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For immediate release

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PANTHEON INTERNATIONAL PLC
ANNUAL REPORT FOR THE TWELVE MONTHS ENDED 31 MAY 2023

The full Annual 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)333 300 1950.

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-backed companies, today publishes its Annual Report and Accounts for the twelve months ended 31 May 2023.

Revision of PIP's capital allocation policy

- PIP is **committing up to £200m** to invest in its own portfolio by acquiring its own shares during the financial year to 31 May 2024.
- The Board intends **to extend PIP's capital allocation policy in the future** to dedicate a proportion of the Company's net positive cash flow to share buybacks.
- Further details of the policy, which will be applied according to the levels of prevailing discount to NAV, will be announced in due course.

Performance update

- NAV per share held up well in the current macroeconomic environment, growing **2.4%** during the year.
- Net assets at 31 May 2023 **increased to £2,450m** (31 May 2022: £2,427m).
- PIP's share price decreased by 8.0% and Total Shareholder Return (5Y) was **+35.0%.**
- Disappointingly, in line with the wider listed private equity sector, the share price discount to NAV has widened and was 41% at the end of the period.

ANNUALISED PERFORMANCE AS AT 31 MAY 2023

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**	**Since inception[1]**
NAV per share (stated net of fees)	2.4%	17.1%	13.9%	13.2%	12.1%
Ordinary share price	-8.0%	9.6%	6.2%	9.9%	10.7%
FTSE All-Share, Total Return	0.4%	10.2%	2.9%	5.3%	7.4%
MSCI World, Total Return (Sterling)	4.3%	11.4%	9.9%	11.4%	8.3%

[1] Inception in September 1987.

NAV per share vs. market performance

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**	**Since inception**
Versus FTSE All-Share, Total Return	+2.0%	+6.9%	+11.0%	+7.9%	+4.7%
Versus MSCI World, Total Return (Sterling)	-1.9%	+5.7%	+4.0%	+1.8%	+3.8%

Share price vs. market performance

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**	**Since inception**
Versus FTSE All-Share, Total Return	-8.4%	-0.6%	+3.3%	+4.6%	+3.3%
Versus MSCI World, Total Return (Sterling)	-12.3%	-1.8%	-3.7%	-1.5%	+2.4%

Portfolio update

- Buyouts, which accounted for 71% of the portfolio at the financial year end, performed positively during the period.
- Weighted average uplift from fully realised exits was **27%** and the average cost multiple on exit realisations was **3.0 times**, demonstrating the embedded value in PIP's portfolio. Since 2012, the weighted average uplift has been **31%** and the average cost multiple on exit realisations has been **3.0 times**.

- Slowdown in distributions in current macroeconomic environment with **£223m received** during the financial year, equivalent to a distribution rate of 10**%** of the opening attributable portfolio, resulting from realisations primarily to strategic buyers and to other private equity managers. After funding **£155m** of calls, this resulted in **net cash inflow** from the portfolio of **£68m**.
- 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 assets at the financial year end was **4.8 years** (31 May 2022: 4.9 years).
- As a result of PIP increasing its allocations to co-investments and single-asset secondaries, **approximately 52%** of PIP's portfolio was invested directly in companies at the end of the period.
- During the period, **£441m** was committed to **25 new investments**, of which £180m was funded at the time of purchase. During the year, the Company invested c.**£20m** in buying back 7,600,183 shares.

Financial position update

- PIP had access to net available cash of **£63m** net available cash as at 31 May 2023 in addition to its undrawn multi-currency revolving **£500m** credit facility that is due to expire in July 2027.
- PIP's undrawn commitments were £857m at the period end, of which £48m relates to funds that are more than 13 years old and therefore outside their investment periods.
- PIP's undrawn coverage ratio, which is a key indicator of the Company's ability to meet its outstanding commitments even in the event of a market downturn, was **98%** as at 31 May 2023**.**

Company update

- Zoe Clements and Rahul Welde were appointed to the Board of PIP, providing additional expertise in finance, marketing and audit.

Commenting on the full year, **John Singer CBE, Chair of** PIP, said: "By committing up to £200m to buy back PIP's shares, on behalf of shareholders we will capture the exceptional value offered by the Company's high quality portfolio. Investors in PIP will also benefit from our intention to dedicate a proportion of future net cash flow to share buybacks while still making new investments with many of the best PE managers in the world. We hope that shareholders will welcome and support the exciting initiatives which the Board is now taking to seize the investment opportunity before us."

Commenting on PIP, **Helen Steers, Partner at Pantheon and co-lead manager of PIP**, said: "The quality of the underlying companies, and the managers that PIP has selected, the experience in navigating challenging economic periods and the ability to effect change will all stand PIP in good stead to traverse the current macroeconomic environment."

Commenting on PIP, **Jie Gong, Partner at Pantheon and co-lead manager of PIP**, said: "PIP has been constructed to provide investors with an "all-weather" portfolio, which is reflected in the choice of sectors with a weighting towards defensive and resilient areas, in the buyout-heavy composition of the portfolio, in the sensible level of portfolio diversification and the ability to flex investment pacing through the majority tilt towards direct company investments."

A video of John Singer CBE discussing the share repurchase and a video of the team at Pantheon discussing PIP's full year results are available on our website at www.piplc.com along with a series of case studies showcasing some of our portfolio companies.

Capital Markets Event

PIP will host a Capital Markets Afternoon on 13 September 2023 during which there will be presentations from Pantheon and some of PIP's underlying private equity managers. Institutional investors and analysts wishing to attend should contact the Pantheon team at pip.ir@pantheon.com for further details.

LEI: 2138001B3CE5S5PEE928

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ANNUAL GENERAL MEETING

The Company's Annual General Meeting ("AGM") will be held at IET London, Savoy Place, London, WC2R OBL at 10.30 a.m. on Thursday, 19 October 2023. A separate circular containing the AGM notice will be published and made available on the Company's website and the National Storage Mechanism.

NATIONAL STORAGE MECHANISM

A copy of the Annual Report and Financial Statements and the separate circular containing the AGM notice 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.

This announcement contains inside information.

John Singer CBE

Chair, Pantheon International Plc

Broadwalk House, Southernhay West, Exeter, Devon EX1 1T

Important Information

A copy of this announcement will be available on the Company's website at www.piplc.com Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

STRATEGIC REPORT

AT A GLANCE

Making the private, public

A share in Pantheon International Plc provides access to a high-quality diversified portfolio of private companies around the world that would otherwise be inaccessible to most investors. Shares in PIP can be bought and sold as they would in any other publicly listed company.

Pantheon International Plc ("PIP" or the "Company") is a FTSE 250 private equity investment trust, actively managed by Pantheon, one of the leading private markets investment managers globally.

PIP is overseen by an independent Board of Directors who come from a range of backgrounds.

As at 31 May 2023	
Net asset value ("NAV")	£2.5bn
NAV per share growth in the year	+2.4%
Average annual NAV growth since 1987 (net of fees)	+12.1%
Market capitalisation	£1.4bn
Share price change in the year	-8.0%
Association of Investment Companies ("AIC") ongoing charges[1]	1.25%[1]

[1] Including financing costs, PIP's total ongoing charges would be 1.50%. See the Alternative Performance Measures section in the Full Annual Report for calculations and disclosures.

CHAIR'S STATEMENT

Seizing the opportunity

When invited to take over the PIP Chair, I was delighted to accept. I share PIP's values of openness and transparency, a team-based and not egotistical spirit, and a genuine deep-seated drive to add value and provide shareholders with excellent returns.

I strongly support the move away from a pure fund-of-funds to a portfolio with a majority of direct company investments, which will build successful returns for investors. Crucially, though, I believe that the listed private equity (LPE) sector has not kept up with the changing needs of its stakeholders and that there is a real opportunity now to do more to put shareholders' interests first.

My first tasks were to set up a review group of Board Directors and Pantheon executives to think afresh about PIP's capital allocation, and at the same time to engage with the Company's shareholders, to understand why they own LPE, and PIP in particular, and how the Company can best address their needs. One recurrent theme, both for the Board and investors, has been the persistent discount to net asset value (NAV) at which the Company's shares trade.

Whilst this is typical of the whole LPE sector, it presents a challenge, implying that the market does not believe the integrity of our NAVs, despite our long history of delivering significant uplifts to NAV when we realise our investments. The current discount, however, also represents an exciting opportunity that we intend to seize on behalf of shareholders.

Working with Pantheon, we are revising our capital allocation policy, which in the past has not taken sufficient account of the returns to be generated by reinvesting in PIP's portfolio when the discount is high. By using buybacks, we are effectively committing capital to a portfolio that we know well and in whose asset value we have faith. At high discount levels, most obviously the current 40% for example, the resulting improvement to NAV per share is significant and immediate. In addition, in order to take advantage of the opportunities, especially those created by the current market dislocation, and for broader portfolio composition considerations, we will continue to make other investments alongside buybacks.

The Board has therefore decided upon three key initiatives:

Firstly, given the material discount at which the Company's shares are currently trading (42% at the time of writing), PIP intends to commit up to £200m during the current financial year to invest in its portfolio by acquiring its own shares in order to capture this value for shareholders.

Secondly, the Board intends to implement an extension to its capital allocation policy with effect from the next financial year. This policy will dedicate a proportion of the Company's net portfolio cash flow to share buybacks. The exact proportion will be determined by reference to the prevailing discount to NAV at which the Company's shares trade and will be reviewed periodically.

In this way, the wider the discount at which the Company's shares trade at any time, the more attractive the reinvestment opportunity will be and thus the greater the proportion of net realised cash flow channelled to share buybacks whilst also reinvesting to participate in the best private equity opportunities. Further details of the policy will be announced in due course.

In determining the level of £200m to be committed to repurchasing PIP shares, which represents approximately 15% of PIP's current market capitalisation, your Board has been very mindful, as you would expect, of the impact on our balance sheet, and in particular the likely headroom on our credit facilities at a time when portfolio distributions are at relatively low levels. We believe this to be a significant but nevertheless prudent amount for two reasons.

Firstly, at the end of June, PIP had £60m of net available cash and £500m of unused credit facilities. Secondly, since a majority of PIP's new investments are now made on a discretionary basis to individual co-investments and secondaries, it is possible to manage our cash position at relatively short notice by dialling those down if the outlook worsens, which would not be the case if the whole portfolio were committed to primary funds whose drawdowns are not within PIP's control.

The third initiative is to redouble our marketing efforts to broaden the investor base for PIP in order to increase demand for PIP's shares. In seeking to do so we are mindful of the fact that when investment trusts were created in the late 1880s, their objective was to democratise investing through allowing smaller investors to diminish risk by spreading their investment over a number of stocks. We view this as being an important part of PIP's raison d'être today.

The best PE funds are "invitation-only", and attractive co-investment and secondary opportunities are obtained through close relationships with top quality PE managers. Also, PE managers invariably require a high minimum level of investment in their funds. So it is not possible for many investors to access these types of investments directly, nor to build up an appropriate degree of diversification to spread the risk. PIP offers immediate access to a global, well diversified, high-quality portfolio of private companies for all types of investors, and is therefore an ideal vehicle through which both institutions and individual investors can achieve an appropriate allocation to private equity. Furthermore, since access is enabled through the purchase of shares traded on the stock market, liquidity is provided in an otherwise illiquid asset class.

PIP is overseen by a talented and committed Board of which I have been a member since 2016 and have chaired since October 2022. The Board does not include anyone from our manager, Pantheon, and acts in a fully independent capacity, taking its responsibilities to shareholders as the prime reason for its existence, while at the same time working in a highly collegiate and goals-focused manner with Pantheon. Four of the seven Directors have deep experience of PE, and other expertise on the Board includes marketing, PR, audit, investment trusts and government relations.

I indicated in my last letter to shareholders that the Board had started a search for two new Non-Executive Directors (NED) and I am delighted to report that we have concluded that process. Zoe Clements was appointed as NED on 5 July 2023 and Rahul Welde on 25 July 2023. Zoe trained as an accountant, has a background in a variety of finance, private equity and investment roles and experience of serving on boards across a range of industries. Rahul is a marketing and digital professional who spent over 30 years in senior, international roles at Unilever and is on the board of a FTSE 100 company. The appointment of Zoe and Rahul to the Board is an enhancement to the complementary mix of expertise and experience of PIP's Directors, and strengthens our finance, marketing and audit skills as well as providing additional operational and strategic knowhow. I know that they will both make an important contribution to PIP.

The governance of PIP is the Board's key responsibility but of course its success also depends on the people managing PIP's portfolio. At the end of June 2023, Jie Gong, who has been an investment partner at Pantheon for nearly ten years, became a co-lead manager of the Company to work alongside Helen Steers. This represents a broadening of the senior resources dedicated to PIP as Jie brings her transactional background, co-investment expertise, credit market knowledge, ESG understanding and a global perspective through experience in North America, UK & Europe, and Asia Pacific.

PIP benefits greatly from an experienced team looking after it on a day-to-day basis as well as from Pantheon's global platform, which includes 134 investment professionals around the world. The Pantheon team has decades of experience of investing highly selectively in PE funds and direct investments and has steered PIP successfully through multiple economic cycles. In my view, the collaborative culture of Pantheon, based on teamwork, is vital to harnessing the potential of PIP.

Both the Board's and the Manager's interests are closely aligned with PIP's shareholders, as the Board Directors collectively own 3.3m shares in the Company, valued at the time of writing at £8.7m, while 20 Partners of Pantheon collectively held a further 2.7m shares as at 1 July 2023, which were valued at £7.1m at the time of writing.

The expansion of senior resources dedicated to PIP also applies to the advisors and suppliers with whom we work closely. As PIP's NAV and its profile have increased, our stable of partner relationships has evolved over time to underpin this growth. J.P. Morgan Cazenove has been appointed as Joint Corporate Broker to work alongside Investec Bank plc whose team has already been supporting PIP for many years.

Outlook

We are in a challenging period for the world economy and equity markets, with geopolitical shifts and uncertainties, weakened global leadership, the war between Russia and Ukraine, inflation and the rise in interest rates. As a result, market sentiment is nervous and tending towards risk-off rather than the reverse.

Past experience of the PE industry has shown that challenging economic times tend to coincide with the years when the capital invested goes on to show the strongest performance. A general climate of caution means that competition for investments tends to be lower for those, like ourselves, with stronger portfolios and the capacity to invest. Investment multiples typically reset to lower entry levels, future projections of performance are less bullish, debt multiples are lowerand return expectations either rise or remain the same. In this environment, there is more upside than downside in projected investment returns, which is the opposite of what prevails when economic and market conditions are strong. These conditions are also favourable for our top-tier managers, who have superior track records, typically fewer problem investments and are able to raise funds when the climate for doing so is challenging and are then able to deploy those funds at attractive entry valuations. Historically, private equity has shown that it is able to produce market-beating returns and this is reflected in PIP's own NAV which has continued to significantly outperform the MSCI World and FTSE All-Share indices over the long term. The Company's NAV held up well during the financial year, growing modestly by 2.4%.

Your Board and I appreciate the shareholder support that we have received during the last year and the time that many of you have taken to meet us and express your views. We believe that PIP is well positioned at this point in the economic cycle and has all the necessary components to offer an attractive investment proposition to existing and new investors alike. We hope that shareholders will welcome and support the initiatives which the Board is now taking to seize the investment opportunity before us.

PIP's Strategic Report, sections of which are set out below has been approved by the Board and should be read in its entirety by shareholders.

JOHN SINGER CBE
Chair
2 August 2023

Issues Raised at Meetings with Shareholders:

I will now move on to address some specific issues that have come up in our conversations in more detail.

Why do we have confidence in the value of PIP's portfolio in today's markets?

As I mentioned, the discounts indicate that the market does not believe in the stated net asset values of listed PE vehicles, particularly when market sentiment is generally unfavourable. Since PE valuations are based on the latest figures provided by our managers, which can be a month or two in arrears, one of the stated reasons is that, when markets decline, the valuations are overstated and will come down over time. Another reflects a concern that PE managers are too optimistic and do not bring their valuations down in line with the prevailing outlook. In a risk-off environment there is also a tendency for the higher perceived risk of PE, owing perhaps to leverage and the greater fragility of small companies, to lead to a greater sell-off than in other asset categories. In addition, PE vehicles recently have all been affected indiscriminately by the sharp decline in quoted technology valuations that took place during 2022.

We understand these concerns but believe that they are not justified in our case by the facts and past experience. Firstly, the evidence shows that when our PE managers sell an investment, the average uplift over their latest prior valuation is substantial. Last year, this uplift was 27%, indicating that our valuations relative to market are conservative rather than overstated. Since 2012 our average uplift has been 31%. Secondly, good managers have no incentive to overvalue their investments, partly since their remuneration is not linked to those valuations, but also because they would rather surprise their investors on the upside than the downside. Thirdly, we believe that the risk of PIP's highly diversified portfolio, supported by highly experienced managers, is no greater than that of a diversified portfolio of public equities. Fourthly, through its close relationship with most of its managers built up over the years, supported by its presence on 585 advisory boards worldwide, Pantheon regularly probes the underlying valuation methodologies that they use. Finally, in the case of PIP, our exposure to venture capital investments of the kind that experienced a sharp pullback last year is only about 3% of the portfolio. Further details of the valuation methodologies used are set out below in this report.

Your Board therefore believes that now, as before, PIP's net asset value tends to be conservative rather than the reverse, even when the prevailing outlook has turned negative.

Why does your Board feel that the risk of PIP's diversified portfolio is no greater than that of an average portfolio of listed equities?

The PE model has a number of advantages over that of a publicly listed company. The PE fund managers with whom Pantheon works are led by experienced investment executives who are sector specialists and know the markets and the environment in which their companies operate extremely well. They are then complemented by a team of operating executives, all of whom have had proven experience of improving the performance of companies. Members of this operating team work with the management of their portfolio companies to improve operations in the areas where they are deemed to be weak. In the majority of their investments, particularly in buyouts which comprise over 70% of PIP's portfolio, the PE fund as shareholder owns a majority share of its portfolio companies and is therefore able to exert a considerable degree of influence, including the ability to change the CEO or other senior managers. PE fund executives know their portfolio companies well and, through close collaboration with their management teams, decisions can be taken quickly and problems addressed at short notice. Portfolio companies also have immediate access to capital, should this be required to take advantage of acquisition opportunities or support the business through times of unexpected difficulty.

Compared to publicly listed companies therefore, these factors mean that PE-backed companies typically have quicker decision-making capabilities, more resources to make acquisitions or access other cash needs at short notice, shareholders who understand their businesses and markets in detail, immediate access to resources to effect operating improvements, managers who are highly incentivised to grow their businesses, and the ability to be much more nimble.

Another important factor is the composition of PIP's portfolio and the likely resilience of its underlying companies in the face of a downturn. As mentioned, over 70% of PIP's portfolio is in buyout investments of well-established companies, many of which are mid-market businesses with attractive growth and margin profiles. Of the remainder, the vast majority is in smaller growth companies, mostly with strong market positions and defensive characteristics in attractive industry sectors. Only a small proportion are in loss-making businesses or in early-stage tech businesses, which can be highly volatile in both performance and valuation. Furthermore, PIP's portfolio businesses have been selected for investment by experienced sector-based investors in attractive market areas with long-term thematic growth drivers. The degree of leverage in most of PIP's portfolio companies is relatively modest and lower than that typically prevalent at the top end of the market, which is the source of much of the negative market commentary about leverage.

As shown below in this report, the average revenue and EBITDA growth of a large sample of PIP's buyout portfolio companies is significantly higher than that of a portfolio of listed companies. Since growth over time is the principal driver of investment value and a source of value resilience in difficult times, this also suggests that PIP's portfolio valuation is likely to be more resilient than a comparable public portfolio.

How is the rising interest rate environment affecting our portfolio companies and our management of PIP's balance sheet?

Since interest rates have risen sharply over the last year, shareholders are naturally concerned about the impact that this is having on PIP's portfolio companies as well as on the management of PIP's balance sheet.

We consider the impact on portfolio companies to be at two levels: firstly, the impact of rising interest rates on the cost of their debt, and secondly the fact that as interest rates rise, earnings multiples and therefore the valuations of businesses tend to decline.

The managers that PIP backs and the single-asset secondaries and co-investments in which PIP invests directly are focused primarily on growing businesses that are cash-generative and where the value creation comes from growth, operating improvements and acquisitions rather than leverage. The average debt multiple for our small-to-mid buyout investments, which constitute almost half the portfolio, was 4.2x compared to the industry average of 5.9x, while the growth and venture investments have very little or no leverage.

Furthermore, where companies do have leverage, a significant proportion of their debt is either at fixed rates or protected by interest rate swaps. So far we have seen little stress from the rise in interest rates in either our direct holdings or our fund investments, based on feedback from our managers.

In terms of valuations, while the multiples used by our managers have contracted when appropriate in line with market comparables, the underlying growth in much of the portfolio has compensated for that, which is why PIP's NAV has remained relatively static in spite of the decline in multiples since the beginning of 2022. This is why we are confident in the valuations provided to us by our managers and the NAV of PIP.

Turning to PIP's balance sheet, we monitor the outlook carefully, run stress test sets of projections and take a prudent view at all times. This has become particularly important recently, as we have seen the distribution rates decline to levels similar to those experienced in 2008 and 2009.

Over the last financial year the annualised distribution rate from the portfolio declined to 10% of NAV, resulting in distributions of £222.5m, while calls, which were also below average at 21% of commitments, led to a cash outflow of £154.8m. In these less favourable conditions, the portfolio nevertheless generated a net cash inflow of £67.6m, leaving £63m of available cash on the balance sheet at the year end. The cash position and our £500m of unused credit facilities has led us to feel comfortable about our decision to commit up to £200m to invest in our own portfolio by buying back PIP shares (subject to discount levels), even if the environment worsens to that which combines continuing low distribution levels with a step-up in calls.

How does the consideration of environmental, social and governance (ESG) factors go hand in hand with generating good financial returns?

How companies conduct their business and the impact that they have on the environment and the communities in which they operate is in the spotlight like never before, with investors now looking beyond simply making a financial return from the companies that they back.

Pantheon has incorporated ESG assessments into its investment process for many years and continues to develop its monitoring and due diligence capabilities in this area, not only in its direct secondary and co-investments but also through its managers. PE managers themselves are also increasingly aware of the importance investors attach to ESG, and the standard of assessment continues to rise. Pantheon has developed a scorecard approach to its assessments which it shares with its managers and uses as a tool for improvement.

Through these assessments, Pantheon has been able to see if and when implementing good ESG practices works against achieving good financial returns and is encouraged by the fact that this is rarely the case. Furthermore, a number of portfolio investments have been made based on the growth opportunities afforded by sustainability and impact. PIP's move to a majority of single-asset investments has made our measurement of ESG KPIs much easier, as we are now even closer to the companies in our portfolio.

Overall the Board is encouraged by the enhancements that Pantheon has made to its ESG approach and intends to strengthen the reporting it receives by nominating one of the Directors to spearhead our oversight in this area, which our Senior Independent Director has been doing on an interim basis.

John Singer CBE

Chairman

2 August 2023

KEY PERFORMANCE INDICATORS

	What this is	How PIP has performed		Link to our strategic objectives	Examples of related factors that we monitor
Performance					
Five-Year cumulative total shareholder return 35.0%	Total shareholder return constitutes the return to investors, after taking into account share price movements (capital growth) and, if applicable, any dividends paid during the period. The Board's strategy is to deliver returns for shareholders through the growth in NAV and not through the payment of dividends.	31 May 2021 109.2% 31 May 2022 64.8% 31 May 2023 35.0%	• PIP's ordinary shares had a closing price of 272.0p at the year end (31 May 2022: 295.5p). This was an 8% decline compared to the prior year. • Disappointingly, along with the listed private equity sector, the share price discount to NAV has widened. The discount on PIP's shares was 41% as at the year end (31 May 2022: 35%). The median discount for listed private equity peers[1] as at the same date was 39% (May 2022: 34%).	• Maximise shareholder returns through long-term capital growth. • Promote better market liquidity and narrow the discount by building demand for the Company's shares.	• Rate of NAV growth relative to listed markets. • Trading volumes for the Company's shares. • Share price discount to NAV
NAV per share growth during the year 2.4%[2]	NAV per share reflects the attributable value of a shareholder's holding in PIP. The provision of consistent long-term NAV per share growth is central to our strategy. NAV per share growth in any period is shown net of foreign exchange movements and all costs associated with running the Company. The NAV is robustly calculated and the balance sheet is audited by PIP's auditors.	12M to 31 May 2021 19.6% 12M to 31 May 2022 31.0% 12M to 31 May 2023 2.4%	• NAV per share increased by 10.8p during the year to 462.4p (31 May 2022: 451.6p). This was an increase of 2.4% compared to the prior year. •PIP's NAV per share underperformed the MSCI World by 1.9% over the financial year.	• Investing in high performing private companies alongside and through top tier private equity managers globally, to maximise long-term capital growth. • Containing costs and risks by constructing a well-diversified portfolio in a cost-efficient manner.	• Valuations provided by the underlying private equity managers. • Fluctuations in currency exchange rates. • Tax efficiency of investments. • Effect of financing (cash drag) on performance. • Ongoing charges relative to NAV growth and listed private equity peer group.
Portfolio investment return	Portfolio investment return measures the total movement in the valuation of	12M to 31 May 2021 36.0%	• Modest increase in underlying portfolio valuation against a backdrop of market volatility.	• Maximise shareholder returns through long-term capital growth.	• Performance relative to listed markets and listed private equity peer group.

3.5%[2]	the underlying companies and funds comprising PIP's portfolio, expressed as a percentage of the opening portfolio value, before taking foreign exchange effects and other expenses into account.	12M to 31 May 2022 26.2% 12M to 31 May 2023 3.5%	• PIP's portfolio is actively managed and focuses on resilient, high-growth sectors.		• Valuations provided by the underlying private equity managers.
Liquidity					
Net portfolio cash flow £68m[2]	Net portfolio cash flow is equal to fund distributions less capital calls to finance investments, and reflects the Company's capacity to finance calls from existing investment commitments. PIP manages its maturity profile through a mix of primaries, secondaries and co-investments to ensure that its portfolio remains cash-generative at the same time as maximising the potential for growth.	12M to 31 May 2021 £199m 12M to 31 May 2022 £232m 12M to 31 May 2023 £68m	• PIP's portfolio generated £223m (31 May 2022: £419m) of distributions versus £155m of calls (31 May 2022: £187m). • In addition, the Company made new commitments of £441m (31 May 2022: £496m) during the year, £190m of which was drawn at the time of purchase (31 May 2022: £160m). • At 31 May 2023, PIP's portfolio had a weighted average age of 4.8 years[3] (31 May 2022: 4.9 years).	• Maximise long-term capital growth through ongoing portfolio renewal while controlling financing risk.	• Relationship between outstanding commitments and NAV. • Portfolio maturity and distribution rates by vintage. • Commitment rate to new investment opportunities.
Undrawn coverage ratio[4] 98%	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.	31 May 2021 135% 31 May 2022 108% 31 May 2023 98%	• The current level of commitments is consistent with PIP's conservative approach to balance sheet management. • In line with historical experience, the Company expects undrawn commitments to be funded over a period of several years.	• Flexibility in portfolio construction, allowing the Company to select a mix of manager-led secondaries, co-investments and primary, and vary investment pace, to achieve long-term capital growth.	• Relative weighting of primary, secondary and co-investments in the portfolio. • Level of undrawn commitments relative to gross assets. • Trend in distribution rates. • Ability to access debt markets on favourable terms.

[1] Peer group comprised: APEO, CTPE, HVPE, ICGT.

[2] Excludes valuation gains and/or cash flows associated with the ALN.

[3] Excludes the portion of the reference portfolio attributable to the ALN.

[4] Outstanding commitments relating to funds outside their investment period (>13 years old) were excluded from the calculation as there is a low likelihood of these being drawn.

OUR STRATEGY

Our investment strategy is to build a resilient portfolio that can deliver long-term outperformance.

The Board regularly reviews PIP's overall investment strategy and it has formed part of Board discussions throughout the year.

Through the ongoing dialogue between the Board and the Manager, Pantheon, the Manager reports to the Board on progress and highlights any obstacles or changes in market conditions which may affect the Company's ability to achieve its strategic goals. In cases where this may occur, the Manager will propose solutions for which it will seek the support of the Board. Equally, the Board maintains the flexibility to propose amendments to the strategy as it deems necessary.

In addition, the Board reviews individual investments that exceed exposure limits, which are set at appropriate levels to reflect a diversified approach. At times, the Manager may make recommendations to the Board and seek approval for certain investments that fall outside of any limits expressed in the agreed strategic approach, but which Pantheon believes to be a good investment opportunity for PIP. The Board maintains its independence at all times and robustly challenges such recommendations to ensure that they are in the best interests of shareholders. The Manager also reports to the Board on PIP's marketing and investor relations activities, considering new initiatives that could help to increase PIP's profile, and to reach potential new shareholders in the Company.

Culture and Purpose

It is a requirement for all companies to set out their culture and purpose. The Company's defined purpose is relatively simple: it is to deliver our investment strategy led by a Board that promotes strong governance and a long-term investment approach that actively considers the interests of all stakeholders.

The Directors agree that establishing and maintaining a healthy corporate culture within the Board and in its interaction with the Manager, shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness and integrity through ongoing dialogue and engagement with its service providers, principally the Manager.

Investment type: Focus on maturity profile and potential to boost performance

Primaries, manager-led secondaries and co-investments all have attractive characteristics, as highlighted in the Business Model above. PIP's transparent and direct investment approach gives it the flexibility to take advantage of prevailing market conditions and to maximise control over the Company's financing risk, including its ability to generate positive cash flows.

As the weighting towards co-investments has been increased over time, the three different investment types have intentionally taken on more equal weightings. These weightings do not represent hard caps; however, the Board and the Manager believe that this is the optimal mix to benefit from the cash generated by the more mature assets in PIP's portfolio while rejuvenating the portfolio with the younger vintages offered by primaries and co-investments. In addition, we have been steering PIP's secondary investment strategy towards manager-led secondaries which form a fast-growing part of the secondary market and are attractive for several reasons as highlighted below. These investments also provide younger vintages to the portfolio.

With an increased weighting towards co-investments and manager-led secondaries, we expect the number of underlying managers and portfolio companies to which the Company is exposed to continue to reduce over time. As a result, the potential for the Company's overall NAV to be driven by the performance of individual assets should be increased while maintaining the benefits of a portfolio that is well diversified by type, stage, geography and sector.

The Board believes that there are several benefits to this investment approach: risk is effectively managed through diversification while the improved transparency of PIP's underlying portfolio and increased investment flexibility, should create a clearer link between the strongest performing companies in the portfolio and the potential to boost NAV growth in the future. Also, Pantheon can remain highly selective and disciplined when assessing deal flow, while at the same time reducing the risk of PIP being excluded from exciting opportunities due to investment constraints.

Investment type[1]

Primaries	34%
Co-investments	33%
Manager-led secondaries	19%
Fund Secondaries	14%

[1] Fund investment type is based upon underlying fund valuations and account for 100% of PIP's overall portfolio value. The charts exclude the portion of the reference portfolio attributable to the Asset Linked Note.

Investment stage: Focus on mid-market and growth

PIP's portfolio is diversified by stage. While the Company's strategy is to maintain a healthy mix of all stages, Pantheon and PIP favour the buyout segments, with a particular focus on the small and mid-market. The small/ mid-market offers distinct characteristics, when compared with large deals, such as:

- More attractively priced assets which tend to have lower levels of leverage than the broader market average;
- Greater visibility of the value drivers and the levers to pull to improve operational efficiency to better drive growth, both organically and through buy-and-build strategies; and
- More routes to exit including strategic acquisitions, sales to other private equity managers or initial public offerings ("IPOs"). In PIP's case, it should be noted that the majority of exits have consistently been to strategic buyers and other private equity managers, with IPOs accounting for just 3% of exits during the year to 31 May 2023.

Venture accounts for a very small proportion of PIP's portfolio and any investment activity by PIP in early stage venture funds is focused on investing with top-tier venture managers, mainly through primary fund investments, who are able to identify innovative opportunities with the potential to generate significant outperformance.

While special situations include assets with unique characteristics which can offer potential for outperformance, it is the Board's intention that special situations
investments will only be a small minority of the overall portfolio.

Stage[1]

Small/mid buyout	45%
Large/mega buyout	26%
Growth	20%
Special situations[2]	6%
Venture	3%

[1] Stage chart is based upon underlying fund valuations and accounts for 100% of PIP's overall portfolio value. The chart excludes the portion of the reference portfolio attributable to the Asset Linked Note.

[2] Special situations investments can include distressed debt, mezzanine, energy/utilities and turnarounds.

Sector and geographic exposure: Global with a focus on high-growth and niche areas

The Board is committed to offering investors a global portfolio with investments in North America, Europe, Asia and Emerging Markets. It takes an active approach towards the weightings of those geographies in response to market conditions but supports the majority of the Company's capital being invested in the USA and Europe where the private equity markets are well established.

The Board relies on Pantheon's investment teams located around the world that can take advantage of proprietary information flows and access to opportunities through their extensive networks of relationships.

It is Pantheon's objective to identify managers globally that are able to take a thematic approach and focus on high-growth sectors, many of which may not be fully represented by the public markets. In addition, Pantheon has a deliberate strategy of targeting sectors experiencing dislocation, as well as niches where underlying growth is less correlated to GDP growth. Recent examples of this have been within the Information Technology and Healthcare sectors. For more information on the sectors in which PIP is invested, see below.

The Board believes that its oversight of the Manager's activities, while at the same time allowing Pantheon the flexibility that it needs to make the appropriate investment decisions on the Company's behalf, ensures that PIP is able to deliver on its strategic objectives for shareholders over the long term.

Company sectors[1]

Information Technology	33%
Healthcare	19%
Consumer	14%
Financials	11%
Industrials	10%
Communication services	7%
Energy	3%
Materials	2%
Others	1%

Region[2]

USA	54%
Europe	28%
Asia and EM[3]	10%
Global	8%

[1] The company sector table is based upon underlying company valuations as at 31 March 2023, adjusted for calls and distributions to 31 May 2023. These account for 100% of PIP's overall portfolio value.

[2] Region is based upon underlying fund valuations and accounts for 100% of PIP's overall portfolio value. The chart excludes the portion of the reference portfolio attributable to the Asset Linked Note.

[3] EM is Emerging Markets.

OUR BUSINESS MODEL

We aim to deliver consistent returns over the long term.

Our investment process

1. Investment opportunities in companies and complementary funds are originated via Pantheon's extensive and well-established platform.
2. We invest in many of the best private equity managers who are able to identify and create value in their portfolio companies.

3. Cash generated from the sale of those companies is returned to PIP and redeployed into new investment opportunities.

What we do

PIP invests directly in private companies worldwide through co-investments alongside selected private equity managers and through manager-led opportunities , as well as in complementary private equity funds.

- An investment in PIP offers shareholders exposure to a growing private market of over US$5.2tn[1] globally where the best private equity managers might otherwise be inaccessible to shareholders.

We aim to deliver attractive and consistent returns to shareholders over the long term, and at relatively low risk. The Board remains committed to its policy of maximising capital growth and therefore, as in previous years, is not proposing the payment of a dividend.

Why we do it

Through Pantheon, we have an opportunity to invest with and alongside many of the best private equity managers globally based on the trust and experience built up over the 40 years that Pantheon has been making investments.

- It is our aim to bring the attractive credentials of private equity and its track record of outperforming public markets to a wider set of investors.

It is our mission to generate sustainably high investment returns through an actively managed, institutional grade portfolio of private companies and funds built by investing with the best managers globally.

How we do it

PIP's Manager, Pantheon, has a well-established platform built on three strategic pillars of investment: primary, secondary and co-investments, with each offering their own merits.

We believe that by combining the three ways of accessing private equity investments, we are able to:
- Build and maintain a well-balanced portfolio in a combination that we monitor and manage with the aim of maximising capital growth;
- Manage the maturity profile of our assets so that our portfolio remains naturally cash-generative on a sustainable basis; and
- Ensure that the vehicle remains as cost-effective as possible for our shareholders by reducing any potential drag on returns.

[1] Source: Preqin As at 31 December 2022.

We have full control over portfolio construction

PIP has the opportunity to participate in all of the private equity investments sourced for it by Pantheon.

This means that:
- We have control of investment strategy, overseen by the fully independent Board
- We have the flexibility to tilt the portfolio towards where we see the best fit for our long-term objectives.
- We can accept or decline deals without being "tied in" to other Pantheon fund strategies.
- We can control PIP's investment pacing according to its financial resources at the time.
- We have the flexibility to vary the size of its commitments as appropriate and in line with any adjustments to its investment strategy.
- We avoid the additional costs that can occur when investing via intermediate vehicles.

Our investment strategies:

Direct company investments: 52% of PIP's portfolio*
Funds: 48% of PIP's portfolio*

* As at 31 May 2023

Co-investments

We invest in a company directly, alongside a private equity manager.

- Direct investment in individual companies, which have attractive growth characteristics and have effectively passed through a "double quality filter", alongside PIP's leading private equity managers.
- This boosts the performance potential because of asset selection, and there are typically very low or no fees, making it a cost-effective way of capitalising on the high value added by PIP's selected managers.
- Co-investments are through invitation only and are therefore not accessible to most investors.

For more information on the commitments that PIP has made during the year, see the full Annual Report.

Manager - led Secondaries

We invest in a company directly, alongside a private equity manager, that the manager has already owned for a period of time and therefore knows well.

- We partner with high-quality private equity managers to acquire, as single transactions, their most attractive portfolio companies via a continuation fund.
- Allows the private equity manager to hold onto a prized asset, which they believe has potential for further growth, when the fund in which it is held comes to the end of its life.

Primaries

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

- Captures exposure to top-tier, well-recognised managers as well as to smaller niche funds that are generally hard to access.
- Targets leading managers predominantly in the USA and Europe, with a focus on funds which are unlikely to become available in the secondary market.

Fund Secondaries

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

- Targets favoured companies and funds at a stage when the underlying assets' performance is visible and the funds are realising investments, returning cash to PIP more quickly.
- One of the advantages of investing in secondaries is that earlier fees will have been borne by the seller so total expenses are lower.

What sets us apart

Proven track record and focus on risk management
For over 36 years, PIP has been able to adapt quickly and effectively to changing market conditions. This flexible and proactive approach means that PIP is well placed to continue to deliver on its long-term strategic objectives. PIP's NAV has outperformed its public market benchmark indices over multiple periods and since the Company's inception in 1987.

We pay close attention to the management of risk. PIP provides a carefully constructed and appropriately diversified portfolio for investors with a particular emphasis on well-established companies in the buyout stage. This is supported by a prudently managed balance sheet which has the strength to continue to
meet its outstanding commitments, even in more difficult economic times. See below for more information on the balance sheet.

A global portfolio
Just over half of PIP's portfolio is invested in the USA, which is the deepest, most developed private equity market in the world and is often inaccessible to many investors in other regions. The next largest proportion of the portfolio is invested in the developed economies of Europe, with an emphasis on Northern Europe, while the remaining exposure is to faster-growing economies such as Asia.

The presence of Pantheon's teams in its 11 offices around the world means that they are on the ground locally, working with their extensive networks of relationships with private equity managers and taking advantage of proprietary information flows and access to opportunities. These relationships enable Pantheon to source and respond quickly to the best deal flow in those regions. In addition, through its participation on over 585[1] advisory boards globally, Pantheon actively engages with its private equity managers on portfolio monitoring issues on a continuous basis.

Culture & Diversity
Pantheon has a strong culture of openness and inclusive teamwork, and encourages the exchange of ideas. PIP is supported by 455 people around the world including a large team of 134 investment professionals[2]. PIP also benefits from a dedicated and experienced team that looks after it on a day-to-day basis. See below for more information. In keeping with its collaborative culture, Pantheon avoids investments in private equity managers with "star" individuals which would give rise to a higher degree of key person risk.

From day one, Pantheon has understood that a diverse workforce creates a more productive environment. Each year, Pantheon publishes statistics documenting its global staff breakdowns according to gender identity, ethnic diversity, LGBTQ+ and disability profiles. The firm has consistently exceeded industry averages for gender diversity. Pantheon also supports a number of inclusion and diversity initiatives and organisations around the world.

[1] As at 31 March 2023.

[2] As at 30 June 2023.

For more information on PIP's strategic objectives, see below.

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 individuinvestment 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 (including commitments to or in respect of) in 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 NAV. 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.

FINANCING OUR UNDRAWN COMMITMENTS

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

We manage PIP to ensure that it has enough liquidity to finance its undrawn commitments, which represent capital committed to funds but yet to be drawn by the private equity managers, as well as to take advantage of new investment opportunities. 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, manager-led secondaries and co-investments.

Managing our financing cover
PIP's undrawn commitments were £857m as at 31 May 2023 (31 May 2022: £755m). Of the £857m undrawn commitments as at the period end, £48m relate to funds that are more than 13 years old and therefore outside their investment periods. Generally, when a fund is past its investment period, it cannot make any new investments and only draws capital to fund follow-on investments or to pay expenses. As a result, the rate of capital calls by these funds tends to slow dramatically.

As at 31 May 2023, PIP had net available cash[2] balances of £63m (31 May 2022: £227m). In addition to these cash balances, PIP also has access to a wholly undrawn £500m multi-currency revolving credit facility agreement ("loan facility") that expires in July 2027. Using exchange rates at 31 May 2023, the loan facility amounted to a sterling equivalent of £491m.

Therefore, the Company had £554m of available financing as at the period end (31 May 2022: £528m) which, along with the value of the private equity portfolio, provides comfortable cover of 3.7 times (31 May 2022: 4.0 times) relative to undrawn commitments for funds within their investment periods.

Another important measure is the undrawn coverage ratio, which is the ratio of available financing and 10% of private equity assets to undrawn commitments. The undrawn coverage ratio is a key indicator of the Company's ability to meet outstanding commitments, even in the event of a market downturn, and was 98% as at 31 May 2023 (31 May 2022: 108%)[2].

Undrawn commitments by vintage[1]

2023	15%

2022	35%
2021	17%
2020	4%
2019	6%
2018	4%
2017	2%
2014-2016	7%
2010-2013	3%
2009 and earlier	7%

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

[2] Excludes outstanding commitments relating to funds outside their investment period (>13 years old), amounting to £48.2m as at 31 May 2023 and £57.1m as at 31 May 2022.

RISK MANAGEMENT AND PRINCIPAL RISKS

The Company is exposed to a variety of risks and uncertainties. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing PIP, together with a review of any new and emerging risks that may have arisen during the year to 31 May 2023, including those that would threaten its business model, future performance, solvency or liquidity. A summary of the risk management and internal control processebe found in the Statement on Corporate Governance in the full Annual Report.

Investment and strategy risk

Type and Description of Risk	Potential Impact	Risk Mitigation	Outcome for the Year
Investment performance The Manager selects the investments for the Company's Portfolio. The origination, investment selection and management capabilities of both the Manager and the third-party managers are key to the performance of the Company.	• Performance not comparable to benchmark/ industry average. Consistently poor performance may lead to a fall in the quoted share price and impact share price discount to NAV.	• The Manager has a long track record of investing alongside private equity managers with experience of navigating economic cycles. Diversification by geography, stage, vintage and sector, helps to mitigate the effect of public market movements on the Company's performance.	**Stable during the year** • PIP continues to adopt a diversified approach to portfolio construction. • In historical periods of significant public market volatility, private equity market valuations have typically been less affected than public equity market valuations. • Portfolio investment return of 3.5% in the year to 31 May 2023.
Market factors Inflation, Interest rates and equity marked performance can affect portfolio investment returns.	• Impact of general economic conditions on underlying fund and company valuations, exit opportunities and the availability of credit. • Higher risk of market volatility, price shocks or a significant market correction.	• As part of its investment due diligence process, Pantheon assesses the approach of its managers to company illiquidity and macroeconomic factors as well as projected exit outcomes.	**Rising during the year** • Resilient performance of the portfolio despite a challenging macro environment.
Valuations In valuing its investments in private equity funds and unquoted companies and publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by third party managers.	• Potential for inconsistency in the valuation methods adopted third party managers and for valuations to be misstated.	• The valuation of investments is based on periodically audited valuations that are provided by the underlying private equity managers. • Pantheon carries out a formal valuation process involving monthly reviews of valuations, the verification of audit reports and a review of any potential adjustments required to ensure reasonable valuations in accordance to fair market value principles under Generally Accepted Accounting Principles (GAAP). •Pantheon's Valuation Committee, which is independent of the investment and investor relations teams, and comprised of senior team members, has ultimate responsibility for approving valuations, ensuring that there	**Stable during the year** • No material misstatement concerning the valuations provided by underlying private equity managers and the existence of investments during the year.

		are robust governance, oversight and process frameworks in place, guaranteeing compliance with standards and consistent application of policy.	
Level of Discount A decline in the popularity of the private equity sector has contributed to a reduction in demand for the Company's shares.	• Market sentiment on the listed private equity sector can affect the Company's share price and widen discounts relative to NAV, causing shareholder dissatisfaction.	• Regular review of the level of discount or premium relative to the sector. • Consideration of ways in which share price performance may be enhanced including the effectiveness of marketing and policies such as share buybacks. •The Board regularly discusses the shareholder register with the Manager so as to monitor buyers/sellers activity and to identify potential new investors. • The Manager and the Company's broker are in regular contact with existing shareholders and prospective new investors.	**Rising during the year** • Private equity continues to outperform public markets over the long term and has proved to be an attractive asset class through various cycles. • However, in line with the sector the Company's share price discount to NAV has widened during the year •PIP is committing up to £200m to share buybacks during the financial year to 31 May 2024. The Board intends to dedicate a proportion of the Company's net portfolio cash flow to future share buybacks.
Vehicle financing Availability, level and cost of credit for the Company.	• Potential impact on performance and liquidity, especially in the event of a market downturn.	• PIP's Articles of Association and investment policy impose limits on the amount of gearing that the Company can take on. • The periodic review of principal covenants of the loan facility ensures that the Company complies with loan to value and liquidity ratios. • The Board conducts regular reviews of the balance sheet and long-term cash flow projections, including downside scenarios that reflect the potential effects of significant declines in NAV performance, adverse changes in call/distribution rates and restrained liquidity sourcing in a distressed environment.	**Stable during the year** • Cash flow forecasts under normal and stress conditions were reviewed with the Board. Downside scenario modelling indicates that the Company has the available financing in place to meet investment commitments, even in an environment characterised by large NAV declines and a material reduction in distribution activity. • There was no gearing at the Company level as at the end of the financial year.
Lookthrough gearing Availability, level and cost of debt for underlying funds and portfolio companies.	•Rising interest rates can impact the profitability and valuation of underlying portfolio companies. •A deterioration in credit availability can potentially reduce investment activity.	•As part of its investment process, the Manager undertakes a detailed assessment of the impact of debt at the underlying fund level and underlying company level on the risk-return profile of a specific investment.	**Rising during the year** •Whilst debt multiples in PIP's buyout portfolio remain at reasonable levels as at year end, the collapse of SVB, created a shock to the credit markets, reducing the availability of credit and increasing the cost of debt.
Liquidity management Insufficient liquid resources to meet outstanding commitments to private equity funds.	• The Company has outstanding commitments that may be drawn down at any time in excess of total liquidity to private equity funds. The ability to fund this difference is dependent on receiving cash proceeds from investments (the timing of which are unpredictable) and the availability of financing facilities.	• PIP has a mature portfolio that is naturally cash generative. • In the event that cash balances and cash distributions are insufficient to cover capital calls, PIP has the ability to draw funds from a credit facility. • Pantheon manages the Company so that undrawn commitments remain at an acceptable level relative to its	**Stable during the year** • PIP has access to a £491m loan facility that expires in July 2027. Together with PIP's net available cash balances of £63m, total available financing as at 31 May 2023 stood at £554m. Total available financing, along with the private

		portfolio assets and available financing. • The Board conducts a comprehensive review of the Company's cash flow forecasts under different scenarios on a regular basis.	equity portfolio, was greater than outstanding commitments by a factor of 3.7 times.
Investment rate Lack of suitable investment opportunities to meet strategic objectives.	• Change in risk profile as a result of manager, fund or company exposures that are materially different from the Company's intended strategy.	• Pantheon has put in place a dedicated investment management process designed to achieve the intended investment strategy agreed with the Board. • The Board regularly reviews investment and financial reports to monitor the effectiveness of the Manager's investment processes.	**Stable during the year** • During the year, PIP has invested within strategic limits for vintage year, geography and stage allocations, as well as within concentration limits for individual managers, funds and companies.
Foreign exchange risk PIP has continued to expand its geographic diversity by making investments in different countries. Accordingly, a significant majority of PIP's investments are denominated in US dollars, euros and currencies other than sterling.	• Unhedged foreign exchange rate movements could impact NAV total returns.	• The Manager monitors underlying foreign currency exposure and together with the Board, reviews hedging strategies available to the Company. • As part of its investment process, the Manager takes currency denominations into account when assessing the risk/return profile of a specific investment. • The multi-currency credit facility is a natural hedge for currency fluctuations relating to outstanding commitments.	**Stable during the year** • There was no material change in the Company's exposure to foreign exchange currency risk in the year. • Foreign exchange had a negative impact on NAV performance during the year. Despite this, it remains appropriate for the Company not to hedge its foreign exchange exposure.

Operational risk

Type and Description of Risk	Potential Impact	Risk mitigation	Outcome for the Year
Tax Status Changes in the Company's tax status or in tax legislation and practice.	• Failure to understand tax risks when investing or divesting could lead to tax exposure or financial loss.	• Pantheon's investment process incorporates an assessment of tax. • The Manager reviews the appropriateness of an investment's legal structure to minimise the potential tax impact on the Company.	**Stable during the year** • Taxes had a minimal effect on overall NAV performance in the year.
Service Providers The Company is dependent on third parties for the provision of services and systems, especially those of the Manager, the Administrator and the Depositary.	• Business disruption should the services of Pantheon and other third-party suppliers cease to be available to the Company. • A failure of the Manager to retain or recruit appropriately qualified personnel may have a material adverse effect on the Company's overall performance.	• The Board keeps the services of the Manager and third-party suppliers under continuous review. • The Management Agreement is subject to a notice period of two years, giving the Board adequate time to make alternative arrangements in the event that the services of Pantheon cease to be available. • The Manager regularly updates the Board on team developments and succession planning. • The Board performs an ongoing review of the Investment Manager's performance in addition to a formal annual review.	**Stable during the year** • The Board has approved the continuing appointment of the Manager and other service providers following an assessment of their respective performance during the year. • Pantheon operates a hybrid working model and is confident of being able to continue to meet PIP's needs through this model.
Cyber Security High dependency on effective information technology systems to support key business functions and the safeguarding of sensitive information.	Significant disruption to information technology systems, including from a potential cyber attack, may result in financial losses, the inability to perform business-critical functions, loss or theft of confidential data, regulatory censure, legal	• Pantheon has a comprehensive set of policies, standards and procedures related to information technology and cybersecurity. • Ongoing investment and training to improve the reliability and resilience of Pantheon's information technology processes and systems.	**Rising during the year** • Pantheon's systems, processes and technologies have been thoroughly tested and are fully operational. •An imposter website was identified during the period, which used PIP's branding and marketing material in relation to a

	liability and reputational damage.		fictitious cryptocurrency investment. This was removed, but appeared under a new name. The Manager is pursuing the removal of this website and monitoring the occurrence of other similar websites. •Pantheon has identified an expert vendor who can provide the service of identifying new fraudulent sites and facilitate the subsequent take-down once discovered.
Global geopolitical risks Political and macro-economic factors including the Russia-Ukraine war and the resulting economic uncertainty may affect the Company.	• Market and currency volatility may affect returns. • Geopolitical undercurrents may disrupt long-term investment and capital allocation decision-making.	• Pantheon continuously monitors geopolitical developments and societal issues relevant to its business.	**Stable to rising during the year** • Pantheon's established Risk, Legal and Tax functions have ensured compliance with local laws and regulations. • An assessment of geopolitical risk is embedded in Pantheon's investment process. • PIP's exposure to high-risk countries is minimal. PIP's de minimis legacy exposure to Russian assets were reduced to zero during the financial year.
ESG and climate change The risk that the Company or the Manager fails to respond appropriately to the increasing global focus on Environmental, Social and Governance issues.	• The Company is exposed to the impact of a mismanagement or failure to recognise potential ESG issues at portfolio company level, industry level, service provider, and Board level, which could damage the reputation and standing of the Company and ultimately affect its investment performance.	• The Manager has a responsible approach when making investments on behalf of PIP. Adherence to sound ESG principles has been an integral part of Pantheon's pre- and post-investment processes for several years. Pantheon continues to play an influential role in promoting ESG standards and Diversity & Inclusion in private equity.	**Stable during the year** • Pantheon has an established in-house ESG committee comprising senior individuals from its investment, risk, legal and investor relations teams. • The Board of PIP has full oversight of ESG matters in PIP's portfolio.

RETAIL INVESTORS ADVISED BY INDEPENDENT FINANCIAL ADVISERS

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

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

VIABILITY STATEMENT

Pursuant to provision 31 of the UK Corporate Governance Code 2018, and the AIC Code of Corporate Governance, the Board has assessed the viability of the Company over a three-year period from 31 May 2023. It has chosen this period as it falls within the Board's strategic planning horizon.

The Company invests in a portfolio of private equity assets that is diversified by geography, sector, stage, manager and vintage; it does so via both fund investments and by co-investing directly into companies alongside selected private equity managers. The Company invests significantly in the private equity secondaries market as this allows the Company to maintain a more mature portfolio profile that is naturally cash-generative in any particular year.

The Company seeks to maximise long-term capital growth by investing with top-tier private equity managers that are focused on generating outperformance against the broader private equity market. As an investment trust, the Company's permanent capital structure is well suited to investing in private equity, a long-term asset class. The Company's Manager has a long-standing culture that emphasises collaboration and accountability, facilitating open dialogue with underlying private equity managers that help the Company to anticipate market conditions and maintain a conservative approach to balance sheet management. The resilience of the Company, positioning of the portfolio and durability of the private equity market are detailed in the full Annual Report and Accounts 2023.

In making this statement, the Directors have reviewed the reports of the Investment Manager in relation to the resilience of the Company, taking account of its current position, the principal risks facing it in a low case scenario which considers the potential further impact of the ongoing geopolitical uncertainties as a result of the Russia-Ukraine conflict including the disruption to the global supply chain and increases in the cost of living as result of this conflict, persistent inflation, interest rate rises and the impact of climate change on PIP's portfolio, the effectiveness of any mitigating actions and the Company's risk appetite. The assessment also considers the impact of an "automatic" share buyback programme, the amount of which will be determined by net portfolio inflows and the prevailing level of discount.

As part of the assessment this also included a combined reverse stress test that analyses the factors that would have to simultaneously occur for the Company to be forced into a wind-down scenario where the Company's business model would no longer remain viable. These circumstances include a significant peak in the outstanding commitments called within a 12-month period, combined with a significant decline in the portfolio valuations and distributions. Overall, the reverse stress tests are sufficiently improbable as to provide a low likely risk of impact to the Company's viability and medium-term resilience.

Commitments to new funds are controlled relative to the Company's assets, and the Company's available liquid financial resources are managed to maintain a reasonable expectation of being able to finance the calls, which arise from such commitments, out of internally generated cash flow. The Company also has the ability to control capital allocation to co-investments and direct investments as a way of bringing in any immediate measures to ensure that the Company can cope with the liquidity implications of a worsening environment. In addition, the Company has put in place a revolving credit facility to ensure that it is able to finance such calls in the event that distributions received from investments in the period are insufficient to finance calls. The Board reviews the Company's financing arrangements at least quarterly to ensure that the Company is in a strong position to finance all outstanding commitments on existing investments as well as being able to finance new investments.

In reviewing the Company's viability, the Board has considered the Company's position with reference to its investment trust structure, its business model, its business objectives, the principal risks and uncertainties as detailed in the full Annual Report and Accounts 2023 and its present and expected financial position. In addition, the Board has also considered the Company's conservative approach to Balance Sheet management, which allows it to take advantage of significant investment opportunities, and the appropriateness of the Company's current investment objectives in the prevailing investment market and environment.

The Board regularly reviews the prospects for the Company's portfolio and the opportunities for new investment under a range of potential scenarios to ensure it can expect to be able to continue to finance its activities for the medium-term future. Based on its review, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a three year period ending on 31 May 2026.

On behalf of the Board

John Singer CBE
2 August 2023

MANAGER'S REVIEW

Our Market

Taking advantage of market dislocation

Helen Steers and Jie Gong, Partners at Pantheon and co-managers of PIP, discuss how the private equity industry and PIP have navigated the ongoing global economic uncertainty and their expectations for the year ahead.

How would you describe the current environment for private equity?

The first six months of this year have been an extension of much of last year, in terms of continued concerns about inflation, interest rate rises and geopolitical turbulence. We have also witnessed some localised bank crises earlier this year although they were reasonably well contained.

However, compared with this time last year, we believe we are closer to a point of stabilisation. Inflation has shown signs of moderation in most develoeconomies, with the exception of the UK, and economists believe inflationary pressures are beginning to wane.

As a result, the pace of interest rate increases has slowed, and market observers are anticipating a peak for interest rates in the coming months.

On the other hand, the global economy is not out of the woods yet. The fundamental macro issues have not gone away and sticky inflation is likely to make the job of central banks more difficult in the future. While public markets have rebounded this year, the recovery has been led by a narrow band of large US-based tech companies, and it has not been broad-based. The IPO market has cracked open slightly in the USA but it is nowhere near back to normal.

Uncertainty is the biggest deterrent for deal making, because deal underwriting and pricing need a stable near-term outlook, otherwise a "wait and see" approach prevails. The largest exit route for private equity-backed companies is corporate M&A, but in general strategic buyers have remained on the sidelines with deal activity continuing to be subdued. Sales of small and mid-sized private equity-backed companies to larger private equity funds have also been dampened, for similar reasons. As a result, the volume of private equity exits has declined and distribution rates have been low. Combined with a reduction in fundraising activity, the result has been a slowdown in new deal investment activity.

According to Bain & Co[1], buyout deals (which comprised the bulk of the private equity deal volume) amounted to US$202bn during the first half of 2023, down 58% year-on-year. In the first half of 2023, buyout realisations fell 65% year-on-year to US$131bn.

What does this mean for PIP, especially in the single-asset secondaries and co-investment strategies which PIP has increasingly shifted towards?

Private equity has historically outperformed public markets, and this outperformance is more pronounced in downturns. Research shows that between 2002 and 2022, upper quartile PE managers outperformed the Dow Jones Industrial Average by 890 basis points during bull markets, while this widened to 1,940 basis points in bear markets[2]. Vintage years like those of today have the advantage of a more favourable deployment environment both in terms of valuation and in terms of limiting competition, and therefore make good entry points for new investment.

This advantage applies across the board in all private equity strategies, but is especially the case for manager-led secondaries investments, because of the additional boost to the supply of such deals as a solution for the slower pace of private equity exits.

Manager-led secondaries are when the private equity managers themselves instigate deals in order to provide liquidity options for the investors in their funds. They can consist of either multi-asset portfolios or single-asset secondaries. Single-asset secondaries are attractive to investors like PIP because they are often "trophy" companies that the PE manager believes have significant runway for additional value uplift from a lengthened period of ownership by the same manager.

When successful, and with the correct alignment of interest between existing investors, the private equity manager, company management and the new investors, these types of transaction tend to have an attractive risk/return profile and can be of significant valuto all parties involved.

This type of secondaries transaction accounted for 48%[3] of all secondary transactions in 2022, with the remainder being traditional fund sales.

See above for more information on manager-led secondaries.

Not all manager-led deals are created equal. With an increasingly large volume of deals entering the secondary market, much of it driven by liquidity generation needs, it relies on us to be extremely selective on asset quality, manager quality, as well as the alignment of interest between the manager and new investors.

The last point cannot be emphasised enough since it is a critical part of our investment structuring and deal underwriting decision. In addition, manager-led secondaries require significant expertise and resources to evaluate, and are frequently sourced on a proprietary basis through deep manager relationships.

Pantheon has a long track record in the secondaries market and our dedicated and experienced team gives us global scale and reach. The information advantage from knowledge of specific assets in the portfolio over a long time period gives us the opportunity to play a leading role in the structuring of the manager-led deals.

In our opinion, the supply and demand dynamics in the manager-led secondary market has created an unusually favourable buying opportunity, which we are leaning into, on a highly selective basis, and underwriting outsized investment returns.

Our co-investment flow during the Company's reporting period has remained robust. Even though there have been asset disposals resulting from stressed sellers from time to time at depressed pricing, the entry valuation on high quality assets in attractive and resilient sectors have generally held up without much downward adjustment. In addition, there have been more frequent follow-on investments in existing deals as companies pursue sizeable bolt-on acquisitions to consolidate fragmented markets, or for synergistic product or geographical expansion.

Sourced from the managers that we have backed on a primary basis, and typically without any fee or carried interest charged, co-investments are economically very advantageous as an investment strategy.

In addition, all our co-investment opportunities pass through a "double quality filter", since each opportunity has first been evaluated by a private equity manager, who themselves have passed our rigorous manager selection hurdles. The opportunity is then subjected to our own detailed due diligence process, carried out by our dedicated co-investment team, who will confirm amongst other things that the deal is a good fit for the manager.

We both sit on Pantheon's Global Co-investment Committee and Helen sits on the International Investment Committee, therefore we have the advantage of reviewing all the direct deals that are being sourced via Pantheon's platform. We seek a distinct set of characteristics for assets as set out in the graphic in the Annual Report, and in addition place strong emphasis on pricing discipline. This leads to high selectivity: for reference, the typical approval rate in terms of number of deals - from pre-qualified deals entering into pipeline for our review to those completed - is between 10-15%. In 2022, that number was 12%.

Entry valuation has been the biggest reason for a deal to be screened out at the stage that it is brought to the investment committee, and this has been the case for many years.

[1] Bain & Co, Stuck in Place: Private Equity Midyear Report 2023

[2] Source: Preqin Private Equity. Capital IQ as at 30 October 2022. ThomsonOne PE Buyout and Growth funds Index as at Q2 2022. Bull markets are defined as 2004-2006 and 2010-2019 and 2021. Bear markets are defined as 2002-2003; 2007-2009, 2020 and year to 30 October 2022.

[3] Source: Greenhill, Global Secondary Market Review, February 2023.

A notable recent development is the excitement about generative artificial intelligence ("generative AI"), billed by some as the catalyst for the next industrial revolution. What is your take on its risks and opportunities in relation to private equity?

Generative AI is arguably the most important technological evolution and disruptor of our time, which has not only dominated the public discourse this year but has been adopted already in a number of ways by enterprises for productivity and efficiency gains. We have seen its application in some portfolio companies, for example in customer interactions through chatbots based on predictive language models, or content generation in graphics for entertainment. The speed of adoption has been extremely fast compared with prior major disruptive technology. The intelligent use of technology is an important component we consider when we evaluate managers, and likewise a company's technology adoption and the risk of technology displacement are essential topics when we assess direct company investment evaluation. Given that we prefer asset-light, higher margin, less labour-intensive businesses, and are aware of not only the challenges, but also the opportunities presented by technology, we believe PIP is well positioned to benefit from generative AI applications.

PIP has a very little venture exposure at just 3% of NAV[5], therefore the direct exposure to generative AI technology is limited, however we expect a wider spectrum of applications to come out of this area as significant tools for better productivity and efficiency are developed in the coming years. It is a topic that we exchange notes on regularly with our managers.

Speaking of technology, the biggest industry sector in PIP's portfolio is information technology, of which the largest sub-sector is IT software. Considering the magnitude of the software sector sell-off in public markets since 2022, do the current marks of these investments accurately reflect the current valuation?

The short answer to the question is yes, that the current marks are consistent with public market comparables.

The software positions in the PIP portfolio were almost all profitable businesses at entry and have performed well in terms of their revenue and earnings growth. The appropriate publicly listed comparables for them are the profitable listed software businesses, which represents only 40% of the overall listed software companies universe.

A few points to note: first, there is significant divergence in the pattern of sell-off between the profitable versus the unprofitable software businesses, as the aggressive rate hike in 2022 severely affected the valuation of unprofitable companies while there was a "flight to safety" to the profitable ones. Second, given the prevalence of unprofitable businesses in the overall sector (approximately 60% of the listed companies in the sector are unprofitable), using the sector comparables instead of the profitable subset would be a rather misguided proxy. Third, it is all about selection - in this case, the discipline of focusing on profitable, growing businesses.

Finally, what are your expectations for the year ahead?

With macroeconomic uncertainty extending into the second half of this year, we expect continued bumpiness in the external environment. However, the best private equity managers are able to take advantage of market disruption and capitalise on opportunities to add value to their existing portfolio companies, as well as seeking exciting new investments. PIP has been constructed to provide investors with an "all-weather" portfolio, which is reflected in the choice of sectors, with a weighting towards defensive and resilient areas, in the buyout-heavy composition of the portfolio, in the sensible level of portfolio diversification and the ability to flex investment pacing through the majority tilt towards direct company investments. The quality of the underlying companies, and the managers that PIP has selected, the experience in navigating challenging economic periods and the ability to effect change will all stand PIP in good stead to traverse this environment.

PIP is one of the longest established PE investment trusts listed on the London Stock Exchange and for 36 years, Pantheon has successfully steered it through multiple macroeconomic cycles and events while generating average NAV growth (net of all fees) of more than 12% per annum. While not complacent, we are confident that PIP has the necessary credentials to continue to achieve its aim of outperforming the public market benchmarks over the long term.

[5] As at 31 May 2023.

PORTFOLIO AS AT 31 MAY 2023

Since its inception, PIP has been able to generate excellent returns while at the same time structuring its portfolio to minimise the risks typically associated with private equity investments. Our established portfolio of assets has been carefully selected, based on the strengths of our appointed private equity managers, actively monitored and diversified to reduce specific timing, regional and sector risks; and managed to maximise growth and liquidity over time.

Type and Region

Investment type[1]
Flexible approach to portfolio construction increases potential for outperformance.

Primaries	34%
Co-investments	33%
Manager-led secondaries	19%
Fund secondaries	14%

Region[1]
Weighted towards the more developed private equity markets in the USA and Europe, while Asia and EM provide access to faster-growing economies.

USA	54%
Europe	28%
Asia and EM[2]	10%
Global[3]	8%

Maturity and Stage

Stage[4]
Well-diversified with an emphasis on the buyout stages.

Small/mid-buyout	45%
Large/mega-buyout	26%
Growth	20%
Special situations	6%
Venture	3%

Maturity[4]
PIP's portfolio has a weighted average age of 4.8 years.

2021 and later	30%
2020	7%
2019	13%
2018	13%
2017	11%
2016	9%
2015	7%
2014	3%
2011-2013	5%
2010 and earlier	2%

[1] Investment type and region charts are based upon underlying fund and company valuations. The charts exclude the portion of the reference portfolio attributable to the ALN.

[2] EM is Emerging Markets.

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

[4] Fund stage and maturity charts are based upon underlying fund and company valuations. The charts exclude the portion of the reference portfolio attributable to the ALN.

PERFORMANCE

PIP's portfolio value has increased modestly over the period. Access to top-performing managers and a tilt towards resilient and high-growth sectors has helped PIP to withstand the current macroeconomic environment.

Private equity portfolio movements
PIP's portfolio generated returns of 3.5% during the year.[1]

Portfolio value 31 May 2022	£2,200m
Valuation gains	£76m
FX impact	(£11m)
Distributions	(£223m)
Calls	£155m
New investments[2]	£190m
Portfolio value 31 May 2023	£2,387m

Valuation movement by type[3]
Resilient portfolio performance despite the current challenging macroeconomic environment.

Manager-led secondaries were the highest performing segment of the portfolio, having been revalued after previously being held
at cost.

	Return (%)	Closing portfolio NAV (%)
Manager-led secondaries	16.6	19
Co-investments	2.3	33
Fund secondaries	0.2	14
Primaries	0.1	34

Valuation movements by stage[3]
Valuation gains in the buyout and special situations stages offset valuation losses in the venture and growth segments of the portfolio.

	Return (%)	Closing portfolio NAV (%)
Small/mid-buyout	10.0	45
Special situations	5.3	6
Large/mega-buyout	4.3	26
Growth	(6.2)	20
Venture	(20.8)	3

Valuation gains by region[3]
PIP's portfolio is weighted towards investments in the USA and Europe, which generated positive returns during the period.

	Return (%)	Closing portfolio NAV (%)
Europe	6.9	28
USA	3.2	54
Asia and EM	(0.3)	10
Global	(0.9)	8

1 Excluding returns attributable to the ALN share of the portfolio.

2 Amount drawn down at the time of commitment.

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

Realisations

PIP's mature portfolio continued to generate distributions despite a subdued exit environment. Distributions have been incremental to returns, with mareflecting realisations at significant uplifts to carrying value.

Uplifts on exit realisations[1]
The value-weighted incremental average uplift on exit realisations in the year was 27%, consistent with our view that realisations can be significantly incremental to returns.

The method used to calculate the average uplift is to compare the value at exit with the value of the investment 12 months prior to exit. Since 2012, the weighted average uplift on exit is 31%.

Cost multiples on exit realisations[1]
The average cost multiple on exit realisations of the sample was 3.0 times, demonstrating value creation over the course of PIP's investment.

The average cost multiple on exit since 2012 is 3.0 times.

Exit realisations by sector and type
Realisation activity was strongest in the industrials and information technology sectors. Trade sales and secondary buyouts represented the most significant sources of exit activity during the year. The data in the sample provide coverage for 100% (for exit realisations by sector) and 100% (for exit realisations by type) of proceeds from exit realisations received during the period.

Exit realisations by sector
For the year to 31 May 2023

Industrials	20%
Information technology	15%
Financials	14%
Healthcare	13%
Communication services	13%
Consumer	10%
Utilities	8%
Energy	4%
Materials	2%
Real estate	1%

Exit realisations by type
For the year to 31 May 2023

Trade sale	55%
Secondary buyout	41%
IPO and secondary share sale	3%
Refinancing and recapitalisation	1%

1 See the Alternative Performance Measures section in the full Annual Report for sample calculations and disclosures

Net Portfolio Cash Flow

Net portfolio cash flow equals distributions less capital calls.

A continued focus on the portfolio's maturity profile means that PIP is well positioned to generate positive cash flows.

With a long-term average distribution rate of 20-25%, PIP's portfolio has been cash flow positive since 2010.

PIP's total net portfolio cash flow over the last ten years has been £1.7bn.

Distributions

With a weighted average fund maturity of 4.8 years at the end of the period (31 May 2022: 4.9 years), PIP's portfolio continued to generate cash.

PIP received £223m in proceeds from PIP's portfolio in the year to 31 May 2023 (year to 31 May 2022: £419m), equivalent to 10% of opening private equity assets (31 May 2022: 25%).

Quarterly Distribution Rates[1]

Although PIP's portfolio has continued to generate cash, there has been a slowdown in distributions during the period.

The challenging economic environment has impacted exit activity.

[1] Distribution rate equals distributions in the period (annualised) divided by opening portfolio value.

Calls

PIP paid £155m to finance calls on undrawn commitments during the year (year to 31 May 2022: £187m).

Quarterly Call Rate[1]
The annualised call rate for the year to 31 May 2023 was equivalent to 21% of opening undrawn commitments (31 May 2022: 35%).

The decline in the call rate reflects the slowdown in deal activity during the period.

[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 £441m to 25 new investments during the year (31 May 2022: £496m, 70 new investments).

PIP invested in six manager-led secondaries (£154.9m). This included a US$112.5m (£93.5m) commitment to the Pantheon Secondary Opportunity Fund II, which is focused on manager-led secondaries.

In addition, PIP committed to eight primaries (£147.4m) and 11 co-investments (£138.5m).

Our investment process:

- Investment opportunities in companies and funds are originated via Pantheon's extensive and well-established platform.
- We invest with many of the best private equity managers who are able to identify and create value in their portfolio companies.
- Cash generated from the sale of those companies is returned to PIP and redeployed into new investment opportunities.

New Commitments by Investment Type
New commitments during the year were equally weighted across the three investment types, with each demonstrating attractive characteristics for overall portfolio construction.

Manager-led secondaries	35%
Primaries	33%
Co-investments	32%

New Commitments by Region
The majority of commitments made in the year were to opportunities in the developed US and European private equity markets.

USA	40%
Europe	39%
Global[1]	21%

New Commitments by Stage
Small and mid market buyout investment activity was robust during the period.

Small/mid buyout	58%

Generalist[2]	21%
Large/mega buyout	18%
Venture	3%

[1]Global consists of the US$112.5m (£93.5m) commitment to the Pantheon Secondary Opportunity Fund II ("PSOF II"), which is focused on manager-led secondaries.

[2]Generalist relates to a US$112.5m (£93.5m) commitment to the Pantheon Secondary Opportunity Fund II ("PSOF II"), which is focused on single-asset secondaries.

Buyout Analysis[1]

Revenue and EBITDA growth
Weighted average revenue and EBITDA growth of 21% and 15%, respectively, for PIP's sample buyout companies have consistently exceeded growth rates seen among companies that constitute the MSCI World index. Strong top-line performance, disciplined cost control, operational expertise and good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

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 17.8 times compared to 16.2 times for the MSCI World index; and this should be considered in the context of the underlying growth rates for each.

PIP invests proportionately more in high-growth sectors such as mission-critical B2B information technology and healthcare, and these sectors tend to trade at a premium to other sectors.

Buyout portfolio[2]		MSCI World[3]	
Information technology	27%	Information technology	18%
Healthcare	20%	Consumer	18%
Consumer	17%	Financials	16%
Industrials	13%	Healthcare	15%
Financials	12%	Industrials	11%
Communication services	6%	Communication services	6%
Materials	3%	Energy	6%
Energy	1%	Materials	4%
Real estate	1%	Real estate	3%
		Utilities	3%

Debt multiples
Venture, growth and buyout investments have differing leverage characteristics.

Average debt multiples for small/mid 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 portfolios have little or no reliance on leverage.

	Debt multiples	% of PIP's portfolio
Small/mid buyout	4.2x	45%
Large/mega buyout	5.7x	26%
LBO[4] (Market Data)	5.9x	

[1]The sample buyout figures for the 12 months to 31 December 2022 were calculated using all the information available to the Company. The figures are based on unaudited data. MSCI data was sourced from Bloomberg. See the Alternative Performance Measures section in the full Annual Reportfor sample calculations and disclosures.

[2] Full buyout portfolio.

[3] As at 31 December 2022.

[4] Leverage buyout data sourced from Pitchbook's Leveraged Commentary & Data (LCD), 2022.

OTHER INFORMATION

The Largest 50 Companies by Value[1]

	Company	Country	Sector	Investment type	Description
1	Shiftkey	USA	Healthcare	Manager-led Secondary	Recruitment platform for nurses
2	Action	Netherlands	Consumer	Manager-led Secondary	Non-food discount stores
3	Kaseya	Switzerland	Information Technology	Co-Investment; Secondary	Provider of IT management and monitoring softv services
4	Asurion	USA	Financials	Primary; Secondary	Mobile phone insurance company
5	Omni Eye Services	USA	Healthcare	Manager-led Secondary	Specialist eye treatment provider
6	Vistra	Hong Kong	Financials	Co-Investment; Secondary	A fund administrator and corporate service provi

7	Valantic	Germany	Information Technology	Manager-led Secondary	Digital consulting and software company
8	Recorded Future	USA	Information Technology	Primary; Co-Investment; Secondary	Cybersecurity software company
9	Anaplan	USA	Information Technology	Co-Investment; Primary	Developer of a cloud-based modelling and plann platform
10	DoiT	USA	Information Technology	Co-Investment	Provider of cloud consulting and engineering ser
11	Froneri	United Kingdom	Consumer	Manager-led Secondary	Ice cream and frozen food manufacturer
12	Ascent Resources	USA	Energy	Secondary	Natural gas and oil producer
13	Eversana	USA	Healthcare	Primary; Manager-led Secondary	Commercial services platform for the life scienc sector
14	Millennium Trust Company	USA	Financials	Co-Investment; Primary	Provider of technology-enabled retirement and investment services
15	CAA	USA	Communication Services	Manager-led Secondary	Entertainment, media and sports agency
16	Lifepoint Health	USA	Healthcare	Co-Investment; Manager-led Secondary	Healthcare provider
17	Visma	Norway	Information Technology	Primary; Co-Investment	Provider of software solutions for finance and HI departments
18	JSI	USA	Industrials	Manager-led Secondary	Consultant to telecommunication service provide
19	TAG	Israel	Healthcare	Manager-led Secondary	Provider of medical and dental equipment and implants
20	RLDATIX	USA	Healthcare	Manager-led Secondary	Developer of cloud-based patient safety and risk management software
21	SunMedia	Spain	Communication Services	Co-Investment	Digital advertising company
22	24 Seven	USA	Industrials	Manager-led Secondary	Digital marketing and recruitment services provi
23	Opt Connect	USA	Information Technology	Manager-led Secondary	Provider of wireless internet connectivity solutio
24	Smile Doctors	USA	Healthcare	Manager-led Secondary	Orthodontic treatments and services provider
25	Logic Monitor	USA	Information Technology	Primary; Co-Investment; Secondary	Managed IT service provider
26	Confie	USA	Financials	Co-Investment	Commercial insurance broker
27	Chewy	USA	Consumer	Co-Investment	Online distributor of pet food and supplies
28	101	USA	Industrials	Co-Investment	Provider of food waste recycling services
29	Nord Anglia Education	Hong Kong	Consumer	Primary; Co-Investment	Operator of educational institutions
30	Tanium	USA	Information Technology	Co-Investment	Cybersecurity services provider
31	Kilcoy Global Foods	Australia	Consumer	Manager-led Secondary	Producer of beef and other animal protein produ
32	KD Pharma	Germany	Healthcare	Manager-led Secondary	Specialist pharmaceutical company
33	Access	United Kingdom	Information Technology	Co-Investment	Provider of business management software solutions to SMEs
34	IFS	Sweden	Information Technology	Co-Investment; Primary	Developer of enterprise resource planning softw
35	MRO	USA	Healthcare	Co-Investment; Primary	Provider of disclosure management services
36	SailPoint	USA	Information Technology	Primary; Co-Investment	Provider of enterprise identity governance solutic
37	VIZRT	Norway	Information Technology	Primary; Manager-led Secondary	Developer of content production tools for the dig media industry
38	STAR	India	Financials	Co-Investment	Health insurance provider
39	Kaspi.kz	Kazakhstan	Financials	Primary	Banking products and services provider
40	Trimech	USA	Information Technology	Co-Investment	Provider of 3D design, engineering and manufacturing solutions
41	SONAR	Switzerland	Information Technology	Primary; Secondary	Developer of coding software
42	Arby's	USA	Consumer	Manager-led Secondary	Restaurant franchise
43	Personio	Germany	Information Technology	Primary	Developer of an HR management and recruitmer platform
44	FLYNN Restaurant Group	USA	Consumer	Co-Investment	Restaurant franchise
45	Perspecta	USA	Information	Co-Investment	IT services management company

			Technology		
46	CallRail	USA	Information Technology	Co-Investment; Manager-led Secondary	Mobile data analytics company
47	digicert	USA	Information Technology	Co-Investment	Digital security company
48	ALM	USA	Communication Services	Manager-led Secondary	Content provider to the legal industry
49	Olink	Sweden	Healthcare	Co-Investment	Developer of human protein biomarker discovery products
50	fresheasy	South Korea	Consumer	Co-Investment	Producer of meal kits
Coverage of PIP's private equity asset value					

[1] The largest 50 companies table is based upon underlying company valuations at 31 March 2023 adjusted for known call and distributions to 31 May 2023, and includes the portion of the reference portfolio attributable to the ALN.

The Largest 50 Managers by Value

Rank	Manager	Region[1]	Stage	% of total private equity asset value[2]
1	Insight Partners	USA	Growth	6.9%
2	Index Ventures	Global	Venture, Growth	3.9%
3	Providence Equity Partners	USA	Buyout, Growth	3.2%
4	Hg	Europe	Buyout	2.9%
5	Advent International	Global	Buyout	2.4%
6	Water Street	USA	Buyout	2.1%
7	ABRY Partners	USA	Buyout	2.1%
8	Baring Private Equity Asia	Asia & EM	Growth	2.0%
9	Parthenon Capital	USA	Buyout	1.9%
10	Veritas Capital	USA	Buyout	1.8%
11	Thomabravo	USA	Buyout	1.7%
12	Seven2 (previously Apax Partners SAS)	Europe	Buyout	1.5%
13	MidEuropa	Europe	Buyout	1.5%
14	LYFE Capital	Asia & EM	Growth	1.5%
15	Charlesbank	USA	Buyout	1.4%
16	Searchlight	USA	Special Situations	1.3%
17	Altamont Capital Partners	USA	Buyout	1.3%
18	Investment Partners	Europe	Buyout	1.3%
19	Hellman & Friedman	Global	Buyout	1.3%
20	3i	Europe	Buyout	1.2%
21	TPG	Global	Buyout	1.2%
22	Lorient Capital	USA	Buyout	1.2%
23	Deutsche Private Equity	Europe	Buyout	1.2%
24	Oak HC/FT	USA	Growth	1.1%
25	HIG Capital	USA	Buyout	1.1%
26	Apollo	Global	Buyout	1.1%
27	Altor Group	Europe	Buyout	1.0%
28	Five Arrows	Europe	Buyout	0.9%
29	The Energy & Minerals Group	USA	Special Situations	0.9%
30	Quantum Energy Partners	USA	Special Situations	0.9%
31	Calera Capital	USA	Buyout	0.9%
32	BC Partners	Europe	Buyout	0.9%
33	Francisco Partners	USA	Buyout	0.8%
34	Growth Fund[3]	USA	Growth	0.8%
35	PAI Partners	Europe	Buyout	0.8%
36	ONEX	USA	Buyout	0.8%
37	Main Post Partners	USA	Buyout	0.8%
38	NMS Management	USA	Buyout	0.8%
39	ECI	Europe	Buyout	0.8%
40	Warburg Pincus	Global	Buyout	0.8%
41	Shamrock Capital	USA	Buyout	0.7%
42	ERGON Capital Partners	Europe	Buyout	0.7%
43	Wasserstein & Co.	USA	Buyout	0.7%
44	LEE Equity	USA	Growth	0.7%
45	Stone Goff	USA	Buyout	0.6%
46	Roark Capital Group	USA	Buyout	0.6%
47	Chequers Capital	Europe	Buyout	0.6%
48	Sageview Capital	USA	Growth	0.6%
49	Nordic Capital	Europe	Buyout	0.6%
50	Magnum Industrial Partners	Europe	Buyout	0.6%
Coverage of PIP's private equity asset value				**68.4%**

[1] Refers to the regional exposure of funds.
[2] Percentages look through underlying vehicle structures 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.

THE DIRECTORS

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

John Singer CBE* (Chairman)
Mary Ann Sieghart* (Senior Independent Director)
David Melvin* (Audit Committee Chairman)
John Burgess*
Zoe Clements*
Dame Susan Owen DCB*
Rahul Welde*

** Independent of the Manager*

EXTRACTS FROM THE DIRECTORS' REPORT

Share capital
The rights attaching to the Company's shares are set out in the Company's Articles of Association. Further details can be found in Note 15 of the financial statements.

Authorities given to the Directors at the AGM on 18 October 2022 to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM. In order to take advantage of the investment opportunity offered by the discount to NAV on the shares, during the year 7,600,183 shares, representing 1.4% of the called-up share capital and a nominal value of £509,212.26, were bought back for an aggregate amount of £19,558,638 and subsequently cancelled. As at 31 May 2023, authority to buy back a further 78,872,351 shares remained.

As at 31 May 2023 and as at the date of this Report, the Company had shares in issue as shown in the table below, all of which were listed on the official list maintained by the Financial Conduct Authority ("FCA') and admitted to trading on the London Stock Exchange. No shares were held in Treasury at the year end.

Share capital and voting rights at 31 May 2023	**Number of Shares in issue**	**Voting rights attached to each share**	**Number of shares held in Treasury**
Ordinary shares at 6.7p each	529,893,457	1	-
Total voting rights	**529,893,457**	**-**	**-**

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

The Directors have made an assessment of the going concern, taking into account both the Company's financial position at the Balance Sheet date and the expected performance of the Company, considering the recent banking crisis, the geopolitical uncertainties as a result of the Russia - Ukraine conflict, including the disruption to the global supply chain, the combination of rising inflation, interest rates and the impact of climate change driven by changes in regulations, using the information available up to the date of issue of the financial statements.

The Directors have also considered the Company's position with reference to its investment trust structure, its business model, its business objectives, the principal risks and uncertainties as detailed above and its present and projected financial position. The Directors have considered the impact of the intended one-off £200million share buyback in the year ending 31 May 2024 and the impact of a further "automatic" share buyback programme, the amount of which will be determined by net portfolio inflows and the prevailing level of discount. As part of the overall assessment, the Directors have taken into account the Manager's culture, which emphasises collaboration and accountability, the Manager's conservative approach to balance sheet management, and its emphasis on investing with underlying private equity managers that are focused on market outperformance.

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

PIP's Balance Sheet is managed to ensure that the Company can finance its undrawn commitments, which are carefully controlled relative to its assets and available liquidity. This disciplined approach enables the Company to withstand periods of volatility such as those experienced as a result of the ongoing Russia-Ukraine conflict.

The Directors have considered downside liquidity modelling scenarios with varying degrees of decline in investment valuations, decreased investment distributions, and increased call rates, with the worst being an extreme downside scenario representing an impact to the portfolio that is worse than that experienced during the 2008-2009 global financial crisis.

In the event of a downside scenario, PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility and pausing on new commitments. In addition, subject to the prevailing market environment, it could raise additional credit or capital, and sell assets to increase liquidity and reduce outstanding commitments.

After due consideration of the Balance Sheet, activities of the Company, its assets, liabilities, commitments and financial resources, the Directors have concluded that the Company has adequate resources to continue in operation for at least 12 months from the approval of the financial statements for the year ended 31 May 2023. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations in accordance with FRS102. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Present a true and fair view of the financial position, financial performance and cash flows of the Company;
- Select suitable accounting policies in accordance with United Kingdom GAAP and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company's corporate and financial information included on the Company's website (www.piplc.com). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed above, confirms that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Strategic Report contained in the annual report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The UK Corporate Governance Code requires Directors to ensure that the Annual Report and financial statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advises on whether it considers that the Annual Report and financial statements fulfil these requirements. The process by which the Audit Committee has reached these conclusions is set in the full Annual Report. As a result, the Board has concluded that the Annual Report and financial statements for the year ended 31 May 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by

John Singer CBE
Chair
2 August 2023

NON-STATUTORY ACCOUNTS

The financial information set out below does not constitute the Company's statutory accounts for the year ended 31 May 2023 and period ended 31 May 2022 but is derived from those accounts. Statutory accounts for 2022 have been delivered to the Registrar of Companies, and those for 2023 will be delivered in due course. The Auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The text of the Auditors' report can be found in the Company's full Annual Report and financial statements at www.piplc.com.

INCOME STATEMENT
Year ended 31 May 2023

	Note	Year ended 31 May 2023 Revenue £'000	Capital £'000	Total[1] £'000	Year ended 31 May 2023 Revenue £'000	Capital £'000	Total[1] £'000
Gains on investments at fair value through profit or loss	9b	**-**	**50,885**	**50,885**	-	570,049	570,049
(Losses)/gains on financial instruments at fair value through profit or loss - ALN		**(856)**	**4,240**	**3,384**	(305)	(3,123)	(3,428)
Currency gains on cash and cash equivalents	16	**-**	**9,179**	**9,179**	-	19,564	19,564
Investment income	2	**18,084**	**-**	**18,084**	19,169	-	19,169
Investment management fees	3	**(27,707)**	**-**	**(27,707)**	(23,115)	-	(23,115)
Other expenses	4	**(2,059)**	**(1,625)**	**(3,684)**	(1,274)	(1,326)	(2,600)
Return before financing and taxation		**(12,538)**	**62,679**	**50,141**	(5,525)	585,164	579,639
Interest payable and similar expenses	6	**(6,366)**	**-**	**(6,366)**	(3,967)	-	(3,967)
Return before taxation		**(18,904)**	**62,679**	**43,775**	(9,492)	585,164	575,672
Taxation paid	7	**(1,494)**	**-**	**(1,494)**	(3,075)	-	(3,075)
Return for the year, being total comprehensive income for the year		**(20,398)**	**62,679**	**42,281**	(12,567)	585,164	572,597
Return per ordinary share	8	**(3.83)p**	**11.77p**	**7.94p**	(2.32)p	108.38p	106.06p

[1] The Company does not have any income or expenses that are not included in the return for the year, therefore the return for the year is also the total comprehensive income for the year. 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").

All revenue and capital items in the above statement relate to continuing operations. No operations were acquired or discounted during the period.

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

The Notes below form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 May 2023

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserve £'000	Ca reserv investm £
Movement for the year ended 31 May 2023						
Opening equity shareholders' funds		36,012	269,535	3,553	1,556,346	67
Return for the year		-	-	-	83,859	(21
Ordinary shares bought back for cancellation	15	(509)	-	509	(19,673)	
Closing equity shareholders' funds		35,503	269,535	4,062	1,620,532	65
Movement for the year ended 31 May 2022						
Opening equity shareholders' funds		36,240	269,535	3,325	976,685	67
Return for the year		-	-	-	590,025	(4
Ordinary shares bought back for cancellation	15	(228)	-	228	(10,364)	
Closing equity shareholders' funds		36,012	269,535	3,553	1,556,346	67

The Notes below form part of these financial statements.

BALANCE SHEET
As at 31 May 2023

	Note	31 May 2023 £'000	31 May 2022 £'000
Fixed assets			
Investments at fair value	9a/b	**2,417,620**	2,238,608
Current assets			
Debtors	11	**2,347**	2,123
Cash and cash equivalents	12	**66,043**	231,458
		68,390	233,581
Creditors: Amounts falling due within one year			
Other creditors	13	**(4,617)**	(6,138)
		(4,617)	(6,138)
Net current assets		**63,773**	227,443
Total assets less current liabilities		**2,481,393**	2,466,051

Creditors: Amounts falling due after one year			
Asset Linked Loan Note ("ALN")	14	**(31,321)**	(38,587)
		(31,321)	(38,587)
Net assets		**2,450,072**	2,427,464
Capital and reserves			
Called-up share capital	15	**35,503**	36,012
Share premium	16	**269,535**	269,535
Capital redemption reserve	16	**4,062**	3,553
Other capital reserve	16	**1,620,532**	1,556,346
Capital reserve on investments held	16	**653,695**	674,875
Revenue reserve	16	**(133,255)**	(112,857)
Total equity shareholders' funds		**2,450,072**	2,427,464
Net asset value per Ordinary share[1]	17	**462.37p**	451.63p

The financial statements were approved by the Board of Pantheon International Plc on 2 August 2023 and were authorised for issue by

John Singer CBE
Chair
Company No. 214798

CASH FLOW STATEMENT
Year ended 31 May 2023

	Note	**Year ended 31 May 2023 £'000**	**Year 31 May**
Cash flow from operating activities			
Investment income received - comprising:			
-Dividend income		**12,325**	
-Interest income		**4,756**	
-Other investment income		**211**	
Deposit and other interest received		**780**	
Investment management fees paid		**(27,586)**	(2
Secretarial fees paid		**(354)**	
Depositary fees paid		**(284)**	
Directors' fees paid		**(303)**	
Legal & professional fees paid		**(1,996)**	
Other cash payments[1]		**(1,036)**	
Withholding tax deducted		**(1,502)**	
Net cash outflow from operating activities	**19**	**(14,989)**	(1
Cash flows from investing activities			
Purchases of investments[2]		**(289,020)**	(35
Disposals of investments[2]		**161,168**	4
Net cash (outflow)/ inflow from investing activities		**(127,852)**	
Cash flows from financing activities			
ALN repayments		**(5,035)**	(1
Ordinary shares purchased for cancellation		**(19,678)**	(1
Loan commitment and arrangement fees paid		**(7,071)**	
Net cash outflow from financing activities		**(31,784)**	(2
(Decrease)/increase in cash in the year		**(174,625)**	
Cash and cash equivalents at the beginning of the year		**231,458**	1
Foreign exchange gains		**9,210**	
Cash and cash equivalents at the end of the year	**12**	**66,043**	2

[1] Includes interest paid during the year of £22,000 (2022: £96,000).

[2] Purchases and disposals do not include investments actioned by Pantheon International Holdings LP.

The Notes below form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies
PIP is a listed public limited company incorporated in England and Wales. The registered office is detailed in the full Annual Report. A summary of the principal accounting policies and measurement bases, all of which have been applied consistently throughout the year, is set out below.

A. Basis of Preparation
The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 May 2023. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise. The investments in the subsidiaries are financial assets, and held at fair value through profit or loss.

The financial statements have been prepared in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts issued by the AIC, other than where restrictions are imposed on the Company which prohibit specific disclosures.

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

The Directors have made an assessment of going concern, taking into account the Company's current performance and financial position as at 31 May 2023. In addition, the Directors have assessed the outlook, which considers the potential further impact of the ongoing geopolitical uncertainties as a result of the Russia-Ukraine conflict including the disruption to the global supply chain and increases in the cost of living as a result of this conflict, persistent inflation, interest rate rises and the impact of climate change on PIP's portfolio using the information available as at the date of issue of these financial statements. As part of this assessment, the Directors considered:

- Various downside liquidity modelling scenarios with varying degrees of decline in investment valuations, decreased investment distributions, and increased call rates, with the worst being a low case downside scenario representing an impact to the portfolio that is worse than that 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 31 May 2023 stood at £554m (31 May 2022: £528m), comprising £63m (31 May 2022: £227m) in available cash balances and £491m in undrawn, sterling equivalent, bank facilities (31 May 2022: £301m).
- PIP's 31 May 2023 valuation is primarily based on reported GP valuations with a reference date of 31 March 2023, updated for capital movements and foreign exchange impacts. As the longer-term impacts of the ongoing geopolitical uncertainties as a result of the Russia-Ukraine conflict and the impact of climate change may not be fully apparent, the Directors have considered the impact that declining valuations could have on the Company's going concern assessment. The Directors have also considered the impact of climate change on PIP's portfolio and have come to the conclusion that there is no significant impact on the Company as a result of climate change.
- Unfunded commitments - PIP's unfunded commitments at 31 May 2023 were £857m (31 May 2022: £755m). The Directors have considered the maximum level of unfunded commitments which could theoretically be drawn in a 12-month period, the ageing of commitments and available financing to fulfil these commitments. In these scenarios PIP can take steps to limit or mitigate the impact on the Balance Sheet, namely drawing on the credit facility, pausing on new commitments, selling assets to increase liquidity and reducing outstanding commitments if necessary. In addition, subject to market conditions, the Company could also seek to raise additional debt or equity capital.
- Share buybacks - The Directors have considered the impact of the approved one-off £200million share buyback and the impact of a further "automatic" share buyback programme, the amount of which will be determined by net portfolio inflows and the prevailing level of discount.

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.

C. Segmental Reporting
The Directors are of the opinion that the Company is engaged in a single segment of business, being an investment business. Consequently no business segmental analysis is provided.

D. Valuation of Investments

Given the nature of the Company's assets which comprise predominantly unlisted fund investments, while the Company operates a robust and consistent valuation process, there is significant estimation uncertainty in the underlying fund valuations which are estimated at a point in time. Accordingly, while the Company considers circumstances where it might be appropriate to apply an override, for instance in response to a market crash, this will be exercised only where it is judged necessary to reflect fair value.

Similarly, while relevant information relating to but received after the measurement date is considered, the Directors will only consider an adjustment to the financial statements if it were to have a significant impact and is indicative of conditions present at the measurement date.

The Company has fully adopted sections 11 and 12 of FRS 102. All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are recognised at fair value on initial recognition.

The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business at the Balance Sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

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

The Company may acquire secondary interests at either a premium or a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings 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 further indications of fair value become available, such as through subsequent issues of capital or dealings between third parties, the valuation is adjusted to reflect the new evidence, at each reporting date. This information may include the valuations provided by private equity managers who are also invested in the Company.

ii Quoted investments are valued at the 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.

E. Asset Linked Note

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 flows from a reference portfolio which consists of interests held by the Company in over 300 of its oldest private equity funds, substantially 2006 and earlier vintages. The Company retains the net cash flows relating to the remaining c.25% of the reference portfolio.

The ALN is held at fair value through profit or loss and therefore movements in fair value are reflected in the Income Statement. 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 fair value movement is allocated between revenue and capital pro rata to the fair value gains and income-generated movements in the reference portfolio.

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 through the revenue account in the Income Statement.

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

See Note 14 below for further information.

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

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

Income distributions from funds are recognised when the right to distributions is established.

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

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

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

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company, pursuant to sections 1158 and 1159 of the CTA.

Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted.

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

- Expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 4;
- Expenses of a capital nature are accounted for through the capital account; and
- Investment performance fees.

I. Foreign Currency
The functional and presentational currency of the Company is pounds sterling ("sterling") because it is the primary currency in the economic environment in which the Company operates. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are

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

J. Other Capital Reserve
The following are accounted for in this reserve:

- Investment performance fees;
- Gains and losses on the realisation of investments;
- Realised exchange differences of a capital nature; and
- Expenses of a capital nature.

Capital distributions received from investments are accounted for by firstly reducing any cost of that investment, with any gains being recognised as realised only when the cost has been reduced to nil.

K. Capital Reserve on Investments Held
The following are accounted for in this reserve:

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

L. Investment Performance Fee
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 31 May in each year. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 31 May 2023, the notional performance fee hurdle is a net asset value per share of 510.7p.

The performance fee is calculated using the adjusted net asset value, which adjusts the net assets to remove any performance fee accrued (should one exist). The net asset value per share at 31 May 2023 is 462.4p.

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

M. Significant Judgements and Estimates
The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of investments at fair value at the financial reporting date and the reported fair value movements during the reporting period. Actual results may differ from these estimates. Details of how the fair values of unlisted investments are estimated and any associated judgements applied are provided in Section (D of this Note and also within the Market Price Risk section in Note 21 below.

N. Derecognition/Recognition of assets and liabilities
Financial assets and financial liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. In accordance with FRS102, financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition. Financial liabilities are derecognised when the obligation is discharged, extinguished or expired.

O. Cash and Cash Equivalents
Cash and cash equivalents include cash deposits held with banks and money market funds, together with other short-term highly liquid investments with original maturities of three months or less at the date of placement, free of any encumbrances, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. The Manager uses money market funds for cash management purposes.

2. Income

	31 May 2023 £'000
Income from investments	
Investment income (comprising dividend income, interest income and other investment income)	**17,292**
	17,292
Other income	
Interest	**784**
Exchange difference on income	**8**
	792
Total income	**18,084**
Total income comprises	
Dividend income	**12,325**
Interest income	**4,756**
Other investment income	**211**

Bank interest	**767**
Money market fund interest	**17**
Exchange difference on income	**8**
Total income	**18,084**
Analysis of income from investments	
Unlisted	**17,292**
	17,292
Geographical analysis	
UK	**1,055**
US	**9,243**
Other overseas	**6,994**
	17,292

3. Investment Management Fees

			31 May 2023		31
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000
Investment management fees	**27,707**	**-**	**27,707**	23,115	-
	27,707	**-**	**27,707**	23,115	-

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

During the year, investment management services with a total value of £29,010,000 (period to 31 May 2022: £23,977,000), being £27,707,000 (period to 31 May 2022: £23,115,000) directly from Pantheon Ventures (UK) LLP and £1,303,000 (period to 31 May 2022: £862,000) via Pantheon managed fund investments were purchased by the Company.

The value of investments, in and outstanding commitments to, investment funds managed or advised by the Pantheon Group ("Pantheon Funds") are excluded in calculating the monthly management fee and the commitment fee. The value of holdings in investments managed by the Pantheon Group totalled £1,131,118,000 as at 31 May 2023 (31 May 2022: £897,332,000), including £995,669,000 from the Pantheon managed Pantheon International Holdings subsidiaries (31 May 2022: £812,172,000). Please see Note 18 below for further details.

In addition, the Manager has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon Group and attributable to the Company's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

At 31 May 2023, £2,245,000 (31 May 2022: £2,124,000) was owed for investment management fees. No performance fee is payable in respect of the year to 31 May 2023 (31 May 2022: £nil). The basis upon which the performance fee is calculated is explained in Note 1 (L) and in the Directors' Report within the full Annual Report.

4. Other Expenses

		31 May 2023			**31 May 2022**	
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Secretarial and accountancy services	**353**	**-**	**353**	312	-	312
Depositary fees	**280**	**-**	**280**	238	-	238
Custodian	**16**	**-**	**16**	10		10
Fees payable to the Company's Auditor for the						
- audit of the annual financial statements	**146**	-	**146**	105	-	105
Fees payable to the Company's Auditor for						
- audit-related assurance services -Half-Yearly report	**44**	**-**	**44**	35	-	35
Directors' remuneration (see Note 5)	**291**	**-**	**291**	311	-	311
Employer's National Insurance	**42**	**-**	**42**	34	-	34
Irrecoverable VAT	**(5)**	**-**	**(5)**	(47)	-	(47)
Legal and professional fees[1]	**547**	**1,625**	**2,172**	317	1,326	1,643
Other[2]	**831**	**-**	**831**	691	-	691
ALN Expense Charge (see Note 1 (E))[3]	**(486)**	**-**	**(486)**	(732)	-	(732)
	2,059	**1,625**	**3,684**	1,274	1,326	2,600

[1] Legal fees incidental to the acquisition of investments are charged to the Capital column of the Income Statement, since they are capital in nature.

[2] Other expenses comprise mainly fees and expenses relating to printing, public relations, Stock Exchange listing, FCA fees, AIC Levy and share price publications.

[3] A pro rata share of the Company's total ongoing charges is allocated to the ALN, reducing each quarterly payment.

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditors due to the half year review being an assurance service.

5. Directors' Remuneration

Directors' emoluments comprise Directors' fees. A breakdown is provided in the Directors' Remuneration Report in the full Annual Report.

6. Interest Payable and Similar Expenses

	31 May 2023 **£'000**	31 May 2022 £'000
Negative bank interest[1]	**22**	96
Loan commitment and arrangement fees	**6,344**	3,871
	6,366	3,967

[1] Applicable when bank base rates were low (less than 2%), bank interest was payable on positive balances held in Euro and Swedish Krona currency accounts. Since base rates have increased above 2% in September 2022, no further negative interest was paid.

On 2 August 2022, the Company announced that it had agreed a new five-year £500m multi-tranche, multi-currency revolving credit facility agreement arranged by Credit Suisse AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH. The Loan Facility, which replaced the £300m loan facility agreement due to expire in May 2024, is comprised of facilities amounting to US$512.9m and €89.2m and secured by certain assets of the Company. The facility will expire in July 2027 with an ongoing option to extend, by agreement, the maturity date by another year at a time. The facility has a blended commitment fee of 0.95% per annum on available commitments, pricing equivalent to the relevant benchmark rate plus 2.350% to 2.575% depending on utilisation, and is subject to loan to value and liquidity ratios. The principal covenants that apply to the loan facility require: (i) that gross borrowings do not exceed 34% of the borrowing base; (ii) that gross borrowings do not exceed 45% of the adjusted borrowing base in the first year of the facility, and 40% thereafter; and (iii) the liquidity ratio does not exceed 3.0x undrawn commitments. At 31 May 2023, these requirements have been met.

Upfront fees of £2.0m (in sterling terms), in relation to this facility agreement, are being amortised over the remaining life of the facility. Further fees are payable after one year, and two years.

This loan facility provides a margin of additional assurance that the Company has the ability to finance its unfunded commitments in the future. At 31 May 2023, loan facility remained fully undrawn. At 31 May 2022, the previous loan facility also remained fully undrawn.

The facility is still set to continue to be available up until its original end date, following Credit Suisse AG being bought by UBS Group AG in March 2023.

7. Taxation

		31 May 2023		
	Revenue **£'000**	**Capital** **£'000**	**Total** **£'000**	Reve £'
Withholding tax deducted from distributions	**1,494**	**-**	**1,494**	3

Tax charge

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19% to 31 March 2023 rising to 25% from weighted average for the year of 20% (Year ended 31 May 2022: 19%). The differences are explained below:

Net return before tax	**(18,904)**	**62,679**	**43,775**	(9,4
Theoretical tax at UK corporation tax rate of 20% (31 May 2022: 19%)	**(3,781)**	**12,536**	**8,755**	(1,8
Non-taxable investment, derivative and currency gains	**-**	**(12,845)**	**(12,845)**	
Effect of expenses in excess of taxable income	**-**	**309**	**309**	
Carry forward management expenses	**3,781**	**-**	**3,781**	1
Withholding tax deducted from distributions	**1,494**	**-**	**1,494**	3
	1,494	**-**	**1,494**	3

The tax charge for the year ended 31 May 2023 is £1.5m (31 May 2022: £3.1m). The tax charge is wholly comprised of irrecoverable withholding tax suffered, with the exception of an amount of £0.1m, in relation to the recovery of tax from prior years which has been offset against the charge.

Investment gains are exempt from capital gains tax owing to the Company's status as an investment trust.

Factors That May Affect Future Tax Charges

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

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there is sufficient future taxable revenue. As at 31 May 2023, excess management expenses are estimated to be in excess of £330m (31 May 2022: £227m).

At 31 May 2023, the Company had no unprovided deferred tax liabilities (31 May 2022: £nil).

8. Return per Ordinary Share

	Revenue £'000	Capital £'000	31 May 2023 Total £'000	Revenue £'000
Return for the financial period in £'000	**(20,398)**	**62,679**	**42,281**	(12,567)
Weighted average ordinary and redeemable shares			**532,707,383**	
Return per ordinary share	**(3.83)p**	**11.77p**	**7.94p**	(2.32)p

There are no dilutive or potentially dilutive shares in issue.

9a. Movements on Investments

	31 May 2023 £'000	31 May 2022 £'000
Book cost brought forward	**1,530,419**	1,003,796
Opening unrealised appreciation on investments held		
-Unlisted investments	**706,707**	709,712
-Listed investments	**1,482**	216
Valuation of investments brought forward	**2,238,608**	1,713,724
Movements in year:		
Acquisitions at cost	**289,020**	979,764
Capital distributions - proceeds	**(160,891)**[2]	(1,024,931)[1]
Capital distributions - realised gains on sales	**76,302**[2]	571,790[1]
Increase in appreciation on investments held	**(25,419)**	(1,739)
Valuation of investments at year end	**2,417,620**	2,238,608
Book cost at year end	**1,734,850**	1,530,419
Closing unrealised appreciation on investments held		
-Unlisted investments	**682,437**	706,707
-Listed investments	**333**	1,482
Valuation of investments at year end	**2,417,620**	2,238,608
Fair value of investments:		
Unlisted investments	**2,415,800**	2,235,639
Listed investments	**1,820**	2,969
Valuation of investments at year end	**2,417,620**	2,238,608

1 On 31 December 2021, the Company transferred several investments, at a fair value of £627.14m, to its wholly owned subsidiary Pantheon International Holdings LP, in return for a 99% investment in Pantheon International Holdings LP, being £620.87m and the remaining 1% in Pantheon International Holdings GP LP, being £6.27m.

2 On 1 October 2022, the Company transferred one further investment, at a fair value of £3.10m, to its wholly owned subsidiary Pantheon International Holdings LP, in return for a 99% investment in Pantheon International Holdings LP, being £3.07m and the remaining 1% in Pantheon International Holdings GP LP, being £0.03m.

Further details in relation to the subsidiaries are included in Note 18 below.

9b. Analysis of Investments

Further analysis of the investment portfolio is provided in the Manager's Review in the full Annual Report.

The Company received £160,891,000 (2022: £1,024,931,000) from investments sold during the year. The book cost of these investments when they were purchased was £84,589,000 (2022: £453,141,000). These investments have been revalued over time until such time they were sold and up until that point, any unrealised gains or losses were included in the fair value of the investments. Transaction costs (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (31 May 2022: £nil) and to the disposals of investments totalled £7,000 (31 May 2022: £4,000) for the period. In addition, legal fees incidental to the acquisition of investments totalled £1,625,000 (31 May 2022: £1,326,000), as disclosed in Note 4, have been taken to the Capital column in the Income Statement since they are capital in nature.

Included in investment are also investments that the Company holds in its subsidiaries. Please see Note 18 below for further details.

Gains on investment per income statement	31 May 2023 £'000	31 May 2022 £'000
Realised gains on sales	**76,302**	571,790
Amounts previously recognised as unrealised appreciation on those sales	**1,482**	216
Decrease in unrealised appreciation	**(26,902)**	(1,954)
Revaluation of amounts owed in respect of transactions	**3**	(3)
Gains on investments	**50,885**	570,049

Currency analysis of investment valuation	31 May 2023 £'000	31 May 2022 £'000
Sterling		

Unlisted investments	**1,042,249**	872,089
	1,042,249	872,089
US dollar		
Unlisted investments	**1,116,006**	1,083,342
Listed investments	**1,820**	2,969
	1,117,826	1,086,311
Euro		
Unlisted investments	**230,424**	247,749
	230,424	247,749
Other		
Unlisted investments	**27,121**	32,459
	27,121	32,459
	2,417,620	2,238,608

9c. Material Investment

At the period end, the Company held no material holdings in any underlying company which exceeded 3% and funds which exceeded 10% of any class of capital.

10. 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, but does not include listed holdings held indirectly through the Company's underlying private equity managers which are classified under Level 3 holdings;

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.

Financial Assets at Fair Value Through Profit or Loss at 31 May 2023

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Unlisted holdings	-	-	2,415,800	2,415,800
Listed holdings	1,820	-	-	1,820
	1,820	-	2,415,800	2,417,620

Financial Assets at Fair Value Through Profit or Loss at 31 May 2022

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Unlisted holdings	-	-	2,235,639	2,235,639
Listed holdings	2,969	-	-	2,969
	2,969	-	2,235,639	2,238,608

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2023

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Asset Linked Note	**-**	**-**	32,520	32,520
	-	**-**	32,520	32,520

Financial Liabilities at Fair Value Through Profit or Loss at 31 May 2022

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Asset Linked Note	**-**	**-**	41,374	41,374
	-	**-**	41,374	41,374

11. Debtors

	31 May 2023 £'000	31 May 2022 £'000
Amounts receivable from investment funds	**290**	595
Accrued interest	**17**	5
Prepayments	**2,040**	1,523
	2,347	2,123

12. Cash and Cash Equivalents

	31 May 2023 £'000	31 May 2022 £'000
Cash at bank	**49,906**	231,458
Cash equivalents	**16,137**	-

	66,043	231,458

As at 31 May 2023, Cash equivalents of £16,137,000 were held in a USD money market fund (2022: £nil).

13. Creditors Amounts Falling Due Within One Year

	31 May 2023 £'000	31 May 2022 £'000
Investment management fees	**2,245**	2,124
Amounts owed in respect of transactions	**-**	4
ALN repayment to the Investor	**1,199**	2,787
Other creditors and accruals	**1,173**	1,223
	4,617	6,138

14. Creditors Amounts Falling Due After One Year - Asset Linked Note

	31 May 2023 £'000	31 May 2022 £'000
Opening value of ALN	41,374	53,015
Repayments of net cashflows received	(5,035)	(13,786)
Fair value movement through profit or loss	(3,384)	3,428
Expense Charge and ALN share of withholding taxes	(435)	(1,283)
Closing Value of ALN (see Note 1 (E))	32,520	41,374
Transfer to creditors due within one year, as amount is repayable within 3 months	(1,199)	(2,787)
	31,321	38,587

15. Called-up Share Capital

	Shares	**31 May 2023 £'000**	Shares	31 May 2022 £'000
Allotted, called up and fully paid: Ordinary Shares of 6.7p each				
Opening position	**537,493,640**	**36,012**	54,089,447	36,240
Cancellation of shares	**(7,600,183)**	**(509)**	(3,400,830)	(228)
Shares issued through share split	**-**	**-**	486,805,023	-
Closing position	**529,893,457**	**35,503**	537,493,640	36,012
Total shares in issue	**529,893,457**	**35,503**	537,493,640	36,012

During the year ended 31 May 2023, 7,600,183 ordinary shares were bought back in the market, for cancellation at a total cost, including stamp duty, of £19.7m. During the year ended 31 May 2022, 3,275,830 ordinary shares were bought back in the market, to be held in Treasury at a total cost, including stamp duty, of £10.0m. The 3,275,830 shares that were held in Treasury were subsequently cancelled prior to the end of May 2022. In addition, during the year ended 31 May 2022, 125,000 shares were bought back for cancellation, at a total cost, including stamp duty, of £0.3m.

As a result, there were 529,893,457 ordinary shares in issue as at 31 May 2023 (of which none are held in Treasury; year to 31 May 2022: 537,493,640 ordinary shares and no Treasury shares).

Each holder of ordinary shares is entitled, on a show of hands, to one vote and, on a poll, to one vote for each ordinary share held.

16. Reserves

	Share premium £'000	**Capital redemption reserve £'000**	**Other capital reserve £'000**	**Capital reserve on investments held £'000**	**Revenue Reserve[1] £'000**
Beginning of year	269,535	3,553	1,556,346	674,875	(112,857)
Net gain on realisation of investments	-	-	76,302	-	-
Decrease in unrealised appreciation	-	-	-	(21,180)	-
Revaluation of amounts owed in respect of transactions	-	-	3	-	-
Exchange differences on currency	-	-	9,210	-	-
Exchange differences on other capital items	-	-	(31)	-	-
Legal and professional expenses charged to capital	-	-	(1,625)	-	-
Share buybacks	-	509	(19,673)	-	-
Revenue return for the year	-	-	-	-	(20,398)
End of period	269,535	4,062	1,620,532	653,695	(133,255)

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

17. Net Asset Value per Share

	31 May 2023	31 May 2022
Net assets attributable in £'000	**2,450,072**	2,427,464
Ordinary shares	**529,893,457**	537,493,640
Net asset value per ordinary share	**462.37p**	451.63p

18. Subsidiaries

The Company has formed three wholly owned subsidiaries, to provide security for future financial lending arrangements.

Pantheon International Holdings LP ("PIH LP") was incorporated on 29 March 2021 with a registered address in the State of Delaware (National Registered Agents, Inc., 209 Orange Street, Wilmington, Delaware 19801), and is wholly owned by the Company.

The Company holds an investment in PIH LP, which itself holds a basket of investments, rather than to carry out business on the Company's behalf. Investments held within PIH LP are based on the fair value of the investments held in those entities. On 31 December 2021, the Company transferred several investments, at a fair value of £627.14m, to its wholly owned subsidiary PIH LP in order to provide security for the £500m multi-currency facility agreed 2 August 2022. On 1 October 2022, the Company transferred one further investment, at a fair value of £3.10m. The aggregate amount of its capital and reserves as at 31 May 2023 is £995,928,000 (2022: £820,800,000) and the profit or loss for the period ended 31 May 2023 is £3,491,000 (2022:£164,000).

The General Partner for PIH LP is Pantheon International Holdings GP ("PIH GP") Limited. Incorporated on 17 March 2021 with a registered address c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and is wholly owned by the Company. The aggregate amount of its capital and reserves as at 31 May 2023 is £1 (2022: £1) and the profit or loss for the period ended 31 May 2023 is £nil (2022: £nil).

The General Partner and the Limited Partner, formed an exempted limited partnership, named Pantheon International Holdings GP LP, incorporated on 17 March 2021 with a registered address c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company holds an investment in PIH GP LP.

Any investments made by the Company into PIH LP, generally invest at 99% directly into PIH LP, with the remaining 1% investing into PIH GP LP. PIH GP LP will then, in turn, wholly invest those funds into PIH LP, so no funds remain in PIH GP LP.

In accordance with FRS 102, the Company is exempted from the requirement to prepare consolidated financial statements on the grounds that its subsidiary PIH LP is held exclusively with a view to a subsequent resale as it is considered part of an investment portfolio and PIH GP LP and PIH GP are not material. Therefore, the Company has no requirement to prepare consolidated accounts, and therefore the subsidiaries noted above are held as investments recognised at fair value through profit or loss.

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

	31 May 2023 £'000	31 May 2022 £'000
Return before finance costs and taxation	**50,141**	579,639
Withholding tax deducted	**(1,494)**	(3,075)
Gains on investments	**(50,885)**	(570,049)
Currency gains on cash and borrowings	**(9,179)**	(19,564)
Increase in creditors	**394**	483
Increase in other debtors	**(147)**	(29)
(Reduction)/gain of financial liabilities at fair value through profit or loss (ALN)	**(3,384)**	3,428
Expenses and taxation associated with the ALN	**(435)**	(1,283)
Net cash outflow from operating activities	**(14,989)**	(10,450)

20. Contingencies, Guarantees and Financial Commitments

At 31 May 2023, there were financial commitments outstanding of £857m (31 May 2022: £755m) in respect of investments in partly paid shares and interests in private equity funds. We expect 21% of the financial commitments outstanding to be called within the next twelve months.

Further detail of the available finance cover is provided in Note 21 below.

21. Analysis of Financial Assets and Liabilities

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

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

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

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

The Manager only holds cash at banks with high credit ratings, therefore the Company has little exposure to credit risk. The Manager monitors the financial risks affecting the Company on a daily basis and the Directors regularly receive financial information, which is used to identify and monitor risk.

In accordance with FRS 102 an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is shown further on in this Note.

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

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 20 for outstanding commitments as at 31 May 2023) to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad-hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent upon it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.

On 2 August 2022, the Company had agreed a new five-year £500m multi-tranche, multi-currency revolving credit facility agreement arranged by Credit Suisse AG London Branch, Lloyds Bank Corporate Markets plc and State Street Bank International GmbH. The Loan Facility, which replaced the £300m loan facility agreement, which was due to expire in May 2024, is comprised of facilities amounting to $512.9m and €89.2m and secured by certain assets of the Company. The facility will expire in July 2027 with an ongoing option to extend, by agreement, the maturity date by another year at a time. The facility has a blended commitment fee of 0.95% per annum on available commitment and pricing equivalent to the relevant benchmark rate plus 2.350% to 2.575% depending on utilisation.

The principal covenants that apply to the loan facility require: (i) that gross borrowings do not exceed 34% of the borrowing base; (ii) that gross borrowings do not exceed 45% of the adjusted borrowing base in the first year of the facility, and 40% thereafter; and (iii) the liquidity ratio does not exceed 3.0x undrawn commitments.

Total available financing as at 31 May 2023 stood at £554m (31 May 2022: £528m), comprising £63m (31 May 2022: £227m) in cash balances and £491m (31 May 2022: £301m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 3.7 times (31 May 2022: 4.0 times) (which now excludes any outstanding commitments relating to funds outside their investment period (>13 years old) as there is a low likelihood of these being drawn).

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

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as relevant benchmark rates plus 2.350% to 2.575%, dependent on the currency drawn. The interest rate is then fixed for the duration that the loan is drawn down. At 31 May 2023, there was the sterling equivalent of £nil funds drawn down on the loan facilities (31 May 2022: £nil). A blended commitment fee of 0.95% per annum is payable in respect of the amounts available for drawdown in each facility.

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

Financial assets for 2023 and 2022 consisted of investments, cash and debtors (excluding prepayments). As at 31 May 2023, the interest rate risk and maturity profile of the Company's financial assets was as follows:

31 May 2023	**Total £'000**	**No maturity date**	**Matures within 1 year**	**Matures after 1 year**	**Fixed interest average interest rate**

		£'000	£'000	£'000	%
Fair value no interest rate risk financial assets					
Sterling	1,043,630	1,043,630	-	-	-
US dollar	1,171,627	1,171,627	-	-	-
Euro	240,745	240,745	-	-	-
Other	29,362	29,362	-	-	-
	2,485,364	2,485,364	-	-	-

The interest rate and maturity profile of the Company's financial assets as at 31 May 2022 was as follows:

31 May 2022	**Total £'000**	**No Maturity Date £'000**	**Matures within 1 year £'000**	**Matures after 1 year £'000**	**Fixed interest average interest rate %**
Fair value of no interest rate risk financial assets					
Sterling	891,350	891,350	-	-	-
US dollar	1,262,083	1,262,083	-	-	-
Euro	269,786	269,786	-	-	-
Other	47,446	47,446	-	-	-
	2,470,665	2,470,665	-	-	-

Financial Liabilities
At 31 May 2023, the Company had drawn the sterling equivalent of £nil (31 May 2022: £nil) of its new £500m multi-currency credit facility, expiring July 2027. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the year end, interest of £nil (31 May 2022: £nil) was accrued as the facilities were unutilised.

At 31 May 2023 and 31 May 2022, other than the ALN, all financial liabilities were due within one year and comprised short-term creditors. The ALN is repayable by no later than 31 August 2027.

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

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

If the investment portfolio fell by 20% from the 31 May 2023 valuation, with all other variables held constant, there would have been a reduction of £483,524,000 (31 May 2022: £447,722,000) in the return before taxation. An increase of 20% would have increased the return before taxation by an equal and opposite amount.

Foreign Currency Risk
Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates. A geographical analysis of the portfolio and hence its exposure to currency risk is given in the full Annual Report and in Note 9b above. Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial period.

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report and the Manager's Review in the full Annual Report.

The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 31 May 2023, realised exchange losses of £31,000 (31 May 2022: realised exchange losses of £145,000) and realised gains relating to currency of £9,210,000 (31 May 2022: realised gains of £19,709,000) have been taken to the capital reserve.

The Company's exposure to foreign currency excluding private equity investments is shown below. In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 31 May 2023, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £7,065,000 (31 May 2022: £21,936,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of decreasing equity shareholders' funds by £5,780,000 (31 May 2022: £17,948,000). The calculations are based on the financial assets and liabilities and the exchange rate as at 31 May 2023 of 1.2394 (31 May 2022: 1.26) sterling/dollar and 1.16265 (31 May 2022: 1.17625) sterling/euro. The Company's investment currency exposure is disclosed in Note 9b above.

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

	31 May 2023 Assets £'000	**31 May 2023 Liabilities £'000**	31 May 2022 Assets £'000	31 May 2022 Liabilities £'000
US dollar	**53,801**	**478**	176,090	497
Canadian dollar	**32**	**-**	1,375	-
Euro	**10,321**	**59**	22,036	201
Swedish krone	**768**	**-**	240	-
Norwegian krone	**-**	**-**	136	-

Australian dollar	**1,441**	**-**	13,236	-
	66,363	**537**	213,113	698

Fair Value of Financial Assets and Financial Liabilities
The Investments of the Company are held at fair value. All other financial assets are held at cost, which is an approximation of fair value. Other than the ALN, the financial liabilities are held at amortised cost, which is not materially different from fair value.

Managing Capital
The Company's equity comprises ordinary shares as described in Note 15 above. Capital is managed so as to maximise the return to shareholders while maintaining a capital base that allows the Company to operate effectively in the marketplace and sustain future development of the business.

As at 31 May 2023 and 31 May 2022, the Company had bank debt facilities to increase the Company's liquidity. Details of available borrowings at the period end can be found earlier in this Note.

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

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

22. Transactions with the Manager and Related Parties
The amounts paid to the Manager, together with the details of the Investment Management Agreement, are disclosed in Note 3 above.

The Company's related parties are its Directors. The Fees paid to the Company's Board are disclosed in the Directors' Remuneration Report in the full Annual Report. The Company's National Insurance contribution in relation to Directors' remuneration is disclosed in Note 4 above. Amounts outstanding for Directors' Fees as at 31 May 2023 amount to £45,000 (2022: £57,000).

The Company has also formed three wholly-owned subsidiaries. Please see Note 18 above for further details.

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

23. Post Balance Sheet Events

There are no post balance sheet events at the year end.

ENDS