Pantheon International Plc
Annual Report and Accounts 2017

PIP

Pantheon International Plc ("PIP" or the "Company") 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 35 years' experience, and a team of 70 investment professionals globally, Pantheon is well positioned to guide PIP towards its objective of maximising capital growth.

Contents

At a Glance

ELEVEN MONTHS TO 31 MAY 2017

Key Performance Indicators

+17%
NAV per share increase[1]
FTSE All Share TR: +21%
MSCI World TR: +23%

18%
Ordinary share price discount to NAV
JUN 2016: 31%

25%
Redeemable share price discount to NAV
JUN 2016: 37%

1.36%
Total ongoing charges excluding tax (annualised)[2]
JUN 2016: 1.34%

Other Indicators

+40%
Ordinary share price increase[1]
FTSE All Share TR: +21%
MSCI World TR: +23%

+39%
Redeemable share price increase[1]
FTSE All Share TR: +21%
MSCI World TR: +23%

£1,388m
Net Asset Value
JUN 2016: £1,187m

2,189.9p
NAV per share
JUN 2016: 1,873.6p

£211m
Net cash flow generated from PIP's portfolio[1]
JUN 2016: £190m

£291m
New investment commitments, **£151m** of which was drawn[1]
JUN 2016: £346m

6.7 years
Weighted average fund age of portfolio
JUN 2016: 7.3 YEARS

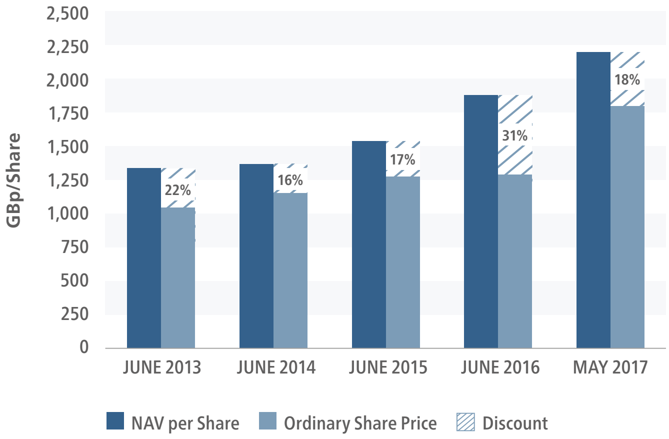
3.5x
Ratio of assets and available financing to undrawn commitments
JUN 2016: 3.4x

[1] *For the eleven months to 31 May 2017.* [2] *If calculated using the AIC methodology, which excludes financing costs, PIP's total ongoing charges would be 1.22%.*

This report contains terminology that may be unfamiliar to some readers. The Glossary on page 113 gives definitions for frequently used terms. Performance figures are for the eleven months to 31 May 2017.

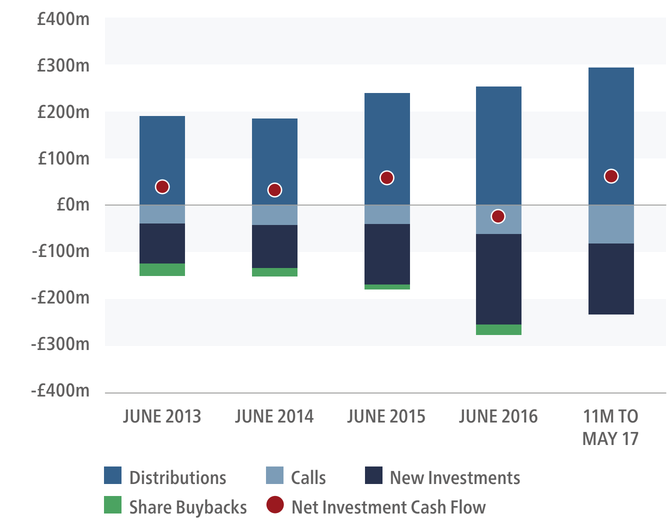
Performance Summary

NAV and Ordinary Share Price Performance



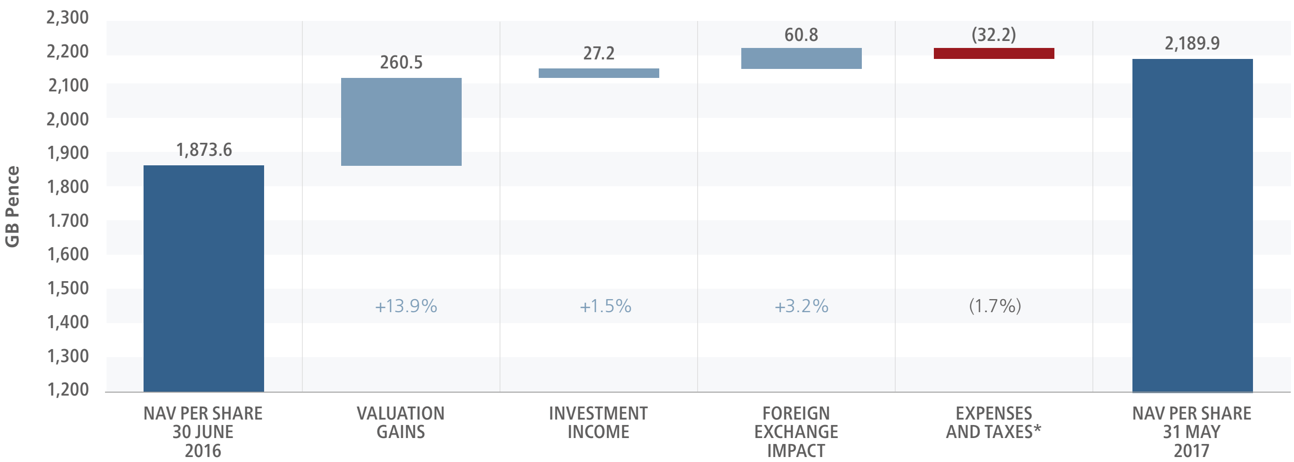
- NAV per share **increased by 17%** during the eleven months to 31 May 2017, from 1,873.6p to 2,189.9p.
- The ordinary share price **increased 40%** during the eleven month period, from 1,285.0p to 1,793.0p. The discount to NAV **decreased from 31% to 18%**.
- The redeemable share price **increased 39%** during the eleven month period, from 1,175.0p to 1,632.5p. The discount to NAV **decreased from 37% to 25%**.

Net Investment Cash Flow



- Distributions received in the eleven months to 31 May 2017 were **£293.2m**, equivalent to an annualised rate of 30% of opening private equity assets. Excluding cash generated from asset sales of £23.6m, distributions amounted to 27% of the opening portfolio.
- PIP funded investments of **£232.7m** in the same eleven month period across calls (£82.1m) and new investments (£150.6m).

NAV per Share Reconciliation



The above chart reconciles the opening and closing NAV per share for the eleven months to 31 May 2017.

** Taxes relate to withholding taxes on investment distributions.*

Performance at 31 May 2017

	11 MONTHS %	3 YEARS % P.A.	5 YEARS % P.A.	10 YEARS % P.A.	SINCE INCEPTION % P.A.
NAV per share*	**16.9**	**16.5**	**13.9**	**9.4**	**11.8**
Ordinary share price*	**39.5**	**16.3**	**19.0**	**6.8**	**11.6**
FTSE All-Share Total Return	**21.1**	**7.8**	**12.2**	**5.5**	**8.2**
MSCI World Total Return (sterling)	**22.6**	**16.0**	**17.1**	**9.0**	**8.0**

** PIP was launched on 18 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.*

Capital Structure at 31 May 2017

Ordinary shares	33,062,013
Redeemable shares	30,297,534
Total	**63,359,547**

Historical Data

	NAV [1,2] (£M)	NAV PER SHARE [2] (PENCE)	ORDINARY SHARE PRICE (PENCE)	PRIVATE EQUITY PORTFOLIO (£M)	OUTSTANDING COMMITMENTS (£M)
Eleven months ended 31 May 2017	1,388	2,189.9	1,793.0	1,224	445
Financial year ended 30 June:					
2016	1,187	1,873.6	1,285.0	1,072	382
2015	1,000	1,532.4	1,272.0	862	256
2014	902	1,364.2	1,150.0	815	176
2013	903	1,331.9	1,042.0	826	195
2012	845	1,193.5	725.5	800	191
2011	733	1,104.1	714.0	810	243
2010	637	958.7	486.0	763	331
2009	514	773.6	295.3	648	428
2008	736	1,108.7	750.0	806	641
2007	610	919.2	917.5	527	528
2006	441	796.8	726.5	372	365
2005	382	657.9	650.5	315	245
2004	245	572.5	463.0	233	137
2003	221	546.8	447.0	237	158
2002	196	541.6	486.5	175	138
2001	206	669.1	574.0	201	138
2000	161	599.9	457.5	140	77
1999	146	405.6	302.5	78	45
1998	131	368.6	294.5	79	50
1997	117	328.4	270.0	73	47
1996	106	302.5	225.0	48	25
1995	87	255.1	207.5	33	8
1994	47	239.6	176.5	42	7
1993	31	195.5	172.5	28	1
1992	21	139.7	93.5	28	0
1991	21	129.1	86.5	31	1
1990	20	126.7	80.5	32	2
1989	17	120.9	95.0	25	2
1988	12	102.5	75.0	2	0

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

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

Strategic Report

Chairman's Statement

This year, PIP celebrates its 30th anniversary since listing on the London Stock Exchange in 1987. The Company raised £12m at that time and, since then, has grown significantly to have net assets of just under £1.4bn as at 31 May 2017. Since its inception, the trust has generated annual average NAV per share growth of 11.8%, outperforming the FTSE All-Share (8.2%) and MSCI World (8.0%) indices during the same period. This performance reflects the Board's conviction that backing the best managers globally, to create a diversified portfolio of high quality private equity assets, can offer attractive returns to investors over the long term.

Change of accounting reference date

On 18 April 2017, the Board approved a change in PIP's accounting reference date from 30 June to 31 May of each year. This aligns the Company's annual audit process more closely with the timing of the release of valuations of its investments by general partners across the private equity sector and enables PIP to provide more up-to-date information on its underlying portfolio.

Performance for 11 months to 31 May 2017

During the 11 months to 31 May 2017, PIP's NAV per share increased by 16.9% to 2,189.9p and net assets rose from £1,187m to £1,388m. The strong investment returns in the underlying portfolio (16.2%) were the main drivers of this performance, reflecting our continuing investment with private equity managers who are able to identify companies where there are opportunities to drive growth as well as those who generate returns by investing in attractive assets in less favoured market segments.

The majority of PIP's portfolio is invested in non-UK assets. Foreign exchange gains therefore added 3.2% following continued weakness of sterling against the main currencies in which the Company's investments are denominated (US dollars and Euros). The gains to the NAV per share were marginally offset by expenses and taxes (-1.7%).

Our portfolio emphasises buyout and growth funds, which performed well during the period. The flat performance of our venture portfolio is a continuation of some of the disappointing venture performance in recent years. Venture now represents a relatively small portion of PIP's portfolio and continues to diminish through realisations, which we have accelerated from time to time through secondary disposals. Any new investment activity by PIP in early stage venture funds is focused on only investing with top tier venture managers, mainly through primary fund investments, that are able to spot innovative opportunities with the potential to generate significant outperformance. The Company reported previously that it had taken advantage of the dislocation in the energy sector, as a result of declining oil prices, and had acquired additional assets at attractive prices. The Special Situations portfolio, which consists primarily of those energy funds, has recovered well during the period and delivered a solid return.

During the 11 month period, the ordinary and redeemable share prices increased by 40% and 39% respectively and, although still trading at wide discounts, the discounts on both classes of share narrowed significantly.

Investment and realisation activity during the period

Our managers have continued to take advantage of the active M&A markets and during the 11 months to 31 May 2017, PIP's portfolio generated £293.2m of distributions. This included £23.6m in respect of previously reported disposals of secondary interests. Excluding these disposals, PIP's annualised distribution rate amounted to 27% of opening portfolio assets. Trade sales continue to be an important source of exit activity along with secondary buyouts. During the period, calls from existing commitments to private equity funds amounted to £82.1m, equivalent to an annualised call rate of 23% of opening undrawn commitments. This resulted in a net cash inflow of £211.1m during the period before taking account of new investments. PIP's mature portfolio continued to generate cash and the weighted average fund age was 6.7 years.

The global private equity market remains competitive and valuations are high. This has been particularly acute in the secondary market where high pricing levels have persisted and it has been more challenging to secure deals at attractive values. Nonetheless, PIP has been able to take advantage of its access to Pantheon's extensive platform of manager relationships, built up over 35 years, to make 39 new investments during the eleven month period across all geographic regions. These amounted to £290.5m in new commitments, of which £150.6m was drawn at the time of purchase, and included £129.4m committed to six secondary transactions, £67.3m committed to 20 co-investments and £93.8m to 12 primary commitments. Although PIP continues to emphasise secondary investments in its portfolio, its allocation to co-investments has increased gradually since it gained more opportunity to invest directly alongside selected managers in 2012. Co-investing is a cost-efficient means of gaining access to well-managed investments and, in combination with secondary investments, allows the Company even greater flexibility to manage the maturity profile of its portfolio. PIP continues to invest actively and, since the year end, has committed a further £20.8m.

Financial position and strength

At 31 May 2017, PIP held cash of £167m and the balance sheet remained ungeared. In October 2016, PIP announced that it had agreed an additional multi-currency revolving credit facility of £50m, which was an extension to the existing 4-year facility that is in place until November 2018. The combined facility, denominated as to US$139m and as to €67m, was equivalent to £166m as at 31 May 2017. Therefore, together with its undrawn credit facility, the Company had total liquid resources of £333m available to meet total undrawn commitments of £445m as at 31 May 2017, and its undrawn commitment cover (comprising the sum of PIP's available financing and private equity portfolio) remained comfortable at 3.5x.

PIP has an active deal pipeline and its strong cash position means that it is well-placed to redeploy capital into those opportunities and to pursue larger portfolios in the secondaries market. The Company maintains an opportunistic approach to buying back its shares when they offer a more attractive investment opportunity relative to other potential new investment commitments. Any such purchase is dependent on the prevailing market conditions and must also comply with the relevant regulatory requirements.

Board changes

I became Chairman of PIP upon the conclusion of its Annual General Meeting ("AGM") on 23 November 2016, succeeding Tom Bartlam who had been Chairman for 12 years. Susannah Nicklin replaced me as Senior Independent Director. In addition, we appointed two new Non-Executive Directors, John Burgess and John Singer, who took up their positions following the AGM. The Board has already benefited from their considerable private equity experience and knowledge.

Outlook

Despite global political and economic uncertainties, the private equity market remains buoyant and demand for good quality assets remains high. Against a backdrop of elevated pricing levels, the Company has maintained its discipline when assessing deal opportunities and has continued to execute its strategy of only backing the best private equity managers globally. Its privileged manager relationships are of increasing importance in navigating the current competitive deal environment. Indeed, the majority of secondary deals over the last three years have involved a manager where Pantheon already had an existing relationship.

Changing market dynamics are causing many companies to turn to private equity managers to raise capital rather than using the public markets. As this trend continues, our managers are well-placed to support those companies' management teams to implement their growth strategies through the provision of capital and sector knowledge. This should in turn create value within private equity investors' portfolios.

As we reflect on PIP's accumulated capital growth from performance generated over the past 30 years, we can remain confident that our manager, Pantheon, has the expertise and track record to continue selecting the best deal opportunities globally that are capable of generating attractive returns for the benefit of shareholders.

The Strategic Report, comprising pages 5 to 15, has been approved and signed on behalf of the Board.

SIR LAURIE MAGNUS
Chairman
7 August 2017

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 it reserves the right to do so should this be deemed to be in the interests of the Company.

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

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

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

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

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

PIP's strategy is to invest with leading private equity managers internationally.

Private equity is the term used for investments made in non-public companies through privately negotiated transactions. The global private equity market has grown significantly over recent years and is worth $2.5tn[1]. The asset class covers a broad range of strategies, which all share a common theme – capital structure optimisation that aligns investors' interests with management, 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 managers typically specialise in market sectors in which they already have extensive investment experience and in which they are well placed to identify attractive investment opportunities based on proprietary research. 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, which can transform a company's value. Better alignment between management and shareholders can be achieved by ensuring that a company's management are investing at the same time while also using leverage to create an efficient capital structure.

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. The high level of outperformance of public market benchmarks achieved by top quartile managers in private equity, evident through multiple cycles, provides the opportunity for Pantheon to identify and select highly-skilled and strategic managers within a diversified portfolio. This approach mitigates the risk of being overexposed to any single fund, region or investment style. The Board of PIP 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 leading, individually-selected private equity managers, provides a good opportunity to generate attractive long-term investment performance.

By investing directly into private equity funds, rather than investing indirectly in such funds through Pantheon's funds of funds, the Company has full control over portfolio construction. PIP has the flexibility to vary the size and emphasis of its investments depending on its investment priorities at the time and available financing. In addition, this approach allows PIP to have greater control over the management of its balance sheet, cash and the maturity profile of the portfolio.

The current portfolio reflects PIP's prolonged access to Pantheon's carefully selected primary and secondary investments over the past 30 years. Only funds that have passed through rigorous research and analysis can be selected for investment.

[1] *Source: 2017 Preqin Global Private Equity & Venture Capital Report*

Our Business Model

PIP's aim is to maximise capital growth and deliver long-term shareholder value. It achieves this through its access to Pantheon's well-established platform and by investing in high quality private equity assets globally. PIP manages its portfolio by making primary and secondary investments in private equity funds as well as co-investing directly in companies alongside leading private equity managers.

Secondary Investments

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

Secondary purchases of existing interests in private equity funds are typically many 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 a mature, cash-generative profile.

In accordance with the terms of its management agreement with Pantheon, PIP is entitled, under Pantheon's allocation policy, 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.

Co-investments

The Company also participates in co-investments alongside established private equity managers. The extent of Pantheon's General Partner ("GP") 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 account for more than 30% of PIP's new commitments.

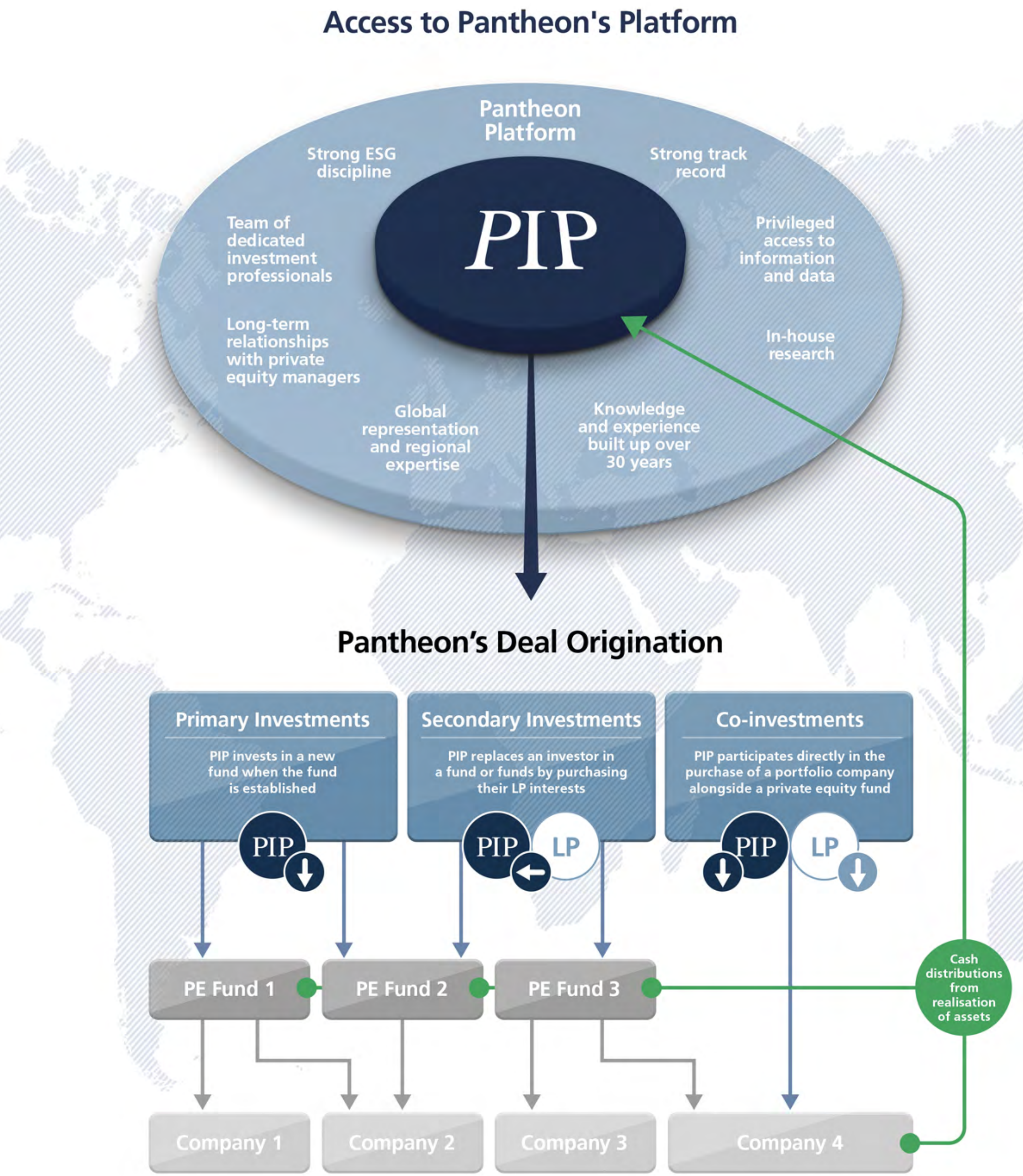
Primary Investments

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 limits 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.

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 period under review, the Board was comprised of six 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 58 and 59. These Principles are integrated into Pantheon's investment analysis and decision-making process, as well as post-investment monitoring procedures.


Access to Pantheon's Platform
Pantheon Platform
Strong ESG discipline
Strong track record
PIP
Team of dedicated investment professionals
Privileged access to information and data
Long-term relationships with private equity managers
In-house research
Global representation and regional expertise
Knowledge and experience built up over 30 years
Pantheon's Deal Origination
Primary Investments
PIP invests in a new fund when the fund is established
Secondary Investments
PIP replaces an investor in a fund or funds by purchasing their LP interests
Co-investments
PIP participates directly in the purchase of a portfolio company alongside a private equity fund
PIP
LP
PE Fund 1
PE Fund 2
PE Fund 3
Cash distributions from realisation of assets
Company 1
Company 2
Company 3
Company 4

Principal Risks and Uncertainties

The Company is exposed to a variety of risks and uncertainties. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing PIP, together with a review of any new risks that may have arisen during the eleven months to 31 May 2017, including those that would threaten its business model, future performance, solvency or liquidity. A summary of the risk management and internal control processes can be found in the Corporate Governance Statement on pages 77 and 78.

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 that 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 31 May 2017 stood at £333m, comprising £167m in cash balances and £166m in undrawn bank facilities. As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 3.5 times. The Company ordinarily expects 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 of the credit facility).
Risks relating to investment opportunities	
There is no guarantee that the Company will find a sufficient number of suitable investment opportunities, or that the private equity funds in which it invests will find suitable investment opportunities, in order to achieve the level of diversification which the Company seeks to achieve in relation to its investment portfolio.	In line with the Objective and Investment Policy shown on page 8, the Manager has put in place a dedicated investment management process that is designed to help maximise the chances of the Board's intended investment strategy being achieved. 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 it may take some years before they reach a level of maturity at which they can be realised. Accordingly, it is possible that the Company may not receive a return on its investments for a number of years.	The Company pursues a flexible investment strategy, emphasising secondary investments which will typically have shorter exit horizons on average than co-investment and primary commitments. Therefore, this flexible investment strategy results in a range of likely exit horizons for underlying investments, mitigating this risk.
Valuation uncertainty	
By valuing its investments in private equity funds and unquoted companies and publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by these funds and companies to the Manager. There is the 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 Company's NAV per share 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 the periodically audited valuations that are provided by the private equity managers. 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 that are required to ensure reasonable valuation of the underlying investments and in accordance with the fair market value principles required under Generally Accepted Accounting Principles ("GAAP").
Gearing	
The use of gearing can cause the magnification of both gains and losses in the asset value of the Company. 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 from time to time to gearing through the borrowings 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 Group plc, due to expire in November 2018, and comprising facilities of \$138.8m and €66.6m. 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 31 May 2017.
Foreign currency risk	
The Company makes investments in US dollars, euros and other currencies as well as sterling. Accordingly, the Company is exposed to fluctuations in currency exchange rates.	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 a less significant factor over longer investment horizons.

Principal Risks and Uncertainties

(CONTINUED)

Risk	Mitigation
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 Financial Conduct Authority ("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 that 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, U.S. Securities and Exchange Commission ("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 and the Company's performance. In addition, the Company's income and gains 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 its 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.
Brexit	
The United Kingdom has voted to leave the European Union and depending on what arrangements might be negotiated, there are likely to be consequences on the Company, and on the wider Pantheon ("Manager") organisation as a whole. Uncertainty about the Brexit process may result in some market and currency volatility, which may adversely impact returns. In addition, given a significant proportion of UK financial services legislation, such as the AIFMD, the UCITS Directives and MiFIDII/MiFIR, is derived from EU law, assuming the UK does not accede to the EEA Agreement or negotiate an equivalent arrangement, the Company's continued ability to market its services to European investors may be at risk.	Following the UK's decision to leave the EU, the Manager, through a dedicated working group, has been monitoring policy developments and reviewing aspects of the Company's business that rely on Pan-EU arrangements. Pantheon will open an office in Dublin, ensuring that Brexit will have a minimal impact on the Company's ability to manage and market its products in Europe.

Risk	Mitigation
Cybersecurity	
The Company is dependent on effective information technology systems. These systems support key business functions and are an important means of safeguarding sensitive information. Any significant disruption to these IT systems, including breaches of data confidentiality or cybersecurity, could result in, among other things, financial losses, the inability to perform business critical functions, regulatory censure, legal liability and reputational damage..	Pantheon has a robust information and cybersecurity programme in place, aligned with SANS20 controls and the NIST cybersecurity framework. This includes a comprehensive set of policies, standards, procedures and technology related to information security. Validation of the Pantheon information and cybersecurity solutions is tested annually by means of a full penetration test, including phishing expeditions by accredited third party cybersecurity specialists. The findings of these tests are reported to both the Pantheon Operational Risk Committee and Pantheon Operating Committee. In addition, a company-wide cybersecurity awareness training programme has been put into place for all staff. Over the past 12 months the Company has not experienced any material breaches in respect of information or cybersecurity.

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.

Viability Statement

Pursuant to provision C.2.2 of the UK Corporate Governance Code 2016, the Board has assessed the viability of the Company over a three year period from 31 May 2017. It has chosen this period as it falls within the Board's strategic planning horizon. The Company invests in an internationally diversified portfolio of private equity assets, both through funds and by co-investing directly into companies alongside selected private equity managers. The Company invests significantly in the private equity secondaries market as this allows the Company to maintain a more mature portfolio profile that is naturally cash-generative in any particular year.

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

In reviewing the Company's viability, the Board has considered the Company's position with reference to its business model, its business objectives, the principal risks and uncertainties as detailed on pages 12 to 15 of this report and of its present and expected financial position. In addition, the Board has also considered the Company's conservative balance sheet, which allows it to take advantage of significant investment opportunities, and the appropriateness of the Company's current investment objectives in the prevailing investment market and environment. The Board regularly reviews the prospects for the Company's portfolio and the opportunities for new investment under a range of potential scenarios to ensure it can expect to be able to continue to finance its activities for the medium-term future.

On behalf of the Board

SIR LAURIE MAGNUS
7 August 2017

Manager's Report

The Manager (Pantheon)

Pantheon, one of the world's foremost private equity specialists, has acted as Manager to PIP since the Company's inception in 1987. Pantheon evaluates and manages 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 almost £11bn to secondary investments over the last 30 years.

At a Glance

$36.6bn[1]	>450	>215	70
AUM	Clients	Employees[2]	Investment professionals[2]

Strong Private Equity Track Record

Pantheon is one of the leading private equity fund investors in the world, with global assets under management of $36.1bn[1] on behalf of over 450 institutional investors.

Pantheon has a strong and consistent track record in private equity investment. Over 35 years, Pantheon has made investments in more than 1,400 private equity funds, gaining exceptional insight and access to many of the most attractive funds in all the major private equity markets.

Pantheon has broad experience of investing across all types of private equity, including buyout, venture capital, growth capital and special situations. It started out as a primary investor in private equity funds and has witnessed at first-hand the transformation and expansion of the industry over numerous market cycles. In its history, Pantheon has committed US$21.1bn to 614 primary investments, US$10.7bn to 344 secondary transactions and US$2.2bn to 134 co-investments (as at 31 March 2017). It has invested in private equity primaries since 1983, secondaries since 1988 and co-investments since 1997.

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 Company is in line with its agreed strategy.

[1] *As at 31 March 2017. The figure includes assets subject to discretionary or non-discretionary management, advice, or those limited to a reporting function.*

[2] *All staff figures are as at 1 July 2017.*

Reputation as a Preferred Investor

Pantheon has been investing in private equity for over 35 years and has a solid 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 350 advisory boards worldwide. Long-standing partnerships with managers on a global basis can also enhance the firm's deal flow in the secondary market.

Team-based Culture

Pantheon draws upon a wide pool of resources that contributes to a team-based culture. With teams operating in London, San Francisco, New York, Hong Kong, Bogotá, and Seoul, 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 over 70 investment professionals[3], supported by over 140 other professionals, work together with the ultimate aim of producing strong and consistent results.

The Investment Team[3]

[3] *All staff figures are as at 1 July 2017.*

Market Review

The private equity market has grown significantly over recent years and is thought to be worth $2.5 trillion[1] globally. Accommodative monetary policy makes the market more competitive and valuations remain high, however Pantheon continues to gain privileged access to compelling opportunities via the relationships that it has developed with leading private equity managers over its 35 year history, and by backing managers that are nimble and able to take advantage of change.

Private equity market in the US expected to remain resilient despite political distractions

Growth in the US economy for 2017 is forecasted to be ahead of the previous year[2]. However, uncertainty prevails as doubts are cast on the US administration's ability to push through radical reforms, as highlighted by the proposed changes to the healthcare bill, and as its timeframe for other key policy areas, such as tax reform, remains unclear. The recent weakening of the US dollar is perhaps a reflection of this unease as well as being an indication of improving prospects elsewhere, particularly in Europe.

The "core principles" of the US administration's plans for tax reform, released in April, included the lowering of corporation tax, however there was no reference to the previously proposed removal of tax deductibility for interest expenses. Although the full details of the tax reform package are yet to be released, any policy that reduces corporation tax would be positive for corporate cash flows and therefore should support buyout activity; it also provides greater personal incentives for entrepreneurship. To the extent that such gains are not fully incorporated into the cost of acquiring new investments, their impact on US private equity returns could be positive, particularly if interest rate deductibility is not removed.

Perhaps as a result of the political distraction and policy uncertainty, the deal environment in the US has been slower and exit activity is down from the high of 2015. However, fundraising continues at a pace and purchase price multiples have remained high. Trade sales have increasingly been the main source of exits while the public markets appear to be less favoured as a route for exit or for companies looking to raise capital. Private equity managers are well-placed to benefit from the latter as, with an expanded pool of "dry powder" capital, they are able to provide the capital that companies seek while operating as private businesses.

Although the credit markets have remained favourable, the recent interest rate rise with indications of a further rise this year, will affect the cost of new debt. We select managers who are disciplined towards debt levels while investing in companies that offer opportunities for growth. Conversely, the rise in interest rates should be beneficial for some of the investments that PIP has made in the financial sector during the period.

The US has the deepest, most established and resilient private equity market in the world, and it is where the majority of PIP's portfolio is invested. We expect this to continue as we work with leading managers that are able to handle operational and financial complexity and have experience of investing in companies which can deliver strong earnings growth over the economic cycle regardless of the equity market and political environment.

Sentiment improving in Europe

The future impact of the UK's exit from the European Union is still unknown but at least the results of the Dutch and French elections did not produce the political earthquakes as feared. In addition, although there are concerns that the debt crisis in the Eurozone may flair up again, growth prospects have improved with GDP in the Eurozone forecasted to grow by 2% in 2017[2].

A year after the "Brexit" vote, deal activity has continued to be buoyant in the UK's private equity market and it continues as Europe's largest private equity market. While we remain alert to attractive opportunities in the UK, it represents a minority (less than 10%) of PIP's total portfolio.

The strong fundraising environment, which was a feature of 2016, has continued in 2017. Assets continue to be highly priced in the private equity market in Europe therefore our disciplined approach of only backing managers, which are able to deploy capital diligently, remains paramount. During the period, we have continued to see liquidity and high levels of activity in the exit market in Europe, and we expect this to continue as corporate buyers globally acquire companies based in Europe.

A mix of founder- and family-owned primary management buyouts, corporate carve-outs and transformational secondary buyouts continue to be of interest to our managers. Pantheon is investing in managers that, when assessing these opportunities, take a thematic approach, focus on high growth sectors and are able to identify assets where many levers can be pulled to introduce operational efficiencies to better drive growth, both organically and through buy-and-build strategies. In selecting managers, our emphasis is on small and mid-cap, as well as growth, opportunities,

[1] *Source: 2017 Preqin Global Private Equity & Venture Capital Report*

[2] *Source: Capital Economics, 7 July 2017*

which tend to be more conservatively priced and have lower levels of leverage than the broader market average, which is itself skewed towards the large and mega buyout space.

Although political risks remain in Europe, we are encouraged by the steady economic recovery in the Eurozone and the positive impact that this is likely to have on sentiment. We expect that European private equity funds will continue to be in high demand and that exit activity will be equally strong. We remain selective by backing the right managers that are able to take advantage of change in Europe and deliver attractive returns.

Consumption growth in Asia and Emerging Markets continues to present an attractive opportunity

Fundraising and investment activity in Asia have been slightly down since 2015, perhaps explained in part by the higher number of large pan-regional funds raising capital in that year. However, we have started to see large funds returning to raise capital in 2017. Exit activity has been strong in the region with trade sales and public markets remaining the main exit routes for our managers. While there have been mixed levels of activity on the IPO markets across the region, we have seen Asian corporate buyers becoming much more active in the M&A markets.

Pantheon selects managers that are focused on the mid-market where there is most scope for value creation while actively managing liquidity and market risk. We have seen an increase in corporate carve-outs and intra-regional investments.

China's economy has performed better than expected in the first half of 2017, however a slowdown in growth is still predicted for the year, when compared to previous years, and the build-up of debt levels continues to be a concern. Despite the Chinese Government putting in place a series of measures, aimed at trying to steer the economy away from its longstanding reliance on cheap credit to fuel growth as well as to tackle local government debt and bad bank loans, Moody's downgraded China's credit rating in May. On a more positive note, the fears over the trade relationship between the US and China have been partly allayed with ties warming over recent months. Despite the headwinds, the underlying companies in the Company's portfolio continue to deliver strong earnings growth which is, we believe, a reflection of Pantheon's focus on domestic consumption in China (e.g. healthcare, education and consumer).

India's economy is expected to deliver stronger economic growth than China in 2017 and during the period, the Company has been taking advantage of the shift to electronic payments there by investing in companies offering these services as well as smart financing solutions.

We remain relatively cautious on Latin America where, against a backdrop of political uncertainty and negative sentiment, there has been a significant drop in fundraising when compared with previous years. Nevertheless, we will continue to respond to compelling deal opportunities in the region, particularly in the secondary market.

While Asia and Emerging Markets represent a smaller part of PIP's portfolio, when compared to North America and Europe, we will continue to acquire assets in the region that support PIP's long-term investment strategy.

Record investment activity and fundraising levels in the secondary market

Fundraising in the private equity secondaries market reached a half-year record of $23.6bn[3] in the first half of 2017, with seven secondary firms collecting more than $1bn for final fund closings. The combination of a strong fundraising backdrop and a benign exit environment for asset sales has helped sustain a healthy investor demand for secondary interests in private equity funds.

As a result, the historically high secondary pricing levels have persisted, with average deal pricing at around 91%[4] of net asset value. This has helped encourage sellers to launch processes, allowing many to continue the process of active portfolio management. $18bn[4] of deals were transacted during the first six months of 2017, higher than the $10bn transacted during the same period of the prior year. Despite the average maturity level of traded funds staying at nine years, with 2006 to 2008 funds dominating deal flow, the proportion of post-crisis fund interests has increased. Indeed, post crisis funds accounted for approximately 45% of marketed volume during the first half of 2017[4].

In addition, more managers are actively seeking to extract embedded value from companies in funds that are reaching the end of their initial lives, resulting in an increase in the number of private equity manager-led ("structured secondary") transactions. These came from a broad spectrum of private equity managers, employing a variety of structures including tender offers, fund recapitalisations and preferred equity structures. A feature of the current surge in structured secondary deals is the growing proportion of high quality managers, which represents a significant difference from the previous surge in such manager-led deals during the 2005-2007 boom. Structured secondaries accounted for $9.4bn of deal flow in 2016, and given the increasing stock of mature funds that are targets for such deals, structured secondaries are expected to reach record levels of c.$11bn[5] in 2017.

Pantheon's preference in the current highly priced environment has been to acquire concentrated fund positions in managers that we hold in high regard, where the underlying assets have robust prospects for medium-term capital gain. We are particularly interested in secondaries involving companies that have demonstrated financial resilience through multiple down-turns,

[3] *Secondaries Investor:* 3 July *2017*

[4] *Greenhill/Cogent Secondary Pricing Trends & Analysis, July 2017*

[5] *Average of estimates from six secondary market intermediaries, as at April 2017*

Market Review

(CONTINUED)

where the manager has multiple levers to stimulate growth. We are also attracted to funds where we can identify companies with embedded value, where a manager's conservative valuation policy provides the potential for uplifts to NAV on exit.

Co-investments remain an important source of opportunity

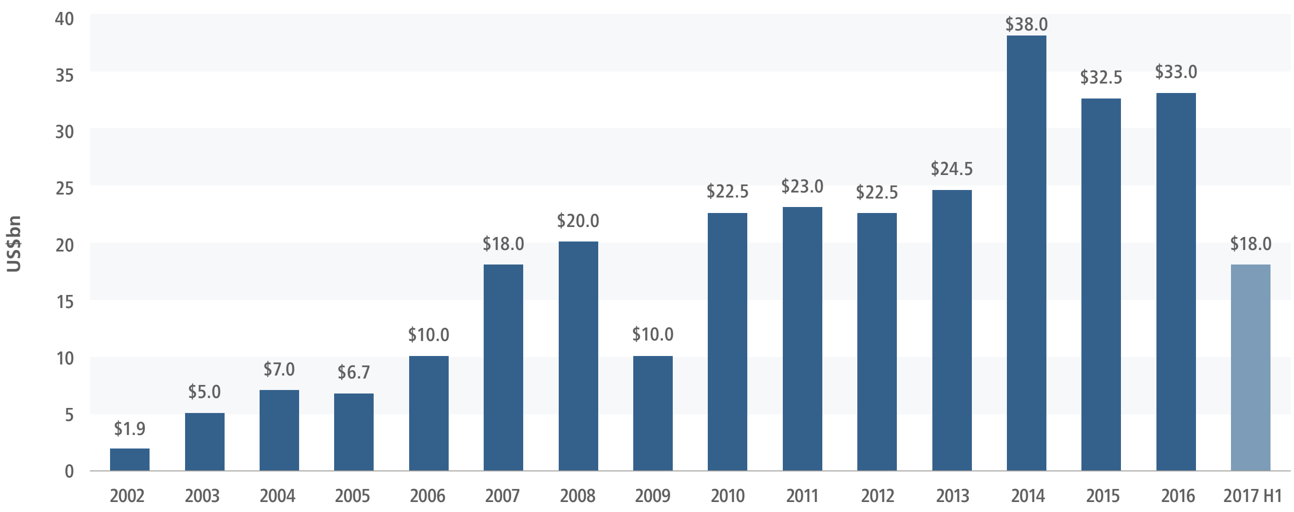
The co-investment market, comprising a variety of institutional participants including sovereign wealth funds, pension funds, family offices and other co-investment funds, like other areas of the private equity market, is competitive. Pantheon has been able to position its clients advantageously with favoured managers that we believe are able to add value to the underlying businesses quickly and in a variety of ways, such as introducing operational efficiencies and cost synergies as well as optimising the companies' distribution networks. Pantheon's dedicated co-investment team enables the Company to participate in an active deal flow derived from a network of high quality managers that are well known to Pantheon, in opportunities that are most consistent with the strengths and expertise of those managers.

Pantheon assesses deals across all sectors and has continued to see interesting opportunities in information technology and industrials in particular. In addition, attractive deal dynamics have been found in certain energy and financial sector transactions and defensive sectors, such as education, are also of interest. Discipline when assessing co-investment opportunities and a thorough approach to due diligence, while ensuring we can execute on co-investments efficiently, provides Pantheon's clients with access to this important opportunity.

Finding value in highly priced and competitive markets

The supply of capital in the private equity market has become more plentiful and asset pricing is high. With the strong fundraising environment and investors struggling to reach their allocations, due to the rising levels of "dry powder", this situation looks set to continue. Despite positive macroeconomic signs, valuations and debt availability reaching cyclical highs means that there is still the potential for market falls. As a result, Pantheon is focused on adding exposure to companies that are less vulnerable to credit tightening and macroeconomic downside. Pantheon has a deliberate strategy of targeting sectors experiencing dislocation as well as niches where underlying growth is less correlated to GDP growth. For example, we have been selectively acquiring good quality assets in segments of the financial services and energy sectors (See page 36 for further information).

Global Secondary Deals Transacted [6]



[6] *Greenhill/Cogent Secondary Pricing Trends & Analysis, July 2017*

Positive long-term outlook for private equity despite ongoing economic and political uncertainties

Political and macroeconomic risks remain on a global level, however it is our view that the inherent characteristics of private equity mean that it should continue to outperform other asset classes over the long term. Indeed, changing market dynamics can add to deal opportunities following market dislocations, or in mispriced and distressed situations.

In addition, research by Pantheon has shown that, perhaps as a result of increased regulation and cost, the number of publicly listed companies in the US has fallen dramatically, decreasing by roughly half since its peak in 1996[7]. This is a trend that has spanned multiple economic cycles and has impacted countries across the globe[8]. Many private equity investment strategies are direct beneficiaries of the shrinking public markets and our managers, often experts in particular sectors, are well-placed to provide the capital that companies seek while operating as private businesses. Managers that are focused on venture and growth equity can often access outperforming companies long before pre-IPO investors do.

We believe that private equity investors will continue to benefit from the favourable ownership characteristics which include active, control positions that are aligned with long-term value creation. Our managers, who have gained familiarity with their investee companies over months and often years prior to investing, are able to support growth and operational improvements in their underlying investments. The revenue and earnings growth reported by a sample of the underlying companies in PIP's portfolio, for example, consistently outperform the broader equity benchmark indices.

Over its 35 year history, Pantheon has developed a strong track record of selecting the best managers and accessing the most compelling deals via those relationships. Although we are faced with a more competitive and highly priced market, we believe that our market access, based on many years of experience, will allow us to continue to invest globally in private equity funds that can generate healthy returns.

7 *Doidge, Craig, G. Andrew Karolyi, and René M. Stulz. "The U.S. listing gap." Journal of Financial Economics 123, no. 3 (2017): 464-87. doi:10.1016/j.jfineco.2016.12.002*

8 *Data from The World Bank, accessed 25 May 2017*

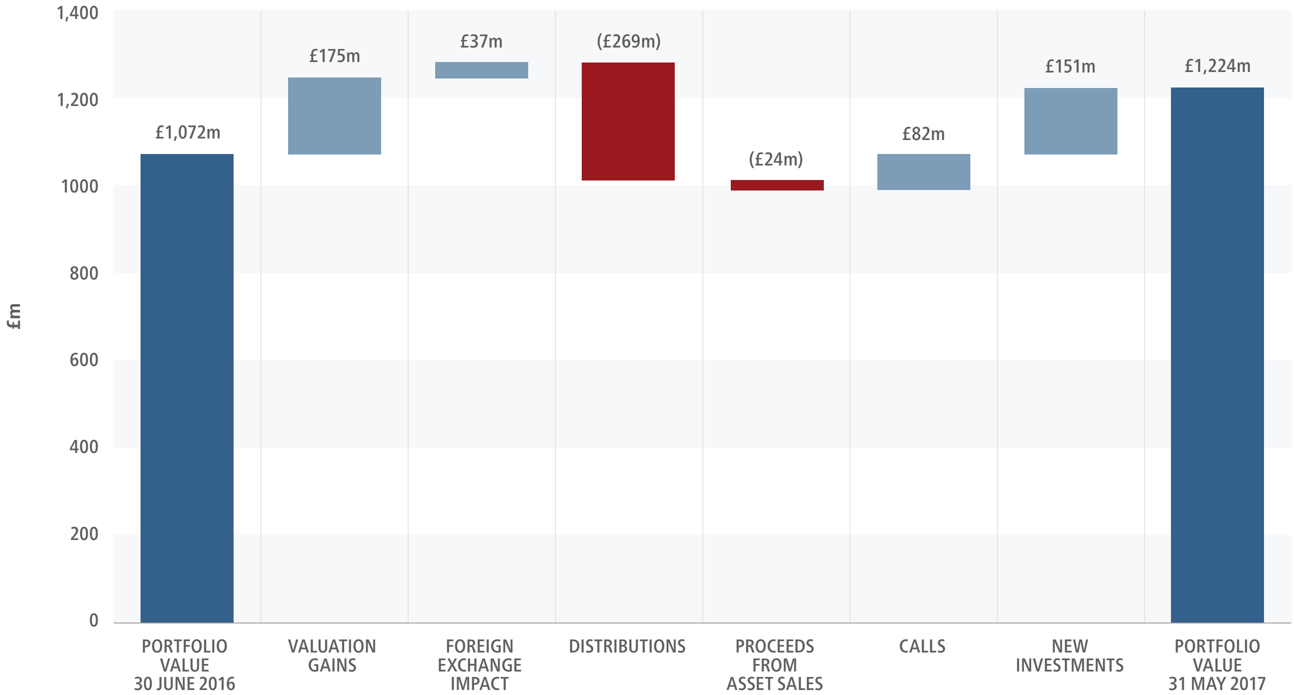
Portfolio Overview

Portfolio Overview

ELEVEN MONTHS TO 31 MAY 2017

16.2% Underlying (pre FX) return relative to opening portfolio assets for the eleven month period	**£293m** Distributions including asset sales	**27%** Distributions excluding asset sales as a percentage of opening portfolio assets (annualised)
£211m Net cash flow generated from PIP's portfolio	**£82m** Calls made from existing undrawn commitments	**£291m** New investment commitments, **£151m** of which was drawn
35% Average uplift on exit realisations[1]	**£67m** New commitments made to 20 co-investments	**6.7 years** Weighted average fund age of portfolio

Private Equity Portfolio Movements



[1] *Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value up to six months prior to the transaction taking place. The analysis only includes exit realisations that occurred during the financial period and disregards the impact of any proceeds received outside of the six month period covered in the uplift analysis. The data in the sample represents 94% of proceeds from exit realisations and 54% of distributions received during the period.*

Portfolio Overview

(CONTINUED)

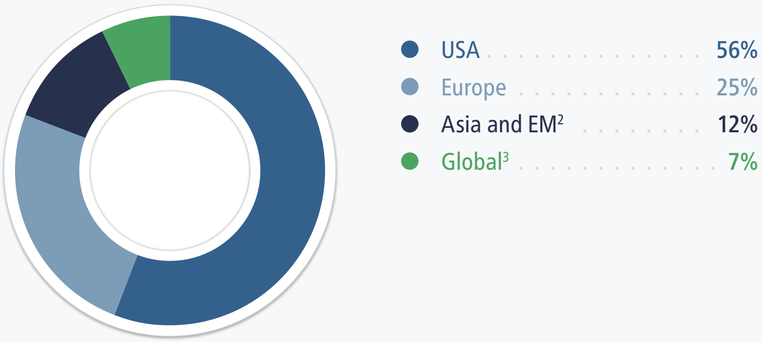
The Company offers a global, diversified selection of high quality private equity assets, which have been carefully selected by Pantheon. The diversification of PIP's portfolio, with assets spread across different investment styles and stages, helps to reduce the volatility of both returns and cash flows. 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 US and Europe, to regions with higher rates of economic growth.

Portfolio Analysis by Value as at 31 May 2017[1]

Fund Geography

The majority of PIP's geographical exposure is focused on the US 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.

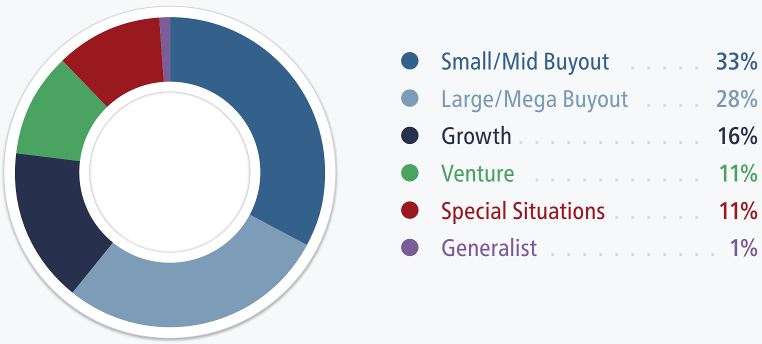


Fund Stage

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

Buyout funds continue to constitute the majority of PIP's portfolio.

Special situation investments are comprised of funds investing primarily in the energy sector and distressed securities.



Pantheon Vehicles

At 31 May 2017, 3% of PIP's portfolio value and 1% of PIP's outstanding commitments were comprised of funds-of-funds managed directly by Pantheon. 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 fee on uncalled commitments payable by PIP to Pantheon. In addition, Pantheon has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon Group and attributable to PIP's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that PIP would have been charged under its management agreement with Pantheon had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds. With the consent of the Board, the Company can agree that an investment fund managed or advised by the Pantheon group shall not be treated as a Pantheon Fund for this purpose (so that the fee rebate described above would not apply in respect of an investment in such fund).

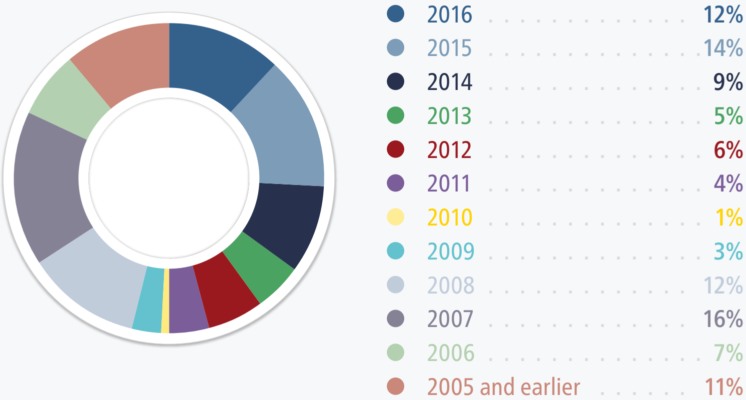
[1] *Fund geography, stage, maturity and investment type charts are based upon underlying fund valuations and account for 100% of PIP's overall portfolio value. Company sector and company geography charts are based upon underlying company valuations as at 31 December 2016 and account for over 95% of PIP's overall portfolio value.*

[2] *EM: Emerging Markets* [3] *Global category contains funds with no target allocation to any particular region equal to or exceeding 60%.*

Fund Maturity

The portfolio is well diversified by fund vintage.

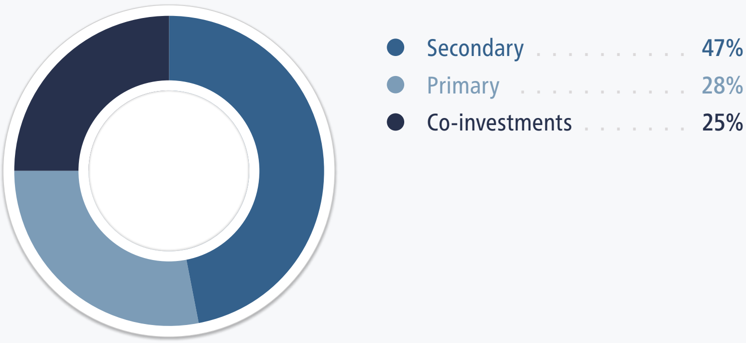
New primary commitments and co-investments are increasing PIP's exposure to more recent vintages, with the 2010 and later segment of the portfolio increasing to 51% (from 35% as at 30 June 2016).



Investment Type

Secondary investments continue to constitute the largest component of PIP's portfolio.

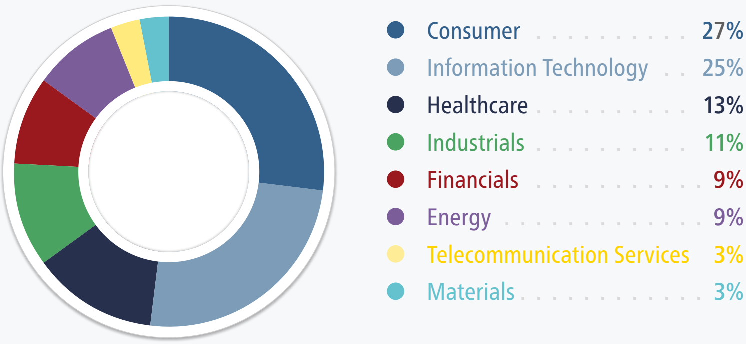
Co-investments are becoming a more established part of PIP's portfolio at 25% of value (up from 20% as at 30 June 2016).



Company Sectors[1]

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 greater exposure to information technology, and lower exposure to the banking, mining and energy sectors.

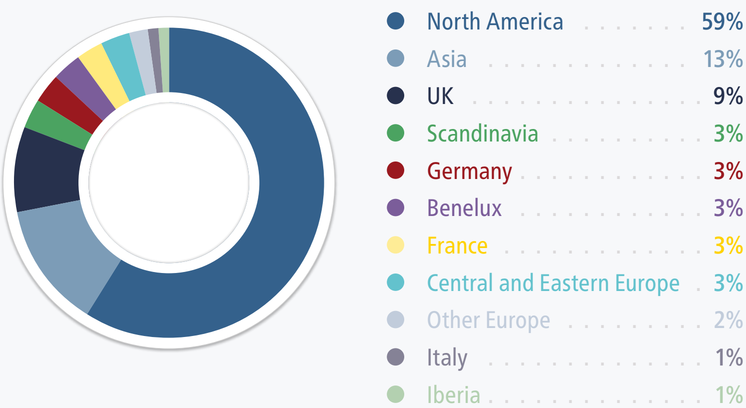


Company Geography[1]

Almost 60% of the portfolio is invested in companies based in North America, which benefit from greater capital market scope and depth.

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

13% of PIP's portfolio is based in Asia, providing access to faster-growing economies such as China and India.



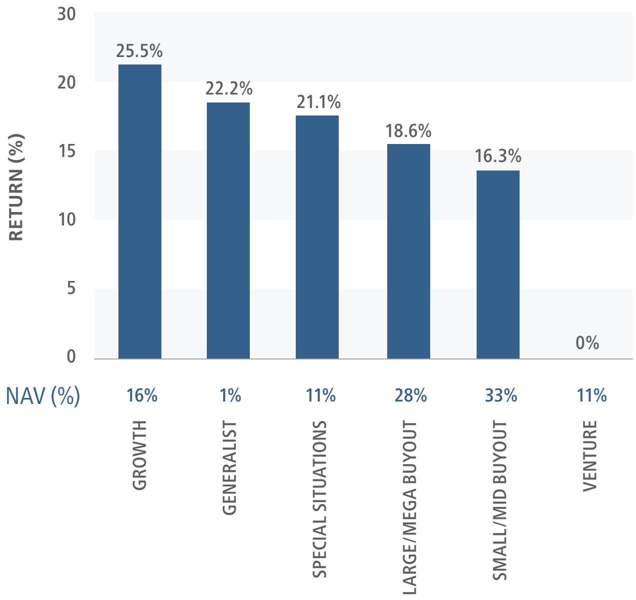
[1] *Company sector and company geography charts are based on underlying company valuations as at 31 December 2016 and account for over 95% of PIP's overall portfolio value.*

Portfolio Analysis

Portfolio Performance by Stage for the eleven months to 31 May 2017[1]

- PIP's portfolio generated investment returns, prior to foreign exchange effects, of 16.2% during the eleven months to 31 May 2017.
- Solid performance across growth and buyout funds underpinned PIP's returns, aided by a strong recovery by special situations during the period.

Portfolio Return[1]: Eleven months to 31 May 2017

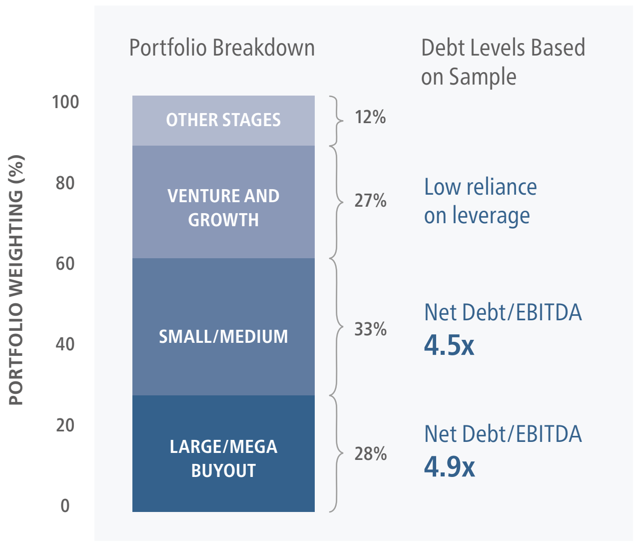


Debt Multiples[2]

Venture, growth and buyout investments have differing leverage characteristics.

- The venture and growth portfolio has little or no reliance on leverage.
- Average debt multiples for small/medium buyout investments, which represents the majority of PIP's buyout portfolio, are typically lower than debt levels in the large/mega buyout segment.

PIP Portfolio at 31 December 2016



[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.*

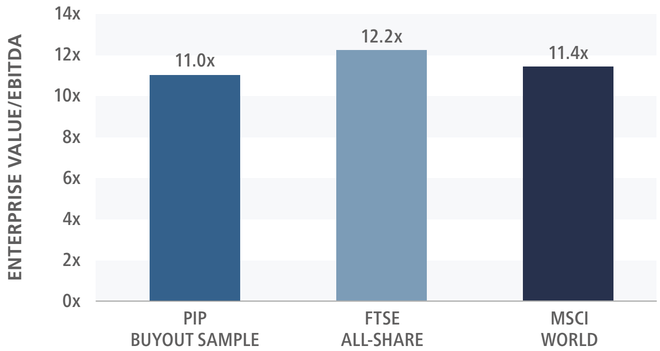
[2] *The data is based on a sample of PIP's buyout funds. Buyout Sample Methodology: The sample buyout figures for the 12 months to 31 December 2016 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 31 December 2016 or, where not available, the closest annual period disclosed, and provide coverage of 44% and 42% (for revenue and EBITDA growth respectively) of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped between +100% and –100% to avoid large distortions from excessive outliers. Sample data for 2010-2016 is based on the same methodology and provides coverage of 60% - 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 on underlying valuations as at 31 December 2016, or the closest period end disclosed. The valuation multiple sample covers approximately 36% of PIP's buyout portfolio. The debt multiple sample covers approximately 60% of PIP's buyout portfolio. Data sourced from Bloomberg.*

Portfolio Analysis – Buyout

Valuation Multiple[1]

- Accounting standards require private equity managers to value their portfolios at fair value. Public market movements can be reflected in valuations.
- Sample-weighted average enterprise value/EBITDA was 11.0 times, compared to 12.2 times and 11.4 times for the FTSE All-Share and MSCI World indices respectively.

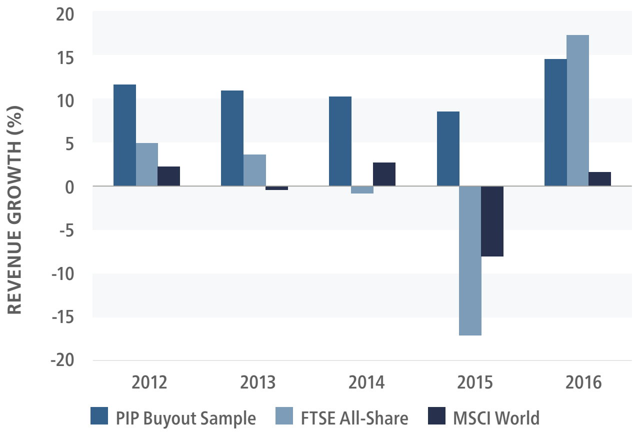
Valuation Multiple as at 31 December 2016



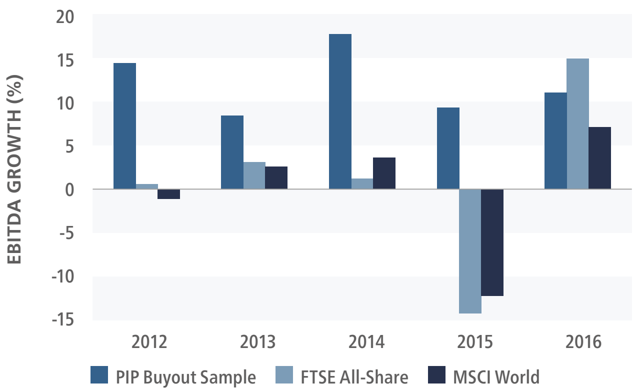
Revenue and EBITDA Growth[1]

- Weighted average revenue growth for the sample buyout companies was 14.5% in the 12 months to 31 December 2016, compared to 17.2% and 1.6% for the FTSE All-Share and MSCI World indices.
- Weighted average EBITDA growth for the sample buyout companies was 11.0% in the 12 months to 31 December 2016, compared to 14.9% and 7.1% for the FTSE All-Share and MSCI World indices.
- Strong top-line performance, disciplined cost control, good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

Annual Revenue Growth: PIP Sample vs Indices



Annual EBITDA Growth: PIP Sample vs Indices



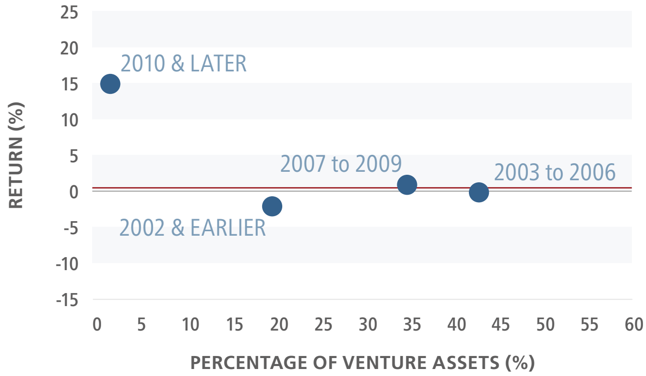
[1] *The data is based on a sample of PIP's buyout funds. Buyout Sample Methodology: The sample buyout figures for the 12 months to 31 December 2016 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 31 December 2016 or, where not available, the closest annual period disclosed, and provide coverage of 44% and 42% (for revenue and EBITDA growth respectively) of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped between +100% and –100% to avoid large distortions from excessive outliers. Sample data for 2010-2016 is based on the same methodology and provides coverage of 60% - 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 on underlying valuations as at 31 December 2016, or the closest period end disclosed. The valuation multiple sample covers approximately 36% of PIP's buyout portfolio. The debt multiple sample covers approximately 60% of PIP's buyout portfolio. Data sourced from Bloomberg.*

Portfolio Analysis – Venture

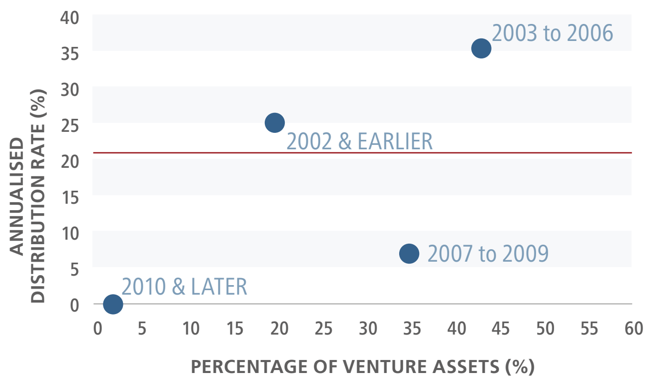
Venture Portfolio Analysis

- Venture funds represent 11% of PIP's portfolio.
- Despite the flat performance, venture funds collectively generated £33m in distributions for PIP, which was equivalent to 21% of the opening value of the venture portfolio.

Venture Returns[1]:
Eleven months to 31 May 2017



Venture Distributions[2]:
Eleven months to 31 May 2017



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

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

Sector Themes

Consumer

Private equity managers are very active in the consumer sector and it represents the largest segment of PIP's portfolio. We continue to back managers who are able to identify and take advantage of the shifting and emerging trends in consumer behaviour and products.

Key Sample Data[1]

- **% of PIP NAV (31 May 2017): 27%**
- Average EV/EBITDA: 9.3x
- Average Revenue Growth: 11%
- Average EBITDA Growth: 14%
- Average Net Debt to EBITDA: 4.1x

Trends

- Evolving consumer and social patterns
- More sophisticated use of digital tools and demand for product customisation
- Ageing demographics in developed regions
- More disposable income and access to credit in developing economies
- Increase in consumer awareness and demand for more sustainable products

Examples of Private Equity Focus

- Market leaders with strong brands
- Niche brands in growth sectors
- Lifestyle trends
- Consumption patterns amongst both young and ageing populations
- E-commerce and social media platforms

Growth in the global economy is expected to pick up modestly in 2017, helped by a recovery in oil prices and an upturn in global investment and trade. Employment rates have continued to improve across developed economies and, while real wage growth remains sluggish, consumer confidence has increased.

The consumer sector offers a wide range of opportunities for private equity managers in both developed and developing economies, however the use of technology in purchasing decisions continues to be of particular interest. Consumers are more informed and demanding than ever before and have become experts at using digital tools to gain quick access to the products and services that fulfil their needs. In addition, consumers are increasingly looking for authenticity and personalisation rather than mass-produced, "one-size-fits-all" solutions. Private equity managers are at the forefront of assisting innovative companies to respond to all these demands and grow market share. Environmental concerns are of growing importance for consumers worldwide therefore responsible brands, which source and produce sustainable products, also offer opportunities for investment. It is predicted that people over the age of 50 represent almost a quarter of the world's population in 2017[2] therefore responding to their consumption needs, often referred to as the "Longevity economy"[3], offers a range of opportunities in health, travel and leisure. In addition, education remains an important area of focus for private equity with educational materials, for-profit education providers and publishing companies continuing to be a source of deal flow for PIP.

By using their expertise to recognise consumer trends, leading private equity managers are building out their portfolios with assets that have the potential to deliver outperformance.

PIP seeks to invest in assets that:

- Have the potential for consolidation or geographical/product expansion
- Use digital platforms and social media to engage with customers and grow market share
- Have defensive qualities, for example education and food & beverage.

Case studies

A leading North American provider of laundry detergent, fabric softeners and other household products, with annual sales of approximately $1.6bn.

Sun Products Corporation

Distributions: £1.9m
Cost multiple: 2.3x

A data-driven, technology-enabled marketing solutions provider.

ansira data + results

Distributions: £3.7m
Cost multiple: 3.3x

[1] *Apart from sector value as a proportion of PIP's NAV, the key data is based on information provided by General Partners ("GPs") and derived from a sample of PIP's buyout funds.* ***Buyout Sample Coverage:*** *Data includes financials made available by GPs for PIP's active buyout investments. Revenue and EBITDA figures were based upon the last 12 months to 31 December 2016 or, where not available, the closest annual period disclosed, and provide coverage of 51% and 48% (for revenue and EBITDA growth respectively) of PIP's consumer buyout portfolio. Individual company revenue and EBITDA growth are capped between +100% and -100% to avoid skewing by excessive outliers. Enterprise value is defined as equity value + net debt. Enterprise value and net debt figures were based on information as at 31 December 2016, or the closest period end disclosed. The valuation multiple sample covers 34% of PIP's consumer buyout portfolio while the net debt multiple sample covers 62%.*

[2] *Euromonitor International - Top 10 Global Consumer Trends for 2017.* [3] *AARP, "The Longevity Economy - Generating Economic Growth and New Opportunities for Business."*

Information Technology

Information Technology is an important sector for PIP and during the period, technology companies represented the largest source of exits for our portfolio. Our focus is on investing in both traditional technology buyout companies as well as later stage growth companies.

Key Sample Data[1]

- **% of PIP NAV (31 May 2017): 25%**
- Average EV/EBITDA: 14.7x
- Average Revenue Growth: 28%
- Average EBITDA Growth: 14%
- Average Net Debt to EBITDA: 6.3x

Trends

- Continued focus on software solutions
- Growth in “as-a-Service” delivery models as companies seek to increase productivity and operate lean IT delivery models
- Replacement of legacy technology platforms by financial institutions and service providers continues to accelerate

Examples of Private Equity Focus

- Cloud computing and vertical software applications
- Big Data, analytics and data platforms
- Cyber security
- Technology-enabled services with recurring revenue models
- Artificial intelligence/Machine learning applications

Against a backdrop of increased competition in an already crowded market, average purchase price multiples for technology deals continue to be at high levels. As a result, it may become increasingly difficult to generate outsized returns. Our managers must be disciplined and have the expertise to spot the best deals and those where there are real opportunities to introduce operational improvements and product enhancements. Nevertheless, the solid underlying fundamentals - technology companies tend to generate strong, recurring revenue growth and provide products that are seen as business-critical - mean that the sector will remain a core component of private equity managers’ portfolios.

In the mature buyout space, software continues to be a dominant theme with the shift to cloud computing and “as-a-Service” delivery models gathering pace. In addition, major cyber breaches on a global scale have highlighted the urgent need for companies and governments to put in place robust systems that are able to resist increasingly sophisticated malware and offer enhanced data security. Companies developing solutions to tackle these issues form part of PIP’s portfolio.

A move towards automation means that companies developing Artificial Intelligence applications are an attractive play for venture capital and growth equity investors and blockchain, a relatively new theme which has the potential to impact the enterprise and consumer landscape, may also become an area of focus. Other areas such as mobile data analytics technology enhancement and financial technology continue to be of interest to our managers.

Private equity managers with sector knowledge and a strong track record have shown that businesses in the IT industry are able to deliver sustainable returns.

In particular, PIP seeks to gain exposure to:

- Scalable, high recurring revenue business models that address evolving technology requirements
- Traditional technology buyout companies as well as late stage growth companies.

Case studies

Leading provider of sports management software and payment solutions to the youth and amateur sports market.

BLUE STAR SPORTS

Distributions: £2.6m
Cost multiple: 3.1x

Formerly known as SRA International Inc., CSRA delivers a broad range of innovative, next-generation IT solutions and consultancy services to the United States federal government.

CSRA

Distributions: £2.2m
Cost multiple: 1.9x

[1] *All other data attributes are the same as foot note 1 under consumer sector, on page 32, except for sample coverages.*
Information Technology Buyout Sample Coverage: *This covers 46% and 44% (for revenue and EBITDA growth respectively) of PIP’s information technology buyout portfolio. The valuation multiple sample covers 29% of PIP’s IT buyout portfolio while the net debt multiple sample covers 48%.*

Healthcare

During the period, and despite the high valuations, overall deal flow in the healthcare sector reached a post crisis high of $36bn. PIP has benefited from this as managers have sold assets in a favourable exit environment favourable.

Key Sample Data[1]

- **% of PIP NAV (31 May 2017): 13%**
- Average EV/EBITDA: 11.1x
- Average Revenue Growth: 23%
- Average EBITDA Growth: 11%
- Average Net Debt to EBITDA: 5.1x

Trends

- Demographic changes, longer life expectancy, and ageing populations
- Growing demand for high quality and accessible healthcare in developing economies
- Pressure on governments to deliver cost-effective healthcare services in greater volumes
- Expansion of healthcare technology segment and delivery of innovative healthcare solutions and analytics

Examples of Private Equity Focus

- Speciality pharmaceuticals
- Testing and research laboratories
- Healthcare cost management solutions
- Specialist care sectors
- Medical device innovation
- Healthcare provider and related services
- Healthcare information technology (HCIT) products and services

A burgeoning middle class in the developing world, ageing population and ongoing scientific advancements have underpinned a significant expansion in global healthcare spending. The IMF expects that annual healthcare expenditure will rise from the current $8 trillion to $10 trillion by 2020[2].

The industry experienced significant regulatory and reimbursement uncertainty in 2016, particularly in the US, with the potential repeal of the Affordable Care Act following the presidential election. Despite these headwinds, and in contrast to the decline in overall private equity investment, deal flow activity in the healthcare sector was particularly strong, with $36bn[2] worth of private equity deals completed in 2016, the highest level since 2007. Investors focused, in particular, on market leaders and other assets that were less exposed to regulatory uncertainty such as healthcare technology, outsourced services and retail health providers.

In addition, private equity investors also capitalised on the spread between public and private valuations of US healthcare assets to take public companies private ("P2P"). Three of the top four healthcare private equity deals of 2016 were P2P transactions, accounting for nearly 30% of total deal value. They included Press Ganey, a US healthcare technology company that focuses on harnessing technology to improve patient experience: PIP benefited from the sale of the company in 2016.

Amidst a relatively full pricing environment, Pantheon remains disciplined when assessing investment opportunities in the healthcare sector.

PIP targets investments with characteristics such as:

- Business models that have large addressable markets
- Exposure to emerging economies
- Limited or stable reimbursement risk
- Businesses that enhance the overall value proposition of healthcare products and services
- Fragmented markets with significant opportunities to roll up and consolidate assets.

Case studies

A company providing medical outsourcing and the design, development, manufacturing and assembly of medical devices.

VENTION MEDICAL
Advancing your innovations for health

Distributions: £5.0m
Cost multiple: 2.9x

Global provider of healthcare and pharma-consulting services to biopharmaceutical clients

inVentiv Health

Distributions: £2.1m
Cost multiple: Confidential

1 *All other data attributes are the same as footnote 1 under consumer sector, on page 32, except for sample coverages.*
Healthcare Buyout Sample Coverage: *This covers 48% (for both revenue and EBITDA growth) of PIP's healthcare buyout portfolio. The valuation multiple sample covers 41% of PIP's healthcare buyout portfolio while the net debt multiple sample covers 54%.*

2 *Bain & Company Global Healthcare Private Equity and Corporate M&A Report 2017.*

Industrials

Consolidation within industry segments, the trend towards outsourcing non-core business processes and increasing technology penetration are expected to continue to provide substantial opportunities for private equity investment.

Key Sample Data[1]

- **% of PIP NAV (31 May 2017): 12%**
- Average EV/EBITDA: 11.2x
- Average Revenue Growth: 1%
- Average EBITDA Growth: 4%
- Average Net Debt to EBITDA: 5.3x

Trends

- The Industrial Internet of Things is disrupting traditional industrial business models
- Outsourcing of non-core business service processes
- Focus on cost efficiency and higher productivity

Examples of Private Equity Focus

- Consolidation opportunities in a fragmented sector
- Outsourced business processes for greater specialisation and efficiency
- Technology-led innovation in processes and products

The industrials sector is diverse and PIP's portfolio is invested in assets ranging from transportation to commercial and professional business services. The sector is cyclical with demand typically dependent upon corporate spending, which is in turn subject to the health of individual economies.

The broader economic outlook is improving, with world GDP growth at 3.2%[2] in the first quarter of this year, close to its post-2000 average. Global manufacturing has begun to improve, although unevenly, while US manufacturing remains in expansionary territory.

We expect the economic environment to support positive performance in the industrial sector in the near term, augmented by the continued disruption that technology is introducing to traditional industrial businesses. Technological advances are propelling industrial innovation, as evidenced by the increasing prominence of the industrial Internet of Things. Key applications include advanced robotics, 3D printing, self-driving cars, and predictive maintenance.

As a result of the potential impact of the cycle, we focus on backing managers with a track record of successful investments across multiple business cycles. In particular, we focus on teams with extensive experience of investing in the sector, founded upon a well-researched view of important trends.

PIP seeks to gain exposure to:

- Mid-market buyouts that are responding to the increased trend in outsourcing non-core business services
- Assets that have the potential for consolidation, geographical/product expansion or operational improvements
- Companies incorporating technology-led solutions that increase productivity and reduce costs for clients.

Case studies

A leader in advanced metering and communications solutions for the utility industry worldwide.

SENSUS a xylem brand

Distributions: £2.2m
Cost multiple: Confidential

A leading supplier of high impact decorative labels; clients include Unilever and Nestlé.

FORT DEARBORN COMPANY

Distributions: £2.5m
Cost multiple: 7.9x

[1] *All other data attributes are the same as footnote 1 under consumer sector, on page 32, except for sample coverages.*
Industrials Buyout Sample Coverage: *This covers 41% (for both revenue and EBITDA growth) of PIP's industrials buyout portfolio. The valuation multiple sample covers 35% of PIP's industrials buyout portfolio while net the debt multiple samples covers 50%.*
[2] *In quarter-on-quarter annualised terms. Source: Capital Economics Global Economics Chart Book, 5 June 2017.*

Strategic Report
Manager's Report
Financial Results

Other sectors

Against a backdrop of increased competition and high valuations, PIP strives to back managers with the ability to react to changing market dynamics and seek opportunities that arise from dislocations, mispricing and distressed situations. The Energy and Financials sectors are examples of where our managers have been successful with this approach.

Energy

Pantheon has been actively backing energy GPs for two decades; over the past seven of those years it has pursued co-investments and secondary transactions in investments/portfolios managed by sector specialists. Pantheon has also enhanced its capabilities through its dedicated Infrastructure & Real Assets team. These developments have contributed to an increase in deal flow and allowed PIP to add exposure to energy through compelling opportunities. Globally, there are more than 100 private equity managers that have funds dedicated to energy assets; the energy GP universe and private equity opportunity has historically been, and continues to be, primarily focused on North America.

While we have generated deal flow spanning a multitude of strategies and opportunities in the sector, Pantheon focuses on assets that may benefit from the private equity model: those where our managers can introduce operational improvements, implement changes, facilitate add-ons, or reduce costs to add value. While commodity price volatility is an inherent risk and can have an impact on returns, we attempt to mitigate this dynamic by pursuing assets in the core basin locations that may be attractive to strategic acquirers over the long term. In addition, this volatility has allowed us to acquire assets at attractive prices, and we are seeing higher valuations associated with assets acquired in the trough of the recent commodity price decline. Typical exits for our energy assets tend to be sales to larger oil companies or to Master Limited Partnerships, which are tax efficient publicly-traded vehicles.

Within the energy sector, PIP is focused on investing in:

- Upstream assets (e.g., Oil & Gas exploration, shale and conventional drilling)
- Midstream assets (e.g., Gathering and processing of oil & gas)
- Power generation, where there is a prospect of equity-like returns.

Financials

Almost a decade after the Global Financial Crisis ("GFC"), many banks have seen a recovery in performance. As a result, the Federal Reserve has recently approved plans by 34 of the largest US banks to distribute almost all their earnings to shareholders. However, parts of the financial sector are still grappling with structural issues and some banks continue to see their valuations depressed by negative sentiment, creating an attractive pricing environment.

In the UK, many high street banks have sought to cut costs since the GFC and simplify their business models by withdrawing from more complex lending markets that require greater operational capability or system upgrades. As a result, private equity has been actively supporting so-called challenger banks to grow significantly by targeting SMEs, which are underserved by the traditional banks.

In the US, conservative valuations and the contrarian view of the domestic banking sector have provided attractive entry points for our managers to invest in community banks, which are posting strong early performance. Forecasted interest rate hikes, the potential for beneficial regulatory shifts – as a result of the Financial CHOICE Act – and the recovering US economy should provide further tailwinds for financial sector growth.

Although uncertainty persists, the increased demand for innovation in the financial services sector - in response to improving technology and an ever-evolving legislative and competitive landscape – continues to present opportunities for private equity investment.

PIP is seeking exposure to:

- Financial technology and market infrastructure companies
- Banks and financial institutions that offer specialist services and niche products in the underserved financial services subsectors
- Financial institutions that have platforms from which to develop and launch new products
- Banks that are valued at historically low prices and have strengthened their balance sheets, resulting in sound underlying fundamentals.

Case studies

One of the largest independent midstream energy companies in North America.

TARGA

Distributions: £2.8m
Cost multiple: Confidential

Provider of property and casualty, employee benefits, personal risk and retirement insurance solutions.

USI

Distributions: £6.0m
Cost multiple: 3.4x

Distributions in the eleven months to 31 May 2017

PIP received more than 2,000 distributions[1] in the eleven month period, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio should continue to generate significant distributions. Distributions in the period included £24m of proceeds from the sale of secondary stakes of some of PIP's older fund interests.

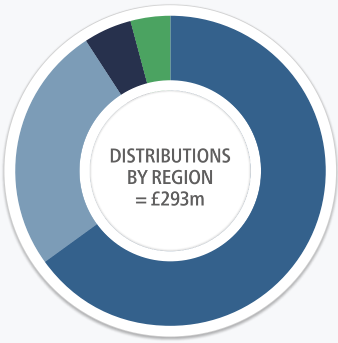
Distributions

Distributions by Region and Stage

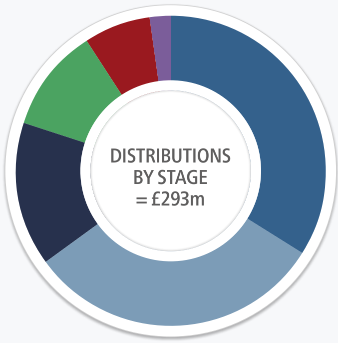
PIP received £293m in proceeds (including asset sales of £24m) from the portfolio in the eleven months to 31 May 2017, equivalent to 30% of opening private equity assets on an annualised basis. Excluding asset sales, the annualised distribution rate for the period was equivalent to 27%.

The US accounted for the majority of PIP's distributions, where market conditions supported a good level of exits, particularly from larger buyouts.

Europe continues to generate significant distributions despite its lower portfolio weighting.



USA	65%
Europe	26%
Asia and EM	5%
Global	4%

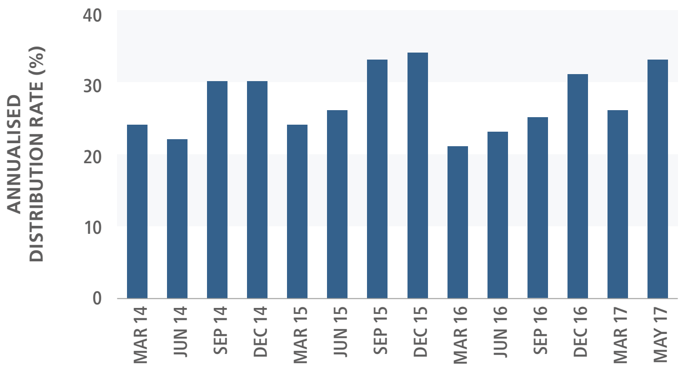


Large/Mega Buyout	34%
Small/Mid Buyout	31%
Growth	15%
Venture	11%
Special Situations	7%
Generalist	2%

Distribution Rates

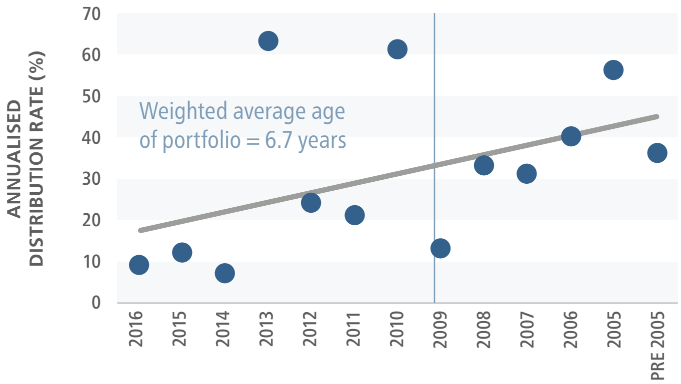
Quarterly Distribution Rates[2]

Quarterly distribution rates remain strong. This reflected the maturity of PIP's portfolio.



Distribution Rates[2] in the eleven months to 31 May 2017 by Vintage

Mature vintages continue to distribute at higher rates, with 2009 and earlier funds distributing at an average rate in excess of 35% of opening value. With a weighted fund maturity of 6.7 years, PIP's portfolio should continue to generate significant levels of cash.

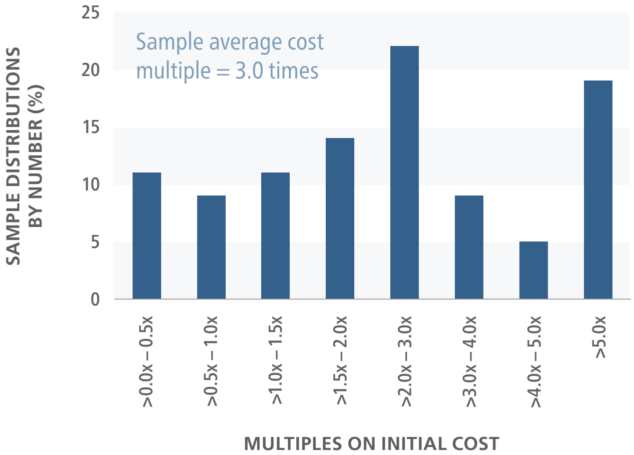


[1] *This figure looks through feeders and funds-of-funds.* [2] *Distribution rate equals distributions in period (annualised) divided by opening portfolio value.*

Exit Realisations in the eleven months to 31 May 2017

Cost multiples on exit realisations for the eleven months to 31 May 2017[1]

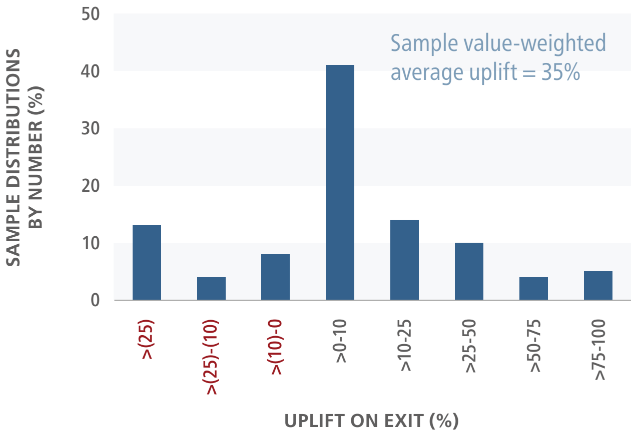
The chart shows, where information was available, the range of multiples on initial cost achieved by the underlying fund manager on exit realisations during the period. The average cost multiple of the sample was 3.0 times, highlighting significant value creation over the course of an investment.



[1] This data in the sample represented approximately 31% by value of PIP's gross distributions for eleven months to 31 May 2017. A company with an excessively high multiple (>50 times) was removed from this analysis to avoid distortion of overall results. The data covers primary investments and is based upon gross cost multiples available at the time of the distribution.

Uplifts on exit realisations for eleven months to 31 May 2017[2]

The chart shows the range of uplifts achieved by the underlying fund manager on exit realisations in the period. The value weighted average uplift in the period to 31 May 2017 was 35%. This average uplift is consistent with our view that realisations can be significantly incremental to returns. PIP's mature portfolio is well placed to continue to generate a good level of distributions from exit realisations in the coming year.

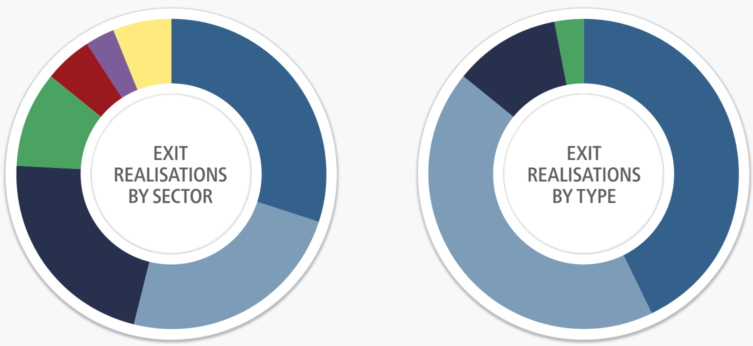


[2] Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value up to six months prior to the transaction taking place. The analysis only includes exit realisations that occurred during the period and discards the impact of any proceeds received outside of the six month period covered in the uplift analysis. The data in the sample represents 94% of proceeds from exit realisations and 54% of distributions received during the period.

Exit Realisations by Sector and Type

The portfolio benefited from strong realisation activity, particularly in the consumer, information technology, healthcare and industrial sectors.

Secondary buyouts and trade sales represented the most significant source of exit activity during the eleven month period.



Sector	
Consumer	30%
Information Technology	24%
Healthcare	22%
Industrials	10%
Financials	5%
Materials	3%
Others[3]	6%

Type	
Secondary Buyout	43%
Trade Sale	43%
IPO and Secondary Share Sale	11%
Refinancing and Recapitalisation	3%

[3] The Others category includes exit realisations from Telecommunications (2%), Energy (2%), Utilities (1%), and Real Estate (1%).

Distribution Case Studies

Zabka Polska

Location	Central and Eastern Europe
Sector	Consumer
Sub-Sector	Retail FMCG Distribution
Stage	Medium buyout
PIP Distribution/GP return	£2.8m

Company Summary

Zabka Polska is one of the leading convenience store retailers in Poland, operating under two banners: Zabka and Freshmarket. The company was established in 1998 and, upon Mid Europa's acquisition in 2011, Zabka Polska had approximately 2,400 stores across the country.

Manager Investment & Thesis

- **Add-on potential:** Strong organic and consolidation growth opportunities available in the Polish retail sector.
- **Strong management team:** Zabka Polska's management team had exhibited a track record of delivering strong financial performance whilst managing rapid expansion.

Pantheon Investment & Thesis

PIP invested as part of a primary investment in Mid Europa Fund III. Key merits of the commitment were:

- **Geographic advantages:** CEE benefiting from strong economic growth, convergence of valuation parameters with Western Europe and debt capital availability.
- **Sponsor's track record:** The manager, with an experienced and localised investment team, has generated strong returns in previous investments in this sector.

Value Creation

- **Market leader advantage:** The company successfully capitalised on the expansion opportunity in the market, with a network of c.4,500 stores following growth of 500 stores per annum.
- **Commercial strategy:** Launched a customer-centric commercial strategy aimed at satisfying changing customer needs.
- **Market dominance:** Undisputed leader in the convenience store segment, and one of the largest food retailers in Poland.

Exit

- CVC Capital Partners acquired Zabka Polska from Mid Europa Partners.
- PIP received proceeds of £2.8m from the exit.

Vitruvian Exploration

Location	North America
Sector	Energy
Sub-Sector	Exploration and Production
Stage	Special Situations
PIP Distribution/GP return	£2.1m

Company Summary

Vitruvian Exploration is a private, independent oil and gas company focused on the exploration and development of onshore North American unconventional oil and gas resource plays.

Manager Investment & Thesis

- **Management team:** The experienced and successful management team have a strong track record in the exploration and production industry, and the majority has over a decade of experience working together as a team.
- **Highly attractive well economics:** Compelling well economics provide the potential to generate higher margins and create strong strategic interest upon exit.
- **Desirable resource mix:** Asset mix is beneficial in current pricing environment and provides flexibility for long-term production.

Pantheon Investment & Thesis

PIP invested as part of a co-investment alongside Quantum Energy Partners. Key merits of the commitment were:

- **Sector-focused sponsor:** Quantum Energy Partners has been active in upstream energy opportunities, historically completing the majority of its investments within this segment.
- **Upside returns:** Opportunity to generate strong upside returns through efficiencies..

Value Creation

- **Operational efficiency improvements:** Simultaneous reduction in well costs alongside increasing initial production rates. Enhanced drilling results through improved drilling techniques and refined processes.
- **Add-on acquisitions:** Pursuit of contiguous acreage positions through the holding period to expand sizing.
- **Cost improvements:** Reduction in well drilling costs to maintain compelling economics throughout the down-cycle.

Exit

- Gulfport Energy Corporation acquired Vitruvian Exploration from Quantum Energy Partners.
- The investment generated a gross return of **2.3x** MOIC for PIP.
- PIP received proceeds of £2.1m from the exit.

Distribution Case Studies

(CONTINUED)

Ministry Brands

Location	North America
Sector	Information Technology
Sub-Sector	Internet Software and Services
Stage	Medium buyout
PIP Distribution/GP return	£9.3m

Company Summary

Ministry Brands provides an end-to-end technology and services solution for membership-based organisations, including churches and schools, and serves over 55,000 customers. The company's suite of solutions includes church management, donation and payment processing, background checks, messaging, mobile apps, and website development software.

Manager Investment & Thesis

- **Attractive revenue model:** Comprising mostly recurring revenues, a diversified customer base and predictable revenue streams.
- **Platform opportunity:** Potential to build a platform of scale in an attractive niche sector that had still not been fully disrupted by technology.
- **Appealing exit potential:** Could be an attractive acquisition candidate for a broad universe of strategic buyers.

Pantheon Investment & Thesis

PIP re-invested in Ministry Brands after generating strong returns from its initial investment in the company.

- **Sponsor platform:** Expertise and size of manager provided economies of scale, substantial reduction in operational costs and best practice approach.
- **Rollover investment:** PIP continues to believe in the upside potential of Ministry Brands and has re-invested a portion of the proceeds from its initial investment back into the company.

Value Creation

- **Organic growth:** The company doubled the size of its customer base to +50,000 organisations.
- **Sector expansion:** Executed vertical expansion into the education sector.
- **M&A strategy:** Exhibited a strong track record of executing accretive acquisitions.

Exit

- A confidential investor acquired Ministry Brands from Providence Equity.
- The rollover investment generated a gross return of **3.0x** MOIC and **188%** IRR for PIP. Ministry Brands has generated an overall return of **10.5x** for PIP to date.
- PIP received proceeds of £9.3m from this exit.

Largest 50 Distributions During the eleven months to 31 May 2017

COMPANY	SECTOR	DESCRIPTION	FUND DISTRIBUTIONS £M
Alarm.Com	Information Technology	Security platform solutions provider for connected homes	11.0
Ministry Brands	Information Technology	Provider of cloud software for faith-based organisations	9.3
USI	Financials	Insurance services provider	6.0
Bracket Global	Healthcare	Provider of clinical research and technology solutions	5.8
Vention Medical	Healthcare	Manufacturer of medical devices and components	5.0
Jimmy John's	Consumer	Chain of restaurants offering gourmet sandwiches	4.9
Convatec Group	Healthcare	Manufacturer of medical products and technologies	4.6
K-MAC	Consumer	Operates Taco Bell stores and KFC restaurants	4.2
WMF Group	Consumer	Tableware and kitchen products manufacturer	3.9
Ansira	Consumer	Data-driven technology-enabled marketing solutions provider	3.7
CPI Card	Information Technology	Design, personalisation and fulfilment of payment cards	3.6
CoverMyMeds	Healthcare	Provider of electronic authorisation solutions for hospitals and pharmacies	3.4
CCC Information	Information Technology	Provider of software workflow tools for the automotive repair and insurance industries	3.3
AppDynamics	Information Technology	Developer of application performance monitoring solutions	3.1
Centric Group	Consumer	Supplier of products and services to the hospitality and correctional sectors	3.1
SoftBrands	Information Technology	Enterprise software developer for the manufacturing and hospitality sectors	3.0
Profi Rom Food	Consumer	Leading convenience store chain in Romania	3.0
Zabka Polska	Consumer	Chain of supermarkets in Poland	2.8
Targa Resources	Energy	Midstream natural gas and natural gas liquid (NGL) services provider	2.8
Groupe SMCP	Consumer	Fashion retailer	2.7
Guzmán Gastronomia	Consumer	Distributor of fruit and vegetables	2.6
Blue Star	Information Technology	Developer of youth sports software	2.6
Fort Dearborn	Industrials	Manufacturer of decorative labels	2.5
InSite Wireless	Telecoms	Provider of communications facilities for the wireless industry	2.5
Phillips Medisize	Healthcare	Global medical device and clinical solutions company	2.4
MINDBODY	Information Technology	Online business management software provider	2.4
Independent Vetcare	Consumer	Veterinary care services provider	2.3
Dino Polska	Consumer	Chain of supermarkets in Poland	2.3
P&I Personal	Information Technology	European provider of software solutions for human resources management	2.3
Press Ganey	Healthcare	Provider of performance improvement solutions for the medical profession	2.3
CSRA	Information Technology	Provider of technology and strategic consulting services to the US government	2.2
Sensus Metering Systems	Industrials	Provider of data collection and metering solutions for utilities worldwide	2.2
Vitruvian Exploration	Energy	Onshore oil and gas resource play in North America	2.1
PointPark Properties	Financials	Property development and management company	2.1
Fläkt Woods	Industrials	Distributor of air technology-based solutions for buildings	2.0
LMS Intellibound	Industrials	Provider of third party logistics services to distribution centres in the US	2.0
Adapt	Information Technology	Engineering services company	1.9
Konrad Hornschuch	Materials	Manufacturer of functional films, foam films, and artificial leather	1.9
The Sun Products Corporation	Consumer	Cleaning and household product manufacturer	1.9
Pharmaceutical Product Development	Healthcare	Provider of drug development, laboratory, and lifecycle management services	1.8
Chobani	Consumer	Producer of Greek yogurt	1.8
Language Line	Industrials	Provider of language interpretation and document translation services	1.7
Alpha Medical	Healthcare	Provider of clinical testing services	1.7
GH Electrotermia	Industrials	Manufacturer of industrial induction heating solutions	1.7
Clayton Williams	Energy	Energy company with principal properties in the Permian basin	1.6
EmployBridge	Industrials	Provider of staffing services	1.6
Inghams Enterprises	Consumer	Producer of poultry products	1.5
Dedalus	Healthcare	Healthcare service provider in Italy	1.5
Hilton Worldwide	Consumer	Global hospitality company	1.5
Red Lobster	Consumer	Seafood restaurants chain	1.5
TOTAL			**149.6**
COVERAGE OF TOTAL DISTRIBUTIONS			**51%**

Calls in the eleven months to 31 May 2017

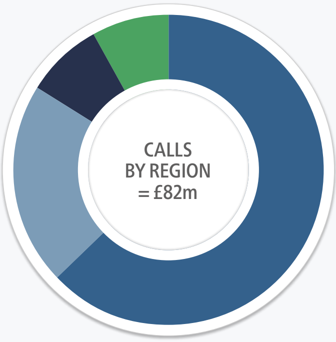
Calls on existing investments made during the eleven month period ranged across regions and sectors, including enterprise software, cloud-based data hosting, education, speciality pharmaceuticals, and energy investment companies.

Calls

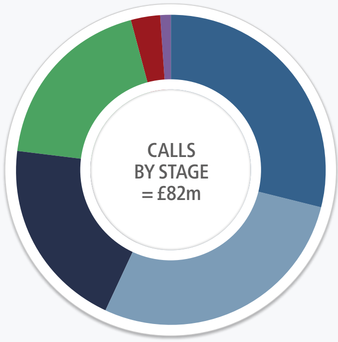
Calls by Region and Stage

PIP paid £82m to finance calls on undrawn commitments during the eleven months to 31 May 2017.

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



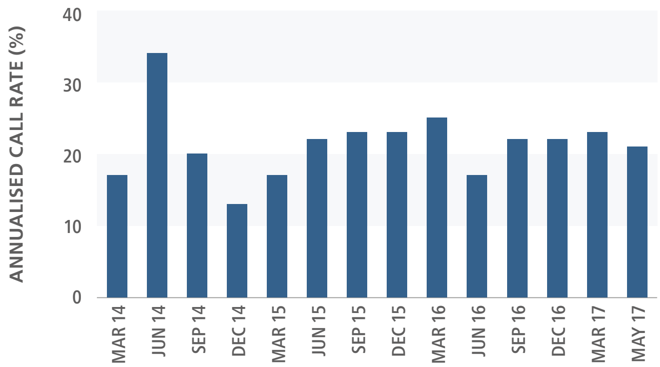
- USA 63%
- Europe 21%
- Asia & EM 8%
- Global 8%



- Small/Mid Buyout 29%
- Large/Mega Buyout 28%
- Special Situations 20%
- Growth 19%
- Venture 3%
- Generalist 1%

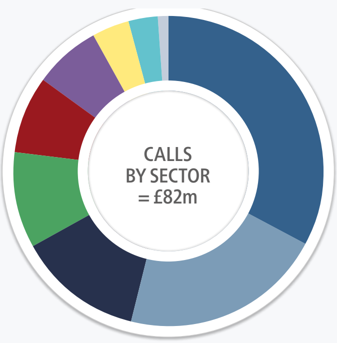
Quarterly Call Rate[1]

Quarterly call rates for the eleven month period were relatively stable at slightly above 20% on an annualised basis.



Calls by Sector

Largest proportion of calls were for new investments made in the information technology and consumer sectors.



- Information Technology 33%
- Consumer 21%
- Energy 13%
- Industrials 10%
- Healthcare 8%
- Financials 7%
- Telecommunication Services 4%
- Materials 3%
- Real Estate 1%

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

Investment Activity

New Commitments

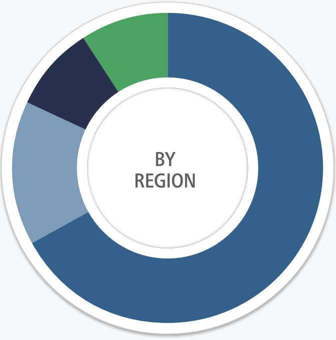
PIP committed £291m to new investments during the eleven month period, mostly to buyout and special situations funds. £151m was drawn at the time of purchase.

New Commitments by Region

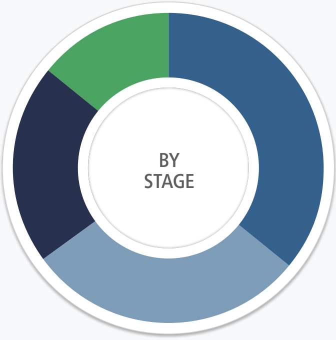
The majority of commitments made in the eleven month period were to US-focused private equity funds, reflecting greater investment opportunities in the region.

New Commitments by Stage

A majority of new investments made in the eleven month period were to buyout funds.



- USA 67%
- Europe 15%
- Asia and EM 9%
- Global 9%



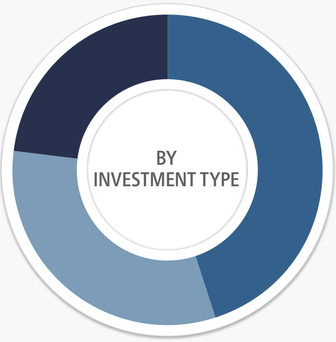
- Large/Mega Buyout 36%
- Small/Mid Buyout 29%
- Special Situations 21%
- Growth 14%

New Commitments by Investment Type

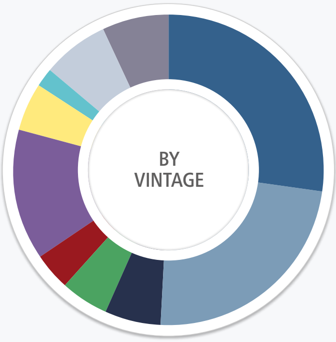
Though the largest proportion of commitments was to secondaries, investment activity during the period reflects the continued attractive nature of co-investments and primaries.

New Commitments by Vintage

Primaries and co-investments, which accounted for over half total commitments in the eleven months to 31 May 2017, offer exposure to more recent vintages.



- Secondary 45%
- Primary 32%
- Co-Investment 23%



- 2017 28%
- 2016 24%
- 2015 6%
- 2014 5%
- 2013 4%
- 2012 13%
- 2011 5%
- 2010 1%
- 2009 7%
- 2008 and earlier 7%

PIP committed £129m to six secondary transactions during the eleven months to 31 May 2017. In addition, PIP committed £94m to 12 primaries and £67m to 20 co-investments, which added current vintage exposure with high quality managers.

Secondary Commitments made in the eleven months to 31 May 2017[1]

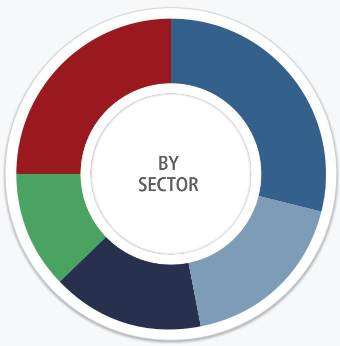
REGION	STAGE	DESCRIPTION	COMMITMENTS £M	% FUNDED[2]
Multiple	Multiple	Portfolio of North American small buyout funds	43.3	72%
USA	Large/Mega	North American large buyout fund focused on the retail, healthcare and oil industries	40.3	72%
Europe	Large/Mega	Global buyout fund focused on the financial services sector	6.8	100%
USA	Special Situations	Portfolio of North American energy-focused funds	14.0	94%
Europe	Large/Mega	Global buyout fund focused on the financial services sector	19.7	83%
Asia & EM	Large/Mega	Asian life insurance business	5.3	100%
TOTAL			**129.4**	**79%**

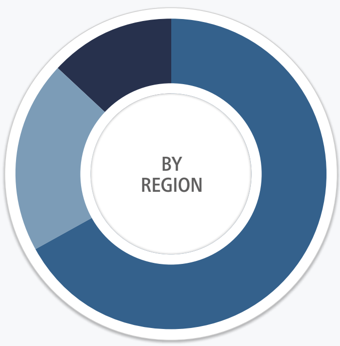
Primary Commitments in the eleven months to 31 May 2017

INVESTMENT	STAGE	DESCRIPTION	COMMITMENTS £M
Energy Minerals Group Fund IV	Special Situations	North American energy-focused fund	13.2
Veritas Capital Fund VI	Buyout	North American large buyout fund	12.0
IK VIII	Buyout	European mid market buyout fund	11.0
ABRY Senior Equity V	Special Situations	North American mezzanine fund focused on the media and communications sector	9.9
Oak HC/FT II	Growth	North American growth fund targeting investments in healthcare and financial technology	9.8
CVC Capital Partners VII	Buyout	European large buyout fund	9.6
Quantum Energy Partners VII	Special Situations	North American energy-focused fund	9.5
LYFE Capital Fund II	Growth	Growth fund focused on the healthcare sector in China	7.9
Arbor Investments IV	Buyout	North American mid market buyout fund focused on the food, beverage and packing industries	7.2
KKR Americas Fund XII	Buyout	North American mid market buyout	1.5
Riverstone Global Energy and Power Fund VI	Special Situations	North American energy fund	1.2
Clayton Dubilier & Rice X	Buyout	Global large buyout fund	1.0
TOTAL			**93.8**

Co-investments in the eleven months to 31 May 2017

The majority of co-investments were made to companies operating in the US and Europe across a variety of sectors.





Consumer	29%
Energy	18%
Healthcare	16%
Information Technology	12%
Other	25%

USA	67%
Europe	20%
Asia & EM	13%

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

[2] *The funding level does not include deferred payments.*

New Commitment Case Studies Secondary (Funds)

PIP's focus on secondary investments allows the Company to access funds at a stage when the assets are generating cash distributions. Competition for secondary deals has remained strong during the past eleven months, however PIP continues to see interesting opportunities derived from Pantheon's network and access to high quality private equity managers globally.

Secondary Fund Case Study

Location	Europe
Sector	Financials
Stage	Mid market buyout
Vintage	2017
PIP Commitment	$25.6m (£19.7m)

Transaction Overview

Transaction completed in April 2017.

- Secondary investment into a financials sector-focused medium buyout fund with 10 active assets, alongside a primary staple in a subsequent fund.
- Existing relationship with manager from a previous deal, combined with Pantheon's ability to navigate required transaction structuring, made Pantheon an attractive buyer from the seller's perspective, and resulted in Pantheon obtaining exclusivity in the process.

Pantheon Investment Thesis

- **Growth prospects:** Attractive portfolio of financial sector companies that are well-placed to benefit from a rising interest rate environment, the prospect of a decrease in regulatory burden, and a positive economic outlook. Several less-mature investments held at cost with material potential upside.
- **Early liquidity:** Several mature assets within the fund identified for exit within 12 months of PIP's investment. Partial sale of largest investment achieved at an over 50% uplift to the reference NAV.
- **Attractive pricing:** Portfolio was secured at an attractive double-digit effective discount, after accounting for public share price performance and private valuation movements post the reference NAV.

Secondary Fund Case Study

Location	North America
Sector	Generalist
Stage	Large buyout
Vintage	2017
PIP Commitment	$46.5 m (£40.3m)

Transaction Overview

Transaction completed in April 2017.

- Single-fund secondary investment into a large buyout portfolio with 14 active assets, primarily in the retail, healthcare services, and oil industries.
- Underlying companies located predominantly in North America, however there is some European exposure within the fund.

Pantheon Investment Thesis

- **High-quality portfolio:** An opportunity to invest in a targeted fund with attractive underlying assets within the manager's area of focus.
- **GP quality:** Manager is backed by Pantheon on a primary basis and has strong expertise of investing across the capital structure.
- **Turnaround focus:** Differentiated opportunity with companies undergoing reorganisation, resulting in potential upside.

New Commitment Case Studies Primary (Funds)

Investing in primary funds allows PIP to gain exposure to complementary niche investments as well as to smaller funds that might not typically be traded on the secondary market. By adding newer vintages, PIP is also able to manage the maturity profile of its portfolio.

Chequers Capital[1]

Location	Europe
Sector	Generalist
Stage	Mid market buyout
Vintage	2017
PIP Commitment	€11.0 m (£9.7m)

GP Summary

Chequers Capital was founded in 1972 as a generalist mid-market private equity firm, and is one of the longest established private equity firms in France. Since inception, the firm has invested in over 300 transactions around Europe, and has offices in Paris and Munich.

GP Strategy

Chequers Capital focuses on buyouts with an enterprise value of between €50m to €500m in all sectors of industry, distribution and services across Europe. The firm exhibits flexibility with potential investments, including its approach to minority or majority deals and willingness to undertake growth capital deals.

Fund Strategy

Chequers XVII will target between 12 to 14 sector-agnostic investments in an attractive segment of the French, German and Italian mid-market, or opportunistically in Switzerland and Belgium.

The Energy & Minerals Group

Location	North America
Sector	Energy
Stage	Special Situations
Vintage	2015
PIP Commitment	$16.2 m (£13.2m)

Manager Summary

The Energy & Minerals Group ("EMG") is a US-based firm that targets companies with hard assets in the energy and minerals sectors. EMG was originally established in 2006 and has regulatory assets under management of $16.0bn.

Manager Strategy

The Energy & Minerals Group focuses primarily on midstream energy, minerals & mining and upstream businesses in North America, the United Kingdom and Australia. The core strategy is to buy platform businesses that have the potential to grow through add-ons. In addition, the manager may pursue greenfield transactions or management team line-of-equity commitments.

Fund Strategy

EMG IV will focus predominantly on midstream energy assets located in North America and metals & mining assets with a broader global footprint. The fund will target equity investments of $150m to $1,000m, in which the conservative use of leverage and focus on high quality asset bases will provide sustainable value creation in a cyclical environment.

[1] *Transaction completed shortly after 31 May 2017.*

New Commitment Case Studies Co-investments (Directs)

During the eleven month period, PIP committed £67m to 20 co-investments. PIP co-invests alongside selected managers and targets companies with defensible business models and leading market positions.

Apollo Education

Location	North America
Sector	Consumer Discretionary
Stage	Special Situations
Vintage	2017
GP Co-investor	The Vistria Group
PIP Commitment	$8.0 m (£6.4m)

Company Summary

Apollo Education is one of the world's largest for-profit post-secondary education providers, connecting educators and employers around the world in order to prepare companies and their workforce for the realities of a dynamic and fast-paced work environment. Apollo Education operates through two divisions: The University of Phoenix and Apollo Global. Apollo Global includes the UK-based BPP Law school franchise.

GP Investment & Thesis

- Growing and well-positioned global business supported by strong offering and positive demographic trends.
- Opportunity to reposition the US business.
- Strong sponsor knowledge and track record in the industry.

Pantheon Investment & Thesis

- Strong relationships with both sponsor groups through previous fund investments and personal relationships.
- Attractive entry valuation given strategic plans to create a leading player in for-profit education.
- Sponsor is uniquely positioned to navigate the development of the company through the sector's regulatory environment.

KIMS

Location	India and Middle East
Sector	Healthcare
Stage	Small buyout
Vintage	2017
GP Co-investor	True North
PIP Commitment	$4.0 m (£3.2m)

Company Summary

KIMS is a leading hospital and medical centre chain operating in southern India and major Gulf Cooperation Council ("GCC") countries. KIMS has 1,675 beds across six hospitals in India and two hospitals in the GCC, along with medical centres and a nursing college.

GP Investment & Thesis

- KIMS is a large regional leader that has a well-known brand in Kerala state, with its flagship hospital being the number one player in its catchment by a significant margin.
- Increasing secular demand across economic cycles and significantly underpenetrated healthcare infrastructure within KIMS' geographic area of focus.
- Available land adjacent to flagship hospital will provide potential for expansion while taking advantage of economies of scale and operating efficiencies.

Pantheon Investment & Thesis

- True North has a strong track record of success through several prior healthcare investments, with similar geographical footprints.
- Existing relationship with the GP provided Pantheon with first access to the co-investment opportunity.

Co-investment Examples

£4.8m Co-Investment

NAVITAS MIDSTREAM PARTNERS
(Warburg Pincus)

- Midstream energy operator focused on emerging oil and gas basins in North America, providing services across multiple commodities, including processing and downstream transportation
- Management ability to leverage strong producer relationships to secure additional long-term contracts

£3.2m Co-Investment

PENN POWER GROUP
(LNC Partners)

- US-based authorised repair and maintenance services provider and parts distributor for global industrial original equipment manufacturers ("OEMs")
- High barriers to entry including long-standing customer relationships and contractual exclusivity
- Significant visibility on future growth through a strong pipeline and backlog
- Industry leading management team

£2.9m Commitment

PROFI ROM
(Mid Europa Partners)

- One of the fastest-growing supermarket and convenience store operators in Romania, and one of the fastest growing food retailers in Europe
- Attractive market dynamics to support further penetration of modern grocery retail
- Value growth expected through expansion of store network expansion and execution improvements

£2.7m Co-Investment

FAIR SQUARE FINANCIAL
(Pine Brook Partners)

- A US-based start-up credit card company with a highly experienced and well-regarded management team
- Strong demand for credit products in the near-prime segment, predominantly driven by major banks reducing their credit-related risk exposure as a result of regulatory and strategic issues

Outstanding Commitments

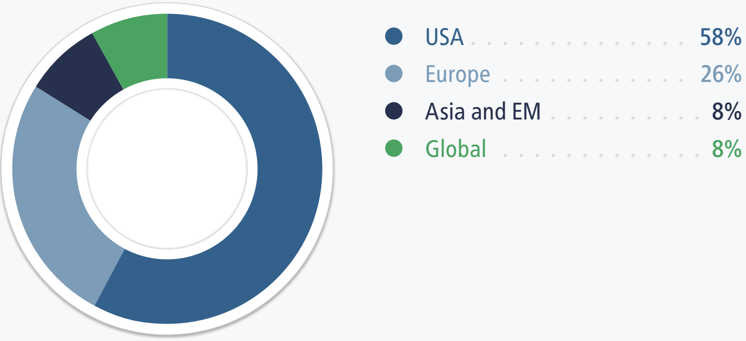
PIP's outstanding commitments[1] to fund investments are well-diversified by stage and geography and will enable the Company to participate in future investments with many of the highest quality fund managers in private equity worldwide. The Board and Manager keep the level of outstanding commitments under review so as not to exceed an amount that can be financed (comfortably) out of cash flows generated internally and for which the Company's liquid resources and unutilised bank facilities can provide sufficient cover in the event that distributions received from the portfolio slow down in adverse market conditions.

Analysis of Outstanding Commitments for eleven months to 31 May 2017

PIP's outstanding commitments to investments increased to £445m as at 31 May 2017 compared with £382m as at 30 June 2016. The Company paid calls of £82m and added £140m of outstanding commitments associated with new investments made in the eleven month period. Foreign exchange effects accounted for the remainder of the movement.

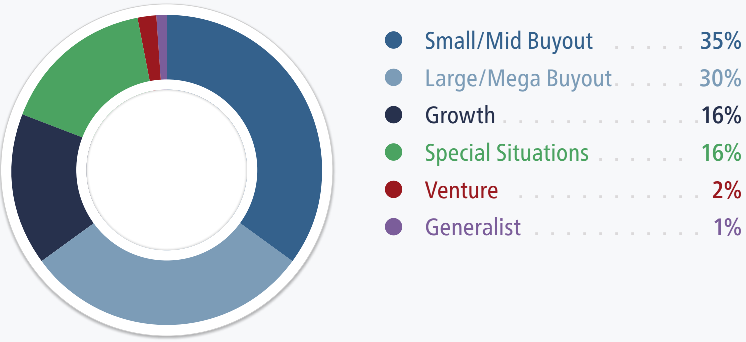
Geography

The US 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.



Stage

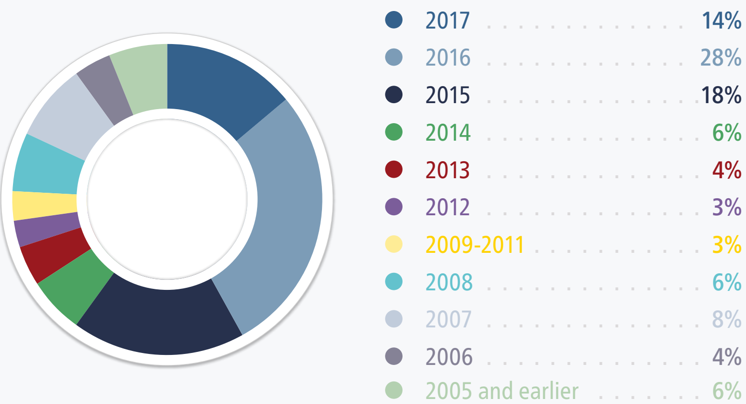
PIP's undrawn commitments are diversified across the major stages, with an emphasis on small and mid-market buyout managers.



Maturity

Approximately 26% of PIP's undrawn commitments are in the 2009 vintage or older where draw-downs may naturally occur at a slower pace. It is likely that a portion of these commitments will not be drawn.

The rise in 2016 and 2017 vintage undrawn commitments reflects PIP's recent primary commitment activity.



[1] *Capital committed to funds that to date remains undrawn.*

Finance and Share Buybacks

Finance

Cash and Available Bank Facility

At 31 May 2017, PIP had cash balances of £167.3m.

In addition to these cash balances, PIP can also finance investments out of its multi-currency revolving credit facility agreement ("Loan Facility"). An increase to the Loan Facility of £50m was agreed in October 2016. The Loan Facility is due to expire in November 2018 and comprises facilities of $138.8m and €66.6m which, using exchange rates at 31 May 2017, amount to a sterling equivalent of £165.5m. At 31 May 2017, the Loan Facility remained fully undrawn.

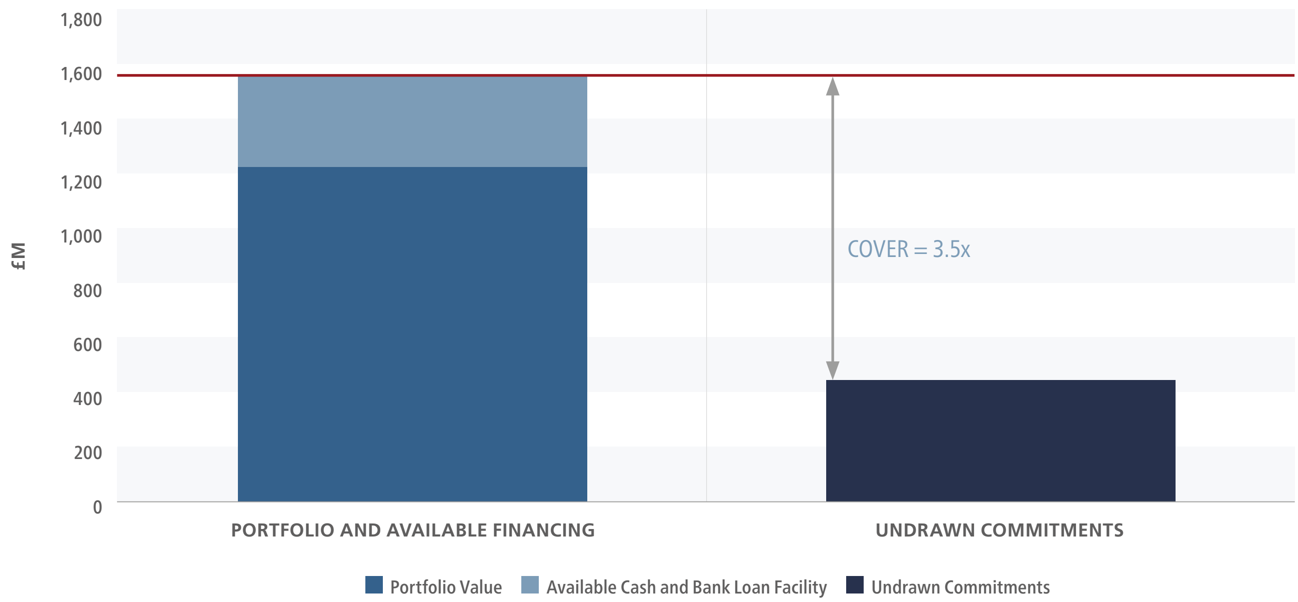
Undrawn Commitment Cover

At 31 May 2017, the Company had £332.8m of available financing, comprised of its cash balances and Loan Facility. The sum of PIP's available financing and private equity portfolio provide 3.5 times cover relative to undrawn commitments. When a fund is past its investment period, which is typically between five and six years, it generally cannot make any new investments and only draws capital to fund existing follow-on investments or to pay expenses. As a result, the rate of capital calls in these funds tends to slow dramatically. Over 25% of the Company's undrawn commitments are in fund vintages that are older than six years.

Share Buybacks

No share buybacks were completed in the eleven month period to 31 May 2017.

PIP Financing Cover: 31 May 2017



Portfolio Managers by Geography

The Company targets exposure to many of the best managers across the world. Our US investments focus primarily on large and mid-market buyout, and growth equity opportunities and includes many sector specialists. 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 the largest fund manager exposures (NAV plus outstanding commitments) only.

US

SMALL/MID BUYOUT

ABRY Partners	1.3%
Wasserstein & Co.	1.0%
KRG	0.9%
Parthenon Capital	0.8%
Brentwood Associates	0.6%
Golden Gate Capital	0.5%
HIG Capital	0.5%
Lovell Minnick Equity Advisors	0.5%
The Vistria Group	0.5%
Arbor Investments	0.5%
Stella Point Partners	0.4%
Calera Capital	0.3%
Wellspring Capital Partners	0.3%
Msouth Equity Partners	0.3%

LARGE/MEGA BUYOUT

Providence Equity Partners	5.1%
Texas Pacific Group	3.3%
Ares Management	2.9%
J.C. Flowers & Co	1.9%
Apollo Advisors	1.2%
Veritas Capital	1.1%
Carlyle Group	0.8%
Hellman & Friedman	0.8%
Francisco Partners	0.7%
Bain Capital	0.5%
Blackstone Group	0.4%
Sun Capital Partners	0.4%
Welsh, Carson, Anderson & Stowe	0.3%

SPECIAL SITUATIONS

Energy Minerals Group	2.4%
Quantum Energy Partners	2.3%
Yorktown Partners	1.4%
MatlinPatterson	1.0%
Kayne Anderson	0.8%
1901 Partners	0.4%
Riverstone	0.4%
Stone Point Capital	0.3%

VENTURE AND GROWTH

Essex Woodlands	2.3%
The Banc Funds Company	1.4%
Shamrock Capital Advisors	1.4%
ABS Capital Partners	1.3%
Lee Equity Partners	1.0%
Growth Fund[1]	0.8%
Oak HC/FT Associates	0.6%
Growth Fund[1]	0.5%
Polaris Venture Partners	0.4%
Technology Crossover	0.4%
GGV Capital	0.4%

The figures above show the manager exposures (NAV + outstanding commitments) in each category where the exposures are greater than £5m represented as a percentage of the Company's total exposure. The above figures show both primary and secondary exposures. The manager exposures shown on pages 52 and 53 represent 77% of the Company's total exposure.

[1] *Confidential.*

Europe

SMALL/MID BUYOUT

IK Investment Partners	1.5%
Apax Partners SA	1.4%
Altor Capital	1.2%
Mid-Europa Partners	1.0%
Bridgepoint Partners	0.8%
Searchlight Capital Partners	0.8%
Abris Capital	0.8%
Equistone Partners Europe	0.7%
Vision Capital	0.6%
ECI Partners LLP	0.6%
Herkules Capital	0.6%
Baring Vostok	0.6%
Clessidra Capital Partners	0.5%
Quilvest Associates S.A	0.5%
Litorina Capital	0.5%
Miura Private equity	0.3%

LARGE/MEGA BUYOUT

CVC Capital Partners Europe	1.3%
KKR	1.1%
Advent International	0.8%
Apax Partners & Co	0.7%
Nordic Capital	0.5%
Doughty Hanson & Co	0.4%

SPECIAL SITUATIONS

Hutton Collins & Company Limited	0.5%

VENTURE AND GROWTH

Venture Fund	0.9%
Gemini Capital	0.7%
Summit Partners	0.6%
Cipio Partners	0.4%
Wellington Partners	0.4%
Accel Partners	0.3%

Asia and Emerging Markets

SMALL/MID BUYOUT

EQT China	1.3%
IVF Advisors	0.8%
Champ Equity	0.6%

LARGE/MEGA BUYOUT

TPG Asia	0.7%
Linzor Capital Partners	0.3%

GROWTH AND VENTURE

Baring Private Equity Asia	2.6%
Warburg Pincus Capital	2.1%
LYFE Capital	0.5%

Figures above show the top three manager exposures (NAV + outstanding commitments) in each category shown, and in addition any managers with exposures greater than £5m in each category, as a percentage of the Company's total exposure. The above figures show both primary and secondary exposures.

The Largest 50 Managers by Value

Largest 50 Managers by Value as at 31 May 2017

NUMBER	MANAGER	REGION[2]	STAGE BIAS	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE[1]
1	Providence Equity Partners	USA	Buyout	6.0%
2	Texas Pacific Group	Global	Buyout	3.7%
3	Ares Management	USA	Buyout	3.1%
4	Baring Private Equity Asia	Asia	Venture and Growth	2.9%
5	Essex Woodlands	USA	Venture and Growth	2.4%
6	J.C. Flowers & Co	Global	Buyout	2.2%
7	Energy Minerals Group	USA	Special Situations	2.1%
8	Warburg Pincus Capital	Global	Generalist	2.1%
9	The Banc Funds Company	USA	Venture and Growth	1.7%
10	Quantum Energy Partners	USA	Special Situations	1.6%
11	EQT[3]	Asia	Buyout	1.4%
12	Growth Fund[4]	USA	Venture and Growth	1.3%
13	Yorktown Partners	USA	Special Situations	1.3%
14	MatlinPatterson Global Advisers	USA	Special Situations	1.2%
15	ABS Capital Partners	USA	Venture and Growth	1.2%
16	Shamrock Capital Advisors	USA	Buyout	1.2%
17	Apollo Advisors	USA	Buyout	1.2%
18	Apax Partners	Europe	Buyout	1.1%
19	Mid-Europa Partners	Europe	Buyout	1.1%
20	Wasserstein Management	USA	Buyout	1.1%
21	Kayne Anderson	Europe	Buyout	1.1%
22	Venture Fund[4]	Europe	Venture and Growth	1.1%
23	IVF Advisors	Asia	Buyout	1.1%
24	KKR	Global	Buyout	1.0%
25	IK Investment Partners	USA	Special Situations	1.0%
26	Abris Capital	USA	Venture and Growth	1.0%
27	Lee Equity Partners	USA	Venture and Growth	0.9%
28	Gemini Capital	Europe	Venture and Growth	0.9%
29	Bridgepoint Partners	Europe	Buyout	0.9%
30	Altor Capital	Europe	Buyout	0.9%
31	Francisco Partners Management	USA	Buyout	0.9%
32	CVC Capital Partners Europe	Global	Buyout	0.8%
33	Apax Partners & Co	Europe	Buyout	0.8%
34	Baring Vostok Capital Partners	Asia	Venture and Growth	0.8%
35	ABRY Partners	USA	Buyout	0.8%
36	Brentwood Associates Private Equity	USA	Buyout	0.7%
37	Growth Fund[4]	USA	Venture and Growth	0.7%
38	HIG Capital	USA	Buyout	0.7%
39	Corsair Capital	Asia	Buyout	0.7%
40	KRG Capital Partners	USA	Buyout	0.7%
41	The Vistria Group	USA	Buyout	0.7%
42	Carlyle Group	Global	Generalist	0.7%
43	Summit Partners	Global	Generalist	0.6%
44	Clessidra Capital Partners	Europe	Buyout	0.6%
45	Equistone Partners Europe	Europe	Buyout	0.6%
46	Golden Gate Capital	USA	Buyout	0.6%
47	Vision Capital	Europe	Buyout	0.6%
48	TPG Asia	Asia	Buyout	0.6%
49	Lovell Minnick Equity Advisors	USA	Buyout	0.6%
50	Nordic Capital	Europe	Buyout	0.6%
COVERAGE OF PIP's TOTAL PRIVATE EQUITY ASSET VALUE				**63.6%**

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

[2] *Refers to the regional exposure of funds.*

[3] *The majority of PIP's remaining investments in EQT is held in EQT Greater China II.*

[4] *Confidential.*

The Largest 50 Companies by Value

Largest 50 Companies by Value as at 31 May 2017[1]

NUMBER	COMPANY	COUNTRY	SECTOR	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	Western Gas Partners[2,3]	USA	Energy	1.2%
2	Biotoscana[2]	Colombia	Healthcare	1.0%
3	EUSA Pharma[2]	UK	Healthcare	0.9%
4	Abacus Data Systems[2]	USA	Information Technology	0.9%
5	LBX Pharmacy[3]	China	Consumer	0.9%
6	Atria Convergence Technologies[2]	India	Telecoms	0.8%
7	ALM Media[2]	USA	Consumer	0.8%
8	Centric Group[2]	USA	Consumer	0.8%
9	American Tire Distributors[2]	USA	Consumer	0.7%
10	Orangefield[2]	Netherlands	Industrials	0.7%
11	Apollo Education[2]	USA	Consumer	0.7%
12	ZeniMax Media	USA	Information Technology	0.7%
13	Extraction Oil & Gas[2,3]	USA	Energy	0.7%
14	Spotify	USA	Information Technology	0.6%
15	Tug Hill	USA	Energy	0.6%
16	Blackboard	USA	Information Technology	0.6%
17	StandardAero Business Aviation[2]	USA	Industrials	0.6%
18	Sivantos[2]	Singapore	Healthcare	0.6%
19	Applied Medical Resources[2]	USA	Healthcare	0.6%
20	GlobalTranz	USA	Industrials	0.6%
21	Vertical Bridge[2]	USA	Telecoms	0.6%
22	Salad Signature[2]	Belgium	Consumer	0.6%
23	Nord Anglia Education[2,3]	UK	Consumer	0.5%
24	CalAtlantic Group[3,4]	USA	Consumer	0.5%
25	Istituto Centrale delle Banche Popolari	Italy	Financials	0.5%
26	Recorded Books[2]	USA	Consumer	0.5%
27	Confidential	Mexico	Financials	0.4%
28	Alarm.Com[3,4]	USA	Information Technology	0.4%
29	IMS Health	USA	Healthcare	0.4%
30	Ista International[2]	Germany	Information Technology	0.4%
31	Alliant Insurance[2]	USA	Financials	0.4%
32	Verimatrix	USA	Information Technology	0.4%
33	Confidential[2]	USA	Information Technology	0.4%
34	Confidential	USA	Information Technology	0.4%
35	GE Capital Services India[2]	India	Financials	0.4%
36	ILX[2]	USA	Energy	0.4%
37	Neiman Marcus[2]	USA	Consumer	0.4%
38	LogicMonitor	USA	Information Technology	0.4%
39	Consilio[2]	USA	Information Technology	0.4%
40	RightPoint Consulting[2]	USA	Industrials	0.4%
41	Burning Glass	USA	Information Technology	0.4%
42	GTS	Brazil	Information Technology	0.4%
43	McGraw-Hill Education[2]	USA	Consumer	0.4%
44	CPL Industries	UK	Energy	0.3%
45	Clayton Williams Energy[4]	USA	Energy	0.3%
46	Flagstar Bancorp	USA	Financials	0.3%
47	Big River Industries	USA	Materials	0.3%
48	Profi Rom Food	Romania	Consumer	0.3%
49	Targa Resources[2,3]	USA	Energy	0.3%
50	Ministry Brands	USA	Information Technology	0.3%
COVERAGE OF PIP's NET ASSET VALUE				**27.1%**

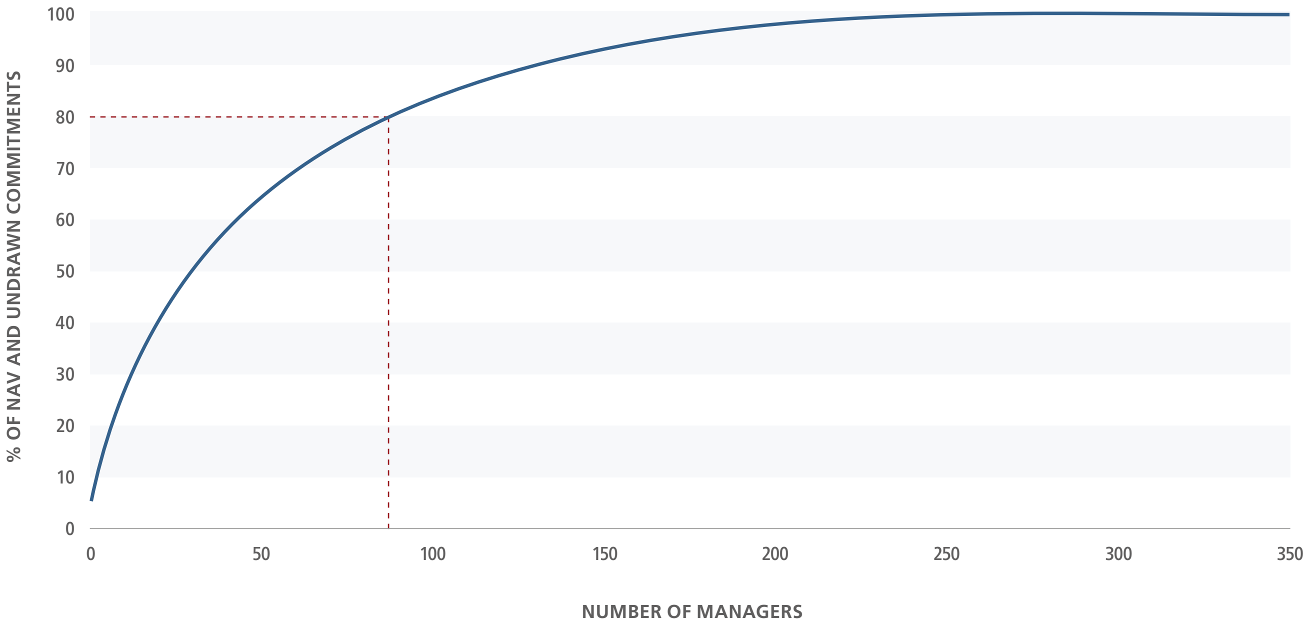
The information presented herein has not been prepared or reviewed by the respective general partners, partnerships, managers, or sponsors (as the case may be) of the respective transactions.

[1] *The largest 50 companies table is based upon underlying company valuations at 31 December 2016, adjusted for known calls, distributions, new investment commitments and post valuation information.* [2] *Co-investments / directs.* [3] *Listed companies.* [4] *Liquidation event post 31 May 2017.*

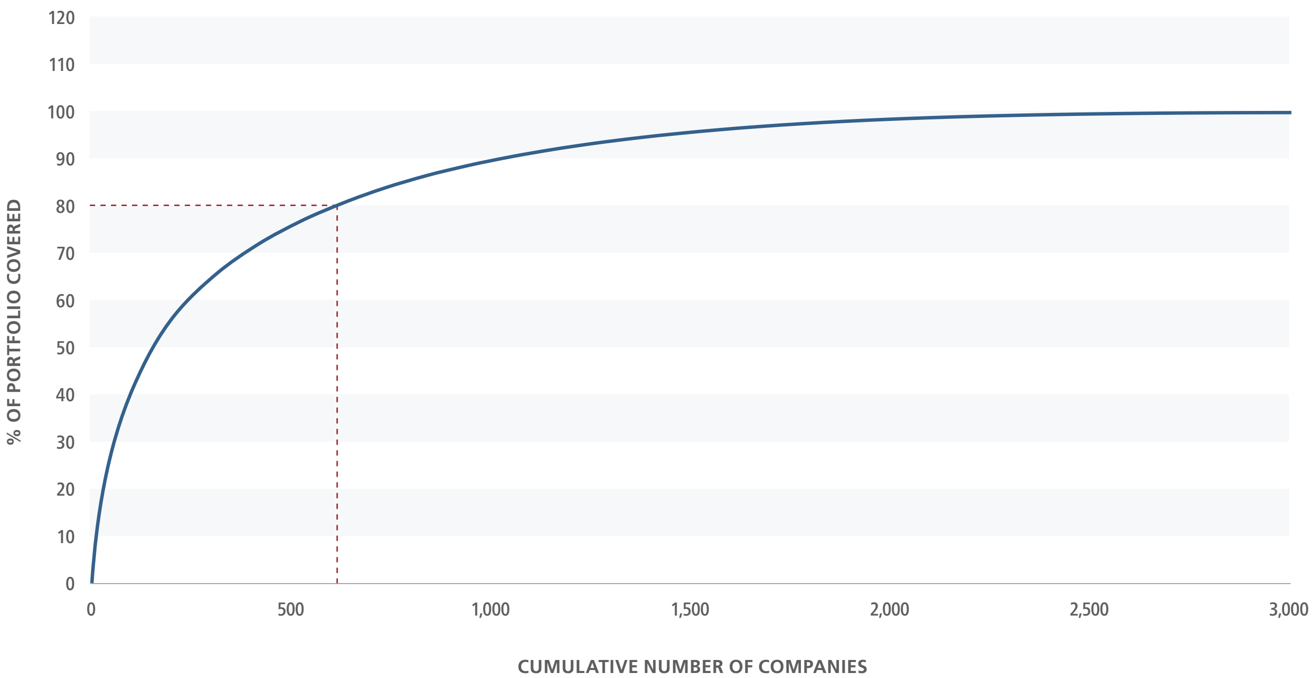
Portfolio Concentration as at 31 May 2017

PIP's portfolio is well diversified by manager and company, with approximately 90 managers and 600 companies accounting for 80% of the Company's exposure[1].

Portfolio Concentration by Manager



Portfolio Concentration by Company



[1] *Exposure is equivalent to the sum of the Company's NAV and Undrawn commitments.*

Responsible Investment and Key Senior Personnel

Responsible Investment

Pantheon believes that the effective management of Environmental, Social and Governance ("ESG") issues form a crucial part of investment risk management and that this can have a material impact on value creation in private equity. Pantheon is committed to sound ESG practices and an evaluation of how its managers are adhering to these standards is at the core of its investment due diligence and ongoing monitoring processes.

The acronym ESG covers a broad range of issues that may be encountered when making private equity investments. It is therefore of paramount importance that the potential risks are fully understood by both Pantheon's investment teams and the managers it is backing. In order to achieve this aim, Pantheon has implemented a clear and transparent ESG policy.

Principles for Responsible Investment ("PRI")

Pantheon is a signatory of the United Nations-supported PRI and uses the following six principles as a framework to develop its ESG policy across all of its investment activities:

Investment analysis/processes

Integral part of:

Due diligence process

Reporting/monitoring process

Risk matrix

Reporting

Encourage General Partners to report on ESG issues

Working together

Collaboration with clients, General Partners and trade bodies

Active ownership

Table ESG issues on advisory boards

Committed to following policy of active ownership

Disclosure

Importance of sound ESG practices highlighted during negotiation of Pantheon side-letter with General Partners

Work with trade bodies on disclosure issues

Promoting acceptance

Educate clients through conferences, seminars and briefing notes

Working with General Partners and Limited Partners

Pantheon carries out an annual review of the activities it has undertaken during each assessment year, measuring how it has performed in relation to the PRI principles. Pantheon reports on this to the PRI and, in 2016, Pantheon was awarded an A score in the "Strategy and Governance" module of the PRI's annual assessment and A+ scores in the "Private Equity" module.

Solid governance of Pantheon's ESG risk management procedures

Pantheon has an established ESG Committee, comprised of senior partners from its global investment teams, which is responsible for setting Pantheon's ESG strategy and policy as well as providing feedback to internal and external stakeholders on any ESG issues that may arise. In addition, there is a wider ESG Working Group formed of representatives of other business areas within Pantheon, including PIP, which ensures that all teams are represented and able to make a contribution to Pantheon's ESG initiatives.

Incorporating responsible practices into the investment process

Pantheon has incorporated ESG factors into the entire investment process, from the initial due diligence and assessment of the suitability of a fund/company for investment through to the ongoing monitoring of ESG issues once an investment has been made.

Pantheon's exclusions policy states areas in which investment is to be avoided – primarily but not exclusively products or activities deemed illegal under applicable laws; the supply or purchase of sanctioned products, goods or services; and the production or trade in weapons of mass destruction, inhuman weapons or technology – and there are several areas of investment in which Pantheon may invest but require additional due diligence in order to ensure alignment with the overall ESG policy and approach.

ESG risk management forms an important part of the operational risk assessment that is conducted as part of the due diligence process. Each manager is rated for:

- Its approach to ESG;
- How ESG is recognised and managed within the organisation;
- Whether it is a signatory to PRI or any other ESG-related standards;
- How the manager engages on ESG matters with the companies it invests in; and
- How it reports on ESG.

In addition, there is a focus on the potential for fraud, rogue activities and any other unethical behaviour. Pantheon's extensive network and cross-referencing capabilities ensure that it is able to make every effort to only invest on behalf of PIP in managers that are high quality.

When conducting due diligence on a potential secondary transaction, Pantheon has visibility of the underlying assets and can therefore form a view on the potential ESG risk profile of the investment. The management of potential ESG risks can be examined in detail as well as whether the appropriate protection or adherence to industry regulations are in place.

When assessing a co-investment opportunity, Pantheon evaluates the company's exposure to potential ESG risks, the manager's approach to mitigating those risks and how this was achieved with prior investments with similar characteristics.

The ESG due diligence findings are formally documented in investment recommendations and any potential concerns are flagged for consideration by the investment committees

Monitoring and addressing ESG-related matters

In early 2017, as part of Pantheon's commitment to sound ESG practices and accountability, a third party service, *RepRisk*, was fully integrated into Pantheon's pre- and post-investment monitoring processes. *RepRisk* is a business intelligence provider, which monitors and issues alerts on ESG-related matters, affecting the underlying companies in Pantheon's funds globally, and produces detailed reports on those issues. As a result, Pantheon's ESG due diligence processes have been strengthened and its post-investment monitoring has been significantly enhanced. Where there is a significant issue in an existing investment, Pantheon takes the opportunity to engage with the private equity manager(s) and explore how they are addressing the issue with the underlying portfolio company.

UK Modern Slavery Act

The UK Modern Slavery Act 2015 introduced a requirement for covered commercial organisations operating in the UK to report annually on the steps that they have taken during the preceding financial year to ensure that slavery and human trafficking are not taking place in their own business or in their supply chains. As an investment manager investing predominantly in private funds, Pantheon operates in a sector which is at relatively low risk of modern slavery occurring. Furthermore, the majority of the countries in which it has operations are ranked as low risk by the Global Slavery Index. Pantheon's ESG policy is already aligned with a zero tolerance approach to modern slavery and human trafficking.

Biographies of Key Senior Personnel

Andrew Lebus Partner

Joined 1994, 32 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 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.

Helen Steers Partner

Joined 2004, 28 years of private equity experience
Helen leads Pantheon's European primary investment activity and chairs the European Investment Committee. She is also a member of the International Investment Committee and the Co-investment Committee. Helen joined the Council of the British Venture Capital and Private Equity Association (BVCA) in 2016 and is the Chair of the BVCA for 2017 to 2018. She is also on the Board and Limited Partner Council of Invest Europe (formerly known as EVCA). 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.

Chris Meads Head of Investment

Joined 2001, 21 years of private equity experience
Chris is a member of Pantheon's Partnership Board and Head of Investment. Chris also leads Pantheon's Asian investment activity, chairs the Asia Regional Investment Committee and is a member of the International Investment Committee. Chris joined Pantheon from HSBC Hong Kong, where he was involved both 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, 20 years of private equity experience
Paul is Pantheon's Managing Partner and is a member of the Partnership Board. Paul joined Pantheon from Lehman Brothers Private Equity Group, where he was Investment Director. Previously, he worked for Lehman Brothers Investment Bank in 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.

Susan Long McAndrews Partner

Joined in 2002, 22 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. Susan is a member of the International Investment Committee, the U.S. Regional Investment Committee and the Global Infrastructure & Real Assets Committee. Prior to joining Pantheon, Susan 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, 23 years of private equity experience
Dennis is Chair of the Co-investment Committee and the Global Secondary Investment Committee, and is a member of the U.S. Regional Investment Committee and the International 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.

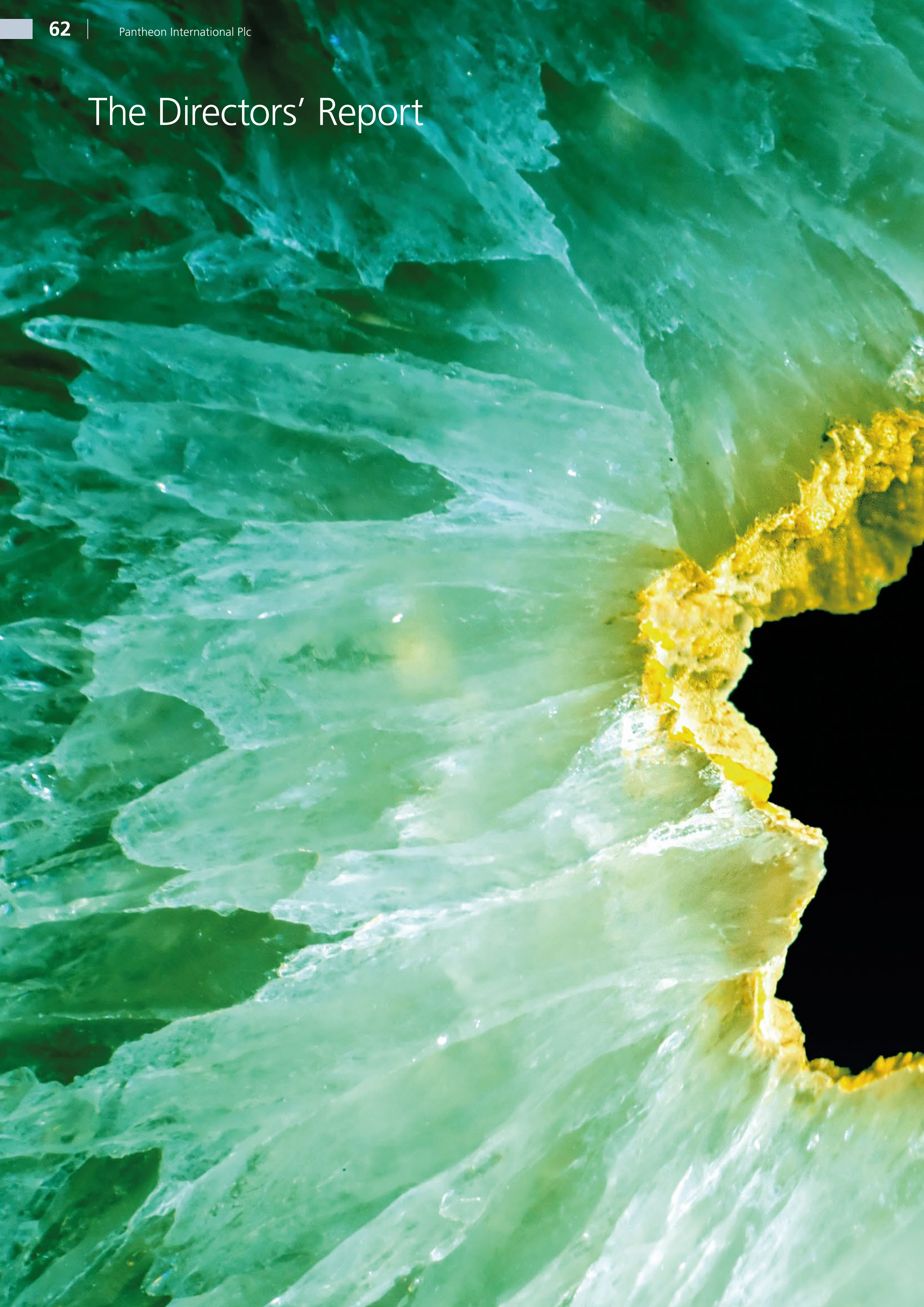
Elly Livingstone Partner

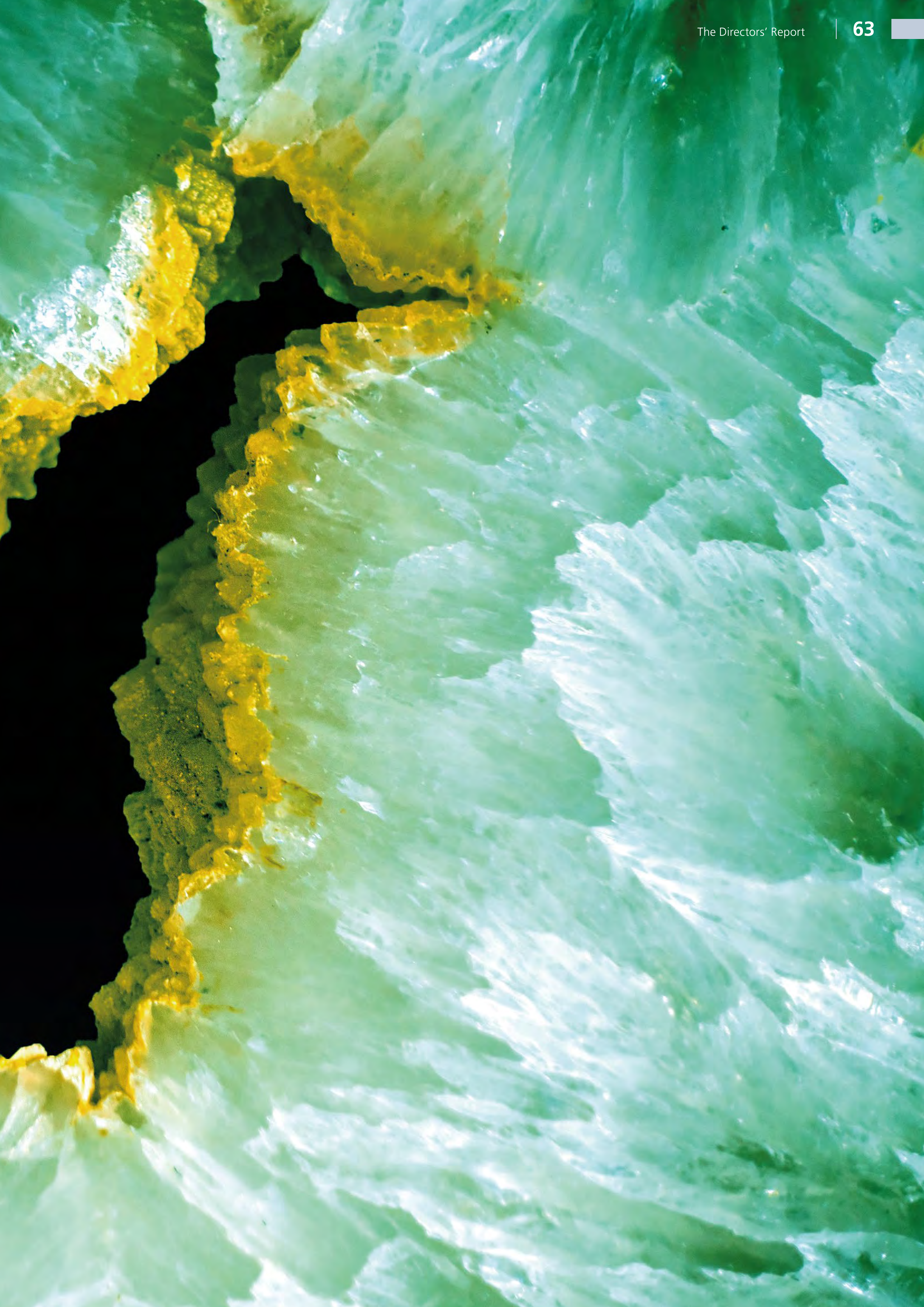
Joined 2001, 20 years of private equity experience
Elly is a member of the Global Secondary Investment Committee, the International Investment Committee and the Emerging Markets Investment Committee. Prior to joining Pantheon, Elly was an investment manager focused on the analysis, structuring and execution 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.

Tanu Chita Principal

Joined 2004, 13 years of private equity experience
Tanu is a senior member of Pantheon's European investment team and has responsibility for managing the investment activity for PIP. Tanu, who spent four years in Pantheon's San Francisco office, also has responsibility for the origination and execution of secondary investments. Tanu joined Pantheon from Deutsche Bank AG, where he worked in the investment banking division. Tanu is based in London.

The Directors' Report





The Directors

Sir Laurie Magnus Chairman

Born September 1955. Appointed to the Board on 22 November 2011. Appointed as Chairman on 23 November 2016

Sir Laurie Magnus has over 35 years of investment banking experience, primarily in corporate finance, initially at Samuel Montagu & Co Limited (subsequently HSBC Investment Bank) and then successively at Phoenix Securities, Donaldson Lufkin & Jenrette, Credit Suisse First Boston and Lexicon Partners (latterly as Chairman). He is currently a senior adviser at Evercore Partners, Chairman of JP Morgan Income & Capital Trust plc and a Non-Executive Director of both Fidelity Japanese Values plc and Aggregated Micropower Holdings plc. He is Chairman of both The Historic Buildings and Monuments Commission for England ("Historic England"), and Windsor Leadership Trust, and a trustee of the English Heritage Trust and All Churches Trust.

(a), (b) & (c)

Ian Barby Audit Committee Chairman

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

Mr Barby practised as a barrister before joining Warburg Investment Management Ltd as a Director and becoming a Vice Chairman of Mercury Asset Management plc. He was latterly a Managing Director of Merrill Lynch Investment Management with responsibility for its investment trust division. Ian is currently Non-Executive Chairman of both Invesco Perpetual UK Smaller Companies PLC and Schroders Income Growth Fund plc. He is also a Director of Ecofin Global Utilities and Infrastructure Trust plc.

(a), (b) & (c)

Susannah Nicklin Senior Independent Director

Born February 1969. Appointed to the Board on 22 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. Ms Nicklin is a Non-Executive Director of Amati VCT 2, and sits on the Investment Committee of Impact Ventures UK. Ms Nicklin is also a Non-Executive Director and the Chairman of the Nomination Committee of City of London Investment Group PLC. She is a CFA charterholder and member of STEP.

(a), (b) & (c)

Rhoddy Swire

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

Mr Swire is Pantheon's founder and has been a Director of Pantheon International Plc since its listing in 1987. In 1981 Mr Swire joined GT Management Ltd to oversee and manage unquoted investments and subsequently led the buyout from GT Management Ltd to form Pantheon. He was until 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 Chairman of Music Marketing Services Limited, the Hereford Cathedral Perpetual Trust and director of Lewmar Marine plc. He is a former Director of Ceravision Limited, The China Navigation Company Limited and Lindsell Train Investment Trust PLC.

David Melvin

Born July 1960. Appointed to the Board on 23 February 2015
Mr Melvin is an investment and financial services professional with almost 30 years' experience in investment banking and private equity. He is currently a Senior Adviser at Cenkos Securities plc, a UK-listed institutional stockbroking firm and a Senior Adviser of CITIC CLSA Securities, a CITIC Securities Company. Up to 2014, Mr Melvin was a Partner at TDR Capital, a European private equity firm, where he was a Member of the Investment Committee and Head of Investor Relations. Prior to that, he spent 24 years at Merrill Lynch, where he held a number of leadership positions, including Global Co-Head of Financial Sponsors and Chairman of EMEA Financial Sponsors and Leverage Finance. He is a qualified Chartered Accountant.

(a), (b) & (c)

John Burgess

Born June 1950. Appointed to the Board on 23 November 2016
Mr Burgess has over 20 years' experience within private equity, following 8 years with the Boston Consulting Group in Paris and London, where he became a Partner. Subsequently, he held senior roles with F&C Ventures Ltd and Candover Investments plc before co-founding BC Partners (formerly Baring Capital Investors Ltd) in 1986 where he was a Managing Partner until 2005. While at BC Partners, he held directorships of a variety of companies across the UK and Continental Europe. Since 2005, he has remained actively involved in private equity as well as increasing his investment interests in the public markets. Mr Burgess is a Governor of The Royal Academy of Music and was a Director of the Business Growth Fund Plc.

(a), (b) & (c)

John Singer

Born May 1951. Appointed to the Board on 23 November 2016
Mr Singer is an investment and financial services professional with over 30 years' experience in private equity. Mr Singer spent over 20 years with Advent International plc as co-founder, member of the Global Executive Committee and, until 2012, Chairman of European operations. He was Managing Director and founder of Granville Europe plc, one of the first pan-European private equity funds. In addition, he was Chairman of the European Venture Capital Association. Mr Singer is involved with several organisations within the arts and education sectors; he is a Trustee of The National Gallery, London and Honorary Fellow, and is on the Development Committee of Trinity College, Oxford.

(a), (b) & (c)

KEY:
(a) Member of the Audit Committee
(b) Member of the Management Engagement Committee
(c) Independent of the Manager

The Directors' Report

The Directors are pleased to present their report, together with the audited financial statements of the Company for the period ended 31 May 2017.

Directors

The Directors of PIP were in office during the whole of the period ended 31 May 2017, with the exception of Mr John Burgess and Mr John Singer, who were appointed with effect from the conclusion of the Company's Annual General Meeting ("AGM") on 23 November 2016. The names and full biographies of the Directors can be found on pages 64 and 65. As at 31 May 2017, the Board of Directors of the Company comprised six male Directors and one female Director.

Five Directors will retire and stand for re-appointment at PIP's AGM in November 2017. Further details regarding the retirement, selection and appointment of Directors, including the Company's position on diversity, can be found on page 72.

The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association and are discussed on page 74. There are no agreements between the Company and its Directors concerning any compensation for their loss of office.

The rights attaching to each of the Company's classes of shares 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. However, holders of redeemable shares are entitled to receive notice of general meetings of the Company and to attend those meetings. Redeemable shares also carry the right for redeemable shareholders to vote at separate redeemable share class meetings. 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 determine otherwise, 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 requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares are detailed on pages 70 and 71.

Share Capital

As at 31 May 2017 and as at the date of this Report, the Company had shares in issue as shown in the table below, all of which were admitted to the official list maintained by the FCA and admitted to trading on the London Stock Exchange. No shares were held in treasury at the period end.

During the period, there were no purchases of ordinary or redeemable shares made by the Company.

Share capital and voting rights at 31 May 2017	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	33,062,013	1	-	100
REDEEMABLE SHARES AT £0.01 EACH	30,297,534	-	-	-
TOTAL VOTING RIGHTS	**33,062,013**	-	-	-

Dividends

No final dividend is being recommended.

Investment Trust Status

The Company has received written approval from HM Revenue & Customs ("HMRC") as an authorised investment trust under Sections 1158/1159 of the Corporation Tax Act 2010. The Directors are of the opinion that the Company has conducted its affairs in compliance with such approval and intends to continue to do so.

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in Note 18 to the financial statements.

Change of Accounting Reference Date

On 18 April 2017, the Board of the Company approved, with immediate effect, a change in the Company's accounting reference date from 30 June to 31 May of each year. As a result, the financial statements for the period ended 31 May 2017 reflect an 11 month accounting period compared to a 12 month accounting period for the previous year ended 30 June 2016. The change in accounting reference date and quicker publication of results enables the Company to provide more up-to-date information on its underlying portfolio.

The Board does not foresee any material financial implications for the Company as a result of the change in accounting reference date, nor is there any other matter of significance that needs to be brought to the attention of the Company's shareholders in this regard.

Management

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

The Pantheon group is one of the world's foremost private equity fund-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 Ventures has been appointed as the sole and exclusive discretionary manager of all the assets of the Company and to provide certain additional services in connection with the management and administration of the Company's affairs, including monitoring the performance of, and giving instructions on behalf of the Company to, other service providers to the Company.

The Manager is entitled to a monthly management fee at an annual rate of (i) 1.5% on the value of the Company's investment assets up to £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 arrangements in respect of the management fee and notice period are materially unchanged.

The Directors' Report

(CONTINUED)

The Manager is entitled to a performance fee from the Company in respect of each 12 month calendar period. No performance fee is payable in respect of the period ended 31 May 2017 (Year ended 30 June 2016:£nil). Further detail as to how the performance fee is calculated is set out below. Further detail regarding the change to the Company's accounting reference date can be found above, within the Chairman's Statement on page 6, and within Note 1 of the Financial Statements on page 94.

The Company entered into a Supplemental Agreement with Pantheon Ventures on 18 April 2017 to align the Management Agreement with the recent change to the Company's accounting reference date to 31 May, taking account of the adjustment required to pro rata the calculation relating to the shortened 11 month financial period to 31 May 2017. The performance fee payable in respect of each 12 month calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high - water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 31 May 2017, the applicable performance fee hurdle is a NAV per share of 2,736.4p.

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

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

Related party transactions are disclosed in Note 19 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 at least 12 months from the approval of the financial statements. 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") and the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide") published in July 2016. The Board's compliance with the AIC Code is set out in the Statement on Corporate Governance.

The Company's Statement on Corporate Governance is set out on pages 72 to 78.

Substantial Shareholdings

As at 31 May 2017, the Company had received notification of the following disclosable interests in the voting rights of the Company:

SHAREHOLDERS	NUMBER OF SHARES HELD	% OF TOTAL VOTING RIGHTS
Investec Wealth & Investment Limited	1,738,187	5.26
Brewin Dolphin Limited	1,666,840	5.04
Rathbone Brothers Plc	1,659,558	5.02
Aberdeen Asset Managers Limited	1,646,715	4.98
Seven Investment Management Limited	1,441,193	4.36
East Riding of Yorkshire Council	1,300,000	3.93

No changes in substantial shareholdings have been notified to the Company between 31 May 2017 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 the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, (including those within PIP's underlying investment portfolio).

Requirements of the Listing Rules

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

Annual General Meeting

The Company's next AGM will be held at 10.30am on 22 November 2017 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 108 to 112.

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 period ended 31 May 2017; 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

The Directors' Report

(CONTINUED)

LLP; the authorisation of the Audit Committee 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.

Resolutions 1 to 11 and resolution 15 to be proposed at the AGM will be proposed as ordinary resolutions and resolutions 12 to 14 as special resolutions.

In accordance with the directors' remuneration reporting regime, which came into effect on 1 October 2013, shareholders 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. A binding ordinary resolution approving the Directors Remuneration Policy was approved by shareholders at the AGM held on 25 November 2014. As it is the third year since the Directors' Remuneration Policy was last approved by shareholders, an Ordinary Resolution will be proposed at the AGM to approve the Directors' Remuneration Policy. The shareholders will also be requested to vote on the receipt and approval of the Directors' Remuneration Report as set out on pages 81 to 83.

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 74.

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

The authorities given to the Directors at the AGM held on 23 November 2016 to allot shares and to grant rights to subscribe for, or convert securities into, 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 period under the existing authorities.

Resolution 11 set out in the notice of AGM, proposes an ordinary resolution, which 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 11, if passed, will permit the Company to allot up to £100,991.78 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 £7,383,849.57 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 £7,484,841.35 which the Directors will be authorised to allot by the passing of Resolution 11 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 12 set out in the notice of AGM, proposes a special resolution, which 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 11 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 12, 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 11 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 £30,297.53 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) of such shares; and (iii) the grant of subscription and conversion rights in relation to, and the allotment (including the sale from treasury) of, up to £2,215,154.87 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) of such shares.

The maximum amount in respect of which the statutory pre- emption rights are disapplied under Resolution 12 (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 11 and 12 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 4,955,995 ordinary shares and 4,541,600 redeemable shares. During the period, PIP has not bought back any ordinary or redeemable shares under this authority.

Resolution 13 set out in the notice of AGM, proposes 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 4,541,600 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 4,955,995 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, 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 13, 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 14 set out in the notice of AGM, proposes a special resolution, which 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.

Directors' Remuneration

Resolution 15 set out in the Notice of AGM, an ordinary resolution, will, if passed, authorise an increase in the maximum aggregate annual remuneration that can be paid to Directors, under article 79(1) of the Company's Articles of Association, from £300,000 to £350,000. Whilst the Company has no current intention to appoint any further Non-Executive Directors to the Board, this increase in aggregate annual remuneration will provide the Board with the flexibility to make further appointments to the Board as and when necessary. No increase in Directors' fees are proposed for the year ended 31 May 2018.

Recommendation

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.

The notice of AGM and full details of all resolutions can be found on pages 108 to 112.

Audit Information

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

On behalf of the Board
SIR LAURIE MAGNUS
Chairman
7 August 2017

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.

Statement of Compliance

The Board of PIP has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code"), by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide") published in July 2016. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code published in April 2016 ("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 period ended 31 May 2017.

The UK Code includes provisions relating to:

- the role of a chief executive;
- executive directors' remuneration: and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, 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.piplc.com.

Viability Statement

The Viability Statement can be found on page 15.

The Board of Directors

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

The Board seeks to ensure that it has the appropriate balance of skills, experience, ages and 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.

Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 64 and 65.

As announced by the Company on 8 November 2016, the Board was delighted to confirm the appointments of Mr John Burgess and Mr John Singer as Non-Executive Directors of the Company with effect from the close of the Company's AGM on 23 November 2016.

The Company engaged recruitment consultants, NuRole to assist in these appointments. NuRole presented several candidates for the Nomination Committee to consider recommending to the Board and a rigorous selection and interview process was undertaken.

NuRole has no other connection with the Company.

Mr Burgess and Mr Singer's biographical details are also set out on page 65. Both gentlemen have extensive private equity and financial services experience and the Board welcomes their expertise to the Board.

The appointment of a new Director is always made on the basis of a candidate's merits and the skills/ experience identified by the Board as being desirable to complement those of the existing Directors. The Company does not have a specific diversity policy, but the Board are satisfied that consideration is given to the diversity of the Board when making a new appointment.

A formal process exists for the selection of new Directors to the Company and the level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. A formal induction process has been established for new Directors which involves the provision of a full induction pack containing relevant information about the Company.

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

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

Board Operation

The Directors of the Company meet at regular Board meetings, normally seven times throughout the year, and additional meetings and telephone meetings are arranged as necessary. Seven scheduled meetings were held during the period to 31 May 2017. Directors' attendance at Board and Committee meetings during the period 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**
SIR LAURIE MAGNUS	7	**7**	3	**3**	1	**1**	2	**2**
I.C.S. BARBY	7	**7**	3	**3**	1	**1**	2	**2**
S.E. NICKLIN	7	**7**	3	**3**	1	**1**	2	**2**
R.M. SWIRE	7	**6**	n/a	**n/a**	1	**1**	2	**2**
D.L. MELVIN	7	**7**	3	**3**	1	**1**	2	**2**
J. B.H.C.A SINGER*	3	**3**	1	**1**	-	**-**	-	**-**
J. D. BURGESS*	3	**3**	1	**1**	-	**-**	-	**-**
T H BARTLAM**	3	**3**	1	**1**	-	**-**	-	**-**

* Appointed to the Board on 23 November 2016

** Resigned from the Board on 23 November 2016

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. The appraisal process is 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 Ms Susannah Nicklin (the Senior Independent Director). The Board can confirm that it has the appropriate balance of skills, experience, ages and length of service amongst its members.

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

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

Chairman and Senior Independent Director

Following Mr Tom Bartlam's resignation as a Director at at the 2016 AGM, the Board appointed Sir Laurie Magnus as Chairman of the Company. Sir Laurie Magnus is deemed by his fellow independent Board members to be independent. He considers himself to have sufficient time to commit to the Company's affairs.

Ms Susannah Nicklin was appointed Senior Independent Director of the Company at the conclusion of the Company's AGM on 23 November 2016.

Statement on Corporate Governance

(CONTINUED)

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.

Sir Laurie Magnus, Ms Nicklin, Mr Melvin, Mr Singer and Mr Burgess are considered to be independent in both character and judgement.

Mr Barby was first elected in 2005. The Board considers that the independence in character and judgement of Mr Barby is not compromised by his length of service but, on the contrary, is strengthened by continuity and experience and deem Mr Barby to be independent.

Mr Swire was until 12 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.

Accordingly, six of the seven 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 PIP'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 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. Accordingly, Mr Burgess and Mr Singer will retire at the 2017 AGM and, being eligible, will offer themselves for re-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. Sir Laurie Magnus shall retire by rotation at the 2017 AGM, and being eligible will offer 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, Mr Barby is 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 Sir Laurie Magnus and Messrs Barby, Burgess, Singer, and Swire are contained within the notice of AGM on page 108.

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 period.

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 additional investment restrictions (which may be amended by the Company from time to time with the consent of the Manager). The additional investment restrictions currently imposed on the Manager are as follows:

- at the time of making an investment, the aggregate of all amounts committed by the Company in respect of investments (excluding all amounts paid pursuant to such commitments and including any such commitments in respect of the investment to be made) shall not exceed 300% of the available cash and loan resources of the Company without the prior approval of the Board;

- no direct or indirect investment in a single company shall form more than 5% of the gross asset value of the Company at the time the investment is made;

- the amount invested (including amounts committed for investment) in respect of a single fund shall not exceed 10% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time the investment is made;

- the prior approval of the Board is required for an investment (including investment commitments) in respect of a single secondary interest in an existing fund or a portfolio of secondary interests in existing funds and/or direct investments in one or more companies exceeding 3% of the net asset value of the Company at the time the investment is made; and

- direct investment of 1% or more in respect of a single company requires the prior approval of the Board.

In applying the above restrictions, the Company looks to invest 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 process in place for authorising potential conflict of interest has operated effectively during the period.

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

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

The above process for authorising potential conflict of interest has operated effectively during the period.

Committees of the Board

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

Statement on Corporate Governance

(CONTINUED)

Audit Committee

The Audit Committee comprises the whole Board with the exception of Mr Swire. 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.

Sir Laurie Magnus has over 35 years of investment banking experience and it is considered appropriate for the Chairman of the Company to be a member of the Audit Committee as he provides a valuable contribution to the deliberations of the Committee.

Mr Melvin is also a qualified Chartered Accountant and contributes his knowledge and experience to the Audit Committee.

The Audit Committee met on three occasions during the period ended 31 May 2017. 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 79 and 80. 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 Sir Laurie Magnus. The Management Engagement Committee met on one occasion during the period under review.

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

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

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 a 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.

Nomination Committee

The Nomination Committee comprises the entire Board and is chaired by Sir Laurie Magnus.

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

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

The Nomination Committee met twice during the period ended 31 May 2017.

A key focus for the Nomination Committee during the period was the succession planning ahead of the retirement of the Company's former Chairman, Mr Bartlam and the recommendation for the appointment of Sir Laurie Magnus as Chairman of PIP with effect from the conclusion of the Company's AGM on 23 November 2016.

In addition, the Nomination Committee, with the assistance of recruitment consultants NuRole, was committed to focusing on the balance of skills, knowledge and experience on the Board and recommended to the Board the appointment of Mr John Burgess and Mr John Singer as Non-Executive Directors of the Company also with effect from the conclusion of the Company's AGM on 23 November 2016.

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 81 to 83.

Internal Control Review

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

An ongoing process, in accordance with the guidance provided by the FRC on Risk Management, Internal Control and Related Finance and Business Reporting has been established for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place throughout the period and up to the date the financial statements were approved. Full details of the principal risks and uncertainties faced by the Company can be found on pages 12 to 15.

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

Internal Control Assessment Process

Regular risk assessments and reviews of internal controls and the Company's risk appetite are undertaken by the Board in the context of the Company's overall investment objective. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing the Company. Full details are on pages 12 to 15. 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.

There were no significant matters of concern identified in the Board's review of the internal controls of its third party suppliers. Further details can be found on pages 79 and 80.

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. Custody of assets is also undertaken by BNP Paribas Securities Services as the Company's Custodian for equities and bonds;
- The provision of administration, accounting and company secretarial duties is the responsibility of Capita Sinclair Henderson Limited;
- The duties of investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement one another;

Statement on Corporate Governance

(CONTINUED)

- 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; and
- 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. This need is reviewed periodically.

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

Company Secretary

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

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

Dialogue with Shareholders

Communication with shareholders is given a high priority by the Board and the Manager, and all Directors are available to enter into dialogue with shareholders. 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 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 and Half-Yearly 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.piplc.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 114, who will arrange for the relevant Board member to contact them.

On behalf of the Board
SIR LAURIE MAGNUS
Chairman
7 August 2017

Audit Committee Report

I am pleased to present the Audit Committee Report for the period ended 31 May 2017.

The Audit Committee comprises myself, as Chairman, and the entire Board, with the exception of Mr Swire.

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 Melvin is a qualified Chartered Accountant and contributes his knowledge and experience to the Committee.

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

We meet at least three times a year, as detailed on page 73, to review the Half Year Report, to review the period-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 its reporting processes and to monitor adherence to best practice in corporate governance;
- to make recommendations to the Board in relation to the re-appointment of the Auditor and to approve the Auditor's remuneration and terms of engagement, including scope of work;
- to review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process; and
- to provide a forum through which the Company's Auditor reports to the Board.

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

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

Matters considered in the year

We met on three occasions during the period ended 31 May 2017. 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 period 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 were:

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

b) Undrawn commitments
As an investor in private equity, the Company had outstanding commitments to fund investments. Approximately 25% of these uncalled commitments relate to funds that are outside their investment periods and it is likely that a portion of these will not be drawn. During the period, 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 period-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.

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 are satisfied with the extent, frequency and quality of the reporting of the Manager's monitoring to enable the Audit Committee to assess the degree of control of the Company and the effect with which risk is managed

Audit Committee Report

(CONTINUED)

and mitigated. The Audit Committee has received reports on internal controls from each of its service providers. No incidences of significant control failings or weaknesses have been identified during the period ended 31 May 2017, within the Company or its third party suppliers.

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.

e) Change of accounting reference date

The Audit Committee reviewed and considered the merits of changing the Company's accounting reference date from 30 June to 31 May and made a formal recommendation to the Board, which was approved with immediate effect and announced on 18 April 2017.

As a result of this change, the period between the valuation date (31 March), upon which the analysis of the Company's fund reporting is based, and the publication of those results will be reduced. The quicker publication will enable the Company to provide more up to date information on its underlying portfolio to shareholders.

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 £43,000 (30 June 2016: £39,000). The Audit Committee continue to monitor the level of audit fees carefully.

Non-audit fees/Independence and Objectivity of the Auditor

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

Non-audit services amounting to £32,000 were provided during the period ended 31 May 2017 (30 June 2016: £21,000), relating to the review of the half year and period end net asset value calculations and the review of the Half-Year Report. The ratio of non-audit to audit fees is 75%. 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.

Effectiveness of External Audit Process

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

Continuing Appointment of the Auditor

Grant Thornton, 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 but will be undertaken by 2020. 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 is considered by the Audit Committee on a regular basis.

The Company is aware that, as a result of the EU Audit Directive and Regulation, companies where the auditor was appointed on or before 16 June 1994 cannot renew or enter into an audit engagement with the auditor that extends beyond 2020.

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 APB Ethical Standard 3; Mr Paul Flatley has been the Audit Partner for the Company since July 2016, (and including the period ended 31 May 2017). Rotating the Audit Partner provides a fresh perspective on the audit responsibilities for the Company.

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 AGM.

As a result of the work performed, the Audit Committee has concluded that the Annual Report for the period ended 31 May 2017, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board.

Ian Barby
Audit Committee Chairman
7 August 2017

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 85 to 89.

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the period ended 31 May 2017.

Companies are required to ask shareholders to approve the annual remuneration report, which includes 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 requires 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.

A resolution to approve the Remuneration Policy was proposed and approved by shareholders at the AGM of the Company held on 25 November 2014. As it is the third year since the Directors' Remuneration Policy was last approved by shareholders, an ordinary resolution to approve the Directors' Remuneration Policy will be proposed at the AGM to be held on 22 November 2017. No significant changes are proposed to the current Directors' Remuneration Policy and all of the provisions of the last approved remuneration policy are to continue to apply.

As explained on page 83, an ordinary resolution will be put to shareholders at the 2017 AGM to increase the maximum aggregate annual remuneration that can be paid to Directors under artcile 79(1) of PIP's Articles of Association from £300,000 to £350,000.

A resolution to approve the Remuneration Report will be proposed at the AGM of the Company to be held on 22 November 2017.

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 period ended 31 May 2017, the fees were set at the rate of £50,417 for the Chairman (year to 30 June 2016: £55,000), £40,333 for the Chairman of the Audit Committee (year to 30 June 2016: £44,000) and £30,250 for the other Directors (year to 30 June 2016: £33,000). No increase in Directors' fees are proposed for the year ended 31 May 2018.

Directors' Fees for the Period/Year (audited)

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

	FEES		TOTAL	
	PERIOD TO 31 MAY 2017 £	YEAR TO 30 JUNE 2016 £	**PERIOD TO 31 MAY 2017 £**	YEAR TO 30 JUNE 2016 £
L.H. MAGNUS (Chairman)	**41,739**	33,000	**41,739**	33,000
I.C.S. BARBY	**40,333**	44,000	**40,333**	44,000
S.E. NICKLIN	**30,250**	33,000	**30,250**	33,000
R.M. SWIRE	**30,250**	33,000	**30,250**	33,000
D.L. MELVIN	**30,250**	33,000	**30,250**	33,000
J. B.H.C.A. SINGER*	**17,233**	-	**17,233**	-
J.D. BURGESS*	**17,233**	-	**17,233**	-
T.H BARTLAM**	**21,694**	55,000	**21,694**	55,000

* appointed as a Director on 23 November 2016.

** resigned as a Director on 23 November 2016.

No travel expenses or any other expenses were claimed by Directors from the Company during the period ended 31 May 2017 or as at the date of this Report.

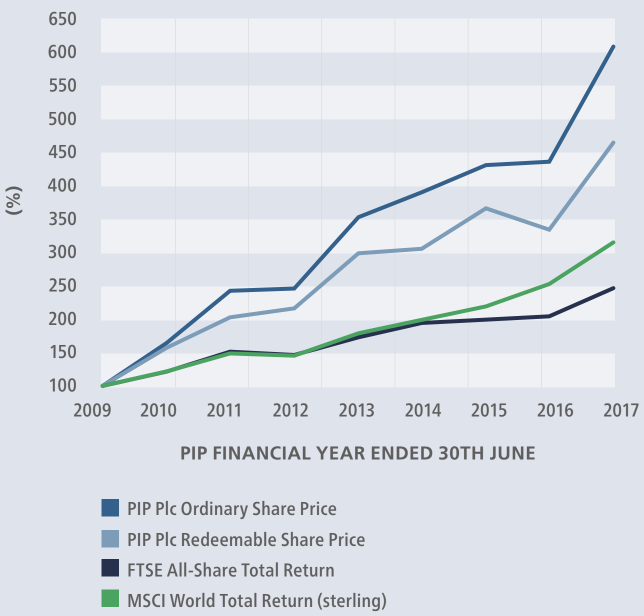
Directors' Remuneration Report

(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 2009



Relative Importance of Spend on Pay

The table below sets out, in respect of the financial period ended 31 May 2017 and the preceding financial year, the total remuneration paid to Directors, the Management fee and share buybacks and the percentage change between the two periods:

	PERIOD TO 31 MAY 2017 £'000	YEAR TO 30 JUNE 2016 £'000	CHANGE %
Total remuneration paid to Directors	229	231	-0.87
Management fee	12,659	11,249	12.53
Share buybacks	NIL	22,022	-

Directors' Interests (audited)

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

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

		31 May 2017	30 June 2016
L.H. MAGNUS	Ordinary shares	**5,000**	5,000
(Chairman)	Redeemable shares	**-**	-
I.C.S. BARBY	Ordinary shares	**24,000**	24,000
	Redeemable shares	**-**	-
S.E. NICKLIN	Ordinary shares	**-**	-
	Redeemable shares	**132**	132
D.L. MELVIN*	Ordinary shares	**3,000**	3,000
	Redeemable shares	**-**	-
R.M. SWIRE	Ordinary shares	**77,430**	77,430
	Redeemable shares	**5,798**	5,798
J. B.H.C.A. SINGER	Ordinary shares	**-**	-
	Redeemable shares	**-**	-
J.D. BURGESS	Ordinary shares	**-**	-
	Redeemable shares	**-**	-

* *held jointly with spouse*

There have been no changes to any holdings between 31 May 2017 and the date of this Report.

Voting at Annual General Meeting

The Directors' Remuneration Report for the year ended 30 June 2016 was approved by shareholders at the AGM held on 23 November 2016. The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting held on 25 November 2014.

The votes cast by proxy were as follows:

REMUNERATION REPORT	NUMBER OF VOTES	% OF VOTES CAST
For	12,588,659	99.52
Against	54,087	0.43
At Chairman's discretion	5,920	0.05
Total votes cast	12,648,666	100.00
Number of votes withheld	3,526	3,526

REMUNERATION POLICY	NUMBER OF VOTES	% OF VOTES CAST
For	15,302,509	99.99
Against	1,914	0.01
At Chairman's discretion	448	0.00
Total votes cast	15,304,871	100.00
Number of votes withheld	3,066	-

Directors' Remuneration Policy

As detailed on page 70, the Directors' remuneration policy ("the Policy") is put to shareholders' vote at least once every three years and in any year if there is to be a change in the Policy. A resolution to approve the Policy was approved by shareholders at the Annual General Meeting held on 25 November 2014, as stated above, accordingly, the Company's Policy will be put to shareholders' vote at the forthcoming Annual General Meeting. If approved, the provisions of the Policy, as set out below, will apply until the Policy is next put to shareholders for renewal or approval.

The Policy

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

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

All Directors act in a Non-Executive capacity and the fees for their services are approved by the whole Board. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolution of the Company. An ordinary resolution will be put to shareholders at the 2017 AGM to increase the maximum aggregate annual remuneration that can be paid to Directors under article 79(1) of PIP's Articles of Association from £300,000 to £350,000. Whilst the Company has no current intention to appoint any further Non-Executive Directors, this increase in aggregate annual remuneration will provide the Board with the flexibility to make further appointments to the Board when necessary.

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 have 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 period. Under the Articles of Association, each Director shall retire and be subject to re-appointment at the first AGM following appointment, and at least every three years thereafter. After nine years' service, Directors are subject to annual re-appointment. There are no agreements between the Company and its Directors concerning compensation for loss of office.

	EXPECTED FEES FOR YEAR TO 31 MAY 2018	FEES FOR PERIOD TO 31 MAY 2017
	£	£
Chairman basic fee	**55,000**	50,417
Non-Executive Director basic fee	**33,000**	30,250
Audit Committee Chairman additional fee	**11,000**	10,083
Total aggregate annual fees that can be paid	**350,000**	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. No increase in the Directors' fees are proposed for the eleven month period ended 31 May 2018.

Approval

The Directors Remuneration Report was approved by the Board of Directors on 7 August 2017 and signed on its behalf by:

SIR LAURIE MAGNUS
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 FCA. 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 consider that the Annual Report, and financial statements taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

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

- the financial statements have been prepared in accordance with UK accounting standards and give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- 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.

On behalf of the Board
SIR LAURIE MAGNUS
Chairman
7 August 2017

Independent auditor's report to the members of Pantheon International Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Pantheon International Plc (the 'Company') for the period ended 31 May 2017 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2017 and of its return for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 12 to 15 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation, set out on page 12 of the annual report, that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement, set out on page 69 of the financial statements, about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules, in accordance with Listing Rule 9.8.6R(3), is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation, set out on page 15 of the annual report, as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent auditor's report to the members of Pantheon International Plc

(CONTINUED)

Overview of our audit approach

- Overall materiality: £27.8 million, which represents 2% of the Company's net assets value
- Key audit matters were identified as existence and valuation of investments

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Existence and valuation of investments 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. As a consequence of this, the Company has significant exposure to investments which are the main drivers for maximising capital growth, with the investment portfolio valued at £1,224m, which forms 88% of net assets. There is a risk that investments shown in the Balance Sheet may not exist or are incorrectly valued. There is estimation uncertainty in determining the fair value of investments at the measurement date. The Directors apply a consistent valuation process based on the information available at the measurement date which includes valuation statements as at 31 March 2017 and known cash movements to 31 May 2017. Following the measurement date relevant information is received and monitored but only considered for adjustment if in the view of the Directors it would have a significant impact. The Directors have determined a significant impact to be 5% of the portfolio valuation. We therefore identified existence and valuation of investments as risks that required particular audit attention.	Our response on existence: our audit work included, but was not restricted to: ▶ obtaining direct confirmation of ownership of a sample of the investments from the underlying private equity fund managers; ▶ agreeing a sample of investment calls and distributions to deal slips and bank records; and ▶ agreeing the reconciliation of movements in investments held to supporting schedules. Our response on valuation: our audit work included, but was not restricted to: ▶ understanding, assessing and challenging management's process and methodology for valuing investments, including their application of the International Private Equity and Venture Capital Valuation Guidelines; ▶ evaluating whether the investment has been valued in accordance with the stated accounting policy; ▶ testing the accuracy of management's valuations by comparing against latest valuations received from the underlying private equity fund managers; ▶ obtaining a sample of investment valuations directly from the underlying private equity fund managers; assessing the quality of a sample of the valuations by comparing the information on the valuation to periodic audited financial statements; ▶ observing the review procedures implemented by the Investment Manager on investment valuations by reading the Valuation Committee minutes; and ▶ assessing management's consideration of other factors that might require adjustment to the valuation resulting from the normal process. The Company's accounting policy on the valuation of investments is shown in Note 1(D) and its disclosures about investments held at the period-end are included in Note 9. The Audit Committee also identified the valuation process and ownership of assets as a principal issue in its report on page 79, where the Committee also describes how it addressed this issue. Key observation: our audit work did not identify any material misstatements concerning the valuation and existence of investments.

Our application of materiality

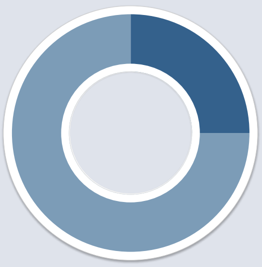
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £27.8m, which is 2% of the Company's net assets. This benchmark is considered the most appropriate because net assets, which is primarily composed of the Company's investment portfolio, is considered to be the key driver of the Company's total return performance.

Materiality for the current period is higher than the level that we determined for the year ended 30 June 2016 to align our benchmark with what those charged with governance and users of the financial statements would consider to be material to the financial statements.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



- Tolerance for potential uncorrected misstatements 25%
- Performance materiality 75%

We determined the threshold at which we will communicate misstatements to the Audit Committee to be £1.4m. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds. We also determine a lower level of specific materiality for certain areas such as Directors' remuneration.

An overview of the scope of our audit

- Our audit approach was a risk-based approach founded on a thorough understanding of the Company's business, its environment and risk profile. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is, outsourced to third party service providers. Therefore our audit work was focused on: obtaining an understanding of, and evaluating, relevant internal controls at both the Company and third-party service providers. This included an evaluation of the internal control reports prepared by a third party auditor detailing the description, design and operating effectiveness of internal controls implemented by the investment management operations of the Investment Manager, and at other relevant third-party service providers.
- Performing substantive testing by obtaining direct confirmations on ownership and valuation of a sample of investments from the underlying private equity fund managers.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 to 84, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 84 – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting set out on page 79 – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 72 – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Independent auditor's report to the members of Pantheon International Plc

(CONTINUED)

Our opinions on other matters prescribed by the Companies Act 2006 is unmodified

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

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

- the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the Directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to the Company's members 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; or
- a Corporate Governance Statement has not been prepared by the Company.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 84, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). Our audit approach is a risk-based approach and is explained more fully in the 'An overview of the scope of our audit' section of our audit report.

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

Other matters which we are required to address

We, through Robson Rhodes, with whom we merged in 2007, were appointed by the Audit Committee at the inception of the Company in 1987. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 30 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
7 August 2017

Income Statement

PERIOD ENDED 31 MAY 2017

		11 MONTHS ENDED 31 MAY 2017			YEAR ENDED 30 JUNE 2016		
	NOTE	REVENUE £'000	CAPITAL £'000	TOTAL* £'000	REVENUE £'000	CAPITAL £'000	TOTAL* £'000
Gains on investments at fair value through profit or loss**	9b	-	201,198	201,198	-	191,298	191,298
Currency gains on cash and borrowings	16	-	2,389	2,389	-	22,864	22,864
Investment income	2	17,436	-	17,436	11,832	-	11,832
Investment management fees	3	(12,659)	-	(12,659)	(11,249)	-	(11,249)
Other expenses	4	(1,433)	(350)	(1,783)	(1,531)	(896)	(2,427)
RETURN BEFORE FINANCING COSTS AND TAXATION		3,344	203,237	206,581	(948)	213,266	212,318
Interest payable and similar expenses	6	(1,791)	-	(1,791)	(1,261)	-	(1,261)
RETURN BEFORE TAXATION		1,553	203,237	204,790	(2,209)	213,266	211,057
Taxation	7	(4,345)	-	(4,345)	(1,985)	-	(1,985)
RETURN FOR THE PERIOD, BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(2,792)	203,237	200,445	(4,194)	213,266	209,072
RETURN PER ORDINARY AND REDEEMABLE SHARE	8	(4.41)p	320.77p	316.36p	(6.47)p	328.99p	322.52p

* The Company does not have any income or expense that is not included in the return for the period therefore the return for the period is also the total comprehensive income for the period. The total column of the statement represents the Company's Statement of Total Comprehensive Income prepared in accordance with Financial Reporting Standards ("FRS"). The supplementary revenue and capital columns are prepared under guidance published in the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

** Includes currency movements on investments.

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

No operations were acquired or discontinued during the period.

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

The Notes on pages 94 to 105 form part of these financial statements.

Statement of Changes in Equity

PERIOD ENDED 31 MAY 2017

	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 period ended 31 May 2017								
OPENING EQUITY SHAREHOLDERS' FUNDS	**22,456**	**283,555**	**3,089**	**515,720**	**422,180**	**-**	**(59,886)**	**1,187,114**
Return for the period	**-**	**-**	**-**	**129,317**	**73,920**	**-**	**(2,792)**	**200,445**
Redeemable shares bought back for cancellation (Note 13)	**-**	**-**	**-**	**(26)**	**-**	**-**	**-**	**(26)**
CLOSING EQUITY SHAREHOLDERS' FUNDS	**22,456**	**283,555**	**3,089**	**645,011**	**496,100**	**-**	**(62,678)**	**1,387,533**
Movement for the year ended 30 June 2016								
OPENING EQUITY SHAREHOLDERS' FUNDS	22,475	283,555	3,070	409,584	324,062	13,010	(55,692)	1,000,064
Return for the year	-	-	-	115,148	98,118	-	(4,194)	209,072
Redeemable shares bought back for cancellation	(19)	-	19	(9,012)	-	(13,010)	-	(22,022)
CLOSING EQUITY SHAREHOLDERS' FUNDS	22,456	283,555	3,089	515,720	422,180	-	(59,886)	1,187,114

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

The Notes on pages 94 to 105 form part of these financial statements.

Balance Sheet

AS AT 31 MAY 2017

	NOTE	31 MAY 2017 £'000	30 JUNE 2016 £'000
Fixed assets			
Investments at fair value	9a/b	**1,224,142**	1,071,876
Current assets			
Debtors	11	**1,661**	3,654
Cash at bank		**167,252**	115,522
		168,913	119,176
Creditors: Amounts falling due within one year			
Other creditors	12	**5,522**	3,938
		5,522	3,938
NET CURRENT ASSETS		**163,391**	115,238
NET ASSETS		**1,387,533**	1,187,114
Capital and reserves			
Called-up share capital	13	**22,456**	22,456
Share premium	14	**283,555**	283,555
Capital redemption reserve	14	**3,089**	3,089
Other capital reserve	14	**645,011**	515,720
Capital reserve on investments held	14	**496,100**	422,180
Revenue reserve	14	**(62,678)**	(59,886)
TOTAL EQUITY SHAREHOLDERS' FUNDS		**1,387,533**	1,187,114
NET ASSET VALUE PER SHARE - ORDINARY AND REDEEMABLE	15	**2,189.94p**	1,873.62p

The Notes on pages 94 to 105 form part of these financial statements.

The financial statements were approved by the Board of Pantheon International Plc on 7 August 2017 and were signed on its behalf by

SIR LAURIE MAGNUS
Chairman

Company No. 2147984

Cash Flow Statement

PERIOD ENDED 31 MAY 2017

	NOTE	11 MONTHS ENDED 31 MAY 2017 £'000	YEAR ENDED 30 JUNE 2016 £'000
Cash flow from operating activities			
Investment income received		**17,105**	11,664
Deposit and other interest received		**343**	159
Investment management fees paid		**(12,506)**	(11,011)
Secretarial fees paid		**(200)**	(232)
Depositary fees paid		**(210)**	(193)
Other cash payments		**(1,457)**	(1,730)
Witholding tax deducted		**(4,257)**	(1,985)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16	**(1,182)**	(3,328)
Cash flows from investing activities			
Purchases of investments		**(251,181)**	(263,203)
Disposals of investments		**303,131**	244,540
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**51,950**	(18,663)
Cash flows from financing activities			
Redeemable shares purchased for cancellation		**(26)**	(22,022)
Loan commitment and arrangement fees paid		**(1,378)**	(992)
Finance cost paid for deferred payment transaction		**(182)**	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(1,586)**	(23,014)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		**49,182**	(45,005)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**115,522**	137,483
FOREIGN EXCHANGE GAINS		**2,548**	23,044
NET CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**167,252**	115,522

The Notes on pages 94 to 105 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

Pantheon International Plc is a listed public limited company incorporated in England and Wales. The registered office is detailed on page 114. A summary of the principal accounting policies and measurement bases, all of which have been applied consistently throughout the period, is set out below.

(A) Basis of Preparation

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the period ended 31 May 2017. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise.

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value.

The Company has early adopted the amendments made in FRS 102 paragraphs 34.22 issued in March 2016, revising the fair value hierarchy disclosure requirements.

On 18 April 2017, the Board of the Company approved, with immediate effect, a change in the Company's accounting reference date from 30 June to 31 May of each year. As a result, the financial statements for the period ended 31 May 2017 reflect an 11 month accounting period compared to a 12 month accounting period for the previous year ended 30 June 2016. The change in accounting reference date and quicker publication of results enables the Company to provide more up-to-date information on its underlying portfolio.

(B) AIC SORP

The financial statements have been prepared in accordance with the SORP (as amended in November 2014 and updated in January 2017 with consequential amendments) for the financial statements of investment trust companies and venture capital trusts issued by the AIC.

(C) Segmental Reporting

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

(D) Valuation of Investments

Given the nature of the Company's assets which comprise predominantly unlisted fund investments, while the Company operates a robust and consistent valuation process, there is significant estimation uncertainty in the underlying fund valuations, as these are comprised of individual unlisted company valuations estimated at a point in time. Accordingly, while the Company considers circumstances where it might be appropriate to apply an override, for instance in response to a market crash, this will be exercised only where it is judged necessary to show a true and fair view. Similarly, while relevant information received after the measurement date is considered, the Directors will only consider an adjustment to the financial statements if it were to have a significant impact. In the view of the Directors, a significant impact would be a movement of greater than 5% of the overall estimate of the value of the investment portfolio made at the measurement date.

The Company has fully adopted sections 11 and 12 of FRS 102. All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are recognised at fair value on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business at the Balance Sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

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

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

The Company may acquire secondary interests at either a premium or a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings 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 period end. If there has been a material movement in the value of these holdings, the valuation is adjusted to reflect this.

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

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

(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 period. The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the Balance Sheet date.

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

Dividends receivable are recognised at an amount that may include withholding tax (but excludes other taxes, such as attributable tax credits). Any withholding tax suffered is shown as part of the revenue account tax charge.

(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 period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the revenue or capital column of the Income Statement depending on whether the gain or loss is of a capital or revenue nature. For non-monetary assets these are covered by fair value adjustments. For details of transactions included in the capital column of the Income Statement please see (I) and (J) below.

(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 period 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 31 May in each year and, prior to 31 May 2017, the period of 12 calendar months ending 30 June in each year. The calculation period commencing 1 July 2016 is for the 11 month period ending 31 May 2017. 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% (other than for the calculation period commencing on 1 July 2016 to 31 May 2017 in respect of which the percentage will be 9.18% i.e. 11 months pro rata of 10% per annum) for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 31 May 2017, the notional performance fee hurdle is a net asset value per share of 2,736.4p. The performance fee is calculated using the adjusted net asset value.

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

(L) Significant judgements and estimates

The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the financial reporting date and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates. Details of any estimates are provided in Section (D) of this Note, in the Valuation of Investments policy and also within the Market Price Risk section in Note 18.

Notes to the Financial Statements

(CONTINUED)

2. Income

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Income from investments		
Investment income	**17,086**	11,673
	17,086	11,673
Other income		
Interest	**359**	159
Exchange difference on income	**(9)**	-
	350	159
TOTAL INCOME	**17,436**	11,832
Total income comprises		
Dividends	**17,086**	11,673
Bank interest	**359**	159
Exchange difference on income	**(9)**	-
	17,436	11,832
Analysis of income from investments		
Unlisted	**17,086**	11,673
	17,086	11,673
Geographical analysis		
UK	**839**	505
US	**12,903**	6,929
Other overseas	**3,344**	4,239
	17,086	11,673

3. Investment Management Fees

			31 MAY 2017			30 JUNE 2016
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fees	**12,659**	**-**	**12,659**	11,249	-	11,249
	12,659	**-**	**12,659**	11,249	-	11,249

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on pages 67 and 68.

During the period, services with a total value of £13,172,000 (30 June 2016: £11,824,000), being £12,659,000 (30 June 2016: £11,249,000) directly from Pantheon Ventures (UK) LLP and £513,000 (30 June 2016: £575,000) via Pantheon managed fund investments were purchased by the Company.

The value of investments in, and outstanding commitments to, investment funds managed or advised by the Pantheon Group ("Pantheon Funds") are excluded in calculating the monthly management fee and the commitment fee. The value of holdings in investments managed by the Pantheon Group totalled £32,510,000 as at 31 May 2017 (30 June 2016: £34,855,000). In addition, the Manager has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon Group and attributable to the Company's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

At 31 May 2017, £1,233,000 (30 June 2016: £1,080,000) was owed for investment management fees. No performance fee is payable in respect of the 11 calendar month period to 31 May 2017 (30 June 2016: nil). The basis upon which the performance fee is calculated is explained in Note 1(K) and in the Directors' Report on pages 67 and 68.

4. Other Expenses

	31 MAY 2017			30 JUNE 2016		
	REVENUE £'000	**CAPITAL £'000**	**TOTAL £'000**	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Secretarial and accountancy services	**210**	**-**	**210**	225	-	225
Depositary fees	**218**	**-**	**218**	194	-	194
Fees payable to the Company's Auditor for the audit of the annual financial statements	**43**	**-**	**43**	39	-	39
Fees payable to the Company's Auditor for						
– audit-related assurance services - Half-Yearly report	**8**	**-**	**8**	8	-	8
– other non-audit services not covered above - net asset value calculations	**24**	**-**	**24**	13	-	13
Directors' remuneration (see Note 5)	**229**	**-**	**229**	231	-	231
Employer's National Insurance	**23**	**-**	**23**	22	-	22
Irrecoverable VAT	**60**	**-**	**60**	134	-	134
Legal and professional fees	**300**	**783**	**1,083**	282	896	1,178
Printing	**48**	**-**	**48**	53	-	53
Other*	**270**	**(433)**	**(163)**	330	-	330
	1,433	**350**	**1,783**	1,531	896	2,427

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

* See Note 9b for detailed information.

5. Directors' Remuneration

Directors' emoluments comprise Directors' fees and any reclaimed travel expenses. A breakdown is provided in the Directors' Remuneration Report on page 81.

6. Interest Payable and Similar Expenses

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Amortised costs associated with finance transaction	**147**	35
Negative bank interest	**7**	-
Loan commitment and arrangement fees	**1,637**	1,226
	1,791	1,261

On 14 November 2014, the Company renewed its 4 year multi-currency revolving credit facility agreement with improved terms and a revised maturity date of November 2018. At this date, the size of the facility with The Royal Bank of Scotland plc and Lloyds Bank plc was a £100m equivalent which, using exchange rates as at 14 November 2014, was redenominated to \$100m and €46m. On 21 October 2016, the Company exercised its right via the accordian facility to increase the option size by a £50m equivalent which, using exchange rates as at 21 October 2016, has been redenominated to \$39m and €21m. The total size of the facility is therefore £150m equivalent redenominated to \$139m and €67m. Each individual drawdown bears interest at a variable rate agreed for the period of the drawdown and a commitment fee of 0.94% per annum is payable in respect of the amounts available for drawdown in each denomination. The Company paid to The Royal Bank of Scotland plc an upfront fee of £900,000 in respect of the £100m facility and £318,000 in respect of the £50m facility both representing 0.90% of the total facility. These fees are being amortised over the life of the loan. At 31 May 2017 and 30 June 2016 the loan facility remained fully undrawn.

Notes to the Financial Statements

(CONTINUED)

7. Taxation

	31 MAY 2017 REVENUE £'000	CAPITAL £'000	TOTAL £'000	30 JUNE 2016 REVENUE £'000	CAPITAL £'000	TOTAL £'000
Withholding tax deducted from distributions	**4,345**	**-**	**4,345**	1,985	-	1,985

Tax Charge

The tax charge for the period differs from the standard rate of corporation tax in the UK (20%). The differences are explained below:

	31 MAY 2017 REVENUE £'000	CAPITAL £'000	TOTAL £'000	30 JUNE 2016 REVENUE £'000	CAPITAL £'000	TOTAL £'000
Net return before tax	**1,553**	**203,237**	**204,790**	(2,209)	213,266	211,057
Theoretical tax at UK corporation tax rate of 20% (30 June 2016: 20%)	**311**	**40,647**	**40,958**	(442)	42,653	42,211
Non-taxable investment, derivative and currency gains	**-**	**(40,717)**	**(40,717)**	-	(42,832)	(42,832)
Effect of expenses in excess of taxable income	**-**	**70**	**70**	-	179	179
Utilised management expenses	**(311)**	**-**	**(311)**	442	-	442
Withholding tax deducted from distributions	**(4,345)**	**-**	**(4,345)**	(1,985)	-	(1,985)
	(4,345)	**-**	**(4,345)**	(1,985)	-	(1,985)

Factors That May Affect Future Tax Charges

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

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there is sufficient future taxable revenue. As at 31 May 2017, excess management expenses are estimated to be in excess of £135m (30 June 2016: £135m).

At 31 May 2017, the Company had no unprovided deferred tax liabilities (30 June 2016: £nil).

8. Return per share

	31 MAY 2017 REVENUE	CAPITAL	TOTAL	30 JUNE 2016 REVENUE	CAPITAL	TOTAL
Return for the financial period in £'000	**(2,792)**	**203,237**	**200,445**	(4,194)	213,266	209,072
Weighted average ordinary and redeemable shares			**63,359,547**			64,823,481
Return per ordinary and redeemable share	**(4.41)p**	**320.77p**	**316.36p**	(6.47)p	328.99p	322.52p

There are no dilutive effects to earnings per share.

9a. Movements on Investments

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Book cost brought forward	**650,818**	539,089
Acquisitions at cost	**246,929**	264,900
Capital distributions – proceeds	**(295,637)**	(246,470)
Capital distributions – realised gains on sales	**127,054**	93,299
BOOK COST AT PERIOD END	**729,164**	650,818
Unrealised appreciation of investments		
Unlisted investments	**493,614**	420,667
Listed investments	**1,364**	391
VALUATION OF INVESTMENTS AT PERIOD END	**1,224,142**	1,071,876

9b. Analysis of Investments

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Sterling		
Unlisted investments	**37,371**	51,508
	37,371	51,508
US dollar		
Unlisted investments	**944,681**	798,276
Listed investments	**1,431**	1,369
	946,112	799,645
Euro		
Unlisted investments	**215,227**	201,600
	215,227	201,600
Other		
Unlisted investments	**25,432**	19,123
	25,432	19,123
	1,224,142	1,071,876
Realised gains on sales	**127,054**	93,299
Amounts previously recognised as unrealised appreciation on those sales	**391**	2,405
Increase in unrealised appreciation	**73,529**	95,713
Revaluation of amounts owed to brokers	**224**	(119)
GAINS ON INVESTMENTS	**201,198**	191,298

Further analysis of the investment portfolio is provided in the Manager's Review on pages 16 to 56.

Transaction costs, (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (30 June 2016: £nil) and to the disposals of investments totalled £22,000 (30 June 2016: £15,000) for the period. In addition, legal fees incidental to the acquisition of investments totalled £783,000 (30 June 2016: £896,000) as disclosed in Note 4, have been taken to the capital column in the Income Statement since they are capital in nature. There is also a credit of £433,000 included in the capital column of the Income Statement received from a break fee.

Notes to the Financial Statements

(CONTINUED)

9c. Material Investment

At the period end, the Company held the following material holdings in the following investments:

INVESTMENT	% OWNERSHIP	CLOSING NET ASSETS VALUE £M
Providence Equity Partners VI	0.7	31.5
Ares Corporate Opportunities Fund IV	0.9	30.0

10. Fair Value Hierarchy

Financial Assets at Fair Value Through Profit or Loss at 31 May 2017

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	**-**	**-**	**1,222,711**	**1,222,711**
Listed holdings	**1,431**	**-**	**-**	**1,431**
	1,431	**-**	**1,222,711**	**1,224,142**

Financial Assets at Fair Value Through Profit or Loss at 30 June 2016

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	-	-	1,070,507	1,070,507
Listed holdings	1,369	-	-	1,369
	1,369	-	1,070,507	1,071,876

11. Debtors

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Amounts owed by investment funds	**1,014**	2,996
Prepayments and accrued income	**647**	658
	1,661	3,654

12. Creditors Amounts Falling Due Within One Year

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Investment management fees	**1,233**	1,080
Amounts owed in respect of transactions	**3,392**	2,213
Other creditors and accruals	**897**	645
	5,522	3,938

13. Called-up Share Capital

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Allotted, called-up and fully paid:		
33,062,013 (30 June 2016: 33,062,013) ordinary shares of 67p each	**22,153**	22,153
30,297,534 (30 June 2016: 30,297,534) redeemable shares of 1p each	**303**	303
	22,456	22,456

During the period no redeemable shares or ordinary shares were bought back in the market for cancellation (30 June 2016: 1,900,000 and nil respectively). The total consideration paid, including commission and stamp duty, was £nil (30 June 2016: £22,022,000 and £nil respectively). The current period includes £26,000 of additional fees relating to the prior year buyback.

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	REVENUE RESERVE* £'000
Beginning of period	283,555	3,089	515,720	422,180	(59,886)
Net gain on realisation of investments	-	-	127,054	-	-
Increase in unrealised appreciation	-	-	-	73,529	-
Transfer on disposal of investments	-	-	-	391	-
Revaluation of amounts owed in respect of transactions	-	-	224	-	-
Exchange differences on currency	-	-	2,548	-	-
Exchange differences on other capital items	-	-	(159)	-	-
Legal and professional expenses charged to capital	-	-	(783)	-	-
Other expenses charged to capital	-	-	433	-	-
Share buybacks**	-	-	(26)	-	-
Revenue return for the period	-	-	-	-	(2,792)
END OF PERIOD	283,555	3,089	645,011	496,100	(62,678)

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

** Represents costs from prior year share buybacks.

15. Net Asset Value per Share

	31 MAY 2017	30 JUNE 2016
Net assets attributable in £'000	1,387,533	1,187,114
ordinary and redeemable shares	63,359,547	63,359,547
Net asset value per share - ordinary and redeemable	2,189.94p	1,873.62p

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

	31 MAY 2017 £'000	30 JUNE 2016 £'000
Return before finance costs and taxation	206,581	212,318
Witholding tax deducted	(4,345)	(1,985)
Gains on investments	(201,198)	(191,298)
Currency gains on cash and borrowings	(2,389)	(22,864)
Increase in creditors	117	466
Decrease in other debtors	52	35
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,182)	(3,328)

17. Contingencies, Guarantees and Financial Commitments

At 31 May 2017, there were outstanding financial commitments of £444.5m (30 June 2016: £381.9m) in respect of investments in partly paid shares and interests in private equity funds.

Further detail of the available finance cover is provided in Note 18.

18. Analysis of Financial Assets and Liabilities

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

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

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

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

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

In accordance with FRS 102 an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is given below.

Liquidity Risk

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

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 17 for outstanding commitments as at 31 May 2017) 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 Bank plc, due to expire in November 2018, and comprising facilities of $139m and €67m of which at 31 May 2017 the sterling equivalent of £nil (30 June 2016: £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 31 May 2017 stood at £332.8m (30 June 2016: £228.7m), comprising £167.3m (30 June 2016: £115.5m) in cash balances and £165.5m (30 June 2016: £113.2m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 3.5 times (30 June 2016: 3.4 times).

Interest Rate Risk

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

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as LIBOR or EURIBOR + 2.35%, dependent on the currency drawn. The interest rate is then fixed for the duration that the loan is drawn down. At 31 May 2017 there was the sterling equivalent of £nil funds drawn down on the loan facilities (30 June 2016: £nil). A commitment fee of 0.94% 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.

Notes to the Financial Statements

(CONTINUED)

Financial assets for 31 May 2017 and 30 June 2016 consisted of investments, cash and debtors (excluding prepayments). As at 31 May 2017, the interest rate risk and maturity profile of the Company's financial assets was as follows

31 MAY 2017	TOTAL £'000	NO MATURITY DATE £'000	MATURES WITHIN 1 YEAR £'000	MATURES AFTER 1 YEAR £'000	FIXED INTEREST AVERAGE INTEREST RATE %
No interest rate risk financial assets					
Sterling	**63,196**	**63,196**	-	-	-
US dollar	**1,081,502**	**1,081,502**	-	-	-
Euro	**218,090**	**218,090**	-	-	-
Other	**29,620**	**29,620**	-	-	-
	1,392,408	**1,392,408**	-	-	-

The interest rate and maturity profile of the Company's financial assets as at 30 June 2016 was as follows:

30 JUNE 2016	TOTAL £'000	NO MATURITY DATE £'000	MATURES WITHIN 1 YEAR £'000	MATURES AFTER 1 YEAR £'000	FIXED INTEREST AVERAGE INTEREST RATE %
No interest rate risk financial assets					
Sterling	79,547	79,547	-	-	-
US dollar	885,464	885,464	-	-	-
Euro	204,627	204,627	-	-	-
Other	20,817	20,817	-	-	-
	1,190,455	1,190,455	-	-	-

Financial Liabilities

At 31 May 2017 the Company had drawn the sterling equivalent of £nil (30 June 2016: £nil) of its four-year committed revolving dollar and euro credit facilities, expiring November 2018, of $139m and €67m 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 period end, interest of £nil (30 June 2016: £nil) was accruing.

At 31 May 2017 and 30 June 2016, 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 pages 94 and 95. The nature of the Company's fixed asset investments, with a high proportion of the portfolio invested in unquoted securities, means that the investments are valued by the Directors after due consideration of the most recent available information from the underlying investments.

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

If the investment portfolio fell by 20% from the 31 May 2017 valuation, with all other variables held constant, there would have been a reduction of £247,277,000 (30 June 2016 based on a fall of 20%: £216,519,000) in the return before taxation. An increase of 20% would have increased the return before taxation by £242,380,000 (30 June 2016 based on a 20% increase: £212,231,000).

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 26 and 27 and in Note 9b. Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial period.

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report on pages 12 to 15 and the Manager's Review on pages 16 to 56.

The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 31 May 2017, realised exchange losses of £159,000 (30 June 2016: realised exchange losses of £180,000) and realised gains relating to currency of £2,548,000 (30 June 2016: realised gains of £23,044,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown below. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 31 May 2017, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £10,787,000 (30 June 2016: £7,932,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of decreasing equity shareholders' funds by £16,440,000 (30 June 2016: £9,570,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 31 May 2017 of 1.26735 (30 June 2016: 1.3368) sterling/dollar and 1.13135 (30 June 2016: 1.2033) sterling/euro.The Company's investment currency exposure is disclosed in Note 9b.

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

	31 MAY 2017 ASSETS £'000	**31 MAY 2017 LIABILITIES £'000**	30 JUNE 2016 ASSETS £'000	30 JUNE 2016 LIABILITIES £'000
US dollar	**135,390**	**3,480**	85,818	2,213
Euro	**2,863**	**-**	3,027	-
Swedish krone	**1,735**	**-**	1,465	-
Norwegian krone	**1,678**	**-**	6	-
Australian dollar	**775**	**-**	223	-
	142,441	**3,480**	90,539	2,213

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 31 May 2017 and 30 June 2016 the Company had bank debt facilities to increase the Company's liquidity. Details of available borrowings at the period end can be found earlier in this Note.

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

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

19. Transactions with the Manager and Related Parties

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

The Company's related parties are its Directors. Fees paid to the Company's Board are disclosed in the Directors' Remuneration Report on pages 81 to 83. The Company's National Insurance contribution in relation to Directors' remuneration is disclosed in Note 4.

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

AIFMD Disclosures

The Company is an alternative investment fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") and the Manager was appointed as its alternative investment fund manager ("AIFM") for the purposes of the AIFMD with effect from 21 July 2014.

The AIFMD requires certain disclosures to be made in the Annual Report of the Company. Many of these disclosures were already required by the listing rules and/or United Kingdom Accounting Standards and these continue to be presented in other sections of the Annual Report, principally the Strategic Report (pages 5 to 15), the Manager's Review (pages 16 to 56) and the financial statements (pages 90 to 105). This section completes the disclosures required by the AIFMD.

Assets subject to special arrangements

The Company holds no assets subject to special arrangements arising from their illiquid nature.

Remuneration disclosure

The total number of staff of the Manager for the year ended 31 May 2017 was approximately 218, of which 14 were senior management or other members of staff whose actions have a material impact on the risk profile of the Company ("Identified Staff"). Some staff performing certain activities on behalf of the Manager in respect of the Company are remunerated by affiliates of the Manager.

The total remuneration paid by the Manager and its affiliates to staff of the Manager in respect of the eleven month period ended 31 May 2017 attributable to work relating to the Company was as follows:

		31 May 2017			30 June 2016	
	Fixed £'000	**Variable £'000**	**Total £'000**	Fixed £'000	Variable £'000	Total £'000
Senior Management	**497**	**547**	**1,044**	763	846	1,609
Staff	**849**	**486**	**1,335**	1,149	674	1,823
Total Staff	**1,346**	**1,033**	**2,379**	1,912	1,520	3,432
Identified Staff	**271**	**347**	**618**	358	373	731

No carried interest was paid in respect of the Company during the period.

The above disclosures reflect only that element of the individuals' remuneration which is attributable to the activities of the Manager relating to the Company. It is not possible to attribute remuneration paid to individual staff directly to income received from any fund and hence the above figures represent a notional approximation only calculated by reference to the assets under management of the Company as a proportion of the total assets under management of the Pantheon Group.

General information relating to the Pantheon Ventures Group's remuneration policies and practices for staff can be found at www.pantheon.com.

Leverage

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

The following leverage limits have been set for the Company:

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

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

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

Using the methodologies prescribed under the AIFMD, the Company's leverage as at 31 May 2017 is shown below:

	Gross method	Commitment method
Leverage ratio	90%	102%

Risk profile and risk management

The principal risks to which the Company is exposed and the approach to managing those risks are set out in the Strategic Report (pages 12 to 15) and also in Note 18 of the financial statements (pages 103 to 105). The risk limits currently in place in relation to the Company's investment activities are set out in the Investment Policy (page 8) and under "Board Responsibilities and Relationship with the Manager" in the Statement on Corporate Governance (pages 74 and 75). Additionally, the individual counterparty exposure limit for deposits with each of the Company's bank counterparties has been set at £60m or the equivalent in foreign currencies. The Manager's risk management system incorporates regular review of the principal risks facing the Company and the risk limits applicable to the Company and the establishment of appropriate internal control processes to mitigate the risks. These risk limits have not been exceeded in the period to 31 May 2017.

Article 23(1) disclosures to investors

The AIFMD requires certain information to be made available to investors in the Company before they invest and requires that material changes to this information be disclosed in the Annual Report of the Company. The information required to be disclosed is contained in the document "Information for Investors" which is available on the Company's website at www.piplc.com.

There have been no material changes to this information requiring disclosure.

Notice of Annual General Meeting

TO BE HELD ON 22 NOVEMBER 2017

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 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 69 to 71 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 Wednesday, 22 November 2017 at 10:30am to consider and, if thought fit, pass the following resolutions, of which numbers 1 to 11 will be proposed as ordinary resolutions and numbers 12 to 14 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 period ended 31 May 2017.

2. To receive and approve the Directors' Remuneration Report for the period ended 31 May 2017 (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 Sir Laurie Magnus as a Director.

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

6. To re-appoint Mr J.D. Burgess as a Director.

7. To re-appoint Mr J.B.H.C.A. Singer as a Director.

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

9. 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.

10. To authorise the Audit Committee to determine the remuneration of the Auditor.

11. 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 £7,484,841.35, and comprising not more than £100,991.78 in nominal amount of Redeemable Shares of £0.01 each in the capital of the Company ("Redeemable Shares") and not more than £7,383,849.57 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

12. That:
subject to the passing of Resolution 11 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 11 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:

(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 £2,245,452.40, and comprising not more than £30,297.53 in nominal amount of Redeemable Shares and not more than £2,215,154.87 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.

13. 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, as stipulated by regulatory technical standards adopted pursuant to article 5(6) of Regulation (EU) no 596/2014 of the European Parliament and of the Council (the "Market Abuse Regulation");

(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, as stipulated by regulatory technical standards adopted pursuant to article 5(6) of the Market Abuse Regulation; 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.

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

Special Business

Ordinary Resolution

15. That:
the maximum aggregate annual remuneration payable to Directors under article 79(1) of the Articles of Association of the Company be and is hereby increased from £300,000 to £350,000.

Dated 7 August 2017
Registered office: Beaufort House,
51 New North Road, Exeter EX4 4EP

By order of the Board
CAPITA SINCLAIR HENDERSON LIMITED
Secretary

Notice of Annual General Meeting

(CONTINUED)

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. In the case of joint holders, the signature of only one of the joint holders is required on the proxy form and, where more than one joint holder has signed the proxy form or where more than one joint holder purports to appoint a proxy, only the signature of or the appointment submitted by the most senior holder will be accepted to the exclusion of the other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

4. Only those shareholders registered on the Register of Members of the Company by close of business on 20 November 2017 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Members of the Company as at close of buisness on the day which is two days prior to the adjourned meeting (weekends and public holidays 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 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.

5. 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, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, and, in the case of proxies appointed by holders of Redeemable Shares, at the office of the Company's Registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, 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.

6. 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 (available via www.euroclear.com). 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.

7. Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

8. Members satisfying the thresholds in Section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

9. 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.

10. 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.

11. 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.

12. As at 31 May 2017, the Company's issued voting share capital and total voting rights amounted to 33,062,013 Ordinary Shares of £0.67 each carrying one vote each. As at such date, the Company's issued non-voting share capital amounted to 30,297,534 Redeemable Shares of £0.01 each.

13. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with Section 323 of the Companies Act 2006, as amended. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. 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.

14. 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.

Notice of Annual General Meeting

(CONTINUED)

15. A shareholder meeting the qualification criteria set out in section 338(3) of the Act may require the Company to give shareholders notice of a resolution which may properly be proposed and is intended to be proposed at the Annual General Meeting in accordance with section 338 of the Act. A resolution may properly be proposed unless: (i) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the meeting includes a resolution circulated pursuant to this right. Any such request must: identify the resolution of which notice is to be given, by either setting out the resolution in full or, if supporting a resolution requested by another; shareholder, clearly identifying the resolution which is being supported; comply with the requirements set out in section 338(4) of the Act; and be received by the Company no later than six weeks before the meeting.

16. A shareholder meeting the qualification criteria set out in section 338(A)(3) of the Act may require the Company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business in accordance with section 338A of the Act. A matter may properly be included unless: (i) it is defamatory of any person; or (ii) it is frivolous or vexatious. Any such request must: identify the matter to be included in the business, by either setting out the matter in full or, if supporting a matter requested by another shareholder, clearly identifying the matter which is being supported; set out the grounds for the request; comply with the requirements set out in section 338(A)(4) of the Act; and be received by the Company no later than six weeks before the meeting.

17. The Annual Report incorporating this notice of Annual General Meeting, the total number of shares in the Company, and the shares of each class, in respect of which members are entitled to exercise voting rights at the meeting, the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class 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.piplc.com.

18. 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 excluded) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at Pantheon, 4th Floor, 10 Finsbury Square, London, EC2A 1AF. Copies will also be available for inspection at the Annual General Meeting for 15 minutes prior to the meeting and throughout the meeting.

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 remaining 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

Enterprise value
The sum of a company’s market capitalisation and total debt, less cash and cash equivalents

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 five 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 funds

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

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