



Private equity: Funding the future

Helen Steers
Partner, Pantheon
Senior Manager, Pantheon International Plc

PRIVATE & CONFIDENTIAL

Markets backdrop

A new wave of volatility for public and private markets

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“SPAC boom fizzles as investors cash out on big names”

Reuters, December 2021



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“Record IPO rush of 2021 led to historically dismal returns for investors”

CNBC, January 2022



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“PE fundraising reaches record heights ahead of frenetic 2022”

PEI, January 2022



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“Flight to ‘safe haven’ funds runs its own risks”

Financial Times, March 2022



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“Growth equity booms as investors embrace private markets”

Financial Times, January 2022



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“Dealmakers ring out 2021 as the year of M&A”

Refinitiv, January 2022



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“Investors rely more and more on higher returns from private markets”

The Economist, February 2022



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“Investors battle with volatility, inflation while repositioning assets”

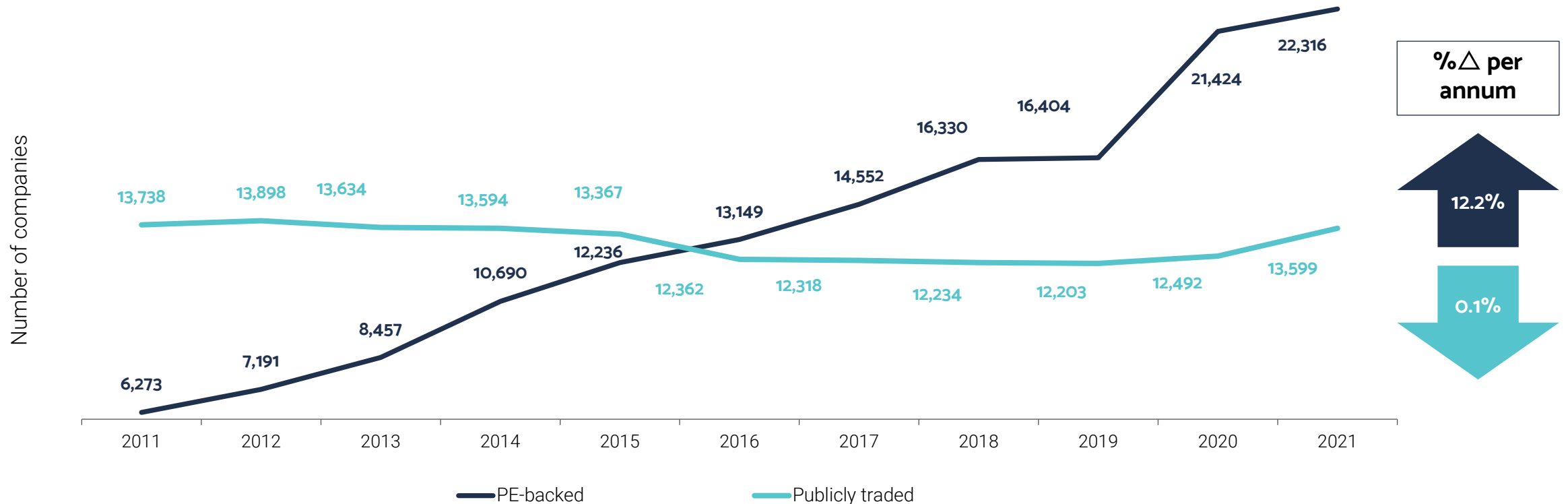
IPE, March 2022



Shrinking public market is a long term trend

Number of listed companies shrank as private market expanded between 2011-2021

Number of US and European PE-backed companies has been increasing...

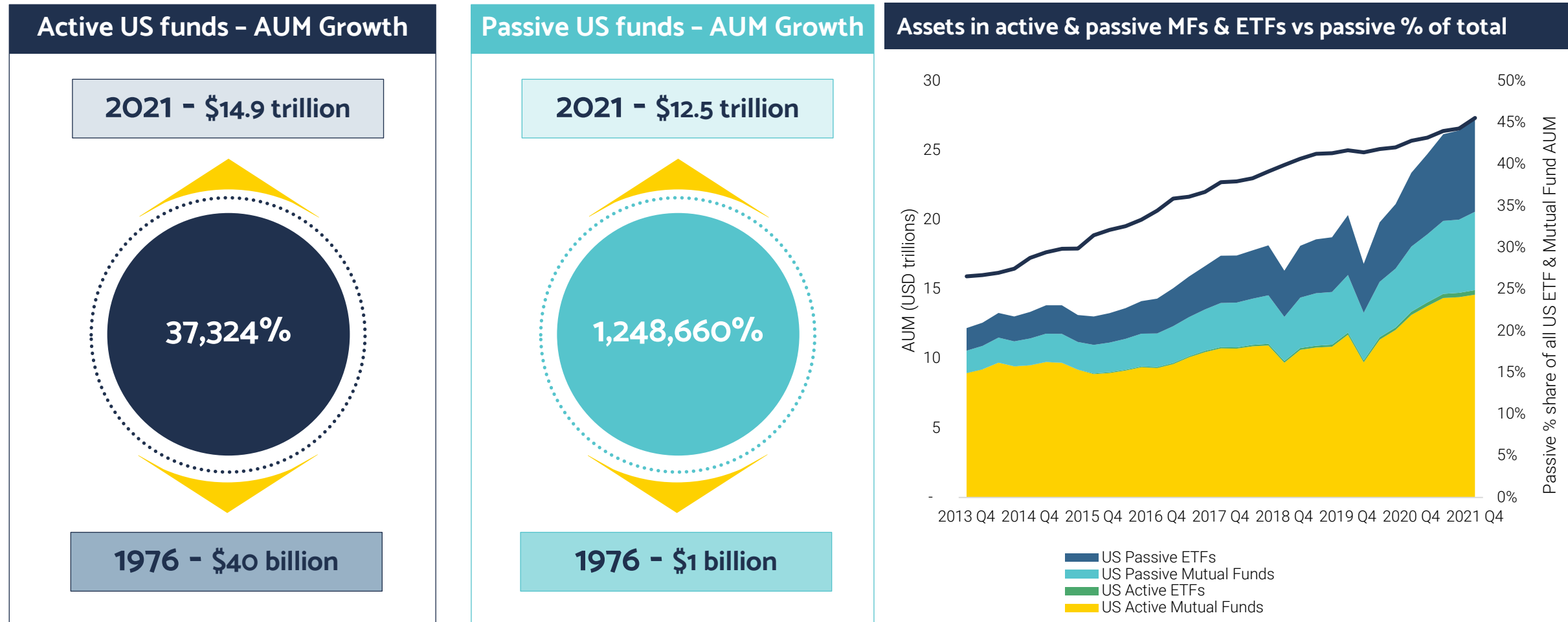


... while the number of listed companies is below the level of 2011

As at March 2021 reflecting YE 2020 data, including North America and Western & Northern Europe. PE-backed company data provided by Pitchbook. Publicly traded data sourced from World Federation of Exchanges database.

Significant influx of capital into increasingly passively-managed public markets

Total value of mutual funds in the US now exceeds \$27 trillion

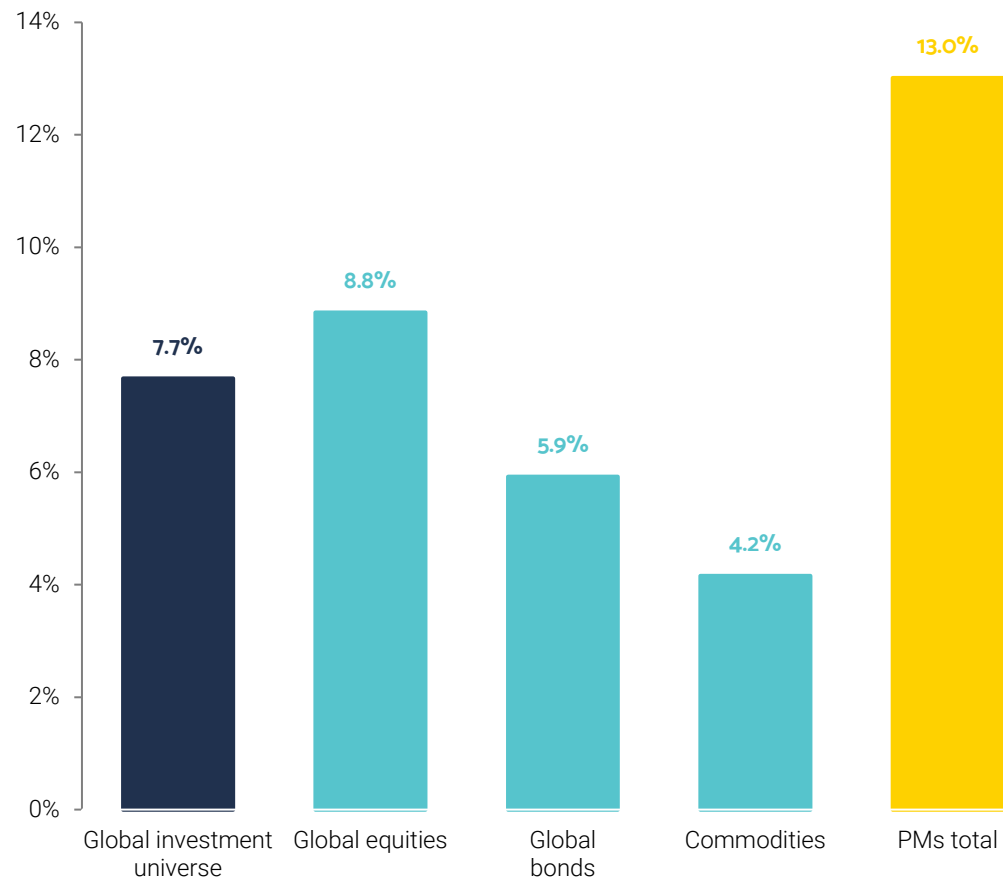


Source: 1976 data from Mauboussin, Michael J., Dan Callahan, CFA, and Darius Majd. The Incredible Shrinking Universe of Stocks: The Causes and Consequences of Fewer US Equities. Report. Global Financial Strategies, Credit Suisse. March 22, 2017. 2021 data from Bloomberg, accessed 3 March 2022. 2021 and is for the US.

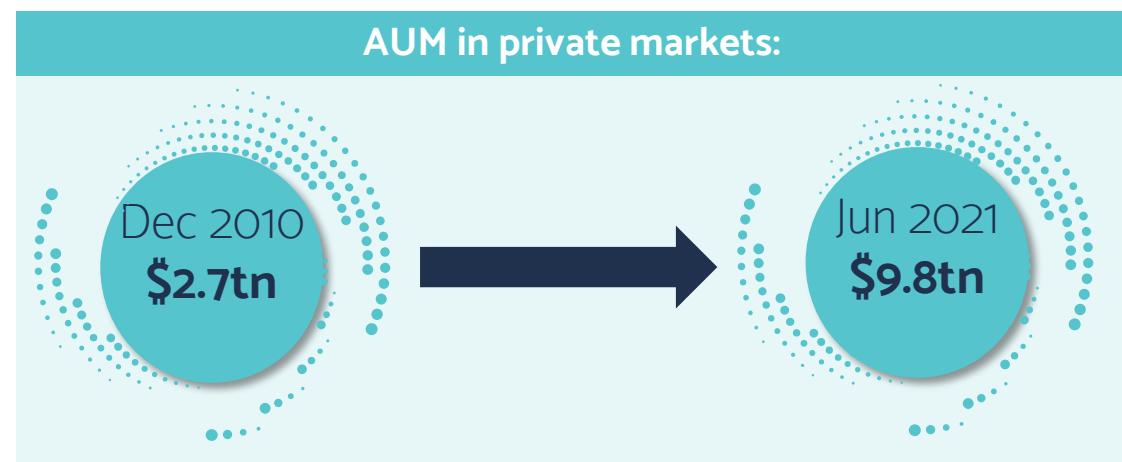
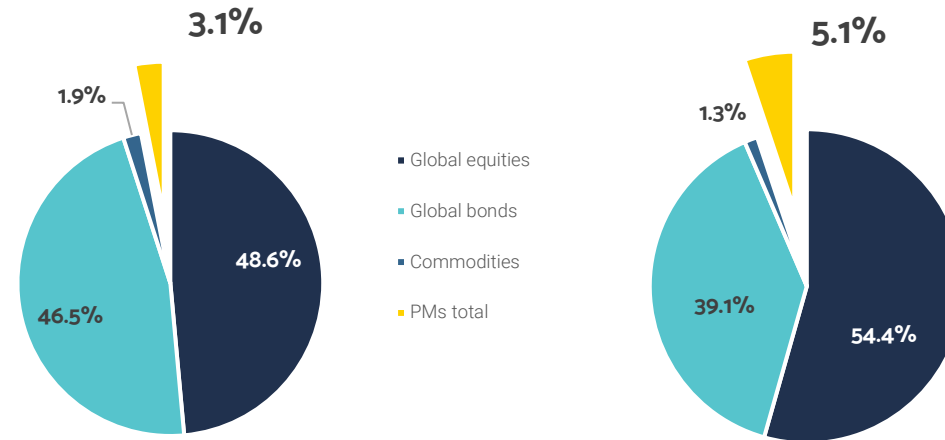
Private markets have been growing quickly

Prequin forecasts AUM across private markets could reach \$11.6tn by 2025

AUM CAGR Dec 2010 to Jun 2021



Dec 2010 vs June 2021 Portfolio Composition



Sources: Pantheon analysis of data from Prequin and Bloomberg, data to 30 June 2021, accessed January 2022.

Macro and portfolio construction

Key risks and how private equity can help



Private equity supports the real economy

Sector supports a large and growing share of jobs, including in growth industries

Europe



9.9 million

Number of workers employed in Europe by PE-backed companies



4.3%

Total proportion of Europe's workforce employed



1.3 million

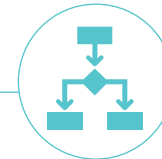
Number of employees at PE-backed tech companies



+4.9%

Growth in employment at PE-backed tech firms in 2020

US



8.8 million

Americans directly employed at PE-backed companies



7.2 million

Additional jobs supported through supply chains



\$1.1 trillion

Estimated total economic impact of private equity



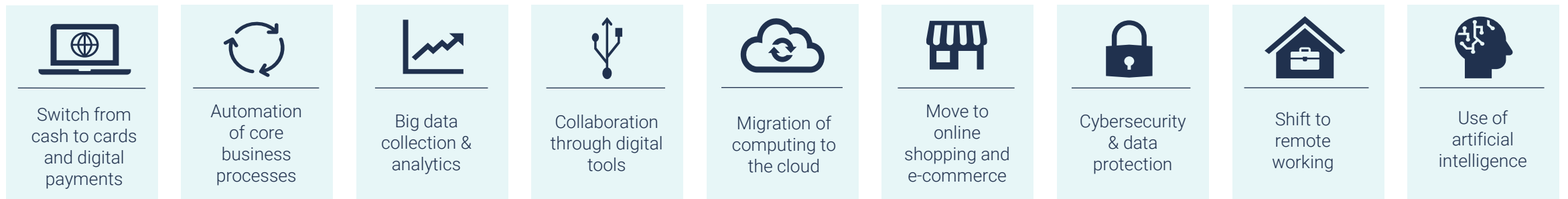
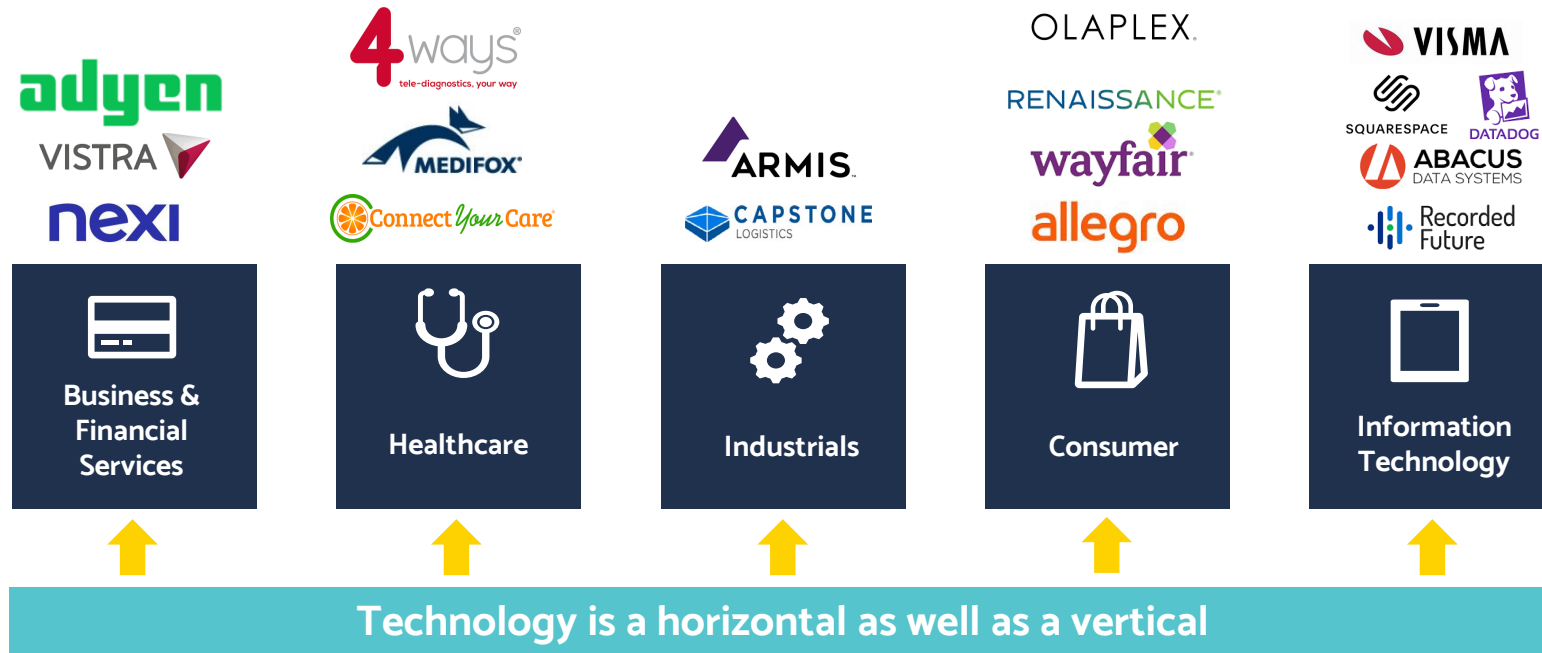
5%

Proportion of US economic output supported by PE

Sources: Invest Europe, [Private Equity at Work](#), published April 2022, and EY, [Economic contribution of the US private equity sector](#) in 2018 report, published for the American Investment Council in October 2019.

PE-backed companies are investing in disruption across multiple sectors

Areas of investment include niche sub-sectors underrepresented on public markets

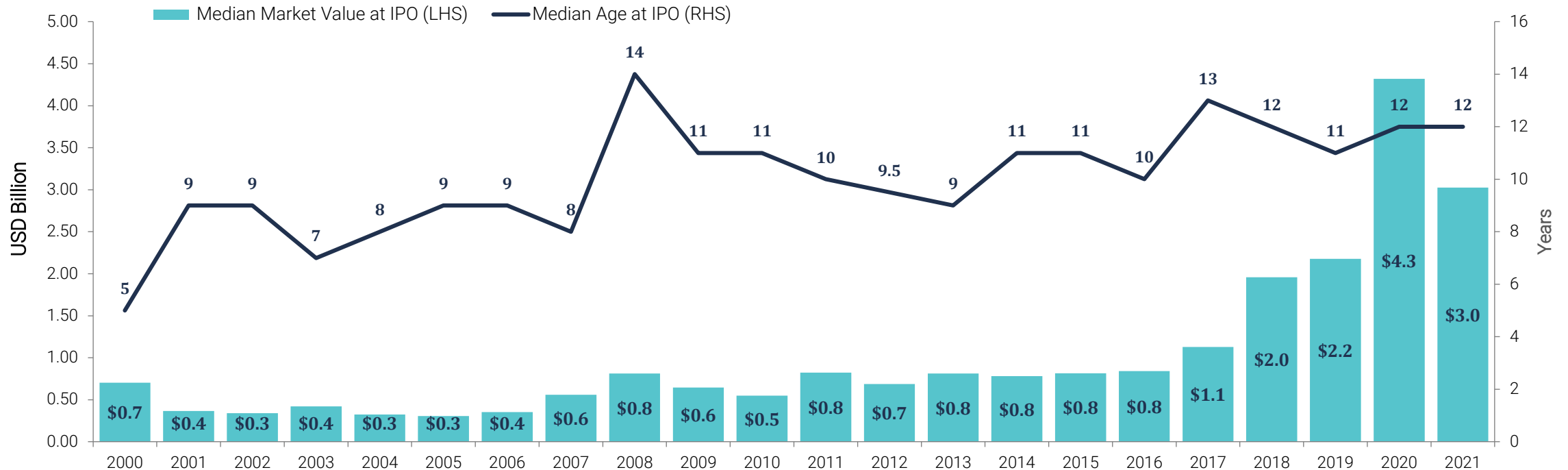


. Please refer to the slide titled *'Disclosures – case studies'* towards the back of this presentation regarding deals completed by Pantheon and third parties.

Tech companies are also staying private for longer

Market cap at IPO has risen in recent years, allowing PE managers to potentially extract more value

- ▶ IPO remains an important exit route for private equity managers – but tech companies are choosing to stay private for longer
- ▶ **One potential implication is that more of the value-creation happens while tech companies are private** – median market value at IPO which has increased from <\$1bn in 2000 to \$3-\$4bn now
- ▶ Amazon’s market cap at IPO was a 'mere' \$438m in 1997, while Facebook and Uber IPOed with market caps of c.\$104bn and c.\$82bn

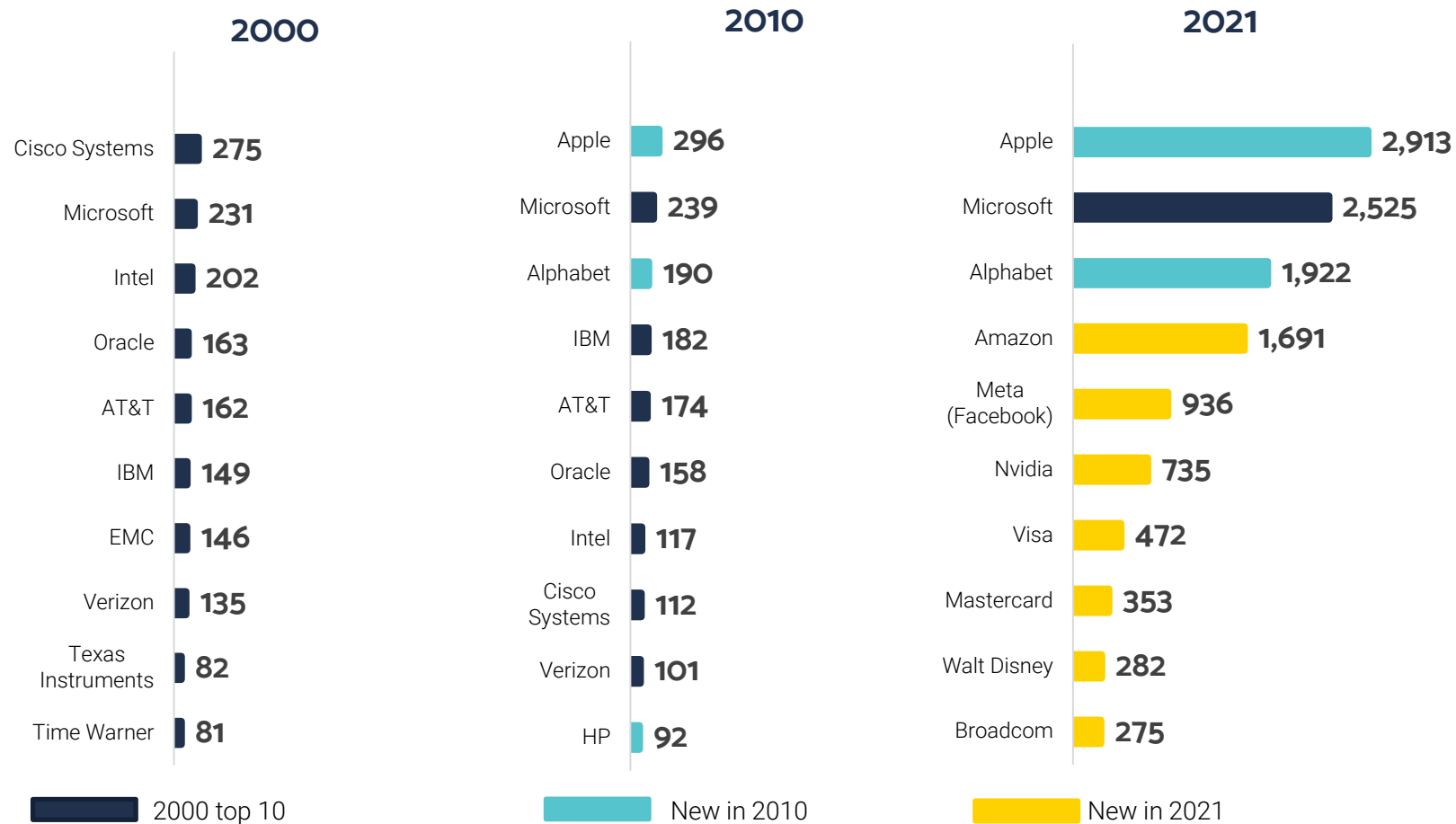


Source: Jay R. Ritter, University of Florida Warrington College of Business, <https://site.warrington.ufl.edu/ritter/files/IPO-Statistics.pdf> as of 5th January 2022. ¹Performance data from Bloomberg. Inception to 9th February 2022. Past performance is not a guarantee for future performance.

Public market tech universe is dominated by a few large players

Share of index market capitalisation has doubled since the aftermath of the GFC

Listed evolution of the 10 largest tech companies by market cap (\$bn) in the S&P 500 since 2000



Top 10 'tech' stocks had a market cap of \$1.6tn in the aftermath of the dot-com bubble, 14% of the index

In the wake of the GFC, the top 10's market cap was \$1.7tn, still around 14% of the index

By 2010, tech behemoths began to emerge as largest listed firms (Apple, Alphabet)

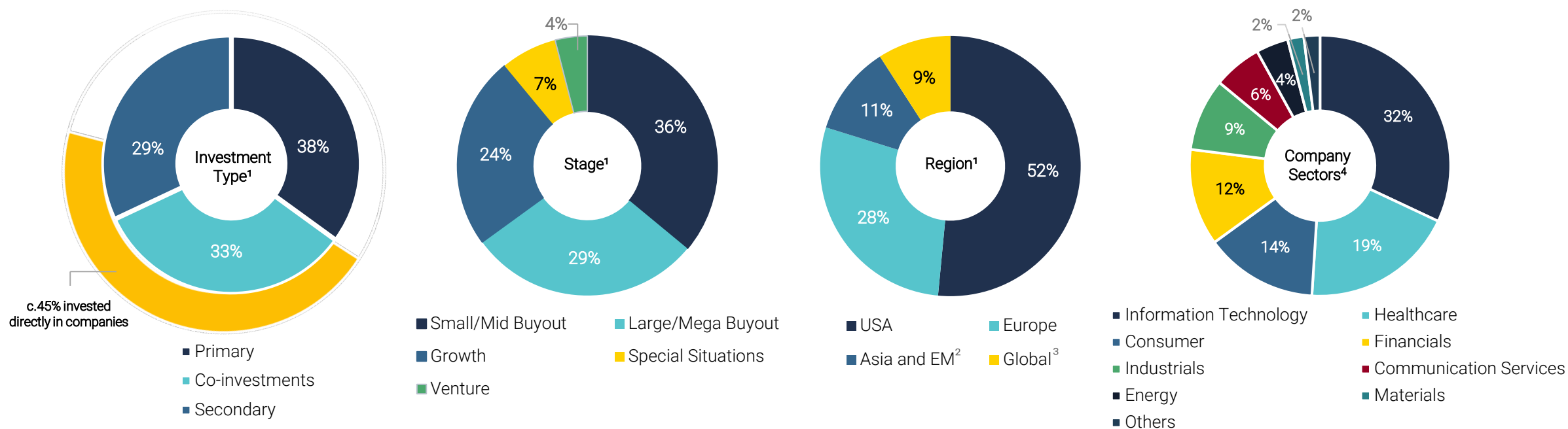
In 2021 the top 10's market cap expanded to \$12.1tn, doubling the share of the index to 28%

Trend is unlikely to disappear soon as mega cap tech firms strengthen moats around businesses

Sources: Bloomberg. S&P 500 data as at the end of each year.

PIN – FTSE 250 investment trust managed by Pantheon

We believe that PIN provides investors with **privileged access** to carefully selected investments in exciting **private companies** globally.



Our focus: to deliver sustainably high returns through an actively-managed portfolio

¹As at 30 November 2021. The fund investment type, stage and region charts are based upon underlying fund valuations and account for 100% of PIN's overall portfolio value. The charts exclude the portion of the reference portfolio attributable to the Asset Linked Note. The Asset Linked Note ("ALN") refers to the unlisted 10-year note issued on 31 October 2017 whose cost and repayments are linked to a reference portfolio consisting of the Company's older vintage funds. ²EM: Emerging Markets. ³Global category contains funds with no target allocation to any particular region equal to or exceeding 60%. ⁴The company sector chart is based upon underlying company valuations as at 30 September 2021, adjusted for calls and distribution to 30 November 2021, and accounts for 100% of PIN's overall portfolio value.

Long-term outperformance in private equity

PIN annualised performance as at 31 March 2022	1 yr	3 yrs	5 yrs	10yrs	Since inception
NAV per share	31.6%	18.4%	14.8%	14.2%	12.1%
Ordinary share price	19.8%	14.2%	12.8%	15.0%	11.5%
FTSE All-Share, TR	13.0%	5.3%	4.7%	7.2%	7.6%
MSCI World, TR (£)	15.9%	15.1%	11.8%	13.7%	8.5%
<i>Share price relative performance:</i>					
vs FTSE All Share, TR	+6.8%	+8.9%	+8.1%	+7.8%	+3.9%
vs MSCI World, TR (£)	+3.9%	-0.9%	+1.0%	+1.3%	+3.0%

12.1%

PIN annualised NAV growth since 1987

+83%

PIN total shareholder return (5Y)

Long-term outperformance

Balanced & diversified portfolio

Actively managed

Cost-effective and liquid

Responsible investment

Disclosures - case studies

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