

Building a resilient portfolio that can deliver long-term outperformance

INVESTMENT TYPE

Focus on maturity profile and potential to boost performance

INVESTMENT STAGE

Focus on mid-market and growth

SECTOR AND GEOGRAPHIC EXPOSURE

Global with a focus on high-growth and niche areas

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

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

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

Culture and Purpose

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

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

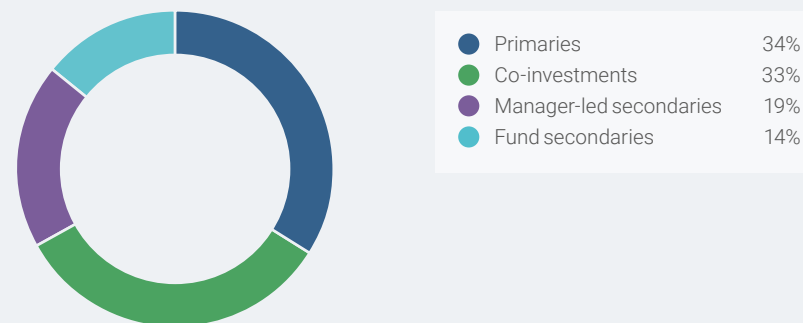
INVESTMENT TYPE

Focus on maturity profile and potential to boost performance

Primaries, manager-led secondaries and co-investments all have attractive characteristics, as highlighted in the Business Model on pages 35 to 41. PIP's transparent and direct investment approach gives it the flexibility to take advantage of prevailing market conditions and to maximise control over the Company's financing risk, including its ability to generate positive cash flows.

As the weighting towards co-investments has been increased over time, the three different investment types have intentionally taken on more equal weightings. These weightings do not represent hard caps; however, the Board and the Manager believe that this is the optimal mix to benefit from the cash generated by the more mature assets in PIP's portfolio while rejuvenating the portfolio with the younger vintages offered by primaries and co-investments. In addition, we have been steering PIP's secondary investment strategy towards manager-led secondaries which form a fast-growing part of the secondary market and are attractive for several reasons as highlighted on page 96. These investments also provide younger vintages to the portfolio.

Investment type¹



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

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

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

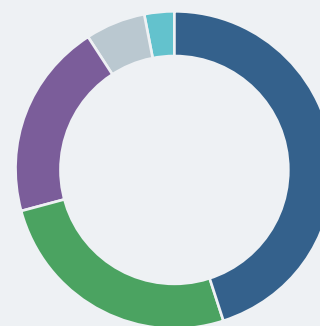
INVESTMENT STAGE

Focus on mid-market and growth

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

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

Stage¹



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

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

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

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

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

SECTOR AND GEOGRAPHIC EXPOSURE

Global with a focus on high-growth and niche areas

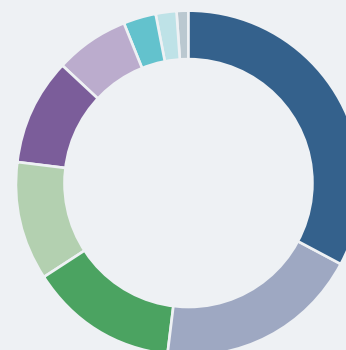
The Board is committed to offering investors a global portfolio with investments in North America, Europe, Asia and Emerging Markets. It takes an active approach towards the weightings of those geographies in response to market conditions but supports the majority of the Company's capital being invested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

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

It is Pantheon's objective to identify managers globally that are able to take a thematic approach and focus on high-growth sectors, many of which may not be fully represented by the public markets. In addition, Pantheon has a deliberate strategy of targeting sectors experiencing dislocation, as well as niches where underlying growth is less correlated to GDP growth. Recent examples of this have been within the Information Technology and Healthcare sectors. For more information on the sectors in which PIP is invested, see pages 74 and 75.

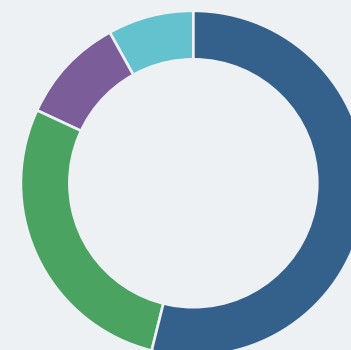
The Board believes that its oversight of the Manager's activities, while at the same time allowing Pantheon the flexibility that it needs to make the appropriate investment decisions on the Company's behalf, ensures that PIP is able to deliver on its strategic objectives for shareholders over the long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

Company sectors¹



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

Region²



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

- ¹ The company sector chart is based upon underlying company valuations as at 31 March 2023, adjusted for calls and distributions to 31 May 2023. These account for 100% of PIP's overall portfolio value.
- ² Region is based upon underlying fund valuations and accounts for 100% of PIP's overall portfolio value. The chart excludes the portion of the reference portfolio attributable to the Asset Linked Note.
- ³ EM is Emerging Markets.