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Pantheon International PLC
24 February 2022

**For immediate release**

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**PANTHEON INTERNATIONAL PLC (the "Company" or "PIP")**
**INTERIM REPORT FOR THE SIX MONTHS ENDED 30 NOVEMBER 2021**

The full Interim Report and Accounts can be accessed via the Company's website at www.piplc.com or by contacting the Company Secretary by telephone on +44 (0)1392 477500.

**Pantheon International Plc (the "Company" or "PIP")**

Pantheon International Plc, a FTSE 250 investment trust that provides access to an actively-managed global and diversified portfolio of private equity companies, today publishes its Interim Report and Accounts for the six months ended 30 November 2021.

**ANNUALISED PERFORMANCE AS AT 30 NOVEMBER 2021**

| | **1 yr** | **3 yrs** | **5 yrs** | **10 yrs** | **Since inception (1987)** |
|---|---|---|---|---|---|
| NAV per share | 33.9% | 16.3% | 15.2% | 13.8% | 12.3% |
| Ordinary share price | 37.9% | 16.0% | 13.6% | 17.5% | 11.7% |
| FTSE All Share, Total Return | 17.4% | 5.3% | 5.5% | 7.3% | 7.5% |
| MSCI World, Total Return (Sterling) | 23.4% | 16.1% | 13.9% | 14.8% | 8.6% |

**Share price relative performance**

| | | | | | |
|---|---|---|---|---|---|
| Versus FTSE All Share, Total Return | **+20.5%** | **+10.7%** | **+8.1%** | **+10.2%** | **+4.2%** |
| Versus MSCI World, Total Return (Sterling) | **+14.5%** | **-0.1%** | **-0.3%** | **+2.7%** | **+3.1%** |

**HIGHLIGHTS - SIX MONTHS ENDED 30 NOVEMBER 2021**

The 10 for 1 sub-division of PIP's Ordinary shares, approved by shareholders at the Company's AGM, took effect from 1 November 2021.

*Performance update*

- PIP performed strongly during the period, as NAV per share **grew by 22.1%** to 421.1p.
- Net assets at 30 November 2021 **increased to £2,273m** (31 May 2021: £1,865m).
- PIP's share price **increased by 17.6%** and Total Shareholder Return (5Y) was **89.1%.**
- The share price discount to NAV, which the Board believes is unwarranted, was **24%.**

*Portfolio update*

- Strong (pre-FX) valuation gains of **19.7%** overall in the portfolio was achieved across all types, stages and regions**.**
- Weighted average uplift from fully realised exits was **43%** and its average cost multiple on exit realisations was **3.3 times**, demonstrating the embedded value in PIP's portfolio.
- PIP continued to benefit from a supportive exit environment with realisations primarily to strategic buyers and other private equity managers. Distributions received during the half year to 30 November 2021 totalled **£198.1m**, equivalent to a distribution rate of 24% of the opening attributable portfolio. After funding **£77.1m** of calls, net cash inflow from the portfolio was **£121.0m**.
- PIP actively manages the profile of its portfolio with the objective of receiving cash from the more mature assets as they are realised, while at the same time refreshing the portfolio with younger assets. The average age of PIP's funds at the financial half year end was **5.1 years** (31 May 2021: 5.2 years).
- As a result of PIP increasing its allocations to co-investments and single-asset secondaries, **approximately 45%** of PIP's portfolio was invested directly in companies at the end of the period.
- PIP has a full deal pipeline and during the period, **£264.1m** was committed to **37 new investments**, of which £81m was funded at the time of purchase. During the half year, the Company invested **£3.1m**

in buying back 1,050,000 shares.

*Financial position update*

- PIP is well placed to meet its outstanding commitments while being able to respond nimbly to new investment opportunities.
- PIP has access to total liquid resources of £220m net available cash as at 30 November 2021 combined with its undrawn multi-currency revolving **£300m** credit facility, which has a further provision that allows the Company to increase its committed facilities to £350m if required.
- PIP's undrawn coverage ratio, which measures PIP's undrawn commitments of £658m as at 30 November 2021 against the sum of its available financing and 10% of the value of its private equity portfolio, was **110%.**

*Company update*

- Susannah Nicklin retired from the Board at the conclusion of the Company's 2021 AGM and Mary Ann Sieghart took over the role of Senior Independent Director.
- Tamara Sakovska to be appointed to the Board with effect from 1 March 2022.

Commenting on the half year, **Sir Laurie Magnus CBE, Chairman,** said:

"I am delighted to report that PIP delivered strong performance for the period. The Board believes that PIP's actively managed "all weather" portfolio, strong balance sheet and proven track record through multiple cycles leave it well placed to take advantage of the compelling opportunities in its exciting deal pipeline."

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**Follow us on LinkedIn:** https://www.linkedin.com/company/pantheon-international-plc

A video of the team at Pantheon discussing PIP's half year results and a series of case studies showcasing some of our portfolio companies are available on our website at www.piplc.com.

***Important Information***



**CHAIRMAN'S STATEMENT**

Strong performance, promising outlook

**IN SUMMARY**

- Strong NAV performance driven by significant valuation gains across all types, stages and regions.
- Weighted average uplift achieved on exits demonstrates the embedded value in PIP's portfolio.
- PIP continues to access high quality deal flow across all investment types.

**Key Statistics**

| | |
|---|---|
| 17.6% | Share price increase in the half year |
| 89.1% | Total shareholder return (5Y) |

| | |
|---|---|
| 22.1% | NAV per share growth in the half year |
| 12.3% | Average annual NAV growth since inception in 1987 |
| £2,273m | Net asset value |
| 19.7% | Portfolio investment return in the half year |
| 121m | Portfolio net cash flow in the half year |

**I am delighted to report that PIP's NAV per share grew by 22.1% during the half year and the Company's net assets are now valued in excess of £2bn. PIP's share price increased by 17.6% during the six-month period. This compares with returns respectively from the MSCI World and FTSE All-Share indices of 6.1% and 1.9%.**

The NAV performance, which is stated net of all fees, was driven by significant valuation gains underpinned by strong company growth achieved broadly across all types, stages and regions in which PIP's portfolio is invested. PIP's objective is to deliver long-term sustainable returns for shareholders and, since the Company's formation over 34 years ago, its NAV has grown on average by 12.3% per annum, respectively outperforming the FTSE All-Share and MSCI World indices over the same period by 4.8% and 3.7% per annum. In other words, a £1,000 investment in PIP made in September 1987 would have generated £43,816 as at 30 November 2021, while an equivalent investment in the MSCI World would have generated £17,084. PIP has navigated several macroeconomic and financial crises during its history and it is pleasing to report that the Company has come through the COVID-19 pandemic unscathed.

PIP invests with experienced private equity managers who are able to use their sector focus and operating expertise to identify changing market trends and attractive investment opportunities. The manner in which these managers position their investments for exit forms an important part of PIP's detailed due diligence process. Recent realisations within PIP's portfolio have been primarily to strategic buyers or to other private equity managers, with few being dependent on the IPO market. The Board considers that the consistently strong uplifts achieved by PIP's private equity managers when selling their investee companies is a compelling demonstration of the understated, but intrinsically embedded, value in PIP's portfolio. Since PIP started in 2011 to measure a comparison of the value achieved upon a fully realised exit to that investment's carrying value 12 months prior to the transaction, it has consistently reported positive double-digit uplifts. During the six months to 30 November 2021, the weighted average uplift in PIP's portfolio from fully realised exits was 43% and its average cost multiple on exit realisations was 3.3 times.

The case studies throughout the Interim Report highlight the long-term value creation strategies that have been implemented by PIP's private equity managers in businesses operating in a variety of high-growth, resilient sectors around the world, including information technology, healthcare and consumer staples.
The Board remains disappointed that PIP's shares continue to trade at a discount to NAV 26% at the time of writing) given the Company's consistent track record of share price outperformance of both its share price and NAV versus the FTSE All-Share and MSCI World indices since inception. A number of marketing initiatives are under way to promote the many positive features of private equity investment and to raise PIP's profile and outreach, particularly among retail investors. The Board's efforts to broaden PIP's appeal to a wider range of investors included the 10 for 1 sub-division of PIP's Ordinary shares, which was approved by shareholders at the Annual General Meeting in October and implemented on 1 November 2021.

**Positive cash flow and balance sheet strength**

PIP manages its portfolio to receive cash distributions as the more mature assets are realised, while at the same time refreshing the portfolio with younger assets that are expected to enter their growth phase. The average age of the funds in PIP's portfolio was 5.1 years as at 30 November 2021.
During the period, PIP continued to benefit from a supportive exit environment and received distributions of £198.1m, equivalent to an annualised distribution rate of 24% of its opening portfolio. Calls in respect of commitments to private equity funds amounted to £77.1m, equivalent on an annualised basis to 29% of PIP's opening undrawn commitments. As a result, PIP generated net available cash flow of £121.0m during the six months to the end of November 2021.
Following the period end, it was announced that the largest company in PIP's portfolio, EUSA Pharma, is likely to be sold imminently to a pharmaceutical group based in Italy. EUSA Pharma is a speciality pharmaceutical company focused on oncology, rare diseases and supportive care. PIP co-invested in EUSA Pharma alongside Essex Woodlands Healthcare Partners in 2015 and, since then, has been a strong supporter of the business, as it has expanded its drug licensing pipeline and broadened its operational and commercial presence in Europe and the USA. The sale is expected to close in the Spring of 2022. As at 30 November 2021, PIP's holding in EUSA Pharma was valued at £56.9m.

PIP is well placed comfortably to meet its outstanding commitments and also to respond nimbly to new investment opportunities. Its cash balance amounted to £220m as at 30 November 2021. In addition, PIP has access to a £300m multi-currency revolving credit facility, which is due to expire in May 2024 and which, currently, is wholly undrawn and includes a provision that allows the Company to increase its committed facilities to £350m if required. The credit facility, which has been denominated as to US$269.8m and €101.6m, to match the principal currencies in which PIP's undrawn commitments are denominated, was equivalent to £290m at the end of the period.

The Board considers that PIP's undrawn coverage ratio, which measures PIP's undrawn commitments of £658m as at 30 November 2021 against the sum of its available financing of £510m (PIP's cash balances and the credit facility combined) and 10% of the value of PIP's private equity portfolio, provides a good indication of the Company's ability to meet its undrawn commitments even in the event of a market downturn. Over the last 20 years, PIP's distribution rate in any financial year has never fallen below 11% of the relevant year's opening NAV. The Board therefore believes that it is reasonable to assume that at least 10% of PIP's portfolio will be distributed in any given financial year and, on this basis, considers PIP's undrawn coverage ratio as at 30 November 2021 of 110% to be comfortable.

Repayment of the unlisted Asset Linked Note ("ALN"), which is due to mature on 31 August 2027, is made only from cash distributions received from a reference portfolio of older investment assets. As at 30 November 2021, the ALN had a remaining value of £54m.

**Positioning the portfolio for continued growth**

PIP continues to access high quality deal flow across all investment types and, during the period, committed £264.1m to 37 new investments. This comprised £116.6m committed to 12 primary funds, £76.2m committed to seven secondaries and £71.3m committed to 18 co-investments.

PIP is continuing to invest in carefully selected venture, growth and buyout funds as well as co-investing directly into selected private companies. This approach provides access to a wide range of exciting businesses on a global basis with risk mitigated through a carefully diversified portfolio. While staying alert to macroeconomic conditions and the prevailing high valuation environment, the Board and PIP's Manager, Pantheon, have increased the Company's investment pacing to take advantage of compelling new opportunities. PIP has made increased allocations to co-investment and single-asset secondary opportunities, thereby increasing its concentration in individual assets with greater growth potential while maintaining its diversified approach. As at 30 November 2021, approximately 45% of PIP's portfolio was invested directly in companies through its exposure to co-investments and single-asset secondaries. PIP believes that manager-led single-asset secondaries offer a highly attractive return profile and it is notable that the number of deals in this fast-growing segment of the secondaries market has accelerated during the COVID-19 pandemic. PIP made a further £55.6m ($75.0m) top-up commitment to the Pantheon Secondary Opportunity Fund ("PSOF") during the six months to 30 November 2021 in order to capitalise on this opportunity. This, combined with PIP's commitment to PSOF during the last financial year ended 31 May 2021, brings PIP's total commitment to PSOF to £166.5m ($225.0m). During the period, three single-asset secondary investments were completed through PSOF.

During the six months to 30 November 2021, the Company invested £3.1m in share buybacks, acquiring 1,050,000 shares. The Board will continue to buy back the Company's shares opportunistically in circumstances where the discount represents an attractive investment opportunity in the context of other prospective deals and taking account of PIP's financial position and its overall commitments.

Since the period end, the Company has committed a further £75.6m to 15 new investments.

**Pantheon's global platform, its network of deep relationships and commitment to ESG**

PIP benefits from its access to the high-quality deals sourced via Pantheon's global platform and its network of deep relationships with many of the world's best private equity managers. These relationships have been developed over many decades by Pantheon's team of 116 investment professionals who are located in ten offices around the world. Pantheon is recognised by many of those private equity managers for its open and inclusive culture, which places great value on teamwork. In addition, many welcome its collaborative approach which can sometimes help to shape deals.

The Board expects Pantheon to ensure that there is a robust approach to the consideration of environmental, social and governance ("ESG") factors when making investment decisions on behalf of PIP. The Directors of PIP have full oversight of ESG matters within PIP's portfolio and an ESG sub-committee has been formed, comprising the Chairman, Senior Independent Director and another member of the Board, as well as representatives from Pantheon. The sub-committee meets at least twice each year to discuss a variety of topics and receives regular updates from the two Co-Heads of Pantheon's ESG Committee.

**Board changes**

Susannah Nicklin, who had been a member of the Board since November 2011, retired upon conclusion of the Annual General Meeting. Susannah was replaced as Senior Independent Director by Mary Ann Sieghart, who has been a Director of PIP since October 2019.

The Board is delighted that, following an external search process conducted by Cornforth Consulting, Tamara Sakovska will join the Board with effect from 1 March 2022. Tamara has extensive experience working in the private equity sector internationally, including with Goldman Sachs, Permira, Warburg Pincus and Eton Park. She is a Director currently serving on the boards of JP Morgan Russian Securities and North Atlantic Acquisition Corporation, respectively listed on the London Stock Exchange and the Nasdaq.

**Outlook**

The COVID-19 crisis appears to be receding in most developed economies as widespread vaccinations reduce the pressure on health systems, but its long-term impact, particularly in terms of mental health, working practices and consumer behaviour remains unclear. Inflation, which some central banks initially considered to be transitory, is showing signs of becoming more prevalent, and interest rates are now starting to rise as policymakers try to respond. This, together with escalating geopolitical tensions, has triggered a significant correction in global stock markets, particularly for technology-related stocks.

The Board is very alert to the potential impact of these developments for PIP's portfolio companies, but is confident that its high-quality investment managers, with their sector expertise and experience, can manage their assets during times when markets are challenged. The Board also draws comfort from Pantheon's standard practice of paying close attention to the use of debt by PIP's underlying investment managers in their investee businesses.

Private equity is seeing record levels of deal flow, particularly in the secondary markets. This trend is expected to continue as entrepreneurs and business leaders increasingly turn to private capital to support their growth ambitions and embrace the "hands-on" approach and operational expertise offered by private equity managers. The Board believes that PIP's actively managed "all-weather" portfolio, strong balance sheet and proven track record through multiple cycles leave it well placed to take advantage of these increasing and compelling opportunities. All of PIP's Directors own shares in the Company (in total holding 2.6 million shares) and there is also alignment of interest with the Manager with 15 Partners of Pantheon holding 1.9 million shares. We believe that this combined shareholding, comprising an aggregate investment valued at £13.7m (as at 23 February 2022) demonstrates the personal confidence of both the Directors and the Manager that PIP has an exciting future ahead.

PIP's Strategic Report, set out in the full Interim Report, has been approved by the Board and should be read in its entirety by shareholders.

**SIR LAURIE MAGNUS**
*Chairman*
23 February 2022

**INVESTMENT POLICY**

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

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

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

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

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

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

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

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

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

The Company may enter into derivatives transactions for the purposes of efficient portfolio management and hedging (for example, hedging interest rate, currency or market exposures). Surplus cash of the Company may be invested in fixed interest securities, bank deposits or other similar securities.

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

30% of gross assets. However, gearing may exceed this in the event that, for example, the Company's future cash flows alter.

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

**Key Performance Indicators**

| | **What it is** | **How we have performed** | | **Link to our strategic objectives** | **Examples of related factors that we monitor** |
|---|---|---|---|---|---|
| *Performance* | | | | | |
| 5-Year cumulative total shareholder return 89.1% | Total shareholder return demonstrates the return to investors, after taking into account share price movements (capital growth) and, if applicable, any dividends paid during the period.<br><br>The Board's strategy is to deliver returns for Shareholders through growth in NAV and generally not through the payment of dividends. | 30 Nov 2019 86.0%<br><br>30 Nov 2020 79.0%<br><br>30 Nov 2021 89.1% | • PIP's ordinary shares had a closing price of 320.0p at the half year end.<br><br>• Discount to NAV was 24% as at 30 November 2021.<br><br>• The 10 for 1 sub-division of PIP's Ordinary shares was approved at the Company's Annual General Meeting in October and took effect from 1 November 2021. | • Maximise shareholder returns through long-term capital growth.<br><br>• Promote better market liquidity by building demand for the Company's shares. | • Rate of NAV growth relative to listed markets.<br><br>• Trading volumes for the Company's shares.<br><br>• Share price discount to NAV. |
| NAV per share growth during the half year 22.1%[1] | NAV per share reflects the attributable value of a shareholder's holding in PIP. The provision of consistent long-term NAV per share growth is central to our strategy.<br><br>NAV per share growth in any period is shown net of foreign exchange movements and all costs associated with running the Company. | 6M to 30 Nov 2019 1.0%<br><br>6M to 30 Nov 2020 8.9%<br><br>6M to 30 Nov 2021 22.1% | • NAV per share increased by 76.3p to 421.1p during the half year.<br><br>• NAV growth underpinned by strong performance across all segments of the portfolio. | • Investing flexibly with top-tier private equity managers to maximise long-term capital growth.<br><br>• Containing costs and risks by constructing a well-diversified portfolio in a cost-efficient manner. | • Valuations provided by private equity managers.<br><br>• Fluctuations in currency exchange rates.<br><br>• Ongoing charges relative to NAV growth and private equity peer group.<br><br>• Tax efficiency of investments.<br><br>• Effect of financing (cash drag) on performance. |
| Portfolio investment return for the half year 19.7%[1] | Portfolio investment return measures the total movement in the | 6M to 30 Nov 2019 5.2% | • PIP continues to benefit from good earnings growth in its | • Maximise shareholder returns through long-term capital growth. | • Performance relative to listed market and private equity peer group. |

| | | | | | |
|---|---|---|---|---|---|
| | valuation of the underlying funds and companies comprising PIP's portfolio, expressed as a percentage of the opening portfolio value, before taking foreign exchange effects and other expenses into account. | 6M to 30 Nov 2020<br>16.6%<br><br>6M to 30 Nov 2021<br>19.7% | underlying portfolio and from realisations at significant uplifts to carrying value. | | • Valuations provided by private equity managers. |
| *Liquidity* | | | | | |
| Net portfolio cash flow for the half year<br>£121m[2] | Net portfolio cash flow is equal to fund distributions less capital calls to finance investments, and reflects the Company's capacity to finance calls from existing investment commitments.<br><br>PIP manages its maturity profile through a mix of primaries, secondaries and co-investments to ensure that its portfolio remains cash-generative at the same time as maximising the potential for growth. | 6M to 30 Nov 2019<br>£64m<br><br>6M to 30 Nov 2020<br>£57m<br><br>6M to 30 Nov 2021<br>£121m | • PIP's portfolio generated £198m of distributions versus £77m of calls.<br><br>• In addition, the Company made new commitments of £264m during the half year, £81m of which was drawn at the time of purchase.<br><br>• PIP's portfolio has a weighted average fund age of 5.1 years[2]. | • Maximise long-term capital growth through ongoing portfolio renewal while controlling financing risk | • Relationship between outstanding commitments and NAV.<br><br>• Portfolio maturity and distribution rates by vintage.<br><br>• Commitment rate to new investment Opportunities. |
| Undrawn coverage ratio<br>110% | The undrawn coverage ratio is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is an indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn.<br><br>Under the terms of its current loan facilities, PIP can continue to make new undrawn commitments unless and until the undrawn | 31 Nov 2019<br>102%<br><br>31 Nov 2020<br>130%<br><br>30 Nov 2021<br>110% | • The current level of commitments is consistent with PIP's conservative approach to balance sheet management.<br><br>• In line with historical experience, the Company expects undrawn commitments to be funded over a period of several years. | • Flexibility in portfolio construction, allowing the Company to select a mix of primary, secondary and co-investments, and vary investment pace, to achieve long-term capital growth. | • Relative weighting of primary, secondary and co-investments in the portfolio.<br><br>• Level of undrawn commitments relative to gross assets.<br><br>• Trend in distribution rates.<br><br>• Ability to access debt markets on favourable terms. |

coverage ratio
falls below 33%.

[1] *Excludes valuation gains and/or cash flows associated with the ALN.*
[2] *Excludes the portion of the reference portfolio attributable to the ALN.*

**FINANCING OUR BUSINESS**

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

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

As a result of this careful management, PIP entered the COVID-19 crisis well prepared for the expected volatility in market conditions. In the end, the spike in the call rate did not materialise and PIP's portfolio continued to distribute cash. This has left PIP in an even stronger financial position and allowed it to continue investing throughout the pandemic.

**Managing our financing cover[1]**
PIP's undrawn commitments were £658m as at 30 November 2021 (31 May 2021: £528m).

At 30 November 2021, PIP had net available cash balances of £220m (31 May 2021: £198m).

In addition to these cash balances, PIP also has access to a wholly undrawn £300m multi-currency revolving credit facility agreement ("loan facility") that expires in May 2024. Using exchange rates at 30 November 2021, the loan facility amounted to a sterling equivalent of £290m (31 May 2021: £277m).

At 30 November 2021, the undrawn coverage ratio was 110% (31 May 2021: 122%). The undrawn coverage ratio is the ratio of available financing and 10% of private equity assets to undrawn commitments and is a key indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn.

Another important measure is the financing cover. The Company had £510m (31 May 2021: £475m) of available financing which, along with the value of the private equity portfolio, provides comfortable cover of 4.0 times (31 May 2021: 4.1 times) relative to its undrawn commitments.

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

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

As at 30 November 2021, the ALN was valued at £54m (31 May 2021: £47m). See below for more information on the ALN.

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

**Maturity[1]**
We actively manage PIP's maturity profile to maximise the potential for growth and generate cash. This is achieved through a mix of primaries, secondaries and co-investments.

As at 30 November 2021, PIP's portfolio had a weighted average fund age of 5.1 years.

| Year | % |
|---|---|
| 2021 | 9% |
| 2020 | 6% |
| 2019 | 13% |
| 2018 | 14% |
| 2017 | 15% |
| 2016 | 13% |
| 2015 | 12% |
| 2014 | 4% |
| 2011-2013 | 7% |
| 2010 and earlier | 7% |

**Undrawn commitments by vintage**[2]

The continued rise in more recent vintages is a result of an increase in PIP's co-investment and primary commitment activity.

Approximately 22% of PIP's undrawn commitments are in funds with vintage years which are 2015 or older. Generally, when a fund is past its investment period, which is typically between five and six years, it cannot make any new investments and only draws capital to fund follow-on investments into existing portfolio companies, or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically.

| Year | % |
|---|---|
| 2021 | 37% |
| 2020 | 8% |
| 2019 | 13% |
| 2018 | 11% |
| 2017 | 5% |
| 2016 | 4% |
| 2015 | 4% |
| 2014 | 1% |
| 2011-2013 | 5% |
| 2010 and earlier | 12% |

**Undrawn commitments by region**[2]

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

| Region | % |
|---|---|
| USA | 42% |
| Europe | 31% |
| Global[3] | 15% |
| Asia and EM[4] | 12% |

**Undrawn commitments by stage**[2]

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

| | % |
|---|---|
| Small/mid buyout | 38% |
| Large/mega buyout | 25% |
| Growth | 23% |
| Special situations | 7% |
| Venture | 7% |

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

*[2] Includes undrawn commitments attributable to the reference portfolio underlying the ALN.*

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

*[4] EM: Emerging Markets.*

**MANAGER'S REVIEW**

**OUR MARKET**

**Our size, flexibility and agility allow us to take advantage of a disrupted environment**

**As the world emerges from the COVID-19 crisis, Helen Steers, Partner of Pantheon and manager of PIP, reflects on the outlook for PIP and the private equity sector.**

The impact of the pandemic continued to dominate 2021 and, while the rollout of vaccination programmes has offered hope in most parts of the world, the economic, social and financial fallout from the crisis has been colossal. Nevertheless, economic activity bounced back from the lows of 2020, and market commentators estimate that global growth in 2021 increased at its strongest rate for more than half a century. The listed markets rose significantly in 2021, but many of those gains have fallen away at the beginning of 2022 as investors respond to the impact of rising inflation, the threat of intensifying geopolitical tensions and fears that the emergence of new variants of the virus may lead to further social restrictions in the future.

Despite the challenges wrought by the COVID-19 pandemic, global private equity had a highly successful year in terms of fundraising, investment and exit activity, and demonstrated robust performance across all stages and geographies. According to Preqin, global private equity-backed deals totalled US$603bn in 2021 to October, far exceeding the US$470bn that was achieved in 2020 as a whole. This was primarily driven by the USA, which has the deepest and most developed private equity market and is where just over half of PIP's portfolio is invested. Strong appetite for private equity looks set to continue, with 41% of respondents to an institutional investor survey suggesting that they plan to invest more in private equity over the next year while 47% indicated that they would maintain their current level of allocation[1].

Before the pandemic, many of the private equity managers, or General Partners ("GP"), in PIP's portfolio had already been investing in more resilient sectors, such as information technology, healthcare and consumer staples and services, and many of the trends that were already under way in those sectors - e.g. the shift to remote working, digitalisation of businesses, the switch to e-commerce, the increasing need for online consumer services, shifting demographics and ageing populations - were accelerated by the crisis. This meant that there was very low negative impact from COVID-19 on PIP's portfolio, and indeed many portfolio companies experienced increased demand for their products and services. Healthcare products and services and businesses applying disruptive technology across multiple sectors form a significant part of PIP's portfolio and we expect them to continue to be attractive areas for investment.

There is now an estimated US$1.3tn[5] of dry powder (capital raised and available to invest but not yet deployed) globally. As this capital is concentrated in larger global buyout funds, which often target secondary buyouts of smaller, but high-growth businesses, this points to a healthy exit environment for companies in PIP's portfolio, which is predominantly invested in the small/mid-market buyout and growth segments of the market.

**We are able to capitalise on record deal flow in the private equity secondaries market**
In 2021, deal flow in the global secondaries market hit a record high and volumes reached approximately US$134bn[6], reflecting its growing importance as a method by which sellers are able to rebalance their portfolios and buyers can benefit from near-term cash generation. Market data suggests that sponsor- or "manager-led" sales, which are deals instigated by the private equity managers themselves with an aim to provide liquidity options for investors in their funds, accounted for around half of this activity. These types of deals comprise multi-asset GP liquidity solutions as well as single-asset GP GP liquidity solutions with the latter continuing to grow, forming 47%[6] of the manager-led deals during the year, and we have seen individual deals of this type increase in both size and complexity. Single-asset secondary deals occur when the private equity manager carves one company out of an older fund that is coming to the end of its life and moves it into a continuation vehicle. Typically, these are highly prized companies which the private equity manager believes offer significant potential for further growth but require more time beyond the life of the fund or additional capital, which the existing fund does not have, to achieve it. These deals allow the existing investors in the fund to exit their position while offering an opportunity for the private equity manager's preferred investors to invest alongside knowledgeable owners and benefit from the continued success of the company.

This is a highly specialised area of the market, which requires significant investment and deal origination experience, as well as the resources to carry out the necessary detailed due diligence. As a result, there tends to be less competition than in other areas of the secondaries market. Pantheon has been investing in the secondaries market for over three decades and, with its flexible and selective approach, has established itself as a partner of choice for many private equity managers seeking to execute on these types of deals. Market commentators are predicting that 2022 will be another positive year of growth for the secondaries market with single-asset secondaries in particular expected to retain significant market share. PIP's total commitment of US$225.0m to the Pantheon Secondary Opportunities Fund ("PSOF") allows it to access and deploy capital efficiently to these high-quality assets on favourable terms. During the period, PIP invested in three single-asset secondaries, and has subsequently closed on another two transactions.

[5] *As at September 2021. Source: 2022 Prequin Global Private Equity Report.*

[6] *Source: Evercore Private Capital Advisory, Secondary Market Survey Results, January 2022.*

**We are a preferred co-investor, accessing deals through our vast network of high-quality private equity managers**
Since 2013, PIP has been steadily increasing its exposure to co-investments and they now account for around a third of PIP's portfolio. Co-investments, which are typically free of management and performance fees, enable PIP to invest directly in portfolio companies on the same terms and conditions as the private equity manager, ensuring that there is a strong alignment of interests. PIP benefits from Pantheon's ability to source significant co-investment deal-flow from its managers, due to its very large installed base of primary and secondary relationships across the world. Our GPs regard Pantheon as an attractive partner and invite us to co-invest alongside them because we do not compete against them, we are reliable, responsive and have the scale to deploy capital quickly and efficiently, and we have the flexibility to co-underwrite transactions alongside our private equity managers if appropriate. We believe that these characteristics mean that we are able to see a large proportion of the best quality co-investment opportunities around the world in a variety of sectors,and execute them skillfully. In effect, each co-investment effectively passes through a "double quality filter" since each opportunity has first been evaluated by one of our best private equity managers, who themselves have already passed our rigorous manager selection hurdles, before being subjected to our own detailed due diligence process, carried out by our dedicated co-investment team.

We are concentrating on deals where the private equity manager:

- Has high conviction in the target company, taking into account how it has performed in the past, through the pandemic and its positioning for the future;
- can apply specialist sector experience and drive significant value by implementing operating capabilities;
- has a convincing ultimate realisation strategy, ideally with multiple exit routes; and
- is not faced with factors that are out of their control such as the impact of wider macroeconomic conditions, regulatory uncertainty or market segments where private equity has historically had challenges.

Each co-investment is assessed on its own merits, but our main investment themes and selection criteria are:

- Focus on the most compelling opportunities presented by our highest quality managers, which meet our exacting return expectations.
- Only invest where the targeted business is a good fit for the manager in terms of their sector, stage and geographic expertise.
- Target attractive, resilient sectors offering clear prospects for high organic growth through differentiated product or service offerings and which have low exposure to macroeconomic factors.
- Concentrate on businesses which are benefiting from long-term tailwinds, such as digitalisation and the move to the cloud, which are occurring across multiple sectors; and
- Seek strong platform companies that can pursue add-on acquisitions to build scale in existing businesses and consolidate fragmented end-markets.

Pantheon benefited from the scale and confidence to keep investing through the pandemic and fund follow-on commitments with our private equity managers, further enhancing our reputation as a reliable investor through the economic cycle. During the period, PIP committed £71.3m to 18 co-investments, and new co-investment deals form a significant part of our deal pipeline.

**Outlook**

Notwithstanding inflationary concerns, the assets under management in the global private equity and venture market are forecasted to reach US$11.1tn by 2026.[7] This compares to the private equity market being worth an estimated US$5.3tn[8] at the end of 2021.

The signs are that the ongoing trend which has seen the number of public companies globally reducing, while the number of private equity-backed companies has increased, is set to continue. It is our belief that private equity is able to deliver to investors what public markets cannot:

- Access to exciting companies in high-growth sectors that are not available on the public markets: PIP's focus on small/mid-market buyout and growth allows it to invest in family-owned or founder-led firms where our private equity managers can help with formalising organisational structures in addition to helping them grow internationally or into new markets.
- Ability to tap into the growth phase of a company's development before it goes public, if indeed it does IPO at all: The majority of exits in PIP's portfolio are to trade buyers, executing on their M&A strategies, or to other private equity managers with the skills and networks to take the companies to their next stage of growth.
- Opportunities to gain exposure to companies benefiting from the long-term value creation strategies of private equity managers, which can be implemented out of the public spotlight and are achieved through their sector-specific and operational expertise. Over the long term, the hands-on approach of our private equity managers to managing their investee companies has consistently resulted in significantly stronger revenue and earnings growth in the underlying companies in PIP's portfolio when compared to those of the MSCI World index.
- Exposure to many private equity managers who increasingly see the opportunities that sustainable investment offers for value creation over the long term. The consideration of sound ESG principles is fully embedded in Pantheon's investment processes, which we apply to the investments that we make on behalf of PIP, and we actively engage with our managers to improve standards and accountability in ESG governance.

Looking ahead, we expect the current strong deal flow to continue but, at the same time, we are cognisant of the continued high valuation environment; and therefore, we will remain very selective about where we invest. We will stay alert to the potential impacts that rising inflation could have on PIP's underlying portfolio companies; however, the characteristics of private equity are such that high quality managers are able to manage their existing assets actively and take advantage of challenging market conditions to make exciting new investments. Our experience of managing PIP for more than 34 years, during which time it has outperformed the public market benchmarks, underpins our positive view of PIP's prospects.

7 *Source: 2022 Prequin Global Private Equity Report.*

8 *Source: 2022 Prequin Global Private Equity Report. 2021 figure is annualised based on data to March 2021.*

**DISTRIBUTIONS**

PIP received close to 1,000[1] distributions during the half year period, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio is expected to continue to generate significant distributions.

**Distributions by region and stage**
PIP received £198m in proceeds from the Company's portfolio in the half year to 30 November 2021 equivalent to 24%[2] of opening private equity assets on an annualised basis.

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

| **DISTRIBUTIONS BY REGION** | |
|---|---|
| USA | **62%** |
| Europe | **19%** |
| Global | **10%** |
| Asia and EM | **9%** |

| **DISTRIBUTIONS BY STAGE** | |
|---|---|
| Small/mid buyout | **45%** |
| Large/mega buyout | **27%** |
| Growth | **22%** |
| Special situations | **4%** |
| Venture | **2%** |

**Quarterly distribution rates**

- Distribution rate equals distributions in the period (annualised) divided by opening portfolio value.
- Strong quarterly distribution rates reflect the maturity of PIP's portfolio.
- PIP's portfolio has remained cash generative throughout the COVID-19 pandemic.

**Distribution rates by vintage**
With a weighted average fund maturity of 5.1 years[3] (31 May 2021: 5.2 years), PIP's portfolio should continue to generate significant levels of cash.

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

[2] *Including distributions attributable to the ALN, the distribution rate for the half year was 24%.*

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

**Cost multiples on exit realisations for the half year to 30 November 2021[1]**
A significant majority of exits during the period resulted in cost multiples in excess of 2.0 times.
This resulted in an average cost multiple on exit realisations of 3.3 times, highlighting value creation over an average holding period of around five years.

**Uplifts on exit realisations for the half year to 30 November 2021[1]**
The value-weighted average uplift on exit realisations in the year was 43%, consistent with our view that realisations can be significantly incremental to returns. This is the highest average uplift achieved since tracking of the metric began in 2011.

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

**Exit realisations by sector and type**
The portfolio benefited from significantly strong realisation activity, particularly in the industrials, information technology, communication services and consumer sectors.
Trade sales and secondary buyouts represented the most significant source of exit activity during the year. The data in the sample provides coverage for 100% (for exit realisations by sector) and 77% (for exit realisations by type) of proceeds from exit realisations received during the period.

| **EXIT REALISATIONS BY SECTOR** | |
|---|---|
| Industrials | 27% |
| Information technology | 22% |
| Communication services | 18% |
| Consumer | 15% |

| | |
|---|---|
| Healthcare | 11% |
| Financials | 3% |
| Materials | 3% |
| Real estate | 1% |

**EXIT REALISATIONS BY TYPE**

| | |
|---|---|
| Trade Sale | 55% |
| Secondary buyout | 36% |
| Public market sale | 9% |

[1] *See page 71 of the Alternative Performance Measures section within the full Interim Report for sample calculations and disclosures.*

**CALLS**

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

**Calls by region and stage**

During the year, PIP paid £77m to finance calls on undrawn commitments.

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

**CALLS BY REGION**

| | |
|---|---|
| Europe | 41% |
| USA | 32% |
| Global | 20% |
| Asia and EM | 7% |

**CALLS BY STAGE**

| | |
|---|---|
| Small/ mid buyout | 38% |
| Growth | 31% |
| Large/ mega buyout | 17% |
| Special situations | 7% |
| Venture | 7% |

**Calls by sector**

More than half of the calls were for investments made in the information technology and healthcare sectors.

**CALLS BY SECTOR**

| | |
|---|---|
| Information Technology | 31% |
| Healthcare | 25% |
| Industrials | 12% |
| Communication services | 12% |
| Consumer | 7% |
| Financials | 6% |
| Energy | 4% |
| Others | 3% |

**Quarterly call rate[1]**

The annualised call rate for the six months to 30 November 2021 was equivalent to 29% of opening undrawn commitments.

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

**NEW COMMITMENTS**

PIP committed £264m to 37 new investments during the half year. Of the total commitments made, £81m was drawn at the time of purchase. Since the period end, PIP has committed a further £75.6m to 15 new investments.

**Our investment process**

Investment opportunities in funds and companies are originated via Pantheon's well-established platform.

Within our diversified portfolio, we back the best managers globally that are able to identify and create value in growing companies.

Cash is generated when those companies are sold, and is returned to PIP to be redeployed into new investment opportunities.

**New commitments by region**

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

| | |
|---|---|
| Global | 37% |
| USA | 32% |
| Asia and EM | 18% |

| | |
|---|---|
| Europe | 13% |

**New commitments by stage**
The majority of new commitments made in the half year were in the buyout and growth segments. Generalist investment activity reflects the commitment to PSOF.

| | |
|---|---|
| Small/mid buyout | 36% |
| Growth | 24% |
| Generalist | 22% |
| Venture | 12% |
| Large/ mega buyout | 6% |

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

PIP committed a further £56m to manager-led, single-asset secondaries via the Pantheon Secondary Opportunities Fund ("PSOF").

| | |
|---|---|
| Co-investments | 44% |
| Secondary | 29% |
| Primary | 27% |

**New commitments by vintage**
Primaries, co-investments and manager-led secondaries, which accounted for 74% of the total commitments during the last six months offer exposure to current vintages.

| | |
|---|---|
| 2021 | 92% |
| 2020 and earlier | 8% |

**Primary Commitments**
£117 committed to twelve primaries during the half year

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

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

**EXAMPLES OF PRIMARY COMMITMENTS MADE DURING THE HALF YEAR:**

| INVESTMENT | STAGE | Description | COMMITMENTS £M |
|---|---|---|---|
| **Index Venture Growth VI** | Growth | Global growth fund focusing on disruptive technology companies. | **20.6** |
| **Summa Equity III** | Growth and small/bid buyout | European growth equity and small/ mid buyout fund | **14.5** |
| **ChrysCapital IX** | | Indian growth equity fund | **14.0** |
| **Sentinel Continuation Fund I** | Growth<br>Small/ Mid buyout | North American mid-market buyout fund | **13.7** |

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

**Manager-led secondary commitments**

£71m committed to five manager-led secondary transactions during the half year

Top-tier private equity managers are increasingly transferring some of their most attractive portfolio companies into continuation vehicles, mainly in the form of single company secondaries, known as single-asset secondaries. By holding companies for longer, managers are able to participate in the companies' next phase of growth.

**EXAMPLES OF MANAGER-LED SECONDARY COMMITMENTS MADE DURING THE HALF YEAR:**

| Region | Stage | Description | COMMITMENTS | Funded |
|---|---|---|---|---|

| | | | £M | % |
|---|---|---|---|---|
| **Global** | Generalist | Pantheon fund (PSOF) focused on single-asset secondary transactions | **55.6** | **0%** |
| **USA** | Small/ mid buyout | The deal involved two companies in the healthcare sector | **6.4** | **7.1%** |
| **Europe** | Small/ mid buyout | Leading integrated healthcare provider in Romania | **4.0** | **75%** |

**Secondary fund commitments**

**£6m committed to two secondary fund transactions during the half year**

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

**EXAMPLES OF SECONDARY FUND COMMITMENTS MADE DURING THE HALF YEAR**[1]

| Region | Stage | Description | COMMITMENTS £M | Funded %[2] |
|---|---|---|---|---|
| **USA** | Small/ mid buyout | Portfolio of 22 high quality middle market assets | **5.7** | **52%** |

[1] *Companies and funds acquired in secondary transactions are not named due to non-disclosure agreements.*

[2] *Funding level does not include deferred payments.*

**Co-investments**

**£71m committed to 18 co-investments during the half year**

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

**NEW CO-INVESTMENTS BY REGION**

| | |
|---|---|
| USA | 61% |
| Asia and EM | 22% |
| Europe | 14% |
| Global | 3% |

**NEW CO-INVESTMENTS BY STAGE**

| | |
|---|---|
| Small/ mid buyout | 66% |
| Growth | 26% |
| Large/ mega buyout | 8% |

**NEW CO-INVESTMENTS BY SECTOR**

| | |
|---|---|
| Information Technology | 23% |
| Healthcare | 23% |
| Consumer | 22% |
| Financials | 14% |
| Industrials | 10% |
| Communication services | 8% |

**BUYOUT ANALYSIS**[2]

**Revenue and EBITDA growth**

Weighted average revenue growth of 18.8% for PIP's sample buyout companies continued to exceed growth rates seen among companies that constitute the MSCI World Index.

In contrast to the MSCI World, PIP's portfolio has demonstrated consistent year-on-year revenue and EBITDA growth. MSCI EBITDA growth for the 12 months to June reflects a rebound following periods of low, or negative, growth.

**Valuation multiple**

Accounting standards require private equity managers to value their portfolios at fair value. Public market movements can be reflected in valuations. PIP's sample-weighted average Enterprise Value (EV)/EBITDA was 17.6 times, compared to 9.9 times and 14.7 times for the FTSE All-Share and MSCI World indices respectively. PIP invests proportionately more in high-growth sectors such as information technology and healthcare, and these sectors tend to trade at a premium to other sectors.

**Debt multiples**
Venture, growth and buyout investments have differing leverage characteristics. Average debt multiples for small/medium buyout investments, which represent the largest segment of PIP's buyout portfolio, are typically lower than debt levels in the large/mega buyout segment. The venture and growth portfolio has little or no reliance on leverage.

2 The sample buyout figures for the 12 months to June 2021 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI and FTSE data was sourced from Bloomberg. See the Alternative Performance Measures section for sample calculations and disclosures.

**LARGEST 50 MANAGERS BY VALUE**

| RANK | MANAGER | REGION[1] | STAGE BIAS | % OF TOTAL PRIVATE EQUITY ASSET VALUE[2] |
|---|---|---|---|---|
| 1 | Insight Partners | USA | Growth | 8.2% |
| 2 | Index Ventures | Global | Venture, Growth | 3.8% |
| 3 | Providence Equity Partners | USA | Buyout, Growth | 3.4% |
| 4 | Essex Woodlands Healthcare Partners | USA | Growth | 3.0% |
| 5 | Advent International | Global | Buyout | 2.6% |
| 6 | Baring Private Equity Asia | Asia & EM | Growth | 2.6% |
| 7 | Apax Partners | Europe | Buyout | 2.5% |
| 8 | Hg | Europe | Buyout | 2.3% |
| 9 | Veritas Capital | USA | Buyout | 2.2% |
| 10 | LYFE Capital | Asia & EM | Growth | 2.1% |
| 11 | Mid-Europa Partners | Europe | Buyout | 1.9% |
| 12 | ABRY Partners | USA | Buyout | 1.7% |
| 13 | Parthenon Capital | USA | Buyout | 1.6% |
| 14 | OAK HC/ FT Associates | USA | Growth | 1.6% |
| 15 | BC Partners | Europe | Buyout | 1.5% |
| 16 | Warburg Pincus | Global | Growth | 1.5% |
| 17 | Hellman & Friedman | USA | Buyout | 1.5% |
| 18 | Francisco Partners | USA | Buyout | 1.4% |
| 19 | Searchlight Capital Partners | Global | Special situations | 1.3% |
| 20 | HIG Capital | USA | Buyout | 1.1% |
| 21 | Quantum Energy Partners | USA | Special situations | 1.1% |
| 22 | Apollo Advisors | USA | Buyout | 1.1% |
| 23 | Water Street Healthcare Partners | USA | Buyout | 1.1% |
| 24 | IK Investment Partners | Europe | Buyout | 1.0% |
| 25 | Energy Minerals Group | USA | Special situations | 1.0% |
| 26 | Texas Pacific Group | USA | Buyout | 1.0% |
| 27 | Altor Capital | Europe | Buyout | 1.0% |
| 28 | Gemini Capital | Europe | Venture | 1.0% |
| 29 | Calera Capital | USA | Buyout | 0.9% |
| 30 | Ares Management | USA | Buyout | 0.9% |
| 31 | ECI Partners | Europe | Buyout | 0.9% |
| 32 | Madison India Capital | Asia & EM | Buyout | 0.9% |
| 33 | Charlesbank Capital Partners | USA | Buyout | 0.9% |
| 34 | Lee Equity Partners | USA | Growth | 0.9% |
| 35 | NMS Management | USA | Buyout | 0.9% |
| 36 | Main Post Partners | USA | Growth | 0.9% |
| 37 | Onex Partners | Global | Buyout | 0.8% |
| 38 | Growth fund | USA | Growth | 0.8% |
| 39 | Sageview Capital | USA | Growth | 0.8% |
| 40 | TPG Asisa | Asia & EM | Buyout | 0.7% |
| 41 | IVF Advisors | Asia & EM | Buyout | 0.7% |
| 42 | PAI Partners | Europe | Buyout | 0.7% |
| 43 | Equistone Partners Europe | Europe | Buyout | 0.7% |
| 44 | Growth fund | USA | Buyout | 0.6% |
| 45 | Capiton | Europe | Buyout | 0.6% |
| 46 | Shamrock Capital Advisors | USA | Buyout | 0.6% |
| 47 | Chequers Partenaires | Europe | Buyout | 0.6% |
| 48 | Pollen Street Capital | Europe | Buyout | 0.6% |
| 49 | 3i Group | Europe | Buyout | 0.6% |
| 50 | Clearlake Capital Group | USA | Special situations | 0.5% |

| | |
|---|---|
| **COVERAGE OF PIP's TOTAL PRIVATE EQUITY ASSET VALUE[2]** | **72.6%** |

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

[2] *Percentages look-through feeders and funds-of-funds and exclude the portion of the reference portfolio attributable to the ALN.*

[3] *The private equity manager does not permit the Company to disclose this information.*

**LARGEST 50 COMPANIES BY VALUE**

| NUMBER | COMPANY | COUNTRY | SECTOR | % OF PIP'S NAV |
|---|---|---|---|---|
| 1 | EUSA Pharma [5] | UK | Healthcare | 2.4% |
| 2 | Chewy [3] | USA | Consumer | 1.0% |
| 3 | Visma | Norway | Information Technology | 0.9% |
| 4 | Mural | USA | Information Technology | 0.9% |
| 5 | Asurion | USA | Financials | 0.9% |
| 6 | Star Health Insurance [2] | India | Financials | 0.8% |
| 7 | Omni Eye Services | USA | Healthcare | 0.8% |
| 8 | Recorded Future | USA | Information Technology | 0.8% |
| 9 | Olaplex | USA | Consumer | 0.7% |
| 10 | Kaspi Bank | Kazakhstan | Finances | 0.7% |
| 11 | Software company | USA | Information Technology | 0.7% |
| 12 | LogicMonitor | USA | Information Technology | 0.7% |
| 13 | Renaissance Learning | USA | Information Technology | 0.7% |
| 14 | LifePoint | USA | Healthcare | 0.6% |
| 15 | Monday.com | Israel | Information Technology | 0.6% |
| 16 | Imeik Technology | China | Healthcare | 0.6% |
| 17 | Virence Health Technologies | USA | Healthcare | 0.6% |
| 18 | Revolut | UK | Information Technology | 0.6% |
| 19 | Ascent Racecourses | USA | Energy | 0.6% |
| 20 | Vistra | Hong Kong | Financials | 0.6% |
| 21 | Perspecta | USA | Information Technology | 0.6% |
| 22 | Confluent | USA | Information Technology | 0.5% |
| 23 | Allegro [3] | Poland | Consumer | 0.5% |
| 24 | KD Pharma | Germany | Healthcare | 0.5% |
| 25 | Action | Netherlands | Consumer | 0.5% |
| 26 | Froneri | UK | Consumer | 0.5% |
| 27 | Jfrog [2] | Israel | Information Technology | 0.5% |
| 28 | Callrail | USA | Information Technology | 0.5% |
| 29 | Atria Convergence Technologies | India | Communication Services | 0.5% |
| 30 | Olink | Sweden | Healthcare | 0.4% |
| 31 | WalkMe | USA | Information Technology | 0.4% |
| 32 | Navitas MidStream Partners | USA | Energy | 0.4% |
| 33 | Marlink | France | Communication Services | 0.4% |
| 34 | ALM Media | USA | Communication Services | 0.4% |
| 35 | Flynn Restaurant Group | USA | Consumer | 0.4% |
| 36 | Arnott Industries | USA | Consumer | 0.4% |
| 37 | InfoVistra | France | Information Technology | 0.4% |
| 38 | Confie Seguros | USA | Financials | 0.4% |
| 39 | Kyobo Life Insurance | South Korea | Financials | 0.4% |
| 40 | Cotiviti | USA | Healthcare | 0.4% |
| 41 | Ports America | USA | Industrials | 0.4% |
| 42 | DigiCert | USA | Information Technology | 0.4% |
| 43 | Shawbrook Bank | UK | Financials | 0.4% |
| 44 | Profi Rom | Romania | Consumer | 0.4% |
| 45 | Devoted Health | USA | Healthcare | 0.4% |
| 46 | MRO | USA | Healthcare | 0.4% |
| 47 | Paycor | USA | Information Technology | 0.4% |
| 48 | Pagaya Technologies | Israel | Information Technology | 0.3% |
| 49 | HUB International | USA | Financials | 0.3% |
| 50 | Genesys | USA | Information Technology | 0.3% |
| **COVERAGE OF PIP's PRIVATE EQUITY ASSET VALUE** | | | | **28.9%** |

*1 The largest 50 companies table is based upon underlying company valuations at 30 September 2021 adjusted for known call and distributions to 30 November 2021, and includes the portion of the reference portfolio attributable to the ALN.*

*2 Co-investments/directs.*

*3 Listed companies.*

*4 The private equity manager does not permit the Company to disclose this information.*

*5 On 3 December 2021, Essex Woodlands Healthcare Partners signed an agreement to sell EUSA Pharma. Please see Note 14 below for further details.*

**PORTFOLIO CONCENTRATION**

70 private equity managers and 580 companies account for approximately 80% of PIP's total exposure[1] , down from 90 and 720 five years ago.

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

**INTERIM MANGEMENT REPORT AND RESPONSIBILITY STATEMENT OF THE DIRECTORS**

**Interim Management Report**

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

The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the financial period ended 31 May 2021 and continue to be as set out in that report on pages 34 to 37.

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

**Responsibility Statement**

Each Director confirms that, to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting'; and gives a true and fair view of the assets, liabilities, financial position and return of the Company;

- This interim Financial Report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

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

This Interim Financial Report was approved by the Board on 23 February 2022 and was signed on its behalf by Sir Laurie Magnus CBE, Chairman.

**CONDENSED INCOME STATEMENT (UNAUDITED)**
**FOR THE SIX MONTHS TO 30 NOVEMBER 2021**

| | **SIX MONTHS TO 30 NOVEMBER 2021** | | | SIX MONTHS TO 30 NOVEMBER 2020 | | | YEAR TO 31 MAY 2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **REVENUE £'000** | **CAPITAL £'000** | **TOTAL* £'000** | REVENUE £'000 | CAPITAL £'000 | TOTAL* £'000 | REVENUE £'000 | CAPITAL £'000 | TOTAL* £'000 |
| Gains on investments at fair value through profit or loss** | - | **418,648** | **418,648** | - | 151,699 | 151,699 | - | 341,802 | 341,802 |
| Losses on financial liabilities at fair value through profit or loss - ALN** | **(190)** | **(12,680)** | **(12,870)** | (522) | (2,994) | (3,516) | (976) | (11,571) | (12,547) |
| Currency gains/(losses) on cash | **-** | **10,707** | **10,707** | - | (9,512) | (9,512) | - | (18,452) | (18,452) |
| Investment income | **10,730** | **-** | **10,730** | 6,530 | - | 6,530 | 16,418 | - | 16,418 |
| Investment management fees | **(10,963)** | **-** | **(10,963)** | (9,048) | - | (9,048) | (18,544) | - | (18,544) |
| Other expenses | **(686)** | **(499)** | **(1,185)** | (645) | (770) | (1,415) | (1,417) | (1,340) | (2,757) |
| **RETURN BEFORE FINANCING COSTS AND TAXATION** | **(1,109)** | **416,176** | **415,067** | (3,685) | 138,423 | 134,738 | (4,519) | 310,439 | 305,920 |
| Interest payable and similar expenses | **(1,984)** | **-** | **(1,984)** | (1,683) | - | (1,683) | (3,488) | - | (3,488) |
| **RETURN BEFORE TAXATION** | **(3,093)** | **416,176** | **413,083** | (5,368) | 138,423 | 133,055 | (8,007) | 310,439 | 302,432 |
| Taxation (paid)/recovered (Note 5) | **(2,123)** | **-** | **(2,123)** | 5,634 | - | 5,634 | 3,533 | - | 3,533 |
| **RETURN FOR THE PERIOD BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR (Note 10)** | **(5,216)** | **416,716** | **410,960** | 266 | 138,423 | 138,689 | (4,474) | 310,439 | 305,965 |
| **RETURN PER SHARE BASIC AND DILUTED (Note 10)** | **(0.96p)** | **76.99p** | **76.03p** | 0.05p | 25.59p | 25.64p | (0.82p) | 57.39p | 56.57p |

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

** Includes currency movements on investments.

The 10 for 1 subdivision of the Company's Ordinary shares, which took effect from 1 November 2021, has been applied retrospectively to the return per share figures for all periods shown.

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

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

No operations were acquired or discontinued during the period.

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

The Notes below form part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**
**FOR THE SIX MONTHS TO 30 NOVEMBER 2021**

| | SHARE CAPITAL £'000 | SHARE PREMIUM £'000 | CAPITAL REDEMPTION RESERVE £'000 | OTHER CAPITAL RESERVE £'000 | CAPITAL RESERVE ON INVESTMENTS HELD £'000 | REVENUE RESERVE £'000 | TOTAL £'000 |
|---|---|---|---|---|---|---|---|
| **Movement for the six months to 30 November 2021** | | | | | | | |
| Opening equity shareholders' funds | 36,240 | 269,535 | 3,325 | 976,685 | 679,736 | (100,290) | 1,865,231 |
| Cost of share buybacks to be held in treasury | - | - | - | (3,117) | - | - | (3,117) |
| Return for the period | - | - | - | 96,873 | 319,303 | (5,216) | 410,960 |
| **CLOSING EQUITY SHAREHOLDERS' FUNDS** | 36,240 | 269,535 | 3,325 | 1,070,441 | 999,039 | (105,506) | 2,273,074 |
| **Movement for the six months to 30 November 2020** | | | | | | | |
| Opening equity shareholders' funds | 36,240 | 269,535 | 3,325 | 842,675 | 503,307 | (95,816) | 1,559,266 |
| Return for the period | - | - | - | 50,678 | 87,745 | 266 | 138,689 |
| CLOSING EQUITY SHAREHOLDERS' FUNDS | 36,240 | 269,535 | 3,325 | 893,353 | 591,052 | (95,550) | 1,697,955 |
| **Movement for the year ended 31 May 2021** | | | | | | | |
| Opening equity shareholders' funds | 36,240 | 269,535 | 3,325 | 842,675 | 503,307 | (95,816) | 1,559,266 |
| Return for the year | - | - | - | 134,010 | 176,429 | (4,474) | 305,965 |
| **CLOSING EQUITY SHAREHOLDERS' FUNDS** | 36,240 | 269,535 | 3,325 | 976,685 | 679,736 | (100,290) | 1,865,231 |

The Notes below form part of these financial statements.

**CONDENSED BALANCE SHEET**
**(UNAUDITED)**
**AS AT 30 NOVEMBER 2021**

| | **30 NOVEMBER 2021 £'000** | 30 NOVEMBER 2020 £'000 | 31 MAY 2021 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments at fair value | **2,106,793** | 1,596,760 | 1,713,724 |
| **Current assets** | | | |
| Debtors | **3,921** | 5,478 | 8,215 |
| Cash at bank | **222,632** | 151,079 | 199,118 |
| | **226,553** | 156,557 | 207,333 |
| **Creditors: amounts falling due within one year** | | | |
| Other creditors | **5,973** | 5,455 | 9,039 |
| | **5,973** | 5,455 | 9,039 |
| **NET CURRENT ASSETS** | **220,580** | 151,102 | 198,294 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | **2,327,373** | 1,747,862 | 1,912,018 |
| **Creditors: Amounts falling due after one year** | | | |
| Asset Linked Note (Note 8) | **54,299** | 49,907 | 46,787 |
| | **54,299** | 49,907 | 46,787 |
| **NET ASSETS** | **2,273,074** | 1,697,955 | 1,865,231 |
| **Capital and reserves** | | | |
| Called-up share capital (Note 9) | **36,240** | 36,240 | 36,240 |
| Share premium | **269,535** | 269,535 | 269,535 |
| Capital redemption reserve | **3,325** | 3,325 | 3,325 |
| Other capital reserve | **1,070,441** | 893,353 | 976,685 |
| Capital reserve on investments held | **999,039** | 591,052 | 679,736 |
| Revenue reserve | **(105,506)** | (95,550) | (100,290) |
| **TOTAL EQUITY SHAREHOLDERS' FUNDS** | **2,273,074** | 1,697,955 | 1,865,231 |
| **NET ASSET VALUE PER SHARE - ORDINARY (NOTE 11)** | **421.06p** | 313.92p | 344.84p |
| **TOTAL ORDINARY SHARES IN ISSUE (NOTE 9)** | **539,844,470** | 540,894,470 | 540,894,470 |

The 10 for 1 sub-division of the Company's Ordinary shares has been applied retrospectively to both the number of shares in issue, and the net asset value figures for all periods shown.

The Notes below form part of these financial statements.

**CONDENSED CASH FLOW STATEMENT (UNAUDITED)**
**FOR THE SIX MONTHS TO 30 NOVEMBER2021**

| | **SIX MONTHS TO 30 NOVEMBER 2021 £'000** | SIX MONTHS TO 30 NOVEMBER 2020 £'000 | YEAR TO 31 MAY 2021 £'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Investment income received | **10,734** | 6,446 | 16,311 |
| Deposit and other interest received | **16** | 82 | 87 |
| Investment management fees paid | **(10,608)** | (8,996) | (18,416) |
| Secretarial fees paid | **(132)** | (141) | (263) |
| Depositary fees paid | **(150)** | (127) | (225) |
| Legal and professional fees paid | **(681)** | (828) | (1,544) |
| Directors' fee paid | **(161)** | (179) | (338) |
| Other cash payments | **(437)** | (577) | (978) |
| Withholding tax (deducted)/recovered | **(2,119)** | 5,707 | 3,602 |
| **NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES** | **(3,538)** | 1,387 | (1,764) |
| **Cash flows from investing activities** | | | |
| Purchases of investments | **(178,524)** | (75,853) | (226,205) |
| Disposals of investments | **208,051** | 122,095 | 344,559 |
| **NET CASH INFLOW FROM INVESTING ACTIVITIES** | **29,527** | 46,242 | 118,354 |
| **Cash flows from financing activities** | | | |
| ALN repayments | **(8,496)** | (15,948) | (24,286) |
| Ordinary Shares purchased to be held in treasury | **(3,117)** | - | - |
| Loan commitment and arrangement fees paid* | **(1,444)** | (1,264) | (4,888) |
| **NET CASH OUTFLOW FROM FINANCING ACTIVITIES** | **(13,057)** | (17,212) | (29,174) |
| **INCREASE IN CASH IN THE PERIOD/YEAR** | **12,932** | 30,417 | 87,416 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR** | **199,118** | 130,091 | 130,091 |
| **FOREIGN EXCHANGE GAINS/(LOSSES)** | **10,582** | (9,429) | (18,389) |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR** | **222,632** | 151,079 | 199,118 |

* Includes interest paid during the period of £52,000 (30 November 2020: £17,000; 31 May 2021: £66,000).

The Notes below form part of these financial statements.

**NOTES TO THE HALF-YEARLY FINANCIAL STATEMENTS (UNAUDITED)**

**1. Basis of preparation**

The Company applies FRS 102 and the Association of Investment Companies ("AIC") SORP for its financial period ending 31 May 2021 in its Financial Statements. The condensed financial statements for the six months to 30 November 2021 have therefore been prepared in accordance with FRS 104 "Interim Financial Reporting".

The condensed financial statements have been prepared on the same basis as the accounting policies set out in the statutory accounts for the period ended 31 May 2021. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company's condensed financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise.

These condensed financial statements do not constitute statutory accounts as defined in section 434 of the Companies act 2006 and do not include all information and disclosures required in an Annual Report. They should be read in conjunction with the Company's Annual Report for the year ended 31 May 2021. The financial information for the half-year periods ended 30 November 2021 and 30 November 2020 are not for a financial year and have not been audited but have been reviewed by the Company's auditors and their report can be found in the full half-year financial statement  The Annual Report and Financial Statements for the financial period ended 31 May 2021 have been delivered to the Registrar of Companies. The report of the auditors was: (i) unqualified; (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying the report; and (iii) did not contain statements under section 498 (2) and (3) of the Companies Act 2006.

**2. Going Concern**

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

COVID-19 still presents the most significant risk to the global economy and to individual companies since the 2008 global financial crisis ("GFC"). The unprecedented nature of the COVID-19 pandemic has resulted in significant disruption to global commerce, economic and social hardship and uncertain financial markets. However, the Company's financial position remains robust, principally due to the emphasis in the portfolio on growth sectors comprising resilient businesses, in addition to the Company's conservative approach to balance sheet management.

The Directors have made an assessment of going concern, taking into account the Company's current performance, financial position and the outlook, which considered the impact of the COVID-19 pandemic, using information available to the date of issue of these financial statements. As part of this assessment the Directors considered:

- Various downside liquidity modelling scenarios with varying degrees of decline in investment valuations, investment distributions, and increased call rates, with the worst being a low case downside scenario representing an impact to the portfolio that is worse than experienced during the global financial crisis. The Company manages and monitors liquidity regularly ensuring it is adequate and sufficient and is underpinned by its monitoring of investments, distributions, capital calls and outstanding commitments. Total available financing as at 30 November 2021 stood at £510m (30 November 2020: £444m; 31 May 2021: £475m), comprising £220m (30 November 2020: £151m; 31 May 2021: £198m) in available cash balances and £290m (30 November 2020: £293m; 31 May 2021: £277m)(sterling equivalent) in undrawn bank facilities.

- PIP's 30 November 2021 valuation is primarily based on reported GP valuations with a reference date of 30 September 2021, updated for capital movements and foreign exchange impacts. As the longer-term impacts of COVID-19 may not be fully apparent, the Directors have considered the impact that declining valuations could have on the Company's going concern assessment.

- Unfunded commitments - PIP's unfunded commitments at 30 November 2021 were £658m (30 November 2020: £464m; 31 May 2021: £528m). The Directors have considered the maximum level of unfunded commitments which could theoretically be drawn in a 12-month period, the ageing of commitments and available financing available to fund these commitments. In these scenarios PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility, pausing on new commitments, selling assets to increase liquidity and reducing outstanding commitments if necessary. In addition, subject to market conditions, the Company could also seek to raise additional credit or capital.

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

**3. AIC SORP**

The financial information contained in this report has been prepared in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts, which was issued by the AIC and was updated in April 2021.

**4.Segmental reporting**

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

**5.Tax on ordinary activities**

The tax charge for the six months to 30 November 2021 is £2.1m (six months to 30 November 2020: £0.5m; year to 31 May 2021: £2.6m). The tax charge is wholly comprised of irrecoverable withholding tax suffered. Investment gains are exempt from capital gains tax owing to the Company's status as an investment trust. In addition, during the period to 30 November 2020 and the year to 31 May 2021, there was a tax credit, resulting from a refund of prior years' taxation, amounting to £6.1m, from the US Inland Revenue Service. As this tax credit was due to a build-up of previous claims that have now been recovered, a recoverable amount will not recur going forward as recoverable amounts are now claimed and received through a regular process.

**6. Transactions with the Manager and related parties**
During the period, investment management services with a total value of £11,299,000, being £10,963,000 directly from Pantheon Ventures (UK) LLP and £336,000 via Pantheon managed fund investments (30 November 2020: £9,243,000; £9,048,000; and £195,000; year to 31 May 2021: £18,896,000; £18,544,000 and £352,000 respectively) were purchased by the Company.

At 30 November 2021, the amount due to Pantheon Ventures (UK) LLP in management fees and performance fees disclosed under creditors was £2,001,000 and £nil respectively (30 November 2020: £1,570,000 and £nil; year to 31 May 2021: £1,646,000 and £nil).

Under the AIC SORP section 62, the listing rules state the conditions that must be met by the board of directors in order for the board to act independently and FRS 102 section 33 defines a related party and sets out the required disclosures if applicable. The existence of an Independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the AIC SORP, the Manager is not considered to be a related party.

The Company's related parties are its Directors. Fees paid to the Company's Board for the six months to 30 November 2021 totalled £159,000 (six months to 30 November 2020: £179,000; year to 31 May 2021: £331,000). At 30 November 2021, the amount payable to the Directors, disclosed under creditors was £51,000 (30 November 2020: £60,000; year to 31 May 2021: £53,000).

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

**7. Performance fee**
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 31 May in each year and, prior to 31 May 2017, the period of 12 calendar months ending 30 June in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the NAV at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the NAV at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the six month calculation period ended 30 November 2021, the notional performance fee hurdle is a NAV per share of 439.7p. The performance fee is calculated using the adjusted NAV.

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

No performance fee has been paid.

**8. Asset Linked Note ("ALN")**

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

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

A pro rata share of the Company's Total Ongoing Charges is allocated to the ALN, reducing each quarterly payment ("the Expense Charge") and deducted from Other Expenses in the Income Statement. The ALN's share of net cash flow is calculated after withholding taxation suffered. These amounts are deducted from Taxation in the Income Statement.

During the six months to 30 November 2021, the Company made repayments totalling £8.5m, representing the ALN share of the net cash flow for the three month period to 31 May 2021 and three month period to 31 August 2021. The fair value of the ALN at 30 November 2021 was £57.0m, of which £2.7m represents the net cash flow for the three months to 30 November 2021, due for repayment on 28 February 2022.

During the six months to 30 November 2020, the Company made repayments totalling £15.9m, representing the ALN share of the net cash flow for the three month period to 31 May 2020 and three month period to 31 August 2020. The fair value of the ALN at 30 November 2020 was £52.7m, of which £2.8m represents the net cash flow for the three months to 30 November 2020, due for repayment on 29 February 2021.

During the year to 31 May 2021, the Company made repayments totalling £24.3m, representing the ALN share of the net cash flow for the year to 29 February 2021. The fair value of the ALN at 31 May 2021: £53.0m, of which £6.2m represents cash flows for the three months to 31 May 2021, due for repayment on 31 August 2021.

**9. Called-Up Share Capital**

| ALLOTED, CALLED-UP AND FULLY PAID: | 30 NOVEMBER 2021 | | 30 NOVEMBER 2020 | | 31 MAY 2021 | |
|---|---|---|---|---|---|---|
| Allocated, called up and fully paid: | **SHARES** | **£'000** | **SHARES** | **£'000** | **SHARES** | **£'000** |
| **Ordinary Shares of 6.7p each** | | | | | | |
| Opening position | **540,894,470** | **36,240** | 540,894,470 | 36,240 | 540,894,470 | 36,240 |
| Buybacks for cancellation | **-** | **-** | - | - | - | - |
| **CLOSING POSITION** | **540,894,470** | **36,240** | 540,894,470 | 36,240 | 540,894,470 | 36,240 |
| **Ordinary shares of 6.7p each, held in treasury** | | | | | | |
| Opening position | **-** | | - | | - | |
| Buyback of shares to be held in Treasury | **(1,050,000)** | | - | | - | |
| **Closing position held in treasury** | **(1,050,000)** | | - | | - | |
| **Total shares for NAV calculation** | **539,844,470** | | 540,894,470 | | 540,894,470 | |

A 10 for 1 sub-division of the Company's Ordinary shares was approved at the Company's Annual General Meeting in October 2021 and took effect from 1 November 2021. The sub-division has been applied retrospectively to all periods shown. Also, during the six months ended 30 November 2021, 1,050,000 ordinary shares were bought back in the market, to be held in Treasury (six months to 30 November 2020: nil; year to 31 May 2021: nil) at a total cost, including stamp duty, of £3.1m.

As at 30 November 2021, there were 540,894,470 Ordinary shares in issue of which 1,050,000 are held in Treasury (30 November 2020:
540,894,470 ordinary shares and no Treasury shares; year to 31 May 2021: 540,894,470 ordinary shares and no Treasury shares).

**10. Return per Share**

| | **SIX MONTHS TO 30 NOVEMBER 2021** | | | SIX MONTHS TO 30 NOVEMBER 2020 | | | 31 MAY 2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **REVENUE** | **CAPITAL** | **TOTAL** | REVENUE | CAPITAL | TOTAL | REVENUE | CAPITAL | TOTAL |
| Return for the financial period £'000 | **(5,216)** | **416,176** | **410,960** | 266 | 138,423 | 138,689 | (4,474) | 310,439 | 305,965 |
| Weighted average no. of shares | | | **540,547,749** | | | 540,894,470 | | | 540,894,470 |
| Return per share | **(0.96p)** | **76.99p** | **76.03p** | 0.05p | 25.59p | 25.64p | (0.82p) | 57.39p | 56.57p |

The 10 for 1 subdivision of the Company's Ordinary shares has been applied retrospectively to both the weighted average number of shares,
and the return per share figures for all periods shown.

There are no dilutive effects to the return per share.

**11. Net Asset Value per Share**

| | **30 NOVEMBER 2021** | 30 NOVEMBER 2020 | 31 MAY 2021 |
|---|---|---|---|
| Net assets attributable in £'000 | **2,273,074** | 1,697,955 | 1,865,231 |
| Ordinary shares | **539,844,470** | 540,089,4470 | 540,894,470 |
| Net asset value per share | **421.06p** | 313.92p | 344.84p |

The 10 for 1 subdivision of the Company's Ordinary shares has been applied retrospectively to both the weighted average number of shares,
and the return per share figures for all periods shown.

There are no dilutive effects to the return per share.

**12. Reconciliation of Return Before Financing Costs and Tax to Net Cash Flow from Operating Activities**

| | **SIX MONTHS TO 30 NOVEMBER2021 £'000** | SIX MONTHS TO 30 NOVEMBER 2020 £'000 | YEAR TO 31 MAY 2021 £'000 |
|---|---|---|---|
| Return before finance costs and taxation | **415,067** | 134,738 | 305,920 |
| Taxation recovered in respect of prior years | **-** | - | - |
| Withholding tax (deducted)/recovered | **(2,123)** | 5,634 | 3,533 |
| Gains on investments | **(418,648)** | (151,699) | (341,802) |
| Currency (gains)/losses on cash | **(10,707)** | 9,512 | 18,452 |
| Increase in creditors | **400** | 78 | 215 |
| (Increase)/decrease in other debtors | **(46)** | (94) | 3 |
| Gains on financial liabilities at fair value through profit or loss - ALN | **12,869** | 3,516 | 12,547 |
| Expenses and taxation associated with ALN | **(350)** | (298) | (632) |
| **NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES** | **(3,538)** | 1,387 | (1,764) |

**13. Fair Value Hierarchy**
**(i) Unquoted fixed asset investments are stated at the estimated fair value**

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

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

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

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

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

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

**(iii) Fair value hierarchy**

The fair value hierarchy consists of the following three levels:

- Level 1 - The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. The Level 1 holdings include publicly listed holdings held directly by the Company from in specie distributions received from underlying investments;

- Level 2 - Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

In accordance with FRS 104, the Company must disclose the fair value hierarchy of financial instruments.

**Notes to the Interim Financial Statements (unaudited)**

**Financial Assets at Fair Value through Profit or Loss at 30 November 2021**

| | LEVEL 1 £'000 | LEVEL 2 £'000 | LEVEL 3 £'000 | TOTAL £'000 |
|---|---|---|---|---|
| Unlisted holdings | - | - | 2,105,650 | **2,105,650** |
| Listed holdings | 1,143 | - | - | **1,143** |
| **TOTAL** | 1,143 | - | 2,105,650 | **2,106,793** |

**Financial Liabilities at Fair Value through Profit or Loss at 30 November 2021**

| | LEVEL 1 £'000 | LEVEL 2 £'000 | LEVEL 3 £'000 | TOTAL £'000 |
|---|---|---|---|---|
| **ALN** | **-** | - | 57,039 | 57,039 |
| **TOTAL** | **-** | - | 57,039 | 57,039 |

**Financial Assets at Fair Value through Profit or Loss at 30 November 2020**

| | LEVEL 1 £'000 | LEVEL 2 £'000 | LEVEL 3 £'000 | TOTAL £'000 |
|---|---|---|---|---|
| Unlisted holdings | - | - | 1,595,634 | **1,595,634** |
| Listed holdings | 1,126 | - | - | **1,126** |
| **TOTAL** | 1,126 | - | 1,595,634 | 1,596,760 |

**Financial Liabilities at Fair Value through Profit or Loss at 30 November 2020**

| | LEVEL 1 £'000 | LEVEL 2 £'000 | LEVEL 3 £'000 | TOTAL £'000 |
|---|---|---|---|---|
| ALN | - | - | 52,660 | **52,660** |
| **TOTAL** | - | - | 52,660 | **52,660** |

**Financial Assets at Fair Value through Profit or Loss at 31 May 2021**

| | LEVEL 1 £'000 | LEVEL 2 £'000 | LEVEL 3 £'000 | TOTAL £'000 |
|---|---|---|---|---|
| Unlisted holdings | - | - | 1,713,508 | **1,713,508** |
| Listed holdings | 216 | - | - | **216** |
| **TOTAL** | 216 | - | 1,713,508 | **1,713,724** |

**Financial Liabilities at Fair Value through Profit or Loss at 31 May 2021**

| | LEVEL 1 £'000 | LEVEL 2 £'000 | LEVEL 3 £'000 | TOTAL £'000 |
|---|---|---|---|---|
| ALN | - | - | 53,015 | **53,015** |
| **TOTAL** | - | - | 53,015 | **53,015** |

## Independent Review Report to the Directors of Pantheon International plc

**Conclusion**
We have been engaged by Pantheon International Plc ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2021 which comprises the Condensed Income Statement, the Condensed Statement of Changes in Equity, the Condensed Balance Sheet, the Condensed Cash Flow Statement, and the Related Notes 1 to 14 (together the 'condensed financial statements'). We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2021 is not prepared, in all material respects, in accordance with FRS 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

As disclosed in Note 1 Basis of Preparation, the annual financial statements of the company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the Financial Reporting Standard FRS 104 'Interim Financial Reporting'.

**Responsibilities of the directors**
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

**Auditor's responsibility for the review of the financial information**
In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis of conclusion paragraph of this report.

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

**Ernst & Young LLP**
London
23 February 2022

**NATIONAL STORAGE MECHANISM**

A copy of the Half-Yearly Financial Report will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM, which is situated at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Ends

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