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Pantheon International (PIN)

PIN's strategy to improve returns is taking effect.

William Heathcoat Amory william@keplerpartners.com

Overview

Investment objective

To maximise capital growth over the long term.

Source: Morningstar

As at:	16/10/2026
Trust Name	Pantheon International
Ticker	PIN
Management Company	Pantheon Ventures (UK) LLP
Manager Name	Charlotte Morris
Association of Investment Companies (AIC) Sector	Private Equity
Dividend Yield	0.0%
Dividend Distribution Frequency	Annually
Latest Market Capitalisation	£1,438,227,780
Latest Net Gearing (Cum Fair)	11%
Latest Ongoing Charge Ex Perf Fee	1.39%
Shares Outstanding	372,115,855
(Discount)/ Premium (Cum Fair)	-27.7%
Daily Closing Price	386.5p

Pantheon International (PIN) offers investors exposure to a unique portfolio, built by a management group with over 40 years of private equity and venture capital expertise. As a result, shareholders benefit from access to the very best managers across the private equity spectrum – from buyouts to venture. PIN has a distinctive slant towards small and mid-sized companies, which the managers believe offers the greatest potential to deliver for investors.

Responding to the persistently wide discount to NAV, PIN's board have put in place a number of initiatives to make the proposition more attractive, both at a company level and at a portfolio level. Recognising that improving NAV performance is key to a narrower discount over the long term, the board and the manager have agreed to reposition the portfolio to focus on a tighter, core group of high conviction managers who have demonstrated above average returns. Earlier this year, PIN achieved a £224m secondary sale of fund interests (representing c. 10% of the portfolio at the end of March 2026), which as well as contributing significant liquidity to fund share buybacks (see **Discount section**), also helped advance the trust towards the strategic goal of reducing the fund portfolio to a core of 25 managers.

PIN's board is also making changes to the pace of investment. Recognising that new investments are the engine of future returns, the board aims to act more deliberately in terms of capital allocation, to invest consistently throughout the cycle. This will require discipline, and PIN's revolving credit facility (see **Gearing section**) will be very helpful in this regard. The aim is to continually rejuvenate the portfolio with younger vintages, whilst avoiding being more heavily exposed to one vintage than another.

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Analyst's View

The changes seen in PIN's portfolio represent tangible steps forward in the board's clearly laid-out strategy. This strategy is multi-faceted and should see PIN's attractiveness to investors improve on a number of different metrics. Already, meaningful progress on several fronts has been achieved.

Perhaps the longest to play out, but arguably the most important component of this strategy, is the evolution of the portfolio. As we discuss in the **Portfolio section**, the board and manager have been able to use a significant secondary sale to speed up the progress of these changes, and more secondary sales will potentially follow as time goes on. Going forward PIN should emerge as a more focused portfolio, better adapted to the challenges that face the private equity market of today and into the future.

The board and manager believe that private equity investments grow faster in the first four to five years, and as such see refreshing the portfolio as key to generating attractive NAV returns over the long term. At the same time, in allocating 20% of gross cash proceeds to the distribution pool, capital will continue to be returned to shareholders. Whilst the discount to NAV has narrowed, at the current level of c. 28%, buybacks are highly accretive. Elsewhere, the board has secured cost savings to gearing and management fees, the latter of which should fall by 19% had the fee arrangement been in place during the year ended 31 May 2025.

In our view, PIN's discount to NAV is more a symptom of the industry wide slowdown and period of muted returns and distributions, and doesn't reflect the increasingly attractive proposition that the shares represent by offering access to private equity's long term returns.

Bull

- Experienced specialist manager, combined with proactive board focused on shareholder returns
- Long-term track record of NAV growth
- Discount to NAV remains wide

Bear

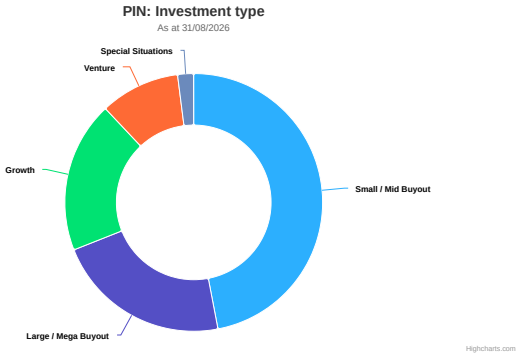
- Illiquid underlying assets, and relatively opaque
- Gearing can amplify the downside
- No dividend

Portfolio

PIN offers investors exposure to a unique portfolio, built by a management group with over 40 years of private equity and venture capital expertise. Experience this long is hard to come by in private equity, which was somewhat nascent 40 years ago, but has since grown and become mainstream. As a result, PIN's shareholders benefit from access to the very best managers across the private equity spectrum – from buyouts to venture. But also, as was illustrated in the recent capital markets day, PIN has access to the best advisors in terms of buying or selling secondary stakes in private equity funds – of which more later.

The portfolio as it stands now is highly differentiated from listed private equity peers, and the majority of which is represented by buyouts but it also has exposure to some of the best performing and hard to access growth and venture managers. Within buyouts, PIN has a definitive slant towards small and mid-sized companies, which the team believe offers better growth and exit prospects. We show the most recent breakdown in the chart below. The focus within buyouts towards small and mid-sized companies is a deliberate strategy which the managers believe offers the greatest potential for capital growth. They make the case that deals are more attractively priced at this end of the market, and there is better visibility on the operational drivers which create value over the life of the investment. Deals this size also offer a greater number of routes to exit the investment, which have traditionally been to strategic buyers, or other private equity firms. On average, over the long term, only 7% of PIN's portfolio has been exited via an IPO or via secondary share sales, illustrating that achieving liquidity from an investment is not conditional on quoted market conditions.

PORTFOLIO BREAKDOWN

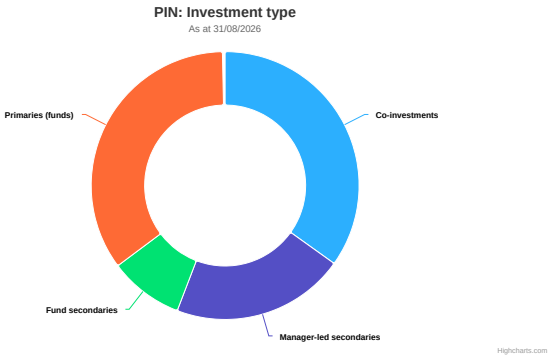


Source: Pantheon International
Past performance is not a reliable indicator of future results.

Responding to the persistently wide discount to NAV, PIN's board has put in place a number of initiatives to improve the investment proposition over the last few years, both at a company level and at a portfolio level. We discuss the main elements of the former in the **Discount** and **Charges sections**, with formulaic returns of capital and cost savings both implemented, designed to improve PIN's attractiveness to long term investors. The board also recognises that improving NAV performance is also key to attracting investors and a narrower discount over the long term. In this regard, they have agreed with the manager to reposition the portfolio over time to focus on a tighter, more focussed group of high conviction managers who have demonstrated above average returns. Direct investments (co-investments and manager-led secondaries) will continue to be evaluated and invested in on a deal-by-deal basis, and we understand will not be restricted to core managers.

Supported by PIN's manager, the board's plan is to focus the fund portfolio on 25 core managers, which would represent a significant reduction from the c.90 managers in the portfolio as at 30/11/25. Earlier this year, PIN achieved a £224m secondary sale of fund interests (representing c. 10% of the portfolio), which at a stroke reduced the number of managers by 28 (24 of which were non-core), contributing to a 32% reduction in the number of managers that PIN is exposed to. This secondary sale also served to rebalance the portfolio towards the US, given that European assets were overrepresented in the portfolio being sold. This is part of a strategic tilt towards the US for PIN, which represents the deepest private equity market. As a result of the secondary sale, fund investments have fallen to 44%, and direct investments (co-investments and manager-led secondaries) rose to a combined 56%. The long-term target is for an even balance between funds and direct investments. With the board having stated it wishes to be a more active seller of assets, over time shareholders should expect further portfolio sales, assuming attractive transactions can be instigated.

PORTFOLIO BREAKDOWN



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

Aside from making the portfolio more focused, PIN's board is also making changes to the pace of investment that will be made over the coming years. Recognising that new investments are the engine of future returns, the board aim to act more deliberately in terms of capital allocation, mitigating the inherent cyclicality of private equity investing. In the financial report for the year ending 31/05/26, the manager states that "pro-cyclical investing has hurt subsequent performance", and to that end the team aim to invest consistently through the cycle. This will require discipline, and PIN's gearing facility (see **Gearing section**) will be very helpful in this regard, given the difficulty of predicting outflow and inflows over the short term. The aim is to continually rejuvenate the portfolio with younger vintages, whilst avoiding being more heavily exposed to one vintage over another.

Investment for future NAV growth needs to be balanced against the board's desire to return capital to shareholders. PIN's portfolio has been consistently cash generative, with net cash generated in each of the last fifteen financial years. For example, during the last financial year, PIN made 16 new investments totalling £169m across funds, co-investments and secondaries. At the same time, PIN bought back shares

worth £118m and achieved distributions (excluding the £224m secondary sale, which completed after the end of the financial year) of £392m.

Aiding the ability of PIN's mature portfolio to throw off cash distributions, PIN's managers have considerable expertise in the secondary market for private equity interests. The board intends to make more use of the secondary market, and has it as a strategic goal to be an "active seller of assets". At the recent capital markets event, we heard from one of the partners at Park Hill Advisory, who helped on the recent, very successful secondary transaction. The secondary market is very large, but it is very idiosyncratic. Aside from the ability to match buyer and seller at a mutually agreeable price, underlying private equity managers need to approve any sale of their funds to the new buyer. This means that transactions are complex and take time. Given these complexities, and the significant quantity of capital that secondary buyers have, PIN's portfolio sale of between £200-300m hit the sweet spot in terms of attracting interested parties and a competitive sale process. Secondary sales are an important tool for the board and manager to hit their strategic objectives from a portfolio perspective, or help with liquidity requirements in a speedier manner than would be the case if relying on purely organic cashflows.

The changes that have been seen in the portfolio represent tangible steps forward in the board's clearly laid-out strategy. This strategy is multi-faceted and should see PIN's attractiveness to investors improve on a number of different metrics. Already, meaningful progress on several fronts has been achieved. Perhaps the longest to play out, but arguably the most important component of this strategy, is the evolution of the portfolio. As we have seen, the board and manager have been able to use a significant secondary sale to speed up the progress of these changes, and more will undoubtedly follow as time goes on. Going forward PIN should emerge as a more focused portfolio, better adapted to the challenges that face the private equity market of today and into the future.

Gearing

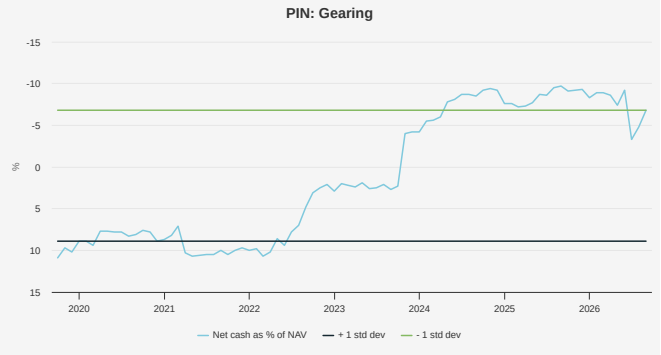
The ability of an investment trust to borrow money is considered an advantage when compared to open-ended funds. For listed private equity trusts like PIN, it is doubly so – given that it not only enhances positive NAV growth, but it also helps the manager ensure the trust is as fully invested as possible over time. This is an important consideration, and one that requires careful management with private equity investing, given the illiquid nature of investments and the difficulty of predicting cashflows over the medium term.

In 2023, PIN's Board made a deliberate decision to increase gearing, aiming to reduce cash drag, improve capital efficiency and enhance long-term shareholder returns. Since then, as the graph below shows, gearing has risen to a maximum level of 10%, but has recently reduced thanks to the recent secondary sale of a portfolio of fund interests. PIN's board expects to allocate capital to new investments but also to fund buybacks (with £83.1m as at 31 August 2026 currently in the distribution pool – see **Discount section**). As such, we would envisage gearing start to increase again over the short term, as this capital is deployed.

Over the medium term, PIN aims to take a counter-cyclical approach to the level of gearing, the strategy being to reduce gearing when private equity markets are strong, and to have higher levels of gearing when times are tougher. Overall, the board's policy is to be a consistent investor through the cycle by maintaining a strong balance sheet that will enable PIN to carry on investing even during periods of low distributions. As at 31/08/26, PIN had a commitment cover of 4.2x for funds within investment period, which is towards the upper end of peer group comparables and means it has a lot of flexibility to deploy further capital.

PIN's gearing is provided by structural gearing (£111m 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), with a maturity date of October 2029.

GEARING



Source: Pantheon, Kepler Partners

Past performance is not a reliable indicator of future results.

Performance

Private equity as an asset class has a track record of outperforming public markets over the long term. However, over recent years, public markets have delivered very strong returns by historic standards, whilst private equity returns have been muted. PIN's performance reflects this, as we illustrate in the table below. PIN's board have set out a strategy which seeks to improve performance through several proactive and tangible steps, including refreshing the portfolio, focussing on Pantheon's highest conviction managers, and reducing costs.

ANNUALISED PERFORMANCE AS AT 31/08/2026

	1 YEAR %	3 YEARS %	5 YEARS %	10 YEARS %	SINCE INCEPTION %
NAV per share	4.7	5.2	6.6	10.6	11.4
Share price	19.8	12.3	6.4	10.3	10.7
FTSE All-Share	21.3	16.9	11.2	8.5	8
MSCI World £	20.4	17.9	12	13.2	9
NAV vs FTSE All-Share	-16.6	-11.7	-4.6	2.1	3.4
NAV vs MSCI World	-15.7	-12.7	-5.4	-2.6	2.4

Source: Pantheon International

Past performance is not a reliable indicator of future results

Fundamentally, we believe two main factors have likely played parts in the muted performance over recent times. Firstly, the sudden change in interest rates that came in 2022, following Russia's invasion of Ukraine, had a significant impact on the private equity industry. Buyouts, to which PIN is mostly exposed, traditionally use significant levels of borrowings as part of the capital structure of businesses they own. When interest rates rose dramatically, this changed the financial models – not only of existing investments, but also for those seeking to buy or sell investments. Significantly higher interest costs had to be factored in. It has likely taken time to

work through this one-off adjustment, and for pricing expectations to shift to the new reality. Secondly, private equity investing is cyclical. When returns are strong, cash comes back to investors, and ever greater sums are committed to future deals. This means that at times of euphoria and with significant amounts of cash that needs to be invested, companies can command what can seem in retrospect, high prices.

These two macro influences combined in 2021/2022, when private equity optimism was running high, and at the same time interest rates suddenly rose dramatically. As a result, private equity investors have tended to be "overweight" to 2021/2022 vintages, and because of higher prices paid within these vintages, as well as interest rates having subsequently risen, these funds have not performed as strongly as originally hoped. Slower deal activity since 2022 has meant that portfolios have not been refreshed. In our view, this provides something of an explanation for the muted returns experienced across the sector in recent years, but also explains PIN's board's strategy, which seeks to be increasingly active in using secondary sales to reposition the portfolio, as well as having adopted a more considered counter-cyclical investment approach over time. We show below the peer group's exposure to 2021/2022 vintages, as well as the total exposure to pre-2022 vintages. PIN's statistics take into account the recent secondary sale, and means it has similar exposures to peers with regard to the 2021/22 vintages, but also demonstrates the maturity profile of the portfolio.

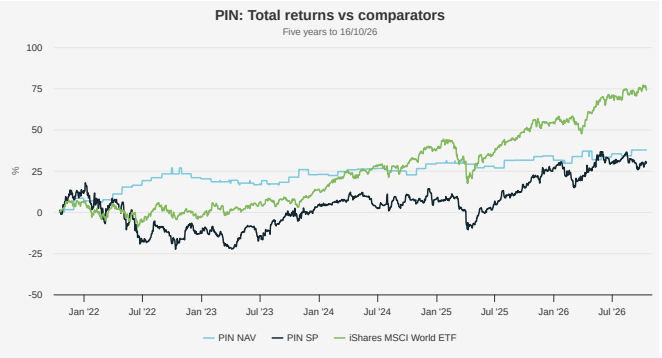
VINTAGE ANALYSIS

	2021/2022 %	2022 AND OLDER %	AS AT
PIN	42	80	31/08/2026
NBPE	25	75	31/07/2026
PPET	38	72	31/03/2026
ICGT	42	69	31/01/2026
CTPE	34	67	30/06/2026
HVPE		65	31/01/2026
HGT		57	30/06/2026

Source: Kepler Partners, company factsheets reviewed September 2026

It is in this context that we can view the last five years of performance, shown below. NAV performance was strong until the end of 2022, following which performance has been muted whilst public markets have roared away. The share price tells another story, with the discount widening during 2022, but more recently narrowing. As a result, on share price terms alone over the last year, PIN has performed strongly.

total returns vs comparators



Source: Morningstar, Kepler Partners, PIN NAV data to 31/08/2026, other data to 16/10/2026

Past performance is not a reliable indicator of future results

In the recent annual report, PIN's board notes that NAV returns have been well below the c. 15% annualised growth achieved in the ten-year period prior to 2022. It is possible that that the 2021/2022 vintages are structurally weaker because of the higher prices paid, and the managers note that whilst underlying operating performance may have been strong, it will take time for them to see higher valuations than those paid. PIN's annual report suggests that much of the pain has been felt (in the form of muted returns) and that increasingly valuations should reflect this strong operating growth. With revenue and EBITDA growth in the directs portfolio for the 12 months to 31 December 2025 being reported as 10.3% and 10.8% respectively, if companies continue to grow at this rate, then we should expect to see better NAV growth going forward.

We would also add that an additional boost to NAV returns has historically been when an investment is sold, hopefully at a premium to the carrying value. Over the last few years, not only have realisations been fewer but the premium to carrying value has been smaller. On this front, the managers report encouraging signs that activity levels are picking up. Over the last few years, annual distributions as a % of opening NAV have been running at 8%-12%, compared to prior years' average of 19%. Over the twelve months to 31/05/26, distributions were 16%, indicating a significant improvement. Uplifts to valuations on an exit during the full year to 31 May 2026 have been achieved at an average of 18%, which compares to a long-term average of 28%. Clearly if realisations continue to pick up, and uplifts continue to return to historic averages, then this will be good news for NAV growth and sentiment (the discount at which PIN's shares trade relative to NAV).

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

Charlotte has been instrumental in sourcing and executing investments for PIN over 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.

PIN's board has specific expertise in private equity, with three new members appointed during 2025, and Tony Morgan elected as new chairman at the AGM in that year. 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. $85bn of discretionary assets (as at 31 March 2026) and is headquartered in London, with locations in Europe, North and South America and Asia. With over 140 investment professionals worldwide, Pantheon has a network of 3,000 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.

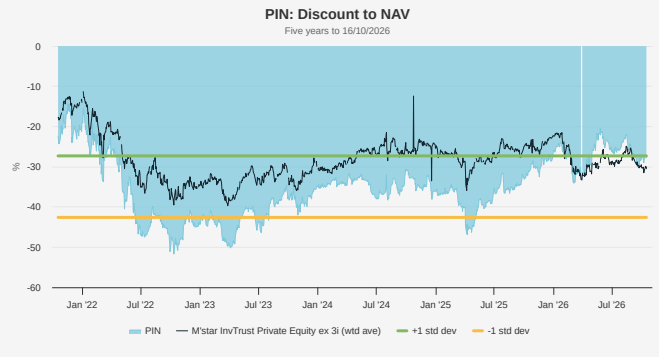
Discount

PIN, along with the rest of the listed private equity peer group, has suffered from a persistent discount to NAV. PIN's board have been at the vanguard of the peer group in seeking to address this discount. We discuss in detail in the **Portfolio section** the steps the board has taken to improve NAV performance, which is key to ensuring the discount to NAV narrows on a sustained basis. These initiatives include focussing the portfolio on a narrower group of proven managers, being more active in secondary markets (selling or buying), being more deliberate in terms of investment pace and investing on a relatively consistent basis over time, as well as adopting a counter-cyclical approach to **Gearing**, and reducing costs (see **Charges**).

At the same time, the board have also taken a number of proactive steps to return capital to shareholders, which is an attempt to address the short-term supply and demand imbalance for the shares in the market. In 2023, the board undertook a significant tender of £150m, via a reverse auction as part of a £200m share buyback programme. Since then, PIN has employed a formulaic approach towards allocating capital for buybacks. Each month, 20% of gross distribution proceeds will be reserved for the distribution pool. It has also added 80% of the recent secondary sale, providing a significant boost to firepower for buybacks.

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 31/08/2026, the distribution pool balance amounted to £83m, having significantly ramped up buybacks since the start of June, with £125m spent over these three months. As the graph below shows, having been trading at a discount to peers, PIN now trades in line with the Morningstar peer group in terms of discount. In absolute terms, the discount to NAV remains wide in absolute terms at c. 28%, and at the time of writing, the board continue to buy shares back regularly.

DISCOUNT TO NAV



Source: Morningstar, Kepler Partners

Past performance is not a reliable indicator of future results.

Charges

As of the current financial year, which started on 01/06/26, PIN will pay a simple flat fee of 1% of NAV and no fee on undrawn commitments. This new fee arrangement represents a c. 19% reduction on the previous financial year, on a like-for-like basis. PIN's historic OCF as at 31/05/26 was 1.39%, but given the new fee arrangements, we would expect the OCF to fall.

As it stands, the OCF compares favourably with the multi-manager private equity peer group, which we calculate has a simple average of c. 1.5%. 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 31/05/26, the notional NAV above which a performance fee would be paid is a net asset value of 763.1p. At the time of writing the most recent NAV was 535p (as of 31/08/2026), suggesting a performance fee is reasonably far off from being paid.

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 observes 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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