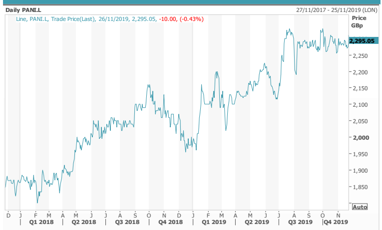
26 November 2019

HARDMAN & CO.

Closed-Ended Investments



Source: Refinitiv

Market data

EPIC/TKR	**PIN**
Price (p)	2,300
12m High (p)	2,330
12m Low (p)	1,960
Shares (m)	54.089
Mkt Cap (£m)	1,244
NAV p/sh (p)	2,789.3
Disc. to NAV	18%
Market	Premium equity closed-ended inv. funds

Description

The investment objective of Pantheon International PLC (PIP) is to maximise capital growth by investing in a diversified portfolio of private equity (PE) funds and directly in private companies.

Company information

Chairman	Sir Laurie Magnus
Aud. Cte. Chr.	Ian Barby
Sen Ind. Dir.	Susannah Nicklin
Inv. Mgr.	Pantheon
Managers	Andrew Lebus, Helen Steers, Tanu Chita
Contact	Vicki Bradley +44 20 3356 1725 www.piplc.com

Key shareholders, 31 May 2019

USS	8.15%
Old Mutual	7.03%
Esperides SA SICAV- SIF	5.75%
East Riding of Yorkshire	4.70%
APG Asset Mgt.	4.44%
Investec Wealth	4.37%
Private Syndicate pty	3.76%
Brewin Dolphin	3.45%

Diary

Late Nov	October NAV

Analysts

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bm@hardmanandco.com

PANTHEON INTERNATIONAL PLC

History of value added to portfolio by holding Pantheon

In our 6 September initiation report on Pantheon International (*11.9% average annual NAV growth since 1987*, PIP, ticker PIN), we noted i) PE funds earn better returns than quoted companies, ii) PIP is investing in the right parts of the PE market, iii) the benefits from being in the Pantheon family, and iv) a structured fund selection process. PIP gives investors access to the whole PE market, with strong corporate governance. In this note, we explore the impact of holding PIP on a range of portfolios, across a range of scenarios; we conclude that performance would be improved and significantly less volatile. There are risks (see below), but the discount makes the risk/reward anomalous, in our view.

- **Value-added:** Over five years, replacing 10% of the benchmark/portfolio with PIP's share price would have seen improved average monthly performance returns: FTSE 100 1.16x, FTSE 250 1.08x, S&P 500 GBP hedged 1.05x, PI Global Growth 1.01x, PI Growth 1.06x, and FTSE 350 Equity Investments 1.03x.

- **Lower volatility:** The same analysis saw significantly reduced monthly volatility against all these benchmarks: FTSE 100 91% of benchmark volatility, FTSE 250 93%, S&P 500 GBP Hedged 92%, PI Global Growth 93%, PI Growth 96%, and FTSE 350 Equity Investments 97%. Using PIP's NAV further reduces volatility.

- **Valuation:** PIP currently trades at an 18% discount to NAV, despite its long-term outperformance. We outline why the "real" NAV is likely to be above the accounting value, making the discount higher than the public number. PIP re-invests returns for superior capital growth, and does not pay a dividend.

- **Risks:** Sentiment to the economic cycle is material (we note PIP's NAV rose every year in the early 1990s' recession). Even though PIP has permanent capital and proven uplifts on exit, market sentiment to investments with illiquid and unquoted shares is adverse. Sentiment to the sustained discount may be an issue, and there can be short-term, forex exchange-related volatility.

- **Investment summary:** PIP is in an attractive market, can pick the best part of that market and has competitive operational advantages. Its manager selection and portfolio structuring have added value. Corporate governance appears strong, and the "real" value of the assets is, we believe, above their accounting value. Investors are getting liquid access to the whole PE market. There are risks around the cycle, and illiquid and unquoted underlying assets, but comparing these with the historical returns makes the current discount an anomaly, in our view.

Financial summary and valuation

Year-end May (£'000)	2017	2018	2019	2020E	2021E
Gains on investments	201,198	149,778	204,473	169,607	187,019
Investment income	17,436	15,504	13,222	14,496	15,984
Investment Manager's fee	-12,659	-15,020	-16,584	-18,000	-20,000
Other expenses	-1,783	-3,270	-573	-4,710	-4,751
Interest payable/similar expenses	-1,791	-1,950	-2,386	-2,386	-2,386
Return before taxation	204,790	131,947	194,918	152,008	169,866
NAV per share (p)	2,190	2,415	2,771	3,047	3,356
S/P discount to NAV	4%	-5%	-18%	-25%	-32%
Investments	1,224	1,275	1,450	1,598	1,765
Equity issued in year	-26	-3,546	-500	0	0

Source: Hardman & Co Research

Summary of our initiation note

PIP delivered ca.1.5x post-cost market returns since inception in 1987

PIP has delivered 11.9% average annual NAV growth since inception in 1987. This is a ca.4% annual outperformance compared with benchmark indices over this period and ca.1.5x the market level of returns after taking account of all costs. It has not come about by accident, but reflects:

Returns generated from being in attractive market, picking best bits of that market, being part of bigger Pantheon family, and a structured, proven manager selection process

- The PE process adds value, with multiple operational, strategic, financial, cultural and expertise levers to generate superior returns.
- In this attractive market, PIP's flexible, global mandate means it can exploit whichever sub-segments offer the most value. *Inter alia*, it actively manages the size of deals, the vintage and nature of investment, and the economic sector of the portfolio to optimise returns.
- Pantheon, the manager, controls risk tightly. While the mandate is flexible, the portfolio is diversified, moderating extreme return volatility.
- Being part of the Pantheon family brings multiple benefits, including economies of scale, access to deals, a broad network of relationships, experience and expertise. It also brings strong corporate governance, with the Pantheon/PIP relationship, but also with a visibly independent board.
- As a fund investor, manager selection is key. We outlined in our initiation report the sophisticated process by which PIP's underlying managers are chosen.

Accounting NAV likely to be conservative

We detail below why the accounting NAV is conservative, noting that there is no incentive for the PE fund managers (General Partner, GP) or PIP to inflate valuations, the checks and balances that are in place (including multiple reviews), the fact that the valuation ratings are in line with peers and, finally, that there has been a consistent uplift to book value on exit.

Gives investors liquid access to illiquid market, capital growth, controlled downside

PIP's model gives access to the entire illiquid PE market via liquid shares. Other investment attractions include i) the capital growth story, with no tax leakage, ii) professional management of PE exposure, and iii) the KID (Key Information Document) stress-test showing lower downside risk than that of peers.

No financial read-across from Woodford, and appropriate gearing and liquidity

We see no financial read-across from the Woodford situation, although it could affect sentiment. The level of gearing in PIP, and in its funds and underlying companies, appears appropriate. Liquidity is managed, and PIP has lower over-commitment than its peers. PE is a resource-intensive business, but this is more than compensated for by higher returns. PIP's costs are around one tenth of the returns earned by investors.

Business sensitive to economic cycle but still grew NAV every year through early 1990s' recession. NAV based off premium ratings for premium growth. Assets illiquid and unquoted, but PIP unlikely to be forced seller.

An economic downturn will affect the operating performance of underlying companies and PIP itself, and is likely to reduce valuation ratings; sentiment will also be affected by perceived gearing. However, PIP grew its NAV every year through the hard, early 1990s' recession. We note that the valuation ratings on underlying companies are at a premium to the market (as are their revenue and EBITDA growth expectations), and the industry-accounting convention has elements that are unhelpful – and not timely. While PIP has illiquid, unquoted assets, its permanent capital and liquidity management mean it is unlikely to be a forced seller at distressed prices.

Discount anomalous with company-specific factors and historical performance

PIP is trading on a discount broadly similar to that of its peers, which does not reflect the company-specific factors identified above. It is also anomalous with superior returns generated over the long run. While there has been some volatility in the returns, in 58% of years since 1988, PIP has delivered a return of 10%-25%, and, over three quarters of years, returns have seen a performance in excess of 5%.

Impact of holding PIP on portfolios

Summary

While taking a diversified approach, PIP has outperformed other indices/portfolio benchmarks

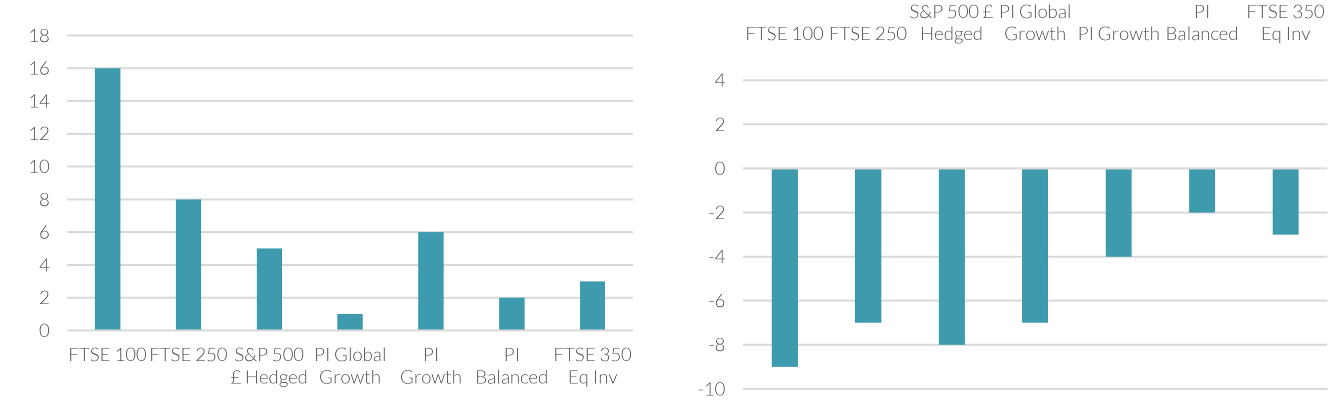
PIP is an unusual equity in that, in itself, it has exposure to a diversified portfolio of shares in private companies globally, and so, in economic risk terms, it could be viewed as more of an index than a specific security. Given the strong long-term outperformance of PIP, it is not surprising that holding it sees portfolio performances improve and, as we show below, it has outperformed all the benchmark portfolios over a five-year view.

Replacing 10% of benchmark with PIP also sees volatility fall – in many cases significantly

Interestingly, if 10% of the benchmark were replaced by PIP, the volatility of the adjusted portfolio would fall in all cases, except that of a conservative private investor. For that portfolio, performance would be enhanced by nearly 50% for a 3% increase in volatility. Our primary approach is relatively simplistic in that we have considered the sterling, monthly, total-return performance of a range of benchmark indices, as reported, and then compared this with a portfolio consisting of 90% benchmark and 10% PIP (using PIP's share price).

In the pages below, we give a range of scenarios comparing how various benchmarks/ portfolios have performed over a number of timescales. The left-hand exhibit below takes the five-year timescale and shows the degree of average monthly outperformance that would be seen if 10% of the benchmark were replaced by PIP shares. In every example, performance over this timescale shows an enhancement. For example, compared with the FTSE 100, the adjusted portfolio delivered, on average, 1.16x the performance of the former. The right-hand chart shows that the adjusted portfolio has lower volatility than the benchmark in every instance. In the detail section below, we also include a conservative wealth manager portfolio, where the outperformance is significantly greater (49%) but at a marginal cost of a 3% increase in monthly volatility.

Relative average monthly outperformance (left-hand chart) and reduction in monthly standard deviation (right-hand chart) from replacing 10% of the benchmark with PIP shares over five-year period (%)



Source: Alpha Terminal, Hardman & Co Research

Replacing with 10% of PIP at NAV sees even greater outperformance and reduction in volatility

When one considers the impact of including PIP at its NAV, rather than its share price, the outperformance is greater (on average, 0.06% per month), and the volatility is 5% lower than using PIP's share price. Additionally, when the share price is at a discount to NAV, it may represent a value opportunity (and we note that the discount is currently above-average). We have focused this report on the share price, as that is what investors have actually received. Also, changes in market sentiment immediately affect the benchmarks and PIP's share price but may take a few months to feed through to the NAV, as many underlying valuations are reported to PIP quarterly.

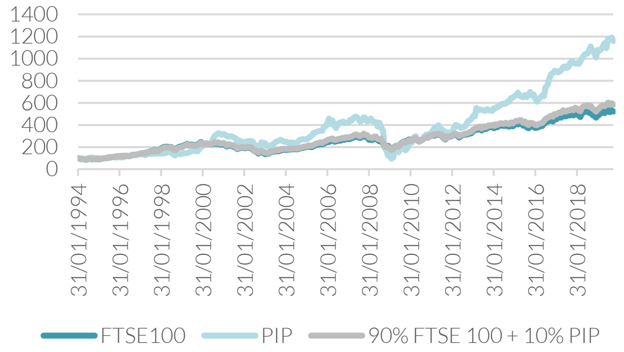
Details for each portfolio

FTSE 100

1.16x performance over five years at 91% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the FTSE 100 over time. If 10% of the FTSE 100 had been replaced with PIP, the average performance would have improved by 1.16x over the past five years and by 1.12x over three years. The standard deviation of monthly performances falls by a nearly a tenth over five years and an eighth over three years.

Comparison with FTSE 100 – performance indexed to Jan'94, monthly performance, correlations and standard deviation



	Since Jan'94	5 years	3 years
Correlations	0.95	0.96	0.80
Monthly performance			
FTSE 100	0.61%	0.55%	0.51%
PIP	1.07%	1.12%	0.87%
Adj. portfolio	0.65%	0.64%	0.57%
Adj. portfolio vs. FTSE 100	**106%**	**116%**	**112%**
Std. dev. of mthly performance			
FTSE 100	0.0385	0.0302	0.0303
PIP	0.0744	0.0326	0.0257
Adj. portfolio	0.0378	0.0274	0.0268
Adj. portfolio vs. FTSE 100	**98%**	**91%**	**88%**

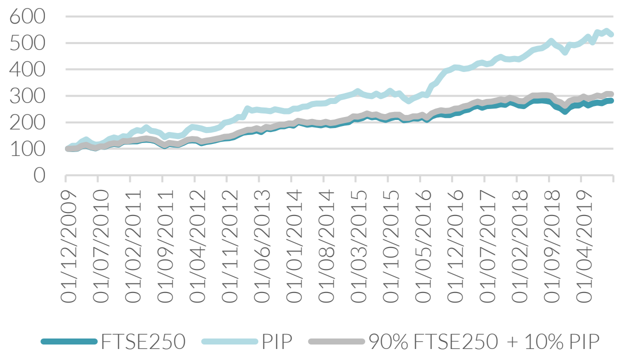
Source: Alpha Terminal, Hardman & Co Research

FTSE 250

1.08x performance over five years at 93% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the FTSE 250 over time. If 10% of the FTSE 250 had been replaced with PIP, the average performance would have improved by 1.08x over the past five years and by 1.05x over three years. The standard deviation of monthly performances of the adjusted portfolio is 93% over five years and 90% over three years compared with the index. Again, the correlation has fallen significantly in the past three years.

Comparison with FTSE 250 – performance indexed to Dec'09, monthly performance, correlations and standard deviation



	Since Dec'09	5 years	3 years
Correlations	0.97	0.92	0.63
Monthly performance			
FTSE 250	0.94%	0.70%	0.64%
PIP	1.52%	1.12%	0.87%
Adj. portfolio	1.01%	0.76%	0.68%
Adj. portfolio vs. FTSE 250	**107%**	**108%**	**105%**
Std. dev. of mthly performance			
FTSE 250	0.0350	0.0296	0.0293
PIP	0.0442	0.0326	0.0257
Adj. portfolio	0.0334	0.0274	0.0265
Adj. portfolio vs. FTSE 250	**95%**	**93%**	**90%**

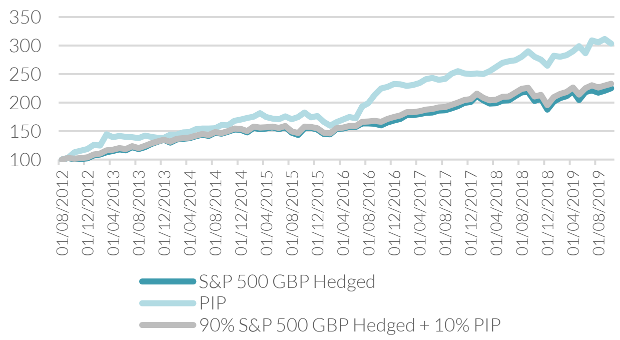
Source: Alpha Terminal, Hardman & Co Research

S&P 500 GBP Hedged

1.05x performance over five years at 92% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the S&P 500 GBP Hedged over time. If 10% of the S&P 500 GBP Hedged had been replaced with PIP, the average performance would have improved by 1.05x over the past five years, although it would have been weaker, at 0.97x, over three years. The standard deviation of monthly performances of the adjusted portfolio is 92% over five years and 90% over three years compared with the index. The correlation is marginally less in recent periods.

Comparison with S&P 500 GBP Hedged – performance indexed to Aug'12, monthly performance, correlations and standard deviation



	Since Aug'12	5 years	3 years
Correlations	0.97	0.96	0.89
Monthly performance			
S&P 500 GBP Hedged	1.00%	0.75%	1.02%
PIP	1.36%	1.12%	0.87%
Adj. portfolio	1.03%	0.79%	0.99%
Adj. portfolio vs. S&P 500 GBP Hedged	**103%**	**105%**	**97%**
Std. dev. of mthly performance			
S&P 500 GBP Hedged	0.0317	0.0343	0.0349
PIP	0.0345	0.0326	0.0257
Adj. portfolio	0.0291	0.0315	0.0313
Adj. portfolio vs. S&P 500 GBP Hedged	**92%**	**92%**	**90%**

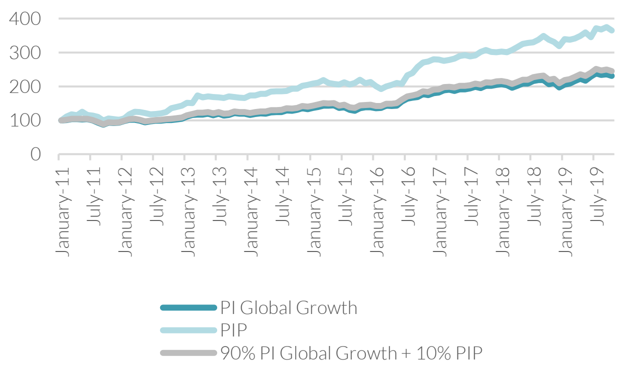
Source: Alpha Terminal, Hardman & Co Research

PI Global Growth

1.01x performance over five years at 93% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the PI Global Growth index over time. If 10% of the PI Global Growth index had been replaced with PIP, the average performance would have improved by 1.01x over both the past five and three years. The standard deviation of monthly performances of the adjusted portfolio is 93% over five years and 91% over three years compared with the index.

Comparison with PI Global Growth – performance indexed to Jan'11, monthly performance, correlations and standard deviation



	Since Jan'11	5 years	3 years
Correlations	0.99	0.98	0.94
Monthly performance			
PI Global Growth	0.85%	1.00%	0.79%
PIP	1.32%	1.12%	0.87%
Adj. portfolio	0.90%	1.01%	0.80%
Adj. portfolio vs. PI Global Growth	**106%**	**101%**	**101%**
Std. dev. of mthly performance			
PI Global Growth	0.0304	0.0298	0.0282
PIP	0.0397	0.0326	0.0257
Adj. portfolio	0.0286	0.0277	0.0255
Adj. portfolio vs. PI Global Growth	**94%**	**93%**	**91%**

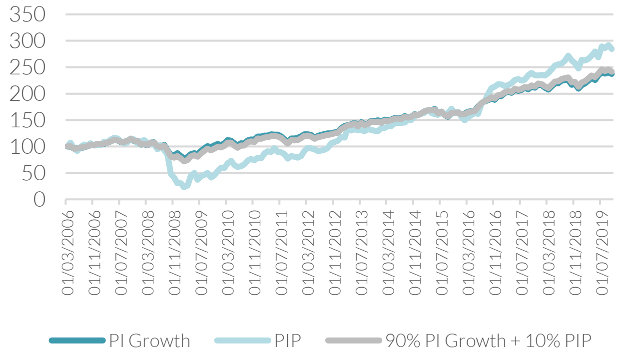
Source: Alpha Terminal, Hardman & Co Research

PI Growth

1.06x performance over five years at 96% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the PI Growth index over time. If 10% of the PI Growth index had been replaced with PIP, the average performance would have improved by 1.06x over the past five years and 1.07x over the past three years. The standard deviation of monthly performances of the adjusted portfolio is 96% over five years and 95% over three years compared with the index.

Comparison with PI Growth – performance indexed to Mar'06, monthly performance, correlations and standard deviation



	Since Mar'06	5 years	3 years
Correlations	0.99	0.98	0.94
Monthly performance			
PI Growth	0.78%	0.72%	0.72%
PIP	1.44%	1.12%	0.87%
Adj. portfolio	0.84%	0.76%	0.77%
Adj. portfolio vs. PI Growth	**107%**	**106%**	**107%**
Std. dev. of mthly performance			
PI Growth	0.0237	0.0218	0.0211
PIP	0.0407	0.0326	0.0257
Adj. portfolio	0.0231	0.0210	0.0200
Adj. portfolio vs. PI Growth	**98%**	**96%**	**95%**

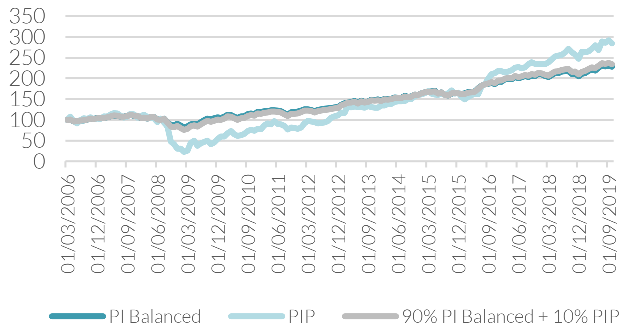
Source: Alpha Terminal, Hardman & Co Research

PI Balanced

1.02x performance over five years at 98% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the PI Balanced index over time. If 10% of the PI Balanced index had been replaced with PIP, the average performance would have improved by 1.02x over both the past five and three years. The standard deviation of monthly performances of the adjusted portfolio is 98% over five years and 96% over three years compared with the index.

Comparison with PI Balanced – performance indexed to Mar'06, monthly performance, correlations and standard deviation



	Since Mar'06	5 years	3 years
Correlations	0.97	0.98	0.94
Monthly performance			
PI Balanced	0.54%	0.65%	0.55%
PIP	1.05%	1.12%	0.87%
Adj. portfolio	0.56%	0.70%	0.58%
Adj. portfolio vs. PI Balanced	**102%**	**102%**	**102%**
Std. dev. of mthly performance			
PI Balanced	0.0250	0.0185	0.0177
PIP	0.0917	0.0326	0.0257
Adj. portfolio	0.0263	0.0181	0.0169
Adj. portfolio vs. PI Balanced	**105%**	**98%**	**96%**

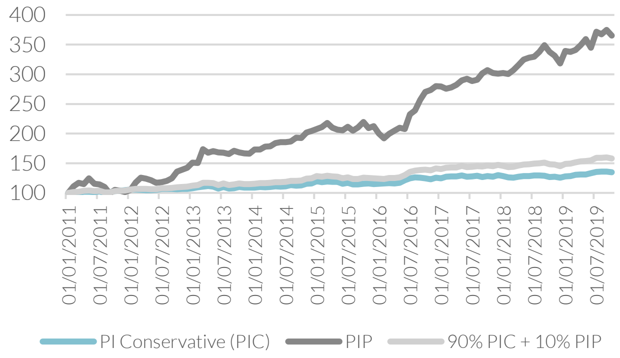
Source: Alpha Terminal, Hardman & Co Research

PI Conservative

1.49x performance over five years at 103% volatility

It is unsurprising that PIP's outperformance relative to a conservative index would be higher. To us, the key issue is how much more volatility this introduces to the portfolio. As can be seen from the exhibit below, PIP has delivered ca.50% greater average monthly performance for a 2%-3% increase in volatility.

Comparison with PI Conservative – performance indexed to Jan'11, monthly performance, correlations and standard deviation



	Since Jan'11	5 years	3 years
Correlations	0.97	0.93	0.77
Monthly performance			
PIC	0.29%	0.31%	0.23%
PIP	1.32%	1.12%	0.87%
Adj. portfolio	0.44%	0.46%	0.36%
Adj. portfolio vs. PIC	**152%**	**149%**	**158%**
Std. dev. of mthly performance			
PIC	0.0123	0.0133	0.0119
PIP	0.0397	0.0326	0.0257
Adj. portfolio	0.0127	0.0137	0.0121
Adj. portfolio vs. PIC	**102%**	**103%**	**102%**

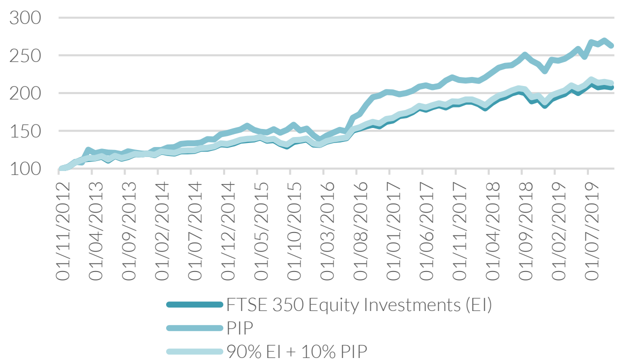
Source: Alpha Terminal, Hardman & Co Research

FTSE 350 Equity Investments

1.03x performance over five years at 97% volatility

As can be seen in the exhibit below, PIP has significantly outperformed the FTSE 350 Equity Investments index over time. If 10% of the FTSE 350 Equity Investments index had been replaced with PIP, the average performance would have improved by 1.03x over the past five years and 1.01x over the past three years. The standard deviation of monthly performances of the adjusted portfolio is 97% over five years and 93% over three years compared with the index.

Comparison with FTSE 350 Equity Investments – performance indexed to Nov'12, monthly performance, correlations and standard deviation



	Since Nov'12	5 years	3 years
Correlations	0.99	0.99	0.93
Monthly performance			
FTSE 350 EI	0.92%	0.84%	0.79%
PIP	1.23%	1.12%	0.87%
Adj. portfolio	0.95%	0.87%	0.80%
Adj. portfolio vs. FTSE 350 EI	**103%**	**103%**	**101%**
Std. dev. of mthly performance			
FTSE 350 EI	0.0250	0.0252	0.0250
PIP	0.0339	0.0326	0.0257
Adj. portfolio	0.0240	0.0244	0.0234
Adj. portfolio vs. FTSE 350 EI	**96%**	**97%**	**93%**

Source: Alpha Terminal, Hardman & Co Research

NAV – performance improved and volatility reduced

Discount to NAV may present value opportunity

Using NAV in our analysis indicates even greater outperformance and less volatility than using share price

Unsurprisingly, there would have been similar trends if an investor had added PIP at its NAV, rather than at the share price. Using the NAV means that the performance over time is not distorted by short-term changes in the level of discount (which, at the present level of 18%, is above-average), while using the share price is what investors would have actually received. There is also a slight timing difference between NAV and benchmarks, in that changes in market ratings feed through to underlying company valuations, but these may be included a few months later, as PIP typically receives its valuations from companies quarterly in arrears. We note, for example, that the August 2019 valuation had 95% of the portfolio based off June or later valuations, while the July NAV was 99% based off March. With that caveat, the performance improvements are, as would be expected, similar to using the share price, but the reductions to volatility are materially higher.

Impact on five-year performance and volatility of replacing 10% of the portfolio with PIP at its NAV

	Benchmark	90% benchmark +10% PIP NAV	Relative performance (x)
PIP			
Average monthly performance (%)	1.18	1.18	1.00
Std. dev. of avg. monthly performance	0.0255	0.0255	1.00
FTSE 100			
Average monthly performance (%)	0.55	0.63	1.13
Std. dev. of avg. monthly performance	0.0302	0.0268	0.89
FTSE 250			
Average monthly performance (%)	0.70	0.74	1.06
Std. dev. of avg. monthly performance	0.0296	0.0257	0.87
S&P 500 GBP Hedged			
Average monthly performance (%)	0.75	0.78	1.04
Std. dev. of avg. monthly performance	0.0343	0.0298	0.87
PI Global Growth			
Average monthly performance (%)	1.00	1.01	1.01
Std. dev. of avg. monthly performance	0.0298	0.0273	0.91
PI Growth			
Average monthly performance (%)	0.72	0.77	1.06
Std. dev. of avg. monthly performance	0.0218	0.0199	0.91
PI Balanced			
Average monthly performance (%)	0.65%	0.71%	1.09
Std. dev. of avg. monthly performance	0.0185	0.0171	0.92
PI Conservative			
Average monthly performance (%)	0.31%	0.43%	1.39
Std. dev. of avg. monthly performance	0.0133	0.0130	0.98
FTSE 350 Equity Investments			
Average monthly performance (%)	0.84%	0.87%	1.04
Std. dev. of avg. monthly performance	0.0252	0.0224	0.89

Source: Alpha Terminal, Hardman & Co Research

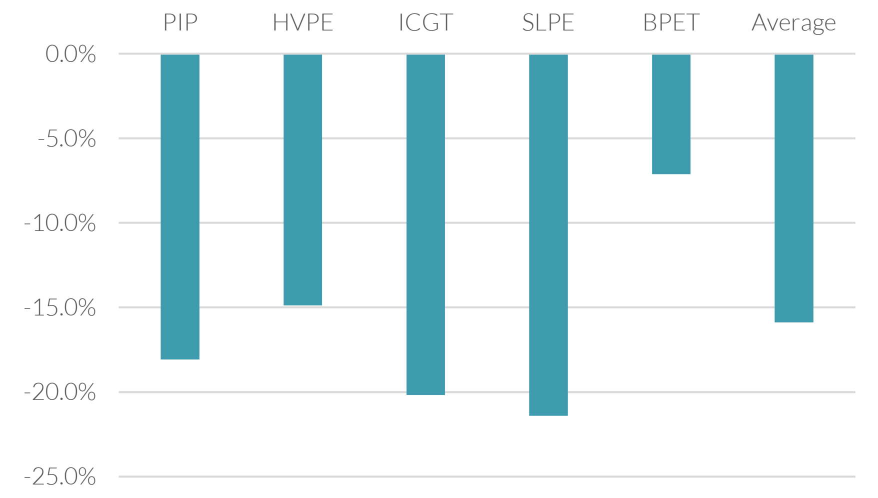
Our initiation report's "real" NAV could be above current accounting NAV

Should the share price move to the NAV (and we explored in our initiation report why the "real" NAV could be above the current accounting NAV), this would obviously see further performance enhancements for investors.

Valuation

The chart below shows the discount for PIP and its peers, along with the track record, over one, three and five years. Despite beating average peers' NAV growth over each of these timescales, PIP's discount is marginally above-average.

Discount to NAV (%, LHS)



Source: Latest company factsheets on websites, priced at 25 November, Hardman & Co Research

Triggers for a re-rating

Key triggers for re-rating: continued performance; better market understanding of risk and rewards in model; more comfort that impact on NAV of any economic downside scenario will not be as adverse as feared

As noted, PIP and its peers have traded at discounts to NAV for a considerable time. While investors have been rewarded by market-beating strong NAV growth driving the share price, it is also worth noting that there are a number of potential triggers that could deliver incremental returns by closing the 18% discount. These include:

- Market concerns about illiquid/unquoted stocks moderating as the Woodford effect becomes more historical. We do not believe this issue will go away quickly – not least as there may be regulatory changes to fund holdings of illiquid assets. However, we do expect a steady moderation in its intensity from here.
- A discount that appears anomalous. In this case, one key consideration will be communication. We note that PIP has become increasingly active in its investor engagement – *inter alia* paying for sponsored research and hosting a capital markets day to better inform the market.
- Delivery of strong performance, in line with historical experience, through an economic downturn.

Financials

Profit and Loss

Year-end May (£'000)	2019			2020E			2021E		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gains on investments at FV through P&L		204,473	204,473	0	169,607	169,607		187,019	187,019
ALN losses on fin. liabilities at FV through P&L	-1,229	-8,815	-10,044	-1,000	-6,000	-7,000	-1,000	-5,000	-6,000
Currency (losses)/gains on cash & debt		6,810	6,810	0	0	0	0	0	0
Investment income	13,222		13,222	14,496	0	14,496	15,984	0	15,984
Investment Manager's fee	-16,584		-16,584	-18,000		-18,000	-20,000		-20,000
Other expenses	-5	-568	-573	-3,960	-750	-4,710	-4,001	-750	-4,751
Return before finance costs and taxation	-4,596	201,900	197,304	-8,464	162,857	154,394	-9,017	181,269	172,252
Interest payable and similar expenses	-2,386		-2,386	-2,386	0	-2,386	-2,386	0	-2,386
Return on ordinary activities before taxation	-6,982	201,900	194,918	-10,850	162,857	152,008	-11,403	181,269	169,866
Taxation	-2,594		-2,594	-2,594		-2,594	-2,594		-2,594
Return on ordinary activities after tax	-9,576	201,900	192,324	-13,444	162,857	149,414	-13,997	181,269	167,272

Source: PIP Report and Accounts, Hardman & Co Research

Balance sheet

@ 31 May (£'000)	2015	2016	2017	2018	2019	2020E	2021E
Investments at fair value through P/L	862,029	1,071,876	1,224,142	1,274,737	1,449,634	1,598,449	1,764,676
Current assets							
Debtors	1,805	3,654	1,661	3,891	3,222	3,222	3,222
Cash and cash equivalents	137,483	115,522	167,252	162,292	142,773	128,372	114,417
Total assets	1,001,317	1,191,052	1,393,055	1,440,920	1,595,629	1,730,042	1,882,315
Current liabilities							
Creditors	1,253	3,938	5,522	19,046	4,682	4,682	4,682
Long-term liabilities							
Asset Linked Loan (ALN)				115,110	92,359	77,359	62,359
Net assets	1,000,064	1,187,114	1,387,533	1,306,764	1,498,588	1,648,002	1,815,274
NAV per share (p)	1,532	1,874	2,190	2,415	2,771	3,047	3,356

Source: PIP Report and Accounts, Hardman & Co Research

Cashflow

Year-end May (£'000)	2015	2016	2017	2018	2019	2020E	2021E
Investment income received	14,855	11,664	17,105	13,619	12,818	14,496	15,984
Deposits and other income	60	159	343	830	1,359	1,000	1,000
Investment management fees paid	-9,876	-11,011	-12,506	-14,969	-16,401	-18,000	-20,000
Other fees/cash payments	-1,727	-2,155	-1,867	-6,309	-17	-3,710	-3,751
Withholding tax deducted	-1,437	-1,985	-4,257	-10,483	-3,407	-2,594	-2,594
Net cash inflow/(outflow) from operating activities	1,875	-3,328	-1,182	-17,312	-5,648	-8,807	-9,361
Cashflow from investing activities							
Purchase of investments	-171,799	-263,203	-251,181	-254,426	-285,326	-347,643	-385,875
Disposals of investments	225,971	244,540	303,131	351,335	313,330	367,643	405,875
Net cash outflow from investing activities	54,172	-18,663	51,950	96,909	28,004	20,000	20,000
Cashflows from financing activities							
ALN repayments	0	0	0	-77,152	-44,909	-22,000	-21,000
Share buybacks	-6,872	0	0	-3,546	-500	0	0
Redeemable share buybacks	-4,389	-22,022	-26	0	0	0	0
Loan commitment and arrangement fees paid	-1,953	-992	-1,378	-1,577	-3,286	-3,594	-3,594
Finance costs paid for deferred payment transaction	0	0	-182	0	0	0	0
Net cash inflow from financing activities	-13,214	-23,014	-1,586	-82,275	-48,695	-25,594	-24,594
Net increase in cash and cash equivalents	42,833	-45,005	49,182	-2,678	-26,339	-14,401	-13,955
Opening cash and cash equivalents	88,346	137,483	115,522	167,252	162,292	142,773	128,372
FX effects	6,304	23,044	2,548	-2,282	6,820	0	0
Closing cash and cash equivalents	137,483	115,522	167,252	162,292	142,773	128,372	114,417

Source: PIP Report and Accounts, Hardman & Co Research

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