Pantheon International (PIN)

PIN's new chairman reiterates strategic focus on improving performance

Update
19 March 2026

Overview

Pantheon International (PIN) has one of the longest track records within the listed private equity sector. It offers investors a one-stop-shop exposure, with a portfolio curated by the specialist team at Pantheon, offering access to the best private equity funds globally, as well as direct company investments.

New chairman Tony Morgan continues the board's strategic drive to improve performance, essentially by sharpening the PIN proposition across a range of aspects. As we discuss in the **Performance section**, whilst the recovery in private equity markets continues, the board believes that it cannot be complacent, and continues to be on the front foot to make PIN ever more attractive to investors.

Other than continued buybacks, one of the more immediate and tangible steps towards the board's goal is a reduction in the annual management fee (see **Charges**) starting 01/06/26, which if applied to last year would have represented a c.19% reduction. In terms of the **Portfolio**, the board and manager have decided to refocus future allocations of capital towards a core list of c. 25 private equity managers, a significant reduction from the c. 90 managers that PIN currently has in the portfolio. The board sees this move as a key strategic differentiator, and in time will result in improved performance.

In order to further sharpen NAV returns, generate additional capital for buybacks and hasten the shift towards a more focussed portfolio, the board has also resolved to be a more active seller of assets. Over time, shareholders should therefore expect portfolio sales in the secondary market, with at least 20% of the proceeds allocated to the distribution pool, set aside to return capital to shareholders (see **Discount**).

Finally, the board intends to move to a model in which PIN invests on a relatively consistent basis over time, as well as adopting a counter-cyclical approach to **Gearing**, which in its view will boost long-term returns and make the PIN proposition more compelling.

PIN's manager is providing an update webinar for investors on 26 March. If you would like to attend the webinar, please register via **PIN's website here**.

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Analyst's View

PIN's board was in many respects the 'first-mover' in addressing for PIN what is a sector-wide performance and discount malaise. It continues to implement its strategic plan, which in our view continues to add to the attractiveness of PIN as an investment proposition. The benefits of the board's approach were seen during 2025, over which PIN's discount narrowed significantly.

It is perhaps unfortunate that subsequent macro events during 2026 have undone some of the discount narrowing, but at the time of writing PIN now trades in line with the peer group average discount. We remain of the view that with PIN's board so clearly focussed on initiatives to improve performance and narrow the discount, the potential for strong returns for shareholders is clearly there.

If market conditions allow, a significant secondary sale of PIN's fund interests may provide a catalyst for the discount to narrow, although we understand that secondary transactions can take a lot of time to implement. We believe that a continued improvement in exits and distributions to PIN will likely be the main catalyst for both NAV and share price returns, which will be amplified by the board's enhanced capital allocation policy (see **Discount**) as well as investors more fully appreciating the attractions of the incremental changes that will be made to the portfolio as time goes on. On a discount to NAV of c. 32%, PIN represents an attractive way to get exposure to global private equity.

BULL
Experienced specialist manager, combined with proactive board, focussed on shareholders
Long-term track record of NAV growth
Discount to NAV remains wide

BEAR
Illiquid underlying assets, future buybacks depend on realisations or portfolio sales
Gearing can amplify the downside
No dividend

Portfolio

Pantheon International (PIN) has one of the longest track records within the listed private equity sector. It offers investors a one-stop-shop exposure to global private equity, curated by the specialist team at Pantheon, who can look back on decades of experience and relationships to get access to what they see as the best private equity funds globally, as well as investing directly in private equity backed companies alongside their chosen private equity managers.

PIN's board was in many respects the 'first-mover' in addressing for PIN what is a sector-wide performance and discount malaise. Initially, the board signalled its intent by initiating a £200m share buyback programme, including a £150m tender offer in 2023, which returned capital to investors and represented a slightly more aggressive stance towards balance sheet management, which included a formulaic approach to future returns of capital.

The recent interim results marked the first formal report under new chairman Tony Morgan. He continues to drive initiatives forward towards the board's goal of improving performance, essentially by sharpening the PIN proposition as well as addressing the supply / demand balance for shares in the market. As we will discuss in the **Performance section**, the green shoots to a recovery in private equity performance continue to appear. However, the board's approach reflects its belief that it needs to not wait for the market to improve, instead being on the front foot to make PIN ever more attractive to investors. Private equity investing is a long-term discipline, and so changes made will typically be incremental, the effect of which will be seen in years to come. That said, the interims highlighted further tangible steps forward, together representing the board's steady focus on performance improvement.

One of the more immediate and tangible improvements is a reduction in the annual management fee (see **Charges**) starting 01/06/26, which if applied to last year would have represented a c. 19% reduction. In terms of the portfolio, having access to Pantheon's wide network and depth of expertise is a clear differentiator for PIN. However, reflecting the changed investment environment since interest rates rose in 2022, the board and manager have decided to refocus future allocations of capital towards a core list of c. 25 private equity managers, which will represent a significant reduction from the c. 90 managers that PIN currently holds. The board believes that these core relationships (and the associated direct investment opportunities that result) will be a further strategic differentiator that can lead to improved performance going forward given these managers have been chosen on their ability to generate alpha in the current, arguably less forgiving environment.

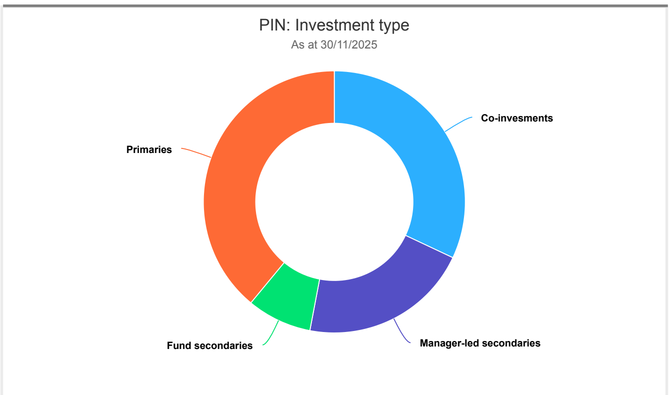
In order to sharpen NAV returns, generate additional capital for buybacks and hasten the shift towards a more focussed portfolio, the board has also resolved to be a more active seller of assets. The secondary market for private equity assets has seen huge growth over the last decade, and the board is actively exploring opportunities to use this increasingly liquid market to dispose of PIN's tail of fund holdings – especially of non-core managers. That said, the transaction process takes time, and so the timing of tangible progress on this front is likely hard to predict. Over time, shareholders should therefore expect portfolio sales, with at least 20% of the proceeds allocated to the distribution pool to return capital to shareholders (see **Discount**).

The initiatives seeking to bring increased focus within the portfolio can be seen as an extension of a process that has been occurring over several years. One statistic provided by PIN is that in June 2013, the main bulk of the portfolio (80% of the total) was represented by investments in 922 companies. In November 2025, the number of companies represented by the same 80% of the portfolio was 503 – representing a 45% reduction and clearly a more focussed portfolio – without losing the overall benefits of being widely diversified.

Coming to investment pacing, the board intends to move to a method in which PIN invests on a relatively consistent basis over time, as well as adopting a counter-cyclical approach to **Gearing** to boost long-term returns and make the PIN proposition more compelling. By being disciplined at the top of the cycle, and not 'over-investing' when distributions are at historic highs, but gearing up at the bottom of the cycle, the board and manager aim to smooth investments by vintage, and thereby achieve higher returns over the cycle. The board observes that the closed-ended nature of an investment trust, not having to deal with inflows and redemptions (perhaps exaggerating the private equity cycle), is extremely well placed to deliver on this approach.

Diversification remains key to the strategy. Currently, as we show below, the managers seek to balance investments with the current overall split being 53% invested directly in companies through co-investments and manager-led secondaries, and 47% through funds. As well as reducing

Fig.1: Portfolio Breakdown



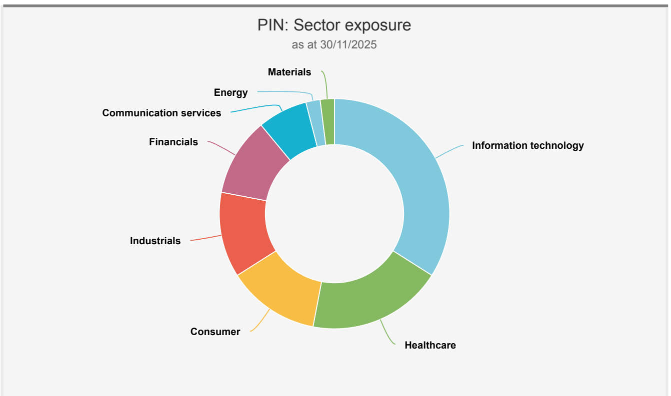
Source: Pantheon International

the overall cost of investment – often co-investments are effectively fee-free to Pantheon – the other benefit is that Pantheon can decide whether to participate in these opportunities (assuming they are deemed attractive from an investment perspective) depending on the specifics of PIN's balance sheet or portfolio mix at the time they are considered.

As manager, Pantheon look to invest in companies that are resilient and in non-cyclical sectors benefitting from long-term trends. Currently, these identified trends are automation, digitalisation, and ageing demographics, which are represented by the main exposures being within the technology, healthcare and consumer staples sectors. At the same time, in managing risk, the team look to maintain low single-company exposure with the maximum invested in any single company between 1% and 1.5% at the time of investment. Overall, the portfolio is exposed mainly to buyouts, with a specific emphasis on small and mid-sized deals. Additionally, 6% is invested in venture and 18% in growth. PIN's companies are well placed to attract investment attention from some of the large/mega-cap buyout houses who continue to have record 'dry powder' to invest.

As we show below, the majority of PIN's sector exposure is to four main sectors, reflecting the growth opportunities within them. Recent market moves, which have seen listed software businesses de-rated, have had an impact on listed private equity stocks, and as we discuss in the **Discount section**, PIN has not been insulated from this. We understand that the majority of the companies that comprise PIN's technology exposure are those offering software-as-a-service solutions. Many of these companies are operating in areas such as payroll processing, HR systems and accounting systems, and they have built up their product offering and customer bases over many years. Whilst the adoption of AI is being seen by many as a threat to these types of businesses, PIN's managers see AI as an opportunity to expand the total addressable market. By being early adopters of AI and exploring how it can enhance the capabilities of their portfolio companies, the managers are already undertaking substantial work to position their companies to succeed. It is too soon to say how the recent share price volatility experienced by software companies in the public markets might impact PIN's portfolio but the team believe they are backing managers that are nimble and are ready to respond to, and take advantage of, changing market dynamics.

Fig.2: Sector Breakdown



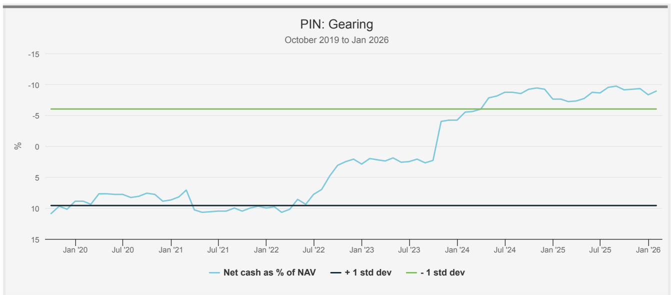
Source: Pantheon International

In terms of the outlook, the strategic changes made to PIN by the board and manager continue to add to its attractions as a long-term investment vehicle, offering a unique exposure to private companies globally. With the discount having widened so far this year, the manager notes that signs of a recovery in the private equity market may be taking shape. The rate of distributions from PIN's underlying portfolio continues to track upwards, providing evidence of transaction activity improving. With revenues and EBITDA growth robust, this represents a healthy backdrop for investors considering an investment.

Gearing

As we discuss in the **Portfolio section**, PIN's board has a singular focus on improving performance. Its analysis has indicated that PIN should employ gearing for investment purposes more readily than it has in the past, given the long-term returns on capital have well exceeded the cost of borrowings. Its first step towards increasing gearing came with the decision to conduct a significant tender offer in 2023, which took PIN into geared territory. Since then, gearing has gradually risen to the current level of c. 10%, towards the upper end of the board's target range. Going forward, PIN aims to take a counter-cyclical approach to the gearing level, with the objective of reducing gearing when private equity markets are strong, and being more highly levered when times are tougher. The board's policy is to be a consistent investor through the cycle, and have a strong balance sheet to enable PIN to carry on investing even during periods of low distributions.

Fig.3: Gearing



Source: Pantheon, Kepler Partners

PIN's gearing is provided by structural gearing (£121m of loan notes expiring in 2029, 2031 and 2034) with an average interest cost of 6.5% and a £400m flexible revolving credit facility (extendable to £700m subject to lender consent), which has a floating interest rate. Currently, PIN has gearing of 8.9% of NAV. Last year PIN extended the maturity date of its RCF from October 2028 to October 2029, and reduced the interest rate margin it pays over bank rates by 30 bps to 2.65%.

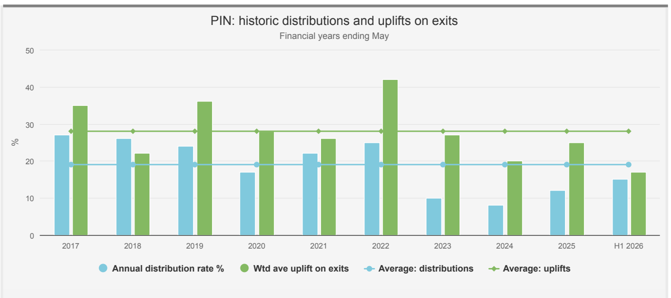
Performance

As one of the longest running private equity trusts, PIN's NAV serves to demonstrate the long-term attractions of the asset class. As the table below illustrates, returns since inception have compounded at a significantly greater rate than global equities. In absolute terms, PIN has delivered attractive NAV returns, having annualised at 10.2% over five years and 11.3% over ten years. Until the last few years, relative performance was also equally strong. However, since 2022 two powerful forces have intervened, which together have put shorter-term returns from the private equity sector and PIN in the shade. Firstly, in absolute return terms the combination of rising interest rates and global macro volatility has been a major headwind for the private equity industry as a whole and PIN's portfolio, with underlying companies having to navigate a higher operating and financing cost environment as well as significantly slower transaction activity. At the same time, in relative terms, performance has also been poor given that listed equity indices globally have been driven by the performance of a narrow group of mega-cap technology companies.

PIN's board has stated that over the medium to long term, it still believes private equity will extend its track record of beating public market returns. However, as we discuss in the **Portfolio section**, alongside the manager the board is undertaking a number of initiatives with the aim of improving returns in the years to come. Fundamentally, Pantheon seek to create a portfolio of global and growing private equity assets that they believe offers investors a defensive growth portfolio capable of outperforming public markets over the long term. The primary engine of NAV growth remains the underlying portfolio's revenue and earnings growth. PIN reported that the directly invested portfolio continues to deliver on this front, with revenue and EBITDA growth of 12.7% and 12% respectively for the 12 months to 30/06/2025.

An important driver of returns over the life of any investment is when it is sold, and the managers can crystallise the value they have added to a business. As we highlight above, the background environment for private equity dealmaking has been muted since 2022, which has taken the shine off performance for the whole sector. That said, there have been increasing signs that a recovery may be taking hold, with PIN's distribution rate (portfolio realisations as a percentage of opening portfolio value) continuing to build from the low point in 2024. Uplifts on realisations continue to be achieved, although at 17% for the six months to end November this is below the 25% level achieved for the last financial year. This should give reassurance on valuations in the rest of the portfolio and shows managers can still command good prices for companies they are selling. PIN's portfolio continues to generate net cash (realisations exceeding capital calls), further extending the period of consecutive years of positive net cash generation towards 16 years. The

Fig.4: PIN: Realisation Metrics



Source: Pantheon International
Past performance is not a reliable indicator of future results.

Annualised Performance As At 31/01/2026

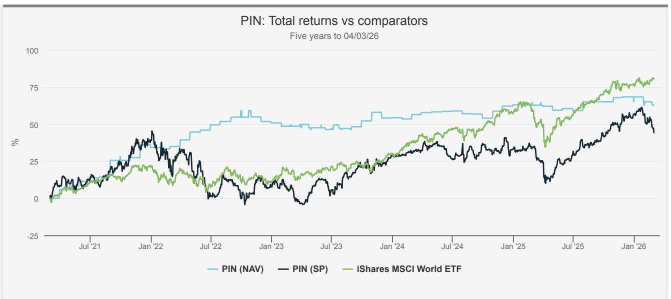
	1 YEAR %	3 YEARS %	5 YEARS %	10 YEARS %	SINCE INCEPTION %
NAV per share	-1.1	3.1	10.2	11.3	11.6
Share price	17.1	12.5	9.8	11.8	10.5
FTSE All-Share	21.1	13.1	12.6	9	7.9
MSCI World £	8.7	15.6	13.4	14.1	8.9
NAV vs FTSE All-Share	-22.2	-10	-2.4	2.3	3.7
NAV vs MSCI World	-9.8	-12.5	-3.2	-2.8	2.7

Source: Pantheon International
Past performance is not a reliable indicator of future results

Pantheon team report a good pipeline of companies on the exit ramp, which – current macro volatility notwithstanding – should see the strong first half of the financial year continue into the second half.

We show below NAV and share price returns over the past five years. As we discuss above, the current period of muted returns began in 2022, whilst public markets have delivered very strong returns since then. However, it is noteworthy that over this period global equities only overtake PIN's NAV total returns in the latter half of 2025, showing what a strong period the years after COVID were for PIN. Over 2025 PIN's discount narrowed significantly but subsequent macro events during 2026 have undone some of this good work. We remain of the view that with PIN's board so clearly focussed on initiatives to improve performance and narrow the discount, the potential for strong returns for shareholders is clearly there. Our view remains that continued improvement in realisations will be the main catalyst for both NAV and share price returns, which will be amplified by the board's enhanced capital allocation policy (see **Discount**) and the incremental changes that will be made to the portfolio.

Fig.5: Five-Year Performance



Source: Morningstar, Kepler Partners, PIN NAV data to 31/07/2025, other data to 19/09/2025
Past performance is not a reliable indicator of future results.

Dividend

PIN's main objective is capital growth and private equity investments are generally structured not to pay out income. Historically it has not earned enough income to pay dividends, being a characteristic of the asset class. Some trusts in the sector pay dividends from capital, and it is clear that the board of PIN sees buybacks as the principal method of returning capital to shareholders, which at the current discount level is highly accretive (see **Discount section**).

Management

PIN is managed by Charlotte Morris, who took over as sole lead manager of the trust when Helen Steers MBE retired at the end of 2025. Charlotte is an investment partner at Pantheon and is supported by a team with a specific responsibility for PIN as well as the wider Pantheon platform.

Three new PIN board members were appointed during 2025 with specific expertise in private equity, and a new chairman, Tony Morgan, was elected at the AGM. The board has been increasingly proactive in agreeing the strategy followed by the managers (see **Portfolio section**). This is all part of the board's strategic plan, which includes better capturing the desire of increasingly sophisticated investors to invest in new asset classes such as private equity, as well as targeting those investors whose objectives align with PIN's.

Overall, Pantheon manages c. $84.8bn of discretionary assets and is headquartered in London, with a total of 13 locations in Europe, North and South America and Asia. With over 140 investment professionals worldwide, Pantheon's database covers over 10,900 private equity managers. One of the key points about Pantheon as a business and its long-serving managers is that accessing opportunities with the best private equity managers is not easily replicated, as it involves long-established relationships between the various parties. Private equity managers want to know they are working with reliable partners that they can look to for capital, and Pantheon's long-term track record of being a reliable partner means it has access that few investors could easily replicate.

Charlotte is an investment partner at Pantheon and is actively involved in and committed to the firm's private equity secondaries business. She has been instrumental in sourcing and executing investments for PIN over the past several years and her expertise in both single-asset and LP secondaries are particularly relevant as the company's portfolio tilts further towards direct company investments and as asset sales become an integral part of PIN's strategy. Charlotte joined Pantheon in 2006 from CDB Web Tech, an investment vehicle listed on the Milan Stock Exchange, and spent 2.5 years working in Pantheon's San Francisco office. She serves as a member of Pantheon's Global Secondaries Investment Committee, Investment Management Committee and Sustainability Committee, and is engaged across Pantheon's transactional investment activities.

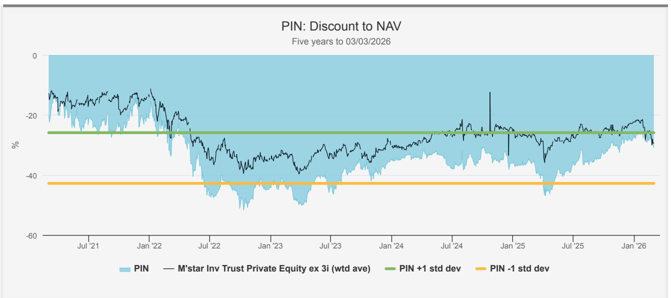
Discount

PIN's discount widened significantly during 2022, when investor confidence across public and private markets ebbed following Russia's invasion of Ukraine and interest rates around the world increased. Arguably, this was a logical reaction to activity in the private equity market declining, given realisations of holdings is one of the drivers of NAV growth. As much as it has been a headwind in the past few years, so too can it be seen as a potential catalyst for the discount to narrow. And on this front, as we discuss in the **Performance section**, there are continued grounds for optimism, given the continued signs of momentum building in private equity markets.

Whilst the signs of an improvement in sentiment are to be welcomed, PIN's board continues to press on with its strategy of focussing on performance improvement, in order to make PIN's shares ever more attractive to prospective investors. A key part of this strategy is a formulaic buyback programme, with the aim of sustainably changing the supply and demand dynamics for the company's shares. Over time, 20% of gross distribution proceeds will be reserved for the distribution pool. The board has said it will exercise its discretion to use the distribution pool to implement buybacks when the share price discount exceeds 20%. As at 30/11/25, £52.4m remains in the buyback pool, with the board having spent £84m on accretive buybacks in the 12 months to 30/11/25.

Other initiatives to narrow the discount include focussing the portfolio on a slightly narrower group of proven managers and being an active seller of assets (see **Portfolio**), investing on a relatively consistent basis over time, as well as adopting a counter-cyclical approach to **Gearing** with the aim of boosting long-term returns, and reducing costs (see **Charges**). These initiatives have been ongoing, and so PIN's significant discount narrowing during 2025 was to be welcomed. It is unfortunate that global macro events have transpired and that 2026 has seen the discount widen, although rather than trading at a discount to peers, the graph below illustrates that PIN now trades in line with the Morningstar peer group in terms of discount.

Fig.6: Discount To NAV



Source: Morningstar, Kepler Partners

Charges

PIN's management fee has recently been renegotiated by the board as part of its strategy to improve performance and increase the attractions of the shares to investors. From the start of the next financial year (01/06/2026), PIN will pay a simple flat fee of 1% of NAV and no fee on undrawn commitments. If this structure were applied to last year, we understand that the management fees payable by PIN would have been c. 19% lower.

PIN's historic OCF as at 30/11/2025 was 1.41%. The OCF compares favourably with the relevant peer group (ex 3i), which we calculate has a simple average of c. 1.6%. That said, methodologies across the sector do vary, and this does not include any fees paid to underlying managers. We note that these charges are accounted for in the NAV of the trust and don't detract from the share price.

PIN also has a performance fee, which consists of 5% of the amount by which the NAV each year exceeds 110% of a high-water mark. The high-water mark is the NAV taken at the time a performance fee was last paid, compounded annually at 10%. As at 30/11/2025, the notional NAV above which a performance fee would be paid is a net asset value of 712.4p. At the time of writing, the most recent NAV of 503p (as of 31/01/2026) would suggest it is unlikely a performance fee will be payable for the current year.

ESG

Sustainability is an important topic for the team and is integrated into the investment process. In Pantheon's view, ESG topics are viewed as potential drivers of underlying company returns, but also as a way to better understand their potential risks.

Being both a direct co-investor and indirect (through funds) owner of stakes in companies, in both cases the team's process involves analysis of the private equity managers they invest alongside, considering how those managers implement their own ESG policies and criteria, as well as analysis of the investee companies themselves if applicable. The team uses proprietary ESG scorecards adapted for different circumstances, so, for example, a co-investment scorecard would look at the specific company and the private equity manager. The team observe that small and medium-sized businesses may not collect and report on all the data that they could, and so the topic remains a work in progress.

Private equity investments usually involve a controlling stake, and therefore PIN's partner private equity managers have direct access to management, typically sitting on boards, and have the ability to directly influence their approach to ESG. Whilst large public equity fund managers will clearly have an influential voice in steering the companies they own, the private equity approach is a step up from this: as owners of the business rather than shareholders, private equity managers have greater power to execute changes, rather than call for them. Overall, PIN is not specifically an ESG product, but over time it is the aim that PIN's approach could have a combined effect of influencing improvements in sustainability-related activities for individual companies and be a source of returns and risk mitigation for shareholders.

The nature of PIN's portfolio means that Morningstar cannot provide standardised ESG ratings.

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