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Pantheon International PLC
08 August 2017

PANTHEON INTERNATIONAL PLC (the "Company" or "PIP")
ANNUAL REPORT FOR THE 11 MONTHS ENDED 31 MAY 2017

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)1392 477500.

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

Pantheon International Plc, an investment trust that invests in private equity funds globally, today publishes its Annual Financial Report for the eleven months ended 31 May 2017.

In its 30th year, PIP generated strong investment returns from its underlying portfolio and continued its strategy to invest selectively in the best private equity managers globally.

HIGHLIGHTS - 11 MONTHS ENDED 31 MAY 2017

- NAV per share **increased by 17%**, from 1,873.6p to 2,189.9p.
- Net assets **increased to £1,388m** (June 2016: £1,187m).
- The ordinary share price increased from 1,285.0p to 1,793.0p, **an increase of 40%** and the discount decreased from 31% to 18%.
- The redeemable share price increased from 1,175.0p to 1,632.5p, **an increase of 39%** as the discount narrowed from 37% to 25%.
- PIP's accounting reference date changed from 30 June to 31 May of each year.

Portfolio update

- Assets in the portfolio generated underlying (pre-FX) returns of **16.2%.**
- Distributions received in the eleven months to 31 May 2017 were **£293m**. Excluding proceeds from the previously announced sale of some tail-end funds, this was equivalent to an annualised rate of 27% of opening private equity assets. After funding **£82m** of calls, net cash flow from the portfolio totalled **£211m**.
- **£291m** of new investment commitments were made during the eleven months with £151m drawn at the time of purchase.

Commenting on PIP's eleven month performance, **Sir Laurie Magnus, Chairman,** said:

"PIP has had a successful eleven months with strong returns from its underlying portfolio and both its ordinary and redeemable share prices having increased significantly. The global private equity market continues to be competitive and valuations remain high. Nonetheless, PIP has been able to take advantage of its access to Pantheon's extensive platform of manager relationships to redeploy capital into compelling new investments across all geographic regions. This year, PIP celebrates its 30th anniversary since listing on the London Stock Exchange in 1987. Since its inception, the trust has grown its net assets to just under £1.4bn and generated annual average NAV per share growth of 11.8%. As we reflect on PIP's accumulated capital growth from performance generated over the past 30 years, we can remain confident that our manager, Pantheon, has the expertise and track record to continue to invest with the best private equity managers globally that are capable of generating attractive returns for the benefit of shareholders."

For more information please contact:

Andrew Lebus or Vicki Bradley

Pantheon

+44 (0)20 3356 1800

PIP will host a webcast at 10.30am GMT today. Access details can be found below.

The presentation can be viewed on the day via view-w.tv/819-1359-18692/en. Please refer to the numbers below for your local dial-in details. When you dial in for the webcast, you will be asked to provide your name, company name and the password **Pantheon.**

Dial-in details:

Standard International Access:	+44 (0) 20 3003 2666
UK Toll Free:	0808 109 0700

Password: Pantheon

A copy of the presentation and a recording of the webcast will be available on our website www.piplc.com following the event.

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

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

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

Performance for 11 months to 31 May 2017

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

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

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

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

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

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

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

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

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

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

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

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

The Strategic Report, included within the Annual Report, has been approved and signed on behalf of the Board.

SIR LAURIE MAGNUS
Chairman
7 August 2017

INVESTMENT RATIONALE

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

Private equity is the term used for investments made in non-public companies through privately negotiated transactions. The global private equity market has grown significantly over recent years and is worth $2.5tn[1]. The asset class covers a broad range of strategies, which all share a common theme - capital structure optimisation that aligns investors' interests with management, combined with long-term investment horizons and hands-on management support. For investors looking for attractive risk-adjusted returns relative to other asset classes, private equity has strong credentials. A broad range of institutions including pension funds, sovereign wealth funds and endowments, as well as high net worth individuals, invest in private equity as it can offer a meaningful boost to the performance of their investment portfolios.

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

The Private Equity Investment Approach
Private equity managers typically specialise in market sectors in which they already have extensive investment experience and in which they are well placed to identify attractive investment opportunities based on proprietary research. Private equity investors acquire influential or controlling shareholdings in businesses where there is an opportunity to work closely with a company's management to implement both strategic and

operational change, which can transform a company's value. Better alignment between management and shareholders can be achieved by ensuring that a company's management are investing at the same time while also using leverage to create an efficient capital structure.

The spread of performance in private equity is much wider than in other asset classes and the selection of managers has a significant influence on investment performance. The high level of outperformance of public market benchmarks achieved by top quartile managers in private equity, evident through multiple cycles, provides the opportunity for Pantheon to identify and select highly-skilled and strategic managers within a diversified portfolio. This approach mitigates the risk of being overexposed to any single fund, region or investment style. The Board of PIP believes that investing the Company's capital in private equity funds flexibly between the primary and secondary markets, or directly co-investing in companies alongside leading, individually-selected private equity managers, provides a good opportunity to generate attractive long-term investment performance.

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

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

OUR BUSINESS MODEL

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

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

Secondary purchases of existing interests in private equity funds are typically many years after a fund's inception, when such funds are substantially invested. PIP benefits from secondaries because the fees and expenses in the first few years have been paid and distributions from the fund will be returned over a shorter time period. This helps to reduce the drag to performance from young and immature funds, known as the "J-curve effect". In addition, secondary assets can sometimes be purchased at a discount, especially in cases where the seller has a need for liquidity, increasing the opportunity for outperformance. As the Company continues to build its financial resources through net portfolio realisations, the shorter duration of secondary investments and lower associated undrawn commitments will enable the Company to maintain a mature, cash-generative profile.

In accordance with the terms of its management agreement with Pantheon, PIP is entitled, under Pantheon's allocation policy, to co-invest alongside Pantheon's latest global secondary fund, Pantheon Global Secondary Fund V, benefiting from access to larger secondary opportunities that it would not have had the capacity to complete alone. The secondary programme enables PIP to acquire attractively priced secondary interests as they become available, and aims to outperform market averages through judicious selection, pricing and timing.

Co-investments
The Company also participates in co-investments alongside established private equity managers. The extent of Pantheon's General Partner ("GP") relationships provide a significant advantage for the sourcing and evaluation of co-investments. As with secondary investing, co-investments allow the Company to put money to work at the time an investment is made. In addition, as there are lower or no management fees charged on co-investments by the underlying private equity manager, co-investing can represent a cost-efficient way of investing, whilst providing PIP with exposure to current vintages. It is the Board's current intention that co-investments will not account for more than 30% of PIP's new commitments.

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

Social, Environmental, Community, Human Rights and Employment Issues
The Company has no employees and the Board consists entirely of Non-Executive Directors. At the end of the period under review, the Board was comprised of six male Directors and one female Director.

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

OBJECTIVE AND INVESTMENT POLICY

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

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

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

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

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

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

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

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

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

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

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

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

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

PRINCIPLE RISKS AND UNCERTAINTIES

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

Funding of investment commitments and default risk

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

Mitigation
The Company has a mature portfolio that is naturally cash generative and does not ordinarily gear its balance sheet for the purpose of enhancing performance. The Board intends to manage the Company so that undrawn commitments remain at a conservative level relative to its assets and available financing. The total available financing as at 31 May 2017 stood at £333m, comprising £167m in cash balances and £166m in undrawn bank facilities. As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 3.5 times. The Company ordinarily expects to finance the majority of calls from undrawn commitments out of distributions. In the event that the levels of cash distributions and cash balances are insufficient to cover capital calls, the Company has the ability to draw funds from a credit facility (see Gearing section on the following page for details of the credit facility).

Risks relating to investment opportunities

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

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

Financial risk of private equity

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

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

Long-term nature of private equity investments

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

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

Valuation uncertainty

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

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

Gearing

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

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

For working capital purposes, the Company maintains a revolving credit facility arranged by The Royal Bank of Scotland Group plc, due to expire in November 2018, and comprising facilities of $138.8m and €66.6m. The principal covenant that applies to the loan facility ensures that the Company is limited to a maximum gearing of 30% of adjusted gross asset value. The facility was unutilised as at 31 May 2017.

Foreign currency risk

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

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

Unregulated nature of underlying investments

Risk
The private equity funds and underlying unquoted investments that form the basis of the majority of the Company's portfolio are not necessarily subject to regulation by the Financial Conduct Authority ("FCA") or an equivalent regulatory body. Funds and unquoted companies in which the Company invests (directly or indirectly) may be domiciled in jurisdictions which do not have a regulatory regime that provides an equivalent level of investor protection to that provided under the laws of the United Kingdom.

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

Taxation

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

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

The Manager and other third party advisers

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

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

Brexit

Risk
The United Kingdom has voted to leave the European Union and depending on what arrangements might be negotiated, there are likely to be consequences on the Company, and on the wider Pantheon ("Manager") organisation as a whole. Uncertainty about the Brexit process may result in some market and currency volatility, which may adversely impact returns. In addition, given a significant proportion of UK financial services legislation, such as the AIFMD, the UCITS Directives and MiFIDII/MiFIR, is derived from EU law, assuming the UK does not accede to the EEA Agreement or negotiate an equivalent arrangement, the Company's continued ability to market its services to European investors may be at risk.

Mitigation
Following the UK's decision to leave the EU, the Manager, through a dedicated working group, has been monitoring policy developments and reviewing aspects of the Company's business that rely on Pan-EU arrangements. Pantheon will open an office in Dublin, ensuring that Brexit will have a minimal impact on the Company's ability to manage and market its products in Europe.

Cybersecurity

Risk
The Company is dependent on effective information technology systems. These systems support key business functions and are an important means of safeguarding sensitive information. Any significant disruption to these IT systems, including breaches of data confidentiality or cybersecurity, could result in, among other things, financial losses, the inability to perform business critical functions, regulatory censure, legal liability and reputational damage.

Mitigation
Pantheon has a robust information and cybersecurity programme in place, aligned with SANS20 controls and the NIST cybersecurity framework. This includes a comprehensive set of policies, standards, procedures and technology related to information security. Validation of the Pantheon information and cybersecurity solutions is tested annually by means of a full penetration test, including phishing expeditions by accredited third party cybersecurity specialists. The findings of these tests are reported to both the Pantheon Operational Risk Committee and Pantheon Operating

Committee. In addition, a company-wide cybersecurity awareness training programme has been put into place for all staff. Over the past 12 months the Company has not experienced any material breaches in respect of information or cybersecurity.

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

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

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

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

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

On behalf of the Board

SIR LAURIE MAGNUS
7 August 2017

MANAGER'S REVIEW

The Manager (Pantheon)
Pantheon, one of the world's foremost private equity specialists, has acted as Manager to PIP since the Company's inception in 1987. Pantheon evaluates and manages investments on PIP's behalf in line with the strategy agreed by the Board. Pantheon is also one of the largest and most experienced secondary managers, having committed almost $11bn to secondary investments over the last 30 years.

At a Glance

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

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

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

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

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

Reputation as a Preferred Investor
Pantheon has been investing in private equity for over 35 years and has a solid reputation in the industry. Pantheon is often considered a preferred investor due to its reputation, active approach and scale of commitments. In addition, Pantheon generally seeks advisory board seats to contribute actively to governance during the life of the fund. As such, Pantheon is represented on over 350 advisory boards worldwide. Long-standing partnerships with managers on a global basis can also enhance the firm's deal flow in the secondary market.

Team-based Culture
Pantheon draws upon a wide pool of resources that contributes to a team-based culture. With teams operating in London, San Francisco, New York, Hong Kong, Bogotá, and Seoul, Pantheon adopts a collegiate approach to investment decision-making, globally leveraging the collective experience and expertise of its investment professionals. The team's experience is also brought to bear on the evaluation, selection and ongoing monitoring of fund investments. Pantheon's team of over 70 investment professionals[2], supported by over 140 other professionals, work together with the ultimate aim of producing strong and consistent results.

The Investment Team[2]

- **San Francisco -** 21 *investment professionals*
- **New York -** 5 *investment professionals*
- **Bogotá -** 3 *investment professionals*
- **London -** 33 *investment professionals*
- **Hong Kong -** 8 *investment professionals*

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

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

MARKET REVIEW

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

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

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

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

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

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

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

Sentiment improving in Europe

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

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

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

A mix of founder- and family-owned primary management buyouts, corporate carve-outs and transformational secondary buyouts continue to be of interest to our managers. Pantheon is investing in managers that, when assessing these opportunities, take a thematic approach, focus on high growth sectors and are able to identify assets where many levers can be pulled to introduce operational efficiencies to better drive growth, both organically and through buy-and-build strategies. In selecting managers, our emphasis is on small and mid-cap, as well as growth, opportunities, which tend to be more conservatively priced and have lower levels of leverage than the broader market average, which is itself skewed towards the large and mega buyout space.

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

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

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

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

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

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

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

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

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

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

Record investment activity and fundraising levels in the secondary market

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

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

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

Pantheon's preference in the current highly priced environment has been to acquire concentrated fund positions in managers that we hold in high regard, where the underlying assets have robust prospects for medium-term capital gain. We are particularly interested in secondaries involving companies that have demonstrated financial resilience through multiple down-turns, where the manager has multiple levers to stimulate growth. We are also attracted to funds where we can identify companies with embedded value, where a manager's conservative valuation policy provides the potential for uplifts to NAV on exit.

[3] *Secondaries Investor: 3 July 2017*

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

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

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

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

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

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

In addition, research by Pantheon has shown that, perhaps as a result of increased regulation and cost, the number of publicly listed companies in the US has fallen dramatically, decreasing by roughly half since its peak in 1996[6]. This is a trend that has spanned multiple economic cycles and has impacted countries across the globe[7]. Many private equity investment strategies are direct beneficiaries of the shrinking public markets and our managers, often experts in particular sectors, are well-placed to provide the capital that companies seek while operating as private businesses. Managers that are focused on venture and growth equity can often access outperforming companies long before pre-IPO investors do.

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

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

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

[7] *Data from The World Bank, accessed 25 May 2017*

PORTFOLIO OVERVIEW

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

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

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

Portfolio Analysis by Value as at 30 May 2017[1]

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

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

USA	**56%**
Europe	**25%**
Asia and EM[2]	**12%**
Global[3]	**7%**

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

[2] EM: Emerging Markets

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

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

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

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

Small/Mid Buyout	**33%**
Large/Mega Buyout	**28%**
Growth	**16%**
Venture	**11%**
Special Situations	**11%**
Generalist	**1%**

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

Fund Maturity
The portfolio is well diversified by fund vintage.

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

2016	**12%**
2015	**14%**
2014	**9%**
2013	**5%**
2012	**6%**
2011	**4%**
2010	**1%**
2009	**3%**
2008	**12%**
2007	**16%**
2006	**7%**
2005 and earlier	**11%**

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

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

Secondary	**47%**
Primary	**28%**
Co-investment	**25%**

Company Sectors[1]
PIP's sectoral exposure diversifies the effects of cyclical trends within different industry segments.

Relative to the FTSE All-Share and MSCI World indices, PIP has greater exposure to information technology, and lower exposure to the banking, mining and energy sectors.

Consumer	**27%**
Information Technology	**25%**
Healthcare	**13%**
Industrials	**11%**
Financials	**9%**
Energy	**9%**
Telecommunication Services	**3%**
Materials	**3%**

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

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

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

North America	**59%**
Asia	**13%**

UK	**9%**
Scandinavia	**3%**
Germany	**3%**
Benelux	**3%**
France	**3%**
Central and Eastern Europe	**3%**
Other Europe	**2%**
Italy	**1%**
Iberia	**1%**

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

PORTFOLIO ANALYSIS

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

Ø PIP's portfolio generated investment returns, prior to foreign exchange effects, of 16.2% during the eleven months to 31 May 2017.

Ø Solid performance across growth and buyout funds underpinned PIP's returns, aided by a strong recovery by special situations during the period.

Debt Multiples

Venture, growth and buyout investments have differing leverage characteristics.

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

Ø Average debt multiples for small/medium buyout investments, which represents the majority of PIP's buyout portfolio, are typically lower than debt levels in the large/mega buyout segment.

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

PORTFOLIO ANALYSIS - BUYOUT

Valuation Multiple[1]

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

Ø Sample-weighted average enterprise value/EBITDA was 11.0 times, compared to 12.2 times and 11.4 times for the FTSE All-Share and MSCI World indices respectively.

Revenue and EBITDA Growth[1]

Ø Weighted average revenue growth for the sample buyout companies was 14.5% in the 12 months to 31 December 2016, compared to 17.2% and 1.6% for the FTSE All-Share and MSCI World indices.

Ø Weighted average EBITDA growth for the sample buyout companies was 11.0% in the 12 months to 31 December 2016, compared to 14.9% and 7.1% for the FTSE All-Share and MSCI World indices.

Ø Strong top-line performance, disciplined cost control, good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers.

[1] *The data is based on a sample of PIP's buyout funds. Buyout Sample Methodology: The sample buyout figures for the 12 months to 31 December 2016 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 31 December 2016 or, where not available, the closest annual period disclosed, and provide coverage of 44% and 42% (for revenue and EBITDA growth respectively) of PIP's buyout portfolio. Individual company revenue and EBITDA growth figures were capped between +100% and -100% to avoid large distortions from excessive outliers. Sample data for 2010-2016 is based on the same methodology and provides coverage of 60% - 75% of the portfolio in each year. Enterprise value is defined as carrying value + net debt. The net debt and enterprise value figures were based on underlying valuations as at 31 December 2016, or the closest period end disclosed. The valuation multiple sample covers approximately 36% of PIP's buyout portfolio. The debt multiple sample covers approximately 60% of PIP's buyout portfolio. Data sourced from Bloomberg.*

VENTURE PORTFOLIO ANALYSIS

Ø Venture funds represent 11% of PIP's portfolio.

Ø Despite the flat performance, venture funds collectively generated £33m in distributions for PIP, which was equivalent to 21% of the opening value of the venture portfolio.

DISTRIBUTIONS IN THE ELEVEN MONTHS TO 31 MAY 2017

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

Distributions

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

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

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

DISTRIBUTIONS BY REGION = £293M	
USA	**65%**
Europe	**26%**
Asia and EM	**5%**
Global	**4%**

DISTRIBUTIONS BY STAGE = £293M	
Large/Mega Buyout	**34%**

Small/Mid Buyout	**31%**
Growth	**15%**
Venture	**11%**
Special Situations	**7%**
Generalist	**2%**

Distribution Rates

Quarterly Distribution Rates[2]
Quarterly distribution rates remain strong. This reflected the maturity of PIP's portfolio.

Distribution Rates[2] in the eleven months to 31 May 2017 by Vintage
Mature vintages continue to distribute at higher rates, with 2009 and earlier funds distributing at an average rate in excess of 35% of opening value. With a weighted fund maturity of 6.7 years, PIP's portfolio should continue to generate significant levels of cash.

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

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

EXIT REALISATIONS IN THE ELEVEN MONTHS TO 31 MAY 2017

Cost multiples on exit realisations for the eleven months to 31 May 2017[1]
On a sample of exit realisations, the average cost multiple of the sample was 3.0 times, highlighting significant value creation over the course of an investment.

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

Uplifts on exit realisations for eleven months to 31 May 2017[2]
On a sample of exit realisations, the value weighted average uplift in the period to 31 May 2017 was 35%. This average uplift is consistent with our view that realisations can be significantly incremental to returns. PIP's mature portfolio is well placed to continue to generate a good level of distributions from exit realisations in the coming year.

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

Exit Realisations by Sector and Type
The portfolio benefited from strong realisation activity, particularly in the consumer, information technology, healthcare and industrial sectors.

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

EXIT REALISATIONS BY SECTOR	
Consumer	**30%**
Information Technology	**24%**
Healthcare	**22%**
Industrials	**10%**
Financials	**5%**
Materials	**3%**
Others[3]	**6%**

EXIT REALISATIONS BY TYPE	
Secondary Buyout	**43%**
Trade Sale	**43%**
IPO and Secondary Share Sale	**11%**
Refinancing and Recapitalisation	**3%**

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

CALLS IN THE ELEVEN MONTHS TO 31 MAY 2017

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

Calls

Calls by Region and Stage
PIP paid £82m to finance calls on undrawn commitments during the eleven months to 31 May 2017.

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

CALLS BY REGION = £82m	
USA	**63%**
Europe	**21%**
Asia & EM	**8%**
Global	**8%**

CALLS BY STAGE = £82m	
Small/Mid Buyout	**29%**
Large/Mega Buyout	**28%**
Special Situations	**20%**
Growth	**19%**
Venture	**3%**
Generalist	**1%**

Quarterly Call Rate[1]
Quarterly call rates for the eleven month period were relatively stable at slightly above 20% on an annualised basis.

[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.*

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

CALLS BY SECTOR = £82m	
Information Technology	**33%**
Consumer	**21%**
Energy	**13%**
Industrials	**10%**
Healthcare	**8%**
Financials	**7%**
Telecommunication Services	**4%**
Materials	**3%**
Real Estate	**1%**

NEW COMMITMENTS

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

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

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

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

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

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

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

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

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

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

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

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

TOTAL	129.4	79%

Primary Commitments in the eleven months to 31 May 2017

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

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

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

Co-investments in the eleven months to 31 May 2017
The majority of co-investments were made to companies operating in the US and Europe across a variety of sectors.

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

BY REGION	
USA	**67%**
Europe	**20%**
Asia & EM	**13%**

OUTSTANDING COMMITMENTS

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

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

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

USA	**58%**
Europe	**26%**
Asia and EM	**8%**
Global	**8%**

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

Small/Mid Buyout	**35%**
Large/Mega Buyout	**30%**
Growth	**16%**
Special Situations	**16%**
Venture	**2%**
Generalist	**1%**

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

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

2017	14%
2016	28%
2015	18%
2014	6%
2013	4%
2012	3%
2009 - 2011	3%
2008	6%
2007	8%
2006	4%

2005 and earlier	6%

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

FINANCE AND SHARE BUYBACKS

Finance

Cash and Available Bank Facility
At 31 May 2017, PIP had cash balances of £167.3m.

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

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

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

THE LARGEST 50 MANAGERS BY VALUE

Largest 50 Managers by Value as at 31 May 2017

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

44	Clessidra Capital Partners	Europe	Buyout	0.6%
45	Equistone Partners Europe	Europe	Buyout	0.6%
46	Golden Gate Capital	USA	Buyout	0.6%
47	Vision Capital	Europe	Buyout	0.6%
48	TPG Asia	Asia	Buyout	0.6%
49	Lovell Minnick Equity Advisors	USA	Buyout	0.6%
50	Nordic Capital	Europe	Buyout	0.6%
COVERAGE OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE				**63.6%**

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

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

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

[4] Confidential.

THE LARGEST 50 COMPANIES BY VALUE

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

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

46	Flagstar Bancorp	USA	Financials	0.3%
47	Big River Industries	USA	Materials	0.3%
48	Profi Rom Food	Romania	Consumer	0.3%
49	Targa Resources[2,3]	USA	Energy	0.3%
50	Ministry Brands	USA	Information Technology	0.3%
COVERAGE OF PIP'S NET ASSET VALUE				**27.1%**

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

[1] The largest 50 companies table is based upon underlying company valuations at 31 December 2016, adjusted for known calls, distributions, new investment commitments and post valuation information.

[2] Co-investments / directs.

[3] Listed companies.

[4] Liquidation event post 31 May 2017.

THE DIRECTORS

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

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

** Independent of the Manager*

EXTRACTS FROM THE DIRECTORS' REPORT

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

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

Share capital and voting rights at 31 May 2017	NUMBER OF SHARES IN ISSUE	VOTING RIGHTS ATTACHED TO EACH SHARE	NUMBER OF SHARES HELD IN TREASURY	% OF TOTAL VOTING RIGHTS REPRESENTED BY EACH CLASS
ORDINARY SHARES AT £0.67 EACH	33,062,013	1	-	100
REDEEMABLE SHARES AT £0.01 EACH	30,297,534	-	-	-
TOTAL VOTING RIGHTS	**33,062,013**	-	-	-

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

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

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

Statement of Directors' Responsibilities
IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

Ø select suitable accounting policies and then apply them consistently;

Ø make judgements and estimates that are reasonable and prudent;

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

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

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

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

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

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

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

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

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

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

NON-STATUTORY ACCOUNTS
The financial information set out below does not constitute the Company's statutory accounts for the period ended 31 May 2017 and 30 June 2016 but is derived from those accounts. Statutory accounts for 2016 have been delivered to the Registrar of Companies, and those for 2017 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
PERIOD ENDED 31 MAY 2017

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

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

** Includes currency movements on investments.

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

No operations were acquired or discontinued during the period.

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

The Notes form part of these financial statements.

Statement of Changes in Equity
PERIOD ENDED 31 MAY 2017

	SHARE CAPITAL	**SHARE PREMIUM**	**CAPITAL REDEMPTION RESERVE**	**OTHER CAPITAL RESERVE**	**CAPITAL RESERVE ON INVESTMENTS HELD**	**SPECIAL RESERVE**	**REVENUE RESERVE***	**TOTAL**

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

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

The Notes form part of these financial statements.

Balance Sheet
AS AT 31 MAY 2017

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

The Notes form part of these financial statements.

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

SIR LAURIE MAGNUS
Chairman

Company No. 2147984

Cash Flow Statement
PERIOD ENDED 31 MAY 2017

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

The Notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other interest receivable is included on an accruals basis.

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

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

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

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

Ø expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 9;

Ø expenses of a capital nature are accounted for through the capital account; and

Ø investment performance fees.

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

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

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

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

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

Ø increases and decreases in the value of investments held at the period end.

(K) Investment Performance Fee
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 31 May in each year and, prior to 31 May 2017, the period of 12 calendar months ending 30 June in each year. The calculation period commencing 1 July 2016 is for the 11 month period ending 31 May 2017. The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% (other than for the calculation period commencing on 1 July 2016 to 31 May 2017 in respect of which the percentage will be 9.18% i.e. 11 months pro rata of 10% per annum) for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. For the calculation period ended 31 May 2017, the notional performance fee hurdle is a net asset value per share of 2,736.4p. The performance fee is calculated using the adjusted net asset value.

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

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

2. Income

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

3. Investment Management Fees

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

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

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

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

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

4. Other Expenses

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

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditors.
* See Note 9b for detailed information.

5. Directors' Remuneration

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

6. Interest Payable and Similar Expenses

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

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

7. Taxation

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

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

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

Factors That May Affect Future Tax Charges

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

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

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

8. Return per share

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

There are no dilutive effects to earnings per share.

9a. Movements on Investments

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

9b. Analysis of Investments

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

Further analysis of the investment portfolio is provided in the Manager's Review above.

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

9c. Material Investment

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

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

10. Fair Value Hierarchy

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

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

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

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

11. Debtors

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

12. Creditors Amounts Falling Due Within One Year

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

13. Called-up Share Capital

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

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

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

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

14. Reserves

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

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

15. Net Asset Value per Share

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

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

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

17. Contingencies, Guarantees and Financial Commitments

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

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

18. Analysis of Financial Assets and Liabilities

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

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

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

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

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

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

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

There are times when opportunities for the Company to acquire secondary unquoted portfolios of interests or co-investments may be limited due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be held on deposit or invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment (see Note 17 for outstanding commitments as at 31 May 2017) to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad-hoc basis and may be called at any instance over a number of years. The Company's ability to meet these commitments is dependent upon it receiving cash distributions from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities. In order to cover any shortfalls, the Company has entered into a multi-currency revolving credit facility with The Royal Bank of Scotland plc and Lloyds Bank plc, due to expire in November 2018, and comprising facilities of $139m and €67m of which at 31 May 2017 the sterling equivalent of £nil (30 June 2016: £nil) was drawn down (see Note 6 for further information).

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

Total available financing as at 31 May 2017 stood at £332.8m (30 June 2016: £228.7m), comprising £167.3m (30 June 2016: £115.5m) in cash balances and £165.5m (30 June 2016: £113.2m) (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 3.5 times (30 June 2016: 3.4 times).

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

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

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

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

31 MAY 2017	TOTAL £'000	NO MATURITY DATE £'000	MATURES WITHIN 1 YEAR £'000	MATURES AFTER 1 YEAR £'000	FIXED INTEREST AVERAGE INTEREST RATE %
No interest rate risk financial assets					

Sterling	**63,196**	**63,196**	**-**	**-**	**-**
US dollar	**1,081,502**	**1,081,502**	**-**	**-**	**-**
Euro	**218,090**	**218,090**	**-**	**-**	**-**
Other	**29,620**	**29,620**	**-**	**-**	**-**
	1,392,408	**1,392,408**	**-**	**-**	**-**

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

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

Financial Liabilities
At 31 May 2017 the Company had drawn the sterling equivalent of £nil (30 June 2016: £nil) of its four-year committed revolving dollar and euro credit facilities, expiring November 2018, of $139m and €67m respectively with The Royal Bank of Scotland plc and Lloyds TSB Bank plc. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the period end, interest of £nil (30 June 2016: £nil) was accruing.

At 31 May 2017 and 30 June 2016, all financial liabilities were due within one year and comprised short-term creditors.

Market Price Risk
The method of valuation of the fixed asset investments is described in Note 1(D) 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 2017 valuation, with all other variables held constant, there would have been a reduction of £247,277,000 (30 June 2016 based on a fall of 20%: £216,519,000) in the return before taxation. An increase of 20% would have increased the return before taxation by £242,380,000 (30 June 2016 based on a 20% increase: £212,231,000).

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

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

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

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

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

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

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

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

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

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

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

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

The Company's related parties are its Directors. Fees paid to the Company's Board are disclosed in the Directors' Remuneration Report, which is provided in the Annual Report. The Company's National Insurance contribution in relation to Directors' remuneration is disclosed in Note 4.

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

AIFMD DISCLOSURES

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

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

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

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

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

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

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

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

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

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

The following leverage limits have been set for the Company:

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

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

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

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

	Gross method	**Commitment method**
Leverage ratio	90%	102%

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

Article 23(1) disclosures to investors
The AIFMD requires certain information to be made available to investors in the Company before they invest and requires that material changes to this information be disclosed in the Annual Report of the Company. The information required to be disclosed is contained in the document "Information for Investors" which is available on the Company's website at www.piplc.com.

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

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held on Wednesday, 22 November 2017 at 10.30am at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH.

NATIONAL STORAGE MECHANISM

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

ENDS

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this document (or any other website) is incorporated into, or forms part of, this announcement.

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