

A Differentiated Private Equity Strategy

Strategy overview

The Fund seeks to provide investors with long-term capital appreciation by investing in a diversified, global portfolio of private equity investments. To meet this investment objective, the Fund seeks to acquire high-quality, mature assets with identifiable near-term liquidity at compelling prices, where downside and principal risk are limited. The Fund seeks exposure to top-performing managers and dynamic companies in durable industries with potential for long-term growth and recurring revenues, while seeking to avoid cyclical sectors that are sensitive to short-term economic fluctuations.

Portfolio and performance overview

Pomona Investment Fund (“PIF” or the “Fund”) has approximately \$1.8 billion of assets under management as of July 1, 2024.¹ PIF is purposely focused on secondary private equity investments in order to build a well-diversified portfolio across key metrics such as strategy, industry and geography to help maximize returns and mitigate volatility and risk. As of 2Q24, the portfolio is comprised of investments in 320 underlying funds managed by 138 fund sponsors with exposure to ~2,600 underlying companies.

Pomona Capital’s strategy is focused on delivering on the fundamental premise of secondaries—a value-oriented approach seeking to protect capital on the downside and capitalize on the upside. Since inception, Pomona Investment Fund has generated strong performance. Over the past five years, PIF achieved an annualized return of 17.18% for Class I shareholders, the largest share class by NAV, surpassing the MSCI World Index² benchmark by ~500bps for the same period. This momentum continued in the second quarter of 2024, with Class I shares producing a positive return of 0.44%. Please see below for the Fund’s performance as of 06/30/2024.

Fund/Index	Inception	QTD	YTD	1 Year	3 Year	5 year	Since Inception ³	Standard Deviation	NAV/ Share
Class A	05/07/2015	0.30	3.77	8.94	8.23	16.52	13.27	8.92	\$15.08
Class I	04/01/2018	0.44	4.07	9.61	8.85	17.18	16.05	10.50	\$15.98
MSCI World Index ²	—	2.78	12.04	20.75	7.38	12.32	10.26	16.39	

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the past performance quoted. Performance data does not take into consideration account transaction fees or brokerage commissions. The net asset value (NAV) of the Fund will equal, unless otherwise noted, the value of the total assets of the Fund, less all its liabilities, including accrued fees and expenses, each determined as of the relevant valuation date. Total return based on net asset value per share is the combination of changes in net asset value per share and reinvested distributions at net asset value per share, if any. These figures are net of all the Fund’s fees and expenses, including management and performance incentive fees or allocations payable pursuant to the respective organizational documents of each investment fund.

Contribution to performance

PIF seeks to construct a portfolio designed to deliver consistent performance and generate cash flow across economic cycles. In 2Q24, performance was driven by the following factors:

- During the quarter, Pomona capitalized on opportunities to purchase high-quality assets at better than market prices by leveraging its long-standing relationships with top-tier⁴ general partners (G.P.s) including H.I.G. Capital, Berkshire Partners, Hellman & Friedman and Bain Capital. These purchases resulted in a gain from discount of \$15 million.
- Despite macroeconomic uncertainty and lackluster capital market conditions, PIF’s portfolio demonstrated resilience and generated \$49 million in total distributions during 2Q24, illustrating Pomona’s focus on purchasing funds with exposure to underlying businesses that have consistent revenue and identifiable near-term liquidity. Those distributions translated into \$26 million in realized gains and other portfolio income.

Further performance information is included on the Fact Sheet.

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Deal activity in 2Q24

During the quarter, PIF committed ~\$87 million across four L.P. secondary transactions at an average discount of 16.8%. These transactions provided the portfolio with further diversification across vintage year, fund, manager, strategy and sector. The table shows the four transactions while the narratives below provide additional detail on the largest three secondary transactions (>\$2 million) that PIF closed this past quarter.

Deal name	Date closed	Deal size (\$mm)	Source type	Seller type	Details
Project Silk	Jun 2024	\$73.2	Limited competition	European insurance company	5 U.S./European buyout funds
Project History	Jun 2024	\$7.8	Proprietary	U.S. fund of funds	8 U.S. buyout funds
Project Beirut	Jun 2024	\$4.2	Proprietary	Middle Eastern multifamily office	2 U.S. buyout funds
Project Silhouette	Jun 2024	\$1.9	Limited competition	U.S. family office	2 U.S. buyout funds

Note: The above represents all secondary transactions completed in 2Q24 that are equal to or greater than USD \$2 million; further information about deals under USD \$2 million is available upon request.

Project Silk

In 2Q24, PIF closed on Project Silk, a ~\$73M portfolio of five buyout funds purchased from a European insurance company at an estimated discount of 15.1%. The portfolio is well-diversified across ~50 underlying portfolio companies with the largest asset representing 6% of record date NAV. Project Silk is a conservatively valued portfolio with low leverage usage, which provides downside protection along with the carry dynamics of certain underlying funds.

Project Silk was a limited process wherein only a few buyers were invited to bid and Pomona was well positioned due to the restrictive nature of the G.P.s in the transaction. Pomona believes the transaction offers an opportunity for accretive returns by investing in a diversified portfolio of high-quality assets at a meaningful discount and has the potential to deliver strong risk adjusted returns.

Project History

In 2Q24, PIF closed on Project History, an ~\$8M portfolio of six funds managed by five G.P.s purchased from a repeat seller. Pomona believes Project History offers an opportunity for accretive returns with a compelling risk-return dynamic. The cherry-picked portfolio consists of several high-quality funds with significant post-record date distributions and strong upside potential.

Pomona's strong relationships with several of the portfolio G.P.s, including Berkshire, Great Hill and HIG, positioned Pomona well to underwrite the underlying assets at a granular level as they provided insight into key value drivers and projections. Pomona was able to meet the seller's liquidity objectives while strategically targeting and acquiring the assets we wanted at attractive prices. The transaction closed at a meaningful estimated discount at close of 24.5%.

Project Beirut

In 2Q24, PIF committed ~\$4M to Project Beirut, which consists of one Bain Capital and one Carlyle fund. Project Beirut was a proprietary transaction where Pomona proactively approached the seller, a family office based in the Middle East, to offer a liquidity solution. The underlying portfolio is diversified across 15 industries with no public market exposure and is conservatively valued. Furthermore, the underlying portfolio companies have exhibited strong historical revenue and EBITDA growth to date and has meaningful growth potential.

The portfolio is managed by blue chip G.P.s with top-tier track records, with whom Pomona has built strong strategic relationships over the years. Due to the Firm's longstanding relationship with both G.P.s in the deal, Pomona had strong information insight into the portfolio for underwriting. Pomona believes Project Beirut to be highly attractive given the high-quality of the G.P.s and portfolio assets, the diversification of the underlying portfolio and meaningful projected discount at close, which is estimated to be 18.4%.

Notable liquidity events

Pomona manages the PIF portfolio to receive cash distributions as the more mature assets are realized, while at the same time refreshing the portfolio with younger assets that are expected to enter their growth phase. This maturity profile has led to the portfolio generating average annual distributions of approximately 29% of the fair value of the Fund's portfolio. This positions PIF well to comfortably meet its outstanding commitments and respond nimbly to new investment opportunities. Below is a list of articles that discuss recent liquidity events related to portfolio companies in which the Fund invests through its private equity holdings. Please refer to the recent headlines and corresponding links below for more information on these liquidity events.

[Blackstone firm Aadhar Housing Finance unveils ₹3,000-crore IPO](#)

Blackstone-promoted Aadhar Housing Finance Ltd., an affordable housing lender, announced its ₹3,000 crore initial public offering (IPO) of equity shares May 8. The price band had been fixed at ₹300–₹315 per equity share of a face value of ₹10 each. Bids closed on May 10. Bids could be made for a minimum of 47 equity shares in multiples of 47 shares thereafter. The IPO comprised a fresh issue of ₹1,000 crore and an offer for sale aggregating up to ₹2,000 crore by BCP Topco VII Pte. Ltd., which was the Promoter Selling Shareholder. The company proposed to utilize the net proceeds from the fresh issue to meet future capital requirements for onward lending and general corporate purposes.

[Triton to sell SEDIVER parent company SEVES Group to Blackstone](#)

Funds advised by Triton have signed an agreement to sell SEVES Group S.à r.l., the parent company of SEDIVER Group, a provider of specialized electrical glass insulator solutions for the high-voltage transmission grid, to Blackstone. The terms of the transaction, which marked Triton's complete divestment from the SEVES Group, were not disclosed. As the world's leading manufacturer of toughened glass insulators, SEDIVER supplies a mission-critical element of the electric transmission grid. The company supports the energy transition by enabling the reliable and sustainable transmission of electricity, while facilitating the global electrification megatrend. SEDIVER's products are critical to the modernization of the electrical grid in developed economies, while powering the new build-out of grid systems in emerging markets around the world.

[Atlas Energy Solutions Inc. completes previously announced acquisition of Hi-Crush Inc. and announces promotion of John Turner to CEO](#)

Atlas Energy Solutions Inc. announced the completion of the acquisition of Hi-Crush Inc. The transaction strengthens Atlas's position as the largest proppant producer in the country, with a total combined annual production capacity of ~28 million tons per year, and an industry leading provider of proppant logistics in the Permian Basin. This acquisition brings together two of the leading innovators in the Permian proppant space and broadens Atlas's logistics offering through the addition of Pronghorn, a leading multi-basin provider of proppant logistics and wellsite services. The combined logistics offerings are expected to drive significant operational efficiencies. Hi-Crush Inc., together with

its subsidiaries, is a fully integrated provider of proppant and logistics services for hydraulic fracturing operations, offering frac sand production, advanced wellsite storage systems, flexible last mile services and innovative software for real-time visibility and management across the entire supply chain. Hi-Crush's strategic suite of solutions provides U.S. oil and gas operators and service companies with the ability to build safety, reliability and efficiency into every completion. Clearlake Capital Group L.P. and Whitebox Advisors LLC are the controlling shareholders of Hi-Crush Inc.

[Major European glass recycler to buy Strategic Materials](#)

Sibelco, a post-consumer glass recycling firm with two dozen processing plants across Europe, announced plans to buy U.S. glass recycling giant Strategic Materials, which recently reorganized through Chapter 11 bankruptcy. Belgium-headquartered Sibelco on April 23 announced it signed a "definitive agreement" to acquire Strategic, a major downstream outlet for U.S. MRFs and container deposit programs. Strategic buys mixed post-consumer glass, including container glass, and at its three dozen U.S. processing facilities, cleans and sorts the material to produce cullet for manufacturing. The company processes more than 2 million short tons of glass per year. Strategic had been owned by private equity firm Littlejohn & Co. since 2017.

[Leonard Green & Partners and Berkshire Partners complete sale of SRS Distribution for \\$18.25 billion](#)

Leonard Green & Partners and Berkshire Partners today announced the closing of the sale of SRS Distribution Inc. a distributor of residential and commercial building products in the United States, to The Home Depot for \$18.25 billion. The acquisition was previously announced on March 28, 2024. Berkshire Partners invested in SRS in 2013 and sold a majority stake in the business to Leonard Green & Partners in 2018. Both firms played a key role in supporting the growth of SRS, including entering multiple new trade verticals and the expansion of SRS branches across the country. Since the company's inception, SRS has prioritized broad-based equity incentives and ownership to create meaningful financial opportunities for its employees. These initiatives had the full support of Leonard Green & Partners and Berkshire Partners, who are both members of Ownership Works, a nonprofit organization that partners with companies and investors to provide all employees with the opportunity to build wealth through their career.

¹ Fund AUM is calculated as the sum of the Fund's net asset value as of 06/30/24 (\$1.6 billion) and the amount of capital received from subscriptions effective 7/01/24 (\$127.8 million).

² The "MSCI World Index" is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. (<http://www.msci.com/world>). The MSCI World Index has not been selected to represent an appropriate benchmark to compare an investor's performance, but rather is shown as a comparison to that of a well-known and widely recognized index. The MSCI World Index is not subject to any of the fees and expenses to which any Pomona fund would be subject and no fund sponsored by Pomona Capital will attempt to replicate the performance of the MSCI World Index.

³ The since inception calculation for the MSCI World Index begins on May 7, 2015. Both share classes utilize the applicable inception date noted above as the starting point for this calculation. Annualized total return for the MSCI World Index 11.26% for the period from 4/1/18 through 06/30/24.

⁴ "Top-tier G.P." or "Top-quartile G.P." refers to a general partners with two or more 1st or 2nd quartile ranked funds on www.preqin.com; data accessed 07/16/24.

Disclaimers

The **MSCI World Index** captures large- and mid-cap equity representation across 23 developed markets (DM) countries. With 1,509 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. **Investors cannot invest directly in an index.**

Past performance is no guarantee of future returns. All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. All security transactions involve substantial risk of loss. Please refer to your client statement for a complete review of recent transactions and performance.

Principal risks. An investment in the Fund involves a considerable amount of risk. A shareholder may lose money. Before making an investment decision, a prospective investor should (i) consider the suitability of this investment with respect to the investor's investment objectives and personal situation and (ii) consider factors such as the investor's personal net worth, income, age, risk tolerance and liquidity needs. The Fund is an illiquid investment. Shareholders have no right to require the Fund to redeem their shares in the Fund and, as discussed in the Fund's prospectus, the Fund conducts quarterly tender offers subject to board approval. Therefore, before investing investors should read the Fund's prospectus and carefully consider the risks that they assume when they invest in the Fund's common shares.

Investment risk. An investment in the Fund involves a high degree of risk, including the risk that the shareholder's entire investment may be lost. The Fund's performance depends upon the Adviser's selection of investment funds and direct investments in operating companies, the allocation of offering proceeds thereto, and the performance of the investment funds, direct investments and other assets. The investment funds' investment activities and investments in operating companies involve the risks associated with private equity investments generally. Unexpected volatility or lack of liquidity, such as the general market conditions that prevailed in 2008, could impair the Fund's performance and result in its suffering losses.

The value of the Fund's total net assets is expected to fluctuate. To the extent that the Fund's portfolio is concentrated in securities of a single issuer or issuers in a single sector, the investment risk may be increased. The Fund's or an investment fund's use of leverage is likely to cause the Fund's average net assets to appreciate or depreciate at a greater rate than if leverage were not used.

An investor should consider the investment objectives, risks, charges and expenses of the Fund(s) carefully before investing. For a free copy of the Fund's prospectus, which contains this and other information, visit us at www.pomonainvestmentfund.com. Please read the prospectus carefully before investing. The Fund is available only to accredited investors.

The articles cited in **Notable Liquidity Events** are presented as illustrations of recent underlying portfolio company activity; they are not intended to be a complete representation of past, present or future activity of all underlying portfolio companies, or any performance thereof. There is no guarantee that any investment in an underlying portfolio company will be profitable or that any investment in a Pomona-sponsored fund ultimately will be profitable. Additional information on other portfolio company activity is available upon request.

The headlines referenced in Notable Liquidity Events serve as links to external articles produced by third parties. The articles referenced were selected from a list of all return of capital distributions received by the Fund during the reporting period. An internet search was conducted for the portfolio company associated with each return of capital distribution received, starting with the most recent. The articles selected for this commentary were identified as representative of the dispositions that generated the return of capital distributions received by the Fund. For the purposes of this selection process, the following return of capital distributions were removed from the population set (i) return of capital distributions from investment managers associated with a previously selected distribution, (ii) return of capital distributions related to the release of proceeds held back from prior distributions and (iii) return of capital distributions related to the secondary sale of public securities.

The Fund does not guarantee the accuracy or completeness of any information presented on these third party sites, and the sites may have privacy and security policies that differ from those practiced by the Fund. These links are offered only for use at your own discretion.

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