COMPANY NO 02147984

Pantheon International Participations PLC
Annual Report and Accounts 2015

PIP

Pantheon International Participations ("PIP" or the "Company") invests in a diversified portfolio of private equity assets managed by third party managers across the world.

Private equity funds purchase large equity stakes in private companies. This gives investors access to a broader universe of opportunities than that offered by public markets. Private equity managers are long-term, disciplined investors who can bring about beneficial changes to businesses and align shareholder interests with those of company management through majority ownership.

The Manager, Pantheon, is one of the world's foremost private equity specialists. With more than 30 years' experience, and a team of 69 investment professionals globally, Pantheon is well positioned to guide PIP towards its objective of maximising capital growth.

Contents

Year at a Glance

Key Performance Indicators

+12%

NAV per share increase

FTSE All-Share TR: +3%
MSCI World TR: +11%

17%

Ordinary share price discount to NAV

2014: 16%

16%

Redeemable share price discount to NAV

2014: 22%

1.33%

Total ongoing charges excluding tax

2014 1 32[1]%

Other Indicators

+11%

Ordinary share price increase

FTSE All-Share TR: +3%
MSCI World TR: +11%

+20%

Redeemable share price increase

FTSE All-Share TR: +3%
MSCI World TR +11%

£1,000m

NAV

2014 £902m

1,532.4p

NAV per share

2014: 1,364 2p

£198m

Net cash flow generated from PIP's portfolio

2014: £142m

£238m

New investment commitments, **£121m** of which was drawn

2014 £148m

£10m

Investments in share buybacks for the year, generating a **0 3%** uplift to NAV per share

2014 £18m, 0 5% uplift

4.3x

Ratio of assets and available financing to undrawn commitments

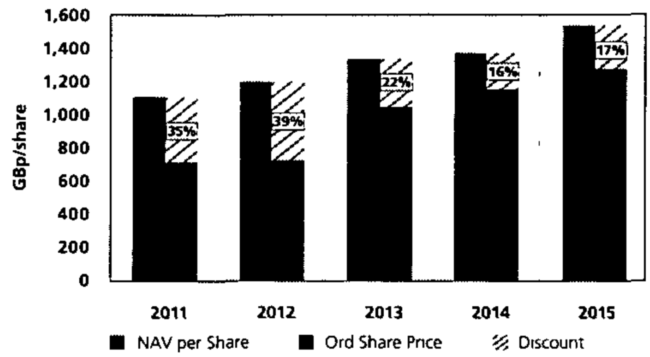
2014 5 7x

This report contains terminology which may be unfamiliar to some readers The Glossary on page 107 provides definitions for frequently used terms

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

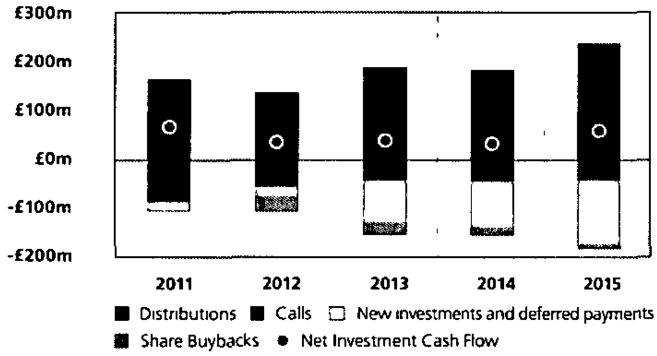
Performance Summary

NAV and Share Price Performance



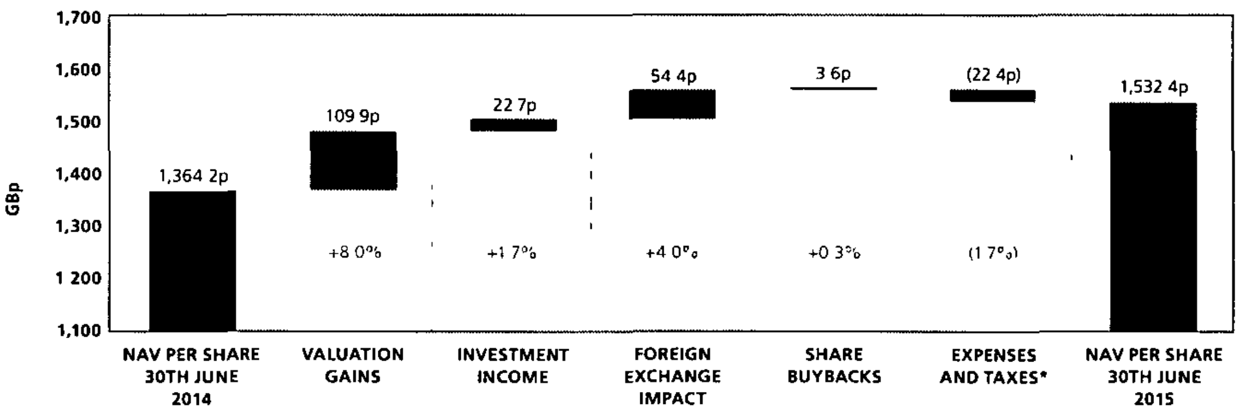
- NAV per share **increased by 12.3%,** from 1,364 2p to 1,532 4p
- The ordinary share price increased from 1,150 0p to 1,272 0p, **an increase of 10.6%.** The discount increased slightly from 15 7% to 17 0%
- The redeemable share price increased from 1,070 0p to 1,285 0p, **an increase of 20.1%.** The discount decreased from 21 6% to 16 1%

Net Investment Cash Flow



- Distributions received in the year were **£237.7m,** equivalent to 29% of opening private equity assets
- PIP invested **£179.5m** in 2015 across calls (£40 0m), new investments, including the payment of deferred acquisition costs (£129 4m), and share buybacks (£10 1m)
- Net investment cash flow was **£58 2m,** an increase from £31 9m in 2014 as PIP's portfolio continues to benefit from net realisations

NAV per Share Reconciliation



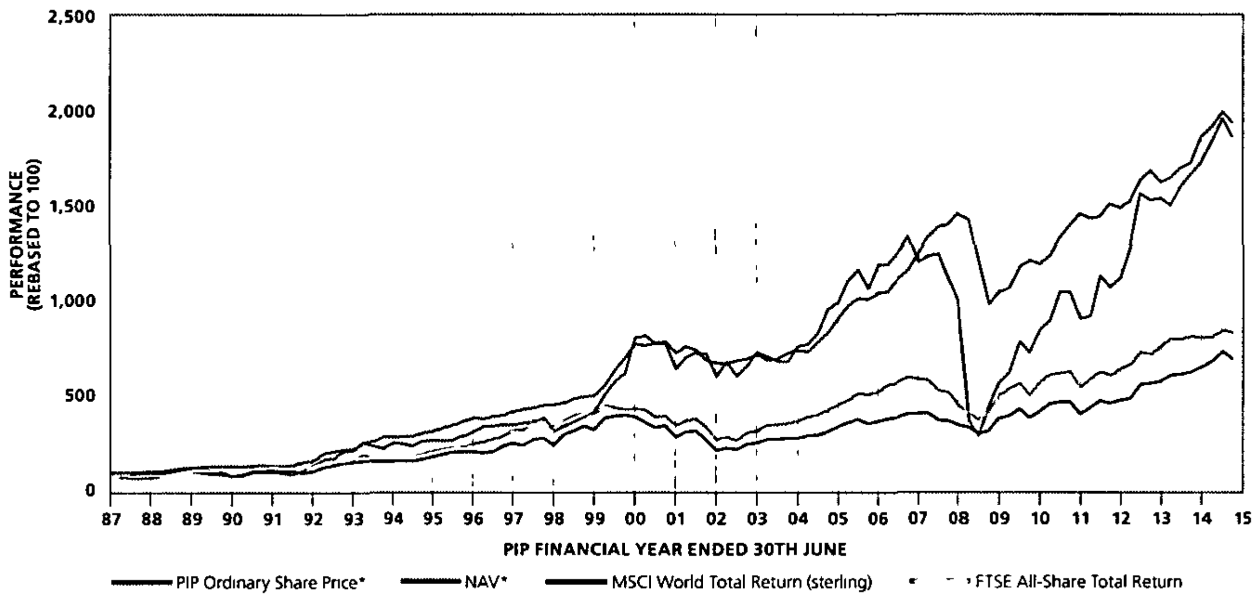
The above chart reconciles the opening and closing NAV per share for the year to 30th June 2015

** Taxes relate to withholding taxes on investment distributions*

Performance at 30th June 2015	1 YEAR %	3 YEARS % P.A	5 YEARS % P.A.	10 YEARS % P.A.	SINCE INCEPTION % P A
NAV per share*	12 3	8 7	9 8	8 8	11 3
Ordinary share price*	10 6	20 6	21 2	6 9	11 1
FTSE All-Share Total Return	2 6	11 0	10 7	7 1	7 9
MSCI World Total Return (sterling)	10 9	14 8	12 6	8 4	7 2

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

Historical Record



** Includes the effects of dividends, capital repayments and warrants NAV figure based upon adjusted NAV per share where applicable*

Capital Structure at 30th June 2015

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

Historical Data

Historical Data	NAV[1 2] (£M)	NAV PER SHARE[2] (PENCE)	ORDINARY SHARE PRICE (PENCE)	PRIVATE EQUITY PORTFOLIO (£M)	OUTSTANDING COMMITMENTS (£M)
Financial year end (30th June)					
2015	1,000 1	1 532 4	1,272 0	862	256
2014	901 7	1,364 2	1 150 0	815	176
2013	903 3	1,331 9	1,042 0	826	195
2012	845 4	1,193 5	725 5	800	191
2011	733 1	1 104 1	714 0	810	243
2010	636 5	958 7	486 0	763	331
2009	513 6	773 6	295 3	648	428
2008	736 1	1 108 7	750 0	806	641
2007	610 3	919 2	917 5	527	528
2006	441 0	796 8	726 5	372	365
2005	381 5	657 9	650 5	315	245
2004	245 2	572 5	463 0	233	137
2003	220 9	546 8	447 0	237	158
2002	196 4	541 6	486 5	175	138
2001	206 1	669 1	574 0	201	138
2000	161 3	599 9	457 5	140	77
1999	145 8	405 6	302 5	78	45
1998	131 3	368 6	294 5	79	50
1997	116 8	328 4	270 0	73	47
1996	106 2	302 5	225 0	48	25
1995	86 9	255 1	207 5	33	8
1994	47 4	239 6	176 5	42	7
1993	30 8	195 5	172 5	28	1
1992	21 3	139 7	93 5	28	0
1991	21 0	129 1	86 5	31	1
1990	20 2	126 7	80 5	32	2
1989	16 7	120 9	95 0	25	2
1988	12 4	102 5	75 0	2	0

[1] *Includes participating loan notes in issue between 2000 and 2004*

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

Strategic Report

(CONTINUED)

Chairman's Statement

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

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

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

Performance Update

In the full year to 30th June 2015, PIP's NAV per share demonstrated solid growth, increasing by 12 3% to 1,532 4p Net assets rose from £902m to £1,000m This increase was primarily driven by growth of 9 7% in the underlying private equity assets, while foreign exchange effects added 4 0%, reflecting our high portfolio weighting in US assets, and share buybacks added 0 3% to NAV per share These gains were offset by expenses and taxes of 1 7% Returns were broadly consistent across the growth and buyout stages and regions

> "The Company has used the cash arising from realisations to make new investments in assets with a range of maturities, thus renewing the portfolio at a rate that maintains the portfolio's favourable cash positive maturity profile

Share Buybacks

The discounts at which the Company's shares trade from time to time may make buybacks an attractive investment opportunity relative to other new investment commitments During the full year to 30th June 2015, the Company invested £10m in share buybacks, acquiring 460,000 ordinary shares and 375,000 redeemable shares, resulting in an uplift to NAV per share of 3 6p, or 0 3% PIP began buying back shares in August 2011 and so far has invested more than £85m in buying back 14% of the Company's shares We will continue to take advantage of such opportunities where a clear investment case can be made relative to other investment opportunities expected to be available to the Company While we are pleased to be able to take advantage of this opportunity, it is disappointing that discounts in our sector continue to be wide, which seems anomalous when considering that discounts have narrowed more in other segments of the investment company sector

Investment Activity

PIP's portfolio is mature with a weighted average fund age of 7 9 years Distributions can contribute to NAV growth when investments are realised at an uplift to recent holding value Consequently, we have been well placed to benefit from the ongoing supportive private equity exit markets During the year to 30th June 2015, the Company received distributions of £238m, equivalent to a rate of 29% of opening portfolio assets Calls from underlying private equity funds were £40m, or approximately 23% of opening undrawn commitments This resulted in a net portfolio cash flow prior to new investment commitments of £198m during the period

New Investments

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

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

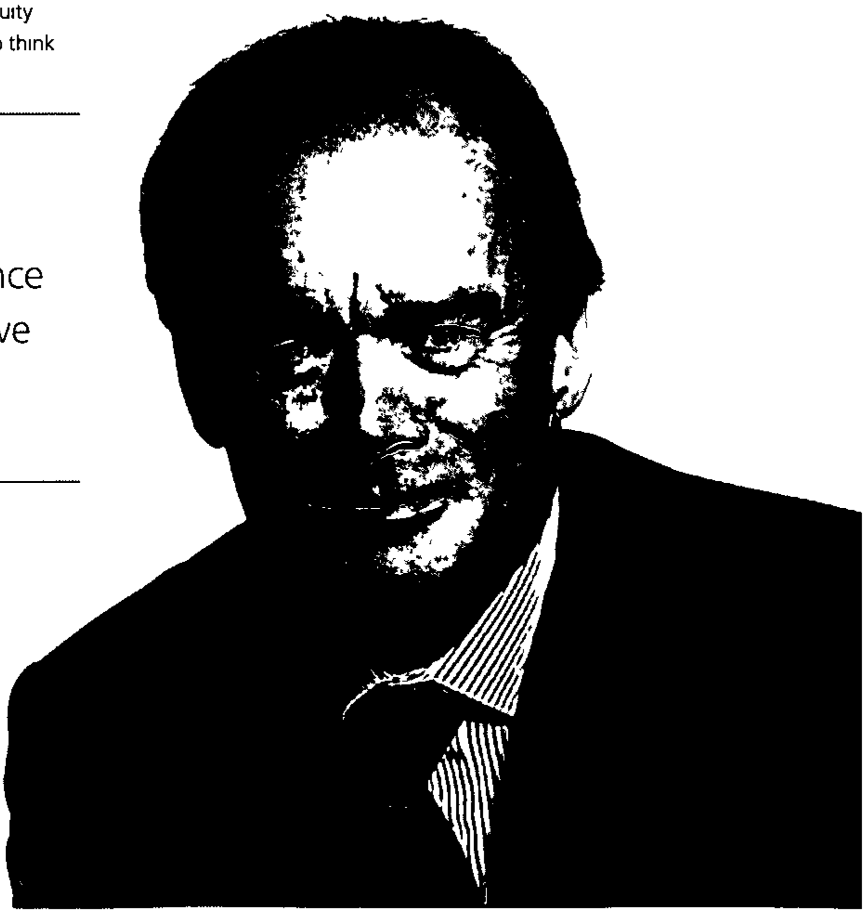
PIP made 44 new investments in the year, amounting to £238m in commitments with £121m drawn This included £116m in commitments to 13 secondary and late primary funds, and £51m to 16 co-investments alongside selected private equity managers, in line with our strategic aims We continue to think co-investments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

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

> "We will continue to emphasise the importance of earnings growth as we make new investments"

Balance Sheet

PIP's strong financial position has allowed the Company to deploy capital flexibly this year Our balance sheet remains ungeared and our credit facility which expires in November 2018, unutilised At 30th June 2015, the Company's cash stood at £138m, which together with credit facilities, meant the Company had total liquid resources of £234m Undrawn commitments of £256m at 30th June 2015 were covered by assets and loan facilities by a factor of 4 3 times



Chairman's Statement

(CONTINUED)

Outlook

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

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

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

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

Special Resolutions

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

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

The Strategic Report, comprising pages 1 to 16, has been approved and signed on the Board s behalf

T H Bartlam

TOM BARTLAM
Chairman
30th September 2015

Objective and Investment Policy

Investment Objective

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

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

Investment Rationale

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

Private equity is the term used for investments made in non-public companies through privately negotiated transactions More than 5,200 private equity managers globally collectively manage approximately $3 8tn in assets[1] The asset class covers a broad range of strategies, which all share a common theme – capital structure optimisation combined with long-term investment horizons and hands-on management support

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

The Private Equity Investment Approach

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

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

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

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

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

Our Business Model

Company Strategy

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

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

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

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

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

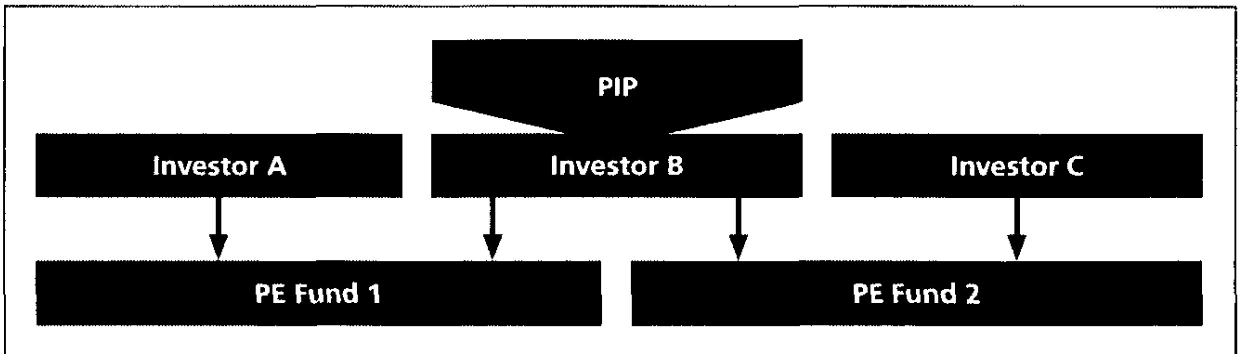
Secondary Commitments

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

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

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

Illustration Secondary Investment



PIP purchases the LP interests from Investor B and replaces them as an investor in the Funds.

Our Business Model

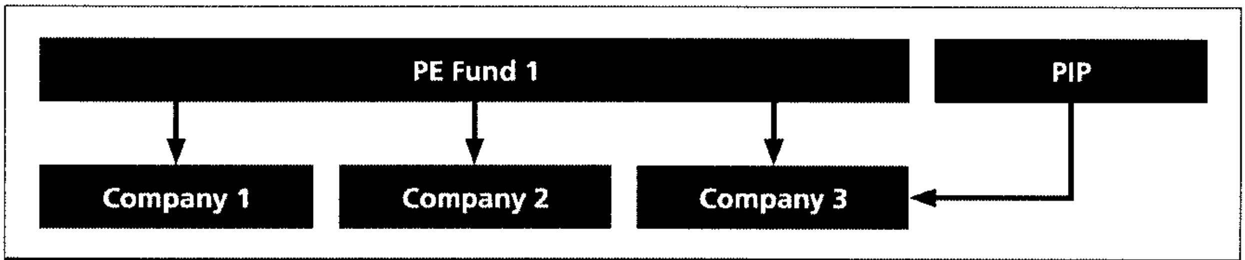
(CONTINUED)

Co-investments

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

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

Illustration Co-investment

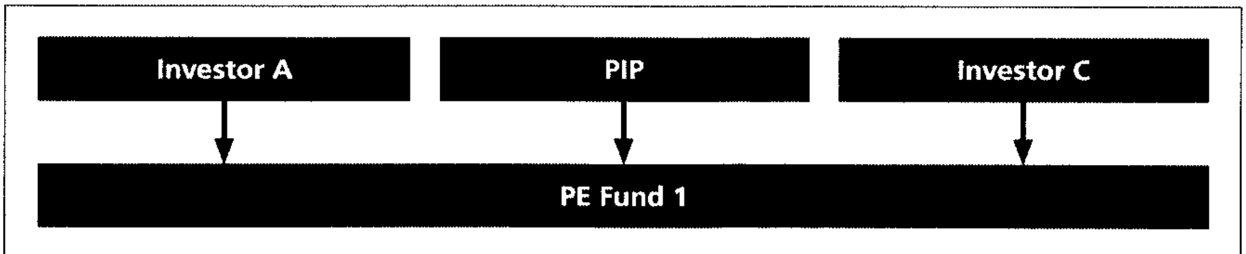


PIP participates directly in the purchase of a portfolio company investment alongside a private equity fund.

Primary Commitments

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

Illustration: Primary Investment



PIP invests in a new Fund when the Fund is established

Share Buybacks

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

Social, Environmental, Community, Human Rights and Employment Issues

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

As an investment trust, the Company has no direct impact on the community or the environment The Manager is committed to the Principles for Responsible Investment and its policies are set out on pages 54 and 55 These Principles are integrated into Pantheon's investment analysis and decision-making process, as well as post-investment monitoring procedures

Retail Investors Advised by IFAs

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

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

Principal Risks and Uncertainties

Risk	Mitigation
Funding of investment commitments and default 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	The Company has a mature portfolio which is naturally cash generative and does not ordinarily gear its balance sheet for the purpose of enhancing performance The Board intends to manage the Company so that undrawn commitments remain at a conservative level relative to its assets and available financing The total available financing as at 30th June 2015 stood at £234m, comprising £138m in cash balances and £96m in undrawn bank facilities As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 4 3 times The Company expects ordinarily to finance the majority of calls from undrawn commitments out of distributions In the event that the levels of cash distributions and cash balances are insufficient to cover capital calls, the Company has the ability to draw funds from a credit facility (see Gearing section on the following page for details on credit facility)
Risks relating to investment opportunities	
There is no guarantee that the Company will find sufficient suitable investment opportunities, or that the private equity funds in which it invests will find suitable investment opportunities, to achieve the level of diversification which the Company seeks to achieve in relation to its investment portfolio	The Manager has in place a dedicated investment management process that is designed to help maximise the chances of the Board's intended investment strategy being achieved, in line with the Investment Policy section on page 9 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	
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	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

Risk	Mitigation
Long-term nature of private equity investments	
Private equity investments are long-term in nature and may take some years before reaching a level of maturity at which they can be realised Accordingly, it is possible that the Company may not receive a return on investments made by it for a number of years	The Company pursues a flexible investment strategy, emphasising secondary investments which will typically have shorter average exit horizons than co-investment and primary commitments A flexible investment strategy therefore results in a range of likely exit horizons for underlying investments, mitigating this risk
Valuation uncertainty	
In valuing its investments in private equity funds and unquoted companies and in publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by these funds and companies to the Manager There is potential for inconsistency in the valuation methods adopted by the managers of these funds and companies In addition, the information provided is typically more than 60 days old at the time the NAV of the Company's shares is reported	In the case of the Company's investment in private equity funds and direct investments managed by private equity managers, the valuation of investments is based on valuations provided by the private equity managers that are periodically audited Pantheon carries out a formal valuation process involving a monthly review of these valuations, verification of the latest audited reports coverage, as well as a review of any potential adjustments required to ensure reasonable valuation of underlying investments in accordance with fair market value principles required under Generally Accepted Accounting Principles ("GAAP")
Gearing	
The use of gearing can cause both gains and losses in the asset value of the Company to be magnified The Company may also invest in private equity funds or unquoted companies which are geared by loan facilities that rank ahead of the Company's investment both for payment of interest and capital As a consequence, the Company may be exposed to gearing through the borrowings from time to time of such private equity funds and companies, increasing its investment risk	While debt is commonly used within the capital structure of private equity funds' portfolio investments, it is not commonly used at the fund level other than for working capital purposes Thus, leverage risk is typically non-recourse between portfolio companies operating independently within the same portfolio For working capital purposes, the Company maintains a revolving credit facility arranged by The Royal Bank of Scotland plc, due to expire in November 2018, and comprising facilities of \$100m and €46m The principal covenant that applies to the loan facility ensures that the Company is limited to a maximum gearing of 30% of adjusted gross asset value The facility was unutilised as at 30th June 2015

Principal Risks and Uncertainties

(CONTINUED)

Risk	Mitigation
Foreign currency risk	
The Company makes investments in US dollars, euros and other currencies as well as sterling Accordingly, the Company is exposed to currency exchange rate fluctuations	The Manager monitors the Company's underlying foreign exchange exposure and seeks to balance the risks associated with holding different currencies through diversification and cost averaging effects Furthermore, as part of the investment management process, the Manager will assess the risk-return of a specific investment, taking into consideration the currency denomination of the investment and the potential impact of currency risk However, foreign currency risk tends to be mitigated over longer investment horizons
Unregulated nature of underlying investments	
The private equity funds and underlying unquoted investments that form the basis of the majority of the Company's portfolio are not necessarily subject to regulation by the FCA or an equivalent regulatory body Funds and unquoted companies in which the Company invests (directly or indirectly) may be domiciled in jurisdictions which do not have a regulatory regime which provides an equivalent level of investor protection to that provided under the laws of the United Kingdom	The Manager's investment management process for primary and secondary investments requires verification of the regulatory jurisdiction of underlying funds In addition, the managers of the underlying funds are mostly regulated by the FCA, SEC, or an equivalent body in the managers' respective jurisdictions
Taxation	
Any change in the Company's tax status or in taxation legislation or practice could affect the value of the investments held by and the performance of the Company In addition, the income and gains of the Company from its investments may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise	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	
Like most investment trust companies, the Company has no employees and the Directors are all non-executive The Company is dependent upon the services of Pantheon as Manager and may be adversely affected if the services of Pantheon cease to be available to the Company	The Board keeps the performance of the Manager under continual review In addition, the Management Agreement is subject to a notice period that is designed to provide the Board with adequate time to put in place alternative arrangements in the event the services of Pantheon cease to be available

Manager's Review

The Manager (Pantheon)

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

At a Glance

- $30 8bn[1] assets under management, on behalf of over 380 institutional investors
- A leader in private equity fund-of-funds management with over 30 years' experience
- International team comprising around 200 staff, including 69 investment professionals[2]
- At the forefront of the fast-growing secondary market, having committed more than $9bn to secondary investments globally, across more than 320 transactions

Strong Private Equity Track Record

Pantheon is one of the leading private equity fund investors in the world, with global assets under management of $30 8bn, and over 380 institutional investors

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

Reputation as a Preferred Investor

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

Diversification

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

Team-based Culture

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

[1] As at 31st March 2015 The figure includes assets subject to discretionary or non-discretionary management advice or those limited to a reporting function

[2] All staff figures as at 1st August 2015

Secondary Investing

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

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

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

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

The Investment Team

A San Francisco – *21 investment professionals* **B** New York – *9 investment professionals* **C** London – *28 investment professionals*
D Hong Kong – *9 investment professionals* **E** Bogotá – *2 investment professionals*

Market Review

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

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

US

The US appears to be escaping lower global growth and recession US GDP grew 2 4% in 2014, the best full year growth since 2010 and is forecasted to grow 2 3% and 2 8%, respectively, in 2015 and 2016[1] Public markets are generally at all-time highs, while bond yields are at some of their lowest levels, notwithstanding an expected interest rate increase in 2H 2015 The US continues to benefit from cheaper energy and rising labour costs in China, both of which provide support for consumer spending and US-based manufacturing However the increase in the value of the US dollar has pressured exports for many businesses, mitigating these tailwinds to some extent

Elevated valuations in public and private markets over the past year and stiff competition from corporate acquirers have combined to subdue the pace of private equity capital deployment Private equity firms invested $215 9bn of capital during the first half of 2015, a 22% decrease over the first half of 2014 and on pace to be the slowest year since 2013[2] Furthermore, GPs have increasingly pursued buy-and-build strategies, favouring smaller platforms that can be built up through add-on acquisitions to help mitigate higher initial entry multiples Unlike the 2007-2008 market peak where deals over $1bn comprised a large portion of new deal activity, since the recovery, deals under $1bn have accounted for the vast majority (over 75%) of capital deployed in 2014 and 1H 2015 Add-on investments have increased significantly during this time period as well, accounting for over 60% of the deals completed in the last year[2]

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

Driven by large rounds for later stage companies, capital invested in VC-backed companies reached $59bn in 2014, and $37bn through 1H 2015, the highest levels since the dot-com era[3] This elevated level of investment activity reflects the convergence of two related

Capital Economics Global Economic Outlook Q314
Preqin
2015 Annual US Venture Industry Report

trends, many VC-backed companies opting to delay IPOs in favour of large private rounds as well as an increase in participation by non-traditional investors, including corporate VC arms, hedge funds, mutual funds, and some private equity firms The big story has been the prevalence of large financing rounds, with over 40 financings exceeding $100m in 2014[4] Uber's two $1bn+ rounds and Airbnb's $475m round are notable not only for their scale but also for the extent to which these tech companies are disrupting traditional industries Exits for venture capital in 2014 was the highest in the past decade, with 845 VC-backed exits totalling $78 4 bn[4] Notably 6 out of the 12 consumer tech M&A deals over $1bn were completed in 2014, including WhatsApp, Nest Labs, and Oculus VR Strategic acquirers were the dominant source of liquidity for VC-backed companies, although IPO markets remained strong throughout 2014 and were a popular exit route for biotech companies in particular In the first half of 2015, exit activity has slowed somewhat, although this is in part due to companies opting to delay IPOs in favour of private rounds

2014 and 2015 have been strong years for fundraising, characterised by a robust fundraising environment for established GPs and an increased volume of first-time fundraisings The past few years are typified by the growing prevalence of access-constrained top-performing funds reaching their caps swiftly, with managers turning away many interested investors In 2015, private equity fundraising has been slightly off-pace from that of 2013 and 2014 2013 and 2014 each recorded at least $200bn of capital raised, while the first half of 2015 has raised $75 6 bn[5] The largest funds of over $5bn have accounted for only 22% of total capital raised, compared to 45% and 29% in 2013 and 2014, respectively[5] The majority of capital raised in the first half of 2015, or 53%, went to funds in the $1bn to $5bn range, reflective of the post-recession preference for middle market funds[5]

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

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

Europe

Economic growth in Europe has remained sluggish with the EU-28 recording GDP growth of 1 6% in the 12 months to June 2015[7] Consumer confidence has at various times shown an improvement but remains vulnerable Industrial production is benefiting from a tailwind from the depreciation of the Euro which has fallen by 18% against the dollar in the 18 months to June 2015 (and 14% against sterling in the same period) Nevertheless, demand remains subdued and the region remains vulnerable to economic shocks There remains a continued question mark over Greece's longer-term membership of the EU which has cast a cloud over markets with uncertainty affecting the Euro and public markets (the MSCI Europe returning -7 2% in the year to June 2015)

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

[4] *2015 Annual US Venture Industry Report*

[5] *Preqin*

Market Review

(CONTINUED)

of the current environment as a time to sell rather than to buy, a marked difference to the last time that market prices peaked in 2007 Underlying value increases in private equity portfolios have continued to be strong with double digit valuation increases being typical in the last 12 months

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

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

Asia

Since June, attention in the Asian region has been focused on dramatic falls in the Chinese public equity markets, the successive devaluations of the renminbi and the implications of these factors for the Chinese economy However, the relationship between China's public equity market and the real economy is at least as symbolic as it is real because it represents only a very small part of the capital raised by Chinese corporations Although growth has slowed, with China's 2015 GDP forecast to be 7 0%, falling to 6 5% in 2016 and 2017[6], it is expected China will continue to lead world growth Chinese authorities have been mindful of the need to remain broadly focused on measures to support growth through structural and fiscal reforms

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

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

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

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

Co-investment

Co-investment deal flow continues apace due to an active buyout market across the regions in which Pantheon participates and a continued recognition on the part of private equity managers of the importance of offering co-investment opportunities to further cement their relationships with their investors Pantheon's co-investment deal flow for the twelve month period ended April 2015 increased by 7 1% over 2014 and 37 5% over 2013 Sourcing and securing allocations to co-investments, however, continues to be very competitive as an increasing number of investors are trying to access these opportunities given that co-investments typically have no or low fees or carried interest associated with them Therefore, investors must differentiate themselves on their ability to efficiently execute co-investment opportunities and pro-actively originate such opportunities from their base of manager relationships

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[6] *Weathering the Storms Q3 2015 Capital Economics*
[7] *Preqin*

Secondary market

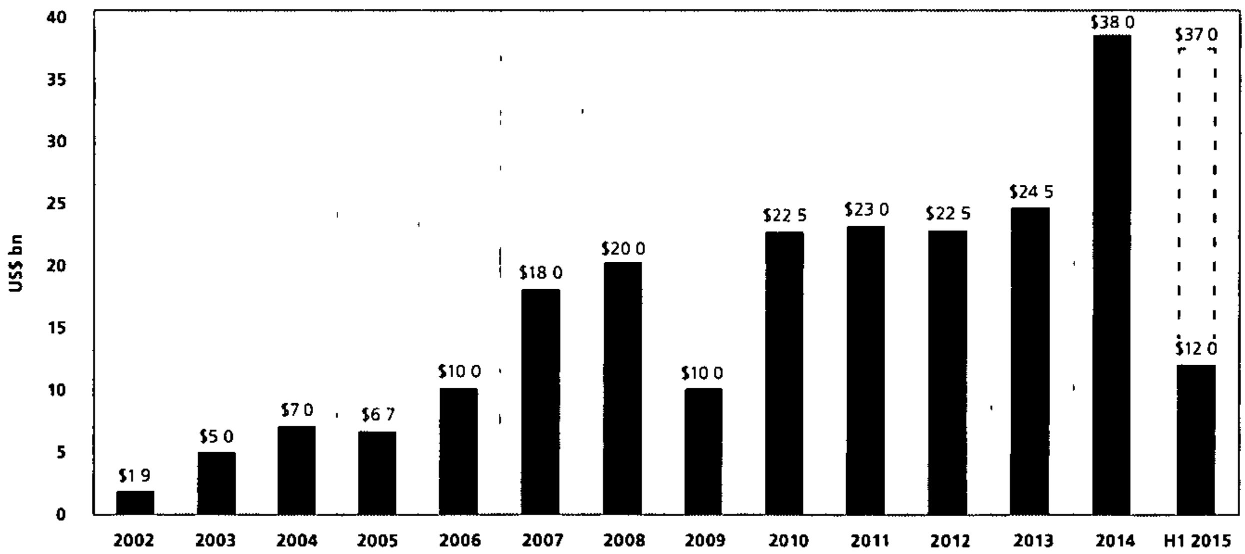
Secondary transaction volume for the first half of 2015 reached $12bn (excluding real estate transactions)[8] Public pension plans, particularly in North America, have built very large, often unwieldy portfolios, and have taken advantage of these conditions to trim their positions Pension funds were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

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

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

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

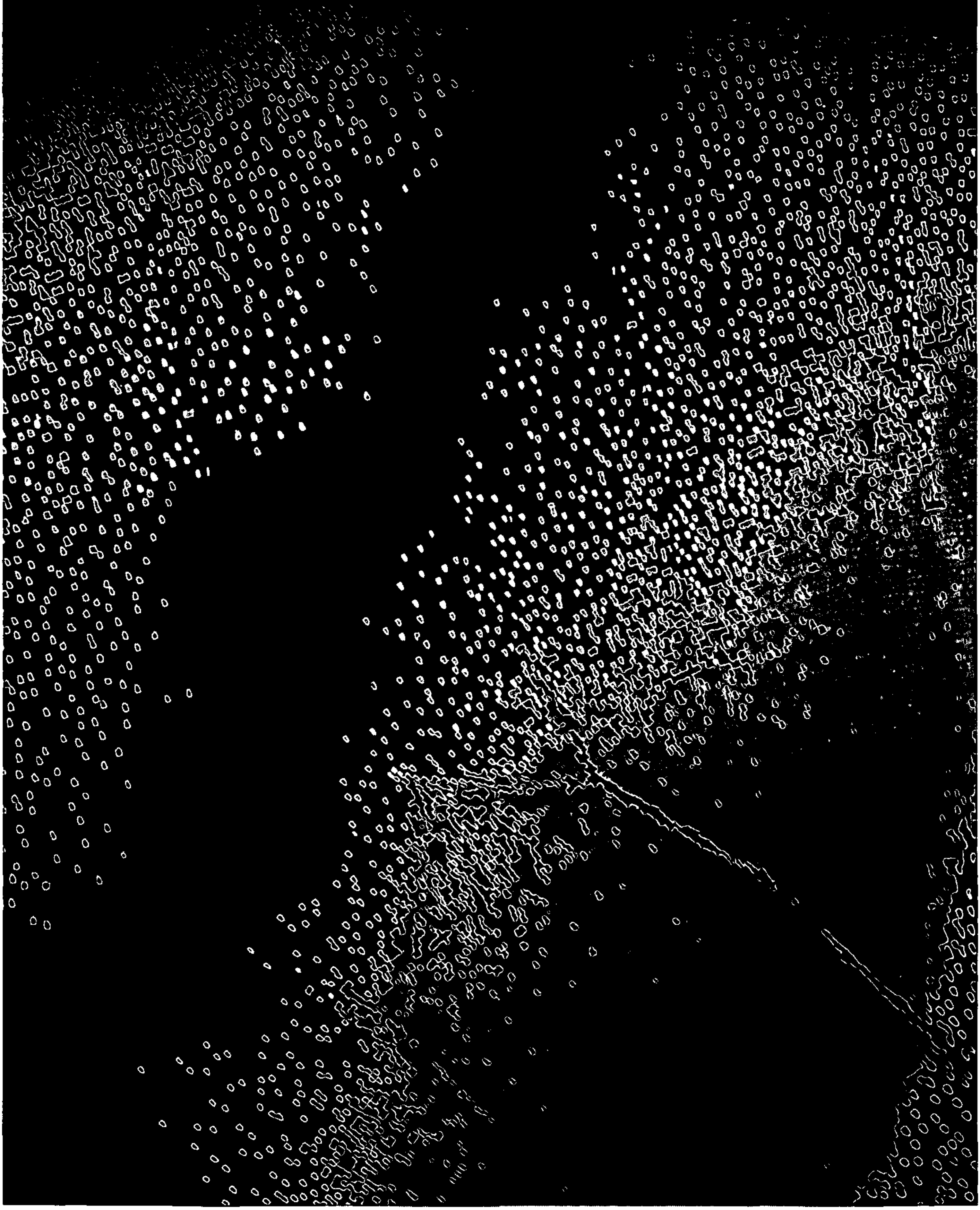
Global Secondary Deals Transacted[9]



[8] Greenhill Cogent Secondary Market Trends & Outlook July 2015

[9] Greenhill Cogent Secondary Market Trends & Outlook September 2015

PIP's Portfolio



Portfolio Overview

9.7%
Underlying (pre FX) return relative to opening assets

£238m
Distributions

£238m
New investment commitments, **£121m** of which was drawn

£198
Net cash flow generated from PIP's portfolio

29%
Distributions as a percentage of opening portfolio

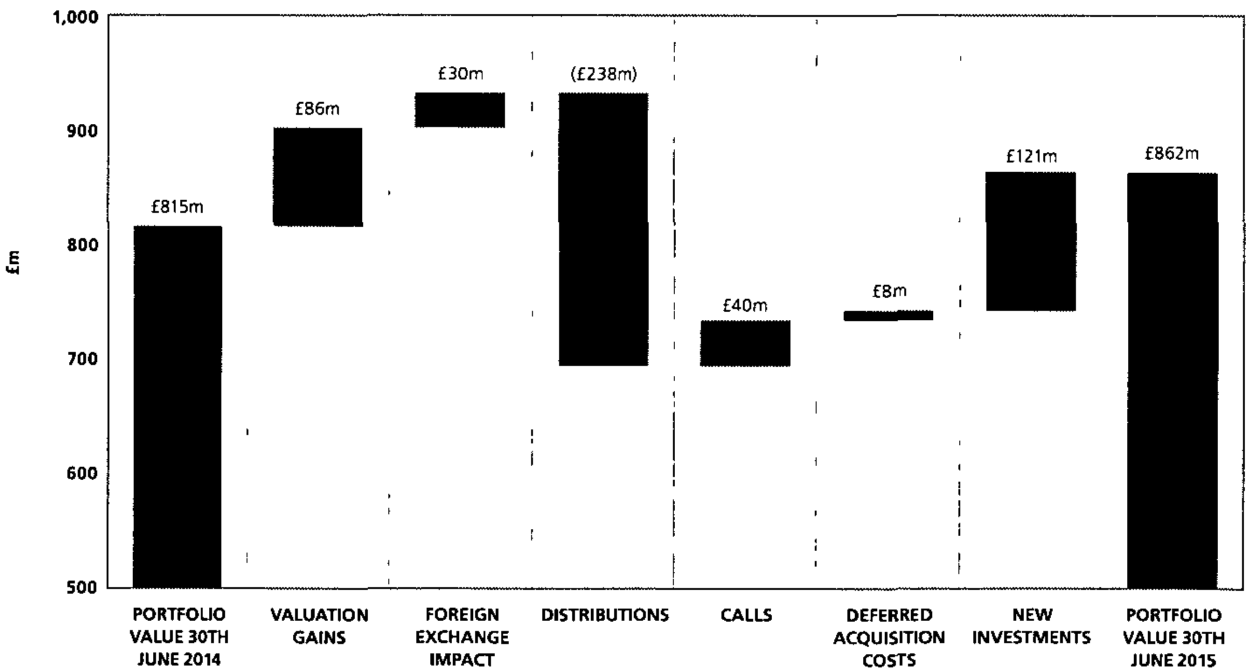
£51m
New commitments made to **16** co-investments

31%
Average uplift on exit realisations

£40m
Calls made from existing undrawn commitments

7.9 years
Weighted average fund age of portfolio

Private Equity Portfolio Movements



Portfolio Overview

(CONTINUED)

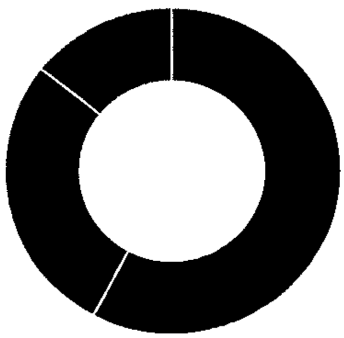
The Company offers a global, diversified selection of private equity assets, carefully selected by Pantheon for their quality. The diversification of PIP's portfolio, with assets spread across different investment styles and stages, including buyout, venture and growth, and special situations, helps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

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

Fund Geography

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

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



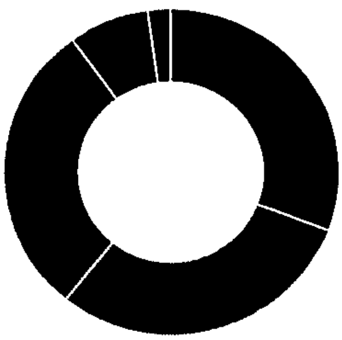
USA	**58%**
Europe	**28%**
Asia and other	**14%**

Investment Stage

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

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

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



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

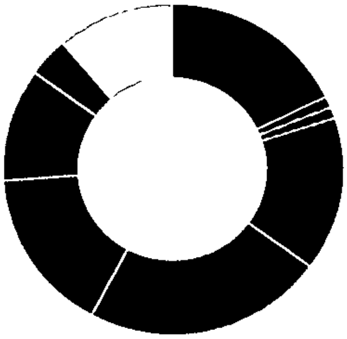
Pantheon Vehicles

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

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

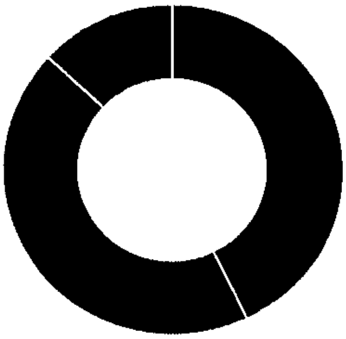
Fund Maturity
The portfolio is well diversified by fund vintage

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



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

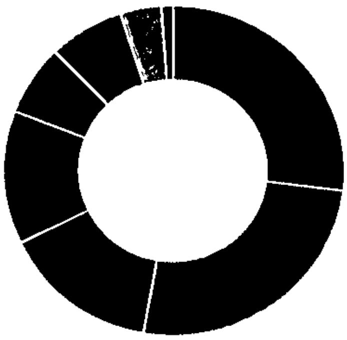
Investment Type
Co-investments are becoming a more established part of PIP's portfolio at 13% of value versus 7% in the prior year The remainder of the portfolio is evenly split between primary and secondary commitments



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

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

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

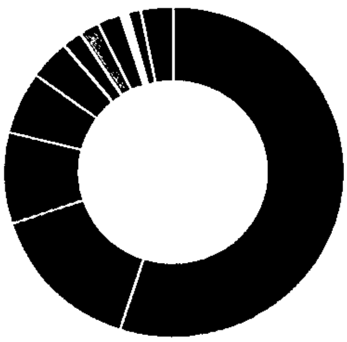


Consumer	**27%**
Information Technology	**26%**
Healthcare	**15%**
Industrials	**13%**
Energy	**7%**
Financials	**7%**
Materials	**4%**
Telecommunication Services	**1%**

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

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

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



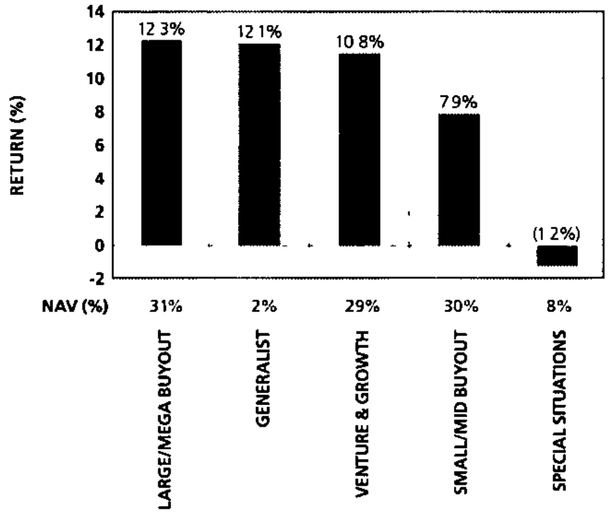
North America	**55%**
Asia	**15%**
UK	**9%**
Scandinavia	**6%**
Germany	**4%**
Benelux	**2%**
France	**2%**
Iberia	**2%**
Central and Eastern Europe	**1%**
Italy	**1%**
Other Europe	**3%**

Portfolio Analysis

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

- The portfolio generated investment returns prior to foreign exchange effects of 9 7% during the year
- Performance during the period was consistent throughout the various stages with the exception of the special situations category, where performance was negatively affected by energy-focused funds
- Small and medium buyout performance was impacted by exposure to a small number of funds invested in the Russian market Excluding these funds, portfolio returns for small/mid buyouts would have been approximately 10%

Portfolio Return Year to 30th June 2015

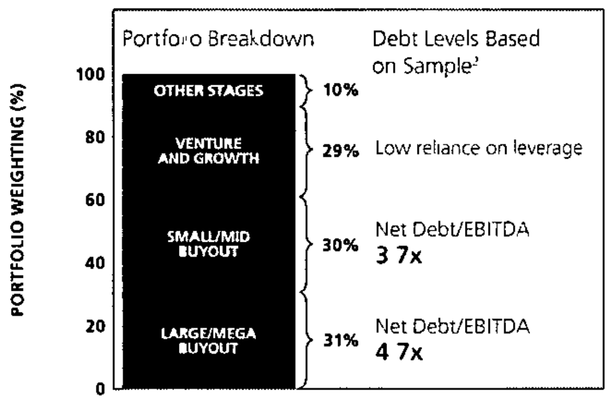


Debt Multiples[2]

Venture and growth and buyout investments have differing leverage characteristics

- The venture and growth portfolio accounts for 29% of portfolio value and has little or no reliance on leverage
- In a market associated with high levels of available leverage, debt multiples on PIP s underlying companies indicate only a moderately increased dependence on leverage

PIP Portfolio as at 31st December 2014

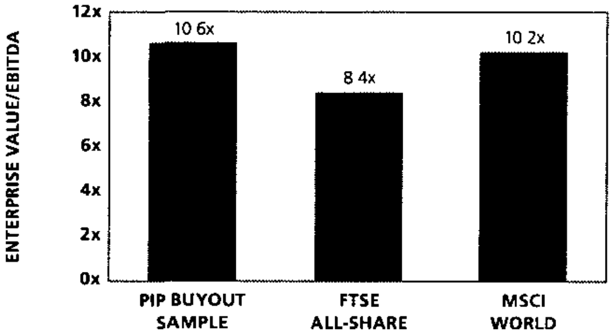


Portfolio Analysis – Buyout

Valuation Multiple[2]

- Accounting standards require private equity managers to value their portfolio at fair value Public market movements can be reflected in valuations
- Sample-weighted average enterprise value/EBITDA for the year to 31st December 2014 was 10 6 times, compared to 8 4 times and 10 2 times for the FTSE All-Share and MSCI World indices
- Relative to the FTSE All-Share and MSCI World indices, PIP's buyout sample has greater exposure to consumer and information technology, and lower exposure to the banking, mining and utilities sectors

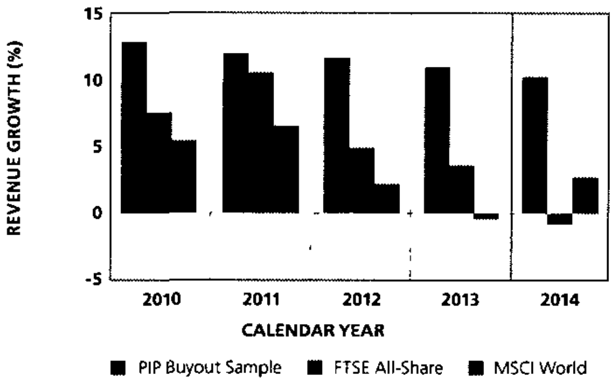
Valuation Multiple as at 31st December 2014



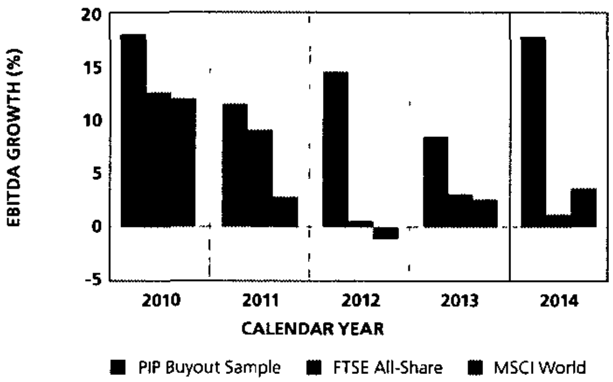
Revenue and EBITDA Growth[2]

- Weighted average revenue growth for the sample buyout companies was +10 2% in the 12 months to 31st December 2014, compared to -0 8% and +2 7% for the FTSE All-Share and MSCI World indices
- Weighted average EBITDA growth for the sample buyout companies was +17 7% in the 12 months to 31st December 2014, compared to +1 2% and +3 6% for the FTSE All-Share and MSCI World indices
- Strong top-line performance, disciplined cost control and good earnings growth, together with an efficient use of capital, underpin the investment thesis of many private equity managers

Annual Revenue Growth PIP Sample vs Indices



Annual EBITDA Growth PIP Sample vs Indices



[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*

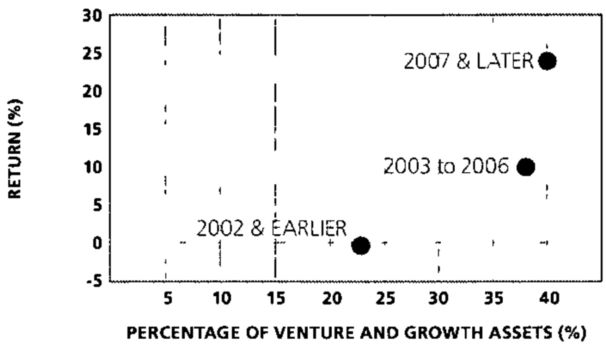
[2] *The data is based on a sample of PIP s buyout funds Buyout Sample Methodology The sample buyout figures for the 12 months to 31st December 2014 were calculated from the companies where information was available The figures are based on unaudited data The revenue and EBITDA figures were based upon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

Portfolio Analysis – Venture and Growth

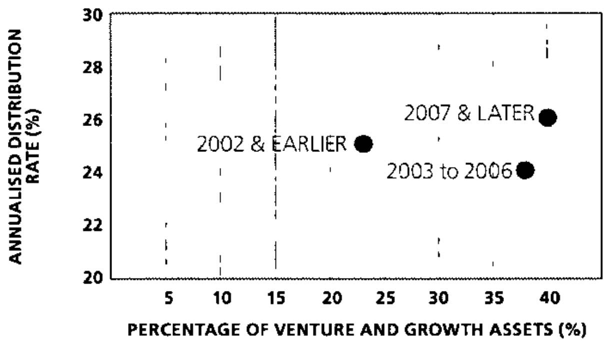
Venture and Growth Portfolio Analysis

- Prior to foreign exchange effects, PIP's venture and growth funds generated a return of 10 8% and contributed to a quarter of total distributions during the period
- Distribution rates for the year for each of the venture and growth vintage groups was equivalent to approximately 25% of opening portfolio value
- 2007 and later funds performed strongly, with returns of 23 7% These funds constitute 40% of the venture and growth portfolio

Venture and Growth Returns[1]
Year to 30th June 2015



Venture and Growth Distributions[2]
Year to 30th June 2015



Returns exclude gains from foreign exchange movements
Distribution rate equals distributions in period divided by opening portfolio value

Portfolio Analysis – Sector Themes Consumer

Examples of Private Equity Focus (US)

- Roll-up opportunities in the fragmented consumer services market
- Increased focus on educational materials and publishing
- Positive trends in the housing market

Key Data[1]

- **% of PIP NAV = 27%**
- Average EV/EBITDA = 10.9x
- Average Revenue Growth = 11.5%
- Average EBITDA Growth = 20.4%
- Average Net Debt to EBITDA = 4.5x

As the global economy has entered into recovery, consumer confidence has improved albeit slowly in the US and Europe. As a result, companies within the consumer sector have moved from defensive to growth strategies, focusing on new products or expansion into new markets. This focus is driving global investors to seek out attractive brands which can be extended geographically. US and Asian buyers have been particularly active as they look to increase their footprint. Additionally deal activity has been enhanced by large corporations divesting non-core businesses attractive to both private equity and trade buyers.

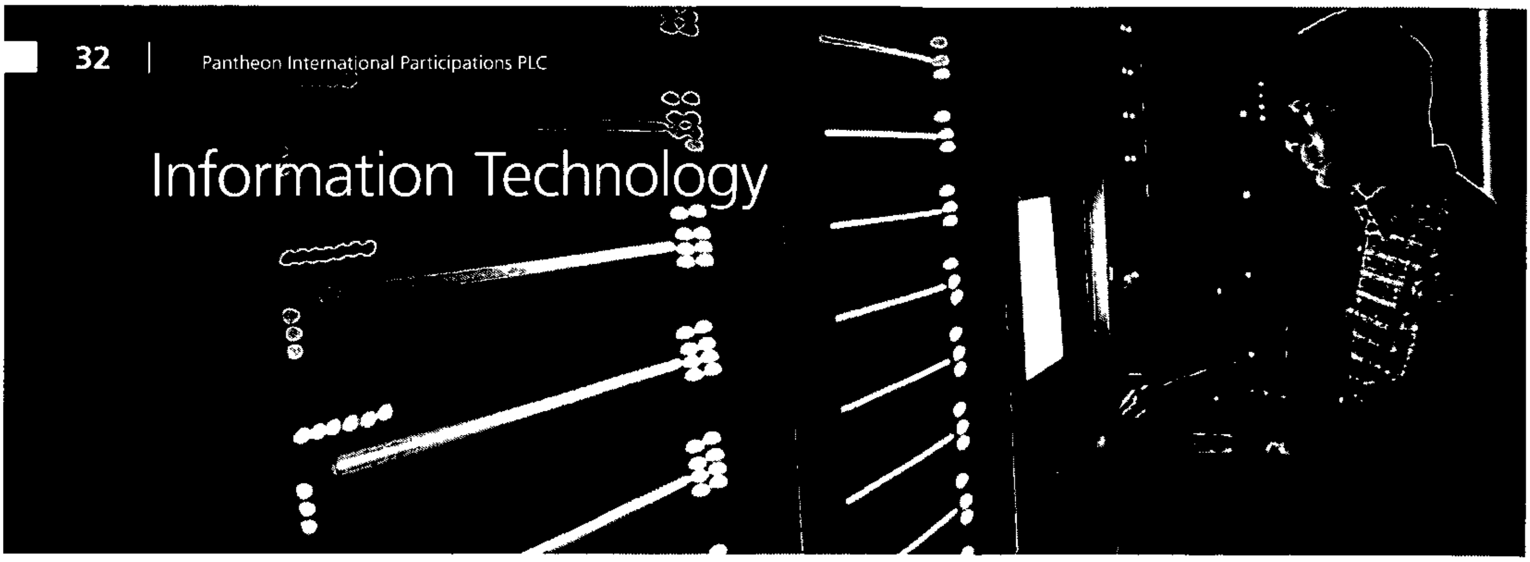
So what trends are companies benefitting from? Changing demographics across both developed and emerging markets are providing new opportunities. Growth of the middle classes in Asia is creating demand for new products, an example being the migration towards higher quality brands. The aging population in developed markets has the potential to change consumer preferences and purchasing behaviours, while technology developments and increased use of the internet present new ways of reaching consumers.

Within PIP's portfolio, we are seeing a recurring theme of private equity taking advantage of roll-up opportunities in very fragmented consumer services businesses. Prominent examples during the past year have involved platform acquisitions in auto repairs and equipment, dental practice management and vision care centers. Managers are paying full market multiples for platforms and averaging down the entry multiple via a series of smaller add-on acquisitions at modest purchase multiples. Platform examples within PIP's portfolio include recent co-investments in American Tire Distributors (Ares Management) in the automobile equipment and MrEyeDr (Altas Partners) in the vision care space.

Private equity has also been active in education, particularly in the US where spending at the municipality level has stabilised and improved in many cases. Educational materials and publishing companies have been a source of liquidity for PIP, as in the case of the dividend recapitalisation for McGraw Hill Education (Apollo Advisers) and the sale of Excelligence (Sterling Investment Partners).

Finally, we see a continued recovery in the US housing market benefiting some mature holdings in PIP's portfolio. New home sales are trending higher but remain below historical averages, and the reversion to the mean is expected to be one of the key drivers of sustaining economic expansion in the US. Standard Pacific (MatlinPatterson Global Advisers), one of PIP's largest holdings, is a best-in-class home builder that has announced a merger with another publicly traded home builder, Ryland. The combined company will have greater scale and geographic diversification, compelling synergies, and the potential for a valuation arbitrage as a more liquid, large-cap home builder. Alarm.com (ABS Capital Partners) recently completed a successful IPO in June 2015, and this home monitoring company is well positioned with respect to the "connected home" trend.

[1] *Apart from sector value as a proportion of PIP's NAV, key data is based on information provided by GPs and derived from a sample of PIP's buyout funds.*
Buyout Sample Coverage *Data includes financials made available by GPs for PIP's active buyout investments. Revenue and EBITDA figures were based upon the last 12 months to 31st December 2014 or, where not available, the closest annual period disclosed and provide coverage of 68% and 60% (for revenue and EBITDA growth respectively) of PIP's consumer buyout portfolio. Individual company revenue and EBITDA growth are capped between +100% and -100% to avoid large distortions from excessive outliers. Enterprise value is defined as equity value + net debt. Enterprise value and net debt figures were based on information as at 31st December 2014 or the closest period end disclosed. The valuation multiple sample covers 43% of PIP's consumer buyout portfolio while the net debt multiple sample covers 46%.*



Information Technology

Examples of Private Equity Focus

- Increasing penetration of cloud computing delivery and software-as-a-service ("SaaS") models
- Exponential growth in data and mobile usage position big data and analytics as a priority for corporations
- Increasing importance of cybersecurity
- Advancements in the use and adoption of smart devices for consumer and business applications ("Internet of Things")

Key Data[1]

- **% of PIP NAV 26%**
- Average EV/EBITDA = 12.0x
- Average Revenue Growth = 7.1%
- Average EBITDA Growth = 12.8%
- Average Net Debt to EBITDA = 4.6x

Following the rapid growth in Information Technology ("IT") spending, which peaked around the dot-com era, the sector has reached the maturity and market depth that allows for a variety of sector-focused alternative investment strategies. The diversity of sub-sectors with specific market growth characteristics and varying customer value-add in the sector is extensive, but we see the most appealing set of opportunities within the software and IT services sub-sectors.

The key theme which continues to present a range of opportunities for private equity managers is the increasing penetration of cloud delivery models across all aspects of enterprise software applications. Private equity managers play an important role in supporting software companies focused on the development of products that allow for a seamless transition from on-premise to cloud computing. Other themes, such as the change in data consumption habits through mobile usage, the rising importance of cybersecurity, the advances in big data and predictive analytics and the rapid adoption of the Internet of Things are creating further opportunities for private equity investors, allowing them to benefit from the move to a digital technology-centric society.

PIP's portfolio seeks to combine exposure to these themes by investing not only in traditional technology buyout companies but also by supporting innovative products before they reach maturity through investments in early stage and later stage growth companies. To illustrate, PIP recently invested in an open source software development platform and an endpoint security solutions provider.

Finally, it is important to note that the last major IT investment cycle took place in the late 1990s and organisations are now facing a reality where mission critical application packages with 10-15 years of useful life are quickly approaching their expiration period. The increasing speed and complexity of business transactions, and the need to break the silos across enterprise applications and functions, is requiring corporations to move away from the traditional backward looking approach to analysing data and embrace technologies which will allow them to make decisions based on more current information. By investing with experienced and specialist managers, PIP is gaining exposure to scalable, high recurring revenue business models that address evolving enterprise technology requirements.

1 *Apart from sector value as a proportion of PIP's NAV, key data is based on information provided by GPs and derived from a sample of PIP's buyout funds.* **Buyout Sample Coverage:** *Data includes financials made available by GPs for PIP's active buyout investments. Revenue and EBITDA figures were based upon the last 12 months to 31st December 2014 or, where not available, the closest annual period disclosed, and provide coverage of 65% and 63% (for revenue and EBITDA growth respectively) of PIP's information technology buyout portfolio. Individual company revenue and EBITDA growth are capped between +100% and -100% to avoid large distortions from excessive outliers. Enterprise value is defined as equity value + net debt. Enterprise value and net debt figures were based on information as at 31st December 2014, or the closest period end disclosed. Both valuation multiple and net debt multiple samples cover 27% of PIP's IT buyout portfolio.*

Healthcare

Examples of Private Equity Focus

- Consumerisation of healthcare products and services
- Increasing importance of government and interventionist policies
- Transformational IT innovation and adoption of digital solutions
- Formation of integrated care organisations through market consolidation

Key Data[1]

- **% of PIP NAV 15%**
- Average EV/EBITDA = 11.4x
- Average Revenue Growth = 16.6%
- Average EBITDA Growth = 33.8%
- Average Net Debt to EBITDA = 5.2x

Healthcare has historically enjoyed high, noncyclical growth rates and continues to exhibit an immense degree of service and product innovation in response to ever-changing demands on the system. These conditions, along with its relatively fragmented industry structure, make the sector well-suited for private equity investment.

Perhaps more so than ever, the healthcare industry is subject to deeply transformational drivers of change on a global scale. The sector continues to be attractive but challenging for private equity investors given record-levels of interest from strategic players and strong financial markets, both of which have bid up valuations and increased competition for deals.

From PIP's perspective, characteristics of attractive investment targets include business models with large addressable markets, emerging economy exposure, limited or stable reimbursement risk, platform and inorganic growth potential, and those that enhance the overall value proposition of healthcare products and services. Opportunity exists particularly in smaller transactions and buy-and-build strategies, where gem assets are often found. The following areas are of special interest to PIP:

- Companies in North America and Europe, where healthcare expenditures are taking up an increasing share of GDP, providing products and services that offer superior long-term benefits and patient outcomes while taking costs out of the respective systems. GHD (IK Investment Partners), for example, provides homecare for chronically ill patients thereby reducing the need for more costly in-patient therapy.

- In emerging economies, the focus is on business models that seek to capture the growing demand for healthcare stemming from rising prosperity and an increased prevalence of diseases that arise as a result of lifestyle and longevity. Biotoscana (Essex Woodlands) is a Colombia-based pharmaceutical company focused on in-licensing and marketing products in Latin America.

- Digital healthcare IT solutions that take advantage of the trend in outsourcing back-office functions. Companies like TriZetto (Apax Partners) develop software suites that help various stakeholders simplify operations and improve the efficiency of administrative tasks.

Apart from sector value as a proportion of PIP's NAV, key data is based on information provided by GPs and derived from a sample of PIP's buyout funds.
Buyout Sample Coverage *Data includes financials made available by GPs for PIP's active buyout investments. Revenue and EBITDA figures were based upon the last 12 months to 31st December 2014 or, where not available, the closest annual period disclosed, and provide coverage of 76% and 67% (for revenue and EBITDA growth respectively) of PIP's healthcare buyout portfolio. Individual company revenue and EBITDA growth are capped between +100% and -100% to avoid large distortions from excessive outliers. Enterprise value is defined as equity value + net debt. Enterprise value and net debt figures were based on information as at 31st December 2014, or the closest period end disclosed. Both valuation multiple and net debt multiple samples cover 42% of PIP's healthcare buyout portfolio.*

Industrials

Examples of Private Equity Focus

- Consolidation opportunities in a fragmented sector
- Outsourced business processes for greater specialisation and efficiency
- Technology-led innovation in processes and products
- Focus on cost efficiency

Key Data[1]

- **% of PIP NAV = 13%**
- Average EV/EBITDA = 9 6x
- Average Revenue Growth = 5 9%
- Average EBITDA Growth = 5 7%
- Average Net Debt to EBITDA = 4 2x

The Industrial sector is diverse, comprising companies that provide manufactured products as well as companies that offer business services PIP's portfolio comprises both traditional capital goods companies such as Exxelia, a manufacturer of passive electronic components, and business services companies such as Alarm com, a security and smart home services provider

Demand in the industrial sector is somewhat dependent upon corporate spending activity, which in turn is subject to the health of individual economies PIP seeks to partner with managers that have a track record of successful investments across multiple business cycles and thorough experience of investing in the sector, in addition to a well-researched view of important trends that can give rise to investment opportunities where managers have identified a potential for consolidation, geographical / product expansion or operational improvement The following are expected to result in further investment opportunities in the sector

- The global business services sector is highly fragmented, with, for example, approximately 390,000 companies in the US and over 250,000 companies in the UK[2] Moreover in the US, the largest 50 companies account for less than 25% of business services sector revenue[2] Consolidation within industry segments, coupled with the trend towards outsourcing non-core business processes, are expected to continue to provide substantial opportunities for the private equity industry
- Technology innovation has helped companies improve service and product delivery, resulting in a new market landscape for many industrial companies The innovation has helped to reduce costs, enhance worker productivity but also lower barriers to entry in some industries We expect technology-led changes to result in further opportunities for private equity investment in the Industrial sector

Examples of investments made by PIP in the commercial and professional services space during the year include StandardAero (Veritas Capital), a provider of repair and maintenance services to the aviation industry, and Rightpoint Consulting (Stella Point Capital), a digital agency and technology consultancy Successful realisations were made in a number of businesses, including Clece (Mercapital), a provider of facility management services in Spain and Portugal, and Lindorff, a European provider of debt-related information and administration services

Apart from sector value as a proportion of PIP s NAV key data is based on information provided by GPs and derived from a sample of PIP s buyout funds

Buyout Sample Coverage *Data includes financials made available by GPs for PIP s active buyout investments Revenue and EBITDA figures were based upon the last 12 months to 31st December 2014 or where not available the closest annual period disclosed and provide coverage of 70% and 64% (for revenue and EBITDA growth respectively) of PIP s industrials buyout portfolio Individual company revenue and EBITDA growth are capped between +100% and 100% to avoid large distortions from excessive outliers Enterprise value is defined as equity value + net debt Enterprise value and net debt figures were based on information as at 31st December 2014 or the closest period end disclosed The valuation multiple sample covers 58% of PIP s industrials buyout portfolio while net the debt multiple samples covers 63%*

2 *First Research Business Services Sector 10th August 2015*

Distributions in the Year to 30th June 2015

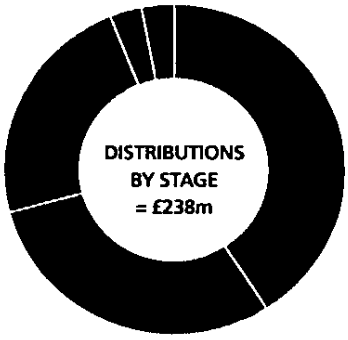
PIP received more than 1,800[1] distributions in the year, with many reflecting realisations at significant uplifts to carrying value The Company's mature portfolio should continue to generate substantial distributions

Distributions

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

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

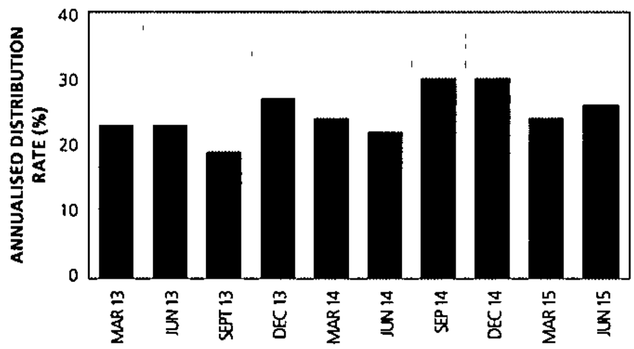
USA	50%
Europe	35%
Asia and other	15%



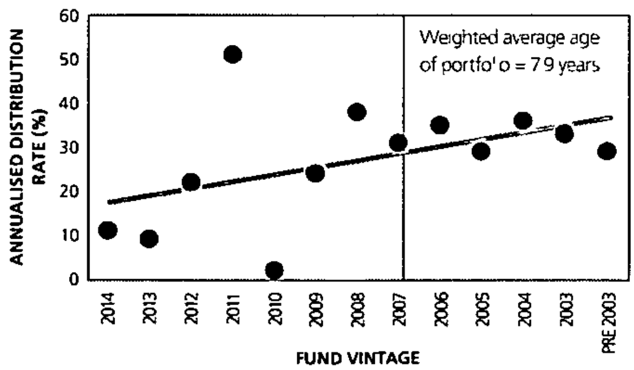
Large/Mega Buyout	41%
Small/Mid Buyout	30%
Venture and Growth	23%
Special Situations	3%
Generalist	3%

Distribution Rates

Quarterly Distribution Rate[2]
Distribution rates remained healthy in each of the four quarters to 30th June 2015 This reflected an improvement in market conditions during the period covered, the maturity of PIP's portfolio and some seasonal variations in deal activity



Distribution Rates[2] in the Year to 30th June 2015 by Vintage
Mature vintages continue to distribute at higher rates, with 2008 and earlier funds distributing at a rate equivalent to 25% of opening value With a weighted fund maturity of 7 9 years, PIP's mature portfolio should continue to generate significant levels of cash, particularly if financial markets remain supportive of exits through mergers and acquisitions, IPOs and refinancings



[1] This figure looks through feeders and funds-of funds [2] Distribution rate equals distributions in period divided by opening portfolio value

A-Plan Case Study

a-plan making insurance easy

Location	UK
Sector	Financials
Sub-Sector	Insurance Brokers
Stage	Large buyout
PIP Distribution / GP Return	£2 3m / 3 1x cost (€ basis)

Company Summary

A-Plan is a branch-based UK motor and household insurance broker The company's business model delivers high levels of customer service, resulting in attractive client conversion and retention dynamics, and enjoys strong relationships with insurers Since the buyout by Equistone and Barclays in 2008, the branch network has grown from 54 to 71

GP Investment & Thesis

Equistone and Barclays acquired a 68% stake in the business through a primary buyout in April 2008

- **Simple, effective business model** with high renewal rates of over 75%
- **Attractive economics** to both customers and insurers gives the model increased sustainability
- **Strong historical performance** driven by developing new niche business areas and organic growth
- **Backable management team** led by a highly experienced CEO

PIP Investment & Thesis

PIP invested as part of a primary investment in Equistone Partners Europe Fund III in 2007 Key merits of the commitment to the manager include

- **Strong, consistent track record** across three main regions of focus relative to local competitors
- **Differentiated approach** to pan-European mid-market segments with proven origination capabilities
- **Stable team** after gaining independence from Barclays Bank plc in 2011 and a successful leadership transition

Value Creation

- **Business expansion** through the opening of 19 new branches and the hiring of 410 new employees
- **Strong financial performance** with revenue and EBITDA increasing 65% and 56% respectively
- **Build-out of the management team** with the hiring of a new CFO, COO and Commercial Director

Exit

- A-Plan was sold to HgCapital in a secondary buyout transaction which completed in April 2015
- The investment generated a 3 1x gross multiple on investment cost and a gross IRR in excess of 20%
- PIP received proceeds of £2 3m from the exit

Quirón Case Study

QUIRÓN

Location	Spain
Sector	Healthcare
Sub-Sector	Healthcare Facilities
Stage	Buyout / Merger
PIP Distribution / GP Return	2 6m / 2 0x cost (€ basis)

Company Summary

Quirón operates 21 hospitals with a total of over 2,800 beds across Spain, as well as four fertility treatment centres and a number of consultation centres and day hospitals It offers a range of services covering all medical specialties, with a particular strength in trauma, gynaecology, and oncology

GP Investment & Thesis

Quirón was formed by the merger of USP Hospitales and Grupo Hospitalario Quirón in 2012 and by the subsequent acquisition of Teknon in 2013

- **Scale** as the merger created Spain's leading hospital group and a unique platform to consolidate a fragmented hospital market
- **Synergy potential** driven by rationalisation of head offices cost take-outs, and increased bargaining power
- **Robust sector dynamics** given demand for private healthcare services and 4 9% p a growth in recession

PIP Investment & Thesis

PIP invested as part of a primary commitment to Doughty Hanson Fund V in 2007 Key merits of the commitment to the manager include

- **Operationally-focused style** in driving value creation and enhancing businesses
- **Favourable opportunity set** generated by steady growth and a maturing of the European PE market

Value Creation

- **Integration of three businesses** to create the largest private hospital group in Spain with optimised staffing in catchment areas and a merged head office
- **Reduced cost** in procurement by creating common tenders and unifying contract services
- **Improved top-line** through increased bargaining power with major customers and health insurers

Exit

- Doughty Hanson sold Quiron to funds advised by CVC Capital Partners in a secondary buyout transaction that closed in November 2014
- The investment generated a 2 0x gross money multiple and a 33% gross IRR for Fund V
- PIP received proceeds of £2 6m as a result of the exit event

Versatel Case Study

versatel

Location	Germany
Sector	Telecommunication Services
Sub-Sector	Alternative Carriers
Stage	Public to Private
PIP Distribution / GP Return	£2.1m / 2.8x cost ($ basis)

Company Summary

Versatel is a leading provider of data, internet and voice services in Germany. Based on the second largest fibre network in Germany and its high-performance infrastructure, Versatel offers business customers comprehensive and tailored telecommunication solutions. The company is present in more than 220 German cities nationwide with its own infrastructure, and with just under 1,000 employees.

GP Investment & Thesis

KKR along with United Internet acquired Versatel in July 2011 through a €560m take-private transaction.

- **Differentiated fibre infrastructure** protected by high replacement value and direct customer connections
- **Attractive market fundamentals** given growth in bandwidth demand and limited competition in Germany
- **Strong cash flow generation potential** driven by cost restructuring and CapEx savings opportunities

Value Creation

- **Repositioned brand** from a mass market focus to the growing business-to-business and wholesale segments
- **Restructured management team** with replacement of the CEO, CFO and CCO
- **Operational improvements** following the financial crisis with EBITDA turnaround and strong deleveraging

PIP Investment & Thesis

PIP invested as part of a secondary deal in KKR Europe Fund III in July 2014.

- **GP expertise** given prior portfolio investment in an industry peer and active coverage of the sector
- **Attractive earnings multiple on entry** relative to public comparables allowing for multiple arbitrage
- **Good exit opportunities** due to sector consolidation trend and synergy potential with other telecom operators

Exit

- KKR's stake in Versatel was fully acquired by United Internet AG in October 2014
- The investment generated a gross return of 2.8x MOIC and 37% IRR for KKR Europe III
- PIP received proceeds of £2.1m from the exit

Distribution Examples

VISMA

Nordic business software and services provider

Distributions £4.1m
Cost multiple Confidential

CSPC

Chinese manufacturer of branded pharmaceutical products

Distributions £3.6m
Cost multiple Confidential

Pinnacle

North American manufacturer of convenience food products

Distributions £1.8m
Cost multiple Confidential

Clece

Spanish facility management company

Distributions £1.9m
Cost multiple 1.7 times

eurofiber

European provider of fibre-optic network services

Distributions £1.6m
Cost multiple 2.5 times

latisys

Provider of IT outsourcing solutions

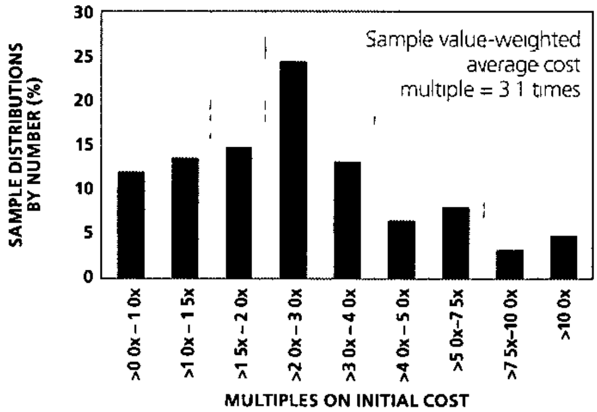
Distributions £1.6m
Cost multiple 4.2 times

Distributions in the Year to 30th June 2015

(CONTINUED)

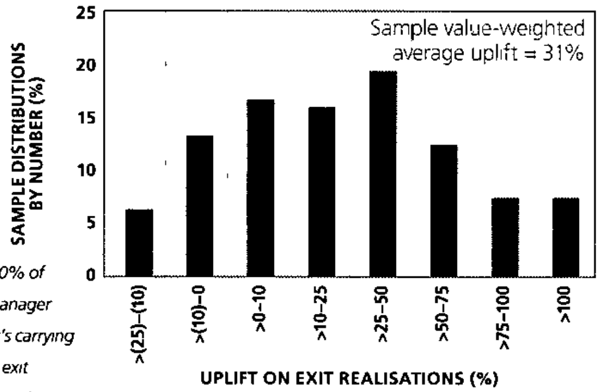
Cost multiples on exit realisations for the financial year to 30th June 2015[1]
The chart shows where information was available, the range of multiples on initial cost achieved by the underlying fund manager on exit realisations during the year The value-weighted average cost multiple of the sample was 3 1 times, highlighting significant value creation over the course of an investment

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



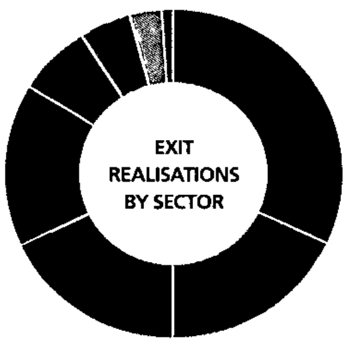
Uplifts on exit realisations for the financial year to 30th June 2015[2]
The chart shows the range of uplifts achieved by the underlying fund manager on exit realisations in the year The value weighted average uplift in 2015 was 31% This average uplift is consistent with our view that realisations can be significantly incremental to returns PIP's mature portfolio is well placed to continue to generate a good level of distributions from exit realisations in the coming year

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

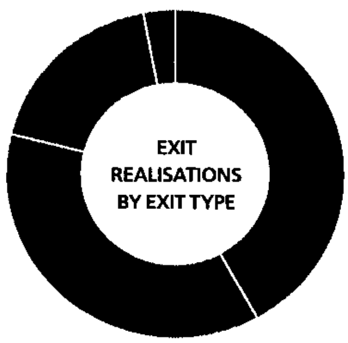


Exit Realisations by Sector and Type
The portfolio generally benefited from better economic and public market conditions, with all sectors generating distributions In particular, distributions reflected potentially growing confidence among acquirers in the consumer, information technology, industrials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

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



Consumer	32%
Information Technology	18%
Industrials	18%
Healthcare	16%
Financials	7%
Telecommmunication Services	5%
Materials	3%
Energy	1%



Trade Sale	42%
Secondary Buyout	37%
IPO and Secondary Share Sale	18%
Refinancing and Recapitalisation	3%

Largest 50 Distributions During the Year to 30th June 2015

COMPANY[1]	SECTOR	DESCRIPTION	FUND DISTRIBUTIONS £M
Zoë's Kitchen	Consumer	Chain of fast casual restaurants in the US	5 7
Visma	Information Technology	Business software provider	4 1
CSPC Pharmaceutical Group	Healthcare	Speciality pharmaceuticals	3 6
Quiron	Healthcare	Network of hospitals	2 6
United Biscuits	Consumer	Manufacturer of biscuits and branded snacks	2 6
WILD Flavors	Consumer	Supplier of natural ingredients to the food industry	2 4
A-Plan	Financials	Insurance brokerage services	2 3
Versatel	Telecoms	German telecommunications provider	2 1
Lindorff	Industrials	Provider of debt-related administrative services	2 1
Hugo Boss	Consumer	Luxury fashion apparel	2 0
Advantage Sales and Marketing	Consumer	Sales and marketing agency	2 0
CLECE	Industrials	Facility management	1 9
Acosta	Consumer	Provider of outsourced sales and marketing to consumer industry	1 8
Pinnacle Food	Consumer	Manufacturer of branded convenience food	1 8
Evolution1	Healthcare	Healthcare software and payment services provider	1 7
Lazer Spot	Industrials	Yard management services	1 6
Inghams Enterprises	Consumer	Producer of poultry products	1 6
Eurofiber	Telecoms	Fibre-optic network services	1 6
SPGPrints	Industrials	Dutch manufacturer of printing systems for graphics and textiles	1 6
Gala Television	Consumer	Taiwanese cable television operator	1 6
Latisys	Information Technology	IT outsourcing solutions	1 6
CDW Corporation	Information Technology	Hardware and software outsourcing solutions	1 6
Nielsen	Industrials	Media and marketing business intelligence provider	1 5
Diversified Foodservice Supply	Industrials	Provider of supplies to the foodservice industry	1 5
Healthscope	Healthcare	Australian private healthcare operator	1 5
Pirtek	Industrials	Distributor of fluid transfer solutions	1 5
Sebia	Healthcare	Provider of diagnostic equipment for blood cancer and diabetes	1 5
Envision Pharma Group	Financials	Provider of pharmacy benefits management services	1 5
Burlington Stores	Consumer	US retailer of branded apparel and accessories	1 4
Grupo Corporativo	Telecoms	Spanish broadband and telecommunications provider	1 4
ARAMARK	Industrials	Facility management	1 4
Gondola Group	Consumer	Restaurant operator in the United Kingdom and Ireland	1 3
Fletchers Bakeries	Consumer	Producer of bakery products	1 3
Aliplast	Industrials	Manufacturer of windows doors and related elements	1 3
Insurity	Information Technology	Software solutions to the property and casualty insurance industry	1 3
Hilton Worldwide	Consumer	Global hospitality company	1 3
Sportfield	Consumer	German provider of outdoor sports surface systems	1 2
Qinyuan Bakery	Consumer	Chinese retail bakery chain	1 2
LIN TV	Consumer	US regional multimedia company	1 2
King com	Information Technology	Social gaming company	1 2
Sprouts Farmers Markets	Consumer	Speciality organic food retailer	1 2
Apotek Hjartat	Consumer	Swedish pharmacy retailer	1 2
Travelex	Financials	Foreign currency exchange services	1 2
McGraw-Hill Education	Consumer	Educational materials and learning solutions	1 1
TransFirst	Information Technology	Transaction processing services and payment solutions	1 1
Catalent Pharma Solutions	Healthcare	Development solutions for drugs and consumer health products	1 1
Spectrum Clubs	Consumer	Operator of athletic and kids clubs in California	1 1
Receptos	Healthcare	Clinical-stage biopharmaceutical company for immune disorders	1 1
Trader Media	Information Technology	UK supplier of automotive marketing products	1 1
Evonik	Materials	Speciality chemicals manufacturer	1 1
TOTAL			**85 7**
COVERAGE OF TOTAL DISTRIBUTIONS			**36%**

[1] *Relates to the main company associated with each distribution*

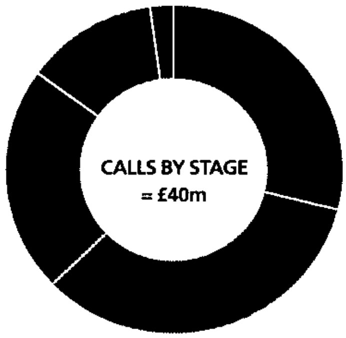
Investments Called in the Year to 30th June 2015

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

Calls

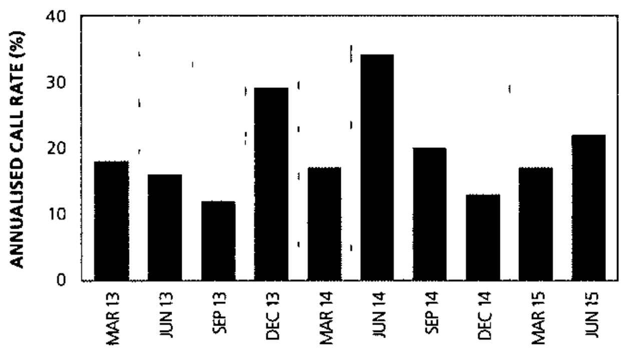
Calls by Region and Stage
PIP paid £40m to finance calls on undrawn commitments during the year to 30th June 2015, equivalent to 23% of opening undrawn commitments

USA	57%
Europe	28%
Asia and other	15%



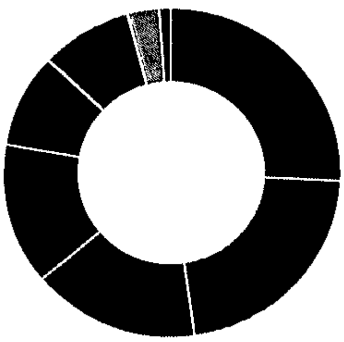
Large/Mega Buyout	29%
Small/Mid Buyout	34%
Venture and Growth	22%
Special Situations	13%
Generalist	2%

Quarterly Call Rate[1]
The quarterly call rates for the year showed a more subdued December quarter



Calls by Sector

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



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

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

Largest 25 Calls in the Year to 30th June 2015

COMPANY	SECTOR	DESCRIPTION	FUND CALLS £M
Seagull Maritime	Information Technology	Provider of training solutions for seafarers	**2 4**
Sportfield	Consumer	German provider of outdoor sports surface systems	**1 2**
ILX	Energy	Oil and gas exploration and development joint venture	**1 0**
Evans Cycles	Consumer	UK chain of cycle retail stores	**0 9**
The Warranty Group	Financials	Provider of extended warranty programs	**0 9**
Admincontrol	Information Technology	Provider of enterprise web-based software solutions	**0 8**
Sutherland Global Services	Information Technology	Business process and technology outsourcing company	**0 7**
Paris Presents	Consumer	Distributor of personal care products for women	**0 7**
Tuskerdirect	Industrials	Online car leasing and fleet management services	**0 7**
Jamberry Nails	Consumer	US manufacturer and distributor of nail products	**0 7**
Compusearch	Information Technology	Provider of enterprise software to the public sector	**0 6**
Mobilitie	Information Technology	Provider of business solutions for wireless and wireline carriers	**0 6**
Prezzo	Consumer	UK restaurant operator	**0 5**
Ringier Digital	Information Technology	Online marketplaces for vehicles properties and jobs	**0 5**
Red Lobster Seafood Co	Consumer	US chain of casual dining seafood restaurants	**0 5**
FastMed Urgent Care	Healthcare	US operator of emergency healthcare clinics	**0 4**
Midstream Energy Holdings	Energy	Natural gas exploration company	**0 4**
Independent Vetcare	Healthcare	Provider of veterinary healthcare services	**0 4**
CMS Info Systems	Industrials	Cash management services	**0 4**
Norican Holdings	Industrials	Manufacturer of metalworks machinery	**0 3**
Native American Resource Partners	Materials	US investment firm specialising in natural resource projects	**0 3**
Guangdong Jiahao Foodstuff	Consumer	Chinese producer of packaged foods	**0 3**
eFront	Information Technology	French provider of software solutions to the financial services industry	**0 3**
ORC International	Industrials	Business intelligence and research company	**0 3**
Sterigenics	Healthcare	Provider of sterilisation services to the medical and food industry	**0 3**
TOTAL			**16 1**
COVERAGE OF TOTAL CALLS			**40%**

New Co-investments in the Year to 30th June 2015

COMPANY	SECTOR	DESCRIPTION	COMMITMENTS £M
ALM Media	Consumer	US content and information services provider	**4 9**
StandardAero	Industrials	US provider of repair and maintenance services to the aviation industry	**4 8**
EUSA Pharma	Healthcare	European pharmaceutical investment platform	**4 7**
Rightpoint Consulting	Industrials	US digital agency and technology consulting firm	**4 6**
American Tire Distributors	Consumer	North American replacement aftermarket tyre distributor	**4 1**
Vertical Bridge	Telecom Services	US operator of wireless communication infrastructure	**3 4**
Co-investment[1]	Industrials	US public safety software provider	**3 1**
Roberto Cavalli	Consumer	Italian luxury fashion brand	**2 9**
Co-investment[1]	Telecoms	Provider of satellite communication services to the maritime industry	**2 8**
Sivantos	Healthcare	Singapore-based hearing aid manufacturer	**2 7**
Co-investment[1]	Industrials	US distributor of educational materials	**2 7**
Co-investment[1]	Information Technology	US enterprise network security company	**2 2**
Danube Food Group	Consumer	Supplier of food and water products in Serbia and Bosnia	**2 2**
Chindex	Healthcare	Private hospital operator in China	**2 0**
Exxelia	Industrials	European manufacturer of passive electronic components	**1 9**
Sebia	Healthcare	French medical diagnostics group	**1 8**
TOTAL			**50 8**

[1] *Confidential*

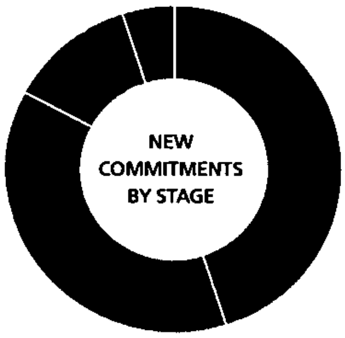
New Commitments

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

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

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

USA	51%
Europe	42%
Asia and other	7%



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

New Commitments by Deal Type
Secondary transactions accounted for approximately half of new commitments

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

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

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

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

[1] *Includes late primary commitments*

New Commitments: Secondary and Primary (Funds)

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

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

New Secondary and Primary Commitments[1]

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

INVESTMENT DATE	STAGE	DESCRIPTION	COMMITMENTS £M	% FUNDED
Jul-14	Buyout	Large buyout fund focused on European assets	19 9	90%
Jul-14	Buyout	Porfolio of European mid-market and large buyout fund interests	10 4	89%
Aug-14	Buyout	Nordic-focused mid-market buyout fund	9 3	79%
Aug-14	Buyout	Investment in a US mid-market fund[2]	5 6	33%
Oct-14	Buyout	Investment in a Nordic mid-market fund[2]	6 8	28%
Oct-14	Buyout	Latin American buyout fund	1 4	63%
Dec-14	Buyout	US fund interest with global exposure	17 0	89%
Jan-15	Buyout	US technology fund	6 8	91%
Jan-15	Buyout	Portfolio of fund-of-funds vehicles	7 9	68%
Mar-15	Buyout	Portfolio of US mid-market buyout funds	9 2	25%
Mar-15	Buyout	US large buyout fund with global exposure	1 9	92%
Jun-15	Buyout	US large buyout fund	8 3	87%
Jun-15	Venture & Growth	US growth fund[2]	11 6	42%
TOTAL			116 1	70%

Primary Commitments in the Year to 30th June 2015

INVESTMENT	STAGE	DESCRIPTION	COMMITMENTS £M
Hellman & Friedman Capital Partners VIII	Buyout	Large buyout manager with gobal exposure	10 2
Quantum Parallel Partners VI-C(A)	Special Situations	Energy-focused investment vehicle	8 9
Altor Fund IV	Buyout	Nordic mid-market buyout fund	8 4
ECI 10	Buyout	Buyout fund focused on UK mid-market space	7 5
Equistone Partners Europe V	Buyout	Pan European mid-market buyout fund	7 4
ABRY Partners VIII	Buyout	US mid-market buyout fund focused on media communications and IT sector	6 4
Growth Fund[3]	Venture & Growth	US technology-focused growth equity fund	6 2
Baring Asia Fund VI	Venture & Growth	Pan-Asian buyout and growth fund	5 8
Growth Fund[3]	Venture & Growth	US technology-focused growth equity fund	3 1
PAI Europe VI	Buyout	European large buyout fund	1 4
EQT VII	Buyout	Pan European mid-market buyout fund	1 4
Thomas H Lee Equity Fund VII	Buyout	US mid-market buyout fund	1 2
TA Associates XII	Venture & Growth	US growth equity fund	1 2
Welsh, Carson, Anderson & Stowe XII	Buyout	US large buyout fund	1 2
Blackstone Capital Partners VII	Buyout	Large buyout fund with global exposure	0 7
TOTAL			71 0

[1] Funds acquired in new secondary transactions are not named due to non disclosure agreements [2] Late primary commitments [3] Confidential

New Commitment Case Studies Secondary (Funds)

Secondary Fund Case Study

Region	North America
Sector	Generalist
Stage	Medium Buyout
Vintage	2005 and 2007
PIP commitment	$14 2m (£9 2m)

Transaction Overview

Transaction completed in March 2015

- Purchase of two fund interests as well as a primary commitment in a US mid-market buyout manager
- Portfolio consists primarily of middle market companies in the business services and healthcare sectors

PIP Investment Thesis

- Manager with a successful track record of employing buy and build strategies
- Favourable pricing given potential for near term distributions and uplifts on exits
- Portfolio companies with strong historical growth and attractive free cash flow profiles

Secondary Fund Case Study

Region	North America
Sector	Generalist
Stage	Medium Buyout
Vintage	2011
PIP commitment	$10 4m (£6 8m)

Transaction Overview

Transaction completed in January 2015

- Single fund interest in a US fund focused on middle market technology buyouts
- Pantheon was an existing primary investor in the fund at the date of purchase

PIP Investment Thesis

- Portfolio consists of high growth companies with moderate leverage levels
- Pantheon's long-standing relationship with the manager resulted in access to information that was critical to evaluating the transaction
- Manager with significant experience in technology investing and access to strong proprietary deal flow

New Commitment Case Studies
Primary (Funds)

Equistone V Case Study

EQUISTONE

Region	Europe
Sector	Generalist
Stage	Medium Buyout
Fund size	€2 000m
PIP commitment	€10 4m (£7 4m)

GP Summary

Equistone was established in the late 1970s as the private equity arm of Barclays Bank plc The firm gained its independence in 2011 upon the raising of Fund IV and currently operates with a team of 32 investment professionals The firm invests in mid-market transactions in the UK France and Germany with selective investments being made in Switzerland and the Benelux region

GP Strategy

Equistone is an established manager with a differentiated focus in the pan-European middle market buyout space targeting control buyout transactions in the €50-300m enterprise value range

Equistone's investment approach is to focus on businesses with strong growth prospects, usually supporting an established management team which can benefit from advice and guidance around strategic development Companies will be sold on to industrial players or larger private equity firms once the business has achieved a strategic step change and is on a clearer growth trajectory Equistone is often the first institutional buyer of the companies in which it invests so there is often an emphasis on the professionalisation of the business to help it progress through the next stage of development

Fund Strategy

- Sector expertise Equistone has developed specific expertise in consumer and travel financial services, specialist manufacturing/engineering and support services These sectors account for c 85% of the firm s investment activity across Europe
- Fund diversification Equistone V will invest in a diversified portfolio of between 25-30 companies There are no geographic targets but over the previous Equistone funds each of the three main regions have made strong contributions to the overall make-up of the fund

Quantum Parallel Partners VI-C Case Study

QUANTUM ENERGY PARTNERS

Region	North America
Sector	Energy
Stage	Special Situations
Fund size	$1 000m
PIP commitment	$13 9m (£8 9m)

GP Summary

Quantum Energy Partners is a leading provider of private equity capital to the global energy industry The firm has raised six private equity funds and managed more than $10bn of equity commitments since its inception in 1998 Quantum s portfolio includes companies operating primarily in the US

GP Strategy

Quantum Energy Partners is an energy-focused manager that targets opportunities where it can take meaningful equity stakes alongside management teams with a proven operational track record Quantum s investment focus is primarily on the upstream oil and gas sector with targeted investments in the midstream, oilfield services and power generation sectors

Fund Strategy

- Sector-focused investments with experienced management teams The fund will invest in four or five distinct platform companies in the energy sector Three of these companies had been identified at the time of due diligence
- Strong and consistent track record Quantum developed its reputation by providing attractive returns on investments in upstream assets The firm has since expanded its sector focus to include investments in midstream power and oilfield services The ability to invest across the energy value chain informs the manager s perspective on transaction opportunities

New Commitment Case Studies Co-investments (Directs)

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

Co-investment Examples

£4 8m Co-investment
STANDARDAERO
(Veritas Capital)

StandardAero

- Leading independent provider of aftermarket maintenance, repair, and overhaul ("MRO") services to the aviation industry
- High revenue visibility as a result of long-term contractual agreements with customers
- Attractive industry dynamics characterised by high barriers to entry and increasing trend towards outsourced MRO services

£4 7m Co-investment
EUSA PHARMA
(Essex Woodlands)

EUSA*Pharma*

- Speciality pharmaceutical investment platform led by experienced management team and sector specialist deal sponsor
- Attractive entry valuation
- Multiple growth levers including geographical expansion and potential add on acquisitions in oncology, pain relief and critical care

£4 6m Co-investment
RIGHTPOINT CONSULTING
(Stella Point Capitall)

RIGHTPOINT

- Founder run digital agency and technology consulting firm
- Attractive entry valuation relative to peers
- Management growth platform driven by further development of CRM and cloud solutions

£4 1m Co-investment
AMERICAN TIRE DISTRIBUTORS
(Ares Management)

ATD
AMERICAN TIRE DISTRIBUTORS

- Distributor of replacement tyres in the US and Canada
- Leading market position and strong client base in a large end market
- Potential for cost savings by moving to a regional distribution centre model and other operating improvements

£2 9m Co-investment
ROBERTO CAVALLI
(Clessidra Capital Partners)

roberto cavalli

- Global luxury fashion brand
- Reasonable entry valuation and modest leverage
- Business growth through new product categories, brand extension, operational improvements and geographical expansion

£2 7m Co-investment
SIVANTOS
(EQT)

sivantos
the hearing company

- Hearing aid manufacturer with a global manufacturing and sales footprint
- Significant barriers to entry and further value creation opportunities at an operational level
- Industry expected to benefit from favourable demographic trends and increased usage penetration

£2 2m Co-investment
DANUBE FOOD GROUP
(Mid Europa Partners)

danube foods group

- Largest supplier of dairy, confectionery and water products in Serbia and Bosnia
- Defensive business with an established brand portfolio and distribution network
- Reasonable entry valuation

£1 9m Co-investment
EXXELIA
(IK Investment Partners)

EXXELIA GROUP

- Manufacturer of passive electronic and electromechanical components
- Diversified revenue base and attractive margins
- Value creation through add-on acquisitions and geographical expansion

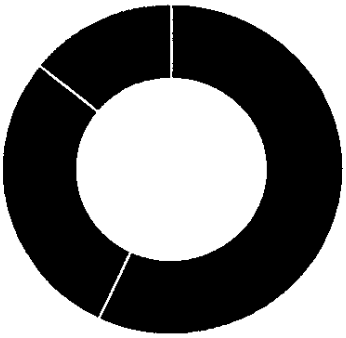
Outstanding Commitments

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

Analysis of Outstanding Commitments as at 30th June 2015

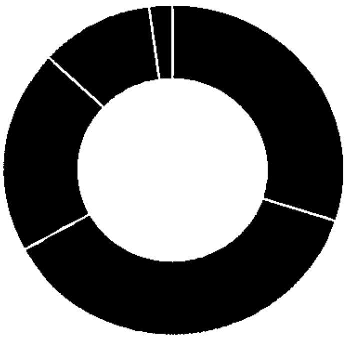
PIP's outstanding commitments to investments increased to £256m at 30th June 2015 compared with £176m in the prior year The Company paid calls of £40m and added £117m of outstanding commitments, largely due to new primary commitments amounting to £71m, the majority of which were unfunded at completion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

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



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

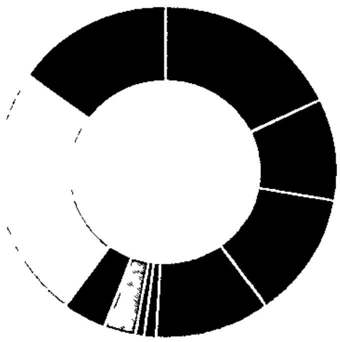
Stage
PIP's undrawn commitments are well-diversified across all major stages of private equity



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

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

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



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

Finance and Share Buybacks

Finance

Cash and Available Bank Facility

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

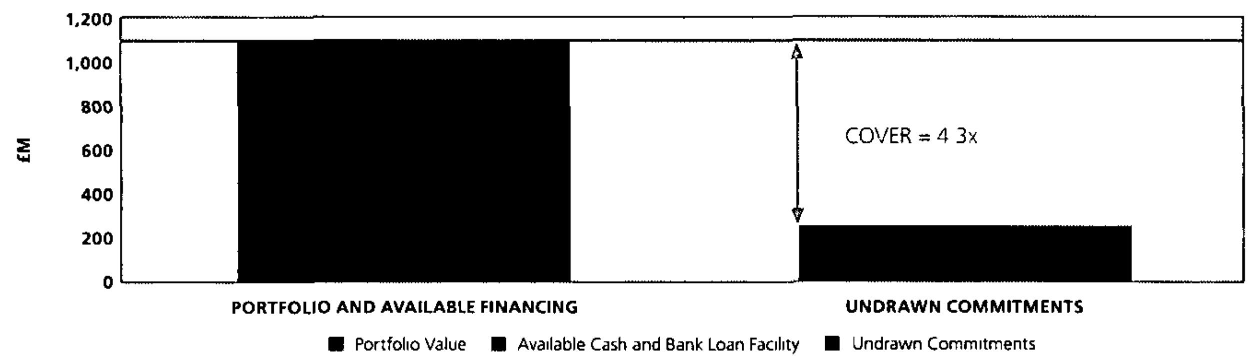
Undrawn Commitment Cover

At 30th June 2015, the Company had £234m of available financing, comprised of its cash balances and Loan Facility The sum of PIP's available financing and private equity portfolio provide 4 3 times cover relative to undrawn commitments It should be noted that a portion of the Company's undrawn commitments of £256m is unlikely to be called in full by the underlying managers When a fund is past its investment period, which is typically between five and six years, it generally cannot make any new investments (only drawing capital to fund existing follow-on investments or pay expenses) As a result, the rate of capital calls in these funds tends to slow dramatically Approximately 50% of the Company's undrawn commitments are in fund vintages that are greater than six years old

Share Buybacks

PIP bought back 1 3%[1] of its shares in the financial year In total, 460,000 ordinary shares and 375,000 redeemable shares were bought back at a weighted discount of 17% and 21% respectively, resulting in a total uplift to NAV per share of 3 6p, or 0 3% of opening NAV per share The discounts at which the Company's shares trade from time to time may make buybacks an attractive investment opportunity relative to other potential new investment commitments

PIP Financing Cover as at 30th June 2015



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

The Largest 50 Managers by Value

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

NUMBER	MANAGER	REGION[2]	STAGE BIAS	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	TPG	Global	Buyout	4 9%
2	Providence Equity Partners	USA	Buyout	4 7%
3	KKR	Global	Buyout	1 8%
4	Carlyle Group	Global	Generalist	1 6%
5	Blackstone Capital Partners	USA	Buyout	1 6%
6	Warburg Pincus Partners	Global	Generalist	1 6%
7	Vision Capital	Europe	Buyout	1 6%
8	EQT[3]	Asia	Buyout	1 5%
9	Apax Partners	Europe	Buyout	1 5%
10	Altor Capital	Europe	Buyout	1 4%
11	Golden Gate Capital	USA	Buyout	1 4%
12	Matlin Patterson	USA	Special Situations	1 4%
13	Quantum Energy Partners	USA	Special Situations	1 3%
14	Francisco Partners	USA	Buyout	1 3%
15	KRG Capital Partners	USA	Buyout	1 3%
16	Bridgepoint Partners	Europe	Buyout	1 3%
17	CVC Capital Partners	Global	Buyout	1 1%
18	Brentwood Associates	USA	Buyout	1 1%
19	Baring Private Equity	Asia	Venture and Growth	1 1%
20	Oak Investment Partners	USA	Venture and Growth	1 0%
21	ABS Capital Partners	USA	Venture and Growth	0 9%
22	Apollo Management	USA	Buyout	0 9%
23	ARCH Venture Partners	USA	Venture and Growth	0 9%
24	Riverstone Holdings	USA	Venture and Growth	0 9%
25	Thomas H Lee Partners	USA	Buyout	0 8%
26	Equistone	Europe	Buyout	0 8%
27	Baring Vostok Capital Partners	Russia	Buyout	0 8%
28	Hutton Collins	Europe	Special Situations	0 8%
29	Polaris Venture Partners	USA	Venture and Growth	0 8%
30	Advent International Group	Global	Buyout	0 8%
31	Nova Capital Management	Europe	Buyout	0 8%
32	Canaan Partners	USA	Venture and Growth	0 8%
33	Summit Partners	Global	Generalist	0 8%
34	Bain Capital	USA	Buyout	0 8%
35	Gemini Israel Funds	Europe	Venture and Growth	0 7%
36	IK Investment Partners	Europe	Buyout	0 7%
37	Avista Capital Partners	USA	Buyout	0 7%
38	Technology Crossover Ventures	USA	Venture and Growth	0 7%
39	Nordic Capital	Europe	Buyout	0 7%
40	Tricor U S Management	USA	Buyout	0 7%
41	Essex Venture Partners	USA	Venture and Growth	0 7%
42	Growth Fund[4]	Europe	Venture and Growth	0 7%
43	Herkules Capital	Europe	Buyout	0 6%
44	Genstar Capital Partners	USA	Buyout	0 6%
45	Yorktown Partners	USA	Energy	0 6%
46	Rutland Partners	Europe	Buyout	0 6%
47	New Enterprise Associates	USA	Venture and Growth	0 6%
48	Catalyst Investors	USA	Venture and Growth	0 6%
49	Mid-Europa Partners	Europe	Buyout	0 6%
50	Cinven Partners	Europe	Buyout	0 5%
COVERAGE OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE				56 4%

Percentages look through feeders and funds-of-funds Refers to the regional exposure of funds [3] The majority of PIP's remaining investment in EQT is held in EQT Greater China II Confidential

Portfolio Managers by Geography

The Company has exposure to many of the best managers across the world Our US investments focus primarily on large and mid-market buyout, and growth equity opportunities In Europe, we focus primarily on buyouts through both Pan-European managers and regional specialists with a detailed knowledge of local markets The Asian portfolio is focused on both the buyout and growth stages, investing with managers who have a strong local presence In this section we disclose only the largest fund manager exposures (NAV + outstanding commitments)

USA

Buyout

SMALL/MID BUYOUT

KRG Capital Partners	1 6%
Golden Gate Capital	1 2%
ABRY Partners	0 9%
Brentwood Associates	0 9%
Avista Capital Partners	0 6%
Tricor U S Management	0 6%
Genstar Capital Partners	0 5%
Wasserstein Partners	0 5%
Castle Harlan Partners	0 4%
Sun Capital Partners	0 4%
Swander Pace Capital	0 4%
Churchill Capital Partners	0 3%

LARGE/MEGA BUYOUT

TPG	4 8%
Providence Equity Partners	4 7%
Carlyle Group	1 7%
KKR	1 7%
Thomas H Lee Partners	1 6%
Blackstone Capital Partners	1 5%
Francisco Partners	1 2%
Hellman & Friedman	1 0%
Bain Capital	0 9%
Apollo Management	0 8%
Vestar Capital Partners	0 4%
Ares Management	0 3%
Onex Partners	0 3%

SPECIAL SITUATIONS

Quantum Energy Partners	2 0%
Matlin Patterson	1 5%
Welsh, Carson, Anderson & Stowe	0 8%
Riverstone Holdings	0 7%
Yorktown Partners	0 5%
Stone Point Capital	0 3%

Venture and Growth

GROWTH CAPITAL

Summit Partners	0 8%
ABS Capital Partners	0 7%
Technology Crossover Ventures	0 6%
Weston Presidio Capital	0 4%
Granite Ventures	0 4%

BALANCED/DIVERSIFIED VENTURE

Oak Investment Partners	0 8%
Polaris Venture Partners	0 6%
Catalyst Investors	0 5%
Essex Venture Partners	0 5%
New Enterprise Associates	0 5%
New Leaf Ventures	0 4%
Lightspeed Venture Partners	0 3%

EARLY STAGE VENTURE

ARCH Venture Partners	0 7%
Canaan Partners	0 6%
GrandBanks Capital	0 4%
Interwest Partners	0 4%
Alta Partners	0 3%
Evergreen Partners	0 3%

Figures above show the manager exposures (NAV + outstanding commitments) in each category shown with exposures greater than £3m in each category as a percentage of the Company's total exposure The above figures show both primary and secondary exposures The manager exposures shown on pages 50 and 51 represent 72% of the Company's total exposure

A detailed list of portfolio holdings is available on PIP's website at www.pipplc.com

EUROPE

BENELUX MANAGER	
Bencis Capital Partners	0 2%

CENTRAL & EASTERN EUROPEAN MANAGER	
Mid-Europa Partners	0 6%
Polish Enterprise Partners	0 3%

FRENCH MANAGER	
Chequers Capital	0 1%

GERMAN MANAGER	
Arcadia	0 3%

ISRAELI MANAGER	
Gemini Israel Funds	0 6%

ITALIAN MANAGERS	
Clessidra Capital Partners	0 2%
Private Equity Partners	0 2%

NORTHERN EUROPEAN MANAGERS	
Altor Capital	2 0%
EQT	1 5%
Equistone	1 4%
Herkules Capital	0 9%
IK Investment Partners	0 6%
Nordic Capital	0 6%
Northzone Partners	0 4%

RUSSIAN MANAGER	
Baring Vostok Capital Partners	0 7%

SPANISH MANAGER	
Mercapital	0 3%

PAN-EUROPEAN MANAGERS	
Apax Partners	1 3%
Bridgepoint Partners	1 3%
ECI	0 8%
Hutton Collins	0 8%
CVC Capital Partners	0 7%
Advent International Group	0 6%
Doughty Hanson & Co	0 6%
Accel Partners	0 5%
Cinven Partners	0 5%
HgCapital	0 4%
Wellington Partners	0 4%
BC Partners	0 3%
Cipio Partners	0 3%
Montagu	0 3%

UK MANAGERS	
Vision Capital	1 4%
Nova Capital Management	0 6%
Rutland Partners	0 5%

ASIA AND OTHER

COUNTRY SPECIALIST	
Ironbridge Capital (Australia)	0 3%
Qiming Venture Partners	0 3%
Hony Capital (China)	0 2%

GLOBAL	
Warburg Pincus Partners	1 7%

PAN-ASIAN	
Baring Private Equity	1 5%
Unitas	0 3%
CVC Capital Partners	0 4%
Pacven Walden Ventures	0 4%

Figures above show the top three manager exposures (NAV + outstanding commitments) in each category shown and in addition any managers with exposures greater than £3m in each category as a percentage of the Company's total exposure The above figures show both primary and secondary exposures

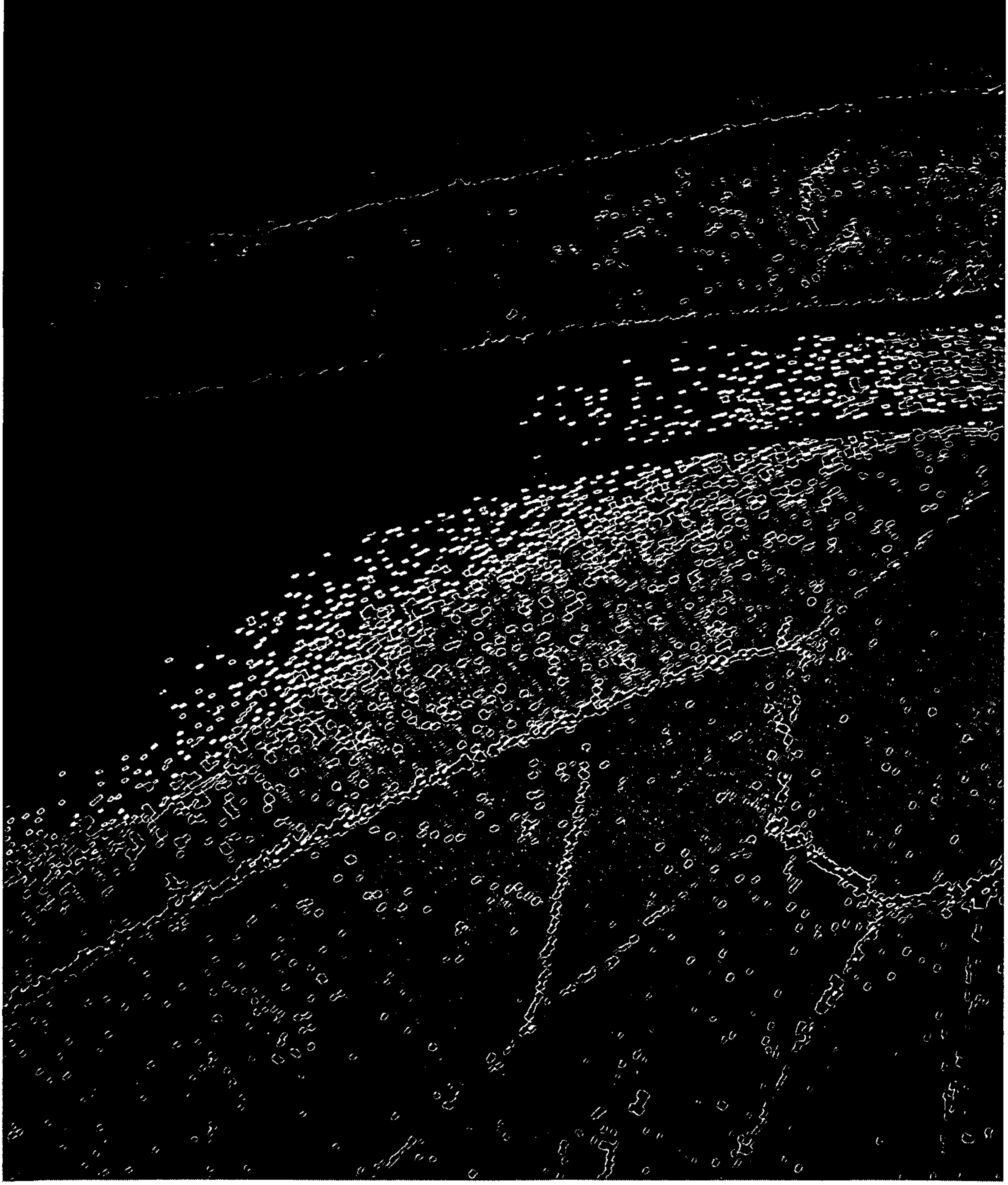
The Largest 50 Companies by Value

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

NUMBER	COMPANY	COUNTRY	SECTOR	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE
1	ALM Media[2]	USA	Consumer	0.9%
2	Grupo Farmaceutico Biotoscana[2]	Colombia	Healthcare	0.9%
3	Software Company[2,4]	USA	Information Technology	0.9%
4	Spotify	Sweden	Information Technology	0.8%
5	LBX Pharmacy	China	Consumer	0.8%
6	Nord Anglia Education[3]	Hong Kong	Consumer	0.7%
7	Alarm.com	USA	Industrials	0.7%
8	CPL Industries	UK	Energy	0.7%
9	Attendo[2]	Sweden	Healthcare	0.7%
10	CPI Card Group	USA	Information Technology	0.6%
11	ZeniMax Media	USA	Information Technology	0.6%
12	Standard Pacific[3]	USA	Consumer	0.6%
13	American Tire Distributors[2]	USA	Consumer	0.6%
14	Applied Medical Resources[2]	USA	Healthcare	0.6%
15	King.com[3]	UK	Information Technology	0.5%
16	Maplin Electronics[2]	UK	Consumer	0.5%
17	Par Pharmaceutical	USA	Healthcare	0.5%
18	Miclyn[2]	Singapore	Energy	0.5%
19	Axalta Coating Systems[3]	USA	Materials	0.5%
20	Blackboard	USA	Information Technology	0.5%
21	Univision	USA	Consumer	0.4%
22	SoftBrands	USA	Information Technology	0.4%
23	McGraw-Hill Education[2]	USA	Consumer	0.4%
24	Michaels Stores[3]	USA	Consumer	0.4%
25	ATI Holdings	USA	Healthcare	0.4%
26	BrightHouse	UK	Consumer	0.4%
27	IMS Health[3]	USA	Healthcare	0.4%
28	ConvaTec Healthcare	USA	Healthcare	0.4%
29	GTS Cayman	Brazil	Information Technology	0.4%
30	Standard Bancshares[2]	USA	Financials	0.4%
31	Classic Fine Foods	Singapore	Consumer	0.4%
32	CDW Corporation[3]	USA	Information Technology	0.4%
33	Aristotle Corporation[2]	USA	Industrials	0.4%
34	Vitruvian Exploration	USA	Energy	0.3%
35	Home Shopping Europe	Germany	Consumer	0.3%
36	Heptagon Advanced Micro-Optics[2]	Singapore	Information Technology	0.3%
37	Bibby Scientific	UK	Information Technology	0.3%
38	The Teaching Company	USA	Consumer	0.3%
39	Jimmy John's	USA	Consumer	0.3%
40	Beijing Xiaomi Technology	China	Information Technology	0.3%
41	S-Process Equipment	Germany	Industrials	0.3%
42	Rightpoint Consulting[2]	USA	Industrials	0.3%
43	Petroleum Technology Company	Norway	Energy	0.3%
44	Indus Towers	India	Information Technology	0.3%
45	Extraction Oil & Gas[2]	USA	Energy	0.3%
46	Zayo Group	USA	Telecommunication Services	0.3%
47	K-Mac Holdings	USA	Consumer	0.3%
48	JDR Cable Systems	USA	Energy	0.3%
49	Neiman Marcus[2]	USA	Consumer	0.3%
50	GGC Credit	USA	Financials	0.3%
TOTAL				23.4%

The largest 50 companies table is based upon the latest available underlying company valuations as at 30th June 2015, adjusted for known calls, distributions, new investment commitments and post valuation information. [2] Co-investments / directs. [3] Listed companies. [4] Confidential.

Responsible Investment and Key Senior Personnel



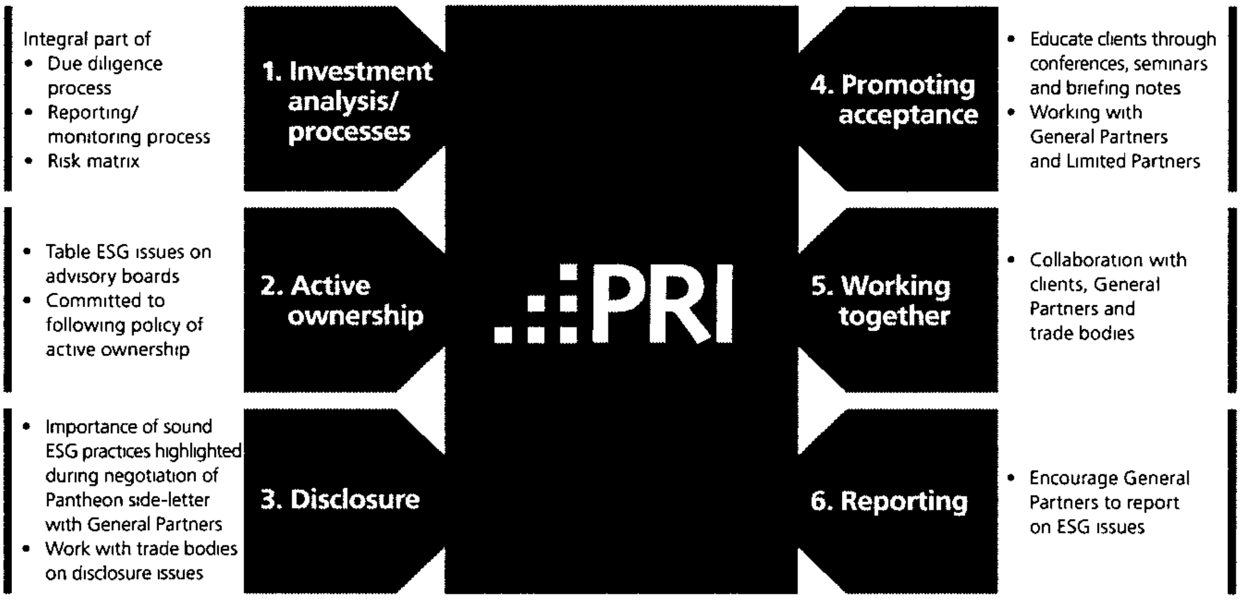
Responsible Investment

Pantheon's policy in terms of responsible investment is to seek to ensure that the environmental, social and governance ("ESG") considerations that are taken into account in its own day-to-day business are, as much as possible, reflected in the policy adopted by each of the individual private equity managers with whom they invest

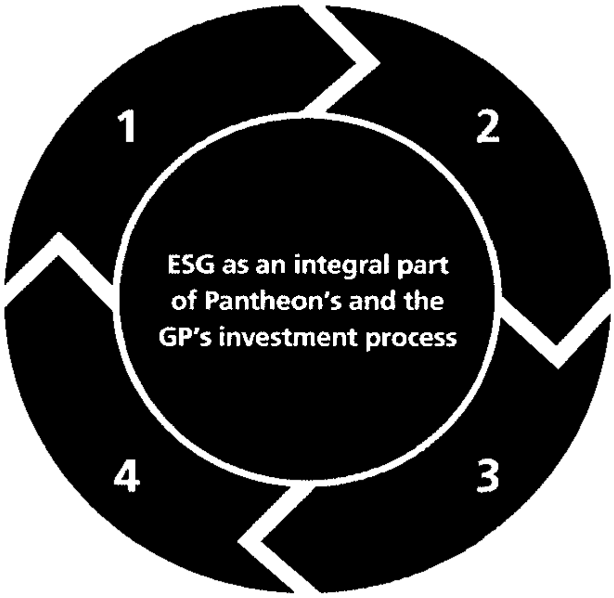
Commitment to the Principles for Responsible Investment

Pantheon is committed to responsible investing and in 2007 was one of the first private equity fund investors to sign up to the Principles for Responsible Investment ("PRI") Pantheon believes that adoption of PRI initiatives will ultimately work to the benefit of investors

Pantheon has an active engagement programme which covers the six PRI principles, as demonstrated in the chart below



Pantheon believes that consideration of environmental, social and governance risk forms part of general risk management and its mitigation strengthens downside protection and enhances reputation, which can also lead to value creation In considering a new fund commitment, Pantheon is committed to understanding the manager's willingness to adhere to sound ESG practices, favouring those managers who understand the nature of ESG risks and who seek to minimise them Pantheon's due diligence process ascertains the extent to which the manager incorporates ESG risks in their analysis and the measures they take to mitigate them before and after investment The chart below demonstrates how Pantheon integrates RI considerations and ESG risk management at all stages of its investment process



1. Origination, screening and initial due diligence

- Investigate whether the GP abides by the spirit of responsible investing and seeks to mitigate ESG risk in portfolio companies
- Awareness of ESG risks within specific sectors (e.g. forestry, mining) and regions/countries
- Advance notice to include ESG considerations, if any

2. Advanced due diligence

- Understand how the GP generally tackles ESG risks
- Note if the GP has signed up to PRI
- Review investment strategy of GPs and the potential for high ESG risk investments
- Review ESG monitoring systems of the GP as well as governance arrangements
- Manager ESG rating (Strong, Adequate/Poor) and Fund ESG rating (High/Medium/Low)
- Discuss ESG risks during onsite due diligence (if relevant)
- Discuss ESG risks during referencing (if relevant)
- Specific ESG risks section included in the Investment Recommendation

3. Commercial negotiation

- Reminder to the GP of the importance of sound ESG practices and Pantheon's adherence to PRI. Pantheon generally seeks to reference ESG practices in side-letters with underlying fund managers

4. Post-investment monitoring

- ESG risk rating methodology included in the monitoring process
- Raising ESG issues with the GP through Advisory Boards and monitoring meetings
- Where GPs have effective control of companies or significant influence, expect to see them adopt a more active ESG stance
- Encourage inclusion of ESG reporting as part of regular investment reports

Biographies of Key Senior Personnel

Andrew Lebus Partner

Joined 1994 30 years of private equity experience
Andrew is a senior member of Pantheon s investment team He is responsible for co-ordinating the activities of Pantheon International Participations PLC and is a member of the Asia Regional and Secondary Investment Committees Andrew, who spent eight years in Pantheon's Hong Kong office, also participates in Asian investment including determining investment strategy and overseeing the selection and monitoring of investments Prior to joining Pantheon, Andrew worked for a number of years in corporate finance with special emphasis on the private equity market, latterly at Credit Lyonnais Securities, and prior to that at its affiliate, Castleforth Andrew is based in London

Alastair Bruce Partner

Joined 1996, 19 years of private equity experience
Alastair is a member of Pantheon's Partnership Board and will be focusing on key strategic projects until his retirement in January 2016 Before joining Pantheon, Alastair spent seven years at SPP Investment Management as a real estate investment analyst and business controller Alastair is based in London

Chris Meads Chief Investment Officer

Joined 2001 19 years of private equity experience
Chris is a member of Pantheon's Partnership Board and Head of Investment Chris also leads Pantheon's Asian investment activity, chairs the Asia Regional Investment Committee and is a member of the International Investment Committee Chris joined Pantheon from HSBC Hong Kong, where he was involved both in strategic acquisitions and the design and implementation of internal operating procedures He was previously a senior investment analyst for Brierley Investments Ltd in both Hong Kong and New Zealand, and before that worked in a deal advisory capacity for CS First Boston (NZ) and as an economist for the National Bank of New Zealand and the Reserve Bank of New Zealand Chris is based in Hong Kong

Paul Ward Managing Partner

Joined 2003, 18 years of private equity experience
Paul is Pantheon's Managing Partner and is a member of the Partnership Board Paul is also a member of the Global Secondary Investment Committee and the Co-investment Committee Paul joined Pantheon from Lehman Brothers Private Equity Group, where he was Investment Director Previously, he worked for Lehman Brothers Investment Bank in both New York and London on M&A and corporate finance advisory services and, prior to that, was a management consultant for PA Consulting Paul is based in London

Helen Steers Partner

Joined 2004 26 years of private equity experience
Helen leads Pantheon's European primary investment activity and chairs the European Investment Committee She is also a member of the International Investment Committee and the Co-investment Committee Helen is currently on the Board of the European Private Equity & Venture Capital Association (EVCA) and member of the EVCA's Limited Partners Council Helen joined Pantheon in 2004 from Russell Investments in Paris, where she was Managing Director with overall responsibility for private equity in Europe Prior to joining Russell in 1999, Helen spent five years as Director, European Private Equity with the Caisse de depôt et placement du Québec From 1989 to 1994, Helen was a senior investment manager at the Business Development Bank of Canada in Montreal Helen is based in London

Susan Long McAndrews Partner

Joined in 2002 20 years of private equity experience
Susan is a member of Pantheon's Partnership Board and also leads Pantheon's North American primary fund investment activity Susan is a member of the International Investment Committee, the U S Regional Investment Committee and the Global Infrastructure & Real Assets Committee Prior to joining Pantheon, she was a principal at Capital Z Partners in Asia, where she was responsible for executing investments in private equity funds and in fund management companies In addition, Susan was a director at Russell Investments from 1995 to 1998 in its private equity group Susan is based in San Francisco

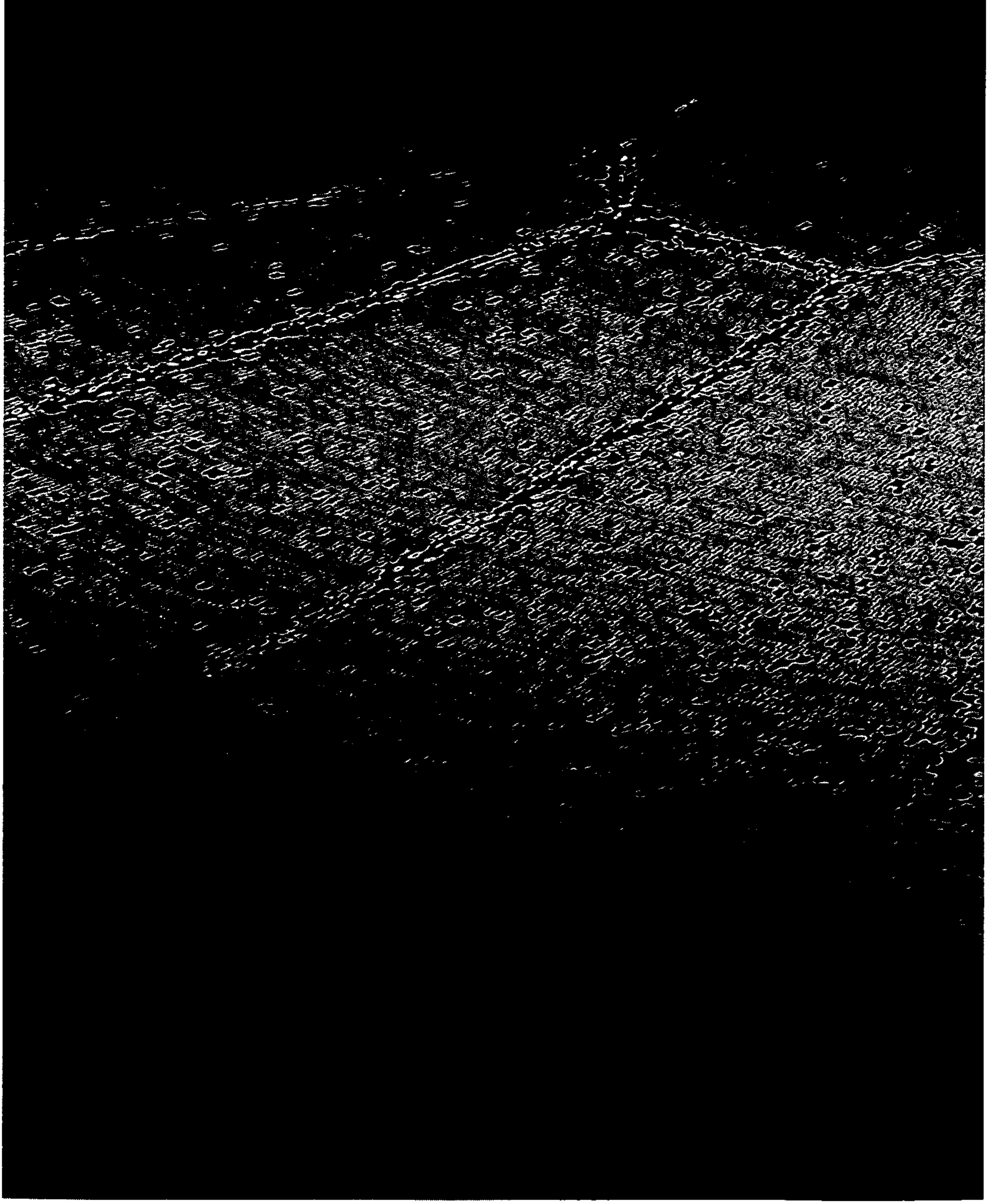
Dennis McCrary Partner

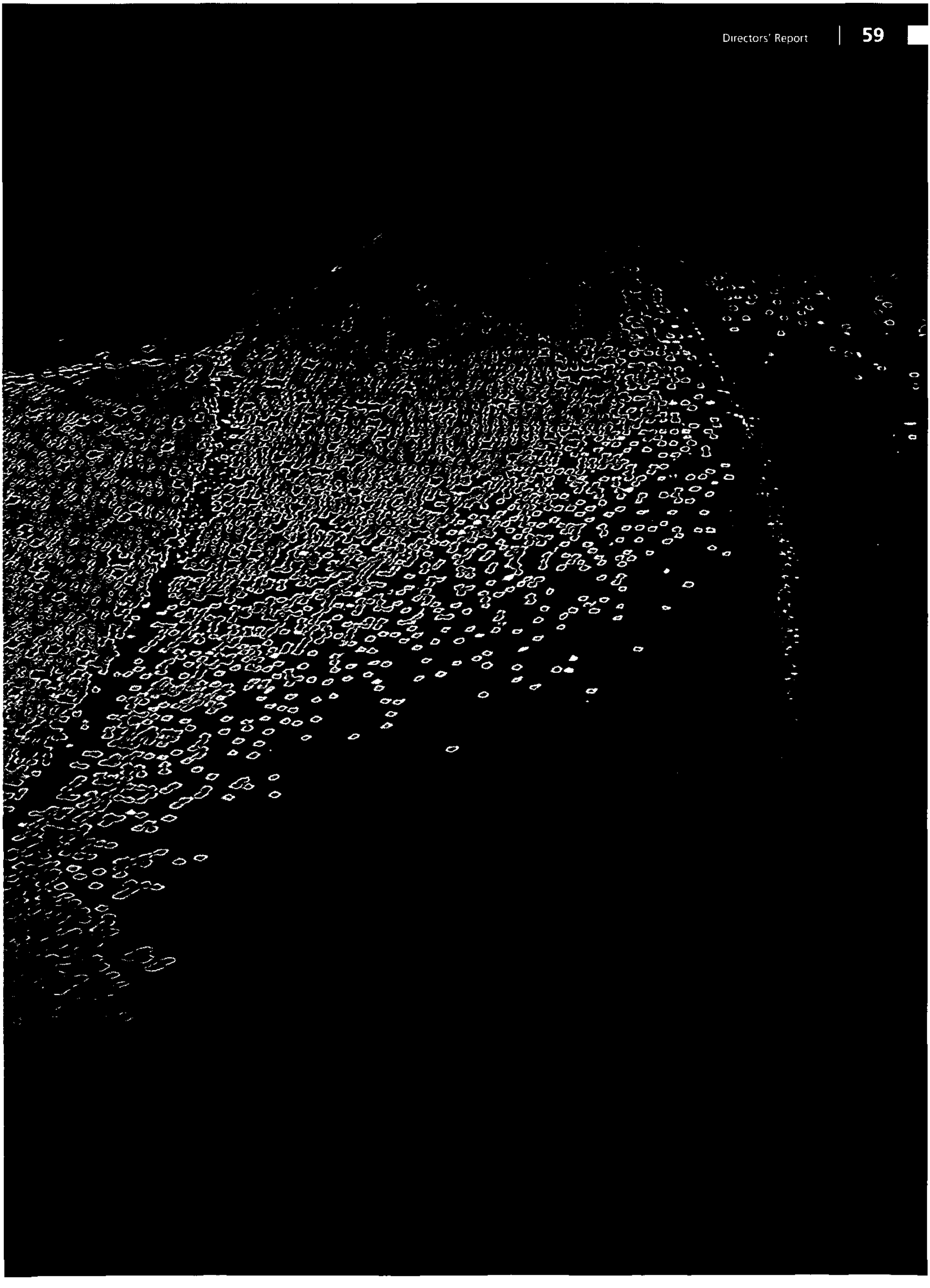
Joined 2007, 21 years of private equity experience
Dennis is Chair of the Co-investment Committee and the Global Secondary Investment Committee, and is a member of the U S Regional Investment Committee and the International Investment Committee Dennis was previously the head of the U S Partnership Team at Adams Street Partners where he was responsible for primary and secondary fund investments Previously, Dennis held several investment banking and principal investing positions during a 20-year career with Bank of America and Continental Bank Dennis is based in San Francisco and Chicago

Elly Livingstone Partner

Joined 2001, 18 years of private equity experience
Elly is a member of the Global Secondary Investment Committee, the International Investment Committee and the Emerging Markets Investment Committee Prior to joining Pantheon, Elly was an investment manager focused on the analysis, structuring and execution of direct investments at Actis Capital, an emerging markets private equity fund manager, having worked previously for Accenture and PricewaterhouseCoopers on a wide range of international consulting and corporate finance advisory assignments Elly is based in London

The Directors' Report





The Directors

Tom Bartlam
Chairman

Born December 1947 Appointed to the Board on 26th June 2003 Appointed as Chairman on 22nd July 2004
Tom Bartlam was managing director of Intermediate Capital Group PLC, the leading independent arranger and provider of mezzanine finance in Europe, until his retirement in 2005, he remained a non-executive director until 2009 He is non-executive chairman of Polar Capital Holdings PLC and Jupiter Primadona Growth Trust PLC, and a non-executive director of The Diverse Income Trust plc Prior to founding Intermediate Capital Group PLC in 1989, he worked for Charterhouse Bank, where he was a director involved in their corporate finance and private equity activities He is a chartered accountant

(a) (b) & (c)

Ian Barby
Audit Committee Chairman

Born January 1945 Appointed to the Board on 28th April 2005
Ian Barby practised as a barrister before joining Warburg Investment Management Ltd in 1985, subsequently becoming a vice chairman of Mercury Asset Management plc and latterly, until 2003, a managing director of Merril Lynch Investment Managers He is currently chairman of Invesco Perpetual UK Smaller Companies Investment Trust PLC, Ecofin Water and Power Opportunities plc and Schroder Income Growth Fund plc, as well as being a director of BlackRock World Mining Trust plc

(a) (b) & (c)

Sir Laurie Magnus
Senior Independent Director

Born September 1955 Appointed to the Board on 22nd November 2011
Sir Laurie Magnus is a senior adviser at Evercore Partners, the US-listed corporate finance advisory business He has over 35 years of investment banking experience, primarily in corporate finance, initially at Samuel Montagu & Co Limited (subsequently HSBC Investment Bank) and then successively at Phoenix Securities, Donaldson Lufkin & Jenrette, Credit Suisse First Boston and Lexicon Partners (latterly as chairman before it merged with Evercore in 2011) He is currently chairman of the JP Morgan Income & Capital Trust plc and non-executive director of the Cayenne Trust plc and Fidelity Japanese Values plc He is chairman of The Historic Buildings and Monuments Commission for England ("Historic England"), Chairman of Windsor Leadership Trust, and trustee of the English Heritage Trust, AllChurches Trust and the Landmark Trust

(a) (b) & (c)

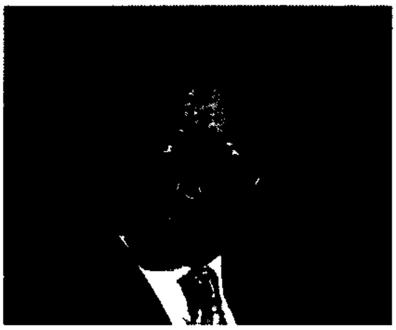
KEY
(a) Member of the Audit Committee
(b) Member of the Management Engagement Committee
(c) Independent of the Manager

Susannah Nicklin

Born February 1969 Appointed to the Board on 22nd November 2011

Ms Nicklin is an investment and financial services professional with 20 years of experience in executive roles at Goldman Sachs and Alliance Bernstein in the US, Australia and the UK She has also worked in the social impact private equity sector with Bridges Ventures and the Global Impact Investing Network, and sits on the Investment Committee of Impact Ventures UK She is Co-Founder and Co-CEO of Apprecie Limited Susannah is also a director of Baronsmead VCT plc She is a CFA charterholder and member of STEP

(a) (b) & (c)



David Melvin

Born July 1960 Appointed to the Board on 23rd February 2015

David Melvin is an investment and financial services professional with almost 30 years' experience in investment banking and private equity He is currently a senior adviser at Cenkos Securities plc, a UK-listed institutional stockbroking firm From 2012-2014, he was a Partner and Head of Investor Relations at TDR Capital, a European private equity firm, where he was also a member of the Investment Committee Prior to that he spent 24 years at Merrill Lynch, latterly Bank of America Merrill Lynch He was a Managing Director for 12 years and held a number of leadership positions, including Global Co-Head of Financial Sponsors and Chairman of EMEA Financial Sponsors and Leverage Finance He is a qualified Chartered Accountant

(a) (b) & (c)

Rhoddy Swire

Born March 1951 Appointed to the Board on 7th August 1987

Rhoddy Swire is Pantheon's founder and has been a director of Pantheon International Participations PLC since its listing in 1987 In 1981, Rhoddy joined GT Management Ltd to oversee and manage unquoted investments, and subsequently led the buyout from GT Management Ltd to form Pantheon He was until 12th October 2011 a director of Pantheon Ventures Limited, a parent undertaking of Pantheon Ventures (UK) LLP, and is a director of a number of Pantheon funds He is Chairman of Music Marketing Services Limited, the Hereford Cathedral Perpetual Trust and director of Lewmar Marine plc He is a former director of Ceravision Limited, The China Navigation Company Limited and Lindsell Train Investment Trust PLC

The Directors' Report

The Directors have pleasure in presenting their report, together with the audited financial statements of the Company for the year ended 30th June 2015

Directors

The Directors, all of whom were in office during the year, are shown on pages 60 and 61

Details of the Directors retiring and standing for re-appointment at the forthcoming AGM are set out on page 70

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are discussed on page 70

There are no agreements between the Company and its Directors concerning compensation for loss of office

Share Capital

As at 30th June 2015, the Company had 33,062,013 ordinary shares of £0 67 each and 32,197,534 redeemable shares of £0 01 each in issue No shares were held in treasury at the year end

During the year, 460,000 ordinary shares (with an aggregate nominal value of £308,200 and representing 1 4% of the ordinary share capital in issue on 30th June 2014) were purchased in the market for cancellation for a total consideration of £5 8m

During the year, 375,000 redeemable shares (with an aggregate nominal value of £3,750 and representing 1 2% of the redeemable share capital in issue on 30th June 2014) were also purchased in the market for cancellation for a total consideration of £4 4m

No share purchases have been made since 30th June 2015

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

Share capital and voting rights at 30th September 2015	NUMBER OF SHARES IN ISSUE	VOTING RIGHTS ATTACHED TO EACH SHARE	NUMBER OF SHARES HELD IN TREASURY	% OF TOTAL VOTING RIGHTS REPRESENTED BY EACH CLASS
ORDINARY SHARES AT £0 67 EACH	33 062 013	1	-	100
REDEEMABLE SHARES AT £0 01 EACH	32 197 534	-	-	-
TOTAL VOTING RIGHTS	**33,062,013**			

The rights attaching to each of the Company's classes of shares are set out in the Company's Articles of Association Further details are included in Note 13 to the financial statements

The redeemable shares do not carry any right to speak or vote at general meetings of the Company, including on resolutions authorising the issue or buyback of shares, although holders of redeemable shares are entitled to receive notice of general meetings of the Company and to attend such meetings Redeemable shares do carry the right to vote at separate class meetings of the holders of redeemable shares The sanction of holders of redeemable shares is required to authorise various corporate actions as set out in the Articles of Association

The Company's ordinary shares and redeemable shares are freely transferable However, the Directors may refuse to register a transfer of shares held in certificated form which are not fully paid unless the instrument of transfer is (i) lodged, duly stamped, at the Company's registered office, accompanied by the relevant share certificate(s) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer, (ii) in respect of only one class of share, and

(iii) not in favour of more than four persons jointly The Directors may decline to register a transfer of an uncertificated share in the circumstances set out in the Uncertified Securities Regulations 2001 and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four If the Directors decline to register a transfer, they are required to send notice of the refusal to the transferee within two months, giving reasons for their decision

Unless the Directors otherwise determine, a holder of ordinary shares will cease to be entitled to attend or vote at general meetings of the Company or at class meetings or on any poll if he/she fails to comply with a request by the Company to provide details of any interest held by any person in his/her ordinary shares within 14 days of the request being made Additionally, if the shares represent at least 0 25% of their class, any dividends payable in respect of the shares will be withheld by the Company and no transfers of any of the shares held in certified form will be registered unless the shareholder is not him/herself in default as regards supplying the information required (and the Directors are satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer) or unless the transfer arises as a result of the acceptance of a takeover offer or a sale made through a recognised investment exchange (or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded) or is a transfer which the Directors are satisfied is made in consequence of a sale of the entire beneficial interest in the shares to a person who is unconnected with the shareholder and with any other person appearing interested in the shares

Save as described above there are no restrictions concerning the transfer of securities in the Company or on voting rights, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company, and no agreements which the Company is party to that might affect its control following a successful takeover bid

Amendment of the Company's Articles of Association and the giving of authority to issue or buy back the Company's shares require an appropriate resolution to be passed by shareholders Proposals for the renewal of the Board's current authorities to issue and buy back shares are detailed on pages 66 and 67

Dividends

No final dividend is being recommended

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in Note 20 to the financial statements

Management

The Company entered into a new Management Agreement with the Company's investment manager, Pantheon Ventures (UK) LLP ("Pantheon Ventures") on 22nd July 2014 Under which Pantheon Ventures was appointed as the Company's Alternative Investment Fund Manager ("AIFM") on the terms of and subject to the conditions of a new investment management agreement (the "Management Agreement") between the Company and Pantheon Ventures Pantheon Ventures has been approved as an AIFM by the UK's FCA

The arrangements in respect of the management fee and notice period remain materially unchanged

The Pantheon group is one of the world's foremost private equity fund-of-funds managers and has acted as Manager to the Company since its inception in 1987 Affiliated Managers Group, Inc ("AMG"), alongside senior members of the Pantheon team, acquired the Pantheon group in 2010 The ownership structure, with Pantheon senior management owning a meaningful share of the equity in the business, provides a framework for long-term succession and enables Pantheon management to continue to direct the firm's day-to-day operations AMG is a global asset management company with equity investments in leading boutique investment management firms

Under the terms of the Management Agreement Pantheon has been appointed as the sole and exclusive discretionary manager of all the assets of the Company from time to time and to provide certain additional services in connection with the management and administration of the Company's affairs, including monitoring the performance of, and giving instructions on behalf of the Company to, other service providers to the Company

The Manager is entitled to a monthly management fee at an annual rate of (i) 1 5% on the value of the Company's investment assets up to £150 million and (ii) 1% on the value of such assets in excess of £150 million In addition, the Manager is entitled to a monthly commitment fee of 0 5% per annum on the aggregate amount committed (but unpaid) in respect of investments, up to a maximum amount equal to the total value of the Company's investment assets

The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30th June in each year The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high- water mark", i e the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated For the calculation period ended 30th June 2015, the applicable performance fee hurdle is a NAV per share of 2,246 13p

The Directors' Report

(CONTINUED)

The performance fee is calculated using the adjusted net asset value, which excluded the derivative asset in previous periods

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

No performance fee is payable in respect of the year ended 30th June 2015 (2014 nil)

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 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

The Management Agreement is capable of being terminated (without penalty to the Company) by either party giving two years' notice in writing It is capable of being terminated by the Company (without penalty to the Company) immediately if, among other things, the Manager materially breaches its obligations (and cannot or does not remedy the breach) or goes into liquidation and on six months' notice if there is a change of control of the Manager or if certain "key man" provisions are triggered The Manager has the benefit of an indemnity from the Company in respect of liabilities arising out of the proper performance by the Manager of its duties and compliance with instructions given to it by the Board and an exclusion of liability save to the extent of any negligence, fraud, wilful default or breach of duty

Pantheon sources, evaluates and manages investments on the Company's behalf, allocating investments to the Company, in accordance with Pantheon's investment allocation policy, that are in line with the strategy agreed with the Board and the Company's investment objective and policy

Under the terms of the Management Agreement, the Company is entitled to participate in allocations made by the Pantheon group, under its secondary investment programme, of opportunities to acquire secondary investments, other than certain co-investment opportunities in single companies or business entities in accordance with the allocation basis agreed from time to time between the Company and the Manager

This basis for allocation to PIP of secondary investments applies until replaced by alternative allocation arrangements

An alternative basis for the allocation to the Company of secondary investment opportunities may be applied by Pantheon in the context of a successor fund to Pantheon Global Secondary Fund V In the event of Pantheon and the Company being unable to agree any such alternative allocation basis, Pantheon will cease to be entitled to any performance fee for calculation periods following that in which the alternative allocation basis takes effect and the Company will be entitled to terminate the Management Agreement (without penalty to the Company) on six months' notice

The Board keeps the performance of the Manager under continual review, and the Management Engagement Committee carries out an annual review of the Manager's performance and the terms of the Management Agreement The ongoing review of the Manager includes activities and performance over the course of the year and review against the Company's peer group The Board is of the opinion that it is in the interests of shareholders to continue the appointment

The reasons for this view are that the investment performance is satisfactory and the Manager is well placed to continue to manage the assets of the Company according to the Company's strategy

Under an agreement dated 20th November 1997, administrative, accounting and company secretarial services are provided by Capita Sinclair Henderson Limited The Administration Agreement may be terminated by 12 months' written notice

The Board has also appointed BNP Paribas Securities Services to act as the Company's Depositary (as required by the AIFM Directive) (the "Depositary") on the terms and subject to the conditions of a Depositary Agreement entered into between the Company, the AIFM and the Depositary BNP Paribas Securities Services have also been appointed as Custodian

Related party transactions are disclosed in Note 21 to the financial statements

Going Concern

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

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

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

Corporate Governance

The Board consists solely of non-executive Directors and no one individual has unfettered powers of decision The Board has put in place levels of corporate governance which it believes are appropriate for an investment trust and to enable the Company to comply with the AIC Code of Corporate Governance (the "AIC Code") issued in February 2013 which addresses all the principles of the 2012 UK Corporate Governance Code The Board's compliance with the AIC Code is set out in the Statement on Corporate Governance on pages 68 to 74, and that Statement forms part of the Directors' Report

Substantial Shareholdings

As at 30th June 2015, the Company had received notification of the following disclosable interests in the voting rights of the Company

SHAREHOLDERS	VOTING RIGHTS	% AT 30TH JUNE 2015
ABERDEEN ASSET MANAGERS LIMITED	1,767,016	5 34
INVESTEC WEALTH & INVESTMENT LIMITED	1,738,187	5 26
SEVEN INVESTMENT MANAGEMENT LLP	1,716,273	5 19
EAST RIDING OF YORKSHIRE COUNCIL	1,300,000	3 93

No changes have been notified between 30th June 2015 and the date of this report

Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, (including those within our underlying investment portfolio)

Requirements of the Listing Rules

Listing Rule 9 8 4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out The Directors confirm that there are no disclosures to be made in this regard

Annual General Meeting

The Company's next Annual General Meeting ("AGM") will be held at 10 30am on 24th November 2015 at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH The notice convening the meeting (the "Notice of AGM") accompanies this Report and is set out on pages 102 to 106

At the AGM, holders of ordinary shares are being asked to vote on various items of business that are routinely considered at the Company's annual general meetings These are the receipt and adoption of the Strategic Report, Directors' Report and Auditors' Report and the audited financial statements for the year ended 30th June 2015, the receipt and approval of the Directors' Remuneration Report, the re-appointment of Directors, the re-appointment of the Auditor, Grant Thornton UK LLP, the authorisation of the Directors to determine the remuneration of the Auditor, the granting of authorities in relation to the allotment of shares, the disapplication of pre-emption rights, the purchase by the Company of its own shares, and the approval of the holding of general meetings (other than annual general meetings) on not less than 14 clear days' notice

As highlighted within the Chairman's Statement on page 8, ordinary shareholder approval at the AGM is also being sought by way of a special resolution, to simplify the Company's name to Pantheon International PLC

The Directors' Report

(CONTINUED)

Therefore, resolutions 1 to 10 to be proposed at the AGM will be proposed as ordinary resolutions and resolutions 11 to 14 as special resolutions

A new Directors' remuneration reporting regime came into effect on 1st October 2013 Shareholders now have an annual advisory vote on the report on Directors' remuneration and a binding vote, to be held every three years, on the remuneration policy of the Directors A binding ordinary resolution approving the Directors Remuneration Policy was approved by shareholders at the Annual General Meeting held on 25th November 2014 Accordingly, shareholders are only being asked to vote on the receipt and approval of the Directors' Remuneration Report as set out on pages 77 to 79

An explanation of the resolutions relating to the appointment and re-appointment of Directors and the recommendation of the Nomination Committee as to voting in this regard are set out in the Statement on Corporate Governance on page 70

Authority to Allot Shares and Disapplication of Statutory Pre-emption Rights

The authorities given to the Directors at the AGM held on 25th November 2014 to allot shares and to grant rights to subscribe for, or convert securities into, shares, and to allot equity securities (and sell shares held as treasury shares) for cash otherwise than in accordance with statutory pre-emption rights (which require that, when new shares are issued, or treasury shares are sold, for cash, the shares are first offered to existing shareholders in proportion to their existing holdings of shares) will expire at the forthcoming AGM No shares have been issued during the year under the existing authorities

Resolution 10 set out in the Notice of AGM, an ordinary resolution, will, if passed, authorise the Directors for a period of 15 months from the date on which the Resolution is passed (or until the following AGM, if earlier) to allot ordinary shares and redeemable shares in the Company and to grant rights to subscribe for or convert a security into such shares and will replace the current authority granted to Directors at last year's AGM

The authority conferred by Resolution 10, if passed, will permit the Company to allot up to £107,325 11 in redeemable share capital, being one-third of the issued redeemable share capital of the Company at the date of this Report, and to allot up to £7,383,849 57 in ordinary share capital, being one-third of the issued ordinary share capital of the Company as at the date of this Report

The maximum nominal amount of £7,491,174 68 which the Directors will be authorised to allot by the passing of Resolution 10 represents 33 3% of the issued ordinary share capital of the Company and includes redeemable share capital representing 33 3% of the issued redeemable share capital of the Company, as at the date of this Report As at such date, the Company is not holding any ordinary shares or redeemable shares as treasury shares

Resolution 11 set out in the Notice of AGM, a special resolution, will, if passed, authorise the Directors for a period of 15 months from the date on which the Resolution is passed (or until the following AGM, if earlier) to allot equity securities for cash pursuant to the authority conferred by Resolution 10 as described above and to sell for cash ordinary shares and redeemable shares held by the Company as treasury shares, in each case otherwise than by way of a pre-emptive offer to existing shareholders Equity securities for this purpose means ordinary shares and redeemable shares in the Company and rights to subscribe for or convert a security into such shares This authority will replace the current authority granted to Directors at last year's AGM

Resolution 11, if passed, will have the effect of disapplying the statutory pre-emption rights referred to above in relation to (i) the allotment of new equity securities up to the maximum amount of share capital permitted by Resolution 10 and the sale from treasury of ordinary shares and redeemable shares where such securities or shares are offered to ordinary and redeemable shareholders in proportion to their existing holdings of ordinary and redeemable shares, except where exclusions are necessary or desirable to deal with fractional entitlements, regulatory requirements and/or legal or practical issues, (ii) the grant of subscription and conversion rights in relation to, and the allotment (including the sale from treasury) of, up to £32,197 53 in aggregate nominal amount of redeemable share capital (being 10% of the issued redeemable share capital of the Company as at the date of this Report), at a price per share not less than the most recently calculated net asset value per share at the time of issue (or sale), and (iii) the grant of subscription and conversion rights in relation to, and the allotment (including the sale from treasury) of, up to £2,215,154 87 in aggregate nominal amount of ordinary share capital (being 10% of the issued ordinary share capital of the Company as at the date of this Report), at a price per share not less than the most recently calculated net asset value per share at the time of issue (or sale)

The maximum amount in respect of which the statutory pre-emption rights are disapplied under Resolution 11 (other than in relation to sub-paragraph (i) above) represents 10% of the issued equity share capital of the Company as at the date of this Report, and includes ordinary share capital representing 10% of the issued ordinary share capital of the Company and redeemable share capital representing 10% of the issued redeemable share capital of the Company, in each case as at the date of this Report

The Directors intend to use the authorities to be conferred by Resolutions 10 and 11 to facilitate future issues (and sales from treasury) of redeemable shares and ordinary shares (at or above the prevailing net asset value per share at the time of issue (or sale), where the shares to be issued or sold are not offered to ordinary and redeemable shareholders in proportion to their existing holdings), to raise funds for investment by the Company in accordance with its investment policy, as and when required from time to time

Purchase of Own Shares
At last year's AGM, the Directors were authorised to make market purchases of up to 14 99% of each of the Company's classes of share, amounting to 5,009,959 ordinary shares and 4,867,632 redeemable shares 460,000 ordinary shares and 375,000 redeemable shares have been bought back under this authority Details of all shares bought back during the year are set out on page 62

Resolution 12 set out in the Notice of AGM, a special resolution, will, if passed, renew this authority by authorising the Company for a period of 18 months (or until the following AGM, if earlier) to make market purchases of up to 14 99% of the redeemable shares in issue as at the date upon which the resolution is passed, representing 4,826,410 redeemable shares at the date of this report, and up to 14 99% of the ordinary shares in issue as at the date upon which the resolution is passed, representing 4,955,995 ordinary shares as at the date of this Report The maximum price (exclusive of expenses) which may be paid by the Company in relation to any such purchase is the higher of (i) 5% above the average of the market values of shares of the relevant class for the five business days before the purchase and (ii) the higher of the price of the last independent trade and the highest current bid on the London Stock Exchange The minimum price which may be paid is £0 01 per share in the case of a purchase of redeemable shares and £0 67 per share in the case of a purchase of ordinary shares

As at the date of this Report, there are no outstanding warrants or options to subscribe for shares in the Company

The Directors believe that the discount to net asset value at which redeemable shares and ordinary shares trade in the market from time to time may present an attractive investment opportunity relative to new investment commitments In such circumstances, the Directors may cause the Company to undertake targeted buybacks of ordinary and redeemable shares instead of, or in addition to, new investments as a means of utilising cash generated from the Company's portfolio In addition, the Directors intend that the Company should retain the ability to utilise, each year, any excess cash, up to 1% of the total net assets attributable to its redeemable shares and ordinary shares, for the purpose of buying in such shares

Any buyback would only be undertaken in circumstances where the Directors believe that it would increase the net asset value per share Otherwise, in circumstances where the Directors believe that cash generated from the Company's portfolio cannot advantageously be utilised in making new investment commitments or in buybacks as described above, the Company intends that it would generally seek, if market conditions are appropriate, to return such excess cash as the Directors determine is appropriate through the redemption of redeemable shares at NAV

In repurchasing shares, the Company may repurchase redeemable shares or ordinary shares or both in any combination or proportions as the Directors consider to be appropriate The Company will consider holding any of its own shares which it purchases pursuant to the authority to be conferred by Resolution 12, if passed, as treasury shares rather than cancelling them, if the Directors determine in connection with any such purchase that it would be advantageous for the Company to do so

Notice Period for General Meetings
Resolution 13 set out in the Notice of AGM, a special resolution, will, if passed, renew the approval of 14 clear days as the minimum period of notice for all general meetings of the Company (other than annual general meetings) The approval will be effective until the Company's next AGM, when it is intended that renewal will be sought The Directors will only call general meetings on 14 clear days' notice where they consider it to be in the best interests of shareholders to do so, and should such a meeting be called, the Company will offer facilities for all shareholders to vote by electronic means

Change of Company Name
Resolution 14, set out in the Notice of AGM, a special resolution, will, if passed, change the name of the Company to Pantheon International PLC

Recommendation
Full details of all the above resolutions are provided in the Notice of Meeting on pages 102 to 106

The Directors consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its members as a whole The Directors unanimously recommend that ordinary shareholders vote in favour of all the resolutions to be proposed, as they intend to do in respect of their own beneficial holdings

Audit Information

The Directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

Auditor

Grant Thornton UK LLP has expressed its willingness to continue in office as Auditor of the Company and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting

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

Statement on Corporate Governance

The Company is committed to maintaining high standards of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs

This Statement forms part of the Directors' Report set out on pages 62 to 67

Compliance Statement

The Board has considered the principles and recommendations of the AIC Code issued in February 2013, by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide") The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the 2012 UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts A new version of the UK Corporate Governance Code was published in September 2014, and the AIC published its updated code on 3rd March 2015 in response The new UK Code is applicable for accounting periods beginning on or after 1st October 2014 and will therefore impact the Company's Annual Report in 2016

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders

The FRC, the UK's independent regulator for corporate reporting and governance responsible for the UK Code, has endorsed the AIC Code and the AIC Guide

The terms of the FRC's endorsement mean that AIC Members who report against the AIC Code and the AIC Guide meet fully their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules

A copy of the AIC Code and the AIC Guide can be obtained via the AIC website, www theaic co uk A copy of the UK Code can be obtained at www frc org uk

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, to the extent that they are relevant to the Company's business, throughout the year ended 30th June 2015

The UK Code includes provisions relating to

- the role of a chief executive, and
- executive directors' remuneration

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company The Company has therefore not reported further in respect of these provisions

A list of funds in which the Company has an interest (those representing more than 0 05% of its NAV) can be viewed on the Company's website at www pipplc com

Board Members

The Board consists of six Directors, all of whom are non-executive and resident in the UK The Company has no employees The Board seeks to ensure that it has the appropriate balance of skills, experience, ages and length of service amongst its members The Directors possess a wide range of business and financial expertise relevant to the direction of the Company, and consider themselves as committing sufficient time to the Company's affairs

The terms and conditions of the appointment of the non-executive Directors are set out in letters of appointment, copies of which are available for inspection at the registered office of the Company and will be available at the AGM None of the Directors has a contract of service with the Company Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 60 and 61

A formal process exists for the selection of new Directors to the Company and the level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company

The appointment of a new Director is made on the basis of a candidate's merits and the skills/experience identified by the Board as being desirable to complement those of the existing Directors The Company does not have a specific diversity policy, but diversity is one of the factors that would be taken into account when making a new appointment

On appointment to the Board, Directors are fully briefed as to their responsibilities and are given the opportunity to talk to the relevant executive members of the management company throughout their terms in office

Mr David Melvin was appointed to the board on 23rd February 2015

Board Operation

The Directors of the Company meet at regular Board meetings, normally seven times throughout the year, and additional meetings and telephone meetings are arranged as necessary Seven scheduled meetings were held during the year to 30th June 2015 Directors' attendance at Board and Committee meetings during the year was as follows

	SCHEDULED BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	NUMBER ENTITLED TO ATTEND	NUMBER ATTENDED	NUMBER ENTITLED TO ATTEND	NUMBER ATTENDED	NUMBER ENTITLED TO ATTEND	NUMBER ATTENDED	NUMBER ENTITLED TO ATTEND	NUMBER ATTENDED
T H BARTLAM	7	7	3	3	1	1	2	2
I C S BARBY	7	7	3	3	1	1	2	2
L H MAGNUS	7	7	3	3	1	1	2	2
S E NICKLIN	7	7	3	3	1	1	2	2
R M SWIRE	7	6	n/a	n/a	1	1	2	2
D L MELVIN*	3	3	1	1	1	1	1	1
J P A READMAN**	2	1	n/a	n/a	1	1	1	1

* Appointed to the Board on 23rd February 2015
** Retired on 25th November 2014

The Company is committed to maintaining high standards of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs

In order to review the effectiveness of the Board as a whole, its Committees and individual Directors, including the independence of each Director, the Company has implemented a thorough appraisal process, encompassing both quantitative and qualitative measures of performance in respect of the Board and its Committees The appraisal process was conducted by the Chairman by way of an evaluation questionnaire and interviews which took place over the summer of 2015, it will be repeated annually The appraisal of the Chairman followed the same process and was carried out by the Board as a whole under the leadership of Sir Laurie Magnus (the Senior Independent Director) The Board can confirm that that it has the appropriate balance of skills, experience, ages and length of service amongst its members

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense

The Company has arranged a Directors' and Officers' Liability insurance policy which includes cover for legal expenses

The Company's Articles of Association take advantage of statutory provisions to indemnify the Directors against certain liabilities owed to third parties even where such liability arises from conduct amounting to negligence or breach of duty or of trust In addition, under the terms of appointment of each Director, the Company has agreed, subject to the restrictions and limitations imposed by statute and by the Company's Articles of Association, to indemnify each Director against all costs, expenses, losses and liabilities incurred in execution of his office as Director or otherwise in relation to such office Save for such indemnity provisions in the Company's Articles of Association and in the Directors' terms of appointment, there are no qualifying third party indemnity provisions in force

Chairman and Senior Independent Director

The Chairman, Mr Bartlam, is deemed by his fellow independent Board members to be independent and to have no conflicting relationships Mr Bartlam is also non-executive chairman of Polar Capital Holdings PLC and Jupiter Primadona Growth Trust PLC, and a non-executive director of The Diverse Income Trust plc He considers himself to have sufficient time to commit to the Company's affairs

Following Mr Readman's resignation as a Director at last year's AGM, the Board appointed Sir Laurie Magnus as the Senior Independent Director of the Company He provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors

Directors' Independence

In accordance with the Listing Rules that apply to closed-ended investment entities and taking into consideration the AIC Code, the Board has reviewed the status of its individual Directors and the Board as a whole

Statement on Corporate Governance

(CONTINUED)

Mr Swire was until 12th October 2011 a director of Pantheon Ventures Limited, a parent undertaking of Pantheon Ventures (UK) LLP, the Company's Manager, and was formerly a director and Senior Partner of Pantheon Holdings Limited He is currently a director of a number of funds managed by the Pantheon Group He is therefore not considered to be independent under the terms of the AIC Code

Mr Bartlam was first elected in 2003 and Mr Barby was first elected in 2005 The Board considers that the independence in character and judgement of Messrs Bartlam and Barby is not compromised by their length of service but, on the contrary, is strengthened by continuity and experience and deem Mr Bartlam and Mr Barby to be independent

Sir Laurie Magnus, Ms Nicklin and Mr Melvin are considered to be independent in both character and judgement

Accordingly, five of the six Board members are considered by the Board to be independent and thus the majority of the Board comprises independent non-executive Directors

Re-appointment of Directors

Directors are subject to re-appointment by shareholders at intervals specified in the Company's Articles of Association, and in accordance with the AIC Code and the FCA's Listing Rules

The Directors consider that this meets the requirement of the UK Corporate Governance Code that Directors are appointed for specific periods and that their reappointment should not be automatic Under the Articles of Association, new Directors appointed by the Board are required to retire at the first AGM following their appointment Accordingly, Mr Melvin will retire at the 2015 AGM and, being eligible, will offer himself for re-appointment

In accordance with the terms of the Articles of Association, one-third of Directors will retire by rotation at each AGM and no Director shall serve a term of more than three years before re-election Ms Nicklin shall retire by rotation at the 2015 AGM and, being eligible, offers herself for re-appointment

The Board's policy with regard to tenure of office is that any Director having served for nine years since his/her first election will be required to seek annual re-appointment thereafter Accordingly, Messrs Bartlam and Barby are required to seek re-appointment at the forthcoming AGM and at each AGM thereafter

For the purpose of compliance with the FCA Listing Rules in relation to board independence, for so long as any Director of the Company is also a director or employee of or a professional adviser to the Company's Manager (or any other company in the same group) or is a director of another investment company or fund managed by the Company's Manager (or any other company in the same group), that Director will seek re-appointment at each AGM Accordingly, Mr Swire will seek re-appointment at the forthcoming AGM

Resolutions to re-appoint Messrs Barby, Bartlam, Melvin and Swire and Ms Nicklin are contained within the Notice of AGM on page 102

The Nomination Committee has reviewed the appointment of each Director retiring at the forthcoming AGM Following a formal performance evaluation, the Nomination Committee members recommend that shareholders vote for the re-appointment of each of these Directors as they believe that their performance continues to be effective, that they demonstrate commitment to their roles as non-executive Directors of the Company and that they have actively contributed during meetings throughout the year

Before voting, shareholders are requested to note that in the opinion of the other members of the Nomination Committee, each of the retiring Directors has many years' relevant experience of UK private equity and the investment trust industry which is of great value to the Company and its Board

Board Responsibilities and Relationship with the Manager

The Board is responsible for the determination and implementation of the Company's investment policy and for monitoring compliance with the Company's objectives At each Board meeting the Directors follow a formal agenda to review the Company's investments and all other important issues, such as asset allocation, gearing policy, corporate strategic issues, cash management, peer group performance, marketing and shareholder relations, investment outlook, revenue forecasts and outlook, to ensure that control is maintained over the Company's affairs The Board regularly considers its overall strategy and monitors the share price and level of discount

The Board is responsible for the investment policy and strategic and operational decisions of the Company and for ensuring that the Company is run in accordance with all regulatory and statutory requirements These procedures have been formalised in a schedule of matters reserved for decision by the full Board, which has been adopted for all meetings These matters include

- the maintenance of clear investment objectives, investment strategy and risk management policies, changes to which require Board approval,

- the monitoring of the business activities of the Company, including investment performance and annual budgeting, and

- review of matters delegated to the Manager, Administrator or Company Secretary

The management of the Company's assets is delegated to Pantheon At each Board meeting, a representative of Pantheon is in attendance to present verbal and written reports covering its activity, the portfolio and investment performance over the preceding period Ongoing communication with the Board is maintained between formal meetings The Manager ensures that Directors have timely access to all relevant management, financial and regulatory information to enable informed decisions to be made and contacts the Board as required for specific guidance on particular issues Pantheon has discretion to manage the assets of the Company in accordance with the Company's investment objectives and policies, subject to certain additional investment restrictions (which may be amended by the Company from time to time with the consent of the Manager) The additional investment restrictions currently imposed on the Manager are as follows

- at the time of making an investment, the aggregate of all amounts committed by the Company in respect of investments (excluding all amounts paid pursuant to such commitments and including any such commitments in respect of the investment to be made) shall not exceed 300% of the available cash and loan resources of the Company without the prior approval of the Board,

- no direct or indirect investment in a single company shall form more than 5% of the gross asset value of the Company at the time the investment is made,

- the amount invested (including amounts committed for investment) in respect of a single fund shall not exceed 10% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time the investment is made,

- the prior approval of the Board is required for an investment (including investment commitments) in respect of a single secondary interest in an existing fund or a portfolio of secondary interests in existing funds and/or direct investments in one or more companies exceeding 3% of the net asset value of the Company at the time the investment is made, and

- direct investment of £5m or more in respect of a single company requires the prior approval of the Board

In applying the above restrictions, the Company looks through holding and special purpose vehicles and investment vehicles established and managed or advised by the Manager or any other company in the Pantheon group The Manager has also agreed that it will obtain the prior approval of the Board in relation to any primary investment in a new fund which is made otherwise than on a pro-rata basis with other Pantheon clients investing in the same fund and in relation to any investment in a vehicle managed by a member of the Pantheon group, other than holding, special purpose and feeder vehicles where no fee is charged by the Pantheon group

The Board determines the parameters of investment strategy and risk management policies within which the Manager can exercise judgement, and sets the investment and risk management strategies in relation to currency exposure The Company Secretary and Manager prepare briefing notes for Board consideration on matters of relevance, for example changes to the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice

Institutional Investors – Use of Voting Rights

The Company has delegated the exercise of its voting rights to the Manager Pantheon has a policy of advising its clients to vote on all corporate actions in relation to investments, and does this on behalf of the Company Pantheon consults with the Directors of the Company in the case of any corporate action where either there is a conflict of interest between PIP and other Pantheon clients, or where for any reason the proposed voting is inconsistent with the advice given to Pantheon's other clients

Conflicts of Interest

The Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company There is in place a formal system for the Board to consider authorising such conflicts, whereby the Directors who have no interest in the matter decide whether to authorise the conflict and any conditions to be attached to such authorisations

The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances A register of potential conflicts is maintained by the Company Secretary and is reviewed at each Board meeting, to ensure that any authorised conflicts remain appropriate Directors are required to confirm at these meetings whether there has been any change to their position

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company

Statement on Corporate Governance

(CONTINUED)

Committees of the Board

The Board has appointed a number of Committees as set out below to which certain Board functions have been delegated Each of these Committees has formal written terms of reference which clearly define their responsibilities and these can be inspected at the registered office of the Company

Audit Committee

The Audit Committee comprises Messrs Barby, Bartlam and Melvin, Sir Laurie Magnus and Ms Nicklin Mr Barby, the Chairman of the Audit Committee, is a qualified barrister with wide experience of the investment management industry and of the investment trust sector It is felt by the Committee that he is sufficiently qualified for the position of Chairman of the Audit Committee

Mr Bartlam is a chartered accountant and it is considered appropriate for the Chairman of the Company to be a member of the Audit Committee as he provides a valuable contribution to the deliberations of the Committee

The Audit Committee met on three occasions during the year ended 30th June 2015 It is intended that the Committee will continue to meet at least three times a year, to review the Half Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts

The Report of the Audit Committee can be found on pages 75 and 76 The Chairman of the Audit Committee will be present at the AGM to answer any questions relating to the financial statements

Management Engagement Committee

The Management Engagement Committee comprises all the independent non-executive Directors and is chaired by Mr Bartlam The Management Engagement Committee met on one occasion during the year under review

The Board keeps the performance of the Manager under continual review In addition, in accordance with the requirements of the AIC Code, the Management Engagement Committee reviews the performance of the Manager's obligations under the Management Agreement and considers the need for any variation to the terms of this Agreement on an annual basis The Management Engagement Committee then makes a recommendation to the Board about the continuing appointment of the Manager under the terms of the Management Agreement

The Management Engagement Committee also reviews annually the performance of the Company Secretary, the Custodian, the Depository and the Registrar and any matters concerning their respective agreements with the Company, and will review the performance of the Depositary

Nomination Committee

The Nomination Committee comprises the entire Board and is chaired by Mr Bartlam The Nomination Committee meets at least once a year

The role of the Nomination Committee is to undertake the formal process of reviewing the balance and effectiveness of the Board and consider succession planning, identifying the skills and expertise needed to meet the future challenges and opportunities facing the Company and those individuals who might best provide them The Nomination Committee makes recommendations to the Board with regard to the criteria for future Board appointments and the methods of selection as and when necessary, the appointment of a Senior Independent Director, membership of the Audit Committee, and the re-appointment of those Directors standing for re-election at AGMs

The Nomination Committee is responsible for assessing the time commitment required for each Board appointment and ensuring that the present incumbents have sufficient time to undertake them and for reviewing the Directors' performance appraisal process

The Committee met twice during the year ended 30th June 2015, to consider the appointment of a new Director and to make recommendations to the Board concerning the re-appointment of those Directors seeking re-appointment at the 2015 AGM

Following Mr Readman's resignation as a Director at the 2014 AGM, the Nomination Committee recommended the appointment of a new Director Led by the Chairman and the independent Directors, the Nomination Committee considered the desired background and expertise of any new Director to complement the skills already on the Board Trust Associates Limited, an independent recruitment consultant (with no other connection to the Company), was appointed to assist in the identification of suitable candidate The Directors met with a number of prospective candidates before appointing Mr Melvin in February 2015

Remuneration Committee

As the Company has no employees and the Board is composed solely of non-executive Directors, it is not considered necessary to have a Remuneration Committee It is the responsibility of the Board as a whole to determine and approve Directors' fees, following proper consideration, having regard to the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, the time committed to the Company's affairs and remuneration levels generally within the investment trust sector The Chairman's remuneration is decided and approved by the Board under the leadership of the Senior Independent Director

Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 77 to 79

Internal Control Review

The Directors acknowledge that they are responsible for the Company's risk management and systems of internal control and for reviewing their effectiveness

An ongoing process, in accordance with the FRC's "Internal Control Revised Guidance for Directors on the Combined Code", has been established for identifying, evaluating and managing risks faced by the Company This process, together with key procedures established with a view to providing effective financial control, has been in place throughout the year and up to the date the financial statements were approved

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives It should be recognised that such systems can only provide reasonable, rather than absolute, assurance against material misstatement or loss

Internal Control Assessment Process

Risk assessment and the review of internal controls is undertaken by the Board in the context of the Company's overall investment objective The review covers the key business, operational, compliance and financial risks facing the Company In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective,
- the threat of such risks becoming a reality,
- the Company's ability to reduce the incidence and impact of risk on its performance,
- the cost to the Company and benefits related to the review of risk and associated controls of the Company, and
- the extent to which third parties operate the relevant controls

Against this background the Board has split the review into four sections reflecting the nature of the risks being addressed

The sections are as follows

- corporate strategy,
- published information and compliance with laws and regulations,
- relationship with service providers,
- and investment and business activities

Given the nature of the Company's activities and the fact that most functions are sub-contracted, the Directors have obtained information from key third party suppliers regarding the controls operated by them To enable the Board to make an appropriate risk and control assessment, the information and assurances sought from third parties include the following

- details of the control environment,
- identification and evaluation of risks and control objectives,
- assessment of the communication procedures, and
- assessment of the control procedures operated

The key procedures which have been established to provide effective internal financial controls are as follows

- Investment management is provided by Pantheon Ventures (UK) LLP The Board is responsible for the implementation of the overall investment policy and monitors the action of the Manager at regular Board meetings
- BNP Paribas Securities Services has been appointed as Depositary Custody of assets is also undertaken by BNP Paribas Securities Services as the Company's Custodian for quoted equities and bonds
- The provision of administration, accounting and company secretarial duties is the responsibility of Capita Sinclair Henderson Limited
- The duties of investment management, accounting and custody of assets are segregated The procedures of the individual parties are designed to complement one another
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisors in the terms of their contracts The appointment of agents and advisors is conducted by the Board after consideration of the quality of the parties involved, the Board monitors their ongoing performance and contractual arrangements

Statement on Corporate Governance

(CONTINUED)

- Mandates for authorisation of investment transactions and expense payments are set by the Board
- The Board reviews detailed financial information produced by the Manager and the Company Secretary on a regular basis

The Company does not have an internal audit function All of the Company's management functions are delegated to independent third parties whose controls are reviewed by the Board It is therefore felt that there is no need for the Company to have an internal audit function However, this need is reviewed periodically

In accordance with guidance issued to directors of listed companies, the Directors have carried out a review of the effectiveness of the various systems of internal controls as operated by the Company's main service providers during the year

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Capita Sinclair Henderson Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with

The Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that statutory obligations of the Company are met

Dialogue with Shareholders

Communication with shareholders is given a high priority by both the Board and the Manager, and all Directors are available to enter into dialogue with shareholders All shareholders are encouraged to attend and, where eligible, vote at the AGM, during which the Board and the Manager are available to discuss issues affecting the Company and shareholders have the opportunity to address questions to the Manager, the Board and the Chairmen of the Board's standing committees At each AGM a presentation is made by the Manager to all shareholders present

There is regular dialogue with institutional shareholders and a structured programme of shareholder presentations by the Manager to institutional investors takes place following publication of the annual and interim results A detailed list of the Company's shareholders is reviewed at each Board meeting

The Annual and Half Yearly Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance

Copies are dispatched to shareholders by mail and are also available for downloading from the Company's website www pipplc com The Company always responds to letters from shareholders Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office shown on page 108, who will arrange for the relevant Board member to contact them

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 30th June 2015

The Audit Committee comprises myself as Chairman, with Mr Bartlam, Mr Melvin, Sir Laurie Magnus and Ms Nicklin I am a qualified barrister with wide experience of the investment management industry and of the investment trust sector It is felt by the Board that I am sufficiently qualified for the position of Chairman of the Audit Committee Mr Bartlam is a chartered accountant and it is considered appropriate for the Chairman of the Company to be a member of the Audit Committee as he provides a valuable contribution to its deliberations In addition, Mr Melvin is also a Chartered Accountant and provides additional financial experience Audit Committee members consider that, individually and collectively, they are appropriately experienced to fulfil the role required The constitution and performance of the Audit Committee is reviewed on a regular basis

We meet at least three times a year, to review the Half Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts

Role of the Audit Committee

Clearly defined Terms of Reference have been established and agreed with the Board The primary responsibilities of the Audit Committee are

- to monitor the financial statements, the financial reporting process and the accounting policies of the Company,
- to review the effectiveness of the internal control environment of the Company and monitor adherence to best practice in corporate governance,
- to make recommendations to the Board in relation to the re-appointment of the Auditor and to approve the Auditor's remuneration and terms of engagement,
- to review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process, and
- to provide a forum through which the Company's Auditor reports to the Board

The Audit Committee also reviews the Manager's whistleblowing procedures

The Audit Committee has direct access to the Company's Auditor, Grant Thornton UK LLP, and representatives of Grant Thornton UK LLP attend each Audit Committee meeting

Matters considered in the year

We met on three occasions during the year ended 30th June 2015 and twice post the year end At those meetings, the Audit Committee has

- reviewed and agreed the half year and year end portfolio valuation and the net asset values,
- reviewed the Company's financial statements for the half year and year end and made formal recommendations to the Board,
- reviewed the internal controls and risk management systems of the Company and its third party service providers,
- agreed the audit plan and fees with the Auditor, including the principal areas of focus,
- reviewed the Company's deposit takers and banking arrangements, and
- reviewed the whistleblowing policy of the Manager

The principal issues considered by the Committee in relation to the financial statements were

a) Valuation process and ownership of assets
Discussions have been held with the Manager about the valuation process and the systems in place at Pantheon to ensure the accuracy of the valuation of the Company's portfolio The Audit Committee has received reassurances about the robustness of the Manager's valuation system from both Pantheon and the Auditor

b) Undrawn commitments
As an investor in private equity, the Company had outstanding commitments to fund investments Over 50% of these uncalled commitments relate to funds that are outside their normal investment periods and it is likely that a portion of these will not be drawn During the year, the Manager undertook a detailed process to review and reconcile the undrawn commitments, and the results were discussed with the Audit Committee The Audit Committee received assurances from Pantheon about the systems and controls in place to track the undrawn commitments as part of the valuation entry process The process was also reviewed by the Auditor as part of the year end audit

c) Maintenance of investment trust status
The Manager and Administrator have reported to the Committee to confirm continuing compliance with the requirements for maintaining investment trust status The position is also discussed with the Auditor as part of the audit process

Audit Committee Report

(CONTINUED)

d) Internal controls
The Audit Committee has reviewed and updated, where appropriate, the Company's risk matrix This document is reviewed by the Audit Committee on a six monthly basis The Audit Committee has received reports on internal controls from each of its service providers No significant matters of concern were identified

The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties, all of whom have their own internal control procedures The Audit Committee discussed whether it would be appropriate to establish an internal audit function, and agreed that the existing system of monitoring and reporting by third parties remains appropriate and sufficient

External Audit

The Audit Committee monitors and reviews the effectiveness of the external audit process for the publication of the Annual Report and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor

Grant Thornton UK LLP's Audit of the Company in 2014 was chosen for review by the FRC's Audit Quality Review team The Audit Committee are pleased to record that this review resulted in a ' Good ' rating - the highest rating available

Audit fees
The audit fee incurred for the review of the Annual Report and Accounts was £34,500 (2014 £34,500)

Non-audit fees/Independence and Objectivity of the Auditor
The Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that the independence and objectivity of the Auditor are safeguarded The Board's policy is that non-audit work may be carried out by the Company's Auditor unless there is a conflict of interest or someone else is considered to have more relevant experience

Non-audit services amounting to £19,000 were provided during the year ended 30th June 2015 (2014 £18,000), relating to the review of the half year net asset value calculation and the review of the Half-Yearly Report The Audit Committee believes that it is appropriate for the Company's Auditor to provide these services to the Company

The Audit Committee has received assurances from the Auditor that its independence is not compromised by the supply of these services

Continuing Appointment of the Auditor
Grant Thornton UK LLP, through Robson Rhodes with which it merged in 2007, has been the Company's Auditor since inception of the Company in 1987 A tender process for the Auditor has not been conducted since this time As part of its review of the continuing appointment of the Auditor, the Committee considers the length of tenure of the audit firm, its fees and independence, along with any matters raised during each audit The need to put the audit out to tender will be considered by the Audit Committee on a regular basis

The Audit Committee has recommended the re-appointment of Grant Thornton on each occasion since their initial appointment The Audit Partner for the Company has been rotated in accordance with ABP Ethical Standard 3, most recently in respect of the financial year ended 30th June 2013

The Company is aware that, as a result of the EU Audit Directive and Regulation, companies where the auditor was appointed on or before 16th June 1994 cannot renew or enter into an audit engagement with the auditor that extends beyond 16th June 2020

The Audit Committee has discussed with Grant Thornton its objectivity, independence and experience in the investment trust sector

Grant Thornton has indicated its willingness to continue in office as Auditor of the Company Following its review, the Committee considers that individually and collectively the Auditor is appropriately experienced to fulfil the role required and has recommended their re-appointment to the Board A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting

As a result of the work performed, the Audit Committee has concluded that the Annual Report for the year ended 30th June 2015, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board

IAN BARBY
Audit Committee Chairman
30th September 2015

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013

The law requires the Company's Auditor to audit certain of the disclosures provided Where disclosures have been audited, they are indicated as such The Auditor's opinion is included in the "Independent Auditor's Report" on pages 81 to 83

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 30th June 2015

Shareholders may be aware that new rules for the reporting of Directors' remuneration came into effect on 1st October 2013 These now require companies to ask shareholders to approve the annual remuneration paid to Directors each year and to formally approve the Directors' Remuneration Policy on a three-yearly basis Any change to the Directors' Remuneration Policy will require shareholder approval The vote on the Directors' Remuneration Report is, as previously, an advisory vote, whilst the Directors' Remuneration Policy is subject to a binding vote A resolution to approve the Remuneration Policy was proposed at the Annual General Meeting of the Company held on 25th November 2014 The resolution was passed, and the Remuneration Policy provisions will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or the Remuneration Policy is varied in which event shareholder approval for the new Remuneration Policy will be sought

A resolution to approve the Remuneration Report will be proposed at the AGM of the Company to be held on 24th November 2015

The Board consists entirely of non-executive Directors and the Company has no employees We have not, therefore, reported on those aspects of remuneration that relate to executive Directors

It is not considered appropriate for the Company to establish a separate Remuneration Committee, It is therefore the practice for the Board as a whole to consider and approve Directors' remuneration

During the year ended 30th June 2015, the fees were set at the rate of £50,000 per annum for the Chairman (2014 £50,000), £40,000 per annum for the Chairman of the Audit Committee (2014 £35,000) and £30,000 for the other Directors (2014 £30,000)

The Board has undertaken an annual review of Directors' fees, and with effect from 1st July 2015, has agreed the following levels of remuneration £55,000 for the Chairman, £44,000 for the Chairman of the Audit Committee and £33,000 for each non-executive Director of the Company This increase is within the terms of the Remuneration Policy approved at the Company's AGM in 2014 and reflects the continued experience of the Board as a whole

The Directors' fees were last increased in 2012 The Audit Committee Chairman's fee was last increased in 2014

Directors' Fees for the Year (audited)

The Directors who served during the year received the following emoluments

	Fees		Expenses**		Total	
	Year to 30th June 2015	Year to 30th June 2014	**Year to 30th June 2015**	Year to 30th June 2014	**Year to 30th June 2015**	Year to 30th June 2014
	£	£	**£**	£	**£**	£
T H BARTLAM (Chairman)	**50,000**	50 000	**-**	-	**50,000**	50 000
I C S BARBY	**40,000**	35 000	**-**	-	**40,000**	35,000
L H MAGNUS	**30,000**	30,000	**-**	-	**30,000**	30,000
S E NICKLIN	**30,000**	30,000	**-**	-	**30,000**	30,000
J P A READMAN*	**12,083**	30 000	**-**	-	**12,083**	30,000
R M SWIRE	**30,000**	30 000	**-**	-	**30,000**	30 000
D L MELVIN***	**10,536**	-	**-**	-	**10,536**	-
R J CROWDER****	**-**	12 083	**-**	2,013	**-**	14,096

* resigned as a Director on 25th November 2014

** travel expenses for attendance at Board meetings

*** appointed as a Director on 23rd February 2015

**** resigned as a Director on 25th November 2013

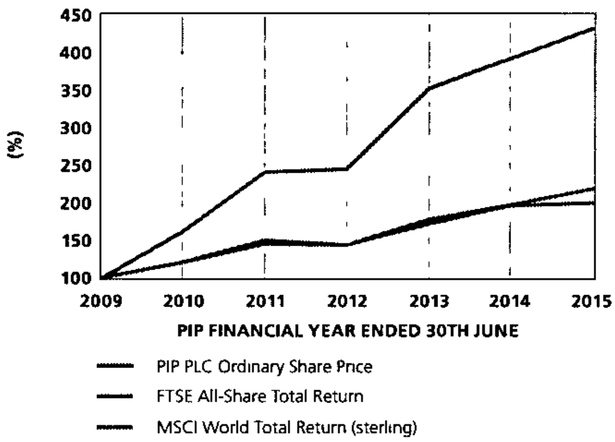
Directors' Remuneration Report

(CONTINUED)

Company Performance

The graph below shows the total return to ordinary shareholders compared to the total shareholder returns of the FTSE All-Share Total Return Index and MSCI World Return (sterling) Index These indices have been selected as the most relevant, although there is no listed index that is directly comparable to the Company's portfolio

Total Return vs FTSE All-Share Total Return and MSCI World Total Return (Sterling) – Rebased from June 2009



Relative Importance of Spend on Pay

The table below sets out, in respect of the financial year ended 30th June 2015 and the preceding financial year

	Year to 30th June 2015 £'000	Year to 30th June 2014 £ 000	Change %
Total remuneration paid to Directors	203	219	(7 31)
Management fee	9,972	8 749	13 98
Share buybacks	10,188	18 106	(43 73)

Directors' Interests (audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company

The interests of the Directors and any connected persons in the shares of the Company are set out below

		30th June 2015	30th June 2014
T H BARTLAM	Ordinary shares	12,000	12 000
(Chairman)	Redeemable shares	-	-
I C S BARBY	Ordinary shares	24,000	24,000
	Redeemable shares	-	-
L H MAGNUS	Ordinary shares	5,000	5 000
	Redeemable shares	-	-
S E NICKLIN	Ordinary shares	-	-
	Redeemable shares	132	132
D L MELVIN	Ordinary shares	3,000	-
	Redeemable shares	-	-
R M SWIRE	Ordinary shares	77,430	77 430
	Redeemable shares	5,798	5 798

There have been no changes to any holdings between 30th June 2015 and the date of this Report

Voting

A binding Ordinary Resolution approving the Directors' Remuneration Policy and a non-binding Ordinary Resolution adopting the Directors' Remuneration Report for the year ended 30th June 2014 were approved by shareholders at the Annual General Meeting held on 25th November 2014 The votes cast by proxy were as follows

Remuneration Policy	Number of Votes	% of Votes Cast
For	15,302 509	99 99
Against	1 914	0 01
At Chairman's discretion	448	0 00
Total votes cast	15 304 871	100 00
Number of votes withheld	3 066	-

Remuneration Report	Number of Votes	% of Votes Cast
For	15,302 376	99 99
Against	1 914	0 01
At Chairman's discretion	448	0 00
Total votes cast	15 304,738	100 00
Number of votes withheld	4,857	-

Directors' Remuneration Policy

The Board's policy is that remuneration of non-executive Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs

There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive Directors The Directors do not receive pension benefits, long-term incentive schemes or share options

All Directors act in a non-executive capacity and the fees for their services are approved by the whole Board The fees for the Directors are determined within the limits (not to exceed £300,000 per year in aggregate) set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolution of the Company The Chairman does not participate in any discussions relating to his own fee, which is determined by the other Directors

Under the Company's Articles of Association, if any Director performs, or undertakes to perform, services which the Board considers go beyond the ordinary duties of a Director, he/she may be paid such special remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the Directors may determine However, as the Directors do not receive performance related pay, any additional remuneration would not be based on a percentage of profits

Directors are entitled to be paid all travelling, hotel or other expenses properly incurred by them in connection with their attendance at Director or shareholder meetings or otherwise in connection with the discharge of their duties as Directors

Directors' Service Contracts

None of the Directors has a contract of service with the Company Each Director has entered into terms of appointment as a non-executive Director of the Company There has been no other contract or arrangement between the Company and any Director at any time during the year Under the Articles of Association, each Director shall retire and be subject to re-appointment at the first AGM following appointment, and at least every three years thereafter After nine years' service, Directors are subject to annual re-appointment There are no agreements between the Company and its Directors concerning compensation for loss of office

	Expected Fees for Year to 30th June 2016 £	Fees for Year to 30th June 2015 £
Chairman basic fee	55,000	**50,000**
Non-Executive Director basic fee	33 000	**30,000**
Audit Committee Chairman additional fee	11,000	**10,000**
Total aggregate annual fees that can be paid	300 000	**300,000**

No other additional fees are payable for membership of the Board's committees

Fees for any new Director appointed will be made on the above basis Fees payable in respect of subsequent periods will be determined following an annual review Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board

A resolution to approve this Remuneration Policy was proposed at the AGM of the Company held on 25th November 2014 The Resolution was passed, and the Remuneration Policy provisions set out above will apply until they are next put to shareholders for renewal of that approval, which must not be at intervals of more than three years, or the Remuneration Policy is varied in which event shareholder approval for the for the new Remuneration Policy will be sought

Approval

The Directors Remuneration Report was approved by the Board of Directors on 30th September 2015 and signed on its behalf by

TOM BARTLAM
Chairman

Statement of Directors' Responsibilities

IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

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

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

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

The Directors confirm that, to the best of their knowledge

- the financial statements have been prepared in accordance with UK accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company, and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces

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

Independent Auditor's Report to the Members of Pantheon International Participations PLC

(CONTINUED)

We determined the threshold at which we will communicate misstatements to the audit committee to be £0 5m In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds

Overview of the scope of our audit
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

We are independent of the Company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards

Our audit approach was based on a thorough understanding of the Company's business and is risk-based The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers Accordingly, our audit work was focussed on obtaining an understanding of, and evaluating, relevant internal controls at both the Company and third-party service providers This included a review of controls reports prepared by a third party auditor on the description, design and operating effectiveness of internal controls implemented by the investment management operations of the Manager and at other relevant third-party service providers We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks

Other reporting required by regulations
Our opinion on other matters prescribed by the Companies Act 2006 is unmodified
In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006, and

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is

- materially inconsistent with the information in the audited financial statements, or

- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit, or

- otherwise misleading

In particular, we are required to report to you if

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' Statement that they consider the Annual Report is fair, balanced and understandable, or

- the Annual Report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed

Under the Companies Act 2006 we are required to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns, or

- certain disclosures of directors' remuneration specified by law are not made, or

- we have not received all the information and explanations we require for our audit

Under the Listing Rules, we are required to review

- the Directors' Statement, set out on page 65, in relation to going concern, and

- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review

Independent Auditor's Report to the Members of Pantheon International Participations PLC

Our opinion on the financial statements is unmodified
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30th June 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and
- have been prepared in accordance with the requirements of the Companies Act 2006

Who are we reporting to
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

What we have audited
Pantheon International Participations PLC 's financial statements comprise the Income Statement, the Reconciliation of Movements in Equity Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes

The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice

Our assessment of risk
In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit

Ownership and valuation of investments
The risk 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 As a consequence of this, the Company has significant exposure to investments which are the main drivers for maximising capital growth, with the investment portfolio valued at £862m There is a risk that investments shown in the Balance Sheet may not be owned by the Company or are incorrectly valued We identified ownership and valuation of investments as risks that required particular audit attention

Our response on ownership In order to confirm that the investments referred to above were owned by the Company our audit work included, but was not restricted to, obtaining confirmations of a sample of the investments directly from the underlying private equity fund managers, agreeing a sample of investment calls and distributions to deal slips and bank records, and testing the reconciliation of movements in investments held

Our response on valuation Our audit work included, but was not restricted to, understanding, assessing and challenging management's process and methodology for valuing investments, considering whether the investment has been valued in accordance with the stated accounting policy, discussing the valuation basis with the Investment Manager, obtaining confirmations of a sample of the investment valuations directly from the underlying private equity fund managers, observing the review procedures implemented by the Manager on investment valuations by reading the valuation committee minutes, assessing management's consideration of other factors that might require adjustment to the valuation resulting from the normal process, and assessing the quality of the confirmations produced from the underlying private equity fund managers by comparing the information on the confirmations to periodic audited financial statements

The Company's accounting policy on the valuation of investments is shown in Note 1D and its disclosures about investments held at the year-end are included on Note 9 The Audit Committee also identified the valuation process and ownership of assets as a significant issue in its report on page 75, where the Committee also describes how it addressed this issue

Our application of materiality and an overview of the scope of our audit

Materiality
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced We determined materiality for the audit of the financial statements as a whole to be £10m, which is 1% of the Company's net assets This benchmark is considered the most appropriate because net assets, which is primarily composed of the Company's investment portfolio, is considered to be the key driver of the Company's total return performance We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality

Responsibilities for the financial statements and the audit

What an audit of financial statements involves
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www frc org uk/auditscopeukprivate

What the Directors are responsible for
As explained more fully in the Statement of Directors' Responsibilities set out on page 80, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

What are we responsible for
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

JULIAN BARTLETT
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

30th September 2015

Income Statement

YEAR ENDED 30TH JUNE 2015

	NOTE	REVENUE £'000	CAPITAL £'000	2015 TOTAL* £'000	REVENUE £ 000	CAPITAL £ 000	2014 TOTAL* £ 000
Gains on investments designated at fair value through profit or loss**	9b	-	101,905	101,905	-	25 659	25,659
Currency gains/(losses) on cash and borrowings	18	-	6,337	6,337	-	(10 530)	(10 530)
Investment income	2	14,959	-	14,959	13 681	-	13 681
Investment management fees	3	(9,972)	-	(9,972)	(8,749)	-	(8,749)
Other expenses	4	(1,284)	(437)	(1,721)	(995)	(189)	(1,184)
RETURN ON ORDINARY ACTIVITIES BEFORE FINANCING COSTS AND TAX		3,703	107,805	111,508	3,937	14 940	18,877
Interest payable and similar charges/finance costs	6	(1,510)	-	(1,510)	(1,419)	-	(1,419)
RETURN ON ORDINARY ACTIVITIES BEFORE TAX		2,193	107,805	109,998	2 518	14,940	17 458
Tax on ordinary activities	7	(1,437)	-	(1,437)	(945)	-	(945)
RETURN ON ORDINARY ACTIVITIES AFTER TAX FOR THE YEAR		756	107,805	108,561	1,573	14 940	16,513
RETURN PER ORDINARY AND REDEEMABLE SHARE	8	1 15p	164 05p	165 20p	2 35p	22 30p	24 65p

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

** *Includes currency movements on investments*

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

No operations were acquired or discontinued during the year

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

The Notes on pages 88 to 100 form part of these financial statements

Reconciliation of Movements in Equity Shareholders' Funds

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

The Notes on pages 88 to 100 form part of these financial statements

Balance Sheet

AS AT 30TH JUNE 2015

	NOTE	**2015 £'000**	2014 £ 000
Fixed assets			
Investments designated at fair value through profit or loss	9a/b	**862,029**	814,959
Current assets			
Debtors	11	**1,805**	576
Cash at bank	17	**137,483**	88 346
		139,288	88,922
Creditors Amounts falling due within one year			
Other creditors	12	**1,253**	2 190
		1,253	2,190
NET CURRENT ASSETS		**138,035**	86 732
NET ASSETS		**1,000,064**	901 691
Capital and reserves			
Called-up share capital	13	**22,475**	22,787
Share premium	14	**283,555**	283,555
Capital redemption reserve	14	**3,070**	2,758
Other capital reserve	14	**409,584**	337,152
Capital reserve on investments held	14	**324,062**	288 689
Special reserve	14	**13,010**	23 198
Revenue reserve	14	**(55,692)**	(56 448)
TOTAL EQUITY SHAREHOLDERS' FUNDS		**1,000,064**	901,691
NET ASSET VALUE PER SHARE – ORDINARY AND REDEEMABLE	15	**1,532 44p**	1,364 24p

The Notes on pages 88 to 100 form part of these financial statements

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

TOM BARTLAM
Chairman

Company No 2147984

Cash Flow Statement

YEAR ENDED 30TH JUNE 2015

	NOTE	2015 £'000	2014 £'000
Cash flow from operating activities			
Investment income received		**14,855**	13,637
Deposit and other interest received		**60**	44
Investment management fees paid		**(9,876)**	(8 772)
Secretarial fees paid		**(209)**	(201)
Other cash payments		**(1,518)**	(977)
Withholding tax deducted		**(1,437)**	(945)
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	**1,875**	2 786
Servicing of finance			
Loan commitment and arrangement fees paid		**(1,953)**	(1,110)
NET CASH OUTFLOW FROM SERVICING OF FINANCE		**(1,953)**	(1,110)
Capital expenditure and financial investment			
Purchases of investments		**(171,799)**	(134,472)
Disposals of investments		**225,971**	171,724
NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		**54,172**	37 252
NET CASH INFLOW BEFORE FINANCING		**54,094**	38 928
Financing			
Ordinary shares purchased for cancellation		**(6,872)**	(11 896)
Redeemable shares purchased for cancellation		**(4,389)**	(6 577)
NET CASH OUTFLOW FROM FINANCING		**(11,261)**	(18 473)
INCREASE IN CASH	16	**42,833**	20,455

The Notes on pages 88 to 100 form part of these financial statements

Notes to the Financial Statements

1. Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other interest receivable is included on an accruals basis

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

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

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

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

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

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

- investment performance fees,
- gains and losses on the realisation of investments,
- realised exchange differences of a capital nature, and
- expenses of a capital nature

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

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

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

(K) Investment Performance Fee
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30th June in each year The performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable "high-water mark", i e the net asset value at the end of the previous calculation period in respect of which a performance fee was payable, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated For the calculation period ended 30th June 2015, the notional performance fee hurdle is a net asset value per share of 2,246 13p The performance fee is calculated using the adjusted net asset value In previous periods this was adjusted to exclude the derivative asset

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

Notes to the Financial Statements

(CONTINUED)

2. Income

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

3. Investment Management Fees

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

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on page 63

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

At 30th June 2015 £842,000 (2014 £746,000) was owed for investment management fees No performance fee is payable in respect of the 12 calendar month period to 30th June 2015 (2014 nil) The basis upon which the performance fee is calculated is explained in Note 1(K) and in the Directors' Report on pages 63 and 64

4. Other Expenses

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

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

5. Directors' Remuneration

Directors' emoluments comprise Directors' fees and reclaimed travel expenses A breakdown is provided in the Directors' Remuneration Report on page 77

6. Interest Payable and Similar Charges

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

On 14th November 2014, the Company renewed its 4 year multi-currency revolving credit facility agreement with improved terms and a revised maturity date of November 2018 The size of the new facility with The Royal Bank of Scotland plc and Lloyds Bank plc remains £100m equivalent which, using exchange rates as at 14th November 2014, has been redenominated to $100m and €46m (previously $82m and €57m) The new agreement also contains an accordion feature that would allow the total facility to expand by a further £50m, subject to the Company obtaining additional commitments to the accordion facility and complying with financial covenants Each individual drawdown bears interest at a variable rate agreed for the period of the drawdown and a commitment fee of 0 94% (previously 1 10%) per annum is payable in respect of the amounts available for drawdown in each denomination The Company paid to The Royal Bank of Scotland plc an upfront fee of £900,000 representing 0 90% of the total facility This fee is being amortised over the life of the facility

Notes to the Financial Statements

(CONTINUED)

7. Tax on Ordinary Activities

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

Current tax

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

Net return on ordinary activities before tax	**2,193**	**107,805**	**109,998**	2 518	14 940	17 458
Theoretical tax at UK corporation tax rate of 20 75% (2014 22 50%)*	**455**	**22,370**	**22,825**	567	3,361	3,928
Non-taxable investment derivative and currency gains	**-**	**(22,461)**	**(22,461)**	-	(3 404)	(3,404)
Effect of expenses in excess of taxable income	**-**	**91**	**91**	-	43	43
Utilised management expenses	**(455)**	**-**	**(455)**	(567)	-	(567)
Withholding tax deducted from distributions	**(1,437)**	**-**	**(1,437)**	(945)	-	(945)
	(1,437)	**-**	**(1,437)**	(945)	-	(945)

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

Factors that May Affect Future Tax Charges

The Company is an investment trust and therefore is not subject to tax on capital gains Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal 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 30th June 2015, excess management expenses are estimated to be in excess of £117m (2014 £118m)

8. Return per Share

	30TH JUNE 2015			30TH JUNE 2014		
	REVENUE	**CAPITAL**	**TOTAL**	REVENUE	CAPITAL	TOTAL
Return on ordinary activities after tax for the financial year in £ 000	**756**	**107,805**	**108,561**	1,573	14 940	16,513
Weighted average ordinary and redeemable shares			**65,716,081**			66,994,396
Return per ordinary and redeemable share	**1 15p**	**164 05p**	**165 20p**	2 35p	22 30p	24 65p

9a. Movements on Investments

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

9b. Analysis of Investments

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

Further analysis of the investment portfolio is provided in the Manager's Review on pages 17 to 52 Transaction costs, (incurred at the point of the transaction) incidental to the acquisition of investments totalled £nil (2014 £nil) and to the disposals of investments totalled £8,000 (2014 £6,000) for the year In addition, legal fees incidental to the acquisition of investments totalled £437,000 (2014 £189,000) as disclosed in Note 4, have been taken to the capital column in the income statement since they are capital in nature

Notes to the Financial Statements

(CONTINUED)

10. Fair Value Hierarchy

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

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

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

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

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

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

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

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

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

11. Debtors

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

12. Creditors: Amounts Falling Due Within One Year

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

13. Called-up Share Capital

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

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

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

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

Notes to the Financial Statements

(CONTINUED)

14. Reserves

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

* *Reserves that are distributable by way of dividends*

15. Net Asset Value per Share

	30TH JUNE 2015	30TH JUNE 2014
Net assets attributable in £ 000	1,000,064	901,691
Ordinary and redeemable shares	65,259,547	66,094 547
Net asset value per share - ordinary and redeemable	1,532 44p	1,364 24p

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

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

17. Analysis of Net Funds

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

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

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

19. Contingencies, Guarantees and Financial Commitments

At 30th June 2015, there were financial commitments outstanding of £256 3m (2014 £175 7m) in respect of investments in partly paid shares and interests in private equity funds

20. Analysis of Financial Assets and Liabilities

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

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

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

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

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

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

Notes to the Financial Statements

(CONTINUED)

Liquidity Risk

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

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

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

Total available financing as at 30th June 2015 stood at £233 8m (2014 £181 9m), comprising £137 5m (2014 £88 3m) in cash balances and £96 3m (2014 £93 6m) (sterling equivalent) in undrawn bank facilities The available financing along with the private equity portfolio exceeded the outstanding commitments by 4 3 times (2014 5 7 times)

Interest Rate Risk

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

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown Variable rates are defined as LIBOR or EURIBOR + 2 35%, dependent on the currency drawn The interest rate is then fixed for the duration that the loan is drawn down At 30th June 2015 there was the sterling equivalent of £nil funds drawn down on the loan facilities (2014 £nil) A commitment fee of 0 94% per annum is payable in respect of the amounts available for drawdown in each facility

Non-interest rate exposure

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

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

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

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

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

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

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

Market Price Risk
The method of valuation of the fixed asset investments is described in Note 1(D) on page 88 The nature of the Company's fixed asset investments, with a high proportion of the portfolio invested in unquoted securities, means that the investments are valued by the Directors after due consideration of the most recent available information from the underlying investments

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

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

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

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

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

Foreign Currency Risk
Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates A geographical analysis of the portfolio and hence its exposure to currency risk is given on pages 26 and 27 Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial year

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Strategic Report on pages 14 to 16 and the Manager's Review on pages 17 to 52 The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made As at 30th June 2015, realised exchange gains of £33,000 (2014 realised exchange losses of £34,000) and realised gains relating to currency of £6,304,000 (2014 realised losses of £10,496,000) have been taken to the capital reserve

The Company's exposure to foreign currency excluding private equity investments is shown below In relation to this exposure, if the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 30th June 2015, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £14,631,000 (2014 £9,653,000) If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of decreasing equity shareholders' funds by £13,095,000 (2014 £7,898,000) The calculations are based on the financial assets and liabilities and the exchange rate as at 30th June 2015 of 1 5727 (2014 1 70985) sterling/dollar and 1 4115 (2014 1 24885) sterling/euro

Notes to the Financial Statements

(CONTINUED)

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

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

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

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

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

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

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

21. Transactions with the Manager and Related Parties

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

The Company's related parties are its Directors Fees paid to the Company's Board are disclosed in the Directors' Remuneration Report on pages 77 to 79

There are no other identifiable related parties at the year end

AIFMD Disclosures

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

The AIFMD requires certain disclosures to be made in the Annual Report of the Company Many of these disclosures were already required by the listing rules and/or United Kingdom Accounting Standards and these continue to be presented in other sections of the Annual Report, principally the Strategic Report (pages 1 to 16), the Manager's Review (pages 17 to 52) and the financial statements (pages 84 to 100) This section completes the disclosures required by the AIFMD

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

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

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

The following leverage limits have been set for the Company

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

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

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

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

	Gross method	Commitment method
Leverage ratio	100%	130%

Risk profile and risk management
The principal risks to which the Company is exposed and the approach to managing those risks are set out in the Strategic Report (pages 14 to 16) and also in Note 20 of the financial statements (pages 97 to 99) The risk limits currently in place in relation to the Company's investment activities are set out in the Investment Policy (page 9) and under "Board Responsibilities and Relationship with the Manager" in the Statement on Corporate Governance (pages 70 and 71) Additionally, the individual counterparty exposure limit for deposits with each of the Company's bank counterparties has been set at £60m or the equivalent in foreign currencies The Manager's risk management system incorporates regular review of the principal risks facing the Company and the risk limits applicable to the Company and the establishment of appropriate internal control processes to mitigate the risks These risk limits have not been exceeded in the period to 30th June 2015

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

There have been no material changes to this information requiring disclosure

Notice of Annual General Meeting

TO BE HELD ON 24TH NOVEMBER 2015

This Document is Important and Requires your Immediate Attention

If you are in any doubt about the action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) without delay If you have sold or transferred all of your ordinary shares of £0 67 each or redeemable shares of £0 01 each in the capital of Pantheon International Participations PLC (the "Company") and, as a result, no longer hold any shares in the Company, please send this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee

An explanation of the business proposed to be transacted at the Annual General Meeting convened by this notice and the Directors' recommendation as to how to vote at the Meeting are set out in the Directors' Report on pages 62 to 67 of this document

Notice is hereby given that the Annual General Meeting of the Company will be held at The British Academy, 10-11 Carlton House Terrace, London SW1Y 5AH on Tuesday, 24th November 2015 at 10 30am to consider and, if thought fit, pass the following resolutions, of which numbers 1 to 10 will be proposed as ordinary resolutions and numbers 11 to 14 as special resolutions

Ordinary Business

Ordinary Resolutions

1 To receive and adopt the Strategic Report, Directors' Report and Auditors' Report and the audited Accounts for the year ended 30th June 2015

2 To receive and approve the Directors' Remuneration Report for the year ended 30th June 2015 (other than the Parts of such Report containing the Directors' Remuneration Policy)

3 To re-appoint Mr D L Melvin as a Director

4 To re-appoint Mr T H Bartlam as a Director

5 To re-appoint Mr I C S Barby as a Director

6 To re-appoint Ms S E Nicklin as a Director

7 To re-appoint Mr R M Swire as a Director

8 To re-appoint Grant Thornton UK LLP as Auditor to the Company to hold office from the conclusion of this meeting until the conclusion of the next meeting at which accounts are laid before the Company

9 To authorise the Directors to determine the remuneration of the Auditor

10 That

the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount equal to the sum of £7,491,174 68, and comprising not more than £107,325 11 in nominal amount of redeemable shares of £0 01 each in the capital of the Company ("Redeemable Shares") and not more than £7,383,849 57 in nominal amount of ordinary shares of £0 67 each in the capital of the Company ("Ordinary Shares") provided that this authority shall (unless previously renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the period commencing with the date on which this Resolution is passed and expiring at the conclusion of the next annual general meeting of the Company or the date occurring 15 months from the date on which this Resolution is passed, whichever is the earlier (the "Period of Authority"), save that the Company may before the expiry of such authority make an offer or agreement which would or might require shares in the Company to be allotted and/or rights to subscribe for, or to convert any security into, shares in the Company to be granted after the expiry of the said period and the Directors may allot such shares and/or grant such rights in pursuance of any such offer or agreement as if the authority conferred by this Resolution had not expired, and so that the authority hereby given shall be in substitution for all subsisting authorities under Section 551 of the Act

Special Resolutions

11 That

subject to the passing of Resolution 10 above, the Directors of the Company be and are hereby empowered, until the conclusion of the Period of Authority, pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred upon them under Resolution 10 above as if Section 561 of the Act did not apply to any such allotment and pursuant to Section 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) held by the Company as treasury shares (within the meaning of Section 724(5) of the Act) for cash as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to

(a) the allotment of equity securities in connection with a rights issue, open offer or any other offer in favour of holders of ordinary shares (within the meaning of Section 560 of the Act) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by or deemed to be held by them on the record date of such allotment, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any territory or the requirements of any regulatory authority or any stock exchange,

(b) the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount equal to the sum of £2,247,352 40, and comprising not more than £32,197 53 in nominal amount of Redeemable Shares and not more than £2,215,154 87 in nominal amount of Ordinary Shares, and, in respect of any such allotment, on terms that the shares constituting the equity securities allotted or for or into which the equity securities allotted give a right to subscribe or convert (as the case may be) shall be subscribed for or issued or sold (as the case may be) at a price per share not less than the net asset value per share calculated pursuant to the Articles of Association of the Company as at the Calculation Date (as defined in the Articles of Association of the Company) immediately preceding the issue (or sale) of such shares, save that the Company may, before the expiry of the Period of Authority, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired

12 That

the Company be and is hereby generally and, subject as hereinafter provided, unconditionally authorised in accordance with Section 701 of the Act, in substitution for all subsisting authorities under Section 701 of the Act, to make market purchases (within the meaning of Section 693 of the Act) of Ordinary Shares and Redeemable Shares and provided that

(a) the maximum number of Redeemable Shares hereby authorised to be purchased is such number (rounded down to the nearest whole number) as is equal to 14 99% of the number of Redeemable Shares in issue (excluding any Redeemable Shares held by the Company as treasury shares (within the meaning of Section 724(5) of the Act)) as at the date this Resolution is passed,

(b) the minimum price which may be paid for a Redeemable Share is £0 01,

(c) the maximum price (exclusive of expenses) which may be paid for a Redeemable Share shall be the higher of (i) 5% above the average of the middle market quotations for the Redeemable Shares as derived from the London Stock Exchange's Daily Official List for the five business days before the purchase is made, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange,

(d) the maximum number of Ordinary Shares hereby authorised to be purchased is such number (rounded down to the nearest whole number) as is equal to 14 99% of the number of Ordinary Shares in issue (excluding any Ordinary Shares held by the Company as treasury shares (within the meaning of Section 724(5) of the Act)) as at the date this Resolution is passed,

(e) the minimum price which may be paid for an Ordinary Share is £0 67,

(f) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days before the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange, and

(g) unless renewed, varied or revoked, the authorities hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Redeemable Shares and/or Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and may make a purchase of Redeemable Shares and/or Ordinary Shares in pursuance of any such contract

Notice of Annual General Meeting

(CONTINUED)

13 That
a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice

Special Business

Special Resolution

14 That
the name of the Company be changed to Pantheon International Plc

Dated 30th September 2015
Registered office Beaufort House,
51 New North Road, Exeter EX4 4EP

By order of the Board
CAPITA SINCLAIR HENDERSON LIMITED
Secretary

FOR AND ON BEHALF OF
CAPITA SINCLAIR HENDERSON LTD.
SECRETARY

Notes

1 A holder of ordinary shares entitled to attend this meeting may attend the meeting in person or may appoint one or more persons as his/her proxy to attend, speak and/or vote on his/her behalf A proxy need not be a member of the Company If multiple proxies are appointed they must not be appointed in respect of the same shares A form of proxy for holders of ordinary shares is provided with this notice The appointment of a proxy will not prevent a holder of ordinary shares from attending the meeting and voting in person if he/she so wishes A holder of ordinary shares present in person or by proxy shall have one vote on a show of hands and on a poll every holder of ordinary shares present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder To appoint more than one proxy, a separate form of proxy in relation to each appointment should be completed (ordinary shareholders may photocopy the form of proxy), stating clearly on each form of proxy how many ordinary shares the proxy is appointed in relation to A failure to specify the number of ordinary shares each proxy appointment relates to or specifying an aggregate number of ordinary shares in excess of those held by the shareholder will result in the proxy appointment being invalid Ordinary shareholders are requested to indicate on the form of proxy if the proxy instruction is one of multiple instructions being given All forms of proxy must be signed and should be returned together in the same envelope

2. A holder of redeemable shares entitled to attend this meeting may attend the meeting in person or may appoint one or more persons as his/her proxy to attend (but not vote) on his/her behalf A proxy need not be a member of the Company A form of proxy for holders of redeemable shares is provided with this notice The appointment of a proxy will not prevent a holder of redeemable shares from attending the meeting in person if he/she so wishes Holders of redeemable shares are not entitled to speak or vote at the meeting

3 Only those shareholders registered on the Register of Members of the Company as at 6 00 pm on 20th November 2015 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Members of the Company as at 6 00 pm on the day which is two days prior to the adjourned meeting (weekends excluded)) shall be entitled to attend in person or by proxy and, in the case of holders of ordinary shares, vote at the Annual General Meeting in respect of the number of shares registered in their name at that time

Changes to entries on the Register of Members after the specified time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting or, if adjourned, at the adjourned meeting

4. To be valid, a form of proxy, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, should be lodged, in the case of proxies appointed by holders of ordinary shares, at the office of the Company's Registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, and, in the case of proxies appointed by holders of redeemable shares, at the office of the Company's Registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in each case not later than 48 hours before the time of the meeting, or any adjournment thereof The termination of the authority of a person to act as proxy must be notified to the Company in writing Amended instructions must be received by the Company's Registrar by the deadline for receipt of proxies

5 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting and any adjournment of it by following the procedures described in the CREST Manual CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual The message, in order to be valid, must be transmitted so as to be received by the Company's agent ID RA10 by the latest time for receipt of proxy appointments specified in Note 4 above

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001

6 Any question relevant to the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office

7 In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered No such answer need be given if (a) to do so would (i) interfere unduly with the preparation for the meeting, or (ii) involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered

8 A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/ she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights The statements of the rights of members in relation to the

Notice of Annual General Meeting

(CONTINUED)

appointment of proxies in Notes 1 to 5 above do not apply to a Nominated Person The rights described in those Notes can only be exercised by registered members of the Company

9 As at 30th September 2015, the Company's issued voting share capital and total voting rights amounted to 33,062,013 ordinary shares of £0 67 each carrying one vote each As at such date, the Company's issued non-voting share capital amounted to 32,197,534 redeemable shares of £0 01 each

10 A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to On a vote on a resolution on a poll, if more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised

11 Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting, or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006 The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006 Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website

12 The Annual Report incorporating this notice of Annual General Meeting, the total number of shares in the Company, and the shares of each class, in respect of which members are entitled to exercise voting rights at the meeting, the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class and, if applicable, any members statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www pipplc com

13 Copies of the letters of appointment of the Chairman and the non-executive Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at Pantheon's offices, Norfolk House, 31 St James's Square, London SW1Y 4JR from 10 15am until the conclusion of the meeting

Glossary of Terms

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

Call rate
Capital calls in the period divided by opening outstanding commitments

Capital call
Call to limited partners ("LP") to pay-in a portion of the LP's committed capital when the general partner ("GP") has identified a new investment for purchase

Co-investment
Direct shareholding in a company alongside a private equity fund

Commitment
The amount of capital that each limited partner agrees to contribute to the fund when and as requested by the GP

Cost multiple
Calculated by dividing the fund's cumulative distributions and remaining value by paid-in capital It measures fund performance by showing the fund's total value as a multiple of cost

Distribution
Cash or stock returned to the LPs after the fund has exited from an investment

Distribution rate
Distributions for the period divided by opening portfolio value

Earnings before interest, taxes, depreciation and amortisation ("EBITDA")
A measure of earnings before interest and taxes that exclude non-cash expenses Valuation methods are commonly based on a comparison of private and public companies' value as a multiple of EBITDA

Enterprise value
The sum of a company's market capitalisation and total debt, less cash and cash equivalents

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

Fund-of-funds
Private equity fund that, instead of making direct investments in companies, invests in a number of private equity funds to achieve broader diversification of risk, including individual manager risk

General partner ("GP")
The entity managing a private equity fund that has been established as a limited partnership, also commonly referred to as the private equity manager

Initial public offering ("IPO")
The first offering of stock by a company to the public on a regulated stock exchange

Internal rate of return ("IRR")
The IRR, a common measure of private equity performance, is calculated as an annualised compounded rate of return based on the timing of cash flows

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

J-Curve
Illustrates the historical tendency of private equity funds to experience capital outflows and negative returns in early years, and cash flow distributions and investment gains in future years as portfolio companies mature

Limited partner ("LP")
Institutions or individuals who commit capital to a private equity fund established as a limited partnership Limited partners are generally protected from legal actions and any losses beyond their original investment

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

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

Net asset value ("NAV")
Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor's attributable holding

Net portfolio cash flow
Income and gains from funds following exit realisations less capital calls to finance investments or expenses

Outstanding commitments
Undrawn portion of total commitment

Paid in capital
Cumulative amount of capital that has been drawn down

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

Primaries
Commitments made to a private equity fund at the time a fund is formed

Private equity
Investments made in non-public companies through privately negotiated transactions

Secondaries
Purchasing existing private equity fund interests and commitments from an investor seeking liquidity in such funds

Uplift
Increase in value received upon realisation of an investment relative to its carrying value immediately prior to realisation

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

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

Vintage
The first year that the private equity fund makes an investment

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