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Pantheon International PLC
14 March 2017

PANTHEON INTERNATIONAL PLC (the "Company" or "PIP")
HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

The Half-Yearly Financial Report can be accessed via the Company's website at www.piplc.com or by contacting the Company Secretary by telephone on +44 (0)1392 477500.

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

Pantheon International Plc, an investment trust that invests in private equity funds globally, today publishes its Half-Yearly Financial Report for the six months ended 31 December 2016.

A positive half year as PIP continued to grow its assets and generate returns in its underlying portfolio.

HALF YEAR PERFORMANCE

- NAV per share **increased by 12%**, from 1,873.6p to 2,089.5p.
- Net assets increased to **£1,324m** (June 2016: £1,187m).
- The ordinary share price increased from 1,285.0p to 1,733.0p, **an increase of 35%** and the discount decreased from 31% to 17%.
- The redeemable share price increased from 1,175.0p to 1,502.5p, **an increase of 28%** as the discount narrowed from 37% to 28%.

Portfolio update

- Assets in the portfolio generated underlying (pre-FX) returns of **5.8%.**
- Distributions received in the six months to 31 December 2016 were **£155m**, equivalent to an annualised rate of 29% of opening private equity assets. Excluding sale proceeds from some tail-end funds sold in the period, the distribution equivalent would be 26%.
- After funding £43m of calls, net cash flow from the portfolio totalled **£112m**.
- **£125m** of new investment commitments were made during the half year with £59m drawn at the time of purchase.

Commenting on PIP's half year performance, **Sir Laurie Magnus, Chairman,** said:

"PIP has delivered good results during the second half of 2016 and the NAV per share now exceeds £20. I am also pleased to note that both the ordinary and redeemable share prices have increased significantly during the period, albeit that both classes of share continue to trade at wide discounts. Despite the challenging high valuation environment, PIP continues to see interesting opportunities derived from Pantheon's network and made 19 new investments in the half year, predominantly in the US and Europe across the buyout and growth stages. The political surprises of 2016 have increased the economic uncertainty ahead, however it is the Board's view that the long-term nature of private equity - coupled with the expertise of PIP's manager, Pantheon, in selecting the best managers globally - means that the Company is well-positioned to respond advantageously to those challenges. We will maintain our disciplined approach and continue to focus on generating healthy returns and maximising capital growth over the long term for our shareholders."

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

The presentation can be viewed on the day via view-w.tv/819-1359-18071/en. Please refer to the numbers below for your local dial-in details. When you dial in for the webcast, you will be asked to provide your name, company name and the password **Pantheon.**

Dial-in details:

Standard International Access: +44 (0) 20 3003 2666

UK Toll Free: 0808 109 0700

Password: Pantheon

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

HALF YEAR AT A GLANCE
TO 31 DECEMBER 2016

Key Performance Indicators

+12%	NAV per share increase (FTSE All-Share TR: +12%; MSCI World TR: +16%)
17%	Ordinary share price discount to NAV (JUN 2016: 31%)
28%	Redeemable share price discount to NAV (JUN 2016: 37%)
1.35%	Total ongoing charges excluding tax (annualised) (JUN 2016: 1.34%)

Other Indicators

+35%	Ordinary share price increase (FTSE All Share TR: +12%; MSCI World TR: +16%)
+28%	Redeemable share price increase (FTSE All-Share TR: +12%; MSCI World TR: +16%)
£1,324m	Net Asset Value (JUN 2016: £1,187m)
2,089.5p	NAV per share (JUN 2016: 1,873.6p)
£112m	Net cash flow generated from PIP's portfolio in the half year
£125m	New investment commitments made in the half year, **£59m** of which was drawn
7.0 years	Weighted average fund age of portfolio (JUN 2016: 7.3 YEARS)
3.5x	Ratio of assets and available financing to undrawn commitments (JUN 2016: 3.4x)

PERFORMANCE SUMMARY

NAV and Share Price Performance

- NAV per share **increased by 12%**, from 1,873.6p to 2,089.5p.
- The ordinary share price increased from 1,285.0p to 1,733.0p, **an increase of 35%**. The discount to NAV decreased from 31% to 17%.
- The redeemable share price increased from 1,175.0p to 1,502.5p, **an increase of 28%**. The discount to NAV decreased from 37% to 28%.

Net Investment Cash Flow

- Distributions received in the six months to 31 December 2016 were **£154.9m**, equivalent to an annualised rate of 29% of opening private equity assets.
- PIP funded investments of **£101.6m** in the six months to 31 December 2016 across calls (£42.9m) and new investments (£58.7m).

Performance as at 31 December 2016	1 YEAR %	3 YEARS % P.A.	5 YEARS % P.A.	10 YEARS % P.A.	SINCE INCEPTION % P.A.
NAV per share*	26.1	17.0	13.0	9.7	11.8
Ordinary share price*	31.8	19.0	22.6	7.8	11.6
FTSE All-Share Total Return	16.8	6.1	10.1	5.6	8.0
MSCI World Total Return (sterling)	29.0	15.1	16.3	9.3	7.9

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

Capital Structure as at 31 December 2016	
Ordinary shares	33,062,013
Redeemable shares	30,297,534

Total	63,359,547

CHAIRMAN'S STATEMENT

The Company has delivered good results during the second half of 2016. As at 31 December 2016, the Company's net assets stood at £1.3bn and the NAV per share has exceeded £20. In addition, the renewed investor interest in the listed private equity sector has resulted in a very positive performance in both share classes over the last six months. The ordinary and redeemable share prices rose by 35% and 28% respectively and, although they both continue to trade at wide discounts, these discounts have narrowed significantly. Both classes of share outperformed the FTSE All-Share (12.0%) and MSCI World (15.8%) indices over the same period and, at the time of writing, PIP's combined market capitalisation is just over £1bn.

The political surprises of 2016 have increased the economic uncertainties ahead as the consequent changes in policy, particularly in the US and Europe, affect the terms of global trade. It is the Board's view that the long-term nature of private equity - coupled with the expertise of PIP's manager, Pantheon, in selecting the best managers globally - means that the Company is well-positioned to respond advantageously to those challenges. It should continue to appeal to investors seeking access to the potentially more attractive returns available from private equity while also diversifying their portfolios.

Half year performance
During the half year to 31 December 2016, PIP's NAV per share increased by 11.5% to 2,089.5p, and net assets rose from £1,187m to £1,324m. Assets in the underlying portfolio generated returns of 5.8% and foreign exchange gains added 6.8% to the NAV per share, reflecting the weighting of PIP's portfolio in non-UK assets and the continued weakness in sterling. These gains were offset by expenses and taxes (-0.9%).

Our portfolio emphasises buyout funds, which performed well during the six months to 31 December 2016, although the returns in the small/mid buyout portfolio were more subdued due to company-specific events. Early stage venture assets showed least growth, impacted in part by the disposal of some older tail-end assets in a secondary sale at a discount to NAV. This segment, which expanded to 22% in particular through secondary purchases of assets following the technology sector downturn, has reduced to 6.5% of the portfolio and continues to diminish through realisations. The Special Situations portfolio, which consists primarily of energy funds that had felt the effects of declining oil prices, has started to recover and delivered positive returns during the half year. The Company has reported previously that it had taken advantage of the dislocation in the energy sector and acquired additional assets at attractive prices, contributing to the good performance from this segment.

Investment and realisation activity during the half year
During the half year to 31 December 2016, PIP's portfolio generated £154.9m of distributions including £14.3m in respect of previously reported disposals of secondary interests. Excluding these disposals, PIP's annualised distribution rate would be 26% of opening portfolio assets. Trade sales and secondary buyouts continued to represent the most significant source of exit activity. During the period, calls from existing commitments to private equity funds amounted to £42.9m, equivalent to an annualised call rate of 22% of opening undrawn commitments. This resulted in a net portfolio cash inflow of £112m during the period before new investments are taken into account. The weighted average fund age in PIP's portfolio is 7.0 years, which supports the cash-generative nature of PIP's mature portfolio.

Global deal activity has remained strong and assets have continued to be highly priced during the first half of PIP's financial year. Against this backdrop, Pantheon's disciplined approach to assessing investment opportunities means it has been more challenging to secure secondary deals, which offer significant potential to create value, at attractive prices. Notwithstanding this challenging environment, PIP continues to see interesting opportunities derived from Pantheon's network and access to high quality private equity managers globally. PIP made 19 new investments in the half year, predominantly in the US and Europe across the buyout and growth stages, amounting to £125.1m in commitments, of which £58.7m was drawn at the time of purchase. This included £48.2m committed to two secondary transactions, £36.1m committed to 11 co-investments and £40.8m to six primary commitments, which allowed the Company to continue to manage its maturity profile while gaining access to niche funds that are unlikely to trade on the secondary market. The Company has an active deal pipeline and, since the half year end, has committed an additional £18.2m.

Financial position and strength
As at 31 December 2016, the Company held cash of £173m and the balance sheet remained ungeared. In October, the Company announced that it had agreed an additional multi-currency revolving credit facility agreement ("Loan Facility") of £50m, which was an extension to the existing 4-year facility that is in place until November 2018. The Loan Facility, denominated as to US$139m and as to €67m, was equivalent to £169m as at 31 December 2016. Therefore, together with its undrawn credit facility, the Company had total liquid resources of £342m available to meet total undrawn commitments of £433m. Its undrawn commitment cover (comprising the sum of PIP's available financing and private equity portfolio) was comfortable at 3.5x.

In addition to providing cover to meet undrawn commitments, PIP's robust cash position also gives it the flexibility to pursue larger portfolios in the secondaries market. It also enables it to maintain its opportunistic approach to buying back PIP's shares when they offer an attractive investment opportunity relative to other potential new investment commitments. Any such purchase is dependent upon the prevailing market conditions and must also comply with relevant regulatory requirements.

Board changes
I became Chairman of PIP upon the conclusion of its Annual General Meeting ("AGM") on 23 November 2016, succeeding Tom Bartlam who had been Chairman for 12 years. Susannah Nicklin replaced me as Senior Independent Director. Given Tom's considerable experience within the private equity sector, the Board was keen to appoint new directors who could bring similar market knowledge to its deliberations. Following a careful search, we were delighted to announce the appointment of two new Non-Executive Directors, John Burgess and John

Singer, who took up their positions following the AGM. Both have very strong track records of investing in global private equity and understand first-hand the dynamics of managing such assets through multiple economic cycles. I am confident that we have a strong Board in place, with the right mix of experience and skills, as we face the opportunities and challenges that will arise in the year ahead and beyond.

Outlook

The political and economic uncertainties experienced in 2016 will continue to feature during the year ahead. The new US administration, the implications of Brexit and possible changes in the political landscape in Europe will throw up many questions for investors. The majority of PIP's portfolio (58%) is invested in the US, where it is still unclear what changes are likely to occur in regulation and tax policy. While the proposed removal of the tax deductibility for interest expenses would have a serious impact on the cash flow characteristics for companies acquired by US buyout fund managers, given the amount of debt normally used to finance such acquisitions, the proposed lower corporation tax rate should mitigate this impact.

High demand and strong fundraising activities have resulted in record levels of "dry powder" in the private equity market and this trend looks set to continue into 2017. Although the elevated pricing levels have created a more challenging and competitive landscape for sourcing new deals, it should also be noted that managers have been able to take advantage of the high valuation environment by using the secondary market to manage their portfolios and realise assets. These conditions in turn, enable continued realisations from PIP's mature portfolio. We are confident that our manager, Pantheon, has the expertise and experience to select deals effectively, screening out funds that have mixed growth prospects, high leverage or limited upside potential, whilst taking advantage of sector dislocations and cyclical downturns where pricing is more compelling.

PIP offers access to a global and diversified portfolio of high quality private equity assets that are selected by leading managers with a track record of identifying and managing investments actively to secure better investment returns through multiple cycles. We expect the second half of PIP's financial year to be at least as active as the first. We will maintain our disciplined approach and continue to focus on generating healthy returns and maximising capital growth over the long term for our shareholders.

SIR LAURIE MAGNUS
Chairman
13 March 2017

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 30 June 2012);

- the aggregate of all the amounts invested by the Company in (including commitments to or in respect of) funds managed by a single management group may not, in consequence of any such investment being made, form more than 20% of the aggregate of the most recently determined gross asset value of the Company and the Company's aggregate outstanding commitments in respect of investments at the time such investment is made;

- the Company will invest no more than 15% of its total assets in other UK-listed closed-ended investment funds (including UK-listed investment trusts).

The Company may invest in funds and other vehicles established and managed or advised by Pantheon or any Pantheon affiliate. In determining the diversification of its portfolio and applying the manager 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.

MANAGER'S REVIEW

Market Review

The rise of populism, which so dramatically influenced the political agenda in the US and UK in 2016, is now a recognisable political reality in many of the mature democracies facing lower rates of economic growth following the global financial crisis. With elections due to be held in France, Germany and the Netherlands in 2017, further upsets to the liberal international political landscape are a real possibility. While the political surprises of 2016 have increased uncertainty, it is our belief that market dislocations and distressed situations can often create compelling investment opportunities for long-term private equity investors. More than ever, it is paramount that we continue to work with the best managers who are nimble and able to respond to change quickly and effectively.

US administration likely to be positive for private equity in the short term

Based on what we currently know about the economic plans of the new US administration, it is difficult to be optimistic about the medium to long-term economic prospects for the US economy if trade barriers are erected. However, the Trump administration could be positive for equity investors, at least in the short term. Fiscal stimulus in the first part of his term of office could have a significant positive impact on US economic activity, and therefore corporate earnings. This might provide support for the current high equity valuations and, at the same time, a steeper US yield curve could provide greater opportunities for normalising US monetary policy. Should all these outcomes come to pass, they are likely be positive for US private equity.

However, the proposed removal of the tax deductibility for interest expenses would have a serious impact on the cash flow characteristics for companies acquired by US buyout fund managers, given the amount of debt normally used to finance such acquisitions, although this impact would be mitigated by the proposed lower corporation tax rate. Any policy that reduces corporation tax and lowers taxes on remittances from corporate earnings held offshore will be unambiguously positive for corporate cash flows and therefore should support US buyout activity; it also provides greater personal incentives for entrepreneurial behaviour. To the extent that such gains are not fully incorporated into the cost of acquiring new investments, their impact on US private equity returns could be positive, at least until the longer-term likely detrimental effects of lower foreign trade, a higher fiscal deficit, higher inflation and higher long-term interest rates become visible.

In 2016, fundraising continued at a pace in the US with 457 funds raising $188bn[1]. Exit activity was also strong while new investments were at lower levels than in the previous year, possibly as a result of the political uncertainty. The US has the deepest, most established and resilient private equity market in the world, and it is where the majority of PIP's portfolio is invested. We expect this to continue as we work with leading managers that have experience of investing in companies which can deliver strong earnings growth regardless of the economic and political environment. In terms of the sectors that PIP has invested in, traditional energy assets, healthcare and financial services are likely to perform well under this new administration. The US-based energy assets that PIP acquired at attractive prices last year have contributed positively to performance during the first half of the financial year.

Good flow of opportunities in Europe despite political uncertainty

The UK Government's intention to trigger Article 50 of the Lisbon Treaty in March, as well as the elections due to be held in France, Germany and the Netherlands, will create greater political uncertainty across Europe during 2017. These uncertainties increase the risk to economic performance in Europe and the financial markets will remain subject to greater volatility depending on the outcomes of these important political processes.

Although deal flow initially slowed in the UK immediately following the "Brexit" vote, the economic impact of the referendum has been muted so far and deal activity rates are recovering. Experienced managers have been able to take advantage of the uncertain environment and, in some cases, have negotiated more attractive pricing for investments. While the UK is the largest private equity market in Europe, it represents a small portion (less than 10%) of PIP's portfolio.

Despite the gloomy outlook for the political environment and muted economic growth forecasts, fundraising activity in Europe was strong in 2016 with 170 funds raising a total of €100bn[2]. This was driven by a number of well-established larger buyout managers raising even larger successor funds. Dry powder (being private equity capital commitments waiting to be invested) has been steadily rising over the past few years and we believe that the current high levels represent 3-4 years of deployment in Europe. This reinforces the need for investment discipline and rigorous manager selection, reflecting Pantheon's conviction about a manager's ability to deploy capital diligently. We expect fundraising in Europe in 2017 to be lower than in 2016, due to a smaller cluster of large funds in the market, however we expect that the best managers, particularly in the mid-market, will still be able to take advantage of the buoyant fundraising environment and raise funds above their target sizes.

In terms of new investments, a mix of founder- and family-owned primary management buyouts, corporate carve-outs and transformational secondary buyouts will present compelling new opportunities. Purchase price multiples in the small and mid-cap space have been notably lower when compared with the upper middle and large buyout segment of the market. Managers have managed to maintain their discipline and we have not seen too much price inflation at the smaller end of the market during the year. This trend supports Pantheon's approach of targeting mid-market buyout opportunities where pricing levels are often more attractive.

Exit activity in Europe continued at a robust pace during 2016 across buyout investments; the majority of deals were exited through secondary buyouts and strategic sales. We expect this to continue in 2017 with corporate buyers taking advantage of the depreciation of the euro and sterling versus the US dollar to acquire companies based in Europe. Furthermore, larger buyout funds with reserves of dry powder will continue to target small and medium sized deals in secondary and tertiary buyouts.

A strong year for Pantheon in China and emerging markets

As China has continued to rebalance its economic model away from manufacturing to domestic consumption, there was a further slowdown in growth in 2016 with warnings that this could continue in 2017. Fears about China's rising debt levels and an unwinding property boom, along with concerns over how future trade relations with the US may look under a Trump presidency, have weighed on investor sentiment. As a result, investment activity, fundraising levels and exits in 2016 were slightly down on the previous year. However, this could at least be partly explained by the higher number of large pan-regional funds raising capital in 2015, which were not as prevalent in 2016. We expect to see more large funds returning to raise capital in 2017.

Despite the prevailing headwinds, underlying earnings have remained strong and the lower levels of foreign capital flowing into the region has arguably created more deal opportunities for private equity managers. Pantheon focuses on opportunities within domestic consumption (e.g. healthcare, education and consumer) and therefore these could be largely unaffected by the US administration's stated aims of imposing higher trade tariffs on Chinese imports. In addition, we are seeing a good flow of opportunities in the technology sector where companies are able to scale up quickly.

More recently, India has experienced stronger economic growth than China although government moves against the unofficial economy, leading to the elimination from circulation (in late 2016) of the two highest value banknotes, is likely to have a short-term negative impact on consumption and economic growth. Nevertheless, the move to introduce electronic payments and smart financing solutions has produced some interesting investment opportunities for the Company.

Overall, we remain relatively cautious on Latin America although we will continue to respond to compelling deal opportunities in the region.

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

Another active year for secondary markets

A very active second half of 2016 offset the relatively slow start, with overall private equity secondary volume transacted reaching $33bn[3], a modest increase from $32.5bn in 2015. After the jolt to the markets in June following the UK's Brexit vote, a more stable macroeconomic outlook saw secondary buyers bid more determinedly for portfolios, helping to sustain pricing at attractive levels.

In addition to improving economic fundamentals, the conclusion of successful fundraisings in the secondary market, including Pantheon's latest global secondary fund, increased the level of dry powder in the secondary market to $70bn, thereby helping to fuel demand. Seller behaviour has also adjusted, as greater awareness and familiarity has resulted in more frequent use of the secondary market to actively manage portfolios. Indeed, the key sellers were public and private pension funds, and asset managers, which each accounted for 25% of deal volume.[4]

Due to the strength of underlying demand, and the more positive market sentiment in the second half of the year, the average high bid for secondary interests increased to 95% of NAV, slightly up on the 94% average high bid price in 2015. The implied level of discount masks a divergence in pricing between pre-crisis and post-crisis funds where pricing for post-2009 vintage funds in particular saw higher average pricing, running to premiums to NAV, offsetting the higher discounts, often in double digits, to NAV seen for mature funds. Funds with a vintage of 2006 or earlier represented over 55% of total funds offered on the market in 2016, up from 48% in the previous year.

In addition, transactions led by managers restructuring or recapitalising a fund, accounted for 25% of the total transaction volume, meaningfully up from the prior year's 15% proportion of total volume. Pantheon has sought out such transactions but only in cases where the manager is of a high quality, the underlying companies have considerable growth potential and where the alignment with the manager can be appropriately structured.

Given the full average pricing, Pantheon is careful to screen out funds with more questionable growth prospects, unjustifiably high leverage or limited upside potential. Instead, origination has focused on secondary opportunities that are not as competitively bid, either as a result of a restrictive manager who is keen to extend a pre-existing relationship or where the manager sees Pantheon as a strong potential partner. Pantheon's approach continues to be very selective, transacting 10 deals worth approximately $825m in 2016.

Pantheon continues to co-invest in high quality assets alongside leading managers
The co-investment market, comprising a variety of institutional investors including sovereign wealth funds, pension funds, family offices and other co-investment funds, has remained competitive over the past six months. Through its continuous efforts to position itself with favoured managers, Pantheon has been able to respond effectively to this and has maintained a robust deal flow in terms of quality and volume. Pantheon has continued to co-invest in opportunities with strong downside protection, favourable demographic trends, attractive growth features and that, crucially, represent a strong sector, geographic and style fit with the investment strategy of the deal sponsors. While Pantheon assesses deals across all sectors, information technology and industrials in particular have offered interesting deal opportunities during the half year. Pantheon will continue to be disciplined when assessing co-investment opportunities and will maintain its thorough approach to due diligence while ensuring that it is in a prime position to source deal flow and deliver on its co-investment strategy as opportunities arise.

Outlook
We will remain vigilant to macroeconomic and political developments during 2017, however it is our view that private equity should continue to outperform relative to other asset classes. This will be driven by a number of factors including, but not limited to, the illiquidity premium generated by private equity, the approach of our managers, who are nimble and reactive to changing market dynamics, as well as their confidence in seeking deal opportunities in market dislocations, mispricing and distressed situations. We believe that our managers continue to exercise discipline on leverage levels, despite the good availability of debt, and that the underlying portfolio companies will still benefit from those managers' operational expertise and experience, which will in turn drive future growth. Private equity gives investors access to parts of the economy that they would not be able to reach via public markets and the revenue and earnings reported by a sample of the underlying companies in PIP's portfolio consistently outperform the broader equity benchmark indices.

Pantheon has a strong track record of selecting the best managers and gaining privileged access to the most compelling deals via those relationships. Although uncertain times lie ahead, we believe that we are well-positioned to draw on our over 35 years' experience of investing in private equity funds globally and that we will be able to respond effectively to the challenges and opportunities during the coming year.

[1] *Source: The World Bank, Global Economic Prospects, Forecast Table, January 2016.*

[2] *2017 Preqin Global Private Equity and Venture Capital Report.*

[3] *Greenhill Cogent Secondary Market Trends & Outlook, January 2017.*

[4] *Evercore 2016 Survey Results 2016.*

PORTFOLIO OVERVIEW
SIX MONTHS TO 31 DECEMBER 2016

5.8%	Underlying (pre FX) half year return relative to opening assets
£112m	Net cash flow generated from PIP's portfolio in the half year
35%	Average uplift on exit realisations[1]
£155m	Distributions
£125m	New investment commitments made in the half year, **£59m** of which was drawn
29%	Distributions as a percentage of opening portfolio (annualised) [2]
£1,154m	Portfolio value
£43m	Calls made from existing undrawn commitments
7.0 years	Weighted average fund age of portfolio

[1] *Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value up to six months prior to the transaction taking place. The analysis only includes exit realisations that occurred during the financial period and disregards the impact of any proceeds received outside of the six month period covered in the uplift analysis. Exit realisations represented approximately 39% of PIP's gross distributions for the six month period to 31 December 2016.*

[2] *Distributions included £14m proceeds from secondary disposals, excluding such distributions results in an annualised distribution rate of 26%.*

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

Portfolio Analysis by Value as at 31 December 2016[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	25%
Asia and EM[2]	12%
Global[3]	5%
Total	100%

[1] *Fund geography, stage, maturity and primary/secondary/co-investment charts are based upon underlying fund valuations and account for 100% of PIP's overall portfolio value. Company sector and company geography tables are based upon underlying company valuations as at 30 June 2016 and account for over 90% of PIP's overall portfolio value.*

[2] *EM: Emerging Markets.*

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

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

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

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

Small/Mid Buyout	33%
Large/Mega Buyout	26%
Growth	17%
Venture	12%
Special Situations	10%
Generalist	2%
Total	100%

Pantheon Vehicles
At 31 December 2016, 3% of PIP's portfolio value and 2% of PIP's outstanding commitments were comprised of funds-of-funds managed directly by Pantheon. The value of investments in and outstanding commitments to, investment funds managed or advised by the Pantheon group ("Pantheon Funds") are excluded in calculating the monthly management fee and the fee on uncalled commitments payable by PIP to Pantheon. In addition, Pantheon has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon group and attributable to PIP's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that PIP would have been charged under its management agreement with Pantheon had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds. With the consent of the Board of Directors, the Company can agree that an investment fund managed or advised by the Pantheon group shall not be treated as a Pantheon Fund for this purpose (so that the fee rebate described above would not apply in respect of an investment in such fund).

Fund Maturity
The portfolio is well diversified by fund vintage.

New primary commitments and co-investments are increasing PIP's exposure to more recent vintages, with the 2010 and later segment of the portfolio increasing to 43% (from 35% as at 30 June 2016).

2016	8%
2015	13%
2014	8%
2013	5%
2012	4%
2011	4%
2010	1%
2009	2%
2008	13%
2007	19%
2006	10%
2005 and earlier	13%
Total	100%

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

Co-investments are becoming a more established part of PIP's portfolio at 24% of value (up from 20% as at 30 June 2016).

Secondary	46%
Primary	30%
Co-investments	24%

Total	100%

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

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

Consumer	27%
Information Technology	26%
Healthcare	14%
Industrials	12%
Financials	9%
Energy	7%
Materials	3%
Telecommunication Services	2%
Total	100%

Company Geography[1]
Over half of the portfolio is invested in companies based in North America, which benefit from greater capital market scope and depth.

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

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

North America	57%
Asia	13%
UK	7%
Scandinavia	4%
Germany	4%
Benelux	3%
Italy	3%
Other Europe	3%
Iberia	2%
France	2%
Central and Eastern Europe	1%
Rest of World	1%
Total	100%

[1] Company sector and company geography charts are based on underlying company valuations as at 30 June 2016 and account for over 90% of PIP's overall portfolio value.

PORTFOLIO ANALYSIS

Portfolio Performance by Stage for the Half Year to 31 December 2016[1]

- PIP's portfolio generated investment returns, prior to foreign exchange effects, of 5.8% during the half year.
- Solid performance from growth and large buyout managers underpinned PIP's overall NAV growth, aided by a strong recovery by special situations during the period.
- Returns in small/mid buyout were more subdued due to company-specific events.
- Venture funds were adversely impacted mostly due to older maturities, with higher distribution profiles.

Debt Multiples[2]

Venture, growth and buyout investments have differing leverage characteristics.

- The venture and growth portfolio has little or no reliance on leverage.
- Average debt multiple for large/mega buyout investments increased from 5.0 times to 5.1 times between 30 June 2016 and 31 December 2016, while the average debt multiple for small/medium buyout investments increased from 3.8 times to 4.2 times over the same period.

[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 30 June 2016 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 30 June 2016 or, where not available, the closest annual period disclosed, and provide coverage of 40% (for both revenue and EBITDA growth) 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 2011-2016 is based on the same methodology and provides coverage of 60% - 75% of the portfolio in each year. Enterprise value is defined as carrying value + net debt. The net debt and enterprise value figures were based on underlying valuations as at 30 June 2016, or the closest period end disclosed. The valuation multiple sample covers approximately 31% of PIP's buyout portfolio. The debt multiple sample covers 32% of PIP's buyout portfolio. Data sourced from Bloomberg.

PORTFOLIO ANALYSIS - BUYOUT

Valuation Multiple[1]

- 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 30 June 2016 was 10.6 times, compared to 14.3 times and 12.2 times for the FTSE All-Share and MSCI World indices.

Revenue and EBITDA Growth[1]

- Weighted average revenue growth for the sample buyout companies was +5.3% in the 12 months to 30 June 2016, compared to -7.3% and -1.0% for the FTSE All-Share and MSCI World indices.
- Weighted average EBITDA growth for the sample buyout companies was +2.7% in the 12 months to 30 June 2016, compared to -18.1% and -10.0% 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.

[1] *The data is based on a sample of PIP's buyout funds. Buyout Sample Methodology: The sample buyout figures for the 12 months to 30 June 2016 were calculated from the companies, where information was available. The figures are based on unaudited data. The revenue and EBITDA figures were based upon the last 12 months to 30 June 2016 or, where not available, the closest annual period disclosed, and provide coverage of 40% (for both revenue and EBITDA growth) 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 2011-2015 is based on the same methodology and provides coverage of 60% - 75% of the portfolio in each year. Enterprise value is defined as carrying value + net debt. The net debt and enterprise value figures were based on underlying valuations as at 30 June 2016, or the closest period end disclosed. The valuation multiple sample covers approximately 31% of PIP's buyout portfolio. The debt multiple sample covers 32% of PIP's buyout portfolio. Data sourced from Bloomberg.*

PORTFOLIO ANALYSIS - VENTURE AND GROWTH

- Venture and growth assets represent 29% of the portfolio at 31 December 2016 with growth representing 17% and venture representing 12%.
- Before foreign exchange effects, PIP's venture and growth funds generated a return of approximately 4% in the half year to 31 December 2016.
- Although the combined 2006 and earlier vintage funds generated lower returns during the half year, these vintages continue to produce substantial levels of distributions.
- 2010 and later funds, which constitute the largest segment of the venture and growth portfolio (approximately 30%), generated pre-FX returns of approximately 11% and distributed at an annualised rate of 10% of opening assets.

DISTRIBUTIONS IN THE HALF YEAR TO 31 DECEMBER 2016

PIP received more than 900[1] distributions in the half year, with many reflecting realisations at significant uplifts to carrying value. PIP's mature portfolio should continue to generate significant distributions. Distributions in the period included £14m of proceeds from the sale of secondary stakes of some of PIP's older fund interests.

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

DISTRIBUTIONS

Distributions by Region and Stage

PIP received £155m in proceeds from the portfolio in the six months to 31 December 2016, 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.

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

DISTRIBUTIONS BY REGION = £155M

USA	**65%**
Europe	**25%**
Asia and other	**6%**
Global	**4%**
Total	

	100%

DISTRIBUTIONS BY STAGE = £155M	
Large/Mega Buyout	**32%**
Small/Mid Buyout	**30%**
Venture	**16%**
Growth	**15%**
Special Situations	**5%**
Generalist	**2%**
Total	**100%**

DISTRIBUTION RATES

Quarterly Distribution Rate[2]
Quarterly distribution rates remain strong, increasing to over 30% on an annualised basis in the last quarter. This reflected the maturity of PIP's portfolio.

Distribution Rates[2] in the Half Year to 31 December 2016 by Vintage
Mature vintages continue to distribute at higher rates, with 2009 and earlier funds distributing at a rate in excess of 40% of opening value. With a weighted fund maturity of 7.0 years, PIP's portfolio should continue to generate significant levels of cash.

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

EXIT REALISATIONS IN THE HALF YEAR TO 31 DECEMBER 2016

Uplifts on Exit Realisations for the Half Year to 31 December 2016[1]
On a sample of exit realisations, the value weighted average uplift in the half year to 31 December 2016 was 35%. This average uplift is consistent with our view that realisations can be significantly incremental to returns. PIP's mature portfolio is well placed to continue to generate a good level of distributions from exit realisations in the coming year.

1 *Realisation events are classified as exit realisations when proceeds equate to at least 80% of total investment value and once confirmation of exit realisation is received from the manager. Uplift on full exit compares the value received upon realisation against the investment's carrying value up to six months prior to the transaction taking place. The analysis only includes exit realisations that occurred during the half year and discards the impact of any proceeds received outside of the six month period covered in the uplift analysis. Exit realisations represented approximately 39% of PIP's gross distributions for the half year to 31 December 2016.*

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

Trade sales and secondary buyouts represented the most significant source of exit activity during the six month period.

EXIT REALISATIONS BY SECTOR	
Information Technology	31%
Consumer	25%
Industrials	21%
Healthcare	12%
Financials	8%
Materials	3%
Total	100%

EXIT REALISATIONS BY TYPE	
Trade Sales	46%
Secondary Buyout	45%
IPO and Secondary Share Sale	5%
Refinancing and Recapitalisation	4%
Total	100%

INVESTMENTS AND CALLS IN THE HALF YEAR TO 31 DECEMBER 2016

Calls on existing investments made during the half year ranged across regions and sectors, including cloud-based software, logistics, telecommunications and oil and gas exploration companies.

Calls

Calls by Region and Stage
PIP paid £42.9m to finance calls on undrawn commitments during the half year to 31 December 2016.

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

CALLS BY REGION = £43m

USA	56%
Europe	29%
Asia & EM	8%
Global	7%
Total	100%

CALLS BY STAGE = £43m

Small/Mid Buyout	39%
Growth	24%
Large/Mega Buyout	22%
Special Situations	12%
Venture	2%
Generalist	1%
Total	100%

NEW COMMITMENTS

PIP committed £125m to new investments during the half year, mostly to buyout and growth equity funds. £59m was drawn at the time of purchase.

New Commitments by Region

The majority of commitments made in the half year were to US-focused private equity funds, reflecting greater investment opportunities in the region.

USA	71%
Europe	20%
Asia and EM	9%
Total	100%

New Commitments by Stage

The majority of new investments made in the half year were to buyout funds.

Small/Mid Buyout	41%
Large/Mega Buyout	30%
Growth	24%
Special Situations	5%
Total	100%

New Commitments by Investment Type

Although the emphasis continues to be on secondary commitments, PIP's half year investment activity demonstrates the depth of opportunity in attractive co-investments and primaries.

Secondary	38%
Co-Investment	29%
Primary	33%
Total	100%

New Commitments by Vintage

Primaries and co-investments, which accounted for slightly over half of total commitments in the half year, offer exposure to more recent vintages.

2016	55%
2015	5%
2013	8%
2011	11%
2010	3%
2009	2%
2008	9%
2006 and earlier	7%
Total	100%

NEW COMMITMENTS:
SECONDARY AND PRIMARY (FUNDS)

PIP committed approximately £48m to two secondary transactions during the half year, comprising 13 underlying funds. In addition, PIP committed £41m to six primaries, which added current vintage exposure with high quality managers.

New Secondary and Primary Commitments[1]

Secondary Commitments in the Half Year to 31 December 2016

REGION	STAGE	DESCRIPTION	COMMITMENTS £M	% FUNDED[2]
Global	Various	A North American portfolio comprised mostly of small buyout funds	**41**	**71%**
Europe	Large/Mega	An interest in a European bank managed by a global large buyout manager focused on the financial services sector	**7**	**100%**
TOTAL			**48**	**75%**

Primary Commitments in the Half Year to 31 December 2016

INVESTMENT	STAGE	DESCRIPTION	COMMITMENTS £M
Riverstone Global Energy and Power Fund VI	Special Sits	A North American energy fund	**1**
Arbor Investments IV	Small/Mid	A North American middle-market buyout fund focusing on food, beverage and packaging industries	**7**
IK VIII	Small/Mid	A European medium buyout fund	**11**
LYFE Capital Fund II	Growth	A growth fund focused on the healthcare sector in China	**8**
KKR Americas Fund XII	Large/Mega	A North American mid-market buyout fund	**2**
Veritas Capital Fund VI	Large/Mega	A North American large buyout fund	**12**
TOTAL			**41**

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

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

OUTSTANDING COMMITMENTS

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

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

Analysis of Outstanding Commitments as at 31 December 2016

PIP's outstanding commitments to investments increased to £433m as at 31 December 2016 compared with £382m as at 30 June 2016. The Company paid calls of £43m and added an additional £66m of outstanding commitments associated with new investments made in the half year. Foreign exchange movements accounted for most of the remaining £28m increase.

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	55%
Europe	28%
Asia and EM	10%
Global	7%
Total	100%

Stage

PIP's undrawn commitments are diversified across the major stages, with an emphasis on small and mid-market buyout managers. This reflects the focus of recent primary commitments.

Small/Mid Buyout	40%
Large/Mega Buyout	30%
Growth	16%
Special Situations	10%
Venture	3%
Generalist	1%
Total	100%

Maturity

Approximately 28% of PIP's undrawn commitments are in the 2009 vintage or older where draw-downs may naturally occur at a slower pace. It is likely that a portion of these commitments will not be drawn.

The rise in 2015 and 2016 vintage undrawn commitments reflects PIP's recent primary commitment activity.

2016	37%
2015	21%
2014	7%
2013	4%
2012	1%
2011	1%
2010	1%
2009	1%
2008	7%
2007	8%
2006 and earlier	12%
Total	100%

FINANCE AND SHARE BUYBACKS

Cash and Available Bank Facility
At 31 December 2016, PIP had cash balances of £173.3m.

In addition to these cash balances, PIP can also finance investments out of its multi-currency revolving credit facility agreement ("Loan Facility"). An increase to the Loan Facility of £50m was agreed in October 2016. The Loan Facility is due to expire in November 2018 and comprises facilities of $138.8m and €66.6m which, using exchange rates at 31 December 2016, amount to a sterling equivalent of £169.2m. At 31 December 2016, the Loan Facility remained fully undrawn.

Undrawn Commitment Cover
At 31 December 2016, the Company had £342.5m of available financing, comprised of its cash balances and Loan Facility. The sum of PIP's available financing and private equity portfolio provide 3.5 times cover relative to undrawn commitments. When a fund is past its investment period, which is typically between five and six years, it generally cannot make any new investments and only draws capital to fund existing follow-on investments or pay expenses. As a result, the rate of capital calls in these funds tends to slow dramatically. Approximately 30% of the Company's undrawn commitments are in fund vintages that are older than six years.

LARGEST 50 MANAGERS BY VALUE AS AT 31 DECEMBER 2016

NUMBER	MANAGER	REGION[2]	STAGE BIAS	% OF PIP'S TOTAL PRIVATE EQUITY ASSET VALUE[1]
1	Providence Equity Partners	USA	Buyout	6.3%
2	Texas Pacific Group	USA	Buyout	4.2%
3	Baring Private Equity Asia	Asia & EM	Growth	2.1%
4	Warburg Pincus Capital	Global	Growth	2.1%
5	Unison	USA	Special Situations	1.8%
6	The Banc Funds Company	USA	Growth	1.7%
7	ABS Capital	USA	Growth	1.7%
8	Yorktown Partners[4]	USA	Special Situations	1.5%
9	Essex Woodlands	Europe	Buyout	1.4%
10	MatlinPatterson Global Advisers	USA	Special Situations	1.3%
11	Apollo Advisors	USA	Buyout	1.3%
12	Kayne Anderson[4]	USA	Special Situations	1.2%
13	KKR	Europe	Buyout	1.1%
14	Insight Venture Partners	USA	Growth	1.1%
15	Shamrock Capital Advisors	USA	Buyout	1.0%
16	Gemini Capital	Europe	Venture	1.0%
17	EQT[3]	Asia & EM	Buyout	0.9%
18	Francisco Partners Management	USA	Buyout	0.9%
19	CVC Capital Partners Europe	Europe	Buyout	0.9%

20	Abris Capital	Europe	Buyout	0.9%
21	Lee Equity Partners	USA	Growth	0.9%
22	Ares Management	USA	Buyout	0.9%
23	Bridgepoint Partners	Europe	Buyout	0.9%
24	Mid-Europa Partners	Europe	Buyout	0.9%
25	IK Investment Partners	Europe	Buyout	0.9%
26	Golden Gate Capital	USA	Buyout	0.9%
27	Brentwood Associates Private Equity	USA	Buyout	0.8%
28	KRG	USA	Buyout	0.8%
29	Nordic Capital	Europe	Buyout	0.8%
30	Andreessen Horowitz	USA	Growth	0.8%
31	ABRY Partners	USA	Buyout	0.8%
32	Vision Capital	Europe	Buyout	0.8%
33	Equistone Partners Europe	Europe	Buyout	0.7%
34	Altor Capital	Europe	Buyout	0.7%
35	Not disclosed	USA	Buyout	0.7%
36	Baring Vostok Capital Partners	Europe	Buyout	0.7%
37	Index Ventures	Europe	Venture	0.7%
38	Veritas Capital	USA	Buyout	0.6%
39	Sun Capital Partners	USA	Buyout	0.6%
40	Carlyle Group	USA	Buyout	0.6%
41	Wasserstein Management	USA	Buyout	0.6%
42	Technology Crossover Management	USA	Growth	0.6%
43	Blackstone Group	USA	Buyout	0.6%
44	Lovell Minnick Equity Advisors	USA	Buyout	0.6%
45	J.C. Flowers	Europe	Buyout	0.6%
46	Polaris Venture Partners	USA	Venture	0.6%
47	Thomas H. Lee Partners	USA	Buyout	0.5%
48	Hutton Collins	Europe	Special Situations	0.5%
49	Stonepeak Infrastructure Partners[4]	USA	Special Situations	0.5%
50	Apax Partners	Europe	Buyout	0.5%
COVERAGE OF PIP's TOTAL PRIVATE EQUITY ASSET VALUE				**55.5%**

[1] Percentages look through feeders and funds-of-funds. [2] Refers to the regional exposure of funds. [3] The majority of PIP's remaining investment in EQT is held in EQT Greater China II. [4] Predominantly focused on investments in the energy sector.

LARGEST 50 COMPANIES BY VALUE AS AT 30 JUNE 2016[1]

NUMBER	COMPANY	COUNTRY	SECTOR	% OF PIP'S NET ASSET VALUE
1	LBX Pharmacy[3]	China	Consumer	0.9%
2	Alarm.Com[3,4]	USA	Information Technology	0.9%
3	ALM Media[2,4]	USA	Consumer	0.8%
4	Spotify	Sweden	Information Technology	0.8%
5	Grupo Farmaceutico Biotoscana[2]	Colombia	Healthcare	0.7%
6	Not disclosed	France	Healthcare	0.7%
7	Western Gas Partners[2]	USA	Energy	0.7%
8	Abacus Data Systems[2]	USA	Information Technology	0.7%
9	Vistra and Orangefield[2]	Asia	Industrials	0.6%
10	ZeniMax Media	USA	Information Technology	0.6%
11	Standard Pacific[3]	USA	Consumer	0.6%
12	StandardAero[2]	USA	Industrials	0.5%
13	Recorded Books[2]	USA	Consumer	0.5%
14	Salad Signature[2]	Belgium	Consumer	0.5%
15	Targa Resources	USA	Energy	0.5%
16	Sivantos (Siemens Audiology Solutions)[2]	Singapore	Healthcare	0.5%
17	Vertical Bridge	USA	Telecommunication Services	0.5%
18	Nord Anglia Education[3,4]	Hong Kong	Consumer	0.5%
19	Blackboard	USA	Information Technology	0.5%
20	Applied Medical Resources[2]	USA	Healthcare	0.5%
21	ConvaTec Healthcare	USA	Healthcare	0.5%
22	American Tire Distributors[2]	USA	Consumer	0.4%
23	IMS Health[3,4]	USA	Healthcare	0.4%

24	McGraw-Hill Education[2]	USA	Consumer	0.4%
25	SoftBrands	USA	Information Technology	0.4%
26	GlobalTranz Enterprises[2]	USA	Industrials	0.4%
27	CPL Industries	UK	Energy	0.4%
28	Verimatrix	USA	Information Technology	0.4%
29	Extraction Oil & Gas[2]	USA	Energy	0.4%
30	Not disclosed	Mexico	Financials	0.4%
31	Rightpoint Consulting[2]	USA	Industrials	0.4%
32	Atria Convergence Technologies	India	Telecommunication Services	0.4%
33	ILX[2]	USA	Energy	0.4%
34	Univision	USA	Consumer	0.4%
35	USI [2,4]	USA	Financials	0.4%
36	Alliant Insurance Services[2]	USA	Financials	0.3%
37	Home Shopping Europe	Germany	Consumer	0.3%
38	ista International	Germany	Information Technology	0.3%
39	Burning Glass International[2]	USA	Information Technology	0.3%
40	K-Mac	USA	Consumer	0.3%
41	Standard Bancshares[2]	USA	Financials	0.3%
42	Virgin Pulse[2]	USA	Industrials	0.3%
43	Jimmy John's[4]	USA	Consumer	0.3%
44	Vitruvian Exploration	USA	Energy	0.3%
45	Antero Resources Corporation[3]	USA	Energy	0.3%
46	Not disclosed	USA	Information Technology	0.3%
47	S-Process Equipment	Germany	Industrials	0.3%
48	Flagstar Bancorp	USA	Financials	0.3%
49	Michaels Stores[3]	USA	Consumer	0.3%
50	LogicMonitor, Inc.	USA	Information Technology	0.3%
COVERAGE OF PIP's NET ASSET VALUE				**23.1%**

[1] The largest 50 companies table is based upon underlying company valuations at 30 June 2016. [2] Co-investments/directs. [3] Listed companies.
[4] Liquidation event post 30 June 2016.

INTERIM MANGEMENT REPORT AND RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

Interim Management Report

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

The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the year ended 30 June 2016 and continue to be as set out in that report on pages 13-15.

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

Responsibility Statement

Each Director confirms that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 102 and FRS 104 'Interim Financial Reporting'; and gives a true and fair view of the assets, liabilities, financial position and return of the Company;

- this Half-Yearly Financial Report includes a fair review of the information required by:

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

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

This Half-Yearly Financial Report was approved by the Board on 13 March 2017 and was signed on its behalf by Sir Laurie Magnus, Chairman.

INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS TO 31 DECEMBER 2016

	SIX MONTHS TO 31 DECEMBER 2016			**SIX MONTHS TO 31 DECEMBER 2015**			**YEAR TO 30 JUNE 2016**		
	REVENUE £'000	**CAPITAL £'000**	**TOTAL* £'000**	**REVENUE £'000**	**CAPITAL £'000**	**TOTAL* £'000**	**REVENUE £'000**	**CAPITAL £'000**	**TOTAL* £'000**
Gains on investments at fair value through profit or loss**	**-**	**130,785**	**130,785**	-	71,063	71,063	-	191,298	191,298
Currency gains on cash and borrowings	**-**	**8,276**	**8,276**	-	10,905	10,905	-	22,864	22,864
Investment income	**8,394**	**-**	**8,394**	7,522	-	7,522	11,832	-	11,832
Investment management fees	**(6,708)**	**-**	**(6,708)**	(5,264)	-	(5,264)	(11,249)	-	(11,249)
Other expenses	**(774)**	**(150)**	**(924)**	(658)	(478)	(1,136)	(1,531)	(896)	(2,427)
RETURN ON ORDINARY ACTIVITIES BEFORE FINANCING COSTS AND TAX	**912**	**138,911**	**139,823**	1,600	81,490	83,090	(948)	213,266	212,318
Interest payable and similar charges/finance costs	**(913)**	**-**	**(913)**	(602)	-	(602)	(1,261)	-	(1,261)
RETURN ON ORDINARY ACTIVITIES BEFORE TAX	**(1)**	**138,911**	**138,910**	998	81,490	82,488	(2,209)	213,266	211,057
Tax on ordinary activities (Note 4)	**(2,087)**	**-**	**(2,087)**	(1,295)	-	(1,295)	(1,985)	-	(1,985)
RETURN ON ORDINARY ACTIVITIES FOR THE PERIOD, BEING TOTAL COMPREHENSIVE	**(2,088)**	**138,911**	**136,823**	(297)	81,490	81,193	(4,194)	213,266	209,072

INCOME FOR THE PERIOD (NOTE 8)									
RETURN PER ORDINARY AND REDEEMABLE SHARE (NOTE 8)	**(3.29)p**	**219.24p**	**215.95p**	(0.46)p	124.94p	124.48p	(6.47)p	328.99p	322.52p

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

** Includes currency movements on investments.

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

No operations were acquired or discontinued during the period.

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

The Notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS TO 31 DECEMBER 2016

	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 six months ended 31 December 2016								
OPENING EQUITY SHAREHOLDERS' FUNDS	**22,456**	**283,555**	**3,089**	**515,720**	**422,180**	**-**	**(59,886)**	**1,187,114**
Return for the period	**-**	**-**	**-**	**81,593**	**57,318**	**-**	**(2,088)**	**136,823**
Redeemable shares bought back for cancellation	**-**	**-**	**-**	**(26)**	**-**	**-**	**-**	**(26)**
CLOSING EQUITY SHAREHOLDERS' FUNDS	**22,456**	**283,555**	**3,089**	**597,287**	**479,498**	**-**	**(61,974)**	**1,323,911**
Movement for the six months ended 31 December 2015								
OPENING EQUITY SHAREHOLDERS' FUNDS	22,475	283,555	3,070	409,584	324,062	13,010	(55,692)	1,000,064
Return for the period	-	-	-	59,843	21,647	-	(297)	81,193
Redeemable shares bought back for cancellation	(1)	-	1	-	-	(1,219)	-	(1,219)
CLOSING EQUITY SHAREHOLDERS' FUNDS	22,474	283,555	3,071	469,427	345,709	11,791	(55,989)	1,080,038
Movement for the year ended 30 June 2016								
OPENING	22,475	283,555	3,070	409,584	324,062	13,010	(55,692)	1,000,064

EQUITY SHAREHOLDERS' FUNDS								
Return for the year	-	-	-	115,148	98,118	-	(4,194)	209,072
Redeemable shares bought back for cancellation	(19)	-	19	(9,012)	-	(13,010)	-	(22,022)
CLOSING EQUITY SHAREHOLDERS' FUNDS	22,456	283,555	3,089	515,720	422,180	-	(59,886)	1,187,114

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

The Notes form part of these financial statements.

BALANCE SHEET (UNAUDITED)
AS AT 31 DECEMBER 2016

	AS AT 31 DECEMBER 2016 £'000	AS AT 31 DECEMBER 2015 £'000	AS AT 30 JUNE 2016 £'000
Fixed assets			
Investments at fair value	**1,153,815**	903,758	1,071,876
Current assets			
Debtors	**1,267**	2,724	3,654
Cash at bank	**173,318**	174,843	115,522
	174,585	177,567	119,176
Creditors: amounts falling due within one year			
Other creditors	**4,489**	1,287	3,938
	4,489	1,287	3,938
NET CURRENT ASSETS	**170,096**	176,280	115,238
NET ASSETS	**1,323,911**	1,080,038	1,187,114
Capital and reserves			
Called-up share capital (Note 7)	**22,456**	22,474	22,456
Share premium	**283,555**	283,555	283,555
Capital redemption reserve	**3,089**	3,071	3,089
Other capital reserve	**597,287**	469,427	515,720
Capital reserve on investments held	**479,498**	345,709	422,180
Special reserve	**-**	11,791	-
Revenue reserve	**(61,974)**	(55,989)	(59,886)
TOTAL EQUITY SHAREHOLDERS' FUNDS	**1,323,911**	1,080,038	1,187,114
NET ASSET VALUE PER SHARE - ORDINARY AND REDEEMABLE (NOTE 9)	**2,089.52p**	1,657.53p	1,873.62p

NUMBER OF ORDINARY SHARES IN ISSUE	**33,062,013**	33,062,013	33,062,013
NUMBER OF REDEEMABLE SHARES IN ISSUE	**30,297,534**	32,097,534	30,297,534
TOTAL SHARES IN ISSUE (NOTE 7)	**63,359,547**	65,159,547	63,359,547

The Notes form part of these financial statements.

CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS TO 31 DECEMBER 2016

	SIX MONTHS TO 31 DECEMBER 2016 £'000	SIX MONTHS TO 31 DECEMBER 2015 £'000	YEAR TO 30 JUNE 2016 £'000
Cash flow from operating activities			
Investment income received	**8,283**	7,467	11,664
Deposit and other interest received	**117**	45	159
Investment management fees paid	**(6,620)**	(5,214)	(11,011)
Secretarial fees paid	**(108)**	(125)	(232)
Depositary fees paid	**(109)**	(93)	(193)
Other cash payments	**(871)**	(855)	(1,730)
Withholding tax deducted	**(2,087)**	(1,295)	(1,985)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(1,395)**	(70)	(3,328)
Cash flows from investing activities			
Purchases of investments	**(102,925)**	(115,364)	(263,203)
Disposals of investments	**154,624**	143,614	244,540
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**51,699**	28,250	(18,663)
Cash flows from financing activities			
Redeemable shares purchased for cancellation	**(26)**	(1,219)	(22,022)
Loan commitment and arrangement fees paid	**(618)**	(491)	(992)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(644)**	(1,710)	(23,014)
INCREASE/(DECREASE) IN CASH IN PERIOD	**49,660**	26,470	(45,005)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**115,522**	137,483	137,483
FOREIGN EXCHANGE GAINS	**8,136**	10,890	23,044
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**173,318**	174,843	115,522

The Notes form part of these financial statements.

NOTES TO THE HALF-YEARLY FINANCIAL STATEMENTS (UNAUDITED)

1. Financial Information
The Company applies FRS 102 and the AIC's SORP (issued in November 2014 and updated in January 2017 with consequential amendments) for its financial year ending 30 June 2017 in its Financial Statements. The financial statements for the six months to 31 December 2016 have therefore been prepared in accordance with FRS 104 'Interim Financial Reporting'. As stated in the Company's Annual Report the Company has early adopted the amendments to FRS 102 paragraph 34.22. The financial statements have been prepared on the same basis as the accounting policies set out in the statutory accounts for the year ended 30 June 2016. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial information contained in this Half-Yearly Financial Report and the comparative figures for the financial year ended 30 June 2016 are not the Company's statutory accounts for the financial year, but are based on those accounts. The financial information for the six months ended 31 December 2016 and 31 December 2015 are not for a financial year and have not been audited but have been reviewed by the Company's auditors and their report can be found below. The statutory accounts for the financial year ended 30 June 2016 have been delivered to the Registrar of Companies and received an audit report which was unqualified, did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 (2) and (3) of the Companies Act 2006.

2. 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 Chairman's Statement and Manager's Review above.

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.

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

4. Tax on Ordinary Activities
The tax charge for the six months to 31 December 2016 is £2,087,000 (six months to 31 December 2015: £1,295,000; year to 30 June 2016: £1,985,000). The tax charge is wholly comprised of irrecoverable withholding tax suffered. Investment gains are exempt from capital gains tax owing to the Company's status as an investment trust.

5. Transactions with the Manager and Related Parties
During the period, services with a total value of £6,995,000, being £6,708,000 directly from Pantheon Ventures (UK) LLP and £287,000 via Pantheon managed fund investments (31 December 2015: £5,570,000; £5,264,000; and £306,000; year to 30 June 2016: £11,824,000; £11,249,000 and £575,000 respectively). At 31 December 2016, the amount due to Pantheon Ventures (UK) LLP in management fees and performance fees disclosed under creditors was £1,168,000 and £nil respectively.

The existence of an Independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the AIC SORP, the manager is not considered to be a related party.

The Company's related parties are its Directors. Fees paid to the Company's Board for the six months to 31 December 2016 totalled £119,000 (six months to 31 December 2015: £116,000; year to 30 June 2016: £231,000).

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

6. Performance Fee
The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30 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 six month period ended 31 December 2016, the notional performance fee hurdle is a net asset value per share of 2,633.86p.

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.

7. Called Up Share Capital
During the six months to 31 December 2016 the Company purchased no ordinary or redeemable shares in the market for cancellation, (31 December 2015: 100,000 redeemable shares; year to 30 June 2016: 1,900,000 redeemable shares). As at 31 December 2016 there were 33,062,013 ordinary shares and 30,297,534 redeemable shares in issue, (31 December 2015: 33,062,013 and 32,097,534 respectively, year to 30 June 2016: 33,062,013 and 30,297,534 respectively).

8. Return per Ordinary and Redeemable Share

	SIX MONTHS TO 31 DECEMBER 2016			SIX MONTHS TO 31 DECEMBER 2015			YEAR TO 30 JUNE 2016		
	REVENUE	**CAPITAL**	**TOTAL**	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Return on ordinary activities for the period £'000	**(2,088)**	**138,911**	**136,823**	(297)	81,490	81,193	(4,194)	213,266	209,072
Weighted average ordinary and redeemable shares			**63,359,547**			65,223,677			64,823,481
Return per ordinary and redeemable share	**(3.29)p**	**219.24p**	**215.95p**	(0.46)p	124.94p	124.48p	(6.47)p	328.99p	322.52p

9. Net Asset Value per Share

	31 DECEMBER 2016	31 DECEMBER 2015	30 JUNE 2016
Net assets attributable in £'000	**1,323,911**	1,080,038	1,187,114
Ordinary and redeemable shares	**63,359,547**	65,159,547	63,359,547
Net asset value per share - ordinary and redeemable	**2,089.52p**	1,657.53p	1,873.62p

10. Reconciliation Of Return On Ordinary Activities Before Financing Costs and Tax to Net Cash Flow from Operating Activities

	SIX MONTHS TO 31 DECEMBER 2016 £'000	SIX MONTHS TO 31 DECEMBER 2015 £'000	YEAR TO 30 JUNE 2016 £'000
Return on ordinary activities before finance costs and tax	**139,823**	83,090	212,318
Withholding tax deducted	**(2,087)**	(1,295)	(1,985)
Gains on investments	**(130,785)**	(71,063)	(191,298)
Currency gains on cash and borrowings	**(8,276)**	(10,905)	(22,864)
(Decrease)/increase in creditors	**(108)**	26	466
Decrease in other debtors	**38**	77	35
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(1,395)**	(70)	(3,328)

11. Fair Value Hierarchy

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

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

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

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

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

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

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

The fair value hierarchy consists of the following three levels:

- Level 1 - The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

Financial Assets at Fair Value through Profit or Loss at 31 December 2016

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	-	-	1,152,368	1,152,368
Listed holdings	1,447	-	-	1,447
TOTAL	**1,447**	**-**	**1,152,368**	**1,153,815**

Financial Assets at Fair Value through Profit or Loss at 31 December 2015

	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Unlisted holdings	-	-	903,234	903,234
Listed holdings	524	-	-	524
TOTAL	**524**	**-**	**903,234**	**903,758**

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

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

Independent Review Report to Pantheon International Plc

Introduction

We have been engaged by the Company to review the financial information in the Half-Yearly financial report for the six months ended 31 December 2016, which comprises the Income Statement, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement and Notes to the Half-Yearly Financial Statements. We have read the other information contained in the Half-Yearly financial report which comprises the Half Year at a Glance, Performance Summary, Historical Data, Chairman's Statement, Objective and Investment Policy, Manager's Review and Interim Management Report and Responsibility Statement of the Directors and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with guidance contained in Independent Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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 for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities
The Half-Yearly financial report is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the company are prepared in accordance with FRS 102 and the Association of Investment Companies' Statement of Recommended Practice (issued in November 2014 and updated in January 2017 with consequential amendments). The financial information in the Half-Yearly financial report has been prepared in accordance with Financial Reporting Standard 104.

Our responsibility
Our responsibility is to express to the Company a conclusion on the financial information in the Half-Yearly financial report based on our review.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial information in the Half-Yearly financial report for the six months ended 31 December 2016 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
13 March 2017

NATIONAL STORAGE MECHANISM

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

Ends

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

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