OTHER

COUNTRY SPECIALIST	
Hony Capital (China)	0.7%
Ironbridge Capital (Australia)	0.4%

GLOBAL	
Warburg Pincus Partners	1.6%

PAN-ASIAN	
CVC Capital Partners	1.9%
Baring Private Equity	1.1%
Pacven Walden Ventures	0.5%
Headland Capital Partners	0.5%
Unitas	0.4%

Figures above show the top three manager exposures (NAV + outstanding commitments) in each category shown, and in addition any managers with exposures greater than £3m in each category, as a percentage of the Company's total exposure. The above figures show both primary and secondary exposures.

The Largest 50 Companies by Value

Largest 50 Companies by Value[1]

NUMBER	COMPANY	COUNTRY	SECTOR	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	Attendo	Sweden	Healthcare	1.0%
2	JDR Cable Systems	USA	Energy	0.7%
3	Spotify Limited	Sweden	Information Technology	0.7%
4	Applied Medical Resources	USA	Healthcare	0.6%
5	CSPC Pharmaceutical	China	Healthcare	0.6%
6	Nord Anglia Education	Hong Kong	Consumer	0.6%
7	InterXion	Netherlands	Information Technology	0.5%
8	LBX Pharmacy Chain	China	Consumer	0.5%
9	Bibby Scientific	UK	Information Technology	0.5%
10	Oriental Brewery[2]	South Korea	Consumer	0.5%
11	SoftBrands	USA	Information Technology	0.4%
12	Hilton Worldwide	USA	Consumer	0.4%
13	Alarm.com	USA	Industrials	0.4%
14	MINDBODY	USA	Information Technology	0.4%
15	ConvaTec Healthcare[2]	USA	Healthcare	0.4%
16	CPL Industries	UK	Energy	0.4%
17	McGraw-Hill[2]	USA	Consumer	0.4%
18	CPI Card Group	USA	Industrials	0.4%
19	EP Energy	USA	Energy	0.4%
20	AutoTrader[2]	USA	Information Technology	0.4%
21	Antero Resources	USA	Energy	0.4%
22	King.com	UK	Information Technology	0.3%
23	Byron Hamburgers	UK	Consumer	0.3%
24	Wrist Group[2]	Denmark	Industrials	0.3%
25	Vitruvian Exploration	USA	Energy	0.3%
26	Zoë's Kitchen	USA	Consumer	0.3%
27	Standard Bancshares	USA	Financials	0.3%
28	Fairway Group	USA	Consumer	0.3%
29	Golden Boy Foods[2]	Canada	Consumer	0.3%
30	Standard Pacific	USA	Consumer	0.3%
31	GGC Credit Opps	USA	Financials	0.3%
32	TMF Group	Netherlands	Industrials	0.3%
33	Hugo Boss[2]	Italy	Consumer	0.3%
34	Property Portfolio	UK	Financials	0.3%
35	BrightHouse	UK	Consumer	0.3%
36	Syniverse Technologies	USA	Information Technology	0.3%
37	Jimmy John's	USA	Consumer	0.3%
38	United Surgical Partners	Spain	Healthcare	0.3%
39	The Teaching Company	USA	Consumer	0.3%
40	Evonik Industries[2]	Germany	Materials	0.3%
41	Yandex[2]	Russia	Information Technology	0.3%
42	ista International	Germany	Industrials	0.3%
43	CommScope	USA	Information Technology	0.3%
44	Spire Healthcare	UK	Healthcare	0.3%
45	Avio	Italy	Industrials	0.3%
46	Healthscope	USA	Healthcare	0.3%
47	LIN TV	USA	Consumer	0.3%
48	ATI Holdings	USA	Healthcare	0.3%
49	K-Mac Holdings	USA	Consumer	0.3%
50	Caffè Nero[2]	UK	Consumer	0.3%
TOTAL				19.3%

[1] The largest 50 companies table is based upon underlying company valuations at 31st December 2013, adjusted for known calls, distributions, new investment commitments and post-valuation information.

[2] Liquidation event subsequent to 31st December 2013.

Responsible Investment and Key Senior Personnel

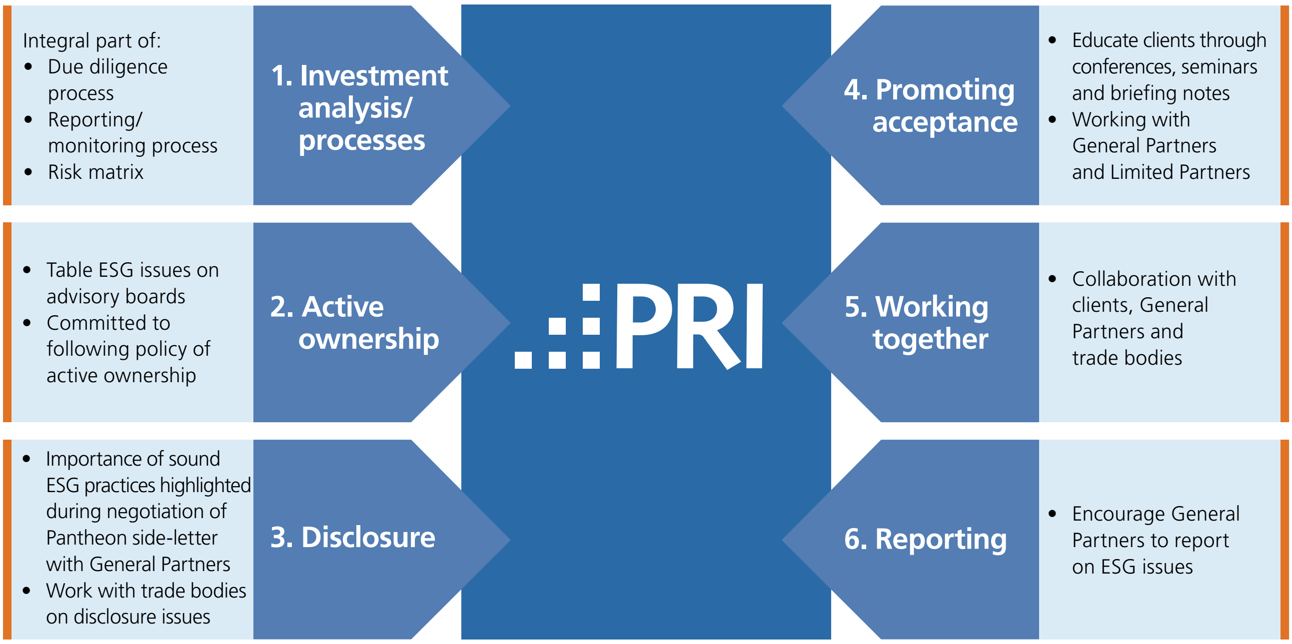
Responsible Investment

Pantheon's policy in terms of responsible investment is to seek to ensure that the environmental, social and governance considerations that are taken into account in its own day-to-day business are, as much as possible, reflected in the policy adopted by each of the individual private equity managers with whom they invest.

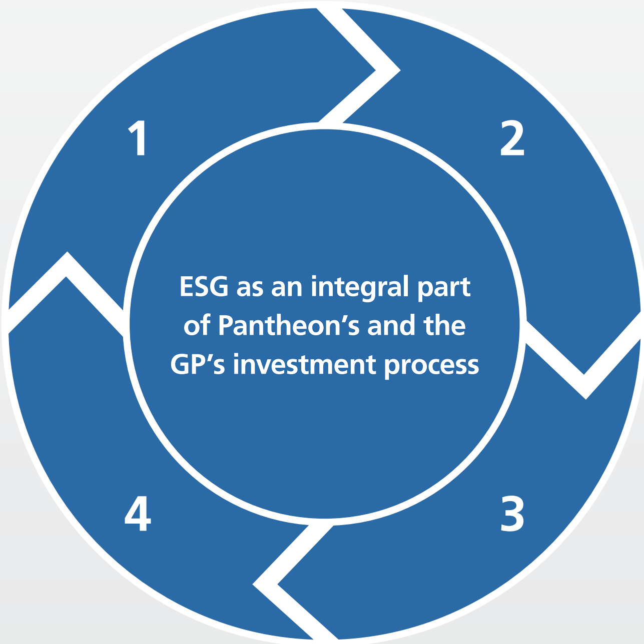
Commitment to the Principles for Responsible Investment

Pantheon is committed to responsible investing and in 2007 was one of the first private equity fund investors to sign up to the Principles for Responsible Investment ("PRI"). Pantheon believes that adoption of PRI initiatives will ultimately work to the benefit of investors.

Pantheon has an active engagement programme which covers the six PRI principles, as demonstrated in the chart below.



Pantheon believes that consideration of environmental, social and governance ("ESG") risk forms part of general risk management and its mitigation strengthens downside protection and enhances reputation, which can also lead to value creation. In considering a new fund commitment, Pantheon is committed to understanding the manager's willingness to adhere to sound ESG practices, favouring those managers who understand the nature of ESG risks and who seek to minimise them. Pantheon's due diligence process ascertains the extent to which the manager incorporates ESG risks in their analysis and the measures they take to mitigate them before and after investment. The chart below demonstrates how Pantheon integrates RI considerations and ESG risk management at all stages of its investment process.



1. Origination, screening and initial due diligence

- Investigate whether the GP abides by the spirit of responsible investing and seeks to mitigate ESG risk in portfolio companies
- Awareness of ESG risks within specific sectors (e.g. forestry, mining) and regions/countries
- Advance notice to include ESG considerations, if any

2. Advanced due diligence

- Understand how the GP generally tackles ESG risks
- Note if the GP has signed up to PRI
- Review investment strategy of GPs and the potential for high ESG risk investments
- Review ESG monitoring systems of the GP as well as governance arrangements
- Manager ESG rating (Strong, Adequate/Poor) and Fund ESG rating (High/Medium/Low)
- Discuss ESG risks during onsite due diligence (if relevant)
- Discuss ESG risks during referencing (if relevant)
- Specific ESG risks section included in the Investment Recommendation

3. Commercial negotiation

- Reminder to the GP of the importance of sound ESG practices and Pantheon's adherence to PRI. Pantheon generally seeks to reference ESG practices in side-letters with underlying fund managers

4. Post-investment monitoring

- ESG risk rating methodology included in the monitoring process
- Raising ESG issues with the GP through Advisory Boards and monitoring meetings
- Where GPs have effective control of companies or significant influence, expect to see them adopt a more active ESG stance
- Encourage inclusion of ESG reporting as part of regular investment reports

Biographies of Key Senior Personnel

Andrew Lebus Partner

Joined 1994, 29 years of private equity experience

Andrew is a senior member of Pantheon's investment team. He is responsible for co-ordinating the activities of Pantheon International Participations PLC and is a member of the Asia Regional and Secondary Investment Committees. Andrew, who spent eight years in Pantheon's Hong Kong office, also participates in Asian investment including determining investment strategy and overseeing the selection and monitoring of investments. Prior to joining Pantheon, Andrew worked for a number of years in corporate finance with special emphasis on the private equity market, latterly at Credit Lyonnais Securities, and prior to that at its affiliate, Castleforth. Andrew is based in London.

Alastair Bruce Partner

Joined 1996, 18 years of private equity experience

Alastair is a member of Pantheon's Partnership Board and focuses on key strategic projects. Before joining Pantheon, Alastair spent seven years at SPP Investment Management as a real estate investment analyst and business controller. Alastair is based in London.

Chris Meads Chief Investment Officer

Joined 2001, 18 years of private equity experience

Chris is a member of Pantheon's Partnership Board and Chief Investment Officer. Chris joined Pantheon from HSBC Hong Kong, where he was involved in strategic acquisitions and the design and implementation of internal operating procedures. He was previously a senior investment analyst for Brierley Investments Ltd in both Hong Kong and New Zealand, and before that worked in a deal advisory capacity for CS First Boston (NZ) and as an economist for the National Bank of New Zealand and the Reserve Bank of New Zealand. Chris is based in Hong Kong.

Paul Ward Managing Partner

Joined 2003, 17 years of private equity experience

Paul is Pantheon's Managing Partner and is a member of the Partnership Board. Paul is also a member of the Global Secondary Investment Committee and the Co-investment Committee. Paul joined Pantheon from Lehman Brothers Private Equity Group, where he was Investment Director. Previously, he worked for Lehman Brothers Investment Bank in both New York and London on M&A and corporate finance advisory services and, prior to that, was a management consultant for PA Consulting. Paul is based in London.

Helen Steers Partner

Joined 2004, 25 years of private equity experience
Helen leads Pantheon's European primary investment activity and chairs the European Investment Committee. Helen joined Pantheon in 2004 from Russell Investments in Paris, where she was Managing Director with overall responsibility for private equity in Europe. Prior to joining Russell in 1999, Helen spent five years as Director, European Private Equity with the Caisse de dépôt et placement du Québec. From 1989 to 1994, Helen was a senior investment manager at the Business Development Bank of Canada in Montréal. Helen is based in London.

Susan Long McAndrews Partner

Joined in 2002, 19 years of private equity experience
Susan is a member of Pantheon's Partnership Board and also leads Pantheon's North American primary fund investment activity. Prior to joining Pantheon, she was a principal at Capital Z Partners in Asia, where she was responsible for executing investments in private equity funds and in fund management companies. In addition, Susan was a director at Russell Investments from 1995 to 1998 in its private equity group. Susan is based in San Francisco.

Dennis McCrary Partner

Joined 2007, 20 years of private equity experience
Dennis is a senior member of the North American primary investment team and also chairs the Co-Investment Committee. Dennis was previously the head of the US Partnership Team at Adams Street Partners where he was responsible for primary and secondary fund investments. Previously, Dennis held several investment banking and principal investing positions during a 20-year career with Bank of America and Continental Bank. Dennis is based in San Francisco and Chicago.

Elly Livingstone Partner

Joined 2001, 17 years of private equity experience
Elly leads Pantheon's global secondary investment activity. Prior to joining Pantheon, Elly was an investment manager focusing on the analysis, structuring and execution of direct investments at Actis Capital, an emerging markets private equity fund manager, having worked previously for Accenture and PricewaterhouseCoopers on a wide range of international consulting and corporate finance advisory assignments. Elly is based in London.

Glossary of Terms

Buyout funds
Funds that acquire controlling interests in companies with a view towards later selling those companies or taking them public

Call rate
Capital calls in the period divided by opening outstanding commitments

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

Co-investment
Direct shareholding in a company alongside a private equity fund

Commitment
The amount of capital that each limited partner agrees to contribute to the fund when and as requested by the GP

Cost multiple
Calculated by dividing the fund's cumulative distributions and residual value by paid-in capital. It measures fund performance by showing the fund's total value as a multiple of cost

Distribution
Cash or stock returned to the LPs after the fund has exited from an investment

Distribution rate
Distributions for the period divided by opening portfolio value

Earnings before interest, taxes, depreciation and amortisation ("EBITDA")
A measure of earnings before interest and taxes that exclude non-cash expenses. Valuation methods are commonly based on a comparison of private and public companies' value as a multiple of EBITDA

Exit
Realisation of an investment through trade sale, sale by public offering (including IPO), or sale to a financial buyer

Fund-of-funds
Private equity fund that, instead of making direct investments in companies, invests in a number of private equity funds to achieve broader diversification of risk, including individual manager risk

General partner ("GP")
The entity managing a private equity fund that has been established as a limited partnership, also commonly referred to as the private equity manager

Initial public offering ("IPO")
The first offering of stock by a company to the public on a regulated stock exchange

Internal rate of return ("IRR")
The IRR, a common measure of private equity performance, is calculated as an annualised compounded rate of return based on the timing of cash flows

Investment period
Period, typically 5 years, during which the GP is permitted to make new investments

J-Curve
Illustrates the historical tendency of private equity funds to experience capital outflows and negative returns in early years, and cash flow distributions and investment gains in future years as portfolio companies mature

Limited partner ("LP")
Institutions or individuals who commit capital to a private equity fund established as a limited partnership. Limited partners are generally protected from legal actions and any losses beyond their original investment

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

Management fee
Annual fee, typically charged as a percentage of LP commitments to the fund during the investment period and attenuating thereafter, intended to cover the costs of running and administering a fund

Net asset value ("NAV")
Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor's attributable holding

Net portfolio cash flow
Income and gains from funds following exit realisations less capital calls to finance investments or expenses

Outstanding commitments
Undrawn portion of total commitment

Paid in capital
Cumulative amount of capital that has been drawn down

Portfolio company
A company that is an investment within a private equity fund

Primaries
Commitments made to a private equity fund at the time a fund is formed

Private equity
Investments made in non-public companies through privately negotiated transactions

Secondaries
Purchasing existing private equity fund interests and commitments from an investor seeking liquidity in such fund prior to its termination

Uplift
Increase in value received upon realisation of an investment relative to its carrying value immediately prior to realisation

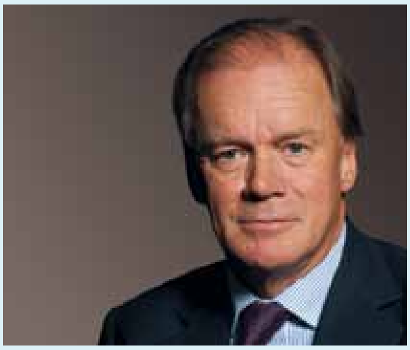
Valuation multiples
Multiple of earnings (typically EBITDA or net income) or revenue applied in valuing a business enterprise

Venture capital
Investment in early and development-stage companies, often used to finance technological product and market development

Vintage
The first year that the private equity fund makes an investment

The Directors' Report

The Directors



Tom Bartlam Chairman

Born December 1947. Appointed to the Board on 26th June 2003. Appointed as Chairman on 22nd July 2004

Tom Bartlam was managing director of Intermediate Capital Group PLC, the leading independent arranger and provider of mezzanine finance in Europe, until his retirement in 2005; he remained a non-executive director until 2009. He is non-executive chairman of Polar Capital Holdings PLC and Jupiter Primadona Growth Trust PLC, and a non-executive director of The Diverse Income Trust plc. Prior to founding Intermediate Capital Group PLC in 1989, he worked for Charterhouse Bank, where he was a director involved in their corporate finance and private equity activities. He is a chartered accountant.

(a), (b) & (c)

Ian Barby Audit Committee Chairman

Born January 1945. Appointed to the Board on 28th April 2005

Ian Barby practised as a barrister before joining Warburg Investment Management Ltd in 1985, subsequently becoming a vice chairman of Mercury Asset Management plc and latterly, until 2003, a managing director of Merrill Lynch Investment Managers. He is currently chairman of Invesco Perpetual UK Smaller Companies Investment Trust PLC, Ecofin Water and Power Opportunities plc and Schroder Income Growth Fund plc, as well as being a director of BlackRock World Mining Trust plc.

(a), (b) & (c)

Sir Laurie Magnus

Born September 1955. Appointed to the Board on 22nd November 2011

Sir Laurie Magnus is a senior adviser at Evercore Partners, the US-listed corporate finance advisory business. He has over 30 years of investment banking experience, primarily in corporate finance, initially at Samuel Montagu & Co Limited (subsequently HSBC Investment Bank) and then successively at Phoenix Securities, Donaldson Lufkin & Jenrette, Credit Suisse First Boston and Lexicon Partners (latterly as chairman before it merged with Evercore in 2011). He is currently chairman of the JP Morgan Income & Capital Trust plc and non-executive director of the Cayenne Trust plc and Fidelity Japanese Values plc. He is chairman of English Heritage.

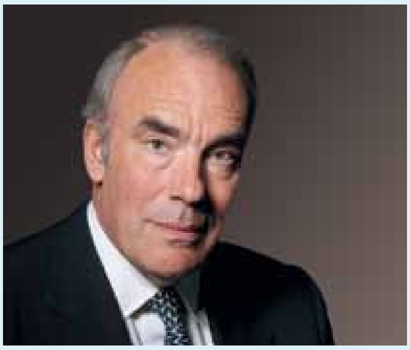
(a), (b) & (c)

Susannah Nicklin

Born February 1969. Appointed to the Board on 22nd November 2011

Ms Nicklin is an investment and financial services professional with 20 years of experience in executive roles at Goldman Sachs and Alliance Bernstein in the US, Australia and the UK. She has also worked in the social impact private equity sector with Bridges Ventures and the Global Impact Investing Network, and sits on the Investment Committee of Impact Ventures UK and the Finance & Investment Committee of the Berkshire Community Foundation. She is currently Co-Founder and CEO of Apprecie Limited. Susannah is also a Director of Baronsmead VCT. She is a CFA charterholder and member of STEP.

(a), (b) & (c)



Peter Readman Senior Independent Director

Born December 1946. Appointed to the Board on 20th October 1994

Peter Readman is chairman of Abercromby Property International, the Cambridge University Investment Board and the Chamber Orchestra of Europe. He is also a partner of Abercromby & Company, an economic adviser to a number of international companies, a director of Keystone Investment Trust plc and Schroder Income Growth Fund plc and a trustee of the National Churches Trust.

(b) & (c)

Rhoddy Swire

Born March 1951. Appointed to the Board on 7th August 1987

Rhoddy Swire is Pantheon's founder and has been a director of Pantheon International Participations PLC since its listing in 1987. In 1981 Rhoddy joined GT management to oversee and manage unquoted investments and subsequently led the buyout from GT Management Ltd to form Pantheon. He was until 12th October 2011 a director of Pantheon Ventures Limited, a parent undertaking of Pantheon Ventures (UK) LLP, and is a director of a number of Pantheon funds. He is also a director of Music Marketing Services Limited and a former director of Lewmar Marine plc Ceravision Limited, The China Navigation Company Limited and Lindsell Train Investment Trust PLC.

KEY:

(a) Member of the Audit Committee

(b) Member of the Management Engagement Committee

(c) Independent of the Manager

The Directors' Report

The Directors have pleasure in presenting their report, together with the audited financial statements of the Company for the year ended 30th June 2014.

Directors

The Directors, all of whom were in office during the year, are shown on pages 54 and 55.

Details of the Directors retiring and standing for re-appointment at the forthcoming AGM are set out on page 64.

Mr Readman will be retiring at the AGM and will not be standing for re-appointment.

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are discussed on page 64.

There are no agreements between the Company and its Directors concerning compensation for loss of office.

Share Capital

As at 30th June 2014, the Company had 33,522,013 ordinary shares of £0.67 each and 32,572,534 redeemable shares of £0.01 each in issue. No shares were held in treasury at the year end.

During the year, 985,000 ordinary shares (with an aggregate nominal value of £659,950 and representing 2.9% of the ordinary share capital in issue on 30th June 2013) were purchased in the market for cancellation for a total consideration of £10.5m.

During the year, 740,000 redeemable shares (with an aggregate nominal value of £7,400 and representing 2.2% of the redeemable share capital in issue on 30th June 2013) were also purchased in the market for cancellation for a total consideration of £7.7m.

Since the year end, 100,000 ordinary shares (with an aggregate nominal value of £67,000 and representing 0.30% of the ordinary share capital in issue on 30th June 2014) have been purchased in the market for cancellation for a total consideration of £1.1m.

In addition, since the year end, 100,000 redeemable shares (with an aggregate nominal value of £1,000 representing 0.31% of the redeemable share capital in issue on 30th June 2014) have been purchased in the market for cancellation for a total consideration of £1.1m.

As at the date of this report, the Company had shares in issue as shown in the table below, all of which are admitted to the official list maintained by the FCA and admitted to trading on the London Stock Exchange:

Share capital and voting rights at 1st October 2014	NUMBER OF SHARES IN ISSUE	VOTING RIGHTS ATTACHED TO EACH SHARE	NUMBER OF SHARES HELD IN TREASURY	% OF TOTAL VOTING RIGHTS REPRESENTED BY EACH CLASS
ORDINARY SHARES AT £0.67 EACH	33,422,013	1	-	100
REDEEMABLE SHARES AT £0.01 EACH	32,472,534	-	-	-
TOTAL VOTING RIGHTS	**33,422,013**			

The rights attaching to each of the Company's classes of share are set out in the Company's Articles of Association. Further details are included in Note 13 to the financial statements.

The redeemable shares do not carry any right to speak or vote at general meetings of the Company, including on resolutions authorising the issue or buyback of shares, although holders of redeemable shares are entitled to receive notice of general meetings of the Company and to attend such meetings. Redeemable shares do carry the right to vote at separate class meetings of the holders of redeemable shares. The sanction of holders of redeemable shares is required to authorise various corporate actions as set out in the Articles of Association.

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

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

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

Amendment of the Company's Articles of Association and the giving of authority to issue or buy back the Company's shares require an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares are detailed on pages 60 and 61.

Dividends

No final dividend is being recommended.

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in Note 20 to the financial statements.

Management

During the year, the Company's investment manager, Pantheon Ventures (UK) LLP ("Pantheon Ventures"), acted under a management agreement with the Company dated 25th February 2004 (as amended by supplemental agreements dated 9th August 2004, 30th January 2007, 1st December 2010 and 3rd May 2011) (the "Management Agreement").

The existing investment management agreement between the Company and Pantheon Ventures was terminated, and in its place, on 22 July 2014, Pantheon Ventures was appointed as the Company's Alternative Investment Fund Manager ("AIFM") on the terms of and subject to the conditions of a new investment management agreement (the "Management Agreement") between the Company and Pantheon Ventures. Pantheon Ventures has been approved as an AIFM by the UK's Financial Conduct Authority.

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

The Pantheon group is one of the world's foremost private equity fund-of-funds managers and has acted as Manager to the Company since its inception in 1987. Affiliated Managers Group, Inc. ("AMG"), alongside senior members of the Pantheon team, acquired the Pantheon group in 2010. The ownership structure, with Pantheon senior management owning a meaningful share of the equity in the business, provides a framework for long-term succession and enables Pantheon management to continue to direct the firm's day-to-day operations. AMG is a global asset management company with equity investments in leading boutique investment management firms.

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

The Manager is entitled to a monthly management fee at an annual rate of (i) 1.5% on the value of the Company's investment assets up to £150 million and (ii) 1% on the value of such assets in excess of £150 million. In addition, the Manager is entitled to a monthly commitment fee of 0.5% per annum on the aggregate amount committed (but unpaid) in respect of investments, up to a maximum amount equal to the total value of the Company's investment assets.

The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30th June in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high- water mark", i.e. the net asset value at the

The Directors' Report

(CONTINUED)

end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 30th June 2014, the applicable performance fee hurdle is a NAV per share of 2,032.93p. The performance fee is calculated using the adjusted net asset value, which excluded the derivative asset in previous periods.

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

No performance fee is payable in respect of the year ended 30th June 2014 (2013: nil).

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

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

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

Under the terms of the Management Agreement, the Company is entitled to participate in allocations made by the Pantheon group, under its secondary investment programme, of opportunities to acquire secondary investments, other than certain co-investment opportunities in single companies or business entities in accordance with the allocation basis agreed from time to time between the Company and the Manager.

This basis for allocation to PIP of secondary investments applies until replaced by alternative allocation arrangements.

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

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

The reasons for this view are that the investment performance is satisfactory and the Manager is well placed to continue to manage the assets of the Company according to the Company's strategy.

Under an agreement dated 20th November 1997, administrative, accounting and company secretarial services are provided by Capita Sinclair Henderson Limited. The Administration Agreement may be terminated by 12 months' written notice.

The Board has also appointed BNP Paribas to act as the Company's Depositary (as required by the AIFM Directive) (the "Depositary") on the terms and subject to the conditions of a Depositary Agreement entered into between the Company, the AIFM and the Depositary. BNP Paribas have also been appointed as Custodian.

Related party transactions are disclosed in Note 22 to the financial statements.

Going Concern

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

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

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

Corporate Governance

The Board consists solely of non-executive Directors and no one individual has unfettered powers of decision. The Board has put in place levels of corporate governance which it believes are appropriate for an investment trust and to enable the Company to comply with the AIC Code of Corporate Governance (the "AIC Code") issued in February 2013. The Board's compliance with the AIC Code is set out in the Statement on Corporate Governance on pages 62 to 68, and that Statement forms part of the Directors' Report.

Substantial Shareholdings

As at 30th June 2014, the Company had received notification of the following disclosable interests in the voting rights of the Company:

SHAREHOLDERS	VOTING RIGHTS	% AT 30TH JUNE 2014	% AT 1ST OCTOBER 2014
ABERDEEN ASSET MANAGERS LIMITED	**1,767,016**	**5.27**	**5.29**
INVESTEC WEALTH & INVESTMENT LIMITED	**1,389,697**	**4.15**	**4.16**
BRITISH EMPIRE SECURITIES AND GENERAL TRUST PLC	**1,354,153**	**4.04**	**4.05**
EAST RIDING OF YORKSHIRE COUNCIL	**1,300,000**	**3.88**	**3.89**
WEST MIDLANDS PENSION FUND	**1,148,375**	**3.43**	**3.44**

No changes have been notified between 30th June 2014 and the date of this report.

Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, (including those within our underlying investment portfolio).

Annual General Meeting

The Company's next Annual General Meeting ("AGM") will be held at 10.30am on 25th November 2014 at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH. The notice convening the meeting (the "Notice of AGM") accompanies this Report and is set out on pages 95 to 99.

At the AGM, holders of ordinary shares are being asked to vote on various items of business that are routinely considered at the Company's annual general meetings. These are the receipt and adoption of the Strategic Report, Directors' Report and Auditors' Report and the audited financial statements for the year ended 30th June 2014; the receipt and approval of the Directors' Remuneration Report and Directors' Remuneration Policy; the re-appointment of Directors; the re-appointment of the Auditor, Grant Thornton UK LLP; the authorisation of the Directors to determine the remuneration of the Auditor; the granting of authorities in relation to the allotment of shares; the disapplication of pre-emption rights; the purchase by the Company of its own shares; and the approval of the holding of general meetings (other than annual general meetings) on not less than 14 clear days' notice.

The Directors' Report

(CONTINUED)

Resolutions 1 to 10 to be proposed at the AGM will be proposed as ordinary resolutions and resolutions 11 to 13 as special resolutions.

A new Directors' remuneration reporting regime came into effect on 1 October 2013. Shareholders will now have an annual advisory vote on the report on Directors' remuneration and a binding vote, to be held every three years, on the remuneration policy of the Directors. Accordingly, shareholders are being asked to vote on the receipt and approval of the Directors' Remuneration Report and the Directors' Remuneration Policy as set out on pages 71 to 73.

An explanation of the resolutions relating to the re-appointment of Directors and the recommendation of the Nomination Committee as to voting in this regard are set out in the Statement on Corporate Governance on page 64.

Authority to Allot Shares and Disapplication of Statutory Pre-emption Rights

The authorities given to the Directors at the AGM held on 25th November 2013 to allot shares and to allot equity securities (and sell shares held as treasury shares) for cash otherwise than in accordance with statutory pre-emption rights (which require that, when new shares are issued, or treasury shares are sold, for cash, the shares are first offered to existing shareholders in proportion to their existing holdings of shares) will expire at the forthcoming AGM. No shares have been issued during the year under the existing authorities.

Resolution 10 set out in the Notice of AGM, an ordinary resolution, will, if passed, authorise the Directors for a period of 15 months from the date on which the Resolution is passed (or until the following AGM, if earlier) to allot ordinary shares and redeemable shares in the Company and to grant rights to subscribe for or convert a security into such shares and will replace the current authority granted to Directors at last year's AGM.

The authority conferred by Resolution 10, if passed, will permit the Company to allot up to £108,241.78 in redeemable share capital, being one-third of the issued redeemable share capital of the Company at the date of this Report, and to allot up to £7,464,249.57 in ordinary share capital, being one-third of the issued ordinary share capital of the Company as at the date of this Report.

The maximum nominal amount of £7,572,491.35 which the Directors will be authorised to allot by the passing of Resolution 10 represents 33.3% of the issued ordinary share capital of the Company and includes redeemable share capital representing 33.3% of the issued redeemable share capital of the Company, as at the date of this Report. As at such date, the Company is not holding any ordinary shares or redeemable shares as treasury shares.

Resolution 11 set out in the Notice of AGM, a special resolution, will, if passed, authorise the Directors for a period of 15 months from the date on which the Resolution is passed (or until the following AGM, if earlier) to allot equity securities for cash pursuant to the authority conferred by Resolution 10 as described above and to sell for cash ordinary shares and redeemable shares held by the Company as treasury shares, in each case otherwise than by way of a pre-emptive offer to existing shareholders. Equity securities for this purpose means ordinary shares and redeemable shares in the Company and rights to subscribe for or convert a security into such shares. This authority will replace the current authority granted to Directors at last year's AGM.

Resolution 11, if passed, will have the effect of disapplying the statutory pre-emption rights referred to above in relation to (i) the allotment of new equity securities up to the maximum amount of share capital permitted by Resolution 10 and the sale from treasury of ordinary shares and redeemable shares where such securities or shares are offered to ordinary and redeemable shareholders in proportion to their existing holdings of ordinary and redeemable shares, except where exclusions are necessary or desirable to deal with fractional entitlements, regulatory requirements and/or legal or practical issues; (ii) the grant of subscription and conversion rights in relation to, and the allotment (including the sale from treasury) of, up to £32,472.53 in aggregate nominal amount of redeemable share capital (being 10% of the issued redeemable share capital of the Company as at the date of this Report), at a price per share not less than the most recently calculated net asset value per share at the time of issue (or sale); and (iii) the grant of subscription and conversion rights in relation to, and the allotment (including the sale from treasury) of, up to £2,239,274.87 in aggregate nominal amount of ordinary share capital (being 10% of the issued ordinary share capital of the Company as at the date of this Report), at a price per share not less than the most recently calculated net asset value per share at the time of issue (or sale).

The maximum amount in respect of which the statutory pre-emption rights are disapplied under Resolution 11 (other than in relation to sub-paragraph (i) above) represents 10% of the issued equity share capital of the Company as at the date of this Report, and includes ordinary share capital representing 10% of the issued ordinary share capital of the Company and redeemable share capital representing 10% of the issued redeemable share capital of the Company, in each case as at the date of this Report.

The Directors intend to use the authorities to be conferred by Resolutions 10 and 11 to facilitate future issues (and sales from treasury) of redeemable shares and ordinary shares (at or above the prevailing net asset value per share at the time of issue (or sale), where the shares to be issued or sold are not offered to ordinary and redeemable shareholders in proportion to their existing holdings), to raise funds for investment by the Company in accordance with its investment policy, as and when required from time to time.

Purchase of Own Shares

At last year's AGM, the Directors were authorised to make market purchases of up to 14.99% of each of the Company's classes of share, amounting to 5,071,418 ordinary shares and 4,993,548 redeemable shares. 410,000 ordinary shares and 840,000 redeemable shares have been bought back under this authority. Details of all shares bought back during the year are set out on page 56.

Resolution 12 set out in the Notice of AGM, a special resolution, will, if passed, renew this authority by authorising the Company for a period of 18 months (or until the following AGM, if earlier) to make market purchases of up to 14.99% of the redeemable shares in issue as at the date upon which the resolution is passed, representing 4,867,632 redeemable shares at the date of this report, and up to 14.99% of the ordinary shares in issue as at the date upon which the resolution is passed, representing 5,009,959 ordinary shares as at the date of this Report. The maximum price (exclusive of expenses) which may be paid by the Company in relation to any such purchase is the higher of (i) 5% above the average of the market values of shares of the relevant class for the five business days before the purchase and (ii) the higher of the price of the last independent trade and the highest current bid on the London Stock Exchange. The minimum price which may be paid is £0.01 per share in the case of a purchase of redeemable shares and £0.67 per share in the case of a purchase of ordinary shares.

As at the date of this Report, there are no outstanding warrants or options to subscribe for shares in the Company.

The Directors believe that the discount to net asset value at which redeemable shares and ordinary shares trade in the market from time to time may present an attractive investment opportunity relative to new investment commitments. In such circumstances, the Directors may cause the Company to undertake targeted buybacks of ordinary and redeemable shares instead of, or in addition to, new investments as a means of utilising cash generated from the Company's portfolio. In addition, the Directors intend that the Company should retain the ability to utilise, each year, any excess cash, up to 1% of the total net assets attributable to its redeemable shares and ordinary shares, for the purpose of buying in such shares.

Any buyback would only be undertaken in circumstances where the Directors believe that it would increase the net asset value per share. Otherwise, in circumstances where the Directors believe that cash generated from the Company's portfolio cannot advantageously be utilised in making new investment commitments or in buybacks as described above, the Company intends that it would generally seek, if market conditions are appropriate, to return such excess cash as the Directors determine is appropriate through the redemption of redeemable shares at NAV.

In repurchasing shares, the Company may repurchase redeemable shares or ordinary shares or both in any combination or proportions as the Directors consider to be appropriate. The Company will consider holding any of its own shares which it purchases pursuant to the authority to be conferred by Resolution 12, if passed, as treasury shares rather than cancelling them, if the Directors determine in connection with any such purchase that it would be advantageous for the Company to do so.

Notice Period for General Meetings

Resolution 13 set out in the Notice of AGM, a special resolution, will, if passed, renew the approval of 14 clear days as the minimum period of notice for all general meetings of the Company (other than annual general meetings). The approval will be effective until the Company's next AGM, when it is intended that renewal will be sought. The Directors will only call general meetings on 14 clear days' notice where they consider it to be in the best interests of shareholders to do so, and should such a meeting be called, the Company will offer facilities for all shareholders to vote by electronic means.

Recommendation

Full details of all the above resolutions are provided in the Notice of Meeting on pages 95 to 99.

The Directors consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that ordinary shareholders vote in favour of all the resolutions to be proposed, as they intend to do in respect of their own beneficial holdings.

Audit Information

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

Auditor

Grant Thornton UK LLP has expressed its willingness to continue in office as Auditor of the Company and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
TOM BARTLAM
Chairman
1st October 2014

Statement on Corporate Governance

The Company is committed to maintaining high standards of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs.

This Statement forms part of the Directors' Report set out on pages 56 to 61.

Compliance Statement

The Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance ("AIC Code") issued in February 2013, by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders.

The Financial Reporting Council ("FRC"), the UK's independent regulator for corporate reporting and governance responsible for the UK Code, has endorsed the AIC Code and the AIC Guide.

The terms of the FRC's endorsement mean that AIC Members who report against the AIC Code and the AIC Guide meet fully their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules.

A copy of the AIC Code and the AIC Guide can be obtained via the AIC website, www.theaic.co.uk. A copy of the UK Code can be obtained at www.frc.org.uk.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, to the extent that they are relevant to the Company's business, throughout the year ended 30th June 2014.

The UK Code includes provisions relating to:

- the role of a chief executive; and
- executive directors' remuneration.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

A list of funds in which the Company has an interest (those representing more than 0.05% of its NAV) can be viewed on the Company's website at www.pipplc.com.

Board Members

The Board consists of six Directors, all of whom are non-executive and resident in the UK. The Company has no employees. The Board seeks to ensure that it has the appropriate balance of skills, experience, ages and length of service amongst its members. The Directors possess a wide range of business and financial expertise relevant to the direction of the Company, and consider themselves as committing sufficient time to the Company's affairs.

The terms and conditions of the appointment of the non-executive Directors are set out in letters of appointment, copies of which are available for inspection at the registered office of the Company and will be available at the AGM. None of the Directors has a contract of service with the Company. Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 54 and 55.

A formal process exists for the selection of new Directors to the Company and the level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company.

The appointment of a new Director would be on the basis of a candidate's merits and the skills/experience identified by the Board as being desirable to complement those of the existing Directors. The Company does not have a specific diversity policy, but diversity is one of the factors that would be taken into account when making a new appointment.

On appointment to the Board, Directors are fully briefed as to their responsibilities and are given the opportunity to talk to the relevant executive members of the management company throughout their terms in office.

Board Operation

The Directors of the Company meet at regular Board meetings, normally eight times throughout the year, and additional meetings and telephone meetings are arranged as necessary. Eight scheduled meetings were held during the year to 30th June 2014. An additional strategy meeting was also held. Directors' attendance at Board and Committee meetings during the year was as follows:

	SCHEDULED BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	NUMBER ENTITLED TO ATTEND	**NUMBER ATTENDED**	NUMBER ENTITLED TO ATTEND	**NUMBER ATTENDED**	NUMBER ENTITLED TO ATTEND	**NUMBER ATTENDED**	NUMBER ENTITLED TO ATTEND	**NUMBER ATTENDED**
T.H. BARTLAM	8	**8**	3	**3**	1	**1**	1	**1**
I.C.S. BARBY	8	**7**	3	**3**	1	**1**	1	**1**
L.H. MAGNUS	8	**8**	3	**3**	1	**1**	1	**1**
S.E. NICKLIN	8	**8**	3	**3**	1	**1**	1	**1**
J.P.A. READMAN	8	**7**	n/a	**n/a**	1	**1**	1	**1**
R.M. SWIRE	8	**8**	n/a	**n/a**	n/a	**n/a**	1	**1**

The Company is committed to maintaining high standards of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs.

In order to review the effectiveness of the Board as a whole, its Committees and individual Directors, including the independence of each Director, the Company has implemented a thorough appraisal process, encompassing both quantitative and qualitative measures of performance in respect of the Board and its Committees. The appraisal process was conducted by the Chairman by way of an evaluation questionnaire and interviews and took place over the summer of 2014; it will be repeated annually. The appraisal of the Chairman followed the same process and was carried out by the Board as a whole under the leadership of Mr Readman (the Senior Independent Director).

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense.

The Company has arranged a Directors' and Officers' Liability insurance policy which includes cover for legal expenses.

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

Chairman and Senior Independent Director

The Chairman, Mr Bartlam, is deemed by his fellow independent Board members to be independent and to have no conflicting relationships. Mr Bartlam is also non-executive Chairman of Polar Capital Holdings PLC and Jupiter Primadona Growth Trust PLC, and a non-executive director of The Diverse Income Trust plc. He considers himself to have sufficient time to commit to the Company's affairs.

Mr Readman is the Senior Independent Director of the Company. He provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors. In light of Mr Readman's forthcoming resignation as a Director at the AGM, the Board will be considering the appointment of a replacement Senior Independent Director.

Directors' Independence

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

Mr Swire was until 12th October 2011 a director of Pantheon Ventures Limited, a parent undertaking of Pantheon Ventures (UK) LLP, the Company's Manager, and was formerly a director and Senior Partner of Pantheon Holdings Limited. He is currently a director of a number of funds managed by the Pantheon Group. He is therefore not considered to be independent under the terms of the AIC Code.

Mr Readman was first elected to the Board in 1994, Mr Bartlam was first elected in 2003 and Mr Barby was first elected in 2005.

Statement on Corporate Governance

(CONTINUED)

The Board considers that the independence in character and judgement of Messrs Bartlam, Readman and Barby is not compromised by their length of service but, on the contrary, is strengthened by continuity and experience and deem Mr Bartlam, Mr Readman and Mr Barby to be independent.

Sir Laurie Magnus and Ms Nicklin are considered to be independent in both character and judgement.

Accordingly, five of the six Board members are considered by the Board to be independent and thus the majority of the Board comprises independent non-executive Directors.

Re-appointment of Directors

Directors are subject to re-appointment by shareholders at intervals specified in the Company's Articles of Association, and in accordance with the AIC Code and the FCA's Listing Rules.

The Directors consider that this meets the requirement of the UK Corporate Governance Code that Directors are appointed for specific periods and that their reappointment should not be automatic. Under the Articles of Association, new Directors appointed by the Board are required to retire at the first AGM following their appointment.

In accordance with the terms of the Articles of Association, one-third of Directors will retire by rotation at each AGM and no Director shall serve a term of more than three years before re-election.

Mr Readman will be retiring from the Board at the forthcoming AGM and will not be seeking re-appointment.

Sir Laurie Magnus shall retire by rotation at the AGM and, being eligible, offers himself for re-appointment.

The Board's policy with regard to tenure of office is that any Director having served for nine years since his/her first election will be required to seek annual re-appointment thereafter. Accordingly, Messrs Bartlam and Barby are required to seek re-appointment at the forthcoming AGM and at each AGM thereafter.

For the purpose of compliance with the FCA Listing Rules in relation to board independence, for so long as any Director of the Company is also a director or employee of or a professional adviser to the Company's Manager (or any other company in the same group) or is a director of another investment company or fund managed by the Company's Manager (or any other company in the same group), that Director will seek re-appointment at each AGM. Accordingly, Mr Swire will seek re-appointment at the forthcoming AGM.

Resolutions to re-appoint Messrs Barby, Bartlam and Swire and Sir Laurie Magnus are contained within the Notice of AGM on page 95.

The Nomination Committee has reviewed the appointment of each Director retiring at the forthcoming AGM. Following a formal performance evaluation, the Nomination Committee members recommend that shareholders vote for the re-appointment of each of these Directors as they believe that their performance continues to be effective, that they demonstrate commitment to their roles as non-executive Directors of the Company and that they have actively contributed during meetings throughout the year.

Before voting, shareholders are requested to note that in the opinion of the other members of the Nomination Committee; each of the retiring Directors has many years' relevant experience of UK private equity and the investment trust industry which is of great value to the Company and its Board.

Board Responsibilities and Relationship with the Manager

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

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

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

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

- an investment which would result in the aggregate outstanding investment commitments of the Company exceeding 150% of the net asset value of the Company at the time the investment is made, or the aggregate cash and loan resources then available to the Company being less than 30% of such aggregate outstanding commitments, requires the prior approval of the Board;
- no direct or indirect investment in a single company shall form more than 5% of the gross asset value of the Company at the time the investment is made;
- the amount invested (including amounts committed for investment) in respect of a single fund shall not exceed 10% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time the investment is made;
- an investment must not result in the aggregate amount invested or committed for investment by the Company in respect of funds managed by a single fund management group being more than 20% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time such investment is made;
- the prior approval of the Board is required for an investment (including investment commitments) in respect of a single secondary interest in an existing fund or a portfolio of secondary interests in existing funds and/or direct investments in one or more companies exceeding 3% of the net asset value of the Company at the time the investment is made; and
- direct investment of £5m or more in respect of a single company requires the prior approval of the Board.

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

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

Institutional Investors – Use of Voting Rights

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

Conflicts of Interest

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

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

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

Committees of the Board

The Board has appointed a number of Committees as set out below to which certain Board functions have been delegated. Each of these Committees has formal written terms of reference which clearly define their responsibilities and these can be inspected at the registered office of the Company.

Statement on Corporate Governance

(CONTINUED)

Audit Committee

The Audit Committee comprises Messrs Barby and Bartlam, Sir Laurie Magnus and Ms Nicklin. Mr Barby, the Chairman of the Audit Committee, is a qualified barrister with wide experience of the investment management industry and of the investment trust sector. It is felt by the Committee that he is sufficiently qualified for the position of Chairman of the Audit Committee.

Mr Bartlam is a chartered accountant and it is considered appropriate for the Chairman of the Company to be a member of the Audit Committee as he provides a valuable contribution to the deliberations of the Committee.

The Audit Committee met on three occasions during the year ended 30th June 2014. It is intended that the Committee will continue to meet at least three times a year, to review the Half Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts.

The Report of the Audit Committee can be found on pages 69 and 70. The Chairman of the Audit Committee will be present at the AGM to answer any questions relating to the financial statements.

Management Engagement Committee

The Management Engagement Committee comprises all the independent non-executive Directors and is chaired by Mr Bartlam. The Management Engagement Committee met on one occasion during the year under review.

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

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

Nomination Committee

The Nomination Committee comprises the entire Board and is chaired by Mr Bartlam. The Nomination Committee meets at least once a year.

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

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

The Committee met once during the year ended 30th June 2014, to consider and make recommendations to the Board concerning the re-appointment of those Directors seeking re-appointment at the 2013 AGM.

In light of Mr Readman's forthcoming resignation as Director at the AGM, a search is under way for a new Director to join the Board.

Remuneration Committee

As the Company has no employees and the Board is composed solely of non-executive Directors, it is not considered necessary to have a Remuneration Committee. It is the responsibility of the Board as a whole to determine and approve Directors' fees, following proper consideration, having regard to the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, the time committed to the Company's affairs and remuneration levels generally within the investment trust sector. The Chairman's remuneration is decided and approved by the Board under the leadership of the Senior Independent Director.

Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 71 to 73.

Internal Control Review

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

An ongoing process, in accordance with the FRC's "Internal Control: Revised Guidance for Directors on the Combined Code", has been established for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place throughout the year and up to the date the financial statements were approved.

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

Internal Control Assessment Process

Risk assessment and the review of internal controls is undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

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

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

The sections are as follows:

- corporate strategy;
- published information and compliance with laws and regulations;
- relationship with service providers;
- and investment and business activities.

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

- details of the control environment;
- identification and evaluation of risks and control objectives;
- assessment of the communication procedures; and
- assessment of the control procedures operated.

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

- Investment management is provided by Pantheon Ventures (UK) LLP. The Board is responsible for the implementation of the overall investment policy and monitors the action of the Manager at regular Board meetings.
- BNP Paribas Securities Services has been appointed as Depositary
- The provision of administration, accounting and company secretarial duties is the responsibility of Capita Sinclair Henderson Limited. Custody of assets is undertaken by BNP Paribas Securities Services as the Company's Custodian for quoted equities and bonds.
- The duties of investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement one another.
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisors in the terms of their contracts. The appointment of agents and advisors is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.
- The Board reviews detailed financial information produced by the Manager and the Company Secretary on a regular basis.

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

Statement on Corporate Governance

(CONTINUED)

In accordance with guidance issued to directors of listed companies, the Directors have carried out a review of the effectiveness of the various systems of internal controls as operated by the Company's main service providers during the year.

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Capita Sinclair Henderson Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with.

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

Dialogue with Shareholders

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

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

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

Copies are dispatched to shareholders by mail and are also available for downloading from the Company's website: www.pipplc.com. The Company always responds to letters from shareholders. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office shown on page 100, who will arrange for the relevant Board member to contact them.

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 30th June 2014.

The Audit Committee comprises myself as Chairman, with Mr Bartlam, Sir Laurie Magnus and Ms Nicklin. I am a qualified barrister with wide experience of the investment management industry and of the investment trust sector. It is felt by the Board that I am sufficiently qualified for the position of Chairman of the Audit Committee. Mr Bartlam is a chartered accountant and it is considered appropriate for the Chairman of the Company to be a member of the Audit Committee as he provides a valuable contribution to the deliberations of the Audit Committee. Audit Committee members consider that, individually and collectively, they are appropriately experienced to fulfil the role required. The constitution and performance of the Audit Committee is reviewed on a regular basis.

We meet at least three times a year, to review the Half Year Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts.

Role of the Audit Committee

Clearly defined Terms of Reference have been established and agreed with the Board. The primary responsibilities of the Audit Committee are:

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

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

The Audit Committee has direct access to the Company's Auditor, Grant Thornton UK LLP, and representatives of Grant Thornton UK LLP attend each Audit Committee meeting.

Matters considered in the year

We met on three occasions during the year ended 30th June 2014 and twice post the year end. At those meetings, the Audit Committee has:

- reviewed and agreed the half year and year end portfolio valuation and the net asset values;
- reviewed the Company's financial statements for the half year and year end and made formal recommendations to the Board;
- reviewed the internal controls and risk management systems of the Company and its third party service providers;
- agreed the audit plan and fees with the Auditor, including the principal areas of focus;
- reviewed the Company's deposit takers and banking arrangements; and
- reviewed the whistleblowing policy of the Manager.

The principal issues considered by the Committee in relation to the financial statements were:

a) Valuation process and ownership of assets

Discussions have been held with the Manager about the valuation process and the systems in place at Pantheon to ensure the accuracy of the valuation of the Company's portfolio. The Audit Committee has received reassurances about the robustness of the Manager's valuation system from both Pantheon and the Auditor.

b) Undrawn commitments

As an investor in private equity, the Company had outstanding commitments to fund investments. Over 50% of these uncalled commitments relate to funds that are outside their normal investment periods and it is likely that a portion of these will not be drawn. During the year, the Manager undertook a detailed process to review and reconcile the undrawn commitments, and the results were discussed with the Audit Committee. The Audit Committee received assurances from Pantheon about the systems and controls in place to track the undrawn commitments as part of the valuation entry process. The process was also reviewed by the Auditor as part of the year end audit.

c) Maintenance of investment trust status

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

Audit Committee Report

(CONTINUED)

d) Internal controls

The Audit Committee has reviewed and updated, where appropriate, the Company's risk matrix. This document is reviewed by the Audit Committee on a six monthly basis. The Audit Committee has received reports on internal controls from each of its service providers. No significant matters of concern were identified.

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

External Audit

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

Audit fees

The audit fee incurred for the review of the annual report and accounts was £34,500 (2013: £31,000). The increase for the annual audit included a 2.5% rise for inflation and an additional £2,750 to reflect costs associated with the enhanced auditor reporting requirements under the new narrative reporting framework. It has been agreed with the Auditor that the audit fee will be held at £34,500 for year ending 30 June 2015.

Non-audit fees/Independence and Objectivity of the Auditor

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

Non-audit services amounting to £18,000 were provided during the year ended 30th June 2014 (2013: £17,000), relating to the review of the half year net asset value calculation and the review of the half-yearly report. The Audit Committee believes that it is appropriate for the Company's Auditor to provide these services to the Company.

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

Continuing Appointment of the Auditor

Grant Thornton UK LLP, through Robson Rhodes with which it merged in 2007, has been the Company's Auditor since inception of the Company in 1987. A tender process for the Auditor has not been conducted since this time. As part of its review of the continuing appointment of the Auditor, the Committee considers the length of tenure of the audit firm, its fees and independence, along with any matters raised during each audit. The need to put the audit out to tender will be considered by the Audit Committee on a regular basis.

The Audit Committee has recommended the re-appointment of Grant Thornton on each occasion since their initial appointment. The Audit Partner for the Company has been rotated in accordance with ABP Ethical Standard 3, most recently in respect of the financial year ended 30th June 2013.

The Audit Committee has discussed with Grant Thornton its objectivity, independence and experience in the investment trust sector.

Grant Thornton has indicated its willingness to continue in office as Auditor of the Company. Following its review, the Committee considers that individually and collectively the Auditor is appropriately experienced to fulfil the role required and has recommended their re-appointment to the Board. A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

As a result of the work performed, the Audit Committee has concluded that the Annual Report for the year ended 30th June 2014, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board.

IAN BARBY
Audit Committee Chairman
1st October 2014

Directors' Remuneration Report

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

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the "Independent Auditor's Report" on pages 75 to 77

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 30 June 2014.

Shareholders may be aware that new rules for the reporting of Directors' remuneration came into effect on 1 October 2013. These now require companies to ask shareholders to approve the annual remuneration paid to Directors each year and to formally approve the Directors' Remuneration Policy on a three-yearly basis. Any change to the Directors' Remuneration Policy will require shareholder approval. The vote on the Directors' Remuneration Report is, as previously, an advisory vote, whilst the Directors' Remuneration Policy is subject to a binding vote. Accordingly, Ordinary Resolutions will be put to the shareholders at the forthcoming AGM on 25th November 2014, to receive and approve the Directors' Remuneration Report and to receive and approve the Directors' Remuneration Policy.

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

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

During the year ended 30th June 2014, the fees were set at the rate of £50,000 per annum for the Chairman (2013: £50,000), £35,000 per annum for the Chairman of the Audit Committee (2013: £35,000) and £30,000 for the other Directors (2013: £30,000). No changes have been made to Directors' remuneration during the year. Directors' fees were last increased in 2013.

Following our annual review of Directors' fees, the Board has agreed that the Audit Committee Chairman's additional fee shall be increased to £10,000 with effect from 1 July 2014. The responsibilities of the Audit Committee have increased as a result of recent corporate governance changes, and this has increased the workload and responsibility of the Audit Committee Chairman. The Board therefore feels that a fee increase is appropriate.

Directors' Fees for the Year (audited)

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

	Fees		**Expenses****		**Total**	
	Year to 30th June 2014	Year to 30th June 2013	**Year to 30th June 2014**	Year to 30th June 2013	**Year to 30th June 2014**	Year to 30th June 2013
	£	£	**£**	£	**£**	£
T.H BARTLAM (Chairman)	**50,000**	50,000	**-**	-	**50,000**	50,000
I.C.S. BARBY	**35,000**	35,000	**-**	-	**35,000**	35,000
R.J. CROWDER*	**12,083**	30,000	**2,013**	2,087	**14,096**	32,087
L.H. MAGNUS	**30,000**	30,000	**-**	-	**30,000**	30,000
S.E. NICKLIN	**30,000**	30,000	**-**	71	**30,000**	30,071
J.P.A. READMAN	**30,000**	30,000	**-**	-	**30,000**	30,000
R.M. SWIRE	**30,000**	30,000	**-**	-	**30,000**	30,000

* resigned as a Director on 25th November 2013.

** travel expenses for attendance at Board meetings.

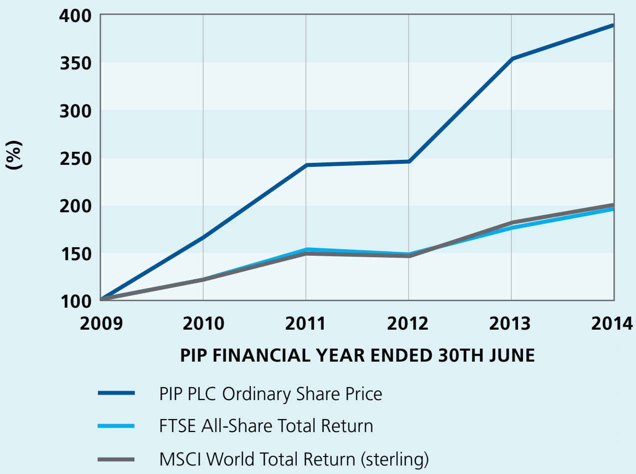
Directors' Remuneration Report

(CONTINUED)

Company Performance

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

Total Return vs FTSE All-Share Total Return and MSCI World Total Return (Sterling) – Rebased from June [2008]



Directors' Interests (audited)

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

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

		30th June 2014	30th June 2013
T.H BARTLAM	Ordinary shares	**12,000**	12,000
(Chairman)	Redeemable shares	**-**	-
I.C.S. BARBY	Ordinary shares	**24,000**	24,000
	Redeemable shares	**-**	-
L.H. MAGNUS	Ordinary shares	**5,000**	5,000
	Redeemable shares	**-**	-
S.E. NICKLIN	Ordinary shares	**132**	132
	Redeemable shares	**-**	-
J.P.A. READMAN	Ordinary shares	**13,320**	13,320
	Redeemable shares	**4,587**	4,587
R.M. SWIRE	Ordinary shares	**77,430**	77,430
	Redeemable shares	**5,798**	5,798

There have been no changes to any holdings between 30th June 2014 and the date of this Report.

Relative Importance of Spend on Pay

The table below sets out, in respect of the financial year ended 30th June 2014 and the preceding financial year:

	Year to 30th June 2014 £	Year to 30th June 2013 £	Change %
Total remuneration paid to Directors	**219,096**	237,158	(7.62)
Management fee	**8,749**	8,839	(1.02)
Share buybacks	**18,106**	26,635	(32.02)

Voting

The Directors' Remuneration Report for the year ended 30th June 2013 was approved by shareholders at the Annual General Meeting held on 25th November 2013.

The votes cast by proxy were as follows:

	Number of Votes	% of Votes Cast
For	14,429,758	99.86
Against	19,951	0.14
At Chairman's discretion	0	0
Total votes cast	14,449,709	100.00
Number of votes withheld	208	

Directors' Remuneration Policy

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

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

All Directors act in a non-executive capacity and the fees for their services are approved by the whole Board. The fees for the Directors are determined within the limits (not to exceed £300,000 per year in aggregate) set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolution of the Company. The Chairman does not participate in any discussions relating to his own fee, which is determined by the other Directors.

Under the Company's Articles of Association, if any Director performs, or undertakes to perform, services which the Board considers go beyond the ordinary duties of a Director, he/she may be paid such special remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the Directors may determine. However, as the Directors do not receive performance related pay, any additional remuneration would not be based on a percentage of profits.

Directors are entitled to be paid all travelling, hotel or other expenses properly incurred by them in connection with their attendance at Director or shareholder meetings or otherwise in connection with the discharge of their duties as Directors.

Directors' Service Contracts

None of the Directors has a contract of service with the Company. Each Director has entered into terms of appointment as a non-executive Director of the Company. There has been no other contract or arrangement between the Company and any Director at any time during the year. Under the Articles of Association, each Director shall retire and be subject to re-appointment at the first Annual General Meeting following appointment, and at least every three years thereafter. After nine years' service, Directors are subject to annual re-appointment. There are no agreements between the Company and its Directors concerning compensation for loss of office.

	Expected Fees for Year to 30th June 2015	Fees for Year to 30th June 2014
	£	£
Chairman basic fee	50,000	**50,000**
Non-Executive Director basic fee	30,000	**30,000**
Audit Committee Chairman additional fee	10,000	**5,000**
Total aggregate annual fees that can be paid	300,000	**300,000**

No other additional fees are payable for membership of the Board's committees.

Fees for any new Director appointed will be made on the above basis. Fees payable in respect of subsequent periods will be determined following an annual review. Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board.

Assuming this policy is approved by shareholders at the forthcoming AGM, it is intended that it will be effective immediately upon the passing of the resolution. In accordance with the regulations, an ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at least once every three years.

Approval
The Directors Remuneration Report was approved by the Board of Directors on 1st October 2014 and signed on its behalf by:

TOM BARTLAM
Chairman

Statement of Directors' Responsibilities

IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the 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 elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for ensuring that the Strategic Report, Directors' Report and other information in the Annual Report is prepared in accordance with company law in the United Kingdom, and that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority. They also have responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors confirm that,to the best of their knowledge:

- the financial statements have been prepared in accordance with UK accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, is considered by the Board to be fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board
TOM BARTLAM
Chairman
1st October 2014

Independent Auditor's Report to the Members of Pantheon International Participations PLC

We have audited the financial statements of Pantheon International Participations PLC for the year ended 30th June 2014 which comprise the Income Statement, Reconciliation of Movements in Equity Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 74 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Auditor Commentary

An Overview of the Scope of our Audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The management of the Company's investment portfolio is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third-party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Our Application of Materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person relying on the information would have been changed or influenced by the misstatement or omission.

We established materiality for the financial statements as a whole to be £9.0 million , which is 1% of the Company's net asset value. Net Assets, which is primarily composed of the Company's investment portfolio, is considered the key driver of the Company's capital and revenue performance and as such, we believe that it is one of the principal considerations for the Company in assessing its financial performance. For the revenue column of the income statement we determined that misstatements for a lesser amount than materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for the revenue column of the income statement to be £2.3 million.

We have determined the thresholds at which we communicate misstatements to the Audit Committee to be £450,000. In addition, we communicate misstatements below those thresholds that, in our view, warrant reporting on qualitative grounds.

Our Assessment of Risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the Company financial statements as a whole, and not to express an opinion on individual transactions, account balances or disclosures.

Investments

The Company's business is investing in financial assets with a view to achieving capital growth from a diversified investment portfolio of private equity funds and occasionally directly in private companies. Accordingly, the investment portfolio is a significant, material item in the financial statements. The recognition and measurement of the investment portfolio is therefore a risk that requires particular audit attention.

Independent Auditor's Report to the Members of Pantheon International Participations PLC

(CONTINUED)

Our audit work included, but was not restricted to, obtaining an understanding of management's processes to recognise and measure investments including ownership of those investments, obtaining confirmations of a sample of the investments directly from the underlying private equity fund managers, testing a selection of investment additions, disposals and commitments shown in the Company's records to supporting documentation, recalculating the realised gains made on a selection of disposals, reviewing and testing certain controls over valuation operated by the Investment Manager.

The Company's accounting policy on the valuation of investments is shown in Note 1D and its disclosures about investments held at the year-end are included on Note 9 .

Investment Income

Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. Accordingly, the recognition of investment income is a risk that requires particular audit attention.

Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', obtaining an understanding of management's process and controls for recognising revenue in accordance with the stated accounting policy, testing whether a sample of revenue transactions has been recognised in accordance with the policy, agreeing revenue recorded to distribution statements provided by the underlying private equity fund managers, and for a sample of investments held in the period confirming that revenue that should have been received had been received and recorded and assessing whether dividends and interest income should have been treated as capital or revenue return.

The Company's accounting policy on the recognition of income is shown in Note 1E and the components of that income are included in Note 2.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OTHER REPORTING RESPONSIBILITIES

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

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

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

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on page 59, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

JULIAN BARTLETT
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
30 Finsbury Square, London, EC2P 2YU
1st October 2014

Income Statement

YEAR ENDED 30TH JUNE 2014

	NOTE	**2014** REVENUE £'000	**2014** CAPITAL £'000	**2014** TOTAL* £'000	2013 REVENUE £'000	2013 CAPITAL £'000	2013 TOTAL* £'000
Gains on investments designated at fair value through profit or loss**	9b	**-**	**25,659**	**25,659**	-	82,202	82,202
Currency (losses)/gains on cash and borrowings	18	**-**	**(10,530)**	**(10,530)**	-	3,720	3,720
Investment income	2	**13,681**	**-**	**13,681**	12,410	-	12,410
Investment management fees	3	**(8,749)**	**-**	**(8,749)**	(8,839)	-	(8,839)
Other expenses	4	**(995)**	**(189)**	**(1,184)**	(1,134)	-	(1,134)
RETURN ON ORDINARY ACTIVITIES BEFORE FINANCING COSTS AND TAX		**3,937**	**14,940**	**18,877**	2,437	85,922	88,359
Interest payable and similar charges/finance costs	6	**(1,419)**	**-**	**(1,419)**	(1,453)	-	(1,453)
RETURN ON ORDINARY ACTIVITIES BEFORE TAX		**2,518**	**14,940**	**17,458**	984	85,922	86,906
Tax on ordinary activities	7	**(945)**	**-**	**(945)**	(2,401)	-	(2,401)
RETURN ON ORDINARY ACTIVITIES AFTER TAX FOR THE PERIOD		**1,573**	**14,940**	**16,513**	(1,417)	85,922	84,505
RETURN PER ORDINARY AND REDEEMABLE SHARE	8	**2.35p**	**22.30p**	**24.65p**	(2.04)p	123.99p	121.95p

* *The total column of the statement represents the Company's profit and loss statement prepared in accordance with UK Accounting Standards. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.*

** *Includes currency movements on investments.*

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

No operations were acquired or discontinued during the year.

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

The Notes on pages 82 to 94 form part of these financial statements.

Reconciliation of Movements in Equity Shareholders' Funds

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	OTHER CAPITAL RESERVE £'000	CAPITAL RESERVE ON INVESTMENTS HELD £'000	SPECIAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
Movement for the year ended 30th June 2014								
OPENING EQUITY SHAREHOLDERS' FUNDS	**23,454**	**283,555**	**2,091**	**314,138**	**296,763**	**41,304**	**(58,021)**	**903,284**
Return for the year	**-**	**-**	**-**	**23,014**	**(8,074)**	**-**	**1,573**	**16,513**
Ordinary shares bought back for cancellation	**(660)**	**-**	**660**	**-**	**-**	**(10,456)**	**-**	**(10,456)**
Redeemable shares bought back for cancellation	**(7)**	**-**	**7**	**-**	**-**	**(7,650)**	**-**	**(7,650)**
CLOSING EQUITY SHAREHOLDERS' FUNDS	**22,787**	**283,555**	**2,758**	**337,152**	**288,689**	**23,198**	**(56,448)**	**901,691**
Movement for the year ended 30th June 2013								
OPENING EQUITY SHAREHOLDERS' FUNDS	24,549	283,555	996	265,724	259,255	67,939	(56,604)	845,414
Return for the year	-	-	-	48,414	37,508	-	(1,417)	84,505
Ordinary shares bought back for cancellation	(1,081)	-	1,081	-	-	(14,764)	-	(14,764)
Redeemable shares bought back for cancellation	(14)	-	14	-	-	(11,871)	-	(11,871)
CLOSING EQUITY SHAREHOLDERS' FUNDS	23,454	283,555	2,091	314,138	296,763	41,304	(58,021)	903,284

The Notes on pages 82 to 94 form part of these financial statements.

Balance Sheet

AS AT 30TH JUNE 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9a/b	**814,959**	826,423
Current assets			
Debtors	11	**576**	1,051
Cash at bank	17	**88,346**	78,387
		88,922	79,438
Creditors: Amounts falling due within one year			
Other creditors	12	**2,190**	2,577
		2,190	2,577
NET CURRENT ASSETS		**86,732**	76,861
NET ASSETS		**901,691**	903,284
Capital and reserves			
Called-up share capital	13	**22,787**	23,454
Share premium	14	**283,555**	283,555
Capital redemption reserve	14	**2,758**	2,091
Other capital reserve	14	**337,152**	314,138
Capital reserve on investments held	14	**288,689**	296,763
Special reserve	14	**23,198**	41,304
Revenue reserve	14	**(56,448)**	(58,021)
TOTAL EQUITY SHAREHOLDERS' FUNDS		**901,691**	903,284
NET ASSET VALUE PER SHARE – ORDINARY AND REDEEMABLE	15	**1,364.24p**	1,331.89p

The Notes on pages 82 to 94 form part of these financial statements.

The financial statements were approved by the Board of Pantheon International Participations PLC on 1st October 2014 and were signed on its behalf by

TOM BARTLAM
Chairman

Company No. 2147984

Cash Flow Statement

YEAR ENDED 30TH JUNE 2014

	NOTE	2014 £'000	2013 £'000
Cash flow from operating activities			
Investment income received		**13,637**	12,357
Deposit and other interest received		**44**	53
Investment management fees paid		**(8,772)**	(9,574)
Performance fee paid		**-**	(5,057)
Secretarial fees paid		**(201)**	(211)
Other cash payments		**(977)**	(1,077)
Withholding tax deducted		**(945)**	(2,401)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18	**2,786**	(5,910)
Servicing of finance			
Loan commitment and arrangement fees paid		**(1,110)**	(1,138)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE		**(1,110)**	(1,138)
Capital expenditure and financial investment			
Purchases of investments		**(134,472)**	(128,198)
Disposals of investments		**171,724**	183,995
NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		**37,252**	55,797
NET CASH INFLOW BEFORE FINANCING		**38,928**	48,749
Financing			
Ordinary shares purchased for cancellation		**(11,896)**	(13,324)
Redeemable shares purchased for cancellation		**(6,577)**	(11,871)
NET CASH OUTFLOW FROM FINANCING		**(18,473)**	(25,195)
INCREASE IN CASH	16	**20,455**	23,554

The Notes on pages 82 to 94 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

(A) Basis of Preparation

The financial statements have been prepared on the historical cost basis of accounting, except for the measurement at fair value of investments, and in accordance with applicable UK GAAP and on the basis that all activities are continuing. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise.

(B) Statement of Recommended Practice

The financial statements have been prepared in accordance with the Statement of Recommended Practice (as amended in January 2009) for the financial statements of investment trust companies and venture capital trusts issued by the Association of Investment Companies.

(C) Segmental Reporting

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

(D) Valuation of Investments

All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, quoted equities and fixed income securities are designated as fair value through profit or loss on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business at the Balance Sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

(i) Unquoted fixed asset investments are stated at the estimated fair value.

In the case of investments in private equity funds, this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. In the absence of contrary information the values are assumed to be reasonable. These valuations are reviewed periodically for reasonableness.

The Company may acquire secondary interests at either a premium or a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings purchased at a premium are normally revalued to their stated net asset values at the next reporting date. Those fund holdings purchased at a discount are normally held at cost until the receipt of a valuation from the fund manager in respect of a date after acquisition, when they are revalued to their stated net asset values, unless an adjustment against a specific investment is considered appropriate.

In the case of direct investments in unquoted companies, the initial valuation is based on the transaction price. Where better indications of fair value become available, such as through subsequent issues of capital or dealings between third parties, the valuation is adjusted to reflect the new evidence. This information may include the valuations provided by private equity managers who are also invested in the company. Valuations are reduced where the company's performance is not considered satisfactory.

Private equity funds may contain a proportion of quoted shares from time to time, for example, where the underlying company investments have been taken public but the holdings have not yet been sold. The quoted market holdings at the date of the latest fund accounts are reviewed and compared with the value of those holdings at the year end. If there has been a material movement in the value of these holdings, the valuation is adjusted to reflect this.

As at 30th June 2014 there was no aggregate difference on underlying investments to be recognised in profit or loss at the start or end of the period.

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

(E) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective interest rate on the security.

Other interest receivable is included on an accruals basis.

(F) Taxation
Corporation tax payable is based on the taxable profit for the year. The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the Balance Sheet date, unless such provision is not permitted by FRS 19 Deferred Tax.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the marginal method.

(G) Expenses
All expenses are accounted for on an accruals basis. Expenses, including investment management fees, are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 9;
- expenses of a capital nature are accounted for through the capital account; and
- investment performance fees.

(H) Foreign Currency
The currency of the Primary Economic Environment in which the Company operates ("the functional currency") is pounds sterling ("sterling"), which is also the presentation currency. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement. For non-monetary assets these are covered by fair value adjustments.

(I) Other Capital Reserve
The following are accounted for in this reserve:

- investment performance fees;
- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature; and
- expenses of a capital nature.

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

(J) Capital Reserve on Investments Held
The following are accounted for in this reserve:

- increases and decreases in the value of investments held at the year end.

(K) Investment Performance Fee
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30th June in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 30th June 2014, the notional performance fee hurdle is a net asset value per share of 2,032.93p. The performance fee is calculated using the adjusted net asset value. In previous periods this was adjusted to exclude the derivative asset.

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

Notes to the Financial Statements

(CONTINUED)

2. Income

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Income from investments		
Investment income	**13,637**	12,357
	13,637	12,357
Other income		
Interest	**47**	55
Exchange difference on income	**(3)**	(2)
	44	53
TOTAL INCOME	**13,681**	12,410
Total income comprises		
Dividends	**13,637**	12,357
Bank interest	**47**	55
Exchange difference on income	**(3)**	(2)
	13,681	12,410
Analysis of income from investments		
Unlisted	**13,637**	12,357
	13,637	12,357

3. Investment Management Fees

		30TH JUNE 2014			30TH JUNE 2013	
	REVENUE £'000	**CAPITAL £'000**	**TOTAL £'000**	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fees	**8,749**	**-**	**8,749**	8,839	-	8,839
	8,749	**-**	**8,749**	8,839	-	8,839

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on page 57.

During the year, services with a total value of £9,312,000 (2013: £9,454,000), being £8,749,000 (2013: £8,839,000) directly from Pantheon Ventures (UK) LLP and £563,000 (2013: £615,000) via Pantheon managed fund investments were purchased by the Company.

At 30th June 2014, £746,000 (2013: £769,000) was owed for investment management fees. No performance fee is payable in respect of the 12 calendar month period to 30th June 2014 (2013: nil). The basis upon which the performance fee is calculated is explained in Note 1(K) and in the Directors' Report on pages 57 and 58.

4. Other Expenses

	30TH JUNE 2014 REVENUE £'000	30TH JUNE 2014 CAPITAL £'000	30TH JUNE 2014 TOTAL £'000	30TH JUNE 2013 REVENUE £'000	30TH JUNE 2013 CAPITAL £'000	30TH JUNE 2013 TOTAL £'000
Secretarial and accountancy services	**208**	**-**	**208**	202	-	202
Fees payable to the Company's Auditor for the audit of the annual financial statements	**35**	**-**	**35**	33	-	33
Fees payable to the Company's Auditor for						
– audit-related assurance services – half-yearly report	**7**	**-**	**7**	6	-	6
– other assurance services – net asset value calculations	**11**	**-**	**11**	11	-	11
Directors' remuneration (see Note 5)	**219**	**-**	**219**	235	-	235
Irrecoverable VAT	**16**	**-**	**16**	29	-	29
Legal and professional fees	**137**	**189**	**326**	366	-	366
Printing	**44**	**-**	**44**	27	-	27
Other	**318**	**-**	**318**	225	-	225
	995	**189**	**1,184**	1,134	-	1,134

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

5. Directors' Remuneration

Directors' emoluments comprise Directors' fees and reclaimed travel expenses. A breakdown is provided in the Directors' Remuneration Report on page 71.

6. Interest Payable and Similar Charges

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Loan commitment and arrangement fees	**1,419**	1,453
	1,419	1,453

In June 2011, the Company entered into a new loan agreement with The Royal Bank of Scotland plc and Lloyds TSB Bank plc. Under the agreement, which will expire in June 2015, committed revolving dollar and euro credit facilities of $82m and €57m have been made available. Each individual drawdown bears interest at a variable rate agreed for the period of the drawdown and a commitment fee of 1.10% per annum is payable in respect of the amounts available for drawdown in each facility. In addition, the Company has an overdraft facility of £2m with The Royal Bank of Scotland plc. At 30th June 2014, the sterling equivalent amount of £nil (2013: £nil) was drawn down under the facilities.

Notes to the Financial Statements

(CONTINUED)

7. Tax on Ordinary Activities

		30TH JUNE 2014			30TH JUNE 2013	
	REVENUE £'000	**CAPITAL £'000**	**TOTAL £'000**	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Withholding tax deducted from distributions	**945**	**-**	**945**	2,401	-	2,401

Current tax

The current tax for the year differs from the standard rate of corporation tax in the UK (21%). The differences are explained below:

Net return on ordinary activities before tax	**2,518**	**14,940**	**17,458**	984	85,922	86,906
Theoretical tax at UK corporation tax rate of 22.50% (2013: 23.75%)*	**567**	**3,361**	**3,928**	234	20,406	20,640
Non-taxable investment, derivative and currency gains	**-**	**(3,404)**	**(3,404)**	-	(20,406)	(20,406)
Effect of expenses in excess of taxable income	**-**	**43**	**43**	-	-	-
Utilised management expenses	**(567)**	**-**	**(567)**	(234)	-	(234)
Withholding tax deducted from distributions	**(945)**	**-**	**(945)**	(2,401)	-	(2,401)
	(945)	**-**	**(945)**	(2,401)	-	(2,401)

* *The corporation tax rate applied is based on the average tax rates for the financial years ended 30th June 2014 and 30th June 2013.*

Factors that May Affect Future Tax Charges

The Company is an investment trust and therefore is not subject to tax on capital gains. Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to meet for the foreseeable future) the conditions for approval as an investment trust company.

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there is sufficient future taxable revenue. As at 30th June 2014, excess management expenses are estimated to be in excess of £118m (2013: £121m).

8. Return per Share

		30TH JUNE 2014			30TH JUNE 2013	
	REVENUE	**CAPITAL**	**TOTAL**	REVENUE	CAPITAL	TOTAL
Return on ordinary activities after tax for the financial year in £'000	**1,573**	**14,940**	**16,513**	(1,417)	85,922	84,505
Weighted average ordinary and redeemable shares			**66,994,396**			69,296,879
Return per ordinary and redeemable share	**2.35p**	**22.30p**	**24.65p**	(2.04)p	123.99p	121.95p

9a. Movements on Investments

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Book cost brought forward	**530,784**	541,721
Acquisitions at cost	**134,472**	128,160
Capital distributions – proceeds	**(171,597)**	(183,792)
Capital distributions – realised gains on sales	**33,733**	44,695
BOOK COST AT 30TH JUNE	**527,392**	530,784
Unrealised appreciation/(depreciation) of investments		
Unlisted investments	**287,575**	295,509
Listed investments	**(8)**	130
VALUATION OF INVESTMENTS AT 30TH JUNE	**814,959**	826,423

9b. Analysis of Investments

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Sterling		
Unlisted investments	**55,736**	57,226
Listed investments	**-**	-
	55,736	57,226
US dollar		
Unlisted investments	**592,258**	587,617
Listed investments	**113**	199
	592,371	587,816
Euro		
Unlisted investments	**156,626**	170,232
Listed investments	**-**	-
	156,626	170,232
Other		
Unlisted investments	**10,226**	11,149
Listed investments	**-**	-
	10,226	11,149
	814,959	826,423
Realised profits on sales	**33,733**	44,695
Amounts previously recognised as unrealised appreciation on those sales	**130**	89
(Decrease)/increase in unrealised appreciation	**(8,202)**	37,418
GAINS ON INVESTMENTS	**25,661**	82,202

Further analysis of the investment portfolio is provided in the Manager's Review on pages 17 to 46.
Transaction costs incidental to the acquisition of investments totalled £nil (2013: £nil) and to the disposals of investments totalled £6,000 (2013: £15,000) for the year.

Notes to the Financial Statements

(CONTINUED)

10. Fair Value Hierarchy

Financial Assets at Fair Value Through Profit or Loss at 30th June 2014

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	**-**	**-**	**814,846**	**814,846**
Listed holdings	**113**	**-**	**-**	**113**
	113	**-**	**814,846**	**814,959**

Financial Assets at Fair Value Through Profit or Loss at 30th June 2013

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	-	-	826,224	826,224
Listed holdings	199	-	-	199
	199	-	826,224	826,423

Level 3 Financial Assets at Fair Value Through Profit or Loss at 30th June 2014

	PRIVATE EQUITY INVESTMENTS £'000
Opening balance	**826,224**
Purchases at cost	**134,472**
Transfer of book cost to level 1*	**(3,008)**
Sales proceeds	**(167,565)**
Total gains or losses included in "Gains on investments" in the Income Statement	
– on assets sold	**32,657**
– on assets held as at 30th June 2014	**(7,934)**
CLOSING BALANCE	**814,846**

Level 3 Financial Assets at Fair Value Through Profit or Loss at 30th June 2013

	PRIVATE EQUITY INVESTMENTS £'000
Opening balance	799,322
Purchases at cost	128,160
Transfer of book cost to level 1*	(4,857)
Sales proceeds	(172,352)
Total gains or losses included in "Gains on investments" in the Income Statement	
– on assets sold	38,485
– on assets held as at 30th June 2013	37,466
CLOSING BALANCE	826,224

* *The transfer of book cost to level 1 is due to stock distributions received from private equity investments.*

11. Debtors

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Amounts owed by investment funds	**136**	299
Prepayments and accrued income	**440**	752
	576	1,051

12. Creditors: Amounts Falling Due Within One Year

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Investment management fees	**746**	769
Amounts owed to brokers	**1,073**	1,440
Other creditors and accruals	**371**	368
	2,190	2,577

13. Called-up Share Capital

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Allotted, called-up and fully paid:		
33,522,013 (2013: 34,507,013) ordinary shares of 67p each	**22,461**	23,121
32,572,534 (2013: 33,312,534) redeemable shares of 1p each	**326**	333
	22,787	23,454

During the year, 740,000 redeemable shares and 985,000 ordinary shares were bought back in the market for cancellation. The total consideration paid, including commission and stamp duty, was £7,650,000 and £10,456,000 respectively.

Redeemable shares rank equally with ordinary shares regarding dividend rights and rights on winding up or return of capital (other than a redemption or purchase of shares). The holders of redeemable shares have the right to receive notice of and attend all general meetings of the Company but not to speak or vote. Each holder of ordinary shares is entitled, on a show of hands, to one vote and, on a poll, to one vote for each ordinary share held.

The redeemable shares are redeemable at the option of the Company, at the prevailing net asset value per share, within 60 days following the end of each monthly NAV calculation date or within 60 days of any other business day which is determined by the Directors to be a NAV calculation date.

Notes to the Financial Statements

(CONTINUED)

14. Reserves

	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	OTHER CAPITAL RESERVE £'000	CAPITAL RESERVE ON INVESTMENTS HELD £'000	SPECIAL RESERVE* £'000	REVENUE RESERVE* £'000
Beginning of year	**283,555**	**2,091**	**314,138**	**296,763**	**41,304**	**(58,021)**
Net gain on realisation of investments	-	-	**33,733**	-	-	-
Decrease in unrealised appreciation	-	-	-	**(8,202)**	-	-
Transfer on disposal of investments	-	-	-	**130**	-	-
Exchange differences on currency	-	-	**(10,496)**	-	-	-
Exchange differences on other capital items	-	-	**(34)**	**(2)**	-	-
Legal and professional costs charged to capital	-	-	**(189)**	-	-	-
Share cancellations	-	**667**	-	-	-	-
Share buybacks	-	-	-	-	**(18,106)**	-
Revenue return for the year	-	-	-	-	-	**1,573**
END OF YEAR	**283,555**	**2,758**	**337,152**	**288,689**	**23,198**	**(56,448)**

* *Reserves that are distributable by way of dividends.*

15. Net Asset Value per Share

	30TH JUNE 2014	30TH JUNE 2013
Net assets attributable in £'000	**901,691**	903,284
Ordinary and redeemable shares	**66,094,547**	67,819,547
Net asset value per share – ordinary and redeemable	**1,364.24p**	1,331.89p

16. Reconciliation of Net Cash Flow to the Movement in Net Funds

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Increase in cash in the year	**20,455**	23,554
Non-cash movement		
– foreign exchange (losses)/gains	**(10,496)**	3,690
CHANGE IN NET FUNDS	**9,959**	27,244
Net cash at beginning of year	**78,387**	51,143
NET FUNDS AT END OF YEAR	**88,346**	78,387

17. Analysis of Net Funds

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Cash at bank	**88,346**	78,387
	88,346	78,387

18. Reconciliation of Return on Ordinary Activities Before Financing Costs and Tax to Net Cash Flow from Operating Activities

	30TH JUNE 2014 £'000	30TH JUNE 2013 £'000
Return on ordinary activities before finance costs and tax	**18,877**	88,359
Withholding tax deducted	**(945)**	(2,401)
Gains on investments	**(25,659)**	(82,202)
Currency losses/(gains) on cash and borrowings	**10,530**	(3,720)
Decrease in creditors	**(16)**	(5,921)
Increase in other debtors	**(1)**	(25)
	2,786	(5,910)

19. Contingencies, Guarantees and Financial Commitments

At 30th June 2014, there were financial commitments outstanding of £175.7m (2013: £195.1m) in respect of investments in partly paid shares and interests in private equity funds.

20. Analysis of Financial Assets and Liabilities

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

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

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

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

The Company has little exposure to credit risk. The Manager monitors the financial risks affecting the Company on a daily basis and the Directors regularly receive financial information, which is used to identify and monitor risk.

In accordance with FRS 29, an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is given below.

Notes to the Financial Statements

(CONTINUED)

Liquidity Risk

Due to the nature of the Company's investment policy, the largest proportion of the portfolio is invested in unquoted securities, many of which are less readily marketable than, for example, "blue-chip" UK equities. The Directors believe that the Company, as a closed-end fund with no fixed wind-up date, is ideally suited to making long-term investments in instruments with limited marketability. The investments in unquoted securities are monitored by the Board on a regular basis.

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 19 for outstanding commitments as at 30th June 2014) to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad-hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent upon it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities. In order to cover any shortfalls, the Company has entered into a multi-currency revolving credit facility with The Royal Bank of Scotland plc and Lloyds TSB Bank plc, due to expire in June 2015, and comprising facilities of $82m and €57m of which at 30th June 2014, the sterling equivalent of £nil (30th June 2013: £nil) was drawn down (see Note 6 for further information).

The principal covenant that applies to the loan facility is that gross borrowings do not exceed 30% of adjusted gross asset value.

Total available financing as at 30th June 2014 stood at £181.9m (2013: £181.3m), comprising £88.3m (2013: £78.4m) in cash balances and £93.6m (2013: £102.9m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 5.7 times (2013: 5.2 times).

Interest Rate Risk

The Company may use gearing to achieve its investment objectives and manage cash flows and uses a multi-currency revolving credit facility for this purpose.

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as LIBOR or EURIBOR + 2.75%, dependent on the currency drawn. The interest rate is then fixed for the duration that the loan is drawn down. At 30th June 2014, there was the sterling equivalent of £nil funds drawn down on the loan facilities (30th June 2013: £nil). A commitment fee of 1.10% per annum is payable in respect of the amounts available for drawdown in each facility.

Non-interest rate exposure

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

Financial assets for 2014 and 2013 consisted of investments, cash and debtors (excluding prepayments). As at 30th June 2014, the interest rate risk and maturity profile of the Company's financial assets was as follows:

30TH JUNE 2014	TOTAL £'000	NO MATURITY DATE £'000	MATURES WITHIN 1 YEAR £'000	MATURES AFTER 1 YEAR £'000	FIXED INTEREST AVERAGE INTEREST RATE %
Fair value no interest rate risk financial assets					
Sterling	57,055	57,055	-	-	-
US dollar	660,642	660,642	-	-	-
Euro	175,230	175,230	-	-	-
Other	10,529	10,529	-	-	-
	903,456	903,456	-	-	-

The interest rate risk and maturity profile of the Company's financial assets as at 30th June 2013 was as follows:

30TH JUNE 2013	TOTAL £'000	NO MATURITY DATE £'000	MATURES WITHIN 1 YEAR £'000	MATURES AFTER 1 YEAR £'000	FIXED INTEREST AVERAGE INTEREST RATE %
Fair value no interest rate risk financial assets					
Sterling	58,676	58,676	-	-	-
US dollar	661,480	661,480	-	-	-
Euro	172,464	172,464	-	-	-
Other	12,525	12,525	-	-	-
	905,145	905,145	-	-	-

Financial Liabilities

At 30th June 2014, the Company had drawn the sterling equivalent of £nil (2013: £nil) of its four-year committed revolving dollar and euro credit facilities, expiring June 2015, of $82m and €57m respectively with The Royal Bank of Scotland plc and Lloyds TSB Bank plc. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the year end, interest of £nil (2013: £nil) was accruing.

At 30th June 2014 and at 30th June 2013, all financial liabilities were due within one year and comprised short-term creditors.

Market Price Risk

The method of valuation of the fixed asset investments is described in Note 1(D) on page 82. The nature of the Company's fixed asset investments, with a high proportion of the portfolio invested in unquoted securities, means that the investments are valued by the Directors after due consideration of the most recent available information from the underlying investments.

PIP's portfolio is well diversified by the sectors in which the underlying companies operate. This sectoral diversification helps to minimise the effects of cyclical trends within particular industry segments.

If the investment portfolio fell by 20% from the 30th June 2014 valuation, with all other variables held constant, there would have been a reduction of £164,622,000 (2013 based on a fall of 20%: £166,937,000) in the return before taxation. An increase of 20% would have increased the return before taxation by £161,362,000 (2013 based on a 20% increase: £163,632,000).

Foreign Currency Risk

Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates. A geographical analysis of the portfolio and hence its exposure to currency risk is given on pages 24 and 25. Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial year.

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report on pages 14 to 16 and in the Manager's Review on pages 17 to 46. The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 30th June 2014, realised exchange losses of £34,000 (2013: realised exchange gains of £29,000) and realised losses relating to currency of £10,496,000 (2013: realised gains of £3,690,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown below. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 30th June 2014, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £9,653,000 (2013: £8,433,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10%, it would have the effect of decreasing equity shareholders' funds by £7,898,000 (2013: £6,900,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 30th June 2014 of 1.70985 (2013: 1.51670) sterling/dollar and 1.24885 (2013: 1.16880) sterling/euro.

Notes to the Financial Statements

(CONTINUED)

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

	30TH JUNE 2014 ASSETS £'000	30TH JUNE 2014 LIABILITIES £'000	30TH JUNE 2013 ASSETS £'000	30TH JUNE 2013 LIABILITIES £'000
US dollar	**68,271**	**-**	73,664	-
Euro	**18,604**	**-**	2,232	-
Swedish krona	**59**	**-**	66	-
Norwegian krone	**5**	**-**	1,310	-
Australian dollar	**239**	**-**	-	-
Japenese yen	**27**	**-**	-	-
	87,205	**-**	77,272	-

Fair Value of Financial Assets and Financial Liabilities

The financial assets of the Company are held at fair value. Financial liabilities are held at amortised cost, which is not materially different from fair value.

Managing Capital

The Company's equity comprises ordinary shares and redeemable shares as described in Note 13. Capital is managed so as to maximise the return to shareholders while maintaining a capital base that allows the Company to operate effectively in the marketplace and sustain future development of the business.

As at 30th June 2014, the Company had bank debt facilities to increase the Company's liquidity. Details of available borrowings at the year end can be found earlier in this Note.

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

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

22. Related Party Transactions

Under the FCA listing rules, the Manager, Pantheon Ventures (UK) LLP, is regarded as a related party of the Company.

The amounts paid to the Manager are disclosed in Note 3.

The Company is entitled to invest in funds managed by Pantheon. The Manager is not entitled to management and commitment fees in respect of PIP's holdings in, and outstanding commitments to, these funds.

Notice of Annual General Meeting

TO BE HELD ON 25TH NOVEMBER 2014

This Document is Important and Requires your Immediate Attention

If you are in any doubt about the action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) without delay. If you have sold or transferred all of your ordinary shares of £0.67 each or redeemable shares of £0.01 each in the capital of Pantheon International Participations PLC (the "Company") and, as a result, no longer hold any shares in the Company, please send this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

An explanation of the business proposed to be transacted at the Annual General Meeting convened by this notice and the Directors' recommendation as to how to vote at the Meeting are set out in the Directors' Report on pages 59 to 61 of this document.

Notice is hereby given that the Annual General Meeting of the Company will be held at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH on Tuesday, 25th November 2014 at 10.30am to consider and, if thought fit, pass the following resolutions, of which numbers 1 to 10 will be proposed as ordinary resolutions and numbers 11 to 13 as special resolutions.

Ordinary Business

Ordinary Resolutions

1. To receive and adopt the Strategic Report, Directors' Report and Auditors' Report and the audited Accounts for the year ended 30th June 2014.

2. To receive and approve the Directors' Remuneration Report for the year ended 30th June 2014 (other than the parts of such Report containing the Directors' Remuneration Policy).

3. To receive and approve the Directors' Remuneration Policy.

4. To re-appoint Mr I.C.S. Barby as a Director.

5. To re-appoint Mr T.H. Bartlam as a Director.

6. To re-appoint Sir Laurie Magnus as a Director.

7. To re-appoint Mr R.M. Swire as a Director.

8. To re-appoint Grant Thornton UK LLP as Auditor to the Company to hold office from the conclusion of this meeting until the conclusion of the next meeting at which accounts are laid before the Company.

9. To authorise the Directors to determine the remuneration of the Auditor.

10. That:

the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount equal to the sum of £7,572,491.35, and comprising not more than £108,241.78 in nominal amount of redeemable shares of £0.01 each in the capital of the Company ("Redeemable Shares") and not more than £7,464,249.57 in nominal amount of ordinary shares of £0.67 each in the capital of the Company ("Ordinary Shares") provided that this authority shall (unless previously renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the period commencing with the date on which this Resolution is passed and expiring at the conclusion of the next annual general meeting of the Company or the date occurring 15 months from the date on which this Resolution is passed, whichever is the earlier (the "Period of Authority"), save that the Company may before the expiry of such authority make an offer or agreement which would or might require shares in the Company to be allotted and/or rights to subscribe for, or to convert any security into, shares in the Company to be granted after the expiry of the said period and the Directors may allot such shares and/or grant such rights in pursuance of any such offer or agreement as if the authority conferred by this Resolution had not expired, and so that the authority hereby given shall be in substitution for all subsisting authorities under Section 551 of the Act.

Special Resolutions

11. That:

subject to the passing of Resolution 10 above, the Directors of the Company be and are hereby empowered, until the conclusion of the Period of Authority, pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred upon them under Resolution 10 above as if Section 561 of the Act did not apply to any such allotment and pursuant to Section 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) held by the Company as treasury shares (within the meaning of Section 724(5) of the Act) for cash as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

Notice of Annual General Meeting

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(a) the allotment of equity securities in connection with a rights issue, open offer or any other offer in favour of holders of ordinary shares (within the meaning of Section 560 of the Act) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by or deemed to be held by them on the record date of such allotment, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any territory or the requirements of any regulatory authority or any stock exchange;

(b) the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount equal to the sum of £2,271,747.40, and comprising not more than £32,472.53 in nominal amount of Redeemable Shares and not more than £2,239,274.87 in nominal amount of Ordinary Shares, and, in respect of any such allotment, on terms that the shares constituting the equity securities allotted or for or into which the equity securities allotted give a right to subscribe or convert (as the case may be) shall be subscribed for or issued or sold (as the case may be) at a price per share not less than the net asset value per share calculated pursuant to the Articles of Association of the Company as at the Calculation Date (as defined in the Articles of Association of the Company) immediately preceding the issue (or sale) of such shares; save that the Company may, before the expiry of the Period of Authority, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

12. That:

the Company be and is hereby generally and, subject as hereinafter provided, unconditionally authorised in accordance with Section 701 of the Act, in substitution for all subsisting authorities under Section 701 of the Act, to make market purchases (within the meaning of Section 693 of the Act) of Ordinary Shares and Redeemable Shares and provided that:

(a) the maximum number of Redeemable Shares hereby authorised to be purchased is such number (rounded down to the nearest whole number) as is equal to 14.99% of the number of Redeemable Shares in issue (excluding any Redeemable Shares held by the Company as treasury shares (within the meaning of Section 724(5) of the Act)) as at the date this Resolution is passed;

(b) the minimum price which may be paid for a Redeemable Share is £0.01;

(c) the maximum price (exclusive of expenses) which may be paid for a Redeemable Share shall be the higher of (i) 5% above the average of the middle market quotations for the Redeemable Shares as derived from the London Stock Exchange's Daily Official List for the five business days before the purchase is made, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange;

(d) the maximum number of Ordinary Shares hereby authorised to be purchased is such number (rounded down to the nearest whole number) as is equal to 14.99% of the number of Ordinary Shares in issue (excluding any Ordinary Shares held by the Company as treasury shares (within the meaning of Section 724(5) of the Act)) as at the date this Resolution is passed;

(e) the minimum price which may be paid for an Ordinary Share is £0.67;

(f) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days before the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange; and

(g) unless renewed, varied or revoked, the authorities hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Redeemable Shares and/or Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and may make a purchase of Redeemable Shares and/or Ordinary Shares in pursuance of any such contract.

13: That:
a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated 1st October 2014
Registered office: Beaufort House,
51 New North Road, Exeter EX4 4EP

By order of the Board
CAPITA SINCLAIR HENDERSON LIMITED
Secretary

Notes

1. A holder of ordinary shares entitled to attend this meeting may attend the meeting in person or may appoint one or more persons as his/her proxy to attend, speak and/or vote on his/her behalf. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. A form of proxy for holders of ordinary shares is provided with this notice. The appointment of a proxy will not prevent a holder of ordinary shares from attending the meeting and voting in person if he/she so wishes. A holder of ordinary shares present in person or by proxy shall have one vote on a show of hands and on a poll every holder of ordinary shares present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder. To appoint more than one proxy, a separate form of proxy in relation to each appointment should be completed (ordinary shareholders may photocopy the form of proxy), stating clearly on each form of proxy how many ordinary shares the proxy is appointed in relation to. A failure to specify the number of ordinary shares each proxy appointment relates to or specifying an aggregate number of ordinary shares in excess of those held by the shareholder will result in the proxy appointment being invalid. Ordinary shareholders are requested to indicate on the form of proxy if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.

2. A holder of redeemable shares entitled to attend this meeting may attend the meeting in person or may appoint one or more persons as his/her proxy to attend (but not vote) on his/her behalf. A proxy need not be a member of the Company. A form of proxy for holders of redeemable shares is provided with this notice. The appointment of a proxy will not prevent a holder of redeemable shares from attending the meeting in person if he/she so wishes. Holders of redeemable shares are not entitled to speak or vote at the meeting.

3. Only those shareholders registered on the Register of Members of the Company as at 6.00 pm on 21st November 2014 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Members of the Company as at 6.00 pm on the day which is two days prior to the adjourned meeting (weekends excluded)) shall be entitled to attend in person or by proxy and, in the case of holders of ordinary shares, vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries

Notice of Annual General Meeting

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on the Register of Members after the specified time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting or, if adjourned, at the adjourned meeting.

4. To be valid, a form of proxy, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, should be lodged, in the case of proxies appointed by holders of ordinary shares, at the office of the Company's Registrar, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, and, in the case of proxies appointed by holders of redeemable shares, at the office of the Company Secretary, Capita Sinclair Henderson Limited, Beaufort House, 51 New North Road, Exeter EX4 4EP, in each case not later than 48 hours before the time of the meeting, or any adjournment thereof. The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's Registrar by the deadline for receipt of proxies.

5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting and any adjournment of it by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Company's agent ID RA10 by the latest time for receipt of proxy appointments specified in Note 4 above.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Any question relevant to the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.

7. In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if: (a) to do so would: (i) interfere unduly with the preparation for the meeting, or (ii) involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/ she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 to 5 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

9. As at 1st October 2014, the Company's issued voting share capital and total voting rights amounted to 33,422,013 ordinary shares of £0.67 each carrying one vote each. As at such date, the Company's issued non-voting share capital amounted to 32,472,534 redeemable shares of £0.01 each.

10. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

11. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

12. The Annual Report incorporating this notice of Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: www.pipplc.com.

13. Copies of the letters of appointment of the Chairman and the non-executive Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH from 10.15am until the conclusion of the meeting.

Directors and Contacts

Directors

Tom Bartlam (Chairman)
Ian Barby
Sir Laurie Magnus
Susannah Nicklin
Peter Readman
Rhoddy Swire

Manager

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