Pomona Capital

What is Private Equity?

About Pomona

- Founded in 1994, Pomona Capital is a global private equity firm that has ~$18 billion[1] in capital commitments across its sponsored funds and separate accounts.
- Pomona manages a series of secondary and primary strategies for a global group of over 350 sophisticated investors. Pomona fields a team of experienced professionals with local networks, country expertise and GP relationships across both mature and developing markets. The team has an established record of originating, analyzing, negotiating and closing diverse transaction types.
- Over our 30-year history, we have analyzed $900B+ in secondary transactions and purchased ~750 funds, totaling investments in 10,000+ companies. Pomona has a demonstrated track record of delivering benchmark beating [2] returns and liquidity with a relatively low risk profile over multiple economic cycles.

Private equity is often categorized as an “alternative investment”, which typically denotes an asset class or strategy that is an alternative to the stock and bond portfolios traditionally used by investors. Below is a broad overview of some asset classes and strategies that are considered alternative investments:

Private Equity	• Buyout • Growth Capital • Venture Capital • Mezzanine • Special Situation • Infrastructure
Real Estate Private Equity	• Office • Retail • Residential • Commercial
Hedge Funds	• Long/Short • Global Macro • Event Driven • Market Neutral • Emerging Markets
Other Private Equity	• Natural Resources/Energy • Commodities

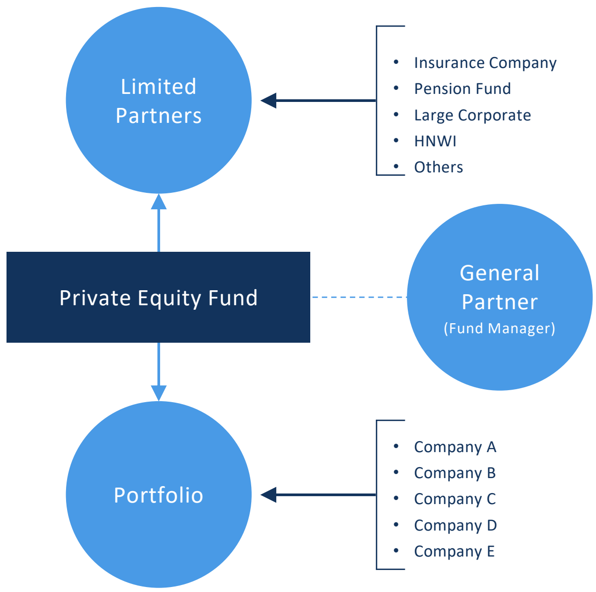
Private Equity Overview

Private equity is an investment in companies that are not publicly traded. In a typical transaction, an investor buys a stake in a private company with the goal of realizing an increase in the value of the holding. Private equity investment managers take an active role in the companies they acquire, providing expertise and resources to help drive growth and increase value, creating the potential for a significant return on investment.

Private equity funds typically make these investments for a period of 4-7 years, with the goal of realizing a profit from the sale or other disposition of the investment.

Private equity firms raise capital from a variety of institutional and individual investors. These investors are called limited partners (LPs). The manager of a private equity fund, called the general partner (GP), invests the capital raised from LPs in private companies or other assets and manages those investments on behalf of the LPs .

Typical Private Equity Structure



The above is being provided for informational purposes only and reflects the views and opinions of Pomona. There can be no assurance that any investment made in a Pomona fund will have any or all of the investment characteristics described herein. Prospective investors should consult their financial, tax and legal advisors prior to making a commitment to any Pomona-sponsored fund. Investments in private equity involve a substantial degree of risk; there is no guarantee that any investment in private equity or a Pomona-sponsored fund will ultimately be profitable and an investor could lose some or all of its investment. Past performance is not indicative of future results. See important disclaimers and footnotes on pages 4-5. Not for public distribution.

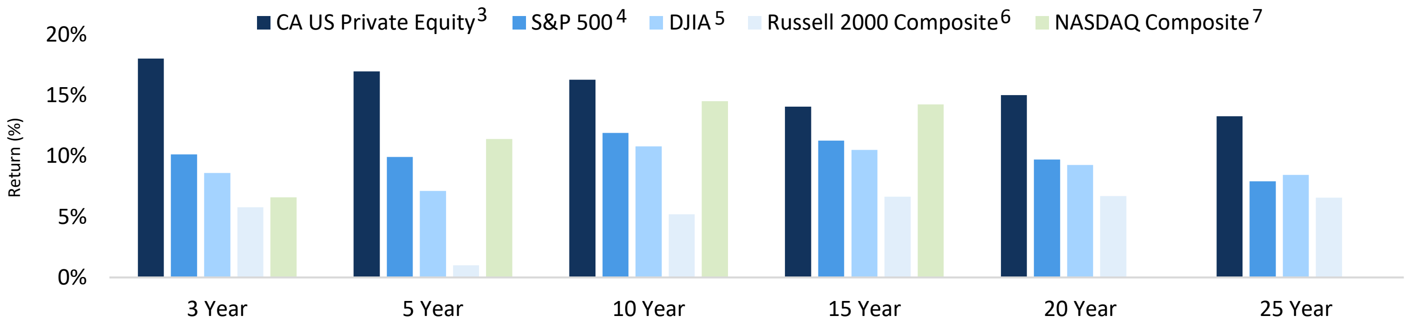
The Key Differences of Private Equity Investments

Long-Term Return Potential

Private equity offers the potential to exceed the returns of public equities on a risk-adjusted basis and to provide downside protection. Historical returns over a long investment cycle have surpassed those of public equity markets as noted below. Pomona believes these returns can be primarily attributed to four main factors:

- Ability to control or influence underlying businesses/investments
- Ability to conduct deep due diligence when acquiring private businesses
- Ability to align interests of management with investors
- Market inefficiency creates potential for making investments at more favorable valuations

U.S. Private Equity vs. Market Indices (period ending 09/30/23)[A]

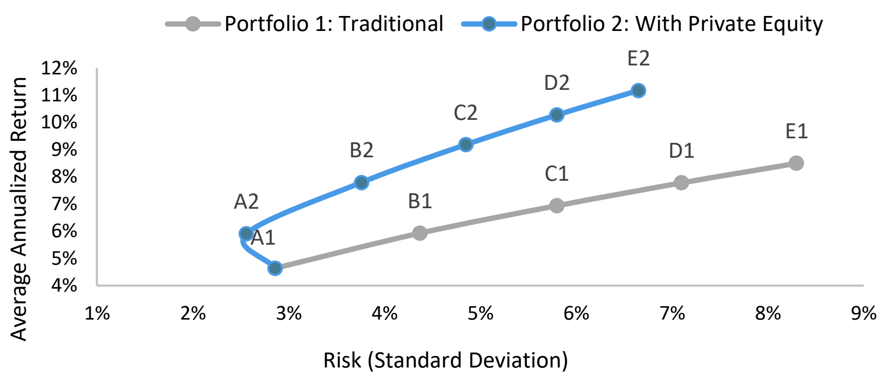


A) Please read in conjunction with footnotes and disclaimers to understand the limitations, scope and differences among each index used.

Risk Adjusted Returns

Many institutional investors use private equity in their portfolios to increase portfolio diversification. Private equity provides a broad and diverse range of strategies in which to invest, which are typically structured in a way that may provide lower correlation to traditional investments. The addition of private equity exposure to a balanced portfolio may help contribute to an overall improvement in a portfolio's risk/return profile.

Return Enhancement / Risk Mitigation (9/30/03 – 9/30/23)*



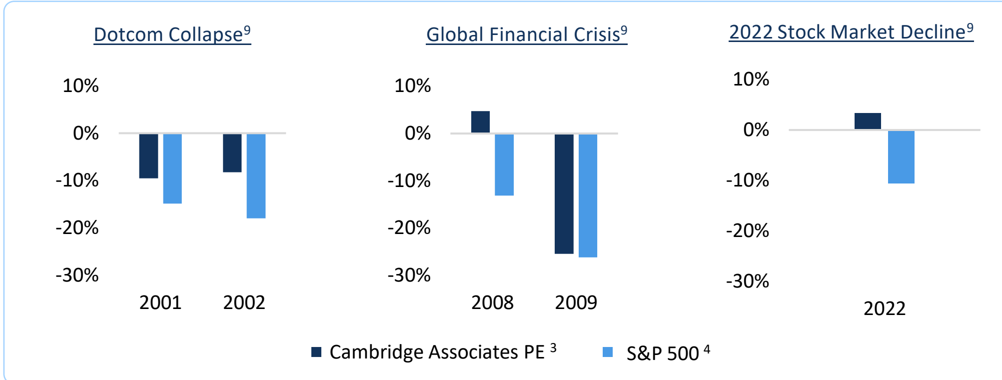
<u>Assumptions*</u>

- Traditional Portfolio contains only equity and fixed income
- Portfolio with Private Equity takes 100% of the Private Equity allocation from the Equity column
- Indices used:
  - Cambridge Associates U.S. Private Equity Index[3]
  - Equity: MSCI World Index[8]
  - Fixed Income: Barclays US Aggregate Bond Index[9]

	Traditional Portfolio*				Portfolio with Private Equity*			
Risk Profile	Portfolio	Equity	PE	Fixed Income	Portfolio	Equity	PE	Fixed Income
A	1	20%	0%	80%	2	15%	5%	80%
B	1	40%	0%	60%	2	30%	10%	60%
C	1	60%	0%	40%	2	45%	15%	40%
D	1	80%	0%	20%	2	60%	20%	20%
E	1	100%	0%	0%	2	75%	25%	0%

Market Resilience

Private Equity investments have historically exhibited less downside performance than traditional investments during periods of market distress. As illustrated below, private equity generally outperformed the market in terms of IRR during even the most challenging global economic conditions.



Source: Cambridge Associates (www.cambridgeassociates.com) & Capital IQ (www.capitaliq.com). The data represents the returns from 1/1-12/31 of each respective calendar year listed.

Established, Growing Asset Class

Over the past decade, the private equity industry has seen significant growth as an asset class. Approximately $11.2 trillion was raised between 2012—2022 (see chart).

Source: Bain & Company Global Private Equity Report 2023 (www.bain.com)

Private Equity Investing Spectrum

Investors have different methods to gain exposure to private equity.

Primary Fund of Funds	Secondaries	Primary Direct Funds	Co-Investments
• Diversified portfolio of interests in blind pool funds enables access as well as administrative and due diligence efficiency • Broad exposure • Performance is largely dependent on the ability of the manager to select and manage successful investment opportunities	• Ability to access mature funds typically with greater transparency and often at attractive discounts • Significant diversification and potential early cash flow	• Local Market: LP interests in funds with direct control over portfolio in regions familiar to investor • Sector, Style: Ability to focus on high growth sectors, market segments, or industries directly • Blind pool risk • Less diversified than fund-of-funds	• Flexibility to opportunistically participate in private equity transactions alongside other partners

Indirect ⟷ Direct

- Private equity strategies differ in their fundamental characteristics and can produce significantly different returns than traditional investments.
- Private equity funds can be dedicated solely to one strategy or can invest in a combination of strategies.
- Private equity funds have different risk profiles and liquidity restrictions than traditional asset classes.

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Footnotes & Disclaimers

Past performance of investments described herein is provided for illustrative purposes only and is not indicative of future investment results of any Pomona fund whose past performance is shown herein. Totals may not add due to rounding. There is no assurance that losses will not be incurred or any investment shown herein will achieve its investment objectives. Any opinions expressed in this document may be subject to change without notice. All information provided is as of the date noted and is unaudited. Figures will change without notice. **The information herein (1) is for informational purposes only, (2) is not an offer or solicitation to buy or sell any interest in a Pomona-sponsored fund, and (3) should not be relied upon to make any investment decisions.**

(1) Represents (i) aggregate capital commitments from investors to Pomona-sponsored funds, (ii) investments made by Pomona on behalf of its discretionary separate account clients, and (iii) investment recommendations made to Pomona's non-discretionary separate account clients, which total $670M. Pomona's regulatory assets under management (RAUM) as of September 30, 2023 (latest available) is $13.1B. RAUM is defined by the U.S. SEC and further information is available: https://reports.adviserinfo.sec.gov/reports/ADV/148269/PDF/148269.pdfS&P 500 Index:

(2) [Reserved]

(3) Cambridge Associates U.S. Private Equity Index: The Cambridge Associates U.S. Private Equity Index represents the horizon calculation based on data compiled from 1,538 U.S. private equity funds, including fully liquidated partnerships, formed between 1986 and 2023. The investments within a private equity fund and the corresponding performance volatility thereof may differ significantly from the securities that comprise the Cambridge Index, which may contain strategies and asset types a private equity fund does not utilize. The 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 index is not subject to any of the fees and expenses to which any private equity fund would be subject and no private equity fund will attempt to replicate the performance of the index.

(4) S&P 500 Index: The S&P 500 measures the value of stocks of the 500 largest corporations by market capitalization listed on the New York Stock Exchange or Nasdaq Composite, and is considered to be a proxy of the U.S. equity market. The S&P gain/loss is calculated using the quarterly price change of the index, which is derived by taking the change in price for the quarter and dividing it by the previous quarter's end price. The S&P 500 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. http://us.spindices.com/indices/equity/sp-500. Public index return shown as an average annual compounded return (AACR) calculation which is a time weighted measure over the specified time horizon, and is shown for reference and directional purposes only. The S&P 500 contains only seasoned equity securities. Pomona's funds primarily invest in secondary interests in seasoned private equity funds, primary investments in private equity funds and direct investments in opportunities alongside private equity managers. Investors generally cannot invest directly in the S&P 500, which is presented for reference purposes only. Pomona's funds do not invest directly in the securities comprising the S&P 500. In addition, an investment in a Pomona fund generally will be subject to fees and expenses, none of which are reflected in the S&P 500. For the foregoing and other reasons, the returns achieved by Pomona's funds and the returns of the S&P 500 presented herein should not be considered comparable.

(5) Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-ship stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928. The investments within a private equity fund and the corresponding performance volatility thereof may differ significantly from the securities that comprise the index, which may contain strategies and asset types a private equity fund does not utilize. The 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 index is not subject to any of the fees and expenses to which any private equity fund would be subject and no private equity fund will attempt to replicate the performance of the index.

(6) Russell 2000 Composite: The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The investments within a private equity fund and the corresponding performance volatility thereof may differ significantly from the securities that comprise the index, which may contain strategies and asset types a private equity fund does not utilize. The 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 index is not subject to any of the fees and expenses to which any private equity fund would be subject and no private equity fund will attempt to replicate the performance of the index.

(7) NASDAQ Composite Index: The NASDAQ Composite Index is a broad-based capitalization-weighted of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971. The investments within a private equity fund and the corresponding performance volatility thereof may differ significantly from the securities that comprise the index, which may contain strategies and asset types a private equity fund does not utilize. The 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 index is not subject to any of the fees and expenses to which any private equity fund would be subject and no private equity fund will attempt to replicate the performance of the index.

8) 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. The investments within a private equity fund and the corresponding performance volatility thereof may differ significantly from the securities that comprise the index, which may contain strategies and asset types a private equity fund does not utilize. The 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 index is not subject to any of the fees and expenses to which any private equity fund would be subject and no private equity fund will attempt to replicate the performance of the index.

9) Investment in private equity involves a substantial degree of risk and the appropriateness of private equity for any individual portfolio will vary. Index performance is not representative of the Fund's performance. There are significant differences between public and private equities, which include but are not limited to, the fact that public equities have a lower barrier to entry than private equities. There is also greater access to information about public companies. Investments in private equities typically have a longer time horizon than investments in public equities before profits, if any, are realized. Additionally, public equities typically provide greater liquidity than private equities, whereas private equities are considered highly illiquid. The date range is based on a common period of data availability. The referenced indices are shown for general market comparisons and are not meant to represent any particular investment. There are significant differences in the risks and potential for volatility of the Fund relative to an index. An investor cannot invest directly in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented. Past performance is no guarantee of future results.

Contact Us:

Vivian Flynn, Managing Director
+1 212-401-4697
vflynn@pomonacapital.com

NEW YORK
780 Third Avenue, 46 FL
New York, NY 10017

LONDON
80 Brook Street
London, W1K 5EG

HONG KONG
Suite 1506-7, 15th Floor Prince's Building,
10 Charter Road, Central H.K.