Pantheon International Plc
Interim Report and Accounts
30 November 2020

PIP

RESILIENCE
RESPONSIBILITY
LONG-TERM PERFORMANCE

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

Contents

At a glance as at 30 November 2020

+8.9% NAV per share growth in the half year

£1.7bn Net asset value

+12.4% Share price increase in the half year

£1.3bn Market capitalisation

+11.7% Average annual NAV growth since 1987

1.24% AIC ongoing charges[1]

1 Including financing costs, PIP's total ongoing charges would be 1.45%.

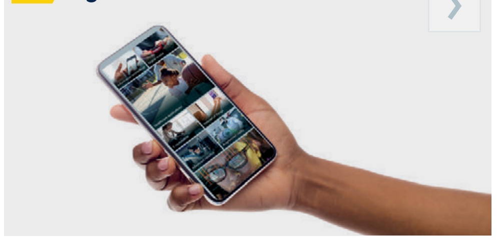
PIP makes the private, public.

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

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

Companies we invest in: case studies

Pg 14 **Digital Transformation**



Pg 30 **Colisée**

Pg 32 **Allegro**

Pg 38 **Visma**

WHY CHOOSE US?

PIP is managed by Pantheon, one of the leading private equity investors in the world.

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

US$58.4bn[1]
Assets Under Management

670+
clients around the world

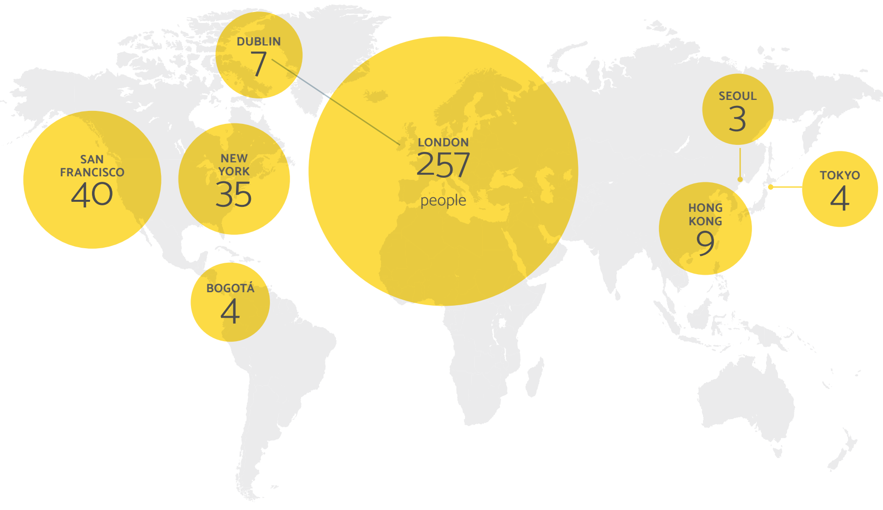
Award-winning[3]

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

8
offices

104[2]
investment professionals with an aggregate of over 1,000 years' financial services experience

359[2]
people



>470[2]
advisory board seats held

9,500+
private equity managers in Pantheon's database

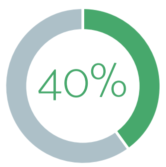
Pantheon has a strong reputation for responsible investing and diversity...

13
years of UNPRI[7] membership, one of the first private equity signatories

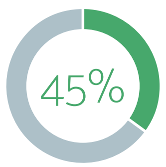
A+
awarded by UNPRI[7] in 2020 for private equity

Gender diversity[4]

Overall workforce[5]



Investment team heads



● Women

Ethnic diversity[4]

Overall workforce[6]

● Non-white ethnic background

Accessing the right managers

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

Pantheon, which has been in business for almost four decades, has an extensive network of relationships with private equity managers across the world. It is able to secure access for PIP to some of the most compelling investment opportunities globally.

1 As at 30 September 2020.
2 As at 31 December 2020.
3 See the Award Methodologies section on Pantheon's website for details regarding the awards mentioned above: www.pantheon.com.
4 The response rate for Pantheon's voluntary survey in December 2019 – January 2020 was 68%.
5 c.1% prefer not to say.
6 c.3% prefer not to say.
7 United Nations Principles for Responsible Investment.

The way we do things makes the difference

Pantheon manages PIP's assets responsibly, with transparency and integrity

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

That is where we come in.

Our time-tested culture leads to strong outcomes:

LONG-TERM PERFORMANCE
Thinking long term, making the right choices and delivering results

+

STRENGTH AND RESILIENCE
A carefully diversified portfolio designed to perform well in a range of conditions

+

RESPONSIBLE INVESTMENT
A thoughtful ESG[1] approach informs every decision we make

Investment strategies

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

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

3 Co-investments
We invest in a portfolio company directly, alongside a private equity fund, during the investment period.

1 Environmental, Social and Governance ("ESG").

WHY CHOOSE US?

LONG-TERM PERFORMANCE

Thinking long term, making the right choices and delivering results

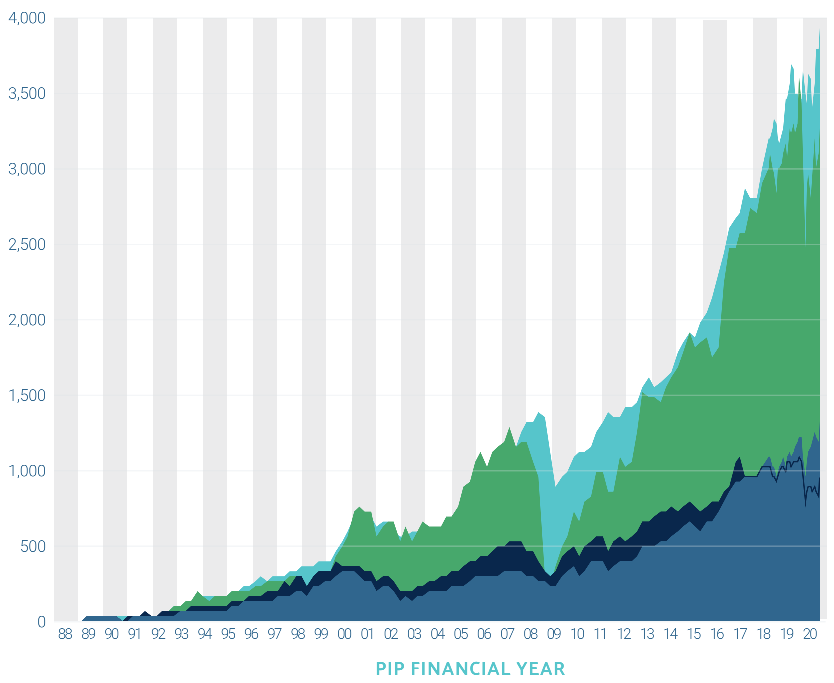
11.7%

Average annual NAV growth since 1987

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

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

Performance (rebased to 100)



Annualised performance

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
NAV per share	12.1%	11.8%	14.1%	12.8%	11.7%
Ordinary share price	-0.2%	7.5%	12.4%	14.7%	11.1%
FTSE All-Share, TR	-10.3%	-0.6%	4.1%	5.9%	7.2%
MSCI World, TR (Sterling)	12.7%	10.8%	14.3%	12.6%	8.2%

Share price relative performance (annualised)

	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Versus FTSE All-Share, TR	+10.1%	+8.1%	+8.3%	+8.8%	+3.9%
Versus MSCI World, TR (Sterling)	-12.9%	-3.3%	-1.9%	+2.1%	+2.9%

STRENGTH AND RESILIENCE

A carefully selected portfolio of private companies designed to perform well in a range of conditions

We manage our portfolio and balance sheet to reduce the risks typically associated with private equity investments, and to maximise liquidity and growth over time. As a result, PIP has been able to continue investing through the pandemic.

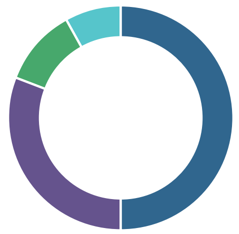
We carefully select our investments based on the strengths of our appointed underlying private equity managers, and actively monitor and diversify them to reduce specific timing, regional and sector risks.

Our continuous focus on the mix of assets in our portfolio and our tilt towards more resilient sectors such as information technology and healthcare, mean that PIP has weathered the COVID-19 storm well so far.

Investment type[1]

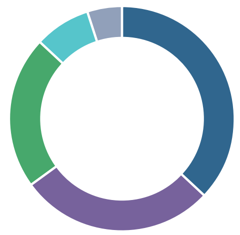
Co-investments	35%
Primary	34%
Secondary	31%

Region[1]



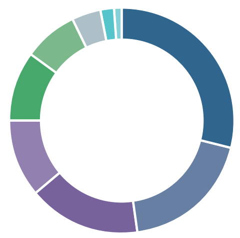
USA	50%
Europe	31%
Asia and EM[2]	11%
Global[3]	8%

Stage[1]



Small/mid buyout	37%
Large/mega buyout	28%
Growth	22%
Special situations	8%
Venture	5%

Company sectors[4]



Information technology	29%
Healthcare	19%
Consumer	16%
Financials	11%
Industrials	10%
Communication services	8%
Energy	4%
Materials	2%
Others	1%

As at 30 November 2020.

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

2 EM: Emerging Markets.

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

4 The company sector chart is based upon underlying company valuations as at 30 September 2020, adjusted for calls and distributions to 30 November 2020. These account for 100% of PIP's overall portfolio value.

WHY CHOOSE US?

RESPONSIBLE INVESTMENT

A thoughtful ESG approach informs every decision we make

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

An adherence to sound ESG principles is integrated into our pre- and post-investment due diligence and monitoring processes.

We are committed to promoting ESG and Diversity & Inclusion ("D&I"), and actively engage with our underlying private equity managers to raise standards in our industry.

We speak to two of our leading private equity and venture capital managers about what ESG means to them and to their portfolio companies. See pages 22 to 25.

Rini Banerjee
Senior Legal Counsel and ESG Officer
Index Ventures

"We believe that companies that take strong ESG positions and incorporate ESG factors and ethos in their risk assessment will outperform companies that do not.

Jarlyth Hancock Gibson
Director of Risk Management & ESG
Advent International

"Applying an ESG perspective to the companies in which we invest is part of building sustainable businesses that generate long-term value for our stakeholders. The strong culture we build in those companies includes a focus on ethics and governance, social and environmental responsibility and a commitment to diversity, equity and inclusion.

CHAIRMAN'S STATEMENT

Resilience, growth and opportunity

IN SUMMARY

- Strong performance from the underlying portfolio reflects tilt towards resilient sectors such as information technology and healthcare.
- PIP's flexible investment approach, strong balance sheet and liquidity mean it can respond quickly to market conditions.
- PIP has continued investing through the pandemic.

KEY STATISTICS

+11.7%	Average annual NAV growth since inception
+8.9%	NAV per share growth in the half year
+12.4%	Share price increase in the half year
£1,698m	Net asset value
£57m	Portfolio net cash flow in the half year

Since I last wrote to you on 5 August 2020, the world has continued to grapple with the COVID-19 crisis and, while the rollout of the vaccine programmes provides hope, the spread of mutations of the virus and multiple lockdowns continue to inflict severe economic damage globally. Despite this turmoil, financial markets have rebounded strongly from the lows of last year, buoyed by optimism and extensive support from governments and central banks. This positive sentiment has benefitted PIP and its share price, which increased by 12.4% during the six months ended 30 November 2020. Despite this, the Board continues to believe that PIP's shares trade at an excessive discount (26% as at 30 November 2020), a belief underlined by a £3.8m investment in PIP's shares on behalf of one of the Directors after the period end.

PIP's underlying portfolio performance reflects its strong tilt towards more resilient sectors, such as information technology and healthcare, which have demonstrated impressive growth during the period. During the six months ended 30 November 2020, PIP's NAV per share increased by 8.9% to 3,139.2p and its net assets stood at £1.7bn. On an annualised basis, this translates into average annual NAV per share growth of 11.7% since the Company was launched in 1987, significantly outperforming the FTSE All-Share and MSCI World indices over the same period.

PIP's Strategic Report, comprising pages 1 to 17, has been approved and signed on behalf of the Board. Some of the key highlights of the report are summarised below, but shareholders are encouraged to read the Strategic Report in its entirety.

Performance for the six months ended 30 November 2020

During the half year, our underlying portfolio performed strongly, with valuation gains of 15.0% and income of 0.4%. The strengthening of sterling versus the US$ resulted in foreign exchange movements of -6.1%, while expenses and taxes deducted 0.4%.

The buyout and growth segments, which form the majority of PIP's portfolio, benefitted from strong valuation gains and exits during the six months. These were primarily in healthcare and information technology, with one notable gain in particular coming from Allegro, an online marketplace provider in Poland, which launched an Initial Public Offering ("IPO") and has since become the largest company by market capitalisation on the Warsaw Stock Exchange. PIP co-invested in Allegro in 2017: see the case study on page 32 to find out more. The very strong performance in venture was driven primarily by the successful IPO of a technology company in the portfolio. By investing in private companies managed by many of the best private equity managers globally, PIP is able to capture the rapid growth and value creation that often occurs before those companies reach the listed markets.

CHAIRMAN'S STATEMENT

The performance of special situations, which accounts for just 8% of the overall portfolio, was flat during the period as it continued to be impacted by valuation declines in companies with energy exposure. As I indicated in my update on 5 August 2020, we are de-emphasising energy in our portfolio and, as investments are realised, we would expect to see PIP's energy exposure decline further over time as a proportion of the Company's NAV. At the end of November 2020, energy represented just 4% of the portfolio.

Cash flow and balance sheet liquidity

The Board and Pantheon regularly stress test PIP's investment portfolio on various scenarios to ensure that the Company is able to withstand a potential downturn, including the risk of a sharp decline in distributions and a significant increase in calls from our underlying private equity managers. Although there was an understandable hiatus in deal activity following the immediate onset of the COVID-19 pandemic, PIP has continued to receive distributions and a ramp up in calls has not materialised. During the period, PIP received £111m in distributions, equivalent on an annualised basis to a distribution rate of 15% of PIP's opening portfolio value. Calls from existing commitments to private equity funds during the period amounted to £54m, equivalent to 20% of PIP's opening undrawn commitments. Overall, PIP generated a net positive cash flow of £57m during the period, before taking account of new investments.

The average age of PIP's funds at the half year end was 5.5 years, providing a balance between cash being received from mature funds and value being created from more recent investments.

Repayment of the unlisted Asset Linked Note ("ALN"), which was issued with an initial principal value of £200m in October 2017, is made only from the cash distributions received from a reference portfolio of older investment assets, mainly dating from 2006 and earlier. The ALN matures on 31 August 2027 and, as at 30 November 2020, had a remaining value of £53m, of which £2.8m represents the net cash flow for the three months to 30 November 2020, due for repayment on 28 February 2021.

In November 2020, we announced that PIP had agreed an amendment to its £300m multi-currency revolving credit facility, which was due to expire in June 2022, involving the extension of a £225m tranche to May 2024. Since the period end, the remaining £75m tranche has also been extended, with the result that the entire facility is now due to expire in May 2024. The amended agreement allows the Company the flexibility to increase its committed facilities to £350m. The facility, which has been denominated as to US$269.8m and €101.6m to match the principal currencies in which the Company's undrawn commitments are denominated, was equivalent to £293m as at 30 November 2020.

Altogether, PIP had liquid resources as at 30 November 2020 of £444m, comprising net available cash of £151m and its wholly undrawn credit facility. PIP's financing cover, which measures the sum of PIP's undrawn commitments of £464m as at 30 November 2020 against its available financing and the value of its private equity portfolio, was comfortable at 4.4 times.

Taking advantage of exciting deal flow and structural trends

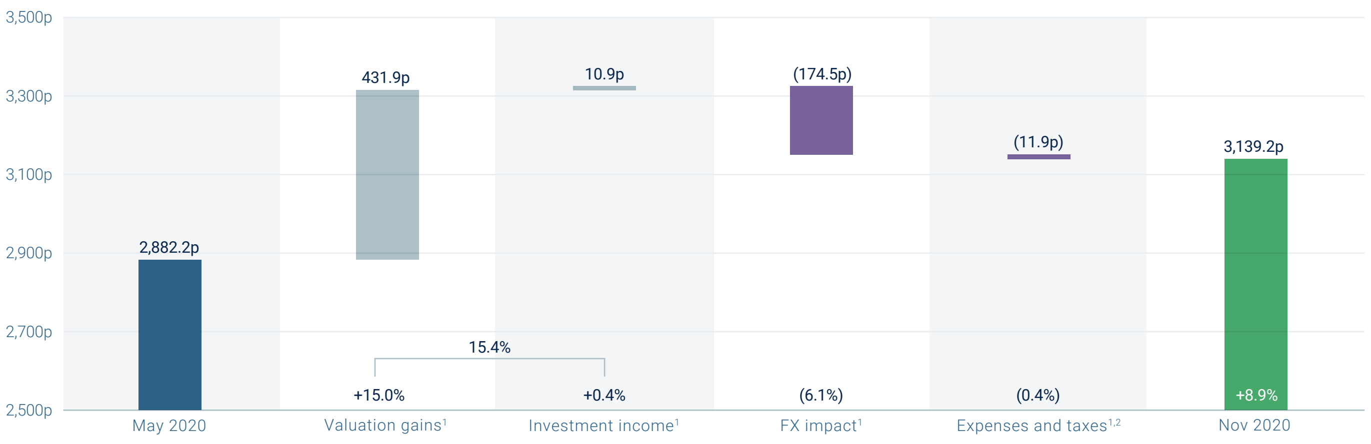
PIP's portfolio is weighted towards the information technology and healthcare sectors, which accounted for almost half of the portfolio at the end of November (Information technology: 29%; Healthcare: 19%), whereas it has limited exposure (1.3% in total) to the sectors hardest hit by the pandemic, such as travel and hospitality. It has been widely recognised that the pandemic has accelerated many of the trends that were already underway in consumer and business behaviour, such as the move towards more remote working, the greater use of online retailing and the increased integration of information technology into the delivery of services and manufacturing. Our underlying managers had already been investing in many of the businesses operating in the provision of tech-enabled solutions for these purposes. Throughout this report, you will find case studies on some of the information technology companies in PIP's portfolio and the services they offer. Healthcare has also been resilient through the crisis, with many of the companies in PIP's portfolio focused on providing medical care and pharmaceutical products.

Although new investment activity reduced significantly in the aftermath of the crisis, it has picked up in recent months as private equity managers have taken advantage of the market dislocation and sought out buy-and-build and take-private businesses in attractive sectors. PIP has continued investing in opportunities identified by Pantheon and our private equity managers which provide access to growing businesses led by experienced and entrepreneurial managers. During the six months to 30 November 2020, PIP committed £14.6m to six new investments, of which £10.9m was drawn at the time of purchase. This comprised £8.6m invested in four co-investments, £4.7m committed to one secondary investment and £1.3m committed to one primary investment. Since the period end, PIP has committed a further £28.7m to 10 new investments.

Pantheon's experience and responsible investment approach

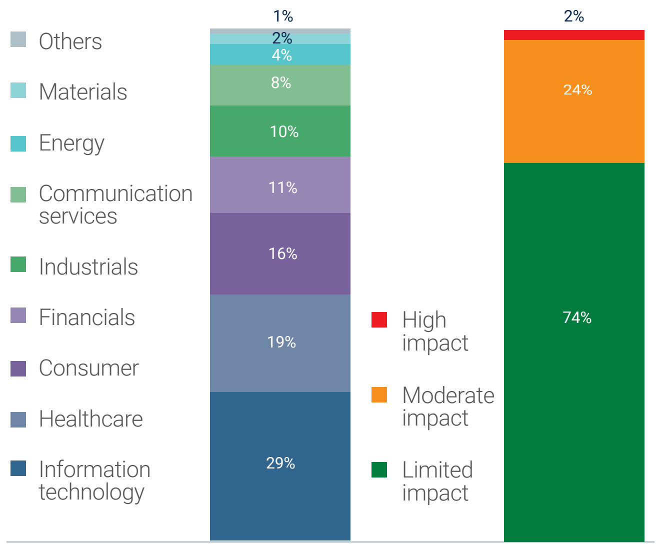
Pantheon uses its extensive, deep and long-standing relationships with some of the world's best private equity managers, together with their connections and often privileged access to information, to source compelling deals for PIP. In addition, Pantheon uses its position on over 470 fund advisory boards worldwide to promote high standards in relation to environmental practices, corporate governance and social awareness amongst private equity managers and investee companies. The Board is encouraged to note that many private equity managers have already recognised the importance of embedding these principles into their business practices and the positive opportunities for creating value from such an approach. See pages 22 and 24 to hear from two of our private equity managers about what ESG means to them. Pantheon is a strong promoter of equal opportunity, diversity and inclusion and such principles are fully integrated into its investment due diligence questionnaires and processes.

NAV per share progression



1 Figures are stated net of movements associated with the ALN share of the reference portfolio.
2 Taxes relate to withholding taxes on investment distributions.

Sector exposure / Sector resilience[1]



1 Based on an assessment of the impact of the COVID-19 pandemic on the sub-sectors within PIP's portfolio, and subject to change as conditions evolve.

> "The Board believes that PIP's investment positions have, in general to date, come through the COVID-19 crisis in good shape and that the Company is well-positioned for the future.

CHAIRMAN'S STATEMENT

Board changes and succession

Upon conclusion of the AGM in September 2020, Ian Barby, who had been a Director since 2005, retired from the Board. David Melvin, who has been a Director of the Company and a member of the Audit Committee since 2015, took over the role of Chairman of the Audit Committee in April 2020.

Susannah Nicklin, our Senior Independent Director and a member of the Board since November 2011, has indicated that she wishes to retire as a Director following the conclusion of this year's AGM. Susannah has been a very effective contributor to the Board's work and will be greatly missed by her colleagues. The Board will undertake a search to find a new Director later this year.

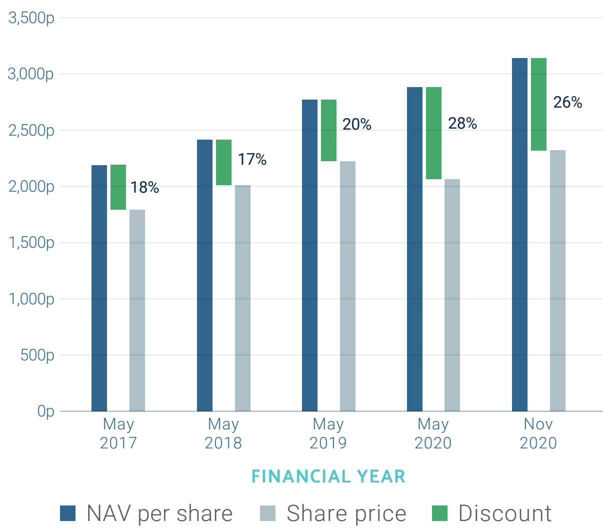
Positive outlook for PIP

It is difficult to predict how long the COVID-19 pandemic will last, nor what the global economy will look like afterwards, particularly against a backdrop of worldwide political tensions and increasing anxiety over the effects of climate change. PIP's global portfolio is of course highly exposed to many developments over which it has no influence, but the dynamism of private equity-backed businesses within capitalist economies, not least relative to public companies, justifies PIP's objective to be the "go to" investment platform for accessing a portfolio of growth orientated companies.

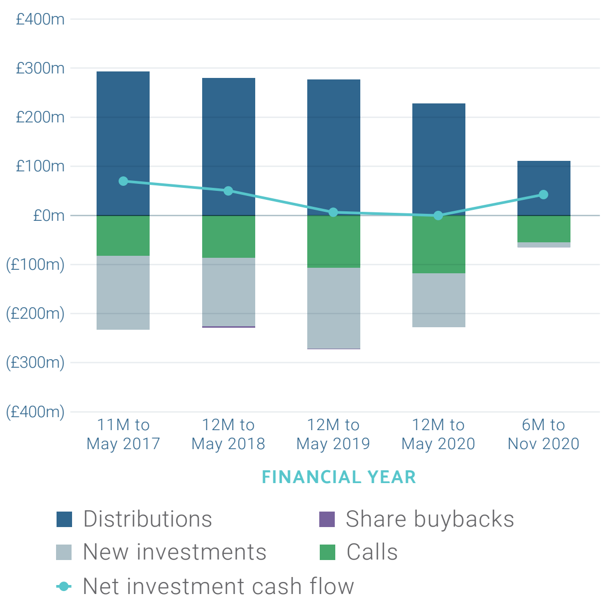
The Board believes that PIP's investment positions have, in general to date, come through the COVID-19 crisis in good shape and that the Company is well-positioned for the future. Pantheon, with nearly 40 years' experience of investing in private markets, has valuable longstanding relationships with the underlying managers of PIP's portfolio, which are not easy to replicate. PIP's flexible investment approach and ability to vary the pace of its commitments, together with its strong balance sheet and liquidity, means that it can respond opportunistically and quickly to market conditions. This combination of PIP's financial resilience and Pantheon's managerial acumen gives the Board confidence that PIP will continue to produce attractive returns for shareholders which can outperform public market benchmarks over the long term.

Sir Laurie Magnus
Chairman
24 February 2021

NAV and share price performance



Net investment cash flow



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

INVESTMENT POLICY

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

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

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

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

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

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

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

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

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

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

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

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

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

KEY PERFORMANCE INDICATORS

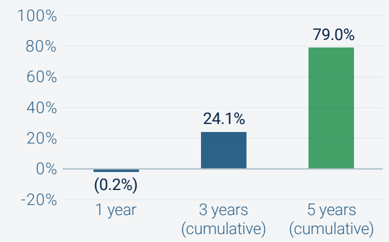
WHAT IT IS | HOW WE HAVE PERFORMED | LINK TO OUR STRATEGIC OBJECTIVES | EXAMPLES OF RELATED FACTORS THAT WE MONITOR

Performance

5-year cumulative total shareholder return

79.0%

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



- PIP's ordinary shares had a closing price of 2,320.0p at the half year end
- Discount to NAV was 26% as at 30 November 2020

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

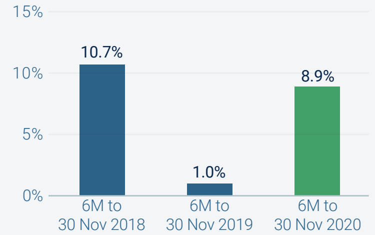
- Rate of NAV growth relative to listed markets
- Trading volumes for the Company's shares
- Share price discount to NAV

NAV per share growth during the half year

8.9%[1]

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

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



- NAV per share increased by 256.4p to 3,139.2p during the half year
- NAV growth underpinned by strong performance in the underlying portfolio

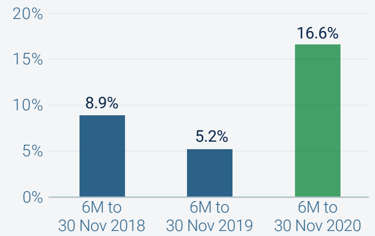
- Investing flexibly with top-tier private equity managers to maximise long-term capital growth
- Containing costs and risks by constructing a well-diversified portfolio in a cost-efficient manner

- Valuations provided by private equity managers
- Fluctuations in currency exchange rates
- Ongoing charges relative to NAV growth and private equity peer group
- Potential for tax leakage from investments
- Effect of financing (cash drag) on performance

Portfolio investment return for the half year

16.6%[1]

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



- PIP continues to benefit from good earnings growth in its underlying portfolio and from realisations at significant uplifts to carrying value

- Maximise shareholder returns through long-term capital growth

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

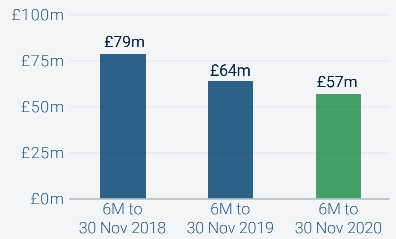
Liquidity

Net portfolio cash flow for the half year

£57m[2]

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

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



- PIP's portfolio generated £111m of distributions versus £54m of calls
- In addition, the Company made new commitments of £15m during the half year, £11m of which was drawn at the time of purchase
- PIP's portfolio has a weighted average fund age of 5.5 years[2]

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

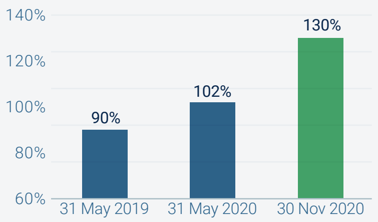
- Relationship between outstanding commitments and NAV
- Portfolio maturity and distribution rates by vintage
- Commitment rate to new investment opportunities

Undrawn coverage ratio

130%

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

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



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

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

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

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

2 Excludes the portion of the reference portfolio attributable to the ALN.

DIGITAL TRANSFORMATION IS HAPPENING EVERYWHERE

While dedicated information technology businesses are a significant part of our portfolio, the active shift to digital business models and ways of working is a key theme within our investment sectors. Many of our managers see significant investment opportunities as a result of digital transformation.

NEXI SPA

MANAGER	Cessidra Capital Partners ("Clessidra")
GEOGRAPHY	Europe
TYPE	Co-investment, Primary
SECTOR	Information technology
STAGE	Large Buyout
VINTAGE	2015

About the company

Nexi is the leading player in card and payment services in Italy. The company serves the majority of Italian financial institutions, as well as corporate and public sector clients, thereby representing a mission-critical component of Italy's financial infrastructure.

Nexi operates in three areas: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking Solutions.

The company operates in strong partnership with c.150 banks, serving 900,000 merchants and managing 42 million payment cards for 30 million cardholders.

The investment rationale

Clessidra invested in Nexi (formerly ICBPI) as part of a consortium that included Advent International and Bain Capital. In addition to a structural shift towards card payments and significant opportunities for operational improvement and M&A, the deal sponsors' track record in the payment processing sector and their history of collaboration in a number of successful investments was a key consideration when entering into this transaction.

Our relationship

Pantheon has invested in Clessidra and Advent International on a primary basis for several years and holds a seat on their respective Advisory Boards.

PIP co-invested £4.1m in Nexi alongside Clessidra in 2015.

WAYFAIR

MANAGER	Charlesbank Equity Partners ("CEP")
GEOGRAPHY	USA
TYPE	Primary
SECTOR	Consumer
STAGE	Mid-market Buyout
VINTAGE	2020

About the company

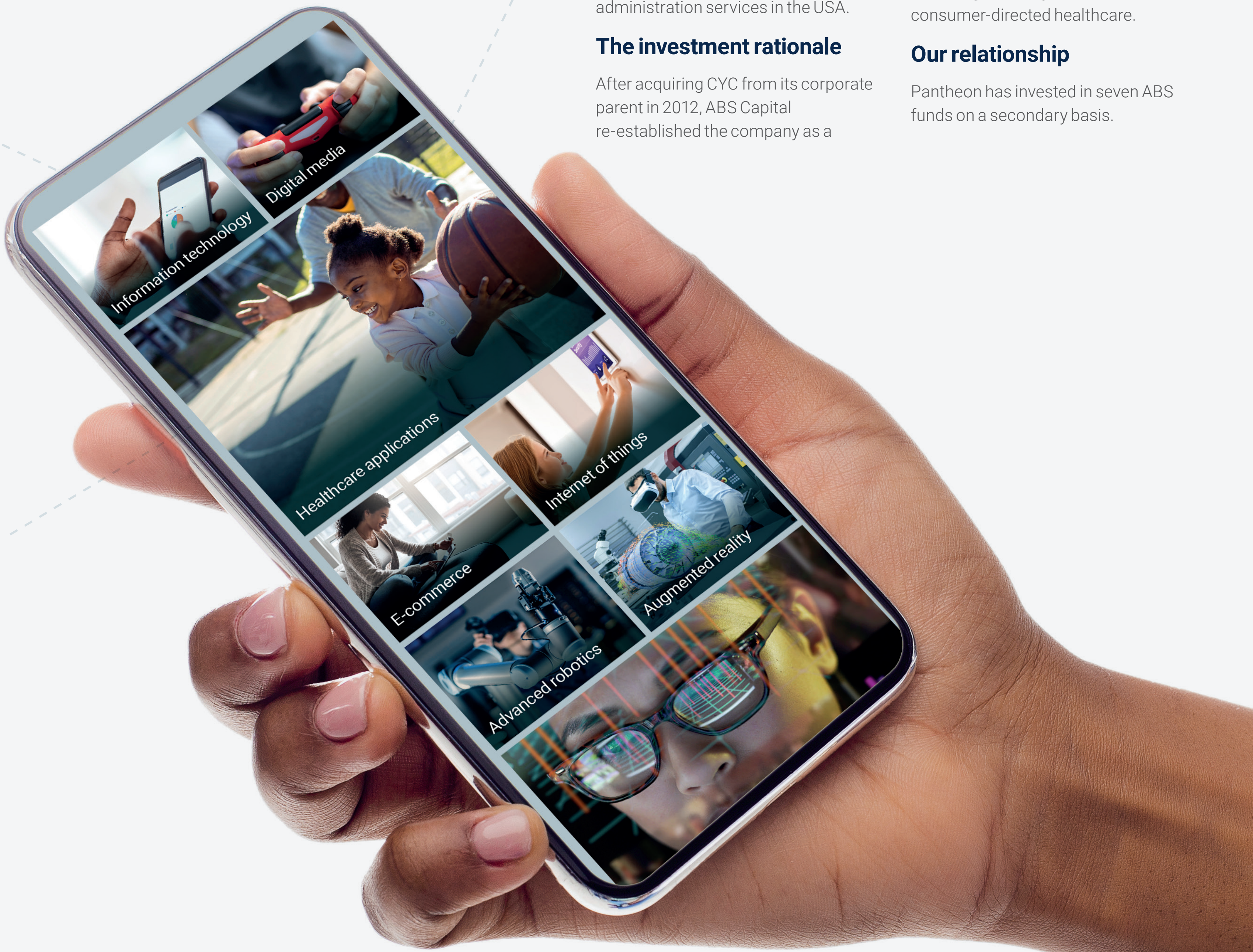
Wayfair is the largest pure-play e-commerce company addressing the US$300bn furniture and home goods market in the USA. Trading publicly on the New York Stock Exchange since its 2014 IPO, the company serves customers in the USA, Canada, the UK and Germany.

The investment rationale

In April 2020, CEP invested in a convertible debt instrument to support the business during the COVID-19 crisis. Wayfair repositioned itself to benefit from the rapid shift to online shopping and customers reprioritising their spending on home improvements instead of travel and entertainment.

Our relationship

Pantheon has invested with CEP on a primary and co-investment basis. Pantheon holds an advisory board seat in its latest fund.



CONNECT YOUR CARE

MANAGER	ABS Capital Partners ("ABS")
GEOGRAPHY	North America
TYPE	Secondary
SECTOR	Healthcare
STAGE	Growth Equity
VINTAGE	2012

About the company

ConnectYourCare ("CYC") is one of the largest providers of healthcare account administration services in the USA.

The investment rationale

After acquiring CYC from its corporate parent in 2012, ABS Capital re-established the company as a stand-alone entity, helping to provide the necessary people, processes and infrastructure to capitalise on the significant growth in consumer-directed healthcare.

Our relationship

Pantheon has invested in seven ABS funds on a secondary basis.

FINANCING OUR UNDRAWN COMMITMENTS

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

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

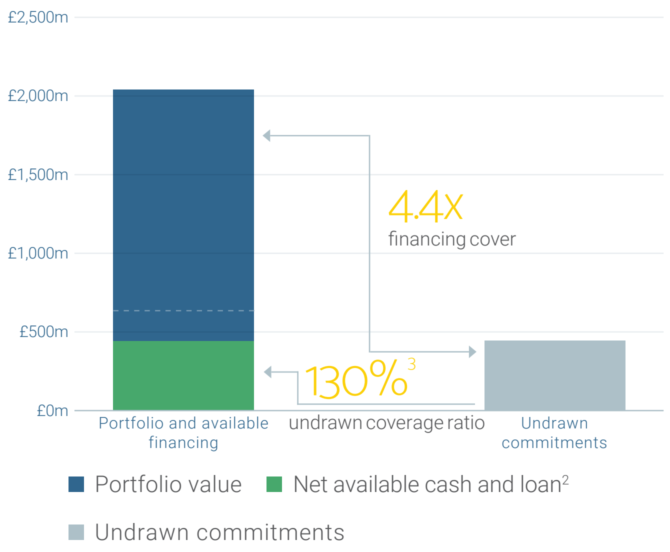
Managing our financing cover[1]

PIP's undrawn commitments were £464m as at 30 November 2020 (31 May 2020: £541m).

At 30 November 2020, PIP had net available cash balances of £151m. In addition to these cash balances, PIP also has access to a wholly undrawn £300m multi-currency revolving credit facility agreement ("loan facility") that expires in May 2024. Using exchange rates at 30 November 2020, the loan facility amounted to a sterling equivalent of £293m.

At 30 November 2020, the Company had £444m of available financing which, along with the value of the private equity portfolio, provides comfortable cover of 4.4 times relative to its undrawn commitments.

Another important measure is the undrawn coverage ratio, which is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is a key indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn, and was 130% as at 30 November 2020.



Asset Linked Note (ALN)

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

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

As at 30 November 2020, the ALN was valued at £50m. For more information on the ALN, refer to page 53.

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

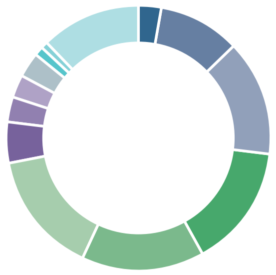
2 The available cash and loan figure excludes the current portion payable under the ALN, which amounted to £2.8m as at 30 November 2020.

3 The ratio of available financing and 10% of private equity assets to undrawn commitments. Under the terms of its loan facility, in order to make additional undrawn commitments, PIP is required to maintain an undrawn coverage ratio of at least 33%. See page 63 for further details.

Maturity[1]

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

As at 30 November 2020, PIP's portfolio had a weighted average fund age of 5.5 years.

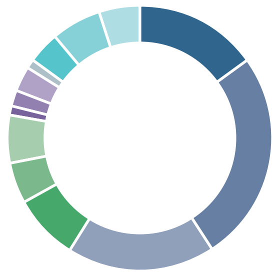


2020 and later	3%
2019	10%
2018	14%
2017	15%
2016	15%
2015	15%
2014	5%
2013	3%
2012	3%
2011	3%
2010	1%
2009	1%
2008 and earlier	12%

Undrawn commitments by vintage

The rise in more recent vintages is a result of PIP's primary commitment activity during the past three years.

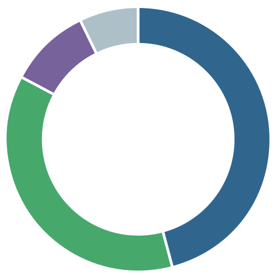
Approximately 22% of PIP's undrawn commitments are in funds with vintage years which are 2014 or older. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically.



2020	15%
2019	26%
2018	18%
2017	8%
2016	5%
2015	6%
2014	1%
2013	2%
2010–2012	3%
2009	1%
2008	4%
2007	6%
2006 and earlier	5%

Undrawn commitments by region

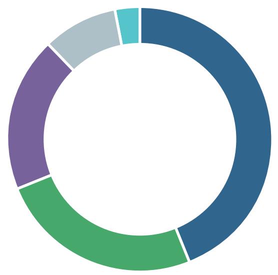
The largest share of undrawn commitments represents investments in the USA and Europe, which highlights the Company's investment focus on more developed private equity markets. PIP's undrawn loan facility is denominated in US$ and euros to match the predominant currencies of its undrawn commitments.



USA	46%
Europe	37%
Global	10%
Asia and EM	7%

Undrawn commitments by stage

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



Small/mid buyout	44%
Large/mega buyout	25%
Growth	19%
Special situations	9%
Venture	3%

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

Manager’s Review

OUR MARKET

Helen Steers
Pantheon Partner and manager of PIP

Navigating the crisis with skill and dexterity

Helen Steers, Partner at Pantheon and manager of PIP, discusses how the private equity market has responded so far to the COVID-19 pandemic, and considers the outlook for 2021.

This is no doubt that 2020 will go down in history as a year of extraordinary social and economic upheaval. The damage wrought by the COVID-19 pandemic has unleashed an unprecedented monetary and fiscal response from governments around the world. Interest rates have been cut to zero, central banks have launched vast programmes of quantitative easing and policy makers have applied emergency fiscal stimulus to soften the effects of the crisis. These policy actions have led to a recovery for most financial assets, with public equity markets bouncing back from the sharp declines that were triggered by the onset of the pandemic. The development and deployment of a range of effective vaccines have further boosted markets, and at the end of 2020 the MSCI World index was up by 14%, having rallied over 40% since the end of March. This aggregate performance masks a huge dispersion between countries, industry sectors and companies, and a vast amount of public market volatility during the year. There was a similar pattern of returns in private equity, although the valuation write-downs in the first quarter of the year were not as severe as those seen in listed equities, and the asset class as a whole recovered steadily in the second and third quarters of the year.

The impact of COVID-19 was felt in other ways in the private equity sector: new deal activity ground to a halt as private equity managers focused on their existing portfolio companies, assessing and resolving the operational and financial issues caused by the pandemic. The deep experience of the private equity managers in PIP’s portfolio has served them well so far during this difficult period. Through rapid action – securing the safety of portfolio company staff, managing the closure and re-opening of sites, sorting out supply chain problems, meeting key customer demands, pivoting towards online solutions and obtaining financing – PIP’s private equity managers were able to support our underlying companies and protect their portfolios. Although we had anticipated a potential surge in capital calls, and were ready for this eventuality, this did not materialise. Furthermore, although exit activity slowed during this initial phase of the pandemic, realisations then picked up and PIP has continued to receive distributions from the portfolio, albeit initially at lower than average levels.

During the second half of 2020, deal activity recovered as our private equity managers sought out add-on acquisitions for their existing investee companies, taking advantage of the opportunity to consolidate fragmented market segments. They also completed new transactions, frequently targeting businesses that they had tracked for several months or years prior to the pandemic. They also made use of the dislocation in public markets to pursue certain take-private deals. With this resurgence in activity, preliminary estimates for deal volumes at the end of 2020 are positive, and the momentum has continued into 2021. The large war chests amassed by private equity managers pre-crisis means that there is now an estimated US$1.5tn[1] of dry powder (capital raised and available to invest but not yet deployed) globally. This indicates a lively M&A market for private equity in 2021 and beyond, and we see this reflected in PIP’s active deal pipeline.

A busy period ahead in the private equity secondary market

Volumes in the global private equity secondary market reached record levels of US$88bn[2] in 2019 but fell to US$60bn[2] in 2020. However, the slowdown in deal activity occurred early on in the pandemic and the volumes in the second half of the year were only marginally behind those of the same period in 2019.

Traditional secondary deals from investors seeking to exit existing investments and rebalance their portfolios were delayed in anticipation of a market recovery in 2021. Meanwhile, within those sectors faring well through the pandemic, the number of “sponsor-led” (where the private equity managers themselves are actively involved in finding liquidity for investors in their funds) and single asset deals (individual companies carved out of older funds) increased significantly. These types of deals have already been a growing part of the secondaries market and we expect this to continue.

Pantheon is an established player in the secondary market and, through its extensive network of relationships spanning many years, is able to selectively identify and source deals that offer embedded value. Sponsor-led and single asset deals are a specialised area of the secondary market, where our secondary team’s extensive track record, expertise and transaction lead capabilities enable PIP to capitalise on the most attractive available opportunities.

1 Source: Preqin, January 2021.
2 Source: Greenhill Global Secondary Market Review, January 2021.

OUR MARKET

Invested in resilient sectors in uncertain times

Prior to the onset of the pandemic , many of PIP's underlying managers were investing already in sectors focused on the rapid digitalisation of the economy, process automation and data management, and others had backed segments in the healthcare and consumer services areas that were benefitting from secular trends driven by demographics and lifestyle shifts. Information technology and healthcare form the majority of PIP's portfolio and both of those sectors have shown resilience over the past months and performed well despite the pandemic. We have been steering PIP's portfolio away from consumer discretionary sector investments for several years and there is limited exposure to the segments hardest hit by the pandemic, such as travel and hospitality. Nevertheless, private equity's focus on selecting companies which have clear theses for value creation means that even in pressured sectors our private equity managers will remain alert to opportunities where the business fundamentals are strong and there are opportunities for future growth.

This crisis has highlighted the fact that technology is an enabler across many other industry sectors as well as being a vertical sector in its own right. Digital transformation, which is the use of technology to improve products, services and revenues, is one of several tools that many of our private equity managers use to enhance products and improve efficiencies both within their own businesses and those of their portfolio companies. In recognition of the growing importance of digitalisation, many managers have experts on staff. See the case studies in this report on the role that information technology is playing in many of the underlying companies in PIP's portfolio.

Acting responsibly and having a positive impact on the communities around us

Private equity managers are well-positioned to assess the risks related to Environment, Social and Governance ("ESG") effectively and to manage potential ESG issues and opportunities at both the portfolio level and the underlying companies. The interests of the ultimate investors, the private equity manager and the business' management are well aligned and the tight governance in private equity ensures that action can be taken if a portfolio company is not achieving its plan. As one of the first private equity signatories to the United Nations-backed Principles for Responsible Investment (UNPRI) in 2007, the core principles of responsible investment are embedded in Pantheon's due diligence processes when assessing an investment opportunity as well as through the proactive monitoring of the businesses in PIP's underlying portfolio for the duration of the investment. This continual assessment persists right up until the investment is exited.

While good governance is a hallmark of private equity ownership, and many companies have been considering their environmental impact for some time, the devastation caused by COVID-19 has led to the "S" of ESG – social impact – gaining greater importance and traction than ever before. We have been pleased to observe many of PIP's underlying private equity managers and their portfolio companies recognising their own responsibilities during the crisis and donating products, services and expertise to the relief effort. Examples of these efforts are highlighted in this report. Pantheon is also a champion of promoting diversity and inclusion both within our own business and those of our managers. Consideration of these principles is fully integrated into our investment due diligence questionnaires and processes.

Pantheon's platform continues to yield significant co-investment opportunities

Co-investments, which now account for 35% of PIP's portfolio, are economically attractive as they are typically free of management and performance fees, and enable PIP to invest directly in portfolio companies on the same terms and conditions as the private equity manager. Pantheon is able to source attractive co-investment deal flow for PIP because:

- We have an experienced, dedicated team which carries out detailed and extensive due diligence on each deal. This capability was enhanced further during the period with the appointment of an additional Partner to Pantheon's co-investment team.
- We do not compete against our underlying managers.
- We are reliable, and we have the scale and ability to deploy capital quickly and efficiently.
- We can co-underwrite transactions alongside our managers if appropriate.

We assess each co-investment on its own merits but our main investment themes are:

- Only invest where the targeted business is a good fit for the manager in terms of their sector and geographic expertise.
- Co-investments in attractive sectors offering clear prospects for high organic growth through differentiated product or service offerings.
- Strong platform companies targeting add-on acquisitions to build scale in existing businesses and consolidate fragmented end-markets.
- Resilient businesses with recurring revenues and stable demand for products or services.

As attention turns to rebuilding economies and restoring growth once the crisis ends, private equity has the credentials to contribute positively to the recovery effort. Research has shown that historically private equity has played an instrumental role in creating jobs and driving economic growth, particularly in the developed markets. For example, according to a recent study, private equity supported 10.5 million jobs in Europe through its company ownership in 2018[1] and was a major employer in most industry sectors. In that same year, employment levels at private equity-backed firms increased by 5.5%, with jobs created within all stages of investment from venture through to buyouts, which compared to overall growth of 1.1% in the European job market[1]. In the USA, which has the deepest and most established private equity market in the world, private equity invests half a trillion dollars in American businesses each year[2]. Furthermore, private equity has demonstrated its commitment to supporting smaller businesses through the pandemic with nearly half of all private equity investments being channelled into companies with fewer than 500 employees[2] in the USA.

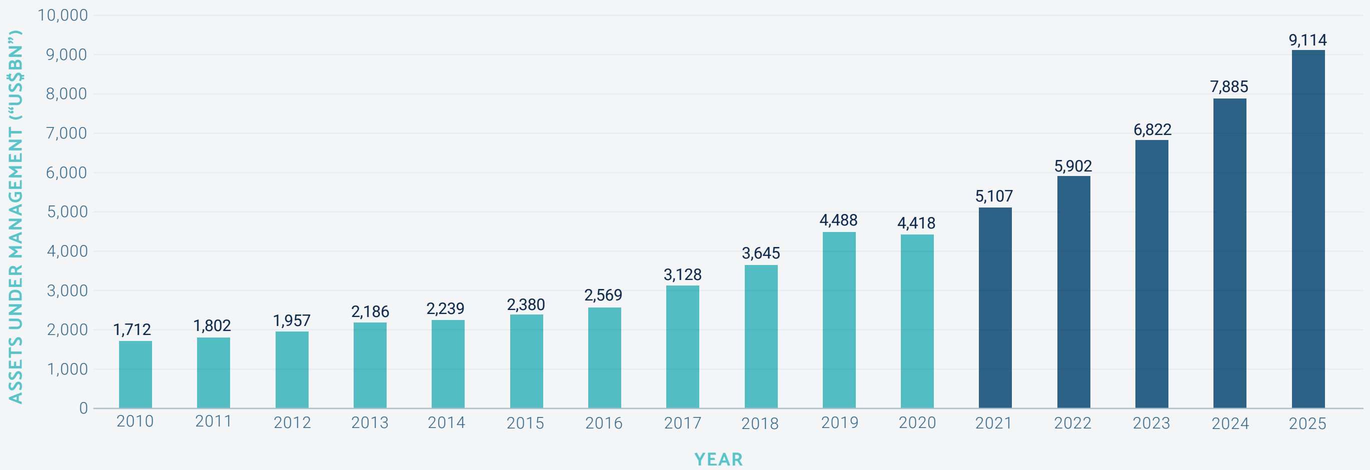
Outlook

According to research by Preqin, the growing US$4.4tn global private equity market is expected to double by 2025[3]. We believe that private equity will continue to benefit from the continuing shrinkage of the listed markets, which has seen the number of public companies in North America and Europe reduce each year while the number of private equity-backed companies has been increasing year-on-year. In our view, it is the strategic and operational expertise, experience and the long-term view taken by our private equity managers – which when combined with the capital provided by private equity brings demonstrable value to the companies under their ownership – that is fuelling the growth of the private equity industry. PIP is well-positioned to continue to be a beneficiary of this trend and we believe that the effect of our managers' hands-on approach is evidenced by the significantly stronger revenue and earnings growth exhibited by the underlying companies in PIP's portfolio when compared to that of the MSCI World index.

In many parts of the capital markets, valuations are considered to be full and the overall risks are currently skewed to the downside. However, we are managing risk in PIP by building a globally diversified portfolio which invests across the full spectrum of private equity, weighted towards small and mid-market buyouts and growth opportunities which offer the potential for strong returns. PIP's direct investment approach into the third party funds and co-investment opportunities that are sourced by Pantheon means that PIP has the flexibility to increase and decrease its exposure to the different investment types according to the best fit for its portfolio, and to vary the rate at which it makes investments.

The rollout of various vaccine programmes to protect against the COVID-19 virus has provided light at the end of the tunnel but the uncertainty is far from over and the economic impacts of the pandemic may last for many years to come. While private equity is not immune to these events, which are affecting us all, we believe that its inherent ability to be nimble, flexible and respond quickly to changing market dynamics means that private equity, and PIP with its more than 33 year track record, has the ability to emerge strongly from the COVID-19 crisis.

Private equity assets under management and forecast, 2010–2025*



Source: Preqin, November 2020.

* 2020 figure is annualised based on data to October. 2021–2025 are Preqin's forecasted figures.

1 Source: Invest Europe "Private equity at work" report, published September 2020.

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

3 Source: Preqin, January 2021.

RESPONSIBLE INVESTMENT

Index Ventures

Rini Banerjee
Senior Legal Counsel and ESG Officer
Index Ventures

Established in 1996, Index Ventures is a global venture capital firm with dual headquarters in San Francisco and London. Index invests primarily in technology-enabled companies, pursuing themes representing fundamental trends and growth opportunities in key sectors of interest, including financial services, e-commerce and consumer services, data and information services, infrastructure software and open source software.

Pantheon has invested in Index Ventures on a primary and secondary basis over multiple fund generations and holds a seat on its Advisory Board.

Investors are increasingly focusing on venture capital funds that actively consider ESG when making investment decisions. How does Index Ventures factor ESG and D&I issues into its investment strategy, due diligence and post-acquisition value creation plans?

RB We believe ESG is critical to our overall strategy and we have put in place systems to integrate ESG into our investment processes and to actively monitor ESG risk in our portfolio companies that are growth-stage investments.

Amongst other checks, we believe it is important to undertake appropriate due diligence. In order to uncover any ESG issues pre-investment for example, every prospective portfolio company that is a growth stage investment is asked to complete an ESG due diligence questionnaire or conduct a due diligence call with the legal team and/or the investment team to address principal ESG risks including the effects of its operations on climate change, the company's environmental impact, supply chain analysis, diversity and inclusion as well as good governance and management at the company. The answers to these questions are reviewed and included alongside legal and financial due diligence. All relevant investment committee memorandums must include an assessment of the ESG implications of the portfolio company on the overall fund.

ESG at Index, including the implementation of the ESG policy and reporting to our investors, is maintained by an ESG Officer. Additional support is provided by our legal, investor relations, investment, marketing, secretariat and finance teams to ensure cross-departmental collaboration and deep integration of ESG throughout the firm.

How did Index and its portfolio companies respond to the ESG challenges posed by the pandemic?

RB The pandemic emphasised the importance of community. With the lockdown, we saw our companies becoming increasingly innovative in the way that they brought people together – whether it was **BlaBlaCar**'s initiative to help with grocery shopping for the elderly and other vulnerable individuals; **Taxfix**, who assisted those who have lost their jobs, or were put on short-term work, with their tax assessments; **MyHeritage**, who e-deployed its facilities as affordable COVID-19 test centres; or **Capitolis** who, in June 2020, donated 10% of their transactional revenue to local charities in their communities that were particularly affected by COVID-19. We saw our portfolio companies focus on relationships and build strong bonds within their communities despite the challenges of the pandemic.

Within Index itself, we provided remote working support for all our employees. We also ensured that our usual service providers continued to get paid throughout the lockdown where possible. This wouldn't be an issue that we would normally have thought about before COVID-19, but once the pandemic happened, we wanted to make sure our communities were safe, healthy and well.

Venture capital has long been perceived as an industry that lacked real diversity. What are your thoughts on D&I in the venture capital industry? How has Index advanced its D&I efforts in recent years?

RB Like many industries across the financial and commercial sector, venture capital can and should do more. At Index, we try to take an organic and team-led approach, empowering employees to suggest and lead actions that they feel improve our overall D&I efforts. Some examples:

- **Creation of a Diversity & Inclusion Taskforce:** Several Index employees have volunteered to lead efforts to build Index into a more diverse and inclusive organisation over the next 12–24 months. A concrete result of this taskforce was the creation of an internal survey mapping the internal diversity within Index as at December 2020. We also continue with our partnership with WhiteHat (recently rebranded as Multiverse), a UK-based apprenticeship platform, offering internships at Index to promising candidates from underprivileged backgrounds.
- **"Inclusion" as a necessary component of D&I:** It is important to take a holistic top-down approach to D&I, to ensure that staff from all backgrounds are treated equally and feel inclusive. For example, Index ensures there is no gender or other pay gap internally and that salaries are commensurate with market rates as well as an individual's actual performance and projected potential. Remuneration is considered by a Remuneration Committee consisting of Index Partners in order to standardise remuneration across the firm's geographical locations and departments.
- **Diversity and inclusion in underlying companies:** D&I is integrated within our ESG policy and investment process. For example, during the closing of a recent financing round for a portfolio company, the Index investment team recommended the inclusion of a diverse candidate from an underrepresented community or background to the Board of Directors. The recommendation was accepted and included in the company's shareholder documentation.

BlaBlaCar

COUNTRY	France
SECTOR	Information technology

BlaBlaCar is a provider of long-distance carpooling services.

BlaBlaCar started BlaBlaHelp as a way to engage with its users positively during the pandemic. As a result of this initiative, over 20,000 BlaBlaCar users volunteered to help elderly and other vulnerable individuals under lockdown/shelter-in-place rules with their grocery shopping.

Taxfix

COUNTRY	Germany
SECTOR	Financials

Taxfix is a developer of mobile application software for tax returns.

The company provided free tax assessment services to individuals who lost their jobs, or were put on "kurzarbeit" or short term work, as a result of the COVID-19 pandemic in 2020.

MyHeritage

COUNTRY	Israel
SECTOR	Communication services

MyHeritage is an online genealogy platform and provider of DNA testing services.

In partnership with the Israeli government, MyHeritage played a key role in the rapid deployment of affordable COVID-19 test centres in areas of high COVID-19 concentration.

Capitolis

COUNTRY	USA
SECTOR	Financial services

Capitolis is a leading provider of software-as-a-service technology platforms for global capital markets.

In June 2020, Capitolis launched "Capital Connects" wherein the company donated 10% of its transactional revenue from its platform to local charities in communities that were particularly affected by COVID-19. The charities selected in 2020 include City Harvest (US), Compliments of the House (UK) and Magen David Adom (Israel).

RESPONSIBLE INVESTMENT

Jarlyth Hancock Gibson
Director of Risk Management & ESG
Advent International

Founded in 1984, Advent International is one of the largest and most experienced private equity firms in the world. With 15 offices on four continents, Advent has a globally integrated team of more than 240 investment professionals, focused on buyouts and growth equity investments in five core sectors: business and financial services, technology, industrials, healthcare, and retail, consumer and leisure. Since initiating its private equity strategy in 1989, the firm has invested US$55bn in over 370 private equity investments in 41 countries and, as at 31 December 2020, managed US$66bn in assets.

Pantheon has invested in Advent International on a primary and secondary basis for several years and holds a seat on its Advisory Board.

What does ESG mean to you and how is it integrated into your business?

JG Our investment philosophy is centred around the sustainable growth of the businesses in which we invest. We have always believed in thinking longer term and seeing business performance through a wider lens. As the role of business in society continues to evolve, we believe our focus on responsible investment drives positive change as well as improved performance. Advent's commitment to our employees, portfolio companies, investors and the broader community reflects this conviction.

Consideration and thoughtful management of ESG risks and opportunities, including diversity, equity and inclusion, at all stages in our investment process helps to protect and enhance reputation and financial performance and create stronger, more valuable companies. We embed elements of ESG throughout our investment lifecycle, from the diligence phase, through active ownership, collaborative management and value creation, all the way through to exit. We work closely with high-quality management teams and support them with our operational expertise, insights and deep sector knowledge. Our approach to value creation, in collaboration with portfolio company senior management, also involves establishing operational excellence through managing environmental impacts, respecting communities and human capital, and enhancing corporate governance through expertise, processes and culture.

What framework/systems do you have in place to actively identify and monitor ESG risks of portfolio companies?

JG Throughout our investment process, we communicate regularly with our investors. Advent believes it is important to communicate our approach to ESG in our investment strategy and regularly inform our investors about key ESG topics, performance and progress over the life of an investment. We also engage with our investors on particular topics of interest to them on an ongoing basis. These exchanges in turn inform our investor reporting. For our investors, we hold an annual investor meeting and produce twice-yearly company-level ESG reports for our most recent funds. Our public website includes information on responsible investment, diversity, equity and inclusion, as well as our ESG Overview Report which describes Advent's approach to ESG and highlights selected portfolio companies' innovative approaches to managing ESG-related issues.

How did Advent and its portfolio companies respond to the ESG challenges posed by the COVID-19 pandemic?

JG Looking back on 2020, we believe our response to COVID-19 highlights the most important dimensions of Advent's activity in our global society. While each of our core sectors has been affected differently, we are proud of the common principles behind our actions: protecting public health, giving to the most vulnerable and using our skills, products and expertise to alleviate some aspects of the crisis. We had several companies adapt their industrial capabilities to contribute to ventilator production, multiple companies rapidly re-engineer some parts of their manufacturing lines to produce hand sanitiser, while **Röhm** ramped up its production of PLEXIGLAS® to meet the global demand for protective shields in person-to-person interactions in stores, schools, hospitals and many other locations. Healthcare companies turned to their drug development and marketed product pipelines to prioritise products with applications in treating COVID-19. **Definitive Healthcare**, a technology-enabled healthcare company, used its data analytics capabilities to assist in COVID-19 preparedness planning. In retail, consumer and leisure, as well as across our portfolio, companies have raised significant funds to contribute to alleviating food insecurity, to distribute PPE to healthcare workers, donating tens of thousands of mattresses and hotel room space to healthcare workers, and to assist vulnerable populations suffering from homelessness, depression, domestic violence and other issues. As a firm, we created The Advent Relief Fund, which rapidly distributed more than US$30m to charities, via local offices, in collaboration with our portfolio companies, in the spring and summer to enable communities to cope and adapt.

How has Advent developed its D&I efforts in recent years and why do you think it matters?

JG Advent is committed to making our firm and our portfolio companies stronger by promoting diversity, equity and inclusion ("DE&I") inside our firm and across our portfolio companies. Diversity at Advent is integrated within our culture and in how we see our future. We have long believed that creating an inclusive environment that values diversity of background, race, ethnicity, sexual orientation, experience, ideas and opinion not only makes us better investors but is also the right thing to do. We are dedicated to driving positive change globally across Advent's offices, within our portfolio companies, and in the communities in which we operate. **First Watch** is an example of a portfolio company that best represents our firm's commitment to DE&I.

In 2020, we created The Advent Leadership Academy, an ambitious collaboration between Advent International and Harvard Business School. This joint effort is designed to provide high-potential leaders at our portfolio companies with the knowledge and skills to accelerate their professional development and create a pipeline of executives who will be prepared for future senior leadership roles. One of the great strengths of the Advent approach has been the continual exchange of ideas across our global community. The programme will further stimulate this collaboration by encouraging alumni to share insights and best practices gained in one sector or geography with fellow leaders elsewhere in the Advent portfolio.

The adoption of ESG standards varies widely across the different sectors. Given the scope of Advent's businesses, how have you addressed that challenge?

JG Each of our portfolio companies has a different mix of important ESG topics depending on their industry, their geography and their growth strategy priorities. In assessing key ESG considerations to monitor and embed, we work with specialist consultancies and refer to industry standards such as SASB[1] to inform our high-level perspective. For example, we recognise that for the Business & Financial Services sector, cybersecurity, data privacy and facilitating financial system participation are key ESG themes. In the evolving Technology industry, technology disruption, data usage and mobility have given us greater visibility into the importance of data security and customer privacy as more and more of our everyday activities are driven online. Industrial companies such as **Röhm**, on the other hand, must focus on risk management and robust health and safety programmes. In sectors such as Healthcare and Retail, ESG key topics include supply chain, access to medicines, innovation, and safe provision of products and services.

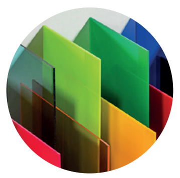
1 Sustainability Accounting Standards Board.

Röhm GmbH

COUNTRY	Germany
SECTOR	Industrials

Röhm is a leading global producer of methacrylates (PLEXIGLAS®). The company's products are shipped to industrial customers all over the world, for use in a wide variety of industries, including paints and coatings, precious minerals mining, automotive, building and healthcare.

Röhm developed extensive, complex systems to ensure compliance with legal, regulatory and industry requirements, and best practices. Going beyond compliance to ensure safety and protect its reputation is a priority for Röhm in production, product safety, transportation and the handling of all its products. Röhm's transportation risk analysis process is considered best-in-class in its sector.



Definitive Healthcare

COUNTRY	USA
SECTOR	Healthcare

Early into the COVID-19 pandemic, Definitive Healthcare used its proprietary data and analytics to identify geographic hot spots where COVID-19 cases would outstrip local supply of ventilators, hospital bed capacity and other medical resources via its COVID-19 Capacity Predictor. More recently, Definitive Healthcare created a COVID-19 Reopening Analysis Predictor, an interactive tool that captures key metrics that indicate when different areas can begin safely easing stay-at-home restrictions.

First Watch Restaurants

COUNTRY	USA
SECTOR	Consumer

First Watch is a large and fast-growing daytime-only restaurant concept in the USA with more than 400 restaurants in 29 states.

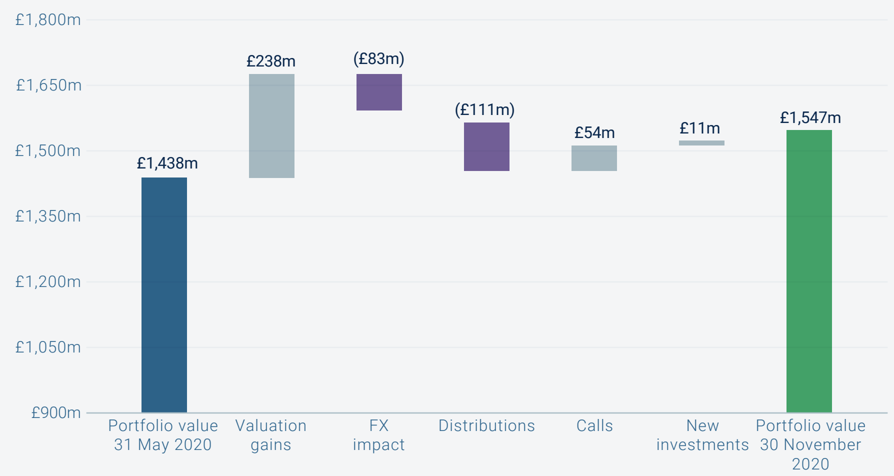
First Watch launched new diversity and inclusion initiatives in September 2020, focusing on scholarship and mentorship programmes, increasing the representation and advancement of underrepresented groups, as well as training initiatives that foster mutual respect and acceptance of others.

PERFORMANCE

Overall, PIP's underlying portfolio continues to deliver robust returns. The cash-generative profile of the portfolio, and the portfolio's tilt towards more resilient sectors, underpinned strong performance during the half year.

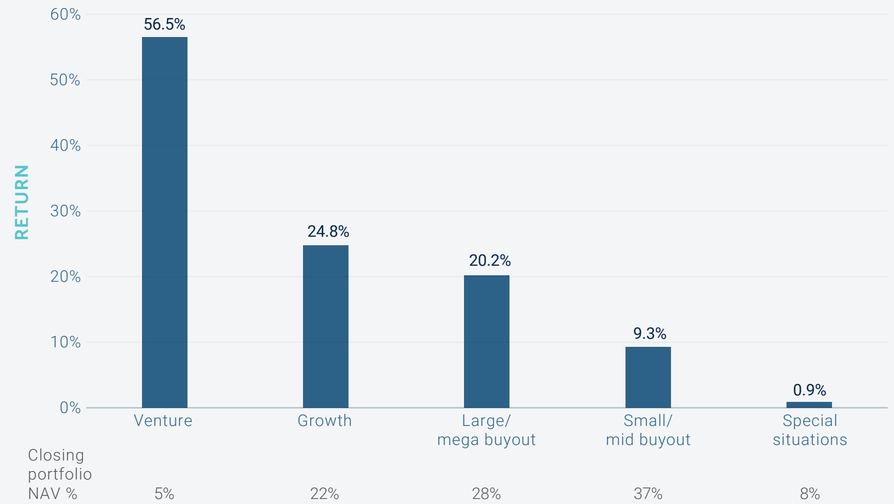
Private equity portfolio movements

- Excluding returns attributable to the ALN share of the portfolio, PIP's portfolio generated returns of 16.6% during the half year.
- PIP's total portfolio generated investment returns, prior to foreign exchange effects, of 16.4%.



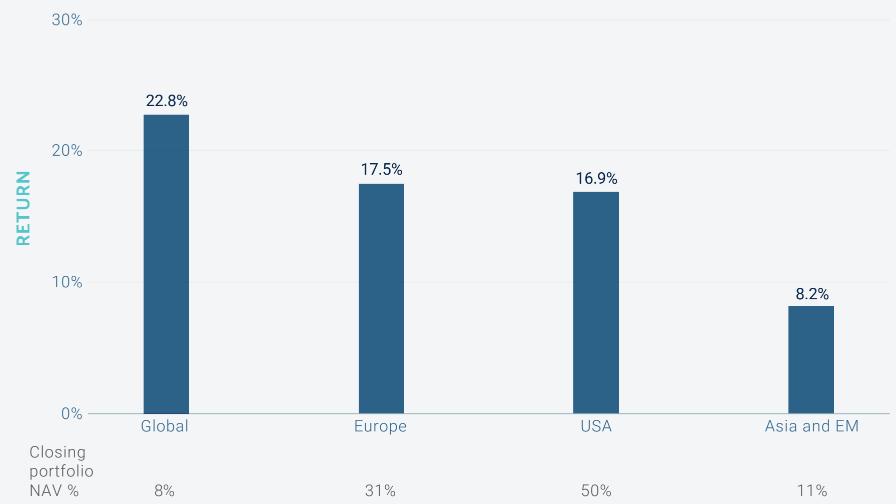
Valuation gains by stage[1]

- There was positive performance across all key segments of PIP's portfolio.
- Venture performance was driven primarily by a successful initial public offering of a portfolio company in the information technology sector.
- Buyout and growth segments performed well, helped by strong exits and valuation gains.
- The special situations segment, which accounts for 8% of PIP's portfolio by value, underperformed, mainly due to valuation declines in the de-emphasised energy sector.



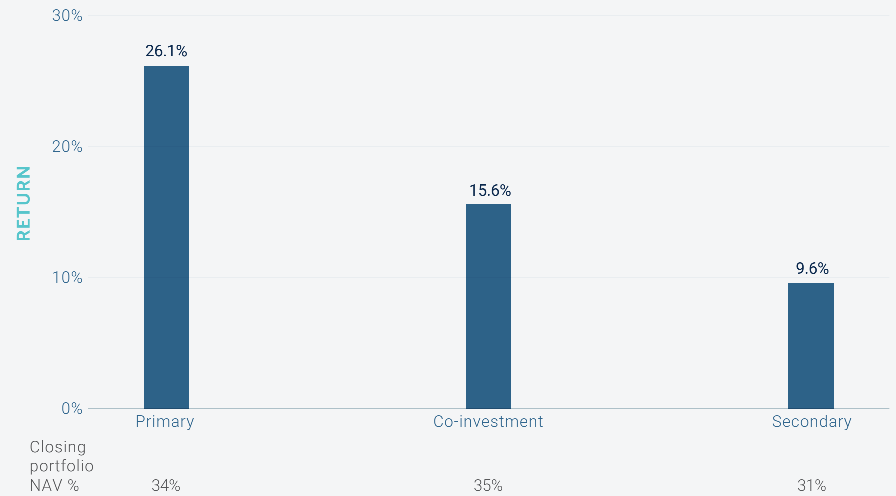
Valuation gains by region

- Strong performance in European and US investments during the half year, driven by favourable exits and positive valuation movements in some listed portfolio companies.
- Good performance in Asia and Emerging Markets, albeit muted relative to other regions.



Valuation gains by type

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



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

DISTRIBUTIONS

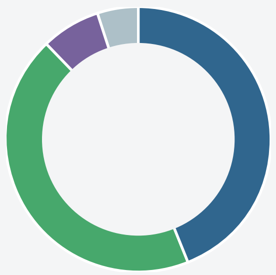
PIP received more than 850[1] distributions during the half year, with many reflecting realisations at uplifts to carrying value.

Distributions by region and stage

PIP received £111m in proceeds from PIP's portfolio in the six months to 30 November 2020 equivalent to 15%[2] of opening private equity assets.

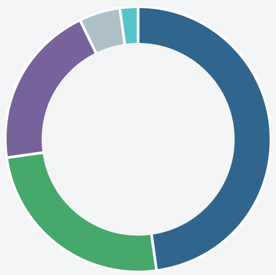
The USA and Europe accounted for the majority of PIP's distributions, where market conditions supported a good level of exits, particularly from buyouts.

Distributions by region



USA	44%
Europe	44%
Global	7%
Asia and EM	5%

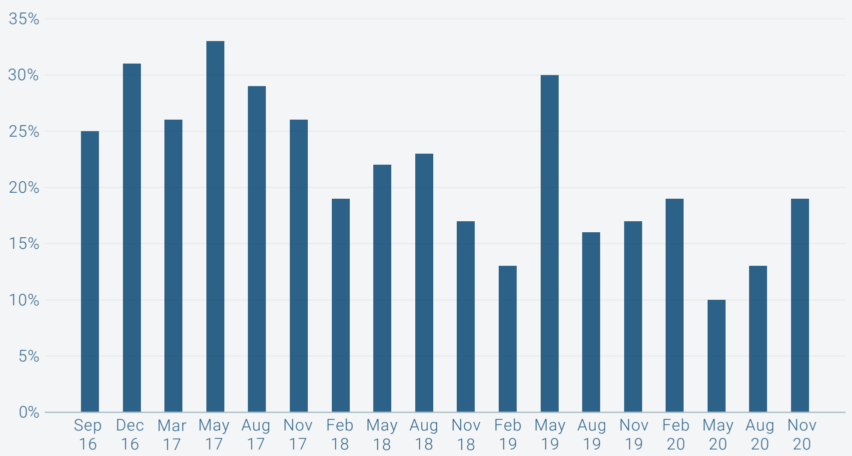
Distributions by stage



Small/mid buyout	48%
Large/mega buyout	25%
Growth	20%
Venture	5%
Special situations	2%

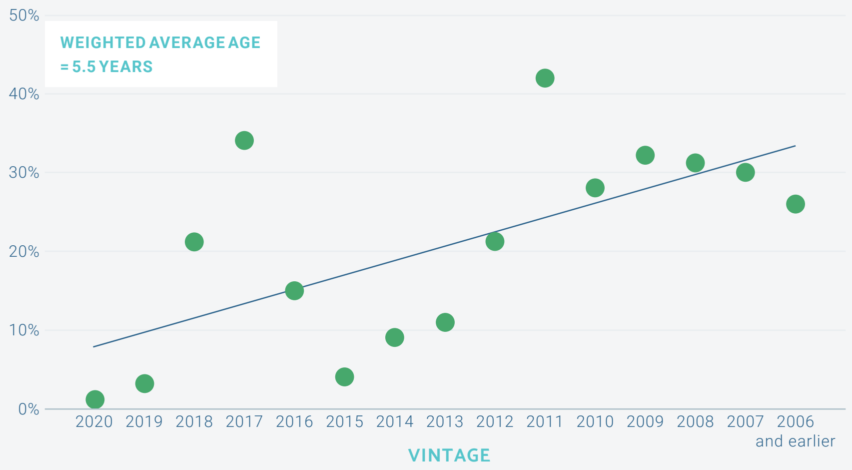
Quarterly distribution rates

- Distribution rate equals distributions in the period (annualised) divided by opening portfolio value.
- Distribution rate in the quarters to May and August impacted by onset of COVID-19 and broader market decline in deals.
- Recovery in annualised distribution rates seen in the quarter ending 30 November 2020.



Distribution rates by vintage

With a weighted average fund maturity of 5.5 years[3], PIP's portfolio is well-positioned to continue to generate significant levels of cash.



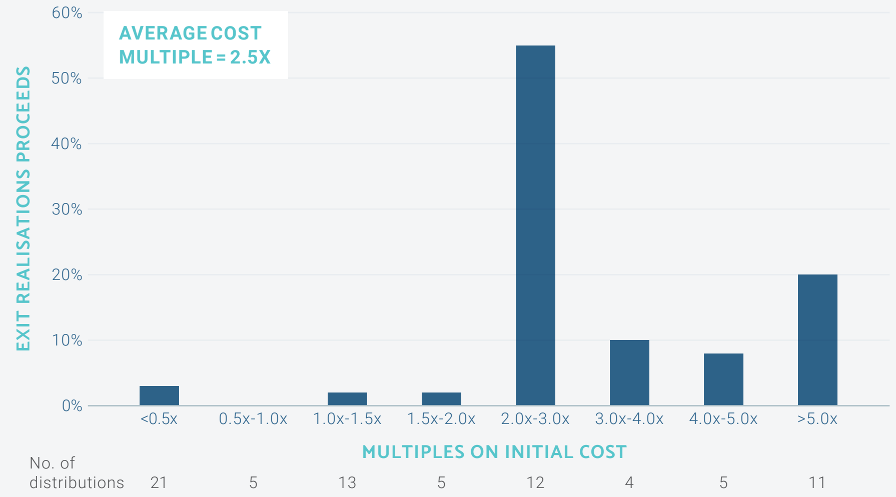
1 This figure looks through feeders and funds-of-funds.

2 Including distributions attributable to the ALN, the distribution rate for the year was 17%.

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

Cost multiples on exit realisations for the half year to 30 November 2020[1]

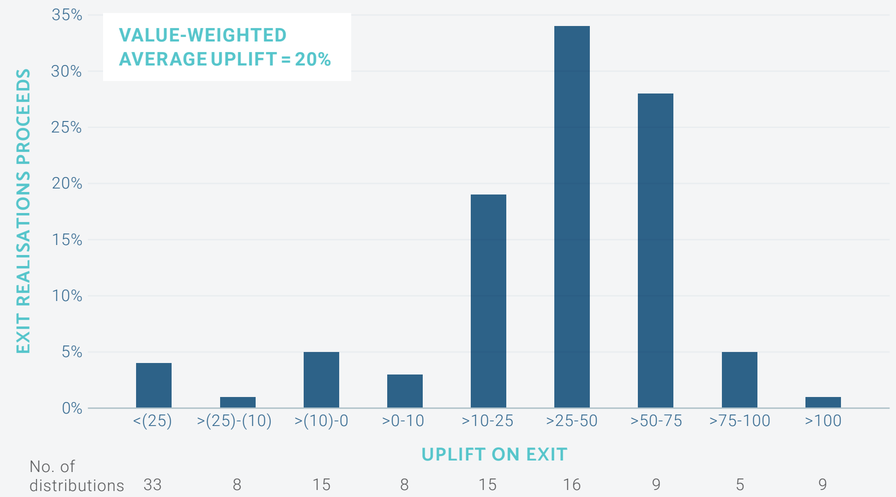
The average cost multiple of the sample was 2.5 times, highlighting value creation over the course of an investment.



Uplifts on exit realisations for the half year to 30 November 2020[1]

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

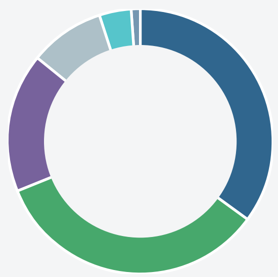
The method used to calculate the average uplift is to compare the value at exit with the value 12 months prior to exit.



Exit realisations by sector and type

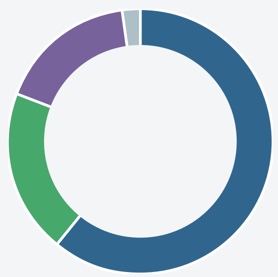
Reflecting their resilience through the pandemic so far, the majority of exit realisations occurred in the healthcare, consumer and information technology sectors. Secondary buyouts represented the most significant route for exit activity during the half year. The data in the sample provide coverage for 100% (for exit realisations by sector) and 91% (for exit realisations by type) of proceeds from exit realisations received during the period.

Exit realisations by sector



Healthcare	35%
Consumer	34%
Information technology	17%
Industrials	9%
Financials	4%
Energy	1%

Exit realisations by type



Secondary buyout	61%
Trade sale	20%
Public market sale	17%
Refinancing and recapitalisation	2%

1 See page 62 of the Alternative Performance Measures section for sample calculations and disclosures.

REALISATIONS FROM OUR PORTFOLIO UNDERPIN PERFORMANCE

Vital healthcare for the elderly

COLISÉE			£14.0m
COLISEE	**MANAGER**	IK Investment Partners ("IK")	in proceeds
	GEOGRAPHY	Europe	
	TYPE	Co-investment	
	SECTOR	Healthcare	
	STAGE	Mid-market Buyout	
	VINTAGE	2017	

About the company

Colisée is a leading European operator of nursing home facilities and home care services agencies for the elderly.

The company, with its network of 16,000 care providers and more than 270 facilities in France, Belgium, Spain and Italy, has developed a strong expertise in the care and wellbeing of elderly people.

The investment rationale

Colisée is well-positioned to benefit from strong secular trends, such as an ageing European population and an increasing shift towards privately managed elderly care.

Led by a highly experienced management team, Colisée is a consolidator in a fragmented market, acquiring small to medium sized nursing home operators in its core geographies.

Recognised for its strong operations, Colisée has a high focus on the quality of care provided to its residents.

Our relationship

Pantheon has a longstanding relationship with IK, with fund investments dating back to 1999. In addition to Colisée, PIP has participated in several other co-investments alongside IK.

2020 Colisée was acquired by EQT Infrastructure and CDPQ Infrastructure in November 2020.



16,000+
care providers

270+
facilities in France, Belgium, Spain and Italy

PRIVATE EQUITY IS ALL AROUND US

Leading the way with the digital retail experience

2,300+ employees

12.6m active customers

97% share price growth in less than three months since IPO[2]

ALLEGRO		
MANAGER	Mid Europa Partners ("Mid Europa")	£3.1m[1] in proceeds to date
GEOGRAPHY	Europe	
TYPE	Co-investment	
SECTOR	Consumer	
STAGE	Large Buyout	
VINTAGE	2017	

About the company

Allegro is Poland's largest online marketplace, with over 20 million registered users, allowing businesses and individuals to sell their products to consumers.

As the preferred online shopping destination for Polish customers, Allegro benefits from an iconic brand with exceptional user engagement metrics.

Allegro.pl is one of the world's top ten e-commerce websites, attracting 12.6m customers.

The Allegro marketplace provides customers with advanced search functionality, safe payment transfer and financing solutions, a buyer protection programme and a managed delivery experience, while providing merchants with data tools and the ability to promote and advertise offers.

The investment rationale

As the e-commerce leader in Poland, Allegro is well-positioned to continue to benefit from the shift from offline to online shopping, which is underpenetrated relative to many other countries globally.

Over the course of their ownership, Mid Europa, in collaboration with Cinven and Permira, has supported the management of Allegro's key strategic initiatives of expanding product breadth, optimising merchant processes and innovating the technology platform.

Our relationship

Pantheon is a primary investor in all three of the financial sponsors that backed this business.

In 2017, PIP co-invested £3.0m (€3.5m) in Allegro. PIP has also participated in three other co-investments alongside Mid Europa.

2020 Allegro was listed on the Warsaw Stock Exchange on 12 October 2020, priced at PLN43 per share. PIP continues to be invested in the company.

1 €4.6m if the €1.1m proceeds from a recapitalisation is included.

2 As at 30 December 2020 and denominated in PLN.

TOP 50 DISTRIBUTIONS

No.	Company	Country	Sector	Description	Total proceeds (£m)
1	Galileo Global Education	Luxembourg	Consumer	Global post-secondary school education platform	17.4
2	Colisée	France	Healthcare	Operator of nursing home facilities	14.0
3	Nexi	Italy	Information technology	Card and payment services company	7.4
4	ConnectYourCare	USA	Healthcare	Provider of healthcare account administration services	5.7
5	NIBC Bank	Netherlands	Financials	Corporate and retail bank	5.6
6	Valet Waste	USA	Industrials	Provider of cleaning and sanitation services	3.6
7	CPG International	USA	Industrials	Manufacturer of building products	3.2
8	Allegro	Poland	Consumer	Online marketplace	3.1
9	Compagnie Européenne de Prévoyance	France	Financials	Credit protection insurance broker	2.7
10	CrowdStrike	USA	Information technology	Security software company	2.7
11	Adyen	Netherlands	Information technology	Payment processing platform	2.4
12	Shift4 Payments	USA	Information technology	Provider of payment processing solutions	2.3
13	Advanced Micro-Fabrication Equipment	China	Information technology	Manufacturer of semi-conductor equipment	2.2
14	Xplornet	Canada	Communication services	Provider of web hosting and high speed internet services	1.9
15	Adare Pharmaceuticals	USA	Healthcare	Specialty pharmaceutical company	1.6
16	eSolutions	USA	Healthcare	Data analytics and workflow automation software company	1.6
17	Compusearch	USA	Information technology	Provider of software solutions to government agencies	1.5
18	Visma Group	Norway	Information technology	Provider of cloud-based SaaS productivity solutions	1.5
19	Netflix	USA	Communication services	Internet television subscription services company	1.3
20	Home Shopping Europe	Germany	Consumer	Muti-channel home shopping company	1.3
21	Tenable Network Security	USA	Information technology	Developer of network vulnerability assessment solutions	1.3
22	Apollo Education	USA	Consumer	Provider of continuing education programmes and services	1.3
23	Thomson Reuters	UK	Industrials	Information services and analytics company	1.2
24	Kaspi Bank	Kazakhstan	Financials	Commercial bank	1.2
25	SK Fire & Security	Netherlands	Industrials	Provider of fire protection products for businesses	1.2
26	nCino	USA	Information technology	Cloud-based banking platform	1.1
27	Palomar	USA	Financials	Property insurance company	1.1
28	ECT	France	Industrials	Provider of environmental engineering and recycling services	1.0
29	Pepperstone Group	Australia	Financials	Online foreign exchange broker	1.0
30	Freshly	USA	Consumer	Manufacturer of ready-made meals	0.9
31	Vertafore	USA	Information technology	Provider of software solutions for the insurance industry	0.9
32	Floor & Decor Holdings	USA	Consumer	Retailer of hard surface flooring and related accessories	0.9
33	Melia Aloha Hotel	Spain	Consumer	Hotel chain	0.9
34	Isotrak	USA	Information technology	Fleet management software solutions provider	0.9
35	FlagStar	USA	Financials	Commercial bank	0.8
36	LOGEN	South Korea	Industrials	Domestic parcel delivery services company	0.8
37	Vectorply	USA	Consumer	Producer of composite fabrics for industrial use	0.8
38	Crop Corporation	USA	Industrials	Manufacturer of concrete water tanks	0.8
39	Diligent	USA	Information technology	Provider of corporate governance software	0.8
40	Fiskarhedenvillan	Sweden	Consumer	Manufacturer of pre-fabricated houses	0.8
41	Applied Systems	USA	Information technology	Provider of cloud-based insurance software solutions	0.8
42	1Life Healthcare	USA	Healthcare	Chain of primary healthcare clinics	0.8
43	Italia Online	Italy	Communication services	Provider of digital advertising services	0.7
44	Checkmarx	Israel	Information technology	Enterprise security software provider	0.7
45	Xiaomi	China	Information technology	Communication equipment and electronics company	0.7
46	Phreesia	USA	Healthcare	Provider of patient intake management software	0.7
47	Atria Convergence Technologies	India	Communication services	Broadband internet provider	0.7
48	Twist Bioscience	USA	Healthcare	Manufacturer of synthetic DNA for the biotechnology industry	0.7
49	Genesys	USA	Information technology	Contact centre technology software provider	0.7
50	Spotify	Sweden	Information technology	Provider of digital music streaming services	0.6
	TOTAL				**109.8**
	COVERAGE OF TOTAL DISTRIBUTIONS				**99%**

CALLS

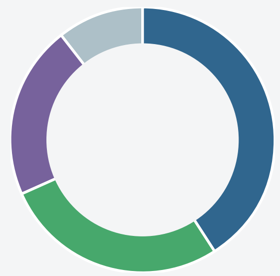
Calls during the half year were used to finance investments in businesses such as software providers, specialty pharmaceuticals and business process outsourcing companies. In addition, our managers sought to make attractively priced add-on acquisitions for existing platform companies.

Calls by region and stage

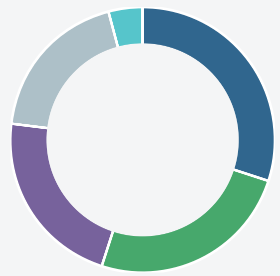
PIP paid £54m to finance calls on undrawn commitments during the half year.

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

Calls by region



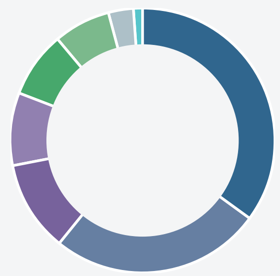
Calls by stage



Calls by sector

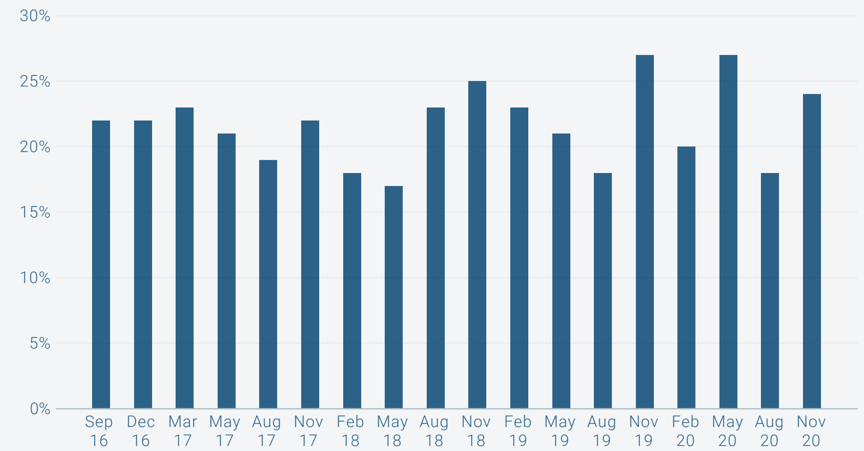
A large proportion of calls were for investments made in the information technology and healthcare sectors.

Calls by sector



Quarterly call rate[1]

The annualised call rate for the six months to 30 November 2020 was equivalent to 20% of opening undrawn commitments.



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

NEW COMMITMENTS

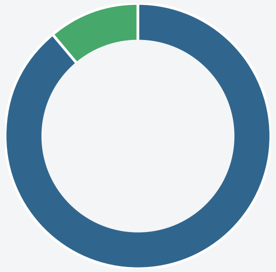
PIP committed £15m to six new investments during the half year. Of the total commitments made, £11m was drawn at the time of purchase. Since the period end, PIP has committed a further £29m to 10 new investments. The Company's investment pipeline points to an active period for new commitments for the remainder of the financial year.

Our investment process

1. Investment opportunities are originated via Pantheon's well-established platform
2. Within our diversified portfolio, we back the best managers globally that are able to identify and create value in growing companies
3. Cash is generated when those companies are sold, and is returned to PIP to be redeployed into new investment opportunities

New commitments by region

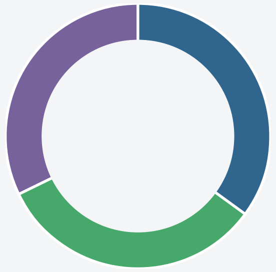
The majority of commitments made in the six month period were to US private equity opportunities.



USA	89%
Europe	11%

New commitments by stage

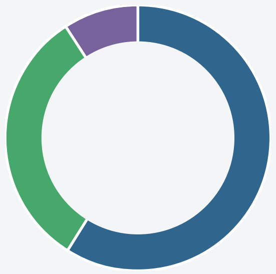
All of the new commitments made in the half year were in the buyout and growth segments.



Small/mid buyout	35%
Large/mega buyout	33%
Growth	32%

New commitments by investment type

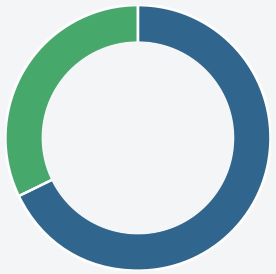
New commitments during the half year reflected the attractiveness of opportunities across the spectrum of PIP's investment activity.



Co-investments	59%
Secondary	32%
Primary	9%

New commitments by vintage

Primary and co-investment commitments comprised nearly 70% of the activity during the last six months, resulting in the predominance of current vintage investments.



2020	68%
2018 and earlier	32%

Secondary commitments

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

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

This includes accessing secondary transactions in the attractive manager-led space, where top tier private equity managers are selectively transferring some of their most attractive portfolio companies into continuation vehicles, mainly in the form of single company secondaries. By holding companies for longer, secondary managers are able to participate in the companies' next phase of growth.

DIVERSIFIED FUND PORTFOLIO

REGION	USA
STAGE	Buyout, Growth
VINTAGE	2008–2015
COMMITMENT	£4.7m

This secondary transaction involved the acquisition of interests in eight US-based buyout and growth funds.

The investment gives PIP an opportunity to deploy capital into high-quality funds, many of which PIP already backs on a primary basis.

In addition, PIP stands to benefit from the attractive vintage diversification, with older funds providing near-term liquidity and more recent vintages providing potential uplifts to the portfolio's current holding value.

Primary commitments

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

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

THOMA BRAVO XIV

THOMABRAVO

REGION	USA
SECTOR	Information technology
STAGE	Large Buyout
VINTAGE	2020
COMMITMENT	£1.3m

Established in 1998, Thoma Bravo is a leading private equity firm focused on the software and technology-enabled services sectors. The firm has offices in Chicago and San Francisco.

By investing in Thoma Bravo XIV, PIP has gained access to a private equity manager with deep sector expertise and who has consistently delivered strong returns across several market cycles.

Thoma Bravo XIV will invest in a portfolio of 12 to 15 companies, and employ a buy-and-build strategy to create value.

NEW INVESTMENTS IN EXCITING FAST-GROWING OPPORTUNITIES

Digital tools for a more competitive business

c.80
acquisitions over the past five years

VISMA

GP	HgCapital ("Hg")
GEOGRAPHY	Europe
TYPE	Co-investment
SECTOR	Information technology
STAGE	Large Buyout

£7.8m
commitment

About the company

Visma is a leading provider of mission-critical enterprise resource planning, accounting, payroll and transaction process outsourcing software to small and medium-sized businesses and to the public sector in Northern Europe.

Investment rationale

Hg saw an opportunity to invest in a company with strong year-on-year growth underpinned by the ongoing shift towards greater digitalisation and process automation, a succession of new customer wins and scale built through over 80 add-on acquisitions.

Software is a core sector for Hg and the manager has deep knowledge of both the sector and the company, having owned Visma across its funds over the past decade.

Our relationship

Pantheon has a long-standing relationship with Hg, having made primary commitments to its funds since 2006. PIP co-invested in three other transactions alongside Hg.

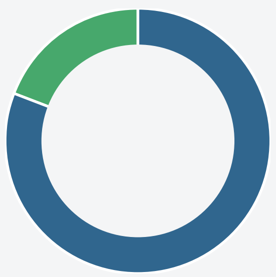
11,000+
employees

NEW COMMITMENTS

Co-investments

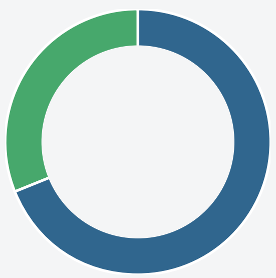
PIP's co-investment programme benefits from Pantheon's extensive primary investment platform which has enabled PIP to participate in proprietary mid-market deals that would otherwise be difficult to access. PIP invests alongside private equity managers who have the sector expertise to source and acquire attractively priced companies and build value through operational enhancements, organic growth and buy-and-build strategies. The information technology sector offered compelling investment opportunities during the period.

New co-investments by region



USA	81%
Europe	19%

New co-investments by sector



Information technology	69%
Industrials	31%

Charles Taylor

MANAGER	Lovell Minnick Partners ("LMP")
GEOGRAPHY	Europe
STAGE	Mid-market Buyout
SECTOR	Financial services
COMMITMENT	£6.2m

- UK-based international provider of professional services and technology solutions to clients in the global insurance market.
- Well-established insurance management business characterised by long-term, stable customer relationships.
- The take-private transaction enabled the company to accelerate its M&A initiatives in a fragmented market.
- Charles Taylor has since completed a number of add-on investments, with further acquisitions of fast-growing businesses in the pipeline.

Capstone Logistics

MANAGER	HIG Capital ("HIG")
GEOGRAPHY	North America
STAGE	Mid-market Buyout
SECTOR	Industrials
COMMITMENT	£2.6m

- Leading provider of technology-enhanced integrated supply chain solutions to recession-resilient end markets such as the grocery, food service and consumer packaged goods industries.
- Operates a national footprint of warehouses and fulfilment centres, freight transportation services and last mile delivery solutions.
- Proven platform for bolt-on acquisitions, enabling further expansion into new business segments and end markets.
- PIP was offered an opportunity to invest alongside a private equity manager with a strong institutional knowledge of the company through its previous ownership in a predecessor fund.

SOVOS

MANAGER	HgCapital ("Hg")
GEOGRAPHY	North America
STAGE	Large Buyout
SECTOR	Information technology
COMMITMENT	£1.9m

- Global provider of end-to-end tax compliance enterprise software solutions for more than 4,500 large enterprise customers, of which c.50% are Fortune 500 companies.
- Organic growth driven by secular tailwinds associated with increasingly complex tax compliance requirements that vary from country to country.
- Opportunity to expand into new product offerings and geographies through acquisitions.
- The investment presented PIP with an opportunity to co-invest alongside a manager who has built a strong realised track record in the software-as-a-service space.

BUYOUT ANALYSIS[1]

Valuation multiple

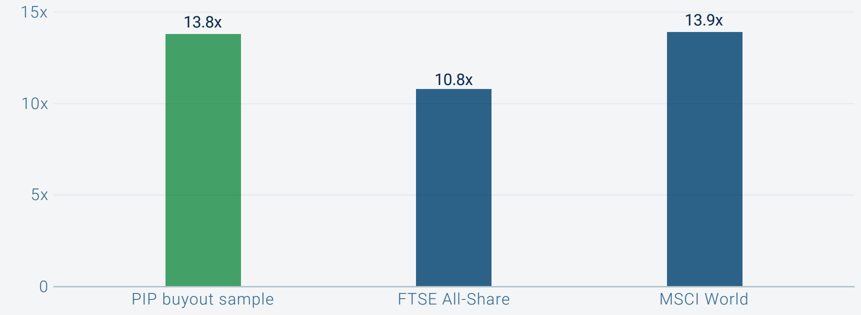
Accounting standards require private equity managers to value their portfolios at fair value. Public market movements can be reflected in valuations.

PIP's sample-weighted average Enterprise Value (EV)/EBITDA was 13.8 times, compared to 10.8 times and 13.9 times for the FTSE All-Share and MSCI World indices respectively.

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

PIP's sample valuation multiple of 13.8 times should be considered in the context of the buyout sample's underlying growth rates relative to the MSCI World Index.

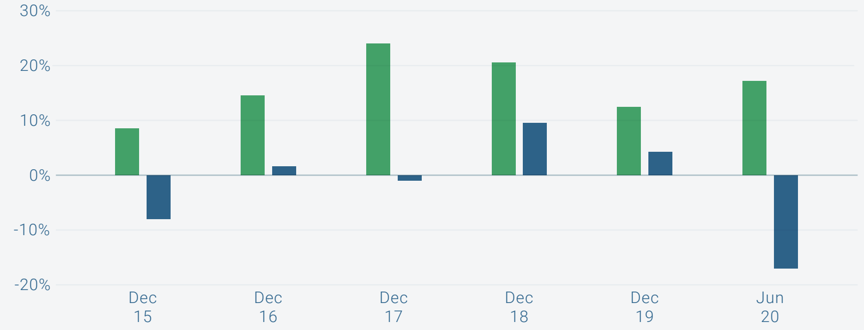
Valuation multiple



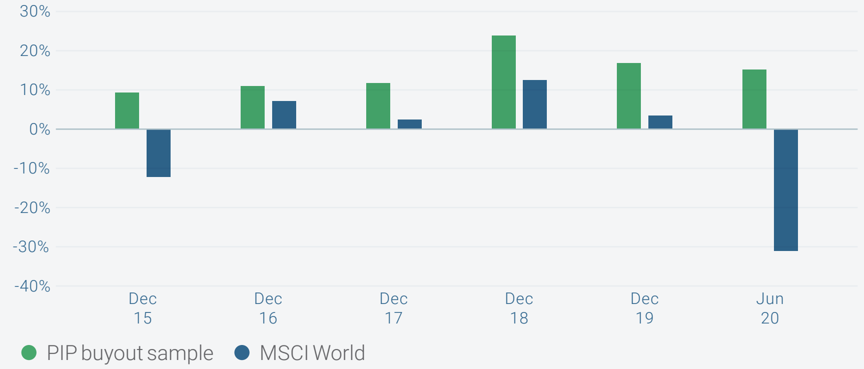
Revenue and EBITDA growth

Weighted average revenue and EBITDA growth of 17.2% and 15.2% respectively for PIP's sample buyout companies continued to exceed growth rates seen among companies that constitute the MSCI World Index. Strong top-line performance, disciplined cost control and good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

Annual revenue growth



Annual EBITDA growth

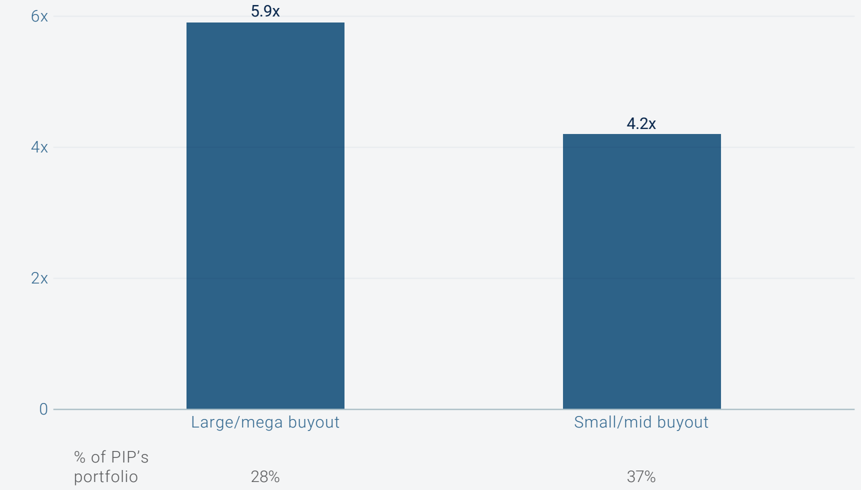


Debt multiples

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

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

Debt/EBITDA multiple



1 See page 62 of the Alternative Performance Measures section for sample calculations and disclosures.

OTHER INFORMATION
THE LARGEST 50 MANAGERS BY VALUE

Rank	Manager	Region[2]	Stage bias	% Of total private equity asset value[1]
1	Insight Venture Partners	USA	Growth	5.7%
2	Providence Equity Partners	USA	Buyout, Growth	5.3%
3	Essex Woodlands	USA	Growth	4.9%
4	Apax Partners SA	Europe	Buyout	2.8%
5	Baring Private Equity Asia	Asia & EM	Growth	2.6%
6	Gemini Capital	Europe	Venture	2.4%
7	Index Ventures	Global	Growth, Venture	2.1%
8	Mid-Europa Partners	Europe	Buyout	2.0%
9	Veritas Capital	USA	Buyout	2.0%
10	Energy & Minerals Group	USA	Special situations	2.0%
11	IK Investment Partners	Europe	Buyout	1.8%
12	Parthenon Capital	USA	Buyout	1.7%
13	LYFE Capital	Asia & EM	Growth	1.7%
14	Advent International	Global	Buyout	1.7%
15	ABRY Partners	USA	Buyout	1.6%
16	Warburg Pincus Capital	Global	Growth	1.6%
17	Hg	Europe	Buyout	1.6%
18	Ares Management	USA	Buyout	1.6%
19	Hellman & Friedman	USA	Buyout	1.5%
20	Searchlight Capital Partners	Global	Special situations	1.5%
21	BC Partners	Europe	Buyout	1.4%
22	HIG Capital	USA	Buyout	1.3%
23	Texas Pacific Group	USA	Buyout	1.2%
24	Calera Capital	USA	Buyout	1.1%
25	Growth fund[3]	USA	Growth	1.0%
26	Quantum Energy Partners	USA	Special situations	1.0%
27	Oak HC/FT	USA	Growth	1.0%
28	NMS Management	USA	Buyout	1.0%
29	Lee Equity Partners	USA	Growth	1.0%
30	Equistone Partners Europe	Europe	Buyout	0.9%
31	Francisco Partners	USA	Buyout	0.9%
32	IVF Advisors	Asia & EM	Buyout	0.9%
33	Wasserstein Partners	USA	Buyout	0.8%
34	Altor Capital	Europe	Buyout	0.8%
35	ECI Partners	Europe	Buyout	0.8%
36	Sageview Capital	USA	Growth	0.8%
37	PAI Partners	Europe	Buyout	0.8%
38	Shamrock Capital Advisors	USA	Buyout	0.8%
39	Apollo Advisors	USA	Buyout	0.7%
40	Avenue Broadway Partners	Europe	Buyout	0.7%
41	Abris Capital	Europe	Buyout	0.7%
42	Marguerite	Europe	Special situations	0.7%
43	Horizon Capital	Europe	Buyout	0.6%
44	J.C. Flowers & Co	USA	Buyout	0.6%
45	CHAMP	Asia & EM	Buyout	0.6%
46	The Vistria Group	USA	Buyout	0.6%
47	Madison India Capital	Asia & EM	Buyout	0.6%
48	CVC Capital Partners	Europe	Buyout	0.6%
49	Idinvest Partners	Europe	Growth	0.5%
50	3i Group	Europe	Buyout	0.5%
COVERAGE OF PIP'S PRIVATE EQUITY ASSET VALUE[1]				**73.0%**

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

THE LARGEST 50 COMPANIES BY VALUE

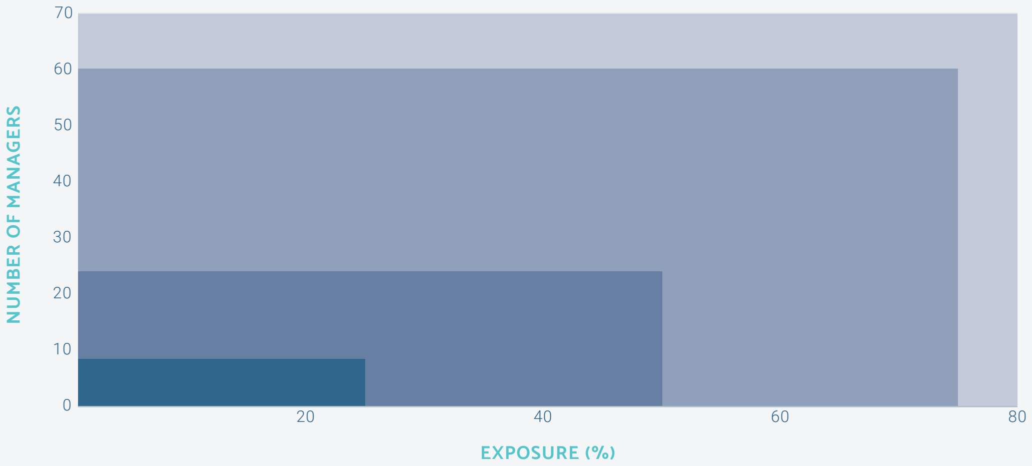
	Company	Country/State	Sector	% of PIP's NAV
1	EUSA Pharma[2]	UK	Healthcare	3.9%
2	JFrog[3]	Israel	Information technology	1.8%
3	Allegro[2,3]	Poland	Consumer	1.1%
4	Insurance company[2,4]	USA	Financials	1.0%
5	Abacus Data Systems[2]	USA	Information technology	1.0%
6	ZeniMax Media	USA	Communication services	0.9%
7	Ophthalmology company[4]	USA	Healthcare	0.9%
8	Software company[2,4]	USA	Information technology	0.9%
9	Chewy[2,3]	USA	Consumer	0.9%
10	Visma[2]	Norway	Information technology	0.8%
11	Ascent Resources[2]	USA	Energy	0.8%
12	Signature Foods[2]	Netherlands	Consumer	0.7%
13	Marlink[2]	France	Communication services	0.7%
14	Nexi[2,3]	Italy	Information technology	0.6%
15	Vistra Group[2]	Hong Kong	Financials	0.6%
16	Atria Convergence Technologies[2]	India	Communication services	0.6%
17	Recorded Future[2]	USA	Information technology	0.6%
18	Froneri	UK	Consumer	0.6%
19	ALM Media[2]	USA	Communication services	0.6%
20	Arnott Industries[2]	USA	Consumer	0.6%
21	CPG International	USA	Industrials	0.5%
22	Centric Group[2]	USA	Consumer	0.5%
23	Apollo Education Group[2]	USA	Consumer	0.5%
24	CallRail[2]	USA	Information technology	0.5%
25	Star Health Insurance[2]	India	Financials	0.5%
26	nCino	USA	Information technology	0.5%
27	Alion Science and Technology[2]	USA	Industrials	0.5%
28	Profi Rom Food[2]	Romania	Consumer	0.5%
29	Action	Netherlands	Consumer	0.5%
30	WalkMe	USA	Information technology	0.5%
31	Kyobo Life Insurance	South Korea	Financials	0.5%
32	Virence Health Technologies	USA	Healthcare	0.5%
33	CIPRES Life[2]	France	Financials	0.4%
34	KD Pharma Group[2]	Germany	Healthcare	0.4%
35	Mobilitie[2]	USA	Communication services	0.4%
36	Vertical Bridge[2]	USA	Communication services	0.4%
37	OWP Butendiek	Germany	Others	0.4%
38	LogicMonitor[2]	USA	Information technology	0.4%
39	Burning Rock Biological Technology	China	Healthcare	0.4%
40	GE Capital Services India	India	Financials	0.4%
41	Univativ[2]	Germany	Industrials	0.4%
42	Southern Dental Alliance[2]	USA	Healthcare	0.4%
43	Nord Anglia Education[2]	Hong Kong	Consumer	0.4%
44	Millennium Trust[2]	USA	Financials	0.4%
45	Cotiviti Holdings[2]	USA	Healthcare	0.4%
46	Therapy Brands	USA	Information technology	0.4%
47	Correct Care Solutions[2]	USA	Healthcare	0.3%
48	Confie Seguros[2]	USA	Financials	0.3%
49	Software company[2,4]	USA	Information technology	0.3%
50	CHECK24	Germany	Communication services	0.3%
COVERAGE OF PIP'S PRIVATE EQUITY ASSET VALUE				**32.4%**

1 The largest 50 companies table is based upon underlying company valuations at 30 September 2020 adjusted for known call and distributions to 30 November 2020, and includes the portion of the reference portfolio attributable to the ALN.
2 Co-investments/directs.
3 Listed companies.
4 The private equity manager does not permit the Company to disclose this information.

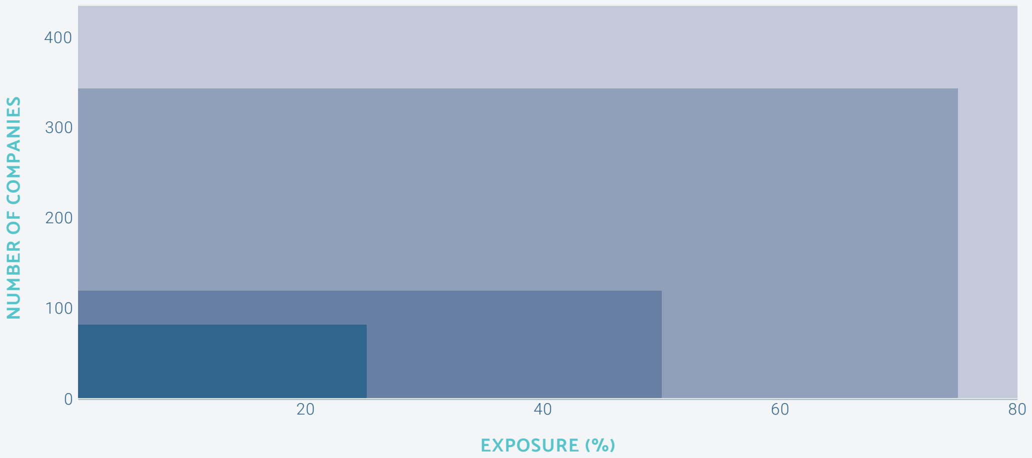
PORTFOLIO CONCENTRATION

70 managers and 425 companies account for approximately 80% of PIP's total exposure[1].

Portfolio concentration by manager[2]



Portfolio concentration by company[3]



1 Exposure is equivalent to the sum of the NAV and undrawn commitments.

2 Excludes the portion of the portfolio attributable to the ALN.

3 Includes the portion of the portfolio attributable to the ALN.

HISTORICAL DATA

	NAV[1,2] (£m)	NAV per share[2] (pence)	Ordinary share price (pence)	Private equity portfolio (£m)	Outstanding commitments (£m)
Half year ended 30 November 2020	1,698	3,139.2	2,320.0	1,593	464
Financial year[3]					
2020	1,559	2,882.8	2,065.0	1,496	541
2019	1,499	2,770.6	2,225.0	1,450	521
2018	1,307	2,414.9	2,010.0	1,275	440
2017	1,388	2,189.9	1,793.0	1,224	445
2016	1,187	1,873.6	1,285.0	1,072	382
2015	1,000	1,532.4	1,272.0	862	256
2014	902	1,364.2	1,150.0	815	176
2013	903	1,331.9	1,042.0	826	195
2012	845	1,193.5	725.5	800	191
2011	733	1,104.1	714.0	810	243
2010	637	958.7	486.0	763	331
2009	514	773.6	295.3	648	428
2008	736	1,108.7	750.0	806	641
2007	610	919.2	917.5	527	528
2006	441	796.8	726.5	372	365
2005	382	657.9	650.5	315	245
2004	245	572.5	463.0	233	137
2003	221	546.8	447.0	237	158
2002	196	541.6	486.5	175	138
2001	206	669.1	574.0	201	138
2000	161	599.9	457.5	140	77
1999	146	405.6	302.5	78	45
1998	131	368.6	294.5	79	50
1997	117	328.4	270.0	73	47
1996	106	302.5	225.0	48	25
1995	87	255.1	207.5	33	8
1994	47	239.6	176.5	42	7
1993	31	195.5	172.5	28	1
1992	21	139.7	93.5	28	0
1991	21	129.1	86.5	31	1
1990	20	126.7	80.5	32	2
1989	17	120.9	95.0	25	2
1988	12	102.5	75.0	2	0

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

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

3 In April 2017, PIP changed its accounting reference date from 30 June to 31 May of each year. Figures for 2017 cover the 11 months to 31 May 2017.

Financial Statements

INTERIM MANAGEMENT REPORT AND RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM REPORT

Interim management report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement and the Manager's Review.

The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the financial period ended 31 May 2020 and continue to be as set out in that report on pages 32 to 35.

Risks faced by the Company include, but are not limited to, the impact of COVID-19 on the global economy and underlying portfolio companies, funding of investment commitments and default risk, risks relating to investment opportunities, financial risk of private equity, long-term nature of private equity investments, valuation uncertainty, gearing, foreign currency risk, the unregulated nature of underlying investments, counterparty risk, taxation, the risks associated with the engagement of the Manager or other third-party advisers, Brexit and cybersecurity risks.

Responsibility statement

Each Director confirms that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 102 and FRS 104 "Interim Financial Reporting"; and gives a true and fair view of the assets, liabilities, financial position and return of the Company.
- This Interim Financial Report includes a fair review of the information required by:

(a) DTR 4 2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

This Interim Financial Report was approved by the Board on 24 February 2021 and was signed on its behalf by Sir Laurie Magnus, Chairman.

CONDENSED INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Six months ended 30 November 2020			Six months ended 30 November 2019			Year ended 31 May 2020		
	Revenue £'000	Capital £'000	Total* £'000	Revenue £'000	Capital £'000	Total* £'000	Revenue £'000	Capital £'000	Total* £'000
Gains on investments at fair value through profit or loss**	–	151,699	151,699	–	22,941	22,941	–	72,264	72,264
(Losses)/gains on financial liabilities at fair value through profit or loss – ALN**	(522)	(2,994)	(3,516)	(94)	4,160	4,066	(502)	277	(225)
Currency (losses)/gains on cash and borrowings	–	(9,512)	(9,512)	–	(5,044)	(5,044)	–	1,403	1,403
Investment income	6,530	–	6,530	5,764	–	5,764	11,198	–	11,198
Investment management fees	(9,048)	–	(9,048)	(8,861)	–	(8,861)	(17,674)	–	(17,674)
Other expenses	(645)	(770)	(1,415)	(313)	(935)	(1,248)	(730)	(1,719)	(2,449)
Return before financing costs and taxation	(3,685)	138,423	134,738	(3,504)	21,122	17,618	(7,708)	72,225	64,517
Interest payable and similar expenses	(1,683)	–	(1,683)	(1,077)	–	(1,077)	(2,223)	–	(2,223)
Return before taxation	(5,368)	138,423	133,055	(4,581)	21,122	16,541	(9,931)	72,225	62,294
Taxation (Note 5)	5,634	–	5,634	(1,065)	–	(1,065)	(1,616)	–	(1,616)
Return for the period/year, being total comprehensive income for the period/year (Note 10)	266	138,423	138,689	(5,646)	21,122	15,476	(11,547)	72,225	60,678
Return per share basic and diluted (Note 10)	0.49p	255.91p	256.40p	(10.44p)	39.05p	28.61p	(21.35p)	133.53p	112.18p

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

** Includes currency movements on investments.

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

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

No operations were acquired or discontinued during the period.

The Notes on pages 52 to 56 form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Capital reserve on investments held £'000	Revenue reserve £'000	Total £'000
Movement for the six months ended 30 November 2020							
Opening equity shareholders' funds	36,240	269,535	3,325	842,675	503,307	(95,816)	1,559,266
Return for the period	–	–	–	50,678	87,745	266	138,689
Closing equity shareholders' funds	36,240	269,535	3,325	893,353	591,052	(95,550)	1,697,955
Movement for the six months ended 30 November 2019							
Opening equity shareholders' funds	36,240	269,535	3,325	735,104	538,653	(84,269)	1,498,588
Return for the period	–	–	–	59,299	(38,177)	(5,646)	15,476
Closing equity shareholders' funds	36,240	269,535	3,325	794,403	500,476	(89,915)	1,514,064
Movement for the year ended 31 May 2020							
Opening equity shareholders' funds	36,240	269,535	3,325	735,104	538,653	(84,269)	1,498,588
Return for the year	–	–	–	107,571	(35,346)	(11,547)	60,678
Closing equity shareholders' funds	36,240	269,535	3,325	842,675	503,307	(95,816)	1,559,266

The Notes on pages 52 to 56 form part of these financial statements.

CONDENSED BALANCE SHEET (UNAUDITED)
AS AT 30 NOVEMBER 2020

	30 November 2020 £'000	30 November 2019 £'000	31 May 2020 £'000
Fixed assets			
Investments at fair value	1,596,760	1,434,244	1,495,689
Current assets			
Debtors	5,478	14,282	1,259
Cash at bank	151,079	145,488	130,091
	156,557	159,770	131,350
Creditors: Amounts falling due within one year			
Other creditors	5,455	6,048	10,030
	5,455	6,048	10,030
Net current assets	151,102	153,722	121,320
Total assets less current liabilities	1,747,862	1,587,966	1,617,009
Creditors: Amounts falling due after one year			
Asset Linked Note (Note 8)	49,907	73,902	57,743
	49,907	73,902	57,743
Net assets	1,697,955	1,514,064	1,559,266
Capital and reserves			
Called-up share capital (Note 9)	36,240	36,240	36,240
Share premium	269,535	269,535	269,535
Capital redemption reserve	3,325	3,325	3,325
Other capital reserve	893,353	794,403	842,675
Capital reserve on investments held	591,052	500,476	503,307
Revenue reserve	(95,550)	(89,915)	(95,816)
Total equity shareholders' funds	1,697,955	1,514,064	1,559,266
Net asset value per share – ordinary (Note 11)	3,139.16p	2,799.19p	2,882.75p
Total ordinary shares in issue (Note 9)	54,089,447	54,089,447	54,089,447

The Notes on pages 52 to 56 form part of these financial statements.

CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Six months ended 30 November 2020 £'000	Six months ended 30 November 2019 £'000	Year ended 31 May 2020 £'000
Cash flows from operating activities			
Investment income received	6,446	5,116	10,356
Deposit and other interest received	82	742	952
Investment management fees paid	(8,996)	(8,885)	(17,623)
Secretarial fees paid	(141)	(118)	(219)
Depositary fees paid	(127)	(127)	(219)
Legal and professional fees paid	(828)	(1,111)	(1,913)
Other cash payments*	(756)	(870)	(1,517)
Taxation recovered from prior years	6,135	–	–
Withholding tax deducted	(428)	(1,213)	(1,776)
Net cash inflow/(outflow) from operating activities	1,387	(6,466)	(11,959)
Cash flows from investing activities			
Purchases of investments	(75,853)	(101,038)	(239,251)
Disposals of investments	122,095	128,108	267,126
Net cash inflow from investing activities	46,242	27,070	27,875
Cash flows from financing activities			
ALN repayments	(15,948)	(11,897)	(28,023)
Loan commitment and arrangement fees paid	(1,264)	(907)	(1,816)
Net cash outflow from financing activities	(17,212)	(12,804)	(29,839)
Increase/(decrease) in cash in the period/year	30,417	7,800	(13,923)
Cash and cash equivalents at the beginning of the period/year	130,091	142,773	142,773
Foreign exchange (losses)/gains	(9,429)	(5,085)	1,241
Cash and cash equivalents at end of the period/year	151,079	145,488	130,091

* Includes interest paid during the period of £17,000 (30 November 2019: £16,000; 31 May 2020: £31,000).

The Notes on pages 52 to 56 form part of these financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation

The Company applies FRS 102 and the Association of Investment Companies ("AIC") SORP for its financial period ending 31 May 2020 in its Financial Statements. The financial statements for the six months to 30 November 2020 have therefore been prepared in accordance with FRS 104 "Interim Financial Reporting". The financial statements have been prepared on the same basis as the accounting policies set out in the statutory accounts for the period ended 31 May 2020. 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 information contained in this Interim Report and Accounts and the comparative figures for the financial year ended 31 May 2020 are not the Company's statutory accounts for the financial period as defined in the Companies Act 2006. The financial information for the half year periods ended 30 November 2020 and 30 November 2019 are not for a financial year and have not been audited but have been reviewed by the Company's auditors and their report can be found on page 57. The Annual Report and Financial Statements for the financial period ended 31 May 2020 have been delivered to the Registrar of Companies. The report of the auditors: (i) was unqualified; (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying the report; and (iii) did not contain statements under section 498 (2) and (3) of the Companies Act 2006.

2. Going concern

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

COVID-19 presents the biggest risk to the global economy and to individual companies since the 2008 Global Financial Crisis ("GFC"); the unprecedented nature of the COVID-19 pandemic has resulted in significant disruption to global commerce, economic and social hardship and uncertain financial markets.

The Directors have made an assessment of going concern, taking into account the Company's current performance and financial position as at 30 November 2020. In addition, the Directors have assessed the outlook, which considers the potential further impact of the COVID-19 pandemic, using information available as at the date of issue of these financial statements. As part of this assessment, the Directors considered:

- Various downside liquidity modelling scenarios with varying degrees of decline in investment valuations, decreased investment distributions and increased call rates, with the worst being a low case downside scenario representing an impact on the portfolio that is worse than that experienced during the GFC.
- The Company manages and monitors liquidity regularly, ensuring it is adequate and sufficient and is underpinned by its monitoring of investments, distributions, capital calls and outstanding commitments.
- Total available financing as at 30 November 2020 stood at £444m (30 November 2019: £331m; 31 May 2020: £431m), comprising £151m (30 November 2019: £154m; 31 May 2020: £121m) in available cash balances and £293m (30 November 2019: £177m; 31 May 2020: £310m) (sterling equivalent) in undrawn bank facilities.
- PIP's 30 November 2020 valuation is primarily based on reported GP valuations with a reference date of 30 September 2020, updated for capital movements and foreign exchange impacts. As the longer-term impacts of COVID-19 may not be fully apparent, the Directors have considered the impact that declining valuations could have on the Company's going concern assessment.
- Unfunded commitments – PIP's unfunded commitments at 30 November 2020 were £464m (30 November 2019: £486m; 31 May 2020: £541m). The Directors have considered the maximum level of unfunded commitments which could theoretically be drawn in a 12-month period, the ageing of commitments and available financing to fulfil these commitments. In these scenarios, PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility, pausing on new commitments, selling assets to increase liquidity and reducing outstanding commitments if necessary. In addition, subject to market conditions, the Company could also seek to raise additional credit or capital.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity, is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of issue of these financial statements.

3. AIC SORP

The financial information contained in this report has been prepared in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts issued by the AIC, other than where restrictions are imposed on the Company which prohibit specific disclosures, as noted on pages 42 and 43 in relation to where the GP may not allow the disclosure of the related company name within this report.

4. Segmental reporting

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

5. Tax on ordinary activities

The tax charge for the six months to 30 November 2020 is £0.5m (six months to 30 November 2019: £1.1m; year to 31 May 2020: £1.6m). The tax charge is wholly comprised of irrecoverable withholding tax suffered. Investment gains are exempt from capital gains tax, owing to the Company's status as an investment trust. In addition, during the period to 30 November 2020, £6.1m of taxation was recovered from the United States Internal Revenue Service, relating to prior years' taxation, which resulted in an overall tax credit of £5.6m in the period.

6. Transactions with the Manager and related parties

During the period, fees with a total value of £9,243,000, being £9,048,000 directly from Pantheon Ventures (UK) LLP and £195,000 via Pantheon managed fund investments were charged to the Company (30 November 2019: £9,085,000; £8,861,000; and £224,000; year to 31 May 2020: £18,102,000; £17,674,000 and £428,000 respectively). At 30 November 2020, the amount due to Pantheon Ventures (UK) LLP in respect of management fees, disclosed under creditors, was £1,570,000 (30 November 2019: £1,443,000; 31 May 2020: £1,518,000 respectively).

No performance fee is payable in respect of the period to 30 November 2020 (30 November 2019: £nil; year to 31 May 2020: £nil respectively).

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 for the six months to 30 November 2020 totalled £179,000 (six months to 30 November 2019: £143,000; year to 31 May 2020: £264,000).

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

7. 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 performance fee payable in respect of each such calculation period is 5% of the amount by which the NAV at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the NAV 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 six month calculation period ended 30 November 2020, the notional performance fee hurdle is a NAV per share of 3,995.05p. The performance fee is calculated using the adjusted NAV.

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

No performance fee has been paid.

8. Asset Linked Note ("ALN")

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

The ALN is held at fair value through profit or loss and therefore movements in fair value are reflected in the Income Statement. The Directors do not believe there to be a material own credit risk, due to the fact that repayments are only due when net cash flow is received from the reference portfolio. Fair value is calculated as the sum of the ALN share of fair value of the reference portfolio plus the ALN share of undistributed net cash flow which is equivalent to the amount which would be required to be repaid had the ALN matured on 30 November 2020. Therefore no fair value movement has occurred during the period as a result of changes to credit risk.

A pro rata share of the Company's Total Ongoing Charges is allocated to the ALN, reducing each quarterly payment ("the Expense Charge") and deducted from Other Expenses in the Income Statement.

The ALN's share of net cash flow is calculated after withholding taxation suffered. These amounts are deducted from Taxation in the Income Statement.

During the six months to 30 November 2020, the Company made repayments totalling £15.9m, representing the ALN share of the net cash flow for the three month period to 31 May 2020 and three month period to 31 August 2020. The fair value of the ALN at 30 November 2020 was £52.7m, of which £2.8m represents the net cash flow for the three months to 30 November 2020, due for repayment on 26 February 2021.

During the six months to 30 November 2019, the Company made repayments totalling £11.9m, representing the ALN share of the net cash flow for the three month period to 31 May 2019 and three month period to 31 August 2019. The fair value of the ALN at 30 November 2019 was £77.7m, of which £3.8m represents the net cash flow for the three months to 30 November 2019, due for repayment on 29 February 2020.

During the year to 31 May 2020, the Company made repayments totalling £28.0m, representing the ALN share of the net cash flow for the year to 29 February 2020. The fair value of the ALN at 31 May 2020 was £65.4m, of which £7.6m represents cash flows for the three months to 31 May 2020, due for repayment on 31 August 2020.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

9. Called-up share capital

	30 November 2020		30 November 2019		31 May 2020	
Allotted, called up and fully paid:	Shares	£'000	Shares	£'000	Shares	£'000
Ordinary shares of 67p each						
Opening position	54,089,447	36,240	54,089,447	36,240	54,089,447	36,240
Cancellation of shares		–		–		–
Closing position	54,089,447	36,240	54,089,447	36,240	54,089,447	36,240
Total shares in issue	54,089,447	36,240	54,089,447	36,240	54,089,447	36,240

During the six months ended 30 November 2020, no ordinary shares were bought back in the market for cancellation (six months to 30 November 2019: nil; year to 31 May 2020: nil).

As at 30 November 2020, there were 54,089,447 ordinary shares in issue (30 November 2019: 54,089,447 ordinary shares; year to 31 May 2020: 54,089,447 ordinary shares).

10. Return per share

	Six months to 30 November 2020			Six months to 30 November 2019			Year to 31 May 2020		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Return for the financial period £'000	266	138,423	138,689	(5,646)	21,122	15,476	(11,547)	72,225	60,678
Weighted average no. of ordinary shares			54,089,447			54,089,447			54,089,447
Return per share	0.49p	255.91p	256.40p	(10.44p)	39.05p	28.61p	(21.35p)	133.53p	112.18p

There are no dilutive effects to the return per share.

11. Net asset value per share

	30 November 2020	30 November 2019	31 May 2020
Net assets attributable in £'000	1,697,955	1,514,064	1,559,266
Ordinary shares	54,089,447	54,089,447	54,089,447
Net asset value per share	3,139.16p	2,799.19p	2,882.75p

12. Reconciliation of return before financing costs and taxation to net cash flow from operating activities

	Six months to 30 November 2020 £'000	Six months to 30 November 2019 £'000	Year to 31 May 2020 £'000
Return before finance costs and taxation	134,738	17,618	64,517
Taxation recovered in respect of prior years	6,135	–	–
Withholding tax deducted	(501)	(1,065)	(1,616)
Gains on investments	(151,699)	(22,941)	(72,264)
Currency losses/(gains) on cash and borrowings	9,512	5,044	(1,403)
Increase/(decrease) in creditors	78	(348)	(216)
(Increase)/decrease in other debtors	(94)	60	65
Gains/(losses) on financial liabilities at fair value through profit or loss – ALN	3,516	(4,066)	225
Expenses and taxation associated with ALN	(298)	(768)	(1,265)
Net cash flow from operating activities	1,387	(6,466)	(11,957)

13. Fair value hierarchy

(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. These valuations are reviewed periodically for reasonableness and recorded up to the measurement date. If an investment was sold post period end, management would consider the effect, if any, on the investment portfolio.

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

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

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

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

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

(iii) Fair value hierarchy

The fair value hierarchy consists of the following three levels:

- Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. The Level 1 holdings include publicly listed holdings held directly by the Company from in specie distributions received from underlying investments;
- Level 2 – Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

13. Fair value hierarchy continued

Financial assets at fair value through profit or loss at 30 November 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,595,634	1,595,634
Listed holdings	1,126	–	–	1,126
Total	1,126	–	1,595,634	1,596,760

Financial liabilities at fair value through profit or loss at 30 November 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ALN	–	–	52,660	52,660
Total	–	–	52,660	52,660

Financial assets at fair value through profit or loss at 31 May 2020

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

Financial liabilities at fair value through profit or loss at 31 May 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ALN	–	–	65,386	65,386
Total	–	–	65,386	65,386

Financial assets at fair value through profit or loss at 30 November 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unlisted holdings	–	–	1,433,595	1,433,595
Listed holdings	649	–	–	649
Total	649	–	1,433,595	1,434,244

Financial liabilities at fair value through profit or loss at 30 November 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ALN	–	–	77,719	77,719
Total	–	–	77,719	77,719

INDEPENDENT REVIEW REPORT TO THE DIRECTORS OF PANTHEON INTERNATIONAL PLC

Introduction

We have been engaged by Pantheon International Plc (the 'Company') to review the condensed set of financial statements in the half yearly financial report for the six months ended 30 November 2020 which comprises the Condensed Income Statement, the Condensed Balance Sheet, the Condensed Statement of Changes in Equity, the Condensed Cash Flow statement, Basis of Preparation and Accounting Policies and the related notes 1 to 13 (together the 'condensed financial statements'). We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in the Basis of Preparation and Accounting Policies, the annual financial statements of the Company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with Financial Reporting Standard 104, 'Interim Financial Reporting.'

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months ended 30 November 2020 is not prepared, in all material respects, in accordance with FRS 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Services Conduct Authority.

Ernst & Young LLP

London, United Kingdom

24 February 2021

Other Information

ALTERNATIVE PERFORMANCE MEASURES

AIC ongoing charges

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

	Page	Half year ended 30 November 2020 £'000	Half year ended 30 November 2019 £'000	
Investment management fees	53	9,048	8,861	
Lookthrough charges	53	195	224	
Other expenses	48	645	313	
Total expenses		9,888	9,398	(a)
Average month-end NAV		1,586,057	1,537,215	(b)
AIC ongoing charges (annualised)		**1.24%**	1.22%	(a / b) x 2

Available cash

Cash and debtors less next ALN repayment and other creditors (see Note 8).

Available financing

Sum of net available cash and undrawn loan facility.

	Page	At 30 November 2020 £m	At 30 November 2019 £m	
Net available cash	50, 53	151	154	(a)
Undrawn loan facility	52	293	177	(b)
Available financing		**444**	331	(a + b)

Capital calls

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

	Page	Half year ended 30 November 2020 £m	Half year ended 30 November 2019 £m	
Purchases of investments	51	76	101	(a)
Recallable distributions		(10)	(5)	(b)
Amount drawn for new commitments		(11)	(37)	(c)
ALN share of calls		(1)	–	(d)
Capital calls		**54**	59	(a + b + c + d)

ALTERNATIVE PERFORMANCE MEASURES

Capital call rate

Capital calls in the period divided by opening undrawn commitments.

	Half year ended 30 November 2020 £m	Half year ended 30 November 2019 £m	
Capital calls	54	59	(a)
Opening undrawn commitments	541	521	(b)
Annualised capital call rate	**20%**	23%	(a/b x 2 x 100)

Distributions

Cash or stock returned to the LPs after the fund has exited from an investment by selling it or from distributions received before a sale. Excludes such proceeds received relative to the portion of the portfolio attributable to the ALN.

	Page	Half year ended 30 November 2020 £m	Half year ended 30 November 2019 £m	
Disposals of investments	50, 51	127	128	(a)
Investment income received	51	6	5	(b)
Recallable distributions		(10)	5	(c)
Withholding tax	51	–	(1)	(d)
ALN share of distributions		(12)	(14)	(e)
Distributions from PIP's portfolio		**111**	123	(a + b + c + d + e)

Distribution rate

Distributions for the period divided by opening portfolio value.

	Page	Half year ended 30 November 2020 £m	Half year ended 30 November 2019 £m	
Distributions from PIP's portfolio		111	123	(a)
Opening investments at fair value	50	1,496	1,450	(b)
ALN share of opening investments		(58)	(93)	(c)
Opening portfolio value (excluding the ALN)		1,438	1,357	(d) = (b +c)
Distribution rate from PIP's portfolio (annualised)		**15%**	18%	(a/d x 2 x 100)

Financing cover

Ratio of available cash, private equity assets and undrawn loan facility to outstanding commitments.

	Page	At 30 November 2020 £m	At 30 November 2019 £m	
Net available financing		444	331	(a)
Investments at fair value	50	1,597	1,435	(b)
Total		2,041	1,766	(c) = (a + b)
Outstanding commitments		464	486	(d)
Financing cover		**4.4x**	3.6x	(c/d)

Net portfolio cash flow

Income and capital distributions received from funds following exit realisations less capital calls made to finance investments or expenses.

	Half year ended 30 November 2020 £m	Half year ended 30 November 2019 £m	
Distributions from PIP's portfolio	111	123	(a)
Capital calls	(54)	59	(b)
Net portfolio cash flow	**57**	64	(a - b)

Portfolio investment return

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

	Page	Half year ended 30 November 2020 £m	Half year ended 30 November 2019 £m	
Return after taxation (per Income Statement)	49	139	15	(a)
Adjusted for non portfolio income and expenses				
Investment management fees	49	9	9	(b)
Other expenses	49	1	1	(c)
Interest payable and similar expenses	49	2	1	(d)
Other income	49	–	(1)	(e)
Portfolio and other FX	*	87	44	(f)
Portfolio valuation movement		238	70	(g) = (a) + (b) + (c) + (d) + (e) + (f)
Opening investment at fair value		1,496	1,450	(h)
ALN share of opening investments		(58)	(93)	(i)
Opening portfolio value (excluding the ALN)		1,438	1,357	(j) = (h) + (i)
Portfolio investment return		16.6%	5.2%	(g/j)

* Includes £83m of FX on the portfolio excluding ALN (2019: £40m).

ALTERNATIVE PERFORMANCE MEASURES

Sample calculations and disclosures

The sample buyout figures for the 12 months to 30 June 2020 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI and FTSE data was sourced from Bloomberg.

Revenue and EBITDA

The revenue and EBITDA figures were based upon the last 12 months to 30 June 2020 or, where not available, the closest annual period disclosed, and provide coverage of 66% and 68% (for revenue and EBITDA growth respectively) of PIP's buyout portfolio.

Individual company revenue and EBITDA growth figures were capped if in excess of -100% and +100% to avoid distortions from large outliers. Sample data for 2014–2019 is based on the same methodology and provides coverage of 45%–75% of the portfolio in each year.

Valuation multiple and debt multiple

Enterprise value is defined as equity value plus net debt. The net debt and enterprise value figures were based on underlying valuations as at 30 June 2020, or the closest disclosed period end. The valuation multiple sample covers approximately 57% of PIP's buyout portfolio. The debt multiple sample covers approximately 50% to 60% of PIP's buyout portfolio.

Cost multiple

The cost multiple data on page 29 is based on a sample that represented approximately 58% by value of PIP's gross distributions for the half year to 30 November 2020. The data covers primary investments and co-investments, and is based upon gross cost multiples available at the time of the distribution.

Uplift

Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the underlying private equity manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value 12 months prior to the transaction taking place. The analysis on page 29 only includes exit realisations that occurred during the period and disregards the impact of any proceeds received outside of the 12 month period covered in the uplift analysis. The data in the sample represents 100% of proceeds from exit realisations and 72% of distributions received during the period.

Total ongoing charges

Annualised operating costs, including financing costs and any performance fees charged by Pantheon but excluding taxes, expressed as a percentage of the average month-end NAV over the period.

	Page	Half year ended 30 November 2020 £'000	Half year ended 30 November 2019 £'000	
Investment management fees	53	9,048	8,861	
Performance fee payable to Pantheon	53	–	–	
Look-through charges	53	195	224	
Other expenses	48	645	313	
Interest payable and similar expenses	48	1,683	1,077	
Total expenses and financing costs		11,571	10,475	(a)
Average month-end NAV		1,586,057	1,537,215	(b)
Total ongoing charges (annualised)		**1.45%**	1.36%	(a/b x 2 x 100)

Undrawn coverage ratio

Ratio of available financing and 10% of private equity assets to undrawn commitments. Under the terms of its loan facility, PIP is required to maintain an undrawn coverage ratio of at least 33%.

	Page	At 30 November 2020 £m	At 30 November 2019 £m	
Available financing	50	444	331	(a)
Investments at fair value (10%)		160	144	(b)
Total liquid resources		604	475	(c) = (a + b)
Undrawn commitments		464	486	(a)
Undrawn coverage ratio		**130%**	102%	(a/d)

GLOSSARY OF TERMS

AIFMD

Alternative Investment Fund Managers Directive.

Asset Linked Note ("ALN")

Unlisted, subordinated note due August 2027, the repayment of which and the performance of which are linked to a reference portfolio consisting of older vintage funds. The holder of the ALN has rights to receive c.75% of net cash flows arising from the reference portfolio prior to the repayment of any outstanding balance in August 2027.

Buyout funds

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

Carried interest

Portion of realised investment gains payable to the GP as a profit share.

Co-investment

Direct shareholding in a company by invitation alongside a private equity fund.

Commitment

The amount of capital that each LP agrees to contribute to the fund when and as called by the GP.

Debt multiple

Ratio of net debt to EBITDA.

Dry powder

Funds committed but not yet invested that are available for investment.

Earnings before interest, taxes, depreciation and amortisation ("EBITDA")

A measure of earnings before interest and taxes that excludes non-cash expenses. Valuation methods are commonly based on a comparison of private and public companies' value as a multiple of EBITDA.

Enterprise value

The sum of a company's market capitalisation and net debt (net debt equals debt less cash and cash equivalents).

Exit

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

Expense charge

A pro rata share of the Company's Total Ongoing Charges allocated to the ALN, reducing each quarterly payment. This is deducted from Other expenses through the revenue account of the Income Statement.

Feeder fund

It is an investment vehicle, often a limited partnership, that pools capital commitments of investors and invests or "feeds" such capital into an umbrella fund, often called a master fund ("Master"), which directs and oversees all investments held in the Master portfolio.

Fund-of-funds

Private equity fund that invests in a portfolio of several private equity funds to achieve, compared with a direct investment fund, a broader diversification of risk, including individual manager risk.

Fund management fee

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

General partner ("GP")

The entity managing a private equity fund that has been established as a limited partnership, also commonly referred to as the private equity fund manager.

Initial public offering ("IPO")

The first offering by a company of its own shares to the public on a regulated stock exchange.

Internal rate of return ("IRR")

The IRR, a common measure of private equity performance, is calculated as an annualised compounded rate of investment return based on the timing and quantity of cash flows.

Investment period

Period, typically five years, during which the GP is permitted to make new investments.

J-curve

Refers to the tendency of private equity funds to experience capital outflows and negative returns in early years, and cash flow distributions and investment gains in later years as portfolio companies mature and are exited.

Limited partner ("LP")

An institution or individual who commits capital to a private equity fund established as a limited partnership. Limited partners are generally protected from legal actions and any losses beyond their original commitment to the fund.

Liquidation

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

Market capitalisation

Share price multiplied by the number of shares outstanding.

Multiple of invested capital ("MOIC" or cost multiple)

A common measure of private equity performance, MOIC is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital.

Net asset value ("NAV")

Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor's attributable holding.

Net available cash

Cash and net current assets/(liabilities) less next ALN repayment (see Note 8).

Paid-in capital

Cumulative amount of capital that has been called.

Portfolio company

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

Portfolio investment return

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

Primaries

Commitments made to private equity funds at the time such funds are formed.

Private equity

Privately negotiated investments typically made in non-public companies.

Reference portfolio

As defined under the terms of the Asset Linked Note, a subset of PIP's private equity portfolio assets, substantially comprising the Company's oldest funds (2006 and earlier vintages).

Secondaries

Purchase of existing private equity fund or company interests and commitments from an investor seeking liquidity in such funds or companies.

Share price premium (discount)

Occurs when a company's share price is higher (lower) than the net asset value per share.

Single asset secondary

Purchase of an interest in a single portfolio company alongside a private equity manager, where the manager is seeking to extend the investment holding period in order to participate in the company's next phase of growth.

Undrawn or outstanding commitments

Undrawn portion of total commitment.

Uplift on exit

Increase in value received upon exit realisation of an investment relative to its carrying value 12 months prior to realisation.

Valuation multiples

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

Venture capital

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

Vintage

The year in which a private equity fund makes its first investment.

Weighted average fund age

Average fund age for the portfolio is weighted by the funds' respective closing net asset values. Fund age refers to the number of years since a private equity fund's first investment.

DIRECTORS AND ADVISERS

Directors

Sir Laurie Magnus (Chairman)
John Burgess
David Melvin
Susannah Nicklin
Dame Susan Owen DCB
Mary Ann Sieghart
John Singer

Manager

Pantheon Ventures (UK) LLP
Authorised and regulated by the FCA

10 Finsbury Square
4th Floor
London
EC2A 1AF

PIP Investor Relations:

Email: pip.ir@pantheon.com
PIP website: www.piplc.com
Pantheon website: www.pantheon.com
LinkedIn: www.linkedin.com/company/pantheon-international-plc

Secretary and registered office

Link Alternative Fund Administrators Limited

Beaufort House
51 New North Road
Exeter
EX4 4EP

Telephone: 01392 477500

Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Broker

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Depositary

BNP Paribas Securities Services
10 Harewood Avenue
London
NW1 6AA

Registrar

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

* **Telephone:** +44 (0)371 664 0300
Calls from outside the United Kingdom will be charged at the applicable international rate.

Solicitors

Morgan, Lewis & Bockius UK LLP
Condor House
5–10 St Paul's Churchyard
London
EC4M 8AL

Electronic communications from the Company
Shareholders now have the opportunity to be notified by email when the Company's annual reports, interim reports and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, visit www.signalshares.com. To register, you will need your investor code, which can be found on your share certificate.

Alternatively, you can contact Link's Customer Support Centre, which is available to answer any queries you have in relation to your shareholding:

By phone: call +44 (0)371 664 0300. Calls from outside the UK will be charged at the applicable international rate. Link is open between 09:00 and 17:30, Monday to Friday (excluding public holidays in England and Wales).

By email: shareholder.enquiries@linkgroup.co.uk

By post: Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, UK.

NOTES

NOTES

MIX
Paper from responsible sources
FSC® C022913
FSC www.fsc.org

Designed and produced by **Friend**.
www.friendstudio.com

Print: Pureprint Group

This report has been printed on Edixion Challenger Offset which is FSC® certified and made from 100% Elemental Chlorine Free (ECF) pulp. The mill and the printer are both certified to ISO 14001 environmental management system. The report was printed using vegetable-based inks by a CarbonNeutral® printer.

Pantheon International Plc

10 Finsbury Square
4th Floor
London
EC2A 1AF
United Kingdom

Telephone
+44 (0)20 3356 1800

Email
pip.ir@pantheon.com

Website
www.piplc.com

Registered in England
Number: 2147984

A member of the Association
of Investment Companies

PIP is a founding member of

LPEC
LISTED PRIVATE CAPITAL

PIP

PANTHEON