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Pantheon Intl Participations PLC
01 October 2015

PANTHEON INTERNATIONAL PARTICIPATIONS PLC (the "Company" or "PIP")
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2015

The full Annual Report and Accounts can be accessed via the Company's website at www.pipplc.com or by contacting the Company Secretary by telephone on 01392 477500.

PIP will be holding a webcast at *2:30 pm* BST today to discuss the 2015 Annual Report and Accounts.

The presentation can be viewed on www.meetingzone.com/presenter?partCEC=1128240 with Access Pin ***1128240.*** Please use the dial in details below and ensure that you give your name, company name and the password ***Pantheon*** when dialling in for the webcast.

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STRATEGIC REPORT

YEAR AT A GLANCE

Key Performance Indicators

 +12% NAV per share increase (FTSE All-Share TR: +3%, MSCI World TR: +11%)

 17% Ordinary share price discount to NAV (2014: 16%)

 16% Redeemable share price discount to NAV (2014: 22%)

 1.33% Total ongoing charges excluding tax (2014: 1.32[1]%)

[1] Excludes legal costs associated with the purchase and sale of investments.

Other Indicators

 +11% Ordinary share price increase (FTSE All-Share TR: +3%, MSCI World TR: +11%)

 +20% Redeemable share price increase (FTSE All-Share TR: +3%, MSCI World TR: +11%)

 £1,000m NAV (2014: £902m)

 1,532.4p NAV per share (2014: 1,364.2p)

 £198m Net cash flow generated from PIP's portfolio (2014: £142m)

 £238m New investment commitments**, £121m** of which was drawn (2014: £148m)

 £10m investments in share buybacks for the year, generating a **0.3%** uplift to NAV per share (2014: £18m; 0.5% uplift)

 4.3x Ratio of assets and available financing to undrawn commitments (2014: 5.7x)

Performance at 30th June 2015	**1 YEAR %**	**3 YEARS % P.A.**	**5 YEARS % P.A.**	**10 YEARS % P.A.**	**SINCE INCEPTION % P.A.**
NAV per share*	12.3	8.7	9.8	8.8	11.3
Ordinary share price*	10.6	20.6	21.2	6.9	11.1
FTSE All-Share Total Return	2.6	11.0	10.7	7.1	7.9
MSCI World Total Return (sterling)	10.9	14.8	12.6	8.4	7.2

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

Capital Structure at 30th June 2015

Ordinary shares	33,062,013
Redeemable shares	32,197,534
Total	65,259,547

CHAIRMAN'S STATEMENT

The Company's portfolio delivered strong growth over the past year against the backdrop of more uneven performance amongst the world's major stock markets. In the financial year, our NAV per share increased by **12.3%**, reflecting healthy growth in the underlying assets which totalled £1 billion at the period end.

PIP's ordinary share price increased by **10.6%** and the redeemable share price by **20.1%** compared to the FTSE All-Share and MSCI World which rose by **2.6%** and **10.9%** respectively.

Active M&A markets gave rise to one of the strongest periods for realisations experienced by the Company in recent years. This results from the mature profile of the Company's portfolio of funds, whose managers are focused on securing realisations for their investments. As exit realisations are often achieved at an uplift to recent holding value, our investors can benefit from our portfolio's maturity. We anticipate that this should continue as we are keenly focused on carefully managing the maturity profile of our investments.

Performance Update

In the full year to 30th June 2015, PIP's NAV per share demonstrated solid growth, increasing by 12.3% to 1,532.4p. Net assets rose from £902m to £1,000m. This increase was primarily driven by growth of 9.7% in the underlying private equity assets, while foreign exchange effects added 4.0%, reflecting our high portfolio weighting in US assets, and share buybacks added 0.3% to NAV per share. These gains were offset by expenses and taxes of 1.7%. Returns were broadly consistent across the growth and buyout stages and regions.

Share Buybacks

The discounts at which the Company's shares trade from time to time may make buybacks an attractive investment opportunity relative to other new investment commitments. During the full year to 30th June 2015, the Company invested £10m in share buybacks, acquiring 460,000 ordinary shares and 375,000 redeemable shares, resulting in an uplift to NAV per share of 3.6p, or 0.3%. PIP began buying back shares in August 2011 and so far has invested more than £85m in buying back 14% of the Company's shares. We will continue to take advantage of such opportunities where a clear investment case can be made relative to other investment opportunities expected to be available to the Company. While we are pleased to be able to take advantage of this opportunity, it is disappointing that discounts in our sector continue to be wide, which seems anomalous when considering that discounts have narrowed more in other segments of the investment company sector.

Investment Activity

PIP's portfolio is mature with a weighted average fund age of 7.9 years. Distributions can contribute to NAV growth when investments are realised at an uplift to recent holding value. Consequently, we have been well placed to benefit from the ongoing supportive private equity exit markets. During the year to 30th June 2015, the Company received distributions of £238m, equivalent to a rate of 29% of opening portfolio assets. Calls from underlying private equity funds were £40m, or approximately 23% of opening undrawn commitments. This resulted in a net portfolio cash flow prior to new investment commitments of £198m during the period.

New Investments

The Company has used the cash arising from realisations to make new investments in assets with a range of maturities, thus renewing the portfolio at a rate that maintains the portfolio's favourable cash positive maturity profile. In an environment where equity is expensive, there are two factors which are important at any time but even more critical in these conditions: good alignment of interests between investors and their managers, and high earnings growth potential. Whenever new investments are made, particular attention is therefore paid by our manager in highlighting these factors in the investment case. Our manager has placed great emphasis on the importance of earnings growth within the portfolio. Consequently I am pleased to note the continuing high levels of earnings growth seen in our portfolio, something we've experienced consistently over recent years. We will continue to emphasise the importance of earnings growth as we make new investments.

The Company's flexible investment strategy has enabled us to add more recent vintage exposure, augmenting the secondary investments with co-investments and primary commitments with a focus on high quality managers.

PIP made 44 new investments in the year, amounting to £238m in commitments with £121m drawn. This included £116m in commitments to 13 secondary and late primary funds, and £51m to 16 co-investments alongside selected private equity managers, in line with our strategic aims. We continue to think co-investments are an attractive opportunity to put capital to work efficiently alongside our selected managers. During the period, the Company added £71m in primary commitments, an increase from the £11m committed in the previous year, taking advantage of the high quality primary opportunities available in mostly mid-market funds, that are often oversubscribed. This has also helped to add more recent vintage exposure, in line with our focus on managing the maturity profile. Smaller funds are typically less likely to trade on the secondary market and complement the portfolio with newer vintages.

The Company continued to be active following the year end, committing an additional £39m: £24m to eight co-investments, £11m to four primary funds and £4m to one secondary transaction, with a further two secondary commitments due to be completed.

Balance Sheet

PIP's strong financial position has allowed the Company to deploy capital flexibly this year. Our balance sheet remains ungeared and our credit facility which expires in November 2018, unutilised. At 30th June 2015, the Company's cash stood at £138m, which together with credit facilities, meant the Company had total liquid resources of £234m. Undrawn commitments of £256m at 30th June 2015 were covered by assets and loan facilities by a factor of 4.3 times.

Outlook

While stock markets have reached levels that may make them more vulnerable to the unexpected, we expect that M&A activity will continue apace as both corporate and financial buyers are holding such high levels of financial resources. The credit markets have eased even further and this factor is also helpful in keeping M&A markets active. The IPO markets, while still a less common route for portfolio company exits, have provided further useful liquidity opportunities in our portfolio. Equity prices are high relative to historic norms and this creates an added hurdle to achieving good investment performance when making new investments. With the advantages of a longer time frame, private equity investors are well positioned to weather cycles and to use the benign credit markets to reduce the cost of capital within portfolio companies. Consequently we have seen the pace of refinancing within the private equity market increase as managers take full advantage of these conditions. This is also supportive of the many managers within our portfolio who create efficiencies and bring down the effective pricing of investments through add-on acquisitions using cost effective financing.

While some of our energy assets experienced valuation pressure associated with the oil price decline, we view this downturn in the oil related energy markets as an opportunity to invest further in the sector and we intend to maintain our current weighting within our special situations portfolio at up to approximately 10% of the portfolio.

Assets in the year have been more fully priced on the secondary market, reflecting an increase in the supply of capital targeted at secondaries particularly within the large 2006-2008 vintage pool as those funds become more mature and cash generative. Our strategy for buying secondaries has not depended in recent years on acquiring assets at high discounts to recorded value. Rather, we have invested in secondaries by taking advantage of our manager's close knowledge of value potential within a fund relative to its stated net asset value and maintaining a disciplined attachment to high quality managers. We expect that the vintage 2006 - 2008 vintage pool will continue to represent the largest opportunity for us in the secondary market. Our continued focus on good alignment and high quality managers is important in protecting the longer term value of our assets in the event that the equity markets take a turn for the worse. We can take advantage of these liquid conditions to acquire assets whose near term realisation prospects are thus enhanced, where we believe that such realisations can capture a premium on exit. We will also continue to commit capital to primary funds and through co-investment, again selecting carefully both for the merits of the transaction and the quality of their managers. This enables us to maintain a balance in our portfolio between more mature assets and investments earlier in their value development cycle.

These principles are evident also in the transactions to which we have committed following the year end. We look forward to continuing to take advantage of an active pipeline of investments through the year, so as to maintain our investment pace which is designed to renew our portfolio over an approximate rolling five year time frame.

Special Resolutions

Our investment thesis is simple: to provide investors with access to a portfolio of high quality private equity assets managed by some of the best private equity managers in the world. To simplify our name and make our global capabilities even clearer to a wide range of investor types, the Company is seeking shareholder approval through a special resolution to be proposed at the Annual General Meeting ("AGM"), to change the Company's name to Pantheon International PLC.

Additionally, an extraordinary general meeting, and separate class meetings of the ordinary and redeemable shareholders, will be held immediately following the AGM for the purpose of seeking shareholder approval to an amendment to the Company's Articles of Association. The amendment will enable the Directors to take action where shares in the Company are, or may be, owned, or rights attaching to shares in the Company may be exercised, by persons in circumstances which in the opinion of the Directors give rise, or may give rise, to a regulatory burden under certain US securities, investment and pension regulations. It is proposed that, in such circumstances, the Directors should be empowered to require the compulsory transfer of those shares and/or to suspend the rights attaching to those shares to vote at, attend and receive notice of meetings of the Company. An explanation of these proposals and the notices of these meetings will be set out in a separate circular to shareholders.

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

Tom Bartlam
Chairman
30th September 2015

OBJECTIVE AND INVESTMENT POLICY

Investment Objective

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

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

INVESTMENT RATIONALE

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

Private equity is the term used for investments made in non-public companies through privately negotiated transactions. More than 5,200 private equity managers globally collectively manage approximately $3.8 tn in assets[1]. The asset class covers a broad range of strategies, which all share a common theme - capital structure optimisation combined with long-term investment horizons and hands-on management support.

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

[1]*Source: Preqin 2015 Global Private Equity and Venture Capital Report, January 2015.*

The Private Equity Investment Approach

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

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

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

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

OUR BUSINESS MODEL

Company Strategy

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

PIP invests alongside Pantheon's other clients either directly into private equity funds or by co-investing in companies alongside private equity managers. We believe that this business model has a number of advantages for the management of PIP's portfolio over investing indirectly in such funds through Pantheon's funds of funds, and gives the Company flexibility over how it invests at all times.

By investing directly into private equity funds, the Company has full control over portfolio construction by manager, geography, stage and vintage. This flexible approach, in addition, endows PIP with greater control over the management of its balance sheet, cash and the maturity profile of the portfolio.

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

The current portfolio reflects PIP's prolonged access to Pantheon's carefully selected primary and secondary investments over the past 28 years. Only funds that have passed through rigorous research and analysis can be selected for investment.

Secondary Commitments

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

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

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

Co-investments

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

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

Primary Commitments

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

Share Buybacks

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

Social, Environmental, Community, Human Rights and Employment Issues

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

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

Retail Investors Advised by IFAs

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

1. Funding of investment commitments and default risk

Risk: In the normal course of its business, the Company typically has outstanding commitments to private equity funds which are substantial relative to the Company's assets and may be drawn down at any time. The Company's ability to meet these commitments is dependent upon it receiving cash distributions (the timing and amount of which can be unpredictable) from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.

Mitigation: The Company has a mature portfolio which is naturally cash generative and does not ordinarily gear its balance sheet for the purpose of enhancing performance. The Board intends to manage the Company so that undrawn commitments remain at a conservative level relative to its assets and available financing. The total available financing as at 30th June 2015 stood at £234m, comprising £138m in cash balances and £96m in undrawn bank facilities. As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 4.3 times. The Company expects ordinarily to finance the majority of calls from undrawn commitments out of distributions. In the event that the levels of cash distributions and cash balances are insufficient to cover capital calls, the Company has the ability to draw funds from a credit facility (see Gearing section below for details on credit facility).

2. Risks relating to investment opportunities

Risk: There is no guarantee that the Company will find sufficient suitable investment opportunities, or that the private equity funds in which it invests will find suitable investment opportunities, to achieve the level of diversification which the Company seeks to achieve in relation to its investment portfolio.

Mitigation: The Manager has in place a dedicated investment management process that is designed to help maximise the chances of the Board's intended investment strategy being achieved, in line with the Investment Policy section above. The Board periodically reviews investment and financial reports from the Manager to monitor the effectiveness of the Manager's investment management process.

3. Financial risk of private equity

Risk: The Company invests in private equity funds and unquoted companies which are less readily marketable than quoted securities. In addition, such investments may carry a higher degree of risk than investments in quoted securities.

Mitigation: The Manager's investment management process is designed to produce the best possible risk-adjusted returns from private equity investments. Where the Company commits to private equity funds, such funds are structured as limited life funds where the manager is incentivised to realise investments and return proceeds to investors within the funds' limited life span. As part of the investment process for secondaries and co-investments, an assessment is made to understand the possible impact of the underlying assets' illiquidity on projected exit outcomes. As part of the investment process for primaries, an assessment is made to understand a manager's approach to underlying company illiquidity.

4. Long-term nature of private equity investments

Risk: Private equity investments are long-term in nature and may take some years before reaching a level of maturity at which they can be realised. Accordingly, it is possible that the Company may not receive a return on investments made by it for a number of years.

Mitigation: The Company pursues a flexible investment strategy, emphasising secondary investments which will typically have shorter average exit horizons than co-investment and primary commitments. A flexible investment strategy therefore results in a range of likely exit horizons for underlying investments, mitigating this risk.

5. Valuation uncertainty

Risk: In valuing its investments in private equity funds and unquoted companies and in publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by these funds and companies to the Manager. There is potential for inconsistency in the valuation methods adopted by the managers of these funds and companies. In addition, the information provided is typically more than 60 days old at the time the NAV of the Company's shares is reported.

Mitigation: In the case of the Company's investment in private equity funds and direct investments managed by private equity managers, the valuation of investments is based on valuations provided by the private equity managers that are periodically audited. Pantheon carries out a formal valuation process involving a monthly review of these valuations, verification of the latest audited reports coverage, as well as a review of any potential adjustments required to ensure reasonable valuation of underlying investments in accordance with fair market value principles required under Generally Accepted Accounting Principles ("GAAP").

6. Gearing

Risk: The use of gearing can cause both gains and losses in the asset value of the Company to be magnified. The Company may also invest in private equity funds or unquoted companies which are geared by loan facilities that rank ahead of the Company's investment both for payment of interest and capital. As a consequence, the Company may be exposed to gearing through the borrowings from time to time of such private equity funds and companies, increasing its investment risk.

Mitigation: While debt is commonly used within the capital structure of private equity funds' portfolio investments, it is not commonly used at the fund level other than for working capital purposes. Thus, leverage risk is typically non-recourse between portfolio companies operating independently within the same portfolio.

For working capital purposes, the Company maintains a revolving credit facility arranged by The Royal Bank of Scotland plc, due to expire in November 2018, and comprising facilities of $100m and €46m. The principal covenant that applies to the loan facility ensures that the Company is limited to a maximum gearing of 30% of adjusted gross asset value. The facility was unutilised as at 30th June 2015.

7. Foreign currency risk

Risk: The Company makes investments in US dollars, euros and other currencies as well as sterling. Accordingly, the Company is exposed to currency exchange rate fluctuations.

Mitigation: The Manager monitors the Company's underlying foreign exchange exposure and seeks to balance the risks associated with holding different currencies through diversification and cost averaging effects. Furthermore, as part of the investment management process, the Manager will assess the risk-return of a specific investment, taking into consideration the currency denomination of the investment and the potential impact of currency risk. However, foreign currency risk tends to be mitigated over longer investment horizons.

8. Unregulated nature of underlying investments

Risk: The private equity funds and underlying unquoted investments that form the basis of the majority of the Company's portfolio are not necessarily subject to regulation by the FCA or an equivalent regulatory body.

Funds and unquoted companies in which the Company invests (directly or indirectly) may be domiciled in jurisdictions which do not have a regulatory regime which provides an equivalent level of investor protection to that provided under the laws of the United Kingdom.

Mitigation: The Manager's investment management process for primary and secondary investments requires verification of the regulatory jurisdiction of underlying funds. In addition, the managers of the underlying funds are mostly regulated by the FCA, SEC, or an equivalent body in the managers' respective jurisdictions.

9. Taxation

Risk: Any change in the Company's tax status or in taxation legislation or practice could affect the value of the investments held by and the performance of the Company. In addition, the income and gains of the Company from its investments may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise.

Mitigation: The Manager's investment management process incorporates an assessment of the tax impact of each primary or secondary fund investment, or co-investment that is purchased. For every investment, the Manager also reviews the appropriateness of an investment's legal structure and any action required, including the establishment of special purpose and/or blocker vehicles, to tailor an investment's structure to minimise the potential tax impact on the Company.

10. The Manager and other third party advisers

Risk: Like most investment trust companies, the Company has no employees and the Directors are all non-executive. The Company is dependent upon the services of Pantheon as Manager and may be adversely affected if the services of Pantheon cease to be available to the Company.

Mitigation: The Board keeps the performance of the Manager under continual review. In addition, the Management Agreement is subject to a notice period that is designed to provide the Board with adequate time to put in place alternative arrangements in the event the services of Pantheon cease to be available.

MANAGER'S REVIEW

The Manager (Pantheon)

Pantheon, one of the world's foremost private equity specialists, has acted as Manager to PIP since its inception in 1987, evaluating and managing investments on PIP's behalf in line with the strategy agreed by the Board. Pantheon is also one of the largest and most experienced secondary managers, having committed more than $9bn to secondaries over the last 30 years.

At a Glance

• $30.8bn[1] assets under management, on behalf of over 380 institutional investors

• A leader in private equity fund-of-funds management with over 30 years' experience

• International team comprising around 200 staff, including 69 investment professionals[2]

• At the forefront of the fast-growing secondary market, having committed more than $9bn to secondary investments globally, across more than 320 transactions

[1] *As at 31st March 2015. The figure includes assets subject to discretionary or non-discretionary management, advice, or those limited to a reporting function.*
[2] *All staff figures as at 1st August 2015.*

Strong Private Equity Track Record

Pantheon is one of the leading private equity fund investors in the world, with global assets under management of $30.8bn, and over 380 institutional investors.

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

Diversification

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

Reputation as a Preferred Investor

Pantheon has been investing in private equity for over 30 years and has an enviable reputation in the industry. Pantheon is often considered a preferred investor due to its reputation, active approach and scale of commitments. In addition, Pantheon generally seeks advisory board seats to contribute actively to governance during the life of the fund. As such, Pantheon is represented on over 285 advisory boards worldwide. Long-standing partnerships with managers on a global basis can also enhance the firm's deal flow in the secondary market.

Team-based Culture

Pantheon draws upon a deep pool of resources that contributes to a unique team-based culture. With teams operating in London, San Francisco, Hong Kong, Bogotá and New York, Pantheon adopts a collegiate approach to investment decision-making, globally leveraging the collective experience and expertise of its investment professionals. The team's experience is also brought to bear on the evaluation, selection and ongoing monitoring of fund investments. Pantheon's team of 69 investment professionals, supported by over 120 other professionals, work together with the ultimate aim of producing strong and consistent results.

Secondary Investing

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

Pantheon has committed more than $9bn in the secondary market globally across more than 320 transactions, including more than 100 portfolio transactions and more than 190 single fund secondaries.

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

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

MARKET REVIEW

During and after the financial year, stock markets around the world have registered uneven progress as they have responded to the factors affecting global liquidity including the Eurozone's attempt to resolve the latest Greek solvency crisis, the effects of quantitative easing in Japan and Europe and the dramatic falls in the oil price and more recently, the Chinese public equity markets. The fall in commodity prices and continued competitive devaluation amongst a number of the world's major currency blocs have added further to investors' difficulties.

However, economic growth around the world has been steadier. Amongst the developed markets, the US and UK have continued to demonstrate growth albeit after a dip in the US in Q1 caused by the unusually cold weather. While economic growth has strengthened in these markets, it has not been without setbacks and with asset valuations that look increasingly stretched there remains a question mark over the vulnerability of asset prices to the likely rises in interest rates in the US and beyond. Greece notwithstanding, recovery in the Eurozone has been unsurprisingly slow and economic indicators are not much brighter for the foreseeable future. Asian economies still lead world GDP growth but at lower levels and as seen most acutely in China, these economies remain vulnerable to policy missteps and wider liquidity flows that almost guarantee a bumpy ride in public share markets.

US

The US appears to be escaping lower global growth and recession. US GDP grew 2.4% in 2014, the best full year growth since 2010 and is forecasted to grow 2.3% and 2.8%, respectively, in 2015 and 2016[1]. Public markets are generally at all-time highs, while bond yields are at some of their lowest levels, notwithstanding an expected interest rate increase in 2H 2015. The US continues to benefit from cheaper energy and rising labour costs in China, both of which provide support for consumer spending and US-based manufacturing. However the increase in the value of the US dollar has pressured exports for many businesses, mitigating these tailwinds to some extent.

Elevated valuations in public and private markets over the past year and stiff competition from corporate acquirers have combined to subdue the pace of private equity capital deployment. Private equity firms invested $215.9bn of capital during the first half of 2015, a 22% decrease over the first half of 2014 and on pace to be the slowest year since early 2013[2]. Furthermore, GPs have increasingly pursued buy-and-build strategies, favouring smaller platforms that can be built up through add-on acquisitions to help mitigate higher initial entry multiples. Unlike the 2007-2008 market peak where deals over $1bn comprised a large portion of new deal activity, since the recovery, deals under $1bn have accounted for the vast majority (over 75%) of capital deployed in 2014 and 1H 2015. Add-on investments have increased significantly during this time period as well, accounting for over 60% of the deals completed in the last year[2].

Exit activity remained on a steady upward trajectory, with exit proceeds reaching record levels in 2014 and surpassing the elevated levels observed in 2012 when tax rates were set to change. While elevated levels of exit activity are necessarily correlated with the spike in investment activity during the 2006-2008 period, robust capital markets are facilitating the volume and magnitude of favourable outcomes. During the first half of 2015, private equity investors exited 478 companies valued at $185bn, a 39% capital increase year-over-year[2]. Secondary buyouts and strategic sales to corporations have been the most popular exit routes. Sales to corporate buyers have totalled $160bn in the first half of 2015 alone[2], nearly the full-year amount of 2014, as companies look to M&A to find new segments and synergies that support their core businesses. However, one area that in the first half of 2015 lost momentum was IPOs with only 17 completed private equity-backed IPOs, a 56% year-over-year decline[2]. This could be explained partly by the fall-off in energy-related IPOs that were prominent in early 2014 as well as the trend for VC-backed companies to stay private with large private financings.

Driven by large rounds for later stage companies, capital invested in VC-backed companies reached $59bn in 2014, and $37bn through 1H 2015, the highest levels since the dot-com era[3]. This elevated level of investment activity reflects the convergence of two related trends; many VC-backed companies opting to delay IPOs in favour of large private rounds as well as an increase in participation by non-traditional investors, including corporate VC arms, hedge funds, mutual funds, and some private equity firms. The big story has been the prevalence of large financing rounds, with over 40 financings exceeding $100m in 2014[4]. Uber's two $1bn+ rounds and Airbnb's $475m round are notable not only for their scale but also for the extent to which these tech companies are disrupting traditional industries. Exits for venture capital in 2014 was the highest in the past decade, with 845 VC-backed exits totalling $78.4 bn[4]. Notably 6 out of the 12 consumer tech M&A deals over $1bn were completed in 2014, including WhatsApp, Nest Labs, and Oculus VR. Strategic acquirers were the dominant source of liquidity for VC-backed companies, although IPO markets remained strong throughout 2014 and were a popular exit route for biotech companies in particular. In the first half of 2015, exit activity has slowed somewhat, although this is in part due to companies opting to delay IPOs in favour of private rounds.

2014 and 2015 have been strong years for fundraising, characterised by a robust fundraising environment for established GPs and an increased volume of first-time fundraisings. The past few years are typified by the growing prevalence of access-constrained top-performing funds reaching their caps swiftly, with managers turning away many interested investors. In 2015, private equity fundraising has been slightly off-pace from that of 2013 and 2014. 2013 and 2014 each recorded at least $200bn of capital raised, while the first half of 2015 has raised $75.6 bn[5]. The largest funds of over $5bn have accounted for only 22% of total capital raised, compared to 45% and 29% in 2013 and 2014, respectively[5]. The majority of capital raised in the first half of 2015, or 53%, went to funds in the $1bn to $5bn range, reflective of the post-recession preference for middle market funds[5].

Value creation in Pantheon's private equity portfolio has benefited over the past year from the robust exit environment and continued relative strength of the US economy. Across most sectors, strategic buyers have been increasingly willing to pay full prices for maturing portfolio companies in order to achieve their growth and diversification goals. The healthy IPO and credit markets have provided valuation support and optionality for exiting companies, further lifting valuations. Technology companies in particular have enjoyed a vibrant market for valuation increases as new technologies have created high growth opportunities across the US economy, notably in healthcare and manufacturing. Biotech has been another area of strength, with new therapeutics and other healthcare advancements receiving interest from both strategic and public markets. The energy sector has been a notable area of concern, as 2014 saw extensive falls in oil prices that continue to reshape the industry. To this point, capital markets have provided financial support and we have not seen many situations of distress.

Looking forward, we believe the US private equity market is well positioned to navigate the current market, characterised by high valuations and resulting low real interest rates. We expect that top quartile managers will continue to take advantage of strong exit markets to return capital to investors and to engage with portfolio companies to achieve higher than market rates of return.

1 *Capital Economics, Global Economic Outlook Q3 2014.*

2 *Preqin.*

3 *2015 Annual US Venture Industry Report.*

4 *2015 Annual US Venture Industry Report.*

5 *Preqin.*

Europe

Economic growth in Europe has remained sluggish with the EU-28 recording GDP growth of 1.6% in the 12 months to June 2015[7]. Consumer confidence has at various times shown an improvement but remains vulnerable. Industrial production is benefiting from a tailwind from the depreciation of the Euro which has fallen by 18% against the dollar in the 18 months to June 2015 (and 14% against sterling in the same period). Nevertheless, demand remains subdued and the region remains vulnerable to economic shocks. There remains a continued question mark over Greece's longer-term membership of the EU which has cast a cloud over markets with uncertainty affecting the Euro and public markets (the MSCI Europe returning -7.2% in the year to June 2015).

Quantitative easing (more recently from the ECB) as a policy response to sluggish demand and deflationary pressures has impacted European private equity as it has all other asset classes. Liquid markets have ensured that competition for new deals remains strong and entry pricing remains high, most marked in sectors such as healthcare and technology where long-term secular trends provide an attractive backdrop for investment. Private equity firms have responded to high pricing with caution and the deployment pace for active funds remains subdued, €90bn[5] was deployed in completed deals in the year to 30th June 2015. The flip side is that exit markets have remained buoyant with private equity firms able to see exits from all main routes, trade sale, secondary buyouts and IPOs being viable options. In many cases the competitive tension between trade, private equity and the listed markets has facilitated rapid exit processes and higher exit prices. Overall, the response of the European private equity industry has been to recognise the advantages of the current environment as a time to sell rather than to buy, a marked difference to the last time that market prices peaked in 2007. Underlying value increases in private equity portfolios have continued to be strong with double digit valuation increases being typical in the last 12 months.

Investor appetite for European-focused private equity funds has remained steady. There continues to be strong demand for mid-market buyout funds but interest in large buyout funds has remained healthy as global capital seeks exposure to Europe.

The outlook for investors is largely dependent on wider macroeconomic concerns. Specifically the depreciation of the Euro in the last 12-18 months has wiped out most if not all of the gains made by dollar and sterling investors in the period. Resolution of the Greek crisis (if only temporarily) and improved prospects for European growth would be supportive of a stronger Euro and recovery of value for investors. Within this context, our portfolio emphasises companies in the mid-market, operating at a scale that makes them less constrained by anaemic rates of overall GDP growth which meant that, prior to any foreign exchange effects, our overall level of investment returns in Europe during the year have been consistent with what we have experienced in other regions.

5 *Preqin.*

7 *Preqin.*

Asia

Since June, attention in the Asian region has been focused on dramatic falls in the Chinese public equity markets, the successive devaluations of the renminbi and the implications of these factors for the Chinese economy. However, the relationship between China's public equity market and the real economy is at least as symbolic as it is real because it represents only a very small part of the capital raised by Chinese corporations. Although growth has slowed, with China's 2015 GDP forecast to be 7.0%, falling to 6.5% in 2016 and 2017[6], it is expected China will continue to lead world growth. Chinese authorities have been mindful of the need to remain broadly focused on measures to support growth through structural and fiscal reforms.

The positive political mood in India anticipated signs of recovery in the economy but it is too early to say whether the Modi-led government will tackle as successfully as anticipated the economic reforms required for accelerated economic growth.

Consistent with the experience elsewhere in the world, private equity investment activity in Asia decreased over the 12 months ended 30th June 2015 compared to the prior period both by number of deals and by capital deployed[7]. Capital deployed in select markets like India, however, has actually picked up, in part due to a handful of larger deals but also reflecting a general trend of increasing investment activity in these markets.

As in the more developed markets, high levels of exits were also seen in Asia. Private equity exit activity overall in Asia increased by value to 30th June 2015 compared to the previous period. This increase was particularly strong in China and India, followed by Japan. In the first half of 2015, it was driven by several large transactions completed by trade and other private equity buyers. Examples include the sale of listed shares in Shriram City Union by TPG Asia to Apax Partners of the sale of listed shares in Energy Developments by Pacific Equity Partners to DUET Group, whereas exits from smaller investors were less prevalent.

The market generally has witnessed upward pricing pressure. Valuations on a mark-to-market basis remained high in 2014, buoyed by public markets, but have since softened as markets were affected by volatility in the Chinese domestic market. Private equity managers are selected by Pantheon in part for their ability to exercise pricing discipline so as to take advantage of softer market conditions when they arise.

6 *Weathering the Storms Q3 2015, Capital Economics.*

7 *Preqin.*

Co-investment

Co-investment deal flow continues apace due to an active buyout market across the regions in which Pantheon participates and a continued recognition on the part of private equity managers of the importance of offering co-investment opportunities to further cement their relationships with their investors. Pantheon's co-investment deal flow for the twelve month period ended April 2015 increased by 7.1% over 2014 and 37.5% over 2013. Sourcing and securing allocations to co-investments, however, continues to be very competitive as an increasing number of investors are trying to access these opportunities given that co-investments typically have no or low fees or carried interest associated with them. Therefore, investors must differentiate themselves on their ability to efficiently execute co-investment opportunities and pro-actively originate such opportunities from their base of manager relationships.

Secondary Market

Secondary transaction volume for the first half of 2015 reached $12bn (excluding real estate transactions)[8]. Public pension plans, particularly in North America, have built very large, often unwieldy portfolios, and have taken advantage of these conditions to trim their positions. Pension funds were active sellers in the period comprising 35%[8] of overall deal flow within the market. The reduction in selling activity by financial institutions such as banks was almost fully offset by a combination of higher selling activity by public pension plans, and a greater diversity of seller types.

Pricing in the market remained strong, with an average high bid of 92% of NAV for transactions in the first half of the year, versus 91% of NAV for transactions in the first half of 2014[8]. Moreover, as in 2014, large deals have continued to be an important feature of the market in 2015, with six secondary transactions of more than $1bn.

Pantheon is focusing on situations where it can exploit existing manager relationships and a closely informed understanding of a fund's particular characteristics. During the year, Pantheon screened over $38bn of potential opportunities, committing $322m to 11 secondary transactions, the majority of which involved purchases of individual fund stakes. Given the broader pricing environment, Pantheon's focus has been on funds with identifiable growth prospects at entry, including leading investments with strong growth prospects or where potential liquidity events give rise to significant upside relative to holding valuations.

Despite delays in the Volcker Rule potentially deferring banks' sale decisions, the greater diversity of seller types and increasing use of the secondary market for portfolio management purposes are expected to help sustain secondary market deal volume at around current levels. In addition, activity is expected to be weighted towards the second half of the year, with intermediaries projecting this year's deal flow to be only slightly behind last year's record $38bn in secondary deal flow[9].

8 *Greenhill Cogent Secondary Market Trends & Outlook, July 2015.*

9 *Greenhill Cogent Secondary Market Trends & Outlook, September 2015.*

PORTFOLIO OVERVIEW

- **9.7%** Underlying (pre FX) return relative to opening assets
- **£198m** Net cash flow generated from PIP's portfolio
- **31%** Average uplift on exit realisations
- **£238m** Distributions
- **29%** Distributions as a percentage of opening portfolio
- **£40m** Calls made from existing undrawn commitments
- **£238m** New investment commitments, **£121m** of which was drawn
- **£51m** New commitments made to **16** co-investments
- **7.9 years** Weighted average fund age of portfolio

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

Portfolio Analysis by Value as at 30th June 2015[1]

1 *Fund geography, stage, maturity and primary/secondary charts are based upon underlying fund valuations and account for 100% of PIP's overall portfolio value. Company sector and company geography charts are based upon latest available underlying company valuations at 30th June 2015 and account for approximately 90% of PIP's overall portfolio value.*

Fund Geography

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

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

USA	**58%**
Europe	**28%**
Asia and other	**14%**

Investment Stage

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

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

Special situation investments are comprised of funds investing primarily in the energy sector and in distressed securities, as well as some mezzanine funds.

Large/Mega Buyout	**31%**
Small/Mid Buyout	**30%**
Venture and Growth	**29%**
Special Situations	**8%**
Generalist	**2%**

Pantheon Vehicles

At 30th June 2015, 5% of PIP's portfolio value and 3% of PIP's outstanding commitments were comprised of funds-of-funds directly managed by Pantheon. Pantheon is not entitled to management and commitment fees in respect of PIP's holdings in, and outstanding commitments to, the firm's managed fund-of-funds vehicles. In addition, Pantheon has agreed that PIP will never be disadvantaged in terms of fees compared with the position it would have been in had it made investments directly into the underlying funds rather than indirectly through such fund-of-funds vehicles.

Fund Maturity

The portfolio is well diversified by fund vintage.

New primary commitments and co-investments are increasing PIP's exposure to more recent vintages, with the 2009 and later segment of the portfolio increasing to 20% (from 11%) during the year.

2011-2015	**18%**
2010	**1%**
2009	**1%**
2008	**15%**
2007	**23%**
2006	**16%**
2005	**11%**
2004	**4%**
2003 and earlier	**11%**

Investment Type

Co-investments are becoming a more established part of PIP's portfolio at 13% of value versus 7% in the prior year. The remainder of the portfolio is evenly split between primary and secondary commitments.

Primary	**43%**
Secondary	**44%**
Co-investment	**13%**

Company Sectors

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

Relative to the FTSE All-Share and MSCI World indices, the principal difference in sector weights is that PIP has greater exposure to information technology, and lower exposure to the banking, mining and utilities sectors.

Consumer	**27%**
Information Technology	**26%**
Healthcare	**15%**
Industrials	**13%**
Energy	**7%**
Financials	**7%**
Materials	**4%**
Telecommunication Services	**1%**

Company Geography

Over half of the portfolio is invested in companies based in North America, which benefit from greater market depth and scope.

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

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

North America	**55%**
Asia	**15%**
UK	**9%**
Scandinavia	**6%**
Germany	**4%**
Benelux	**2%**
France	**2%**
Iberia	**2%**
Central and Eastern Europe	**1%**
Italy	**1%**
Other Europe	**3%**

PORTFOLIO ANALYSIS

Portfolio Performance by Stage for the Year to 30th June 2015[1]

• The portfolio generated investment returns prior to foreign exchange effects of 9.7% during the year.

• Performance during the period was consistent throughout the various stages with the exception of the special situations category, where performance was negatively affected by energy-focused funds.

• Small and medium buyout performance was impacted by exposure to a small number of funds invested in the Russian market. Excluding these funds, portfolio returns for small/mid buyouts would have been approximately 10%.

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

Debt Multiples[2]

Venture and growth and buyout investments have differing leverage characteristics.

• The venture and growth portfolio accounts for 29% of portfolio value and has little or no reliance on leverage.

• In a market associated with high levels of available leverage, debt multiples on PIP's underlying companies indicate only a moderately increased dependence on leverage.

PORTFOLIO ANALYSIS - BUYOUT

Valuation Multiple[2]

- Accounting standards require private equity managers to value their portfolio at fair value. Public market movements can be reflected in valuations.
- Sample-weighted average enterprise value/EBITDA for the year to 31st December 2014 was 10.6 times, compared to 8.4 times and 10.2 times for the FTSE All-Share and MSCI World indices.
- Relative to the FTSE All-Share and MSCI World Indices, PIP's buyout sample has greater exposure to consumer and information technology, and lower exposure to the banking, mining and utilities sectors.

Revenue and EBITDA Growth[2]

- Weighted average revenue growth for the sample buyout companies was +10.2% in the 12 months to 31st December 2014, compared to -0.8% and +2.7% for the FTSE All-Share and MSCI World indices.
- Weighted average EBITDA growth for the sample buyout companies was +17.7% in the 12 months to 31st December 2014, compared to +1.2% and +3.6% for the FTSE All-Share and MSCI World indices.
- 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.

2 *The data is based on a sample of PIP's buyout funds.* ***Buyout Sample Methodology:*** *The sample buyout figures for the 12 months to 31st December 2014 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 31st December 2014 or, where not available, the closest annual period disclosed, and provide coverage of 69% and 60% (for revenue and EBITDA growth respectively) of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped between +100% and -100% to avoid large distortions from excessive outliers. Sample data for 2010-2013 is based on the same methodology and provides coverage of 50-75% of the portfolio in each year. Enterprise value is defined as carrying value + net debt. The net debt and enterprise value figures were based on underlying valuations as at 31st December 2014, or the closest period end disclosed. The valuation multiple sample covers approximately 65% of PIP's buyout portfolio. The debt multiple sample covers 66% of PIP's buyout portfolio. Data sourced from Bloomberg.*

PORTFOLIO ANALYSIS - VENTURE AND GROWTH

Venture and Growth Portfolio Analysis

- Prior to foreign exchange effects, PIP's venture and growth funds generated a return of 10.8% and contributed to a quarter of total distributions during the period.
- Distribution rates for the year for each of the venture and growth vintage groups was equivalent to approximately 25% of opening portfolio value.
- 2007 and later funds performed strongly, with returns of 23.7%. These funds constitute 40% of the venture and growth portfolio.

DISTRIBUTIONS IN THE YEAR TO 30TH JUNE 2015

PIP received more than 1,800[1] distributions in the year, with many reflecting realisations at significant uplifts to carrying value. The Company's mature portfolio should continue to generate substantial distributions.

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

Distributions

Distributions by Region and Stage

PIP received £238m in proceeds from the portfolio in the year to 30th June 2015, equivalent to 29% of opening private equity assets.

The US accounted for the majority of PIP's distributions, where market conditions supported a good level of exits among larger buyouts. However, European distributions held up very well, contributing disproportionately to the total despite its lower portfolio weighting.

Distributions by Region = £238m	
USA	**50%**
Europe	**35%**
Asia and other	**15%**

Distributions by Stage = £238m	
Large/Mega Buyout	**41%**
Small/Mid Buyout	**30%**
Venture and Growth	**23%**
Special Situations	**3%**
Generalist	**3%**

Distribution Rates

Quarterly Distribution Rate[2]

Distribution rates remained healthy in each of the four quarters to 30th June 2015. This reflected an improvement in market conditions during the period covered, the maturity of PIP's portfolio and some seasonal variations in deal activity.

Distribution Rates[2] in the Year to 30th June 2015 by Vintage

Mature vintages continue to distribute at higher rates, with 2008 and earlier funds distributing at a rate equivalent to 25% of opening value. With a weighted fund maturity of 7.9 years, PIP's mature portfolio should continue to generate significant levels of cash, particularly if financial markets remain supportive of exits through mergers and acquisitions, IPOs and refinancings.

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

Cost multiples on exit realisations for the financial year to 30th June 2015[1]

On a sample of exit realisations, the value-weighted average cost multiple of the sample was 3.1 times, highlighting significant value creation over the course of an investment.

1 *The data in the sample represented approximately 50% by value of PIP's gross distributions for the year to 30th June 2015. This data is based upon gross cost multiples available at the time of the distribution.*

Uplifts on exit realisations for the financial year to 30th June 2015[2]

On a sample of exit realisations, the value-weighted average uplift in 2015 was 31%. This average uplift is consistent with our view that realisations can be significantly incremental to returns. PIP's mature portfolio is well placed to continue to generate a good level of distributions from exit realisations in the coming year.

[2] *Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value up to six months prior to the transaction taking place. The analysis only includes exit realisations that occurred during the financial year and discards the impact of any proceeds received outside of the six month period covered in the uplift analysis. Exit realisations represented approximately 50% of PIP's gross distributions for the year to 30th June 2015.*

Exit Realisations by Sector and Type

The portfolio generally benefited from better economic and public market conditions, with all sectors generating distributions. In particular, distributions reflected potentially growing confidence among acquirers in the consumer, information technology, industrials and healthcare sectors as economic recovery becomes better established.

Trade sales and secondary buyouts represented the most significant source of exit activity during the year.

Exit Realisations by Sector	
Consumer	**32%**
Information Technology	**18%**
Industrials	**18%**
Healthcare	**16%**
Financials	**7%**
Telecommunication Services	**5%**
Materials	**3%**
Energy	**1%**

Exit Realisations by Exit Type	
Trade Sale	**42%**
Secondary Buyout	**37%**
IPO and Secondary Share Sale	**18%**
Refinancing and Recapitalisation	**3%**

INVESTMENTS CALLED IN THE YEAR TO 30TH JUNE 2015

Investments called during the year ranged across regions and sectors, including consumer, enterprise software, healthcare, energy companies and outsourced business services providers.

Calls by Region and Stage

PIP paid £40m to finance calls on undrawn commitments during the year to 30th June 2015, equivalent to 23% of opening undrawn commitments.

Calls by Region = £40m	
USA	**57%**
Europe	**28%**
Asia and other	**15%**

Calls by Stage = £40m	
Large/Mega Buyout	**29%**
Small/Mid Buyout	**34%**
Venture and Growth	**22%**
Special Situations	**13%**
Generalist	**2%**

Quarterly Call Rate[1]

The quarterly call rate for the year showed a more subdued December quarter.

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

Calls by Sector

A high proportion of capital calls are focused on the information technology and consumer sectors.

Calls by Sector	
Information Technology	**26%**
Consumer	**22%**
Industrials	**16%**
Healthcare	**14%**
Financials	**9%**
Energy	**9%**
Materials	**3%**
Utilities	**1%**

NEW COMMITMENTS

PIP committed £238m to new investments during the year, mostly to buyout funds in the US and European markets. £121m was drawn at the time of purchase.

New Commitments by Region

Over 90% of new commitments made in the year were to private equity funds focused on the US and European markets, reflecting the greater primary and secondary opportunity in these regions.

USA	**51%**
Europe	**42%**
Asia and other	**7%**

New Commitments by Stage

A significant majority of new investments were made in the large buyout and mid-market space, targeting funds whose portfolio companies may be characterised, for the most part, as having high barriers to entry, strong cash generation and multiple potential exit routes.

Small/Mid Buyout	**45%**
Large/Mega Buyout	**38%**
Venture and Growth	**12%**
Special Situations	**5%**

New Commitments by Deal Type

Secondary transactions accounted for approximately half of new commitments.

Investment activity in the year reflected PIP's efforts to use its primary programme to target attractive funds less available in the secondary market, committing £71m to 15 select funds. PIP also participated in 16 co-investments, committing a total of £51m.

Secondaries[1]	**49%**
Primaries	**30%**
Co-investments	**21%**

[1] *Includes late primary commitments.*

New Commitments by Vintage

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

2015	21%
2014	35%
2013	3%
2012	2%
2011	3%
2010	1%
2009	1%
2008	16%
2007	14%
2005	3%
Pre 2005	1%

NEW COMMITMENTS:
SECONDARY AND PRIMARY (FUNDS)

PIP committed £116m to ten secondary and three late primary transactions, with a majority of commitments in large and mid-market buyout funds. Late primary commitments enable PIP, on occasion, to invest in a fund being raised where there is evidence of value developing in the portfolio.

PIP committed £71m to 15 primaries during the year, adding current vintage exposure with high quality managers.

New Secondary and Primary Commitments[1]

Secondary and Late Primary Commitments in the Year to 30th June 2015

INVESTMENT DATE	STAGE	DESCRIPTION	COMMITMENTS £M	% Funded
Jul-14	Buyout	Large buyout fund focused on European assets	**19.9**	**90%**
Jul-14	Buyout	Portfolio of European mid-market and large buyout fund interests	**10.4**	**89%**
Aug-14	Buyout	Nordic-focused mid-market buyout fund	**9.3**	**79%**
Aug-14	Buyout	Investment in a US mid-market fund[2]	**5.6**	**33%**
Oct-14	Buyout	Investment in a Nordic mid-market fund[2]	**6.8**	**28%**
Oct-14	Buyout	Latin American buyout fund	**1.4**	**63%**
Dec-14	Buyout	US fund interest with global exposure	**17.0**	**89%**
Jan-15	Buyout	US technology fund	**6.8**	**91%**
Jan-15	Buyout	Portfolio of fund-of-fund vehicles	**7.9**	**68%**
Mar-15	Buyout	Portfolio of US mid-market buyout funds	**9.2**	**25%**
Mar-15	Buyout	US large buyout fund with global exposure	**1.9**	**92%**
Jun-15	Buyout	US large buyout fund	**8.3**	**87%**
Jun-15	Venture & Growth	US growth fund[2]	**11.6**	**42%**
TOTAL			**116.1**	**70%**

Primary Commitments in the Year to 30th June 2015

INVESTMENT	STAGE	DESCRIPTION	COMMITMENTS £M
Hellman & Friedman Capital Partners VIII	Buyout	Large buyout manager with global exposure	**10.2**
Quantum Parallel Partners VI-C(A)	Special Situations	Energy-focused investment vehicle	**8.9**
Altor Fund IV	Buyout	Nordic mid-market buyout fund	**8.4**
ECI 10	Buyout	Buyout fund focused on UK mid-market space	**7.5**
Equistone Partners Europe V	Buyout	Pan European mid-market buyout fund	**7.4**
ABRY Partners VIII	Buyout	US mid-market buyout fund focused on media, communications and IT sector	**6.4**
Growth Fund[3]	Venture & Growth	US technology-focused growth equity fund	**6.2**

Baring Asia Fund VI	Venture & Growth	Pan-Asian buyout and growth fund	**5.8**
Growth Fund[3]	Venture & Growth	US technology-focused growth equity fund	**3.1**
PAI Europe VI	Buyout	European Large buyout fund	**1.4**
EQT VII	Buyout	Pan European mid-market buyout fund	**1.4**
Thomas H. Lee Equity Fund VII	Buyout	US mid-market buyout fund	**1.2**
TA Associates XII	Venture & Growth	US growth equity fund	**1.2**
Welsh, Carson, Anderson & Stowe XII	Buyout	US large buyout fund	**1.2**
Blackstone Capital Partners VII	Buyout	Large buyout fund with global exposure	**0.7**
TOTAL			**71.0**

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

2 *Late primary commitments.*

3 *Confidential.*

NEW COMMITMENTS
CO-INVESTMENTS (DIRECTS)

PIP committed £51m to 16 co-investments alongside top tier managers, mainly in large and mid-sized buyout companies operating in the US and Europe. The industrials, healthcare and consumer sectors constituted the largest areas of focus during the year.

OUTSTANDING COMMITMENTS

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

Analysis of Outstanding Commitments as at 30th June 2015

PIP's outstanding commitments to investments increased to £256m at 30th June 2015 compared with £176m in the prior year. The Company paid calls of £40m and added £117m of outstanding commitments, largely due to new primary commitments amounting to £71m, the majority of which were unfunded at completion. The remaining £3m increase was due to foreign exchange movements in the portfolio's underlying funds.

Geography

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

USA	**57%**
Europe	**29%**
Asia and other	**14%**

Stage

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

Large/Mega Buyout	**30%**
Small/Mid Buyout	**37%**
Venture and Growth	**20%**
Special Situations	**11%**
Generalist	**2%**

Maturity

Over 50% of PIP's undrawn commitments are in the 2008 vintage or older. It is likely that a portion of these commitments will not be drawn.

The rise in vintage 2014 and 2015 undrawns reflect a more recent increase in primary commitment levels.

2005 and earlier	**18%**
2006	**10%**
2007	**12%**
2008	**11%**
2009	**1%**
2010	**1%**
2012	**3%**
2013	**4%**
2014	**25%**
2015	**15%**

FINANCE AND SHARE BUYBACKS

FINANCE

Cash and Available Bank Facility

At 30th June 2015, PIP had cash balances of £138m. In addition to these cash balances, PIP can also finance investments out of its multi-currency revolving credit facility agreement ("Loan Facility"). The Loan Facility is due to expire in November 2018 and comprises facilities of $100m and €46m which, using exchange rates at 30th June 2015, amount to a sterling equivalent of £96m. At 30th June 2015, the Loan Facility remained fully undrawn.

Undrawn Commitment Cover

At 30th June 2015, the Company had £234m of available financing, comprised of its cash balances and Loan Facility. The sum of PIP's available financing and private equity portfolio provide 4.3 times cover relative to undrawn commitments. It should be noted that a portion of the Company's undrawn commitments of £256m is unlikely to be called in full by the underlying managers. When a fund is past its investment period, which is typically between five and six years, it generally cannot make any new investments (only drawing capital to fund existing follow-on investments or pay expenses). As a result, the rate of capital calls in these funds tends to slow dramatically. Approximately 50% of the Company's undrawn commitments are in fund vintages that are greater than six years old.

Share Buybacks

PIP bought back 1.3%[1] of its shares in the financial year. In total, 460,000 ordinary shares and 375,000 redeemable shares were bought back at a weighted discount of 17% and 21% respectively, resulting in a total uplift to NAV per share of 3.6p, or 0.3% of opening NAV per share. The discounts at which the Company's shares trade from time to time may make buybacks an attractive investment opportunity relative to other potential new investment commitments.

[1]Calculated using the number of shares bought back in the year divided by the number of shares outstanding at 30th June 2014.

THE LARGEST 50 MANAGERS BY VALUE
Largest 50 Managers by Value as at 30th June 2015[1]

NUMBER	MANAGER	REGION[2]	STAGE BIAS	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	TPG	Global	Buyout	4.9%
2	Providence Equity Partners	USA	Buyout	4.7%
3	KKR	Global	Buyout	1.8%
4	Carlyle Group	Global	Generalist	1.6%
5	Blackstone Capital Partners	USA	Buyout	1.6%
6	Warburg Pincus Partners	Global	Generalist	1.6%
7	Vision Capital	Europe	Buyout	1.6%
8	EQT[3]	Asia	Buyout	1.5%
9	Apax Partners	Europe	Buyout	1.5%
10	Altor Capital	Europe	Buyout	1.4%
11	Golden Gate Capital	USA	Buyout	1.4%
12	Matlin Patterson	USA	Special Situations	1.4%
13	Quantum Energy Partners	USA	Special Situations	1.3%
14	Francisco Partners	USA	Buyout	1.3%
15	KRG Capital Partners	USA	Buyout	1.3%
16	Bridgepoint Partners	Europe	Buyout	1.3%
17	CVC Capital Partners	Global	Buyout	1.1%
18	Brentwood Associates	USA	Buyout	1.1%
19	Baring Private Equity	Asia	Venture and Growth	1.1%
20	Oak Investment Partners	USA	Venture and Growth	1.0%
21	ABS Capital Partners	USA	Venture and Growth	0.9%
22	Apollo Management	USA	Buyout	0.9%
23	ARCH Venture Partners	USA	Venture and Growth	0.9%
24	Riverstone Holdings	USA	Venture and Growth	0.9%
25	Thomas H Lee Partners	USA	Buyout	0.8%
26	Equistone	Europe	Buyout	0.8%
27	Baring Vostok Capital Partners	Russia	Buyout	0.8%
28	Hutton Collins	Europe	Special Situations	0.8%
29	Polaris Venture Partners	USA	Venture and Growth	0.8%
30	Advent International Group	Global	Buyout	0.8%
31	Nova Capital Management	Europe	Buyout	0.8%
32	Canaan Partners	USA	Venture and Growth	0.8%
33	Summit Partners	Global	Generalist	0.8%
34	Bain Capital	USA	Buyout	0.8%
35	Gemini Israel Funds	Europe	Venture and Growth	0.7%
36	IK Investment Partners	Europe	Buyout	0.7%
37	Avista Capital Partners	USA	Buyout	0.7%
38	Technology Crossover Ventures	USA	Venture and Growth	0.7%
39	Nordic Capital	Europe	Buyout	0.7%
40	Tricor U.S. Management	USA	Buyout	0.7%
41	Essex Venture Partners	USA	Venture and Growth	0.7%
42	Growth Fund[4]	Europe	Venture and	0.7%

			Growth	
43	Herkules Capital	Europe	Buyout	0.6%
44	Genstar Capital Partners	USA	Buyout	0.6%
45	Yorktown Partners	USA	Energy	0.6%
46	Rutland Partners	Europe	Buyout	0.6%
47	New Enterprise Partners	USA	Venture and Growth	0.6%
48	Catalyst Investors	USA	Venture and Growth	0.6%
49	Mid-Europa Partners	Europe	Buyout	0.6%
50	Cinven Partners	Europe	Buyout	0.5%
COVERAGE OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE				**56.4%**

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

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

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

4 *Confidential.*

THE LARGEST 50 COMPANIES BY VALUE

Largest 50 Companies by Value as at 30th June 2015[1]

NUMBER	COMPANY	COUNTRY	SECTOR	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	ALM Media[2]	USA	Consumer	0.9%
2	Grupo Farmaceutico Biotoscana[2]	Colombia	Healthcare	0.9%
3	Software Company[2, 4]	USA	Information Technology	0.9%
4	Spotify	Sweden	Information Technology	0.8%
5	LBX Pharmacy	China	Consumer	0.8%
6	Nord Anglia Education[3]	Hong Kong	Consumer	0.7%
7	Alarm.com	USA	Industrials	0.7%
8	CPL Industries	UK	Energy	0.7%
9	Attendo[2]	Sweden	Healthcare	0.7%
10	CPI Card Group	USA	Information Technology	0.6%
11	ZeniMax Media	USA	Information Technology	0.6%
12	Standard Pacific[3]	USA	Consumer	0.6%
13	American Tire Distributors[2]	USA	Consumer	0.6%
14	Applied Medical Resources[2]	USA	Healthcare	0.6%
15	King.com[3]	UK	Information Technology	0.5%
16	Maplin Electronics[2]	UK	Consumer	0.5%
17	Par Pharmaceutical	USA	Healthcare	0.5%
18	Miclyn[2]	Singapore	Energy	0.5%
19	Axalta Coating Systems[3]	USA	Materials	0.5%
20	Blackboard	USA	Information Technology	0.5%
21	Univision	USA	Consumer	0.4%
22	SoftBrands	USA	Information Technology	0.4%
23	McGraw-Hill Education[2]	USA	Consumer	0.4%
24	Michaels Stores[3]	USA	Consumer	0.4%
25	ATI Holdings	USA	Healthcare	0.4%
26	BrightHouse	UK	Consumer	0.4%
27	IMS Health[3]	USA	Healthcare	0.4%
28	ConvaTec Healthcare	USA	Healthcare	0.4%
29	GTS Cayman	Brazil	Information Technology	0.4%
30	Standard Bancshares[2]	USA	Financials	0.4%
31	Classic Fine Foods	Singapore	Consumer	0.4%
32	CDW Corporation[3]	USA	Information Technology	0.4%
33	Aristotle Corporation[2]	USA	Industrials	0.4%
34	Vitruvian Exploration	USA	Energy	0.3%
35	Home Shopping Europe	Germany	Consumer	0.3%
36	Heptagon Advanced Micro-Optics[2]	Singapore	Information Technology	0.3%
37	Bibby Scientific	UK	Information Technology	0.3%
38	The Teaching Company	USA	Consumer	0.3%
39	Jimmy John's	USA	Consumer	0.3%
40	Beijing Xiaomi Technology	China	Information Technology	0.3%
41	S-Process Equipment	Germany	Industrials	0.3%
42	Rightpoint Consulting[2]	USA	Industrials	0.3%
43	Petroleum Technology Company	Norway	Energy	0.3%
44	Indus Towers	India	Information Technology	0.3%
45	Extraction Oil & Gas[2]	USA	Energy	0.3%

46	Zayo Group	USA	Telecommunications Services	0.3%
47	K-Mac Holdings	USA	Consumer	0.3%
48	JDR Cable Systems	USA	Energy	0.3%
49	Neiman Marcus[2]	USA	Consumer	0.3%
50	GGC Credit	USA	Financials	0.3%
TOTAL				**23.4%**

[1] *The largest 50 companies table is based upon the latest available underlying company valuations as at 30th June 2015, adjusted for known calls, distributions, new investment commitments and post valuation information.*

[2] *Co-investments/directs.*

[3] *Listed companies.*

[4] *Confidential.*

THE DIRECTORS

The Directors in office at the date of this report are:

Tom Bartlam* (Chairman)
Ian Barby* (Audit Committee Chairman)
Sir Laurie Magnus* (Senior Independent Director)
Susannah Nicklin*
David Melvin*
Rhoddy Swire

** Independent of the Manager*

EXTRACTS FROM THE DIRECTORS REPORT

Share Capital

As at 30th June 2015, the Company had 33,062,013 ordinary shares of £0.67 each and 32,197,534 redeemable shares of £0.01 each in issue. No shares were held in treasury at the year end.

During the year, 460,000 ordinary shares (with an aggregate nominal value of £308,200 and representing 1.4% of the ordinary share capital in issue on 30th June 2014) were purchased in the market for cancellation for a total consideration of £5.8m.

During the year, 375,000 redeemable shares (with an aggregate nominal value of £3,750 and representing 1.2% of the redeemable share capital in issue on 30th June 2014) were also purchased in the market for cancellation for a total consideration of £4.4m.

No share purchases have been made since 30th June 2015.

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

Share capital and voting rights at 30th September 2015	NUMBER OF SHARES IN ISSUE	VOTING RIGHTS ATTACHED TO EACH SHARE	NUMBER OF SHARES HELD IN TREASURY	% OF TOTAL VOTING RIGHTS REPRESENTED BY EACH CLASS
ORDINARY SHARES AT £0.67 EACH	33,062,013	1	-	100
REDEEMABLE SHARES AT £0.01 EACH	32,197,534	-	-	-
TOTAL VOTING RIGHTS	**33,062,013**			

Going Concern

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

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

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

The full Annual Report contains the following statements regarding responsibility for the Annual Report and financial statements (references in the following statements are to pages in the Annual Report).

Statement of Directors' Responsibilities
IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

• select suitable accounting policies and then apply them consistently;

• make judgements and estimates that are reasonable and prudent;

• state whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

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

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

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

• the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board
TOM BARTLAM
Chairman
30th September 2015

NON-STATUTORY ACCOUNTS
The financial information set out below does not constitute the Company's statutory accounts for the years ended 30th June 2015 and 2014 but is derived from those accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies, and those for 2015 will be delivered in due course. The Auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The text of the Auditors' report can be found in the Company's full Annual Report and Accounts at www.pipplc.com.

Income Statement
YEAR ENDED 30TH JUNE 2015

				2015			2014
		REVENUE	**CAPITAL**	**TOTAL***	REVENUE	CAPITAL	TOTAL*
	NOTE	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Gains on investments designated at fair value through profit or loss**	9b	**-**	**101,905**	**101,905**	-	25,659	25,659
Currency gains/(losses) on cash and borrowings	18	**-**	**6,337**	**6,337**	-	(10,530)	(10,530)
Investment income	2	**14,959**	**-**	**14,959**	13,681	-	13,681
Investment management fees	3	**(9,972)**	**-**	**(9,972)**	(8,749)	-	(8,749)
Other expenses	4	**(1,284)**	**(437)**	**(1,721)**	(995)	(189)	(1,184)
RETURN ON ORDINARY ACTIVITIES BEFORE FINANCING COSTS AND TAX		**3,703**	**107,805**	**111,508**	3,937	14,940	18,877
Interest payable and similar charges/finance costs	6	**(1,510)**	**-**	**(1,510)**	(1,419)	-	(1,419)
RETURN ON ORDINARY ACTIVITIES BEFORE TAX		**2,193**	**107,805**	**109,998**	2,518	14,940	17,458
Tax on ordinary activities	7	**(1,437)**	**-**	**(1,437)**	(945)	-	(945)
RETURN ON ORDINARY ACTIVITIES AFTER TAX FOR THE YEAR		**756**	**107,805**	**108,561**	1,573	14,940	16,513
RETURN PER ORDINARY AND REDEEMABLE SHARE	8	**1.15p**	**164.05p**	**165.20p**	2.35p	22.30p	24.65p

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

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

No operations were acquired or discontinued during the year.

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

The Notes form part of these financial statements.

Reconciliation of Movements in Equity Shareholders' Funds

					CAPITAL		
			CAPITAL	OTHER	RESERVE ON		
	SHARE	**SHARE**	**REDEMPTION**	**CAPITAL**	**INVESTMENTS**	**SPECIAL**	**REVENUE**

	CAPITAL £'000	PREMIUM £'000	RESERVE £'000	RESERVE £'000	HELD £'000	RESERVE £'000	RESERVE £'000	TOTAL £'000
Movement for the year ended 30th June 2015								
OPENING EQUITY SHAREHOLDERS' FUNDS	22,787	**283,555**	**2,758**	**337,152**	**288,689**	**23,198**	**(56,448)**	**901,691**
Return for the year	-	**-**	**-**	**72,432**	**35,373**	**-**	**756**	**108,561**
Ordinary shares bought back for cancellation	**(308)**	**-**	**308**	**-**	**-**	**(5,799)**	**-**	**(5,799)**
Redeemable shares bought back for cancellation	**(4)**	**-**	**4**	**-**	**-**	**(4,389)**	**-**	**(4,389)**
CLOSING EQUITY SHAREHOLDERS' FUNDS	**22,475**	**283,555**	**3,070**	**409,584**	**324,062**	**13,010**	**(55,692)**	**1,000,064**
Movement for the year ended 30th June 2014								
OPENING EQUITY SHAREHOLDERS' FUNDS	23,454	283,555	2,091	314,138	296,763	41,304	(58,021)	903,284
Return for the year	-	-	-	23,014	(8,074)	-	1,573	16,513
Ordinary shares bought back for cancellation	(660)	-	660	-	-	(10,456)	-	(10,456)
Redeemable shares bought back for cancellation	(7)	-	7	-	-	(7,650)	-	(7,650)
CLOSING EQUITY SHAREHOLDERS' FUNDS	22,787	283,555	2,758	337,152	288,689	23,198	(56,448)	901,691

The Notes form part of these financial statements.

Balance Sheet
AS AT 30TH JUNE 2015

	NOTE	**2015 £'000**	2014 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9a/b	**862,029**	814,959
Current assets			
Debtors	11	**1,805**	576
Cash at bank	17	**137,483**	88,346
		139,288	88,922
Creditors: Amounts falling due within one year			
Other creditors	12	**1,253**	2,190
		1,253	2,190
NET CURRENT ASSETS		**138,035**	86,732
NET ASSETS		**1,000,064**	901,691
Capital and reserves			
Called-up share capital	13	**22,475**	22,787
Share premium	14	**283,555**	283,555
Capital redemption reserve	14	**3,070**	2,758
Other capital reserve	14	**409,584**	337,152
Capital reserve on investments held	14	**324,062**	288,689
Special reserve	14	**13,010**	23,198
Revenue reserve	14	**(55,692)**	(56,448)
TOTAL EQUITY SHAREHOLDERS' FUNDS		**1,000,064**	901,691
NET ASSET VALUE PER SHARE - ORDINARY AND REDEEMABLE	15	**1,532.44p**	1,364.24p

The Notes form part of these financial statements.

The financial statements were approved by the Board of Pantheon International Participations PLC on 30th September 2015 and were signed on its behalf by

TOM BARTLAM
Chairman

Company No. 2147984

Cash Flow Statement
YEAR ENDED 30TH JUNE 2015

	NOTE	**2015 £'000**	2014 £'000
Cash flow from operating activities			
Investment income received		**14,855**	13,637
Deposit and other interest received		**60**	44
Investment management fees paid		**(9,876)**	(8,772)
Secretarial fees paid		**(209)**	(201)
Other cash payments		**(1,518)**	(977)
Withholding tax deducted		**(1,437)**	(945)
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	**1,875**	2,786

Servicing of finance

Loan commitment and arrangement fees paid		**(1,953)**	(1,110)
NET CASH OUTFLOW FROM SERVICING OF FINANCE		**(1,953)**	(1,110)
Capital expenditure and financial investment			
Purchases of investments		**(171,799)**	(134,472)
Disposals of investments		**225,971**	171,724
NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		**54,172**	37,252
NET CASH INFLOW BEFORE FINANCING		**54,094**	38,928
Financing			
Ordinary shares purchased for cancellation		**(6,872)**	(11,896)
Redeemable shares purchased for cancellation		**(4,389)**	(6,577)
NET CASH OUTFLOW FROM FINANCING		**(11,261)**	(18,473)
INCREASE IN CASH	16	**42,833**	20,455

The Notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

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

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

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

(C) Segmental Reporting
The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

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

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

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

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

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

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

As at 30th June 2015 there was no aggregate difference on underlying investments to be recognised in profit or loss at the start or end of the period.

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

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

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

Other interest receivable is included on an accruals basis.

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

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

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

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

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

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

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

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

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

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

(K) Investment Performance Fee
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30th June in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 30th June 2015, the notional performance fee hurdle is a net asset value per share of 2,246.13p. The performance fee is calculated using the adjusted net asset value. In previous periods this was adjusted to exclude the derivative asset.

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

2. Income

	30TH JUNE 2015	30TH JUNE 2014
	£'000	£'000
Income from investments		
Investment income	**14,898**	13,637
	14,898	13,637
Other income		
Interest	**59**	47
Other income	**3**	-
Exchange difference on income	**(1)**	(3)
	61	44
TOTAL INCOME	**14,959**	13,681
Total income comprises		
Dividends	**14,898**	13,637
Bank interest	**59**	47
Other income	**3**	-
Exchange difference on income	**(1)**	(3)
	14,959	13,681
Analysis of income from investments		
Unlisted	**14,898**	13,637
	14,898	13,637

3. Investment Management Fees

	30TH JUNE 2015			30TH JUNE 2014		
	REVENUE	**CAPITAL**	**TOTAL**	REVENUE	CAPITAL	TOTAL
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Investment management fees	**9,972**	**-**	**9,972**	8,749	-	8,749
	9,972	**-**	**9,972**	8,749	-	8,749

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report in the full Annual Report and Accounts.

During the year, services with a total value of £10,563,000 (2014: £9,312,000), being £9,972,000 (2014: £8,749,000) directly from Pantheon Ventures (UK) LLP and £591,000 (2014: £563,000) via Pantheon managed fund investments were purchased by the Company.

At 30th June 2015, £842,000 (2014: £746,000) was owed for investment management fees. No performance fee is payable in respect of the 12 calendar month period to 30th June 2015 (2014: nil). The basis upon which the performance fee is calculated is explained in Note 1(K) and in the Directors' Report in the full Annual Report and Accounts.

4. Other Expenses

	30TH JUNE 2015 REVENUE £'000	CAPITAL £'000	TOTAL £'000	30TH JUNE 2014 REVENUE £'000	CAPITAL £'000	TOTAL £'000
Secretarial and accountancy services	**219**	**-**	**219**	208	-	208
Fees payable to the Company's Auditor for the audit of the annual financial statements	**35**	**-**	**35**	35	-	35
Fees payable to the Company's Auditor for						
- audit-related assurance services - Half-Yearly Report	**7**	**-**	**7**	7	-	7
- other assurance services - net asset value calculations	**12**	**-**	**12**	11	-	11
Directors' remuneration (see Note 5)	**203**	**-**	**203**	219	-	219
Irrecoverable VAT	**61**	**-**	**61**	16	-	16
Legal and professional fees	**200**	**437**	**637**	137	189	326
Printing	**46**	**-**	**46**	44	-	44
Other	**501**	**-**	**501**	318	-	318
	1,284	**437**	**1,721**	995	189	1,184

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

5. Directors' Remuneration

Directors' emoluments comprise Directors' fees and reclaimed travel expenses. A breakdown is provided in the Directors' Remuneration Report in the full Annual Report and Accounts.

6. Interest Payable and Similar Charges

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Loan commitment and arrangement fees	**1,510**	**1,419**
	1,510	**1,419**

On 14th November 2014, the Company renewed its 4 year multi-currency revolving credit facility agreement with improved terms and a revised maturity date of November 2018. The size of the new facility with The Royal Bank of Scotland plc and Lloyds Bank plc remains £100m equivalent which, using exchange rates as at 14th November 2014, has been redenominated to $100m and €46m (previously $82m and €57m). The new agreement also contains an accordion feature that would allow the total facility to expand by a further £50m, subject to the Company obtaining additional commitments to the accordion facility and complying with financial covenants. Each individual drawdown bears interest at a variable rate agreed for the period of the drawdown and a commitment fee of 0.94% (previously 1.10%) per annum is payable in respect of the amounts available for drawdown in each domination. The Company paid to The Royal Bank of Scotland plc an upfront fee of £900,000 representing 0.90% of the total facility. This fee is being amortised over the life of the facility.

7. Tax on Ordinary Activities

	30TH JUNE 2015 REVENUE £'000	CAPITAL £'000	TOTAL £'000	30TH JUNE 2014 REVENUE £'000	CAPITAL £'000	TOTAL £'000
Withholding tax deducted from distributions	**1,437**	**-**	**1,437**	945	-	945

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

	30TH JUNE 2015 REVENUE £'000	CAPITAL £'000	TOTAL £'000	30TH JUNE 2014 REVENUE £'000	CAPITAL £'000	TOTAL £'000
Net return on ordinary activities before tax	**2,193**	**107,805**	**109,998**	2,518	14,940	17,458
Theoretical tax at UK corporation tax rate of 20.75% (2014: 22.50%)*	**455**	**22,370**	**22,825**	567	3,361	3,928
Non-taxable investment, derivative and currency gains	**-**	**(22,461)**	**(22,461)**	-	(3,404)	(3,404)
Effect of expenses in excess of taxable income	**-**	**91**	**91**	-	43	43
Utilised management expenses	**(455)**	**-**	**(455)**	(567)	-	(567)
Withholding tax deducted from distributions	**(1,437)**	**-**	**(1,437)**	(945)	-	(945)
	(1,437)	**-**	**(1,437)**	(945)	-	(945)

*The corporation tax rate applied is based on the average tax rates for the financial years ended 30th June 2015 and 30th June 2014.

Factors that May Affect Future Tax Charges

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

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there sufficient future taxable revenue. As at 30th June 2015, excess management expenses are estimated to be in excess of £117m (2014: £118m).

8. Return per Share

	30TH JUNE 2015 REVENUE	CAPITAL	TOTAL	30TH JUNE 2014 REVENUE	CAPITAL	TOTAL
Return on ordinary activities after tax for the financial year in £'000	**756**	**107,805**	**108,561**	1,573	14,940	16,513
Weighted average ordinary and redeemable shares			**65,716,081**			66,994,396
Return per ordinary and		**164.05p**			22.30p	

redeemable share	**1.15p**	**165.20p**	2.35p	24.65p

9a. Movements on Investments

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Book cost brought forward	**527,392**	530,784
Acquisitions at cost	**187,546**	134,472
Capital distributions - proceeds	**(242,380)**	(171,597)
Capital distributions - realised gains on sales	**66,531**	33,733
BOOK COST AT 30TH JUNE	**539,089**	527,392
Unrealised appreciation/(depreciation) of investments		
Unlisted investments	**320,535**	287,575
Listed investments	**2,405**	(8)
VALUATION OF INVESTMENTS AT 30TH JUNE	**862,029**	814,959

9b. Analysis of Investments

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Sterling		
Unlisted investments	**49,048**	55,736
	49,048	55,736
US dollar		
Unlisted investments	**647,812**	592,258
Listed investments	**3,225**	113
	651,037	592,371
Euro		
Unlisted investments	**150,536**	156,626
Listed investments	**450**	-
	150,986	156,626
Other		
Unlisted investments	**10,958**	10,226
	10,958	10,226
	862,029	814,959
Realised profits on sales	**66,531**	33,733
Amounts previously recognised as unrealised appreciation on those sales	**(8)**	130
Increase/(decrease) in unrealised appreciation	**35,381**	(8,202)
Revaluation of amounts owed to brokers	**1**	(2)
GAINS ON INVESTMENTS	**101,905**	25,659

Further analysis of the investment portfolio is provided in the Manager's Review above. Transaction costs, (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (2014: £nil) and to the disposals of investments totalled £8,000 (2014: £6,000) for the year. In addition, legal fees incidental to the acquisition of investments totalled £437,000 (2014: £189,000) as disclosed in Note 4, have been taken to the capital column in the income statement since they are capital in nature.

10. Fair Value Hierarchy

Financial Assets at Fair Value Through Profit or Loss at 30th June 2015

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	-	-	858,354	858,354
Listed holdings	3,675	-	-	3,675
	3,675	-	858,354	862,029

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

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

Level 3 Financial Assets at Fair Value Through Profit or Loss at 30th June 2015

	PRIVATE EQUITY INVESTMENTS £'000
Opening balance	**814,846**
Purchases at cost	**187,546**
Transfer of book cost to level 1*	**(8,528)**
Sales proceeds	**(231,312)**
Total gains or losses included in "Gains on investments" in the Income Statement	
- on assets sold	**62,843**
- on assets held as at 30th June 2015	**(32,959)**
CLOSING BALANCE	**858,354**

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

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

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

11. Debtors

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Amounts owed by investment funds	**875**	136
Prepayments and accrued income	**930**	440
	1,805	576

12. Creditors: Amounts Falling Due Within One Year

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Investment management fees	**842**	746
Amounts owed to brokers	**-**	1,073
Other creditors and accruals	**411**	371
	1,253	2,190

13. Called-up Share Capital

	30TH JUNE 2015 £’000	30TH JUNE 2014 £’000
Allotted, called-up and fully paid:		
33,062,013 (2014: 33,522,013) ordinary shares of 67p each	**22,153**	22,461
32,197,534 (2014: 32,572,534) redeemable shares of 1p each	**322**	326
	22,475	22,787

During the year, 375,000 (2014: 740,000) redeemable shares and 460,000 (2014: 985,000) ordinary shares were bought back in the market for cancellation. The total consideration paid, including commission and stamp duty, was £4,389,000 (2014: £7,650,000) and £5,799,000 (2014: £10,456,000) respectively.

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

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

14. Reserves

	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	OTHER CAPITAL RESERVE £'000	CAPITAL RESERVE ON INVESTMENTS HELD £'000	CAPITAL SPECIAL RESERVE* £'000	REVENUE RESERVE* £'000
Beginning of year	283,555	2,758	337,152	288,689	23,198	(56,448)
Net gain on realisation of investments	-	-	66,531	-	-	-
Increase in unrealised appreciation	-	-	-	35,381	-	-
Transfer on disposal of investments	-	-	-	(8)	-	-
Revaluation of amounts owed to brokers	-	-	1	-	-	-
Exchange differences on currency	-	-	6,304	-	-	-
Exchange differences on other capital items	-	-	33	-	-	-
Legal and professional costs charged to capital	-	-	(437)	-	-	-
Share cancellations	-	312	-	-	-	-
Share buybacks	-	-	-	-	(10,188)	-
Revenue return for the year	-	-	-	-	-	756
END OF YEAR	283,555	3,070	409,584	324,062	13,010	(55,692)

* Reserves that are distributable by way of dividends.

15. Net Asset Value per Share

	30TH JUNE 2015	30TH JUNE 2014
Net assets attributable in £'000	**1,000,064**	901,691
Ordinary and redeemable shares	**65,259,547**	66,094,547
Net asset value per share - ordinary and redeemable	**1,532.44p**	1,364.24p

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

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Increase in cash in the year	**42,833**	**20,455**
Non-cash movement		
- foreign exchange gains/(losses)	**6,304**	**(10,496)**
CHANGE IN NET FUNDS	**49,137**	**9,959**
Net funds at beginning of year	**88,346**	**78,387**
NET FUNDS AT END OF YEAR	**137,483**	**88,346**

17. Analysis of Net Funds

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Cash at bank	**137,483**	88,346
	137,483	88,346

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

	30TH JUNE 2015 £'000	30TH JUNE 2014 £'000
Return on ordinary activities before financing costs and tax	**111,508**	18,877
Withholding tax deducted	**(1,437)**	(945)
Gains on investments	**(101,905)**	(25,659)
Currency (gains)/losses on cash and borrowings	**(6,337)**	10,530
Increase/(decrease) in creditors	**141**	(16)
Increase in other debtors	**(95)**	(1)
NET CASH FLOW FROM OPERATING ACTIVITIES	**1,875**	2,786

19. Contingencies, Guarantees and Financial Commitments

At 30th June 2015, there were financial commitments outstanding of £256.3m (2014: £175.7m) in respect of investments in partly paid shares and interests in private equity funds.

20. Analysis of Financial Assets and Liabilities

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

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

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

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

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

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

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

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 19 for outstanding commitments as at 30th June 2015) to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad-hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent upon it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities. In order to cover any shortfalls, the Company has entered into a multi-currency revolving credit facility with The Royal Bank of Scotland plc and Lloyds TSB Bank plc, due to expire in November 2018, and comprising facilities of $100m and €46m of which at 30th June 2015, the sterling equivalent of £nil (2014: £nil) was drawn down (see Note 6 for further information).

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

Total available financing as at 30th June 2015 stood at £233.8m (2014: £181.9m), comprising £137.5m (2014: £88.3m) in cash balances and £96.3m (2014: £93.6m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 4.3 times (2014: 5.7 times).

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

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as LIBOR or EURIBOR + 2.35%, dependent on the currency drawn. The interest rate is then fixed for the duration that the loan is drawn down. At 30th June 2015, there was the sterling equivalent of £nil funds drawn down on the loan facilities (2014: £nil). A commitment fee of 0.94% per annum is payable in respect of the amounts available for drawdown in each facility.

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

Financial assets for 2015 and 2014 consisted of investments, cash and debtors (excluding pre-payments). As at 30th June 2015, the interest rate risk and maturity profile of the Company's financial assets was as follows:

30TH JUNE 2015	**TOTAL £'000**	**NO MATURITY DATE £'000**	**MATURES WITHIN 1 YEAR £'000**	**MATURES AFTER 1 YEAR £'000**	**FIXED INTEREST AVERAGE INTEREST RATE %**
Fair value no interest rate risk financial assets					
Sterling	**49,640**	**49,640**	-	-	-
US dollar	**784,923**	**784,923**	-	-	-
Euro	**154,342**	**154,342**	-	-	-
Other	**11,576**	**11,576**	-	-	-
	1,000,481	**1,000,481**	-	-	-

The interest rate risk and maturity profile of the Company's financial assets as at 30th June 2014 was as follows:

30TH JUNE 2014	TOTAL £'000	NO MATURITY DATE £'000	MATURES WITHIN 1 YEAR £'000	MATURES AFTER 1 YEAR £'000	FIXED INTEREST AVERAGE INTEREST RATE %
Fair value no interest rate risk financial assets					
Sterling	57,055	57,055	-	-	-
US dollar	660,641	660,641	-	-	-
Euro	175,230	175,230	-	-	-
Other	10,530	10,530	-	-	-
	903,456	903,456	-	-	-

Financial Liabilities
At 30th June 2015, the Company had drawn the sterling equivalent of £nil (2014: £nil) of its 4 year multi-currency revolving credit facility, expiring November 2018, of $100m and €46m respectively with The Royal Bank of Scotland plc and Lloyds Bank plc. Interest is incurred at a variable rate as agreed at the time

of drawdown and is payable at the maturity date of each advance. At the year end, interest of £nil (2014: £nil) was accruing.

At 30th June 2015 and at 30th June 2014, all financial liabilities were due within one year and comprised short-term creditors.

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

Given the nature of the Company's assets which comprise predominantly unlisted fund investments, while the Company operates a robust and consistent valuation process, there is significant estimation uncertainty in the underlying fund valuations, as these are comprised of individual unlisted company valuations estimated at a point in time.

Accordingly, while the Company considers circumstances where it might be appropriate to apply an override, for instance in response to a market crash, this will be exercised only where it is judged necessary to show a true and fair view.

Similarly, while updated data received after the cut-off date is considered, this will not ordinarily be adjusted if it suggests a variation of less than 5% from the estimate made at the cut-off date.

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

If the investment portfolio fell by 20% from the 30th June 2015 valuation, with all other variables held constant, there would have been a reduction of £174,130,000 (2014 based on a fall of 20%: £164,622,000) in the return before taxation. An increase of 20% would have increased the return before taxation by £170,682,000 (2014 based on a 20% increase: £161,362,000).

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

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report and Manager's Review above. The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 30th June 2015, realised exchange gains of £33,000 (2014: realised exchange losses of £34,000) and realised gains relating to currency of £6,304,000 (2014: realised losses of £10,496,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown below. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 30th June 2015, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £14,631,000 (2014: £9,653,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10%, it would have the effect of decreasing equity shareholders' funds by £13,095,000 (2014: £7,898,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 30th June 2015 of 1.5727 (2014: 1.70985) sterling/dollar and 1.4115 (2014: 1.24885) sterling/euro.

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

	30TH JUNE 2015	**30TH JUNE 2015**	30TH JUNE 2014	30TH JUNE 2014
	ASSETS	**LIABILITIES**	ASSETS	LIABILITIES
	£'000	**£'000**	£'000	£'000
US dollar	**133,886**	**-**	68,271	-
Euro	**3,356**	**-**	18,604	-
Swedish krone	**54**	**-**	59	-
Norwegian krone	**28**	**-**	5	-
Australian dollar	**511**	**-**	239	-
Japanese yen	**25**	**-**	27	-
	137,860	**-**	87,205	-

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

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

As at 30th June 2015 and 30th June 2014, the Company had bank debt facilities to increase the Company's liquidity. Details of available borrowings at the year-end can be found earlier in this Note.

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

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

21. Transactions with the Manager and Related Parties

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

The Company's related parties are its Directors. Fees paid to the Company's Board are disclosed in the Directors' Remuneration Report above.

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

AIFMD DISCLOSURES

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

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

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

Remuneration disclosure
The Manager has adopted an AIFMD compliant remuneration policy. The principles of this policy are to structure staff remuneration in a manner consistent with and promoting sound and effective risk management so as not to encourage excessive risk taking. In accordance with the FCA guidance on the AIFMD remuneration code, this policy applies to the Manager's first full performance period after AIFMD authorisation, which is the calendar year 2015, and it would therefore be unhelpful to provide disclosure of the remuneration for the period to 30th June 2015 as this would not provide a proper basis for comparison.

Leverage

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

The following leverage limits have been set for the Company:

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

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

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

Using the methodologies prescribed under the AIFMD, the Company's leverage as at 30th June 2015 is shown below:

	Gross Method	Commitment Method
Leverage ratio	100%	130%

Risk profile and risk management

The principal risks to which the Company is exposed and the approach to managing those risks are set out in the Strategic Report and also in Note 20 of the financial statements . The risk limits currently in place in relation to the Company's investment activities are set out in the Investment Policy and under "Board Responsibilities and Relationship with the Manager" in the Statement on Corporate Governance. Additionally, the individual counterparty exposure limit for deposits with each of the Company's bank counterparties has been set at £60m or the equivalent in foreign currencies. The Manager's risk management system incorporates regular review of the principal risks facing the Company and the risk limits applicable to the Company and the establishment of appropriate internal control processes to mitigate the risks. These risk limits have not been exceeded in the period to 30th June 2015.

Article 23(1) disclosures to investors

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

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

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held on 24th November 2015 at 10.30 am at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH.

NATIONAL STORAGE MECHANISM

A copy of the Annual Report and Financial Statements will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM, which is situated at: www.morningstar.co.uk/uk/nsm.

ENDS