PANTHEON

Pantheon Ventures (UK) LLP
MIFIDPRU 8 Disclosure

Based on financial data as of December 31, 2023

Contents

Overview

1.1 Introduction

Pantheon Ventures (UK) LLP ("PVUK" or the "Firm") is a limited liability partnership, authorized and regulated by the Financial Conduct Authority ("FCA" or "regulator") in the United Kingdom ("UK") as a full-scope UK authorized alternative investment fund manager ("AIFM"), with "top up" permissions under FCA FUND1.4.3R including permission to manage portfolios of investments on a discretionary investor by investor basis as well as to provide investment advisory services.

PVUK is part of the Pantheon Consolidation Group. The Pantheon Consolidation Group comprises AMG Plymouth UK Holdings (1) Limited, Pantheon Holdings Limited, Pantheon Capital (Asia) Limited, Pantheon Ventures Limited ("PVL"), Pantheon Ventures (UK) LLP ("PVUK"), Pantheon Ventures (Hong Kong) LLP ("PVHK"), Pantheon Ventures (Singapore) Pte Ltd ("PV Singapore"), Pantheon Ventures (US) LP ("PVUS"), Pantheon Ventures (Asia) Limited, Pantheon Ventures (Ireland) Designated Activity Company and a number of subsidiaries of Pantheon Holdings Limited ("PHL") which act as general partners of Pantheon funds ("Pantheon" or the "Pantheon Group").

The FCA in the Prudential sourcebook for MiFID Investment Firms ("MIFIDPRU") sets out the detailed prudential requirements that apply to PVUK. Chapter 8 of MIFIDPRU ("MIFIDPRU 8") sets out public disclosure rules and guidance with which PVUK must comply, further to those prudential requirements.

PVUK is classified under MIFIDPRU as a non-small and non-interconnected MIFIDPRU investment firm ("Non-SNI MIFIDPRU Investment Firm"). As such, the Firm (on a solo firm basis) is required by MIFIDPRU 8 to disclose information on the following areas:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into PVUK's culture, to provide data on its own funds and own funds requirements whilst allowing potential investors to assess the financial strength of PVUK.

PVUK has prepared this document in accordance with the requirements of MIFIDPRU 8. Unless otherwise stated, all figures are as at the Firm's financial year-end of 31st December 2023.

It should be noted that while this document covers ICARA requirements, PVUK is also required to adhere to AIFMD Capital Requirements set forth under IPRU-INV 11.3.

1.2 Business Strategy

Pantheon has been at the forefront of private markets investing for more than 40 years, earning a reputation for providing innovative solutions covering the full lifecycle of investments, from primary fund commitments to co-investments, secondary purchases and direct customized solutions, across private equity, real assets and private credit. We have partnered with more than 1,000 investors, including institutional investors of all sizes as well as a growing number of private wealth advisers and investors, with approximately $67bn in discretionary assets under management and a combined $94.6bn in assets managed or advised (as of March 31, 2024) through a wide range of pooled funds and bespoke, customized accounts. Using creative approaches informed by our specialized experience and delivered by a global team of professionals based in offices across Europe, the Americas and Asia, we invest with purpose and lead with expertise to build secure financial futures. Underlying investors are typically institutional investors such as pension funds, insurance companies and other professional investors.

PVUK primarily seeks to grow its revenues by growing the underlying asset base on which it charges a management/advisory fee. This is achieved by the prudent growth of the Firm's investor's assets and by seeking additional asset inflows from prospective investors and investors.

Costs are controlled carefully to ensure long-term profitability. The business seeks to make investments to expand its business and product lines and to continuously improve its control environment.

Given PVUK's business model, controls, and controls assessment, it is the conclusion of the Firm that its overall potential for harm is low.

1.3 Management Body

PVUK's management body is the Partnership Board. The table below provides details of its voting members and the number of directorships held by each member outside of the Pantheon Group and its Affiliates:

		Number of Directorships Held	
Member	**Position**	**Executive**	**Non-Executive**
Paul Ward	Managing Partner	0	0
Susan McAndrews	Partner	0	0
Jeffrey Miller	Partner	0	0
Robin Bailey	Partner	0	0
Kathryn Leaf	Partner	0	0

Paul Ward

Paul is Pantheon's Managing Partner and is a member of its Partnership Board, Executive Committee and Risk Committee. Paul joined Pantheon from Lehman Brothers Private Equity Group, where he was Investment Director. Previously, he worked for Lehman Brothers Investment Bank in both New York and London on M&A and corporate finance advisory services and, prior to that, was a management consultant for PA Consulting. Paul received an MBA from London Business School and a BSc from the University of Leeds.

Susan McAndrews

Susan is a Partner in Pantheon's U.S. investment team and leads Pantheon's global business development. She is a member of Pantheon's Partnership Board, Executive Committee, International Investment Committee and is the Chief Executive Officer of Pantheon Securities, LLC. Prior to joining Pantheon, Susan was a principal at Capital Z Partners based in Hong Kong, where she was responsible for executing investments in private equity funds and in fund management companies. In addition, Susan was a director at Russell Investments from 1995 to 1998 in its private equity group after starting her career at Morgan Stanley & Co. in New York. Susan received a BA from the University of North Carolina at Chapel Hill in International Studies and Economics and an MA from Stanford University in International Policy Studies, where she also worked as a research assistant at the Hoover Institution. Susan has served on the Board of the American Investment Council, the Investment Committee for the Archdiocese of San Francisco and was a Term Member of the Council on Foreign Relations.

Jeffrey Miller

Jeff is a Partner and Global Head of Private Equity. He is also Global Head of Co-investments, leading all underlying co-investment activities and team management, and is a member of Pantheon's Partnership Board, Executive Committee and International Investment Committee. Prior to joining Pantheon, Jeff was a Principal at Allied Capital where he was responsible for evaluating and executing private equity and mezzanine investments. Previously, he was a Vice President in Lehman Brothers' Investment Banking Division. Jeff received his MBA with Honours from Northwestern University and a BA in economics and mathematics from Gustavus Adolphus College and is a CFA Charterholder.

Robin Bailey

Robin is a Partner and Pantheon's Chief Operating Officer with responsibility for operations globally. Robin is a member of Pantheon's Partnership Board, Executive Committee and Risk Committee. Before joining Pantheon, Robin worked in the Investment team of Ipex Capital, an early-stage venture capital company based in London, prior to which he worked for Deloitte in its London Corporate Finance Advisory practice. Robin qualified as a Chartered Accountant with Arthur Andersen and has a bachelor's degree in economics from Warwick University.

Kathryn Leaf

Kathryn is a Partner and Global Head of Real Assets, which includes infrastructure, real estate and other real assets. She is a member of Pantheon's Partnership Board, Executive Committee, and International Investment Committee. Prior to joining Pantheon, Kathryn was with GIC Special Investments, before which she was responsible for direct investments at Centre Partners, a New York-based private equity firm. Kathryn began her career in Morgan Stanley's Investment Banking Division where she pursued real estate investments. She has a bachelor's and a master's degree in modern languages from Oxford University.

1.4 Diversity of the Management Board

Pantheon Group has an Inclusion and Diversity Policy which can be found on the company's website at Global Inclusion and Diversity Policy. Pantheon provides diversity statistics each year, breaking down the information in various profiles (i.e., gender, ethnicity, disability, and LGBTQ+). These statistics are published within an annual factsheet, on the Pantheon company website at Inclusion and Diversity Factsheet 2023.

Pantheon is committed to setting internal targets for gender diversity in senior management roles – and publishing progress against these targets annually on its corporate website. Specifically, Pantheon has set an objective to ensure that the percentage of women who are engaged in the day-to-day management and operations of the firm (identified as Global Heads of Departments and/or members of Pantheon's Partnership Board) is at least 33%.

As a signatory to the UK Government's Women in Finance Charter, PVUK looks to help support a more balanced and fair financial services industry. Pantheon has set a target for gender representation consistent with that set by the Women in Finance Charter. In 2021, the Firm set a target of 33% of women engaged in the operations of the Firm. Since setting the target, Pantheon has achieved 33% and 37% gender representation in 2022 and 2023, respectively, and 42% in 2024.

Risk Management Framework and Governance

2.1 Governance

The principal governing body of the Pantheon Group is the Partnership Board. It takes all significant strategic decisions and is responsible for directing and overseeing the business of the Pantheon Group, and by extension the business of PVUK. PVUK is fully integrated into the Pantheon Group's corporate governance structure, which allows the Firm to benefit from a corporate governance structure greater than might usually be available to an entity of its size and complexity.

The Partnership Board governs and supervises the activities and performance of the Pantheon Group, set its business strategy, monitors and responds to competitive or market developments, and approves investments in new initiatives. The Partnership Board is also responsible for the risk management framework. It is supported by the Risk Committee.

The Partnership Board has delegated responsibility for the day-to-day management of the Pantheon Group, and by extension PVUK, to an Executive Committee whose main responsibilities are to implement the strategy and objectives of the Pantheon Group.

2.2 Risk Management Framework

Pantheon has established a Risk Committee. The purpose of the Risk Committee is to advise the Partnership Board on its risk appetite and strategy and assist the Pantheon's Partnership Board in overseeing the implementation of that strategy by senior management. Members of the Risk Committee have the appropriate knowledge, skills, and expertise to fully understand, manage and monitor the strategy and risk appetite of the Firm. The Risk Committee oversees all aspects of risk within the Pantheon Group.

Pantheon Group's Risk Committee oversees all aspects of risk within the Pantheon Group. The Risk Committee operates through five sub-committees:

- Investment;
- Operational;
- Valuation;
- Allocation; and
- Conflict.

Investment Risk Committee

The Investment Risk Committee is responsible for assessing the risks within Pantheon Group's investment portfolios (including those of the Pantheon funds), monitoring and reporting on risks and for compliance with any applicable risk limits set for investment portfolios (including those of the Pantheon funds). Responsibility for investment risk for the Luxembourg funds resides with PVID.

Operational Risk Committee

The Operational Risk Committee's role is the day-to-day implementation of the operational risk policies and procedures approved by the Risk Committee and adopted by Pantheon Group entities and to monitor and report on those risks.

Valuation Committee

The Valuation Committee has ultimate responsibility, in accordance with the valuation policies developed by the Risk Committee, for approving all investment valuations, which in turn determine the fair values in investor reporting and financial statements. In addition, the Valuation Committee is responsible for making recommendations on Pantheon's accounting valuation policy, general approach to producing valuations and valuation risk to the Risk Committee. Responsibility for valuation and valuation risk for the Luxembourg funds resides with PVID.

Allocation Committee

The Allocation Committee is responsible to (i) establish policies and procedures with respect to allocation recommendations, and (ii) to provide assurance that investment opportunities are allocated among Pantheon clients in a way that meets the "fair and equitable" standard of the Allocation Policy.

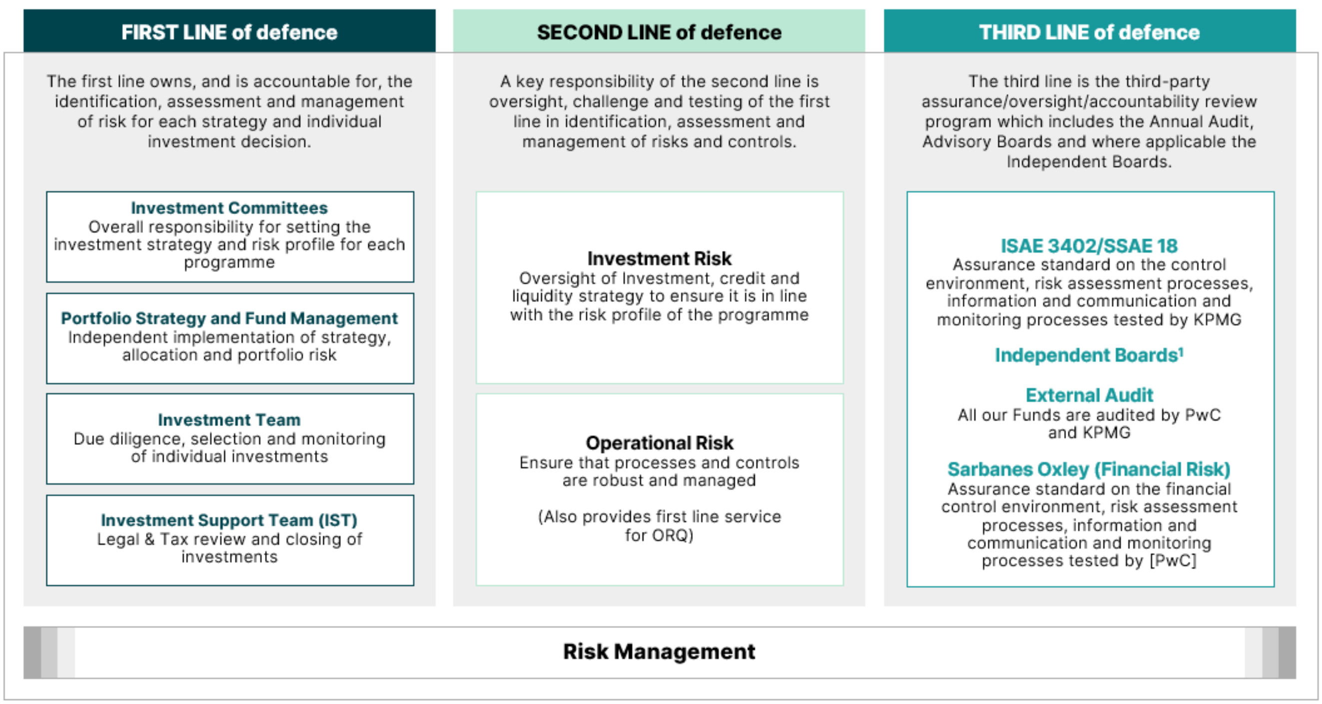
Conflict Committee

The Conflict Committee is established to (i) review the procedures for management of conflicts of interest, (ii) review specific matters escalated to it involving conflicts of interest, (iii) advise on actions to be taken, and (iv) carry out any other duties delegated to the Committee by the Partnership Board.

All subcommittees report to the Risk Committee on a at least a quarterly basis and more frequently if requested by the Risk Committee.

Three Lines of Defence

Pantheon Group's risk management framework utilizes three lines of defence.



[1]Where applicable for Lux and Guernsey based entities.

2.3 Risk Management Methodology

The methodology employed to identify, assess, measure, monitor, manage (mitigate / control) and report risk on a continuous basis, forms the basis of Pantheon Group's risk management process, which is relevant from both a bottom-up (business / function) and top-down perspective.

Identify

The identification of risks is the responsibility of all Partners and staff of Pantheon Group. This relates to risks that are current in nature (that have an immediate impact) and that are derived from both internal influences and external factors. It also relates to risks to emerging exposures that do not currently exist but may surface at some point in time in the future due to changes in Pantheon Group's business or operating model or the environment, whether economic, geopolitical or otherwise. Pantheon Group uses risk registers to define the parameters of the risk universe. The risk registers are the primary tool used to support the identification and measurement of risk.

Assess

Risks are assessed at both the inherent (pre-controls) and residual (post controls) levels. Assessing the materiality (significance) of risk is key in determining whether matters are important enough to be brought to a decision-maker's attention so that management can make more effective and informed business decisions.

Measure

Risks are measured at both the inherent (pre-controls) and residual (post controls) levels. Risks are measured according to the probability (likelihood of occurrence, %) and adverse impact (loss amount) of the risk event concerned.

Monitor

Risk monitoring comprises ongoing or periodic evaluations to be completed to assess Pantheon Group risk exposures over time versus established tolerances / limits.

Manage

Risk mitigation controls are used to eliminate or reduce the extent, nature and / or severity of a specific risk-related event. The following four risk mitigation options are considered to manage the risks that the Pantheon Group faces, namely avoidance, transfer, reduction and acceptance. Pantheon Group's objective is not to eliminate the risks it faces completely. The objective is to choose actions / responses that (i) are proportionate to the risks faced, (ii) operate efficiently to bring the risks within acceptable tolerance levels, and (iii) do not compromise the achievement of strategic objectives.

Report

All significant risk issues are required to be escalated to the Risk team and to senior management as appropriate. Where necessary, external communication (e.g., to regulators, investors, vendors) will be managed in accordance with policies and procedures.

2.4 Statement of Risk Appetite

Pantheon Group acknowledges that all activity has associated with it an element of risk, and that not all risks can be transferred to third parties through insurance policies, contracts, or waivers. The need to recognise and manage residual risk at all levels of the organisation is imperative.

Risk appetite is defined as Pantheon Group's willingness to accept residual risk in pursuit of its strategic objectives. Risk appetite is assessed against Pantheon Group's expected economic outcome from taking on certain risk or pursuing certain activities. Risk appetite underpins the framework for managing risk (i.e., it establishes requirements for monitoring and reporting on risk).

As risks are identified, appropriate controls are put in place to mitigate the risks to the established risk appetite and compliance with controls are monitored on a regular basis. The frequency of monitoring is determined by the significance of the risk. The Pantheon Group carefully manages risks taken with its capital and ensures that risks taken within investor portfolios it advises or manages is closely monitored and in line with its investment mandates.

Setting the Risk Appetite

Overall risk appetite is determined by the Partnership Board, as part of setting and implementing Pantheon Group's strategic and operational objectives. For business-as-usual activities, the relevant Partner will be responsible and accountable for operating within the risk appetite, having regard to policy and levels of delegated authority.

Unlike market and credit risk, some forms of risk do not lend themselves to credible quantification (i.e., the degree of risk cannot be expressed effectively in purely financial terms and then aggregated). A more qualitative approach to assessing and prioritizing risks is often more meaningful in relation to strategic uncertainties, one off risk events or risks around brand equity or credibility. This is particularly applicable when referring to reputational risk as this will be a key factor for Pantheon Group in assessing risk tolerance. This is reflected in the Pantheon Group's governance, controls, and activities. There is an experienced management team of proven ability to ensure that the business remains tightly controlled within the standards that Pantheon Group establishes in addition to its legal and regulatory obligations. The Partnership Board considers this risk appetite to be consistent with the nature, scale, and type of business performed by Pantheon Group.

2.5 Key Risks

The key risks that the Pantheon Group faces are as follows.

Business risk relates to being able to generate fee income and control costs on an on-going basis in line with business plans. The key income drivers are the funds and investors for which Pantheon serves as investment manager / advisor, which in turn can be materially impacted by investment performance. The key risk relates to significant reputational damage that could limit the ability to raise future funds or, in a worst case, lead to the investors collectively agreeing to appoint an alternative manager / advisor, an event that has not occurred in Pantheon's history. Staff retention is also considered, as are legal and regulatory compliance, when assessing business risk.

Strategic risk relates to the risk of loss arising from being unable to deliver Pantheon's business plan, making poor business decisions, insufficient resource allocation to achieve objectives, or failures to adapt the business plan to changes in internal and external factors.

Operational risk relates to risks of running the business, and include the loss of key personnel, errors, fraud, cybersecurity / data incidents and vendor disruption, and ineffective business continuity plans, all of which could restrict operations in the event of an emergency or significant business disruption.

Market Risk relates to impact on the business of a severe long-term market downturn or fluctuations in market factors including foreign currency exchange rates. A market downturn is not considered a significant risk to Pantheon as a result of the fixed nature of income which does not fluctuate with performance and the long lock in periods that many investors are subject to.

Credit Risk relates to the risk of our counterparties defaulting on their obligations. At 31 Dec 2023, Pantheon's credit risk exposure is limited to cash held at banks, key investors failing to pay fees derived from the funds (investors) which Pantheon manages or investors defaulting on capital calls to a fund. Credit Risk in cash balances is minimised using major highly rated banks and rigorous monitoring of their creditworthiness using five-year credit default swap spreads and credit ratings. Whilst there is a risk of investors not paying relevant fees for our services, this risk is minimized through the Pantheon Group's relationships with investors and the appropriate credit control arrangements.

In addition, a high proportion of our management fees are payable directly or indirectly from commingled funds managed by the Pantheon Group. A significant proportion of investors in commingled funds are institutional grade investors with low default risk. Default provisions in the organizational documents of the relevant commingled funds also reduce the risk of a default. Separate account investors are all institutional grade investors also with low default risk.

Pantheon does not have a trading book and does not have any derivatives in its non-trading book at present excluding foreign exchange forward contracts held to hedge foreign exchange exposure.

Liquidity risk relates to the day-to-day management of portfolio liquidity which is the responsibility of Pantheon's Treasury Team. The Portfolio Strategy team executes investment deployment strategies which are closely linked to available liquidity. The Investment Risk Committee provides independent oversight to both teams.

The Risk Committee is responsible for setting liquidity limits for each portfolio by considering the nature, scale, and complexity of each portfolio and maintaining adequate limits for liquidity, consistent with the portfolio's underlying obligations and, where applicable, any redemption policy. The Risk Team regularly conducts stress tests, under normal and exceptional liquidity conditions, to assess the liquidity risk of each portfolio and reports to the Risk Committee on the results of the testing. The potential for harm associated with PVUK's business strategy, based on the Firm's liquidity risk, is low.

Concentration Risk relates to the creation of portfolios that are not properly diversified. One of the fundamental objectives of our investment approach is to mitigate risk through the creation of portfolios that are optimally diversified across managers, investment stages, geographies, regions, vintage years, and sectors. The potential for harm associated with PVUK's business strategy, based on the Firm's concentration risk, is low.

Financial Position and Capital Planning

PVUK's capital resources are sufficient to operate its business and to comply with its regulatory capital requirements. The Firm is projected to continue to generate positive cashflows to meet its liquid asset requirement.

3.1 Own Funds Requirement

PVUK is required to maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the higher of the Firm's:

- Permanent minimum capital requirement ("PMR"): The level of own funds required to operate at all times. Based on the MiFID investment services and activities that the Firm currently has permission to undertake this is set at £75,000 ($95,000);
- Fixed overhead requirement ("FOR"): The minimum amount of capital that PVUK will need to have to absorb losses if the Firm has cause to wind down and exit the market. This is equal to one quarter of the Firm's relevant expenditures; and
- K-factor requirement ("KFR"): The KFR is intended to calculate a minimum amount of capital that PVUK would need for the ongoing operation of its business. The K-factor that applies to the Firm's business is K-AUM (calculated based on the Firm's assets under management).

PVUK's own funds requirement is currently set by its FOR, as this is the highest of the three metrics. The potential for harm associated with PVUK's business strategy, based on the Firm's own funds requirement, is low. This is due to the relatively consistent and stable growth in PVUK's asset base and, therefore revenues.

A method adopted by PVUK to manage the risk of breach of its own funds requirement is the maintenance of a healthy own funds surplus above the own funds requirement. If PVUK's own funds drop to an amount equal to 110% of its own fund's threshold requirement, then PVUK will immediately notify its Partnership Board, as well as the regulator. The Partnership Board will consider the necessary steps required to increase the own funds buffer; this may include injecting more own funds into PVUK.

PVUK held own funds of $32.2 million as of 31 December 2023 and therefore had an own funds surplus of $14.2 million. The Firm meets 100% of its own fund's requirement with Common Equity Tier 1 Capital ("CET1 Capital").

The additional own funds requirement is the amount of capital identified by the Firm necessary to mitigate risks to the viability of the firm and wind it down in an orderly manner.

The following table provides an overview of PVUK's own funds threshold requirements:

Requirement	2023 $'000
(A) PMR[1]	95
(B) FOR[2]	16,374
(C) K-AUM	2,200
(D) Base own funds requirement (Max. A, B or C)	**16,374**
(E) Additional own funds requirement	1,688
Own funds threshold requirement (D plus E)	**18,062**
Early warning indicator[3]	**19,868**
Wind down trigger[4]	**16,374**
Own funds held[5]	**32,235**
Own funds surplus	**14,173**

1 PMR is £75k ($95k at a 31 December 2023 exchange rate) as the Firm satisfies the conditions of MIFIDPRU 4.4.4.
2 FOR represents 13 weeks of fixed expenditures, excluding discretionary bonuses and partners' minimum draw.
3 The early warning indicator has been set a 110% of the threshold requirement as per regulatory guidance.
4 The FOR is always the Firm's own funds wind-down trigger.
5 Regulatory capital (after deductions) is made up of 100% CET1 Capital.

As of 31st December 2023, PVUK maintained own funds of $32.2 million. The regulator prescribed table below provides a breakdown of the Firm's own funds:

Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements				
		Balance Sheet per Published/Audited Financial Statements At 31 December 23	**Under Regulatory Scope of Consolidatio**	**Cross-Reference to Above Template**
Assets - Breakdown by Asset Classes According to the Balance Sheet in the Audited Financial Statements (in $'000)				
1	Tangible Assets	2,035		CET1
2	Investment in Subsidiaries	1,350		Deduction from Common Equity Tier 1
3	Debtors – Due after more than one year	14,018		CET1
4	Cash at Bank and in hand	34,593		CET1
5	Debtors - Due within one year	51,966		CET1
	Total Assets	103,962		CET1
Liabilities - Breakdown by Liability Classes According to the Balance Sheet in the Audited Financial Statements (in $'000)				
1	Creditors – due within one year	60,061		CET1
2	Creditors – amount falling due after more than one	867		CET1
3	Loans and other amounts due to members	9,449		CET1
	Total Liabilities	70,377		CET1
Members' Equity (in $'000)				
1	Members Capital	25,981		Fully paid-up capital
2	Other reserves	7,604		Other reserves
	Total Members' Equity	33,585		

Composition of Regulatory Own Funds			
	Item	Amount ($'000)	Source Based on Reference Numbers/Letters of the Balance Sheet in the Audited Financial Statements
1	**OWN FUNDS**	**32,235**	Members' other interests less Fixed Asset Investments
2	**TIER 1 CAPITAL**	**32,235**	Members' other interests less Fixed Asset Investments
3	**COMMON EQUITY TIER 1 CAPITAL**	**32,235**	
4	Fully paid up capital instruments	25,981	Members' capital classified as equity.
5	Share premium	-	-
6	Retained earnings	-	-
7	Accumulated other comprehensive income	-	-
8	Other reserves	7,604	Members' other reserves classified as equity
9	Accumulated other comprehensive income	-	-
10	Accumulated other comprehensive income	-	-
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(1,350)	Fixed Assets - Investments
19	CET1: Other capital elements, deductions and adjustments	32,235	Members' other interests less Fixed Asset Investments
20	**ADDITIONAL TIER 1 CAPITAL**		
21	Fully paid up, directly issued capital instruments	-	-
22	Share premium	-	-
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	-
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	-
25	**TIER 2 CAPITAL**		
26	Fully paid up, directly issued capital instruments	-	-
27	Share premium	-	-
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	-
29	Tier 2: Other capital elements, deductions and adjustments	-	-

PVUK is also required to comply with the overall financial adequacy rule ("OFAR"). This is an obligation on PVUK to hold own funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

- The Firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

Where PVUK determines that the FOR is insufficient to mitigate the risk of a disorderly wind down, the Firm must maintain 'additional own funds required for winding down', above the FOR, that are deemed necessary to mitigate the risks of a disorderly wind down. Similarly, where the Firm determines that the KFR is insufficient to mitigate the risk of harm from ongoing operations, the Firm must maintain an amount of 'own funds required for ongoing operations', above the KFR, that is deemed sufficient to ensure the viability of the Firm throughout economic cycles.

PVUK's own funds threshold requirement is the higher of:

- The Firm's PMR;

- The sum of the Firm's FOR and its additional own funds required for winding down; and
- The sum of the Firm's KFR and its additional own funds required for ongoing operations.

To determine the Firm's own funds threshold requirement, PVUK identifies and measures the risk of harm faced by the Firm and considers these risks in light of its ongoing operations and also from a wind down planning perspective. The Firm then determines the degree to which systems and controls alone mitigate the risk of harm and the risk of a disorderly wind down, and thereby deduces the appropriate amount of additional own funds required to cover the residual risk.

This process is documented and presented to and ratified by the Partnership Board on at least an annual basis.

Pantheon Group produces a five-year financial forecast and maintains an annual budget. Year-to-date financial results against the budget / forecast are reviewed by the Executive Committee monthly and by the Partnership Board at least quarterly. Pantheon Group's Finance team monitors PVUK's regulatory capital positions monthly and more frequently if changes in Pantheon Group's business may be indicative of a significant change in PVUK's financial condition.

PVUK has established a policy of maintaining capital resources in excess of its capital resources requirement. The Firm anticipates controlled growth over the next three to five years, with any uplift in expenditure being at least matched by an increase in revenue.

- Expenses (other than bonuses) are incurred evenly over the year and the Firm receives fees quarterly. Staff bonuses are dependent on performance and are awarded annually.
- Bonus amounts payable are non-contractual and are determined considering the financial position of PVUK. As such, PVUK is not exposed to a significant increase in costs that would threaten its capital adequacy.
- PVUK has a substantial, stable and reliable institutional investor and investor base from which consistent revenues are generated.

3.2 Liquidity Planning

Liquidity risk arises from mismatches in the timing of cash inflows and outflows. Pantheon Group's, and by extension PVUK's, liquidity risk management strategy ensures that foreseeable financial commitments can be met as they fall due. Cash resources are all held in money market funds or bank accounts, primarily with Bank of America ("BoA") an investment grade bank and have no restrictions on access.

PVUK's liquid resources include cash and short- term assets not including intergroup receivables. The current liquidity position demonstrates a strong level of cash liquidity, and the cash flow projections indicate that this will be maintained.

Pantheon Group revenues – in terms of quantum and timing - are generally predictable as they are primarily based on a percentage of commitments to funds – rather than invested or net asset values ("NAV"). Additionally, most of the funds themselves are closed-end vehicles and investors cannot redeem their investments. This provides Pantheon Group, and by extension PVUK, with a stable and predictable revenue stream.

In summary, the Partnership Board is satisfied that the capital and liquidity positions of PVUK are adequate and proportionate to the nature and scale of the business. In the event capital and liquidity positions became inadequate, then, in the worst-case scenario, the Partnership Board could consider an orderly wind down or partial disposal of the business.

3.3 Stress Testing

PVUK has evaluated a number of stressed scenarios, both individually and in aggregate. Stress testing is an important part of the Pantheon Group's planning and risk management processes. Capital planning and stress testing forms part of the assessment process, under which a variety of stress scenarios are modelled to test the potential impact on capital resources and regulatory capital. The scenarios used are severe, and include a sudden decrease in revenue, a sudden unexpected liability and a sudden decrease in revenue coupled with sudden unexpected liability. Incorporated into the sudden decrease in revenue are the loss of AUM in evergreen products (AMG Pantheon Fund, AMG Pantheon Credit Solutions Fund, Pantheon Global Private Equity Fund, Pantheon International Plc, and Pantheon Infrastructure Plc), loss of a significant investor or investors; loss of a significant investment team; or a significant valuation decline. Incorporated into the sudden unexpected liability are a data breach; cybersecurity incident; financial crime; valuation error; vendor service disruption; foreign currency hedging / trade execution error, fraud / payment error; and / or litigation.

The Partnership Board is satisfied that the present capital and liquidity management arrangements of PVUK are adequate and proportionate to the nature and scale of the business. In the worst-case scenario, the Partnership Board would consider an orderly winding down of the business over a period of three years.

Remuneration Disclosure Statement from 1 January to 31 December 2023

As a Non-SNI MIFIDPRU Investment Firm, PVUK is subject to the basic and standard requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls ("SYSC")). PVUK, as an alternative investment fund manager, is also classified as a collective portfolio management investment firm, and as such, is also subject to the AIFM Remuneration Code (SYSC 19B (the "AIFMD Remuneration Code" and together with the MIFIDPRU Remuneration Code, the "Remuneration Code"). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its investors;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of PVUK's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its investors.

In addition, PVUK recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

PVUK is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its investors. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

4.1 Remuneration Policy

PVUK has adopted a Remuneration Policy which is also applied to operating entities within the Pantheon Group which implement the requirements of the Remuneration Code.

Pantheon Group's Remuneration Policy is designed to ensure that it complies with the Remuneration Code and its compensation arrangements:

- Are consistent with and promote sound and effective risk management;
- Do not encourage excessive risk taking;
- Include measures to avoid conflicts of interest; and
    - Pantheon Group's remuneration policies and practices are aligned with its general duty to ensure effective conflicts of interest management; and
    - Pantheon will consider conflicts of interest risks when reviewing or revising its Remuneration Policy and practices;
- Are in line with the Firm's business strategy, objectives, values and long-term interests.

4.2 Proportionality

The FCA has sought to apply proportionality by requiring a firm to make a disclosure that is appropriate to the size, internal organization and the nature, scope and complexity of its activities. Pantheon makes this disclosure based on MIFIDPRU 8.1. The ESMA Guidelines on Sound Remuneration Policies under the AIFMD also allow for the application of the principle of proportionality to the type and amount of information disclosed.

4.3 Meaning of Remuneration

Remuneration at Pantheon Group is made up of a fixed component (i.e., salary or equivalent) and a variable component, including potential participation in an annual discretionary bonus scheme, together with potential participation in a carried interest scheme.

Pantheon also offers opportunities for certain eligible senior executives to acquire equity in Pantheon and / or to invest in funds managed or advised by Pantheon alongside third party investors. Such investments are by their nature long-term investments and any payments in respect of such investments (including dividend distributions) are not considered to be remuneration for purposes of Pantheon's remuneration policy.

Governance

The Partnership Board, comprising senior executives of Pantheon and one (non-voting) representative from Pantheon's majority owner, is responsible for reviewing and approving Pantheon's remuneration policy at least annually or following a significant change in its business, as well as overseeing its implementation. The Partnership Board has agreed the Remuneration Policy which are in line with the remuneration principles laid out by the FCA.

Description of elements of compensation

As described above, remuneration at Pantheon Group is made up of fixed and variable components as described below. Pantheon ensures for all staff that an appropriate balance between fixed and variable remuneration is maintained that allows for flexibility and has set Material Risk Takers (as defined below) maximum ratios between variable and fixed components of total remuneration, as appropriate.

Fixed Component – The fixed component comprises a base salary, or for members of PVUK, a "minimum draw" payable to members of PVUK in priority to any bonus distribution. The fixed component is set in line with the market at a level to retain, and when necessary, attract skilled staff. Market data is collated from the taking part in and purchasing of external and relevant surveys and other data points. Fixed components are set at a rate to allow full flexibility to award no bonus in circumstances where an individual has underperformed or where Pantheon's financial performance has been severely and negatively impacted.

Variable Component – The variable component comprises a number of different elements, including an annual discretionary bonus scheme and a carried interest scheme. These are noted below.

- **Bonus** - The bonus pool for each financial year is determined by reference to the surplus profits of the business after accounting for all liabilities of the business in accordance with generally accepted accounting practices, including the fixed components described above and preferential dividend distributions to owners of equity in the business. Bonus payments are awarded at the discretion of Pantheon

Group and may be subject to conditions, deferral or retention (in whole or in part), vesting, cancellation or clawback, as determined by Pantheon, in accordance with applicable regulatory requirements and industry practice (as further described below). Where awards are subject to vesting over a multi-year period, payment may be subject to downwards adjustment at the end of each year during the vesting period, based on a retrospective assessment of performance during the performance period in relation to which the bonus was awarded and subsequent events. In some cases, awards may be made in the form of phantom equity, where payment of the award is deferred until a future date and the value of the award is linked to performance of the business at such future date, as compared to the performance of the business on the date of the award.

- **Carried Interest** - To incentivise senior executives to maximise the performance of Pantheon Group managed investment programs, Pantheon Group shares carried interest arising in relation to its funds with certain senior executives. Each year carried interest points are assigned, at the discretion of Pantheon Group, to executives based on role, contribution and performance. Carried interest points are typically subject to vesting over a period of time and act as a long-term incentive to ensure aligned interests on investment performance and retention of key staff. Payment of carried interest is typically only made once the investors in the relevant fund have received back all contributed capital plus a preferred return. In accordance with MIFIDPRU Remuneration Code and guidance on remuneration issued in connection with the AIFMD, Pantheon Group treats carried interest as remuneration and regards the basis upon which carried interest is structured and payable as meeting the risk alignment, award process and pay-out process requirements of the AIFMD Remuneration Code without the need for further deferral or performance adjustment beyond the date on which such carried interest payments are actually made. However, awards of carry points (and payments in respect thereof) to Material Risk Takers and certain other persons will be subject to adjustment as described below.

4.4 Determination of Remuneration Awards

The Partnership Board has delegated authority to make decisions with respect to individual awards (including discretionary bonus awards and carried interest awards) to the "Compensation Committee). The members of the Compensation Committee are executives of Pantheon. Due to the size, nature and complexity of the Firm, Pantheon has concluded that it is not required to appoint an independent remuneration committee. However, to manage conflicts of interest with respect to awards to members of the Compensation Committee, a non-executive representative from Pantheon's majority shareholder is responsible for the review and approval of proposed awards to any such member of the Compensation Committee.

In making decisions concerning the award of variable remuneration to any individual, the Compensation Committee considers Pantheon Group's performance, the performance of the business unit concerned and the performance of the individual against agreed objectives during the period under review as well as the individual's risk management and compliance behaviour. Material Risk Takers (as described below) are also assessed on a multi-year framework. The process for determining bonus awards is sufficiently flexible to allow for no bonus to be awarded either where an individual has underperformed or where Pantheon's financial performance has been severely and negatively impacted.

As part of the process, input is sought from the compliance function on the extent to which individuals have met Pantheon Group's compliance standards. The Risk Management function provides input on whether there have been any failures of risk management or any actions which have had a material impact on the financial stability of the business. The Human Resources function provides input in relation to any notable conduct issues in relation to having met Pantheon Group's cultural expectations as well as those expectations set out under SMCR for all staff. In addition to this Pantheon Group has a strong culture of sustainability, Inclusion and Diversity and Pantheon's remuneration policy incorporates considerations in this regard. Where individual behaviours do not align with the standards and expectations which the Firm sets out (through its various policies) in regard to Inclusion and Diversity, (despite otherwise strong performance against objectives) this will factor into award determinations. Staff responsible for Compliance and Risk Management will be assessed on the objectives of their functions rather than the performance of the business unit they oversee.

4.5 Risk Adjustment

Variable remuneration awarded in respect of any performance period may subsequently be adjusted in any number of ways (including by deferral, malus, clawback and/or in-year adjustments) to address all types of current and future risks (including financial and non-financial risks). Pantheon also considers, for certain staff, whether any “ex post” adjustment should be made retrospectively to the variable remuneration awards for any prior performance periods.

Operational, reputational, conduct or legal risks can arise from Pantheon’s business activities. As to any material financial and non-financial risks identified through risk assessment processes, the Partnership Board or its duly appointed committee will consider which individual within Pantheon exercises a significant influence over such risks and how any such individual has managed such risks during the period under review. When deciding at what level any adjustments should be applied (such as firm, business unit, and/or individual level), PVUK determines which risks are relevant, and which risk adjustment techniques and measures are most appropriate. Total variable remuneration is generally contracted where the Firm’s financial performance is subdued or negative.

4.6 Malus and Clawback

Any variable remuneration awarded to any person that has not yet vested or paid out (including the element of any bonus award to Material Risk Takers or awards of carry points in respect of which amounts may subsequently become payable) is generally subject to potential ex post adjustment in the form of malus in the event of (a) fraud or severe negligence, (b) other misconduct (including staff misbehaviour or material error or individual, business unit or firm, material failure of risk management) or involvement in conduct resulting in significant losses to the firm or its investors or failure to meet fitness and propriety standards or breach of Pantheon policies and procedures, or (c) a material financial downturn, in each case before, during or after the performance period.

Any variable remuneration (including distributions made in respect of carry points) awarded or paid to Material Risk Takers and all other operating partners and principal members is also subject to potential clawback for a period of 3 years from the date of the relevant payment in the event of (a) fraud or severe negligence, or (b) other misconduct (including staff misbehaviour, material error, individual, business unit or firm, material failure of risk management) or involvement in conduct resulting in significant losses to the firm or its investors or failure to meet fitness and propriety standards or breach of Pantheon policies and procedures, in each case before, during or after the performance period.

4.7 Guaranteed Variable Remuneration

PVUK will not award guaranteed variable remuneration to Material Risk Takers unless it is exceptional, occurs in the context of hiring a new employee, is limited to the first year of that new employee's service and is appropriate (taking all relevant circumstances into account) and will only be paid if PVUK has a strong capital base. It is Pantheon's usual practice to apply this approach firm-wide. Where made, guaranteed variable remuneration will be included in the variable to fixed remuneration ratio calculation for Material Risk Takers and any such awards to Material Risk Takers will be subject to malus and clawback.

4.8 Severance Pay

Due to Pantheon's nature, internal organisation, scale, scope and complexity, it does not have a separate policy or specified criteria for severance payments. Pantheon will respect employees' legal entitlements and it will comply with both the letter and spirit of the MIFIDPRU Remuneration Code's principles on severance payments. In particular, Pantheon will not make severance payments which reward failure due to misconduct.

4.9 Conflicts Management

Pantheon considers that its remuneration policy and practices, in particular the process of setting objectives for individual staff members reflecting appropriate quantitative and qualitative criteria and the performance assessment process described above, alongside the alignment with investor interests which the long-term incentive schemes for senior executives described above are designed to achieve, serve to ensure that the potential for conflicts to arise between the interests of Pantheon and its individual staff members and those of Pantheon investors or between the interests of different Pantheon investors are avoided and that, accordingly, Pantheon's remuneration policies and practices are aligned with Pantheon's general duty to ensure effective conflicts of interest management.

4.10 Sustainability Risk Considerations

Pantheon is a signatory of the UN Principles for Responsible Investment (PRI) and ESG whose considerations are strongly embedded into the Firm's culture at all levels and specifically incorporated into its investment due diligence policies and its investment decision making policies and procedures. Pantheon views its remuneration policy as consistent with the integration of sustainability risks for the following reasons:

i) Private equity investing is characterised by the long-term nature of the asset class, its well diversified underlying portfolio and increased level of oversight and monitoring as compared with the public equity model. Pantheon's view is that sustainability risk is embedded by the nature of the investment model and further supplemented through the Firm's wider ESG commitments.

ii) Pantheon's remuneration policy, especially (for applicable funds) the carried interest component of it, rewards long term performance for which good management of ESG and sustainability risk is key. This is supplemented by Pantheon's multi-multi-year performance assessment approach for Material Risk Takers.

iii) Pantheon's Remuneration Policy promotes and provides for sound and effective risk management at all levels such that excessive risk taking is not encouraged beyond the level tolerated by Pantheon. Remuneration decisions are as a result made in line with the long-term interests of both the Firm and its underlying Funds (and therefore it's investors) values, risk tolerance and objectives.

4.11 Material Risk Takers

Pantheon determines whether any member of staff or partner is categorised as a "material risk taker" for the purpose of the MIFIDPRU Remuneration Code or an "identified staff" for the purpose of the AIFMD Remuneration Code (each a "Material Risk Taker") by assessing the extent to which their activities may materially impact on the risk profile of Pantheon or the risk profile of the funds or assets in respect of which Pantheon provides investment advisory or management services, taking into account prudential, operational, market, conduct and reputational risks and applying the criteria in the MIFIDPRU Remuneration Code (under SYSC 19G 5.3 to 5.5) and the AIFMD Remuneration Code. PVUK's "material risk takers” for the purpose of the MIFIDPRU Remuneration Code and “identified staff” for the purpose of the AIFMD Remuneration Code are currently the same individuals.

The types of staff that have been identified as material risk takers at PVUK include:

- Members of the management body in its management function;
- Members of the senior management team;
- Those with senior managerial responsibility for an investor-facing or investor-dealing business unit of the Firm;
- Those with senior managerial responsibilities for the activities of a control function[1];
- Those with managerial responsibilities for the prevention of money laundering and terrorist financing;
- Those that are responsible for managing a material risk within the Firm;
- Those that are responsible for managing information technology, information security, and/or outsourcing arrangements of critical or important functions; and
- Those with authority to take decisions approving or vetoing the introduction of new products.

4.12 Quantitative Remuneration Disclosure

The table below quantifies the remuneration paid to staff in the financial year 1 January 2023 to 31 December 2023. For these purposes, ‘staff’ is defined broadly, and includes, for example, employees of the Firm itself, partners or members, employees of other entities in the group, employees of joint service companies, and secondees:

[1] A control function is defined as a function (including, but not limited to, a risk management function, compliance function and internal audit function) that is independent from the business units it controls and that is responsible for providing an objective assessment of the Firm’s risks, and for reviewing and reporting on those risks.

		2023			2022		
		Material Risk Takers			Material Risk Takers		
		Senior Management	Other Material Risk Takers	Other staff	Senior Management	Other Material Risk Takers	Other staff
Number		5	16	296	6	16	283
Fixed Remuneration		£1,856,000	£4,856,056	£31,329,165	£2,295,677	£5,164,607	£23,652,672
Variable Remuneration		£4,305,600	£8,831,500	£16,808,055	£4,249,445	£6,437,480	£11,045,183
Total Remuneration		£6,161,600	£13,687,556	£48,137,220	£6,545,123	£11,602,087	£34,697,855
Guaranteed Variable Remuneration	**Amount**	-	-	£273,000	£0.00	£1,831,658	£690,000
	Number	-	-	1	-	1	8
Severance Payments	**Amount**	-	-	£227,230	-	-	£120,417
	Number	-	-	16	-	-	2
Highest Severance Payment		-	-	£35,000	-	-	£110,000

The FCA allows firms to aggregate or altogether omit the information to be disclosed for senior management and other material risk takers, where splitting the information between these two categories would lead to the disclosure of information about only one or two individuals. PVUK has therefore relied upon this exemption.

Carried Interest and Performance Fees

Awards made to Material Risk Takers during the relevant period of points representing an entitlement to carried interest in Pantheon managed funds are included within the calculations of Variable Remuneration described above, based on the value at the time of the award in accordance with MIFIDPRU Remuneration Code 19G.1.28R.

Carried interest payments made to Material Risk Takers from Pantheon managed funds during the relevant period are excluded from the calculations of Variable Remuneration described above (except to the extent of the value of any award made in the same period pursuant to the preceding sentence) whether or not the value of the award of carried interest was included within corresponding remuneration disclosures for prior periods but without double counting the value of any awards made to such Material Risk Takers during the same period to which this disclosure relates.

Personal Data

The Firm may omit required disclosures where it believes that the information could be regarded as prejudicial to the UK retained version of the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, which is part of UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018.

The Firm has made no omissions on the grounds of data protection.