

A conversation with Michael Granoff

In an exclusive webinar on October 22, Michael Granoff, Pomona Capital's CEO, and Randal Barton, Senior Vice President at Voya, discussed how selectivity, portfolio quality and disciplined liquidity management are setting the stage for PIF's future. Here are highlights of their discussion.



Featured Speaker
Michael Granoff
Founder and CEO,
Pomona Capital



Host
Randal Barton
Voya Investment
Management

“We own a broad group of really good assets.”

Q What is Pomona trying to deliver for investors?

A Michael outlined four objectives that PIF seeks to deliver: broad diversification, access to high-quality, growing private companies, the acquisition of underlying fund interests at attractive prices, and the potential to generate liquidity. That approach has delivered an annualized return of more than 12% over the past 10 years.

Pomona seeks to purchase interests in mature, high-quality private equity funds through the secondary market at attractive discounts to net asset value. “We own a broad group of really good assets,” Michael said. PIF provides exposure to approximately 2,000 underlying companies, diversified across industries, vintage years, stages of development and geographies.

“Over 90% of our assets are in funds that rank in the top two quartiles.”

Q What supports confidence in the quality of PIF's portfolio?

A The bulk of PIF's assets are in top-ranked funds. “Over 90% of our assets are in funds that rank in the top two quartiles,” Michael said.

Michael said the underlying companies, on average, are growing revenues and profits faster than the broader market and are held at lower multiples than public-market comparables. Many funds they seek to acquire are 5-7 years old and 70%-80% funded, allowing PIF to assess actual operating progress instead of underwriting only to forecasts.

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Q How does PIF create value over time?

A In secondary private equity, value is created in three stages: purchase price (discount) → company growth → exit uplift.

For PIF, purchase price matters: acquiring assets at a discount can enhance return potential and provide a measure of downside protection. Michael said, “the overwhelming majority of value is from growth of the underlying assets.”

Q Can you talk about PIF’s liquidity?

A So far this year, PIF has distributed approximately 10% of NAV. “We’re seeing exit activity occur throughout the portfolio, and it is generally occurring at valuations that are above our holding values.” In 2025-2026, PIF exits were occurring at about a 20% uplift to carrying values, illustrating how the full value of a company may not be fully recognized until it is sold. Michael said, “High-quality companies continue to attract buyers who are willing to pay a high price for them.”

Michael emphasized PIF’s fiduciary responsibility to balance shareholder liquidity with funding existing commitments and pursuing new investment opportunities. The fund invests in private assets that build value over time and are not readily convertible to cash. Proration is a feature of the fund’s structure that helps balance the interests of redeeming and remaining shareholders while supporting the portfolio’s long-term investment objectives.

Q Tell us about PIF’s exposure to the software sector where investors are concerned about companies being displaced by AI.

A Michael described PIF’s software exposure as approximately 15% or less. He emphasized Pomona’s focus on mature, high-quality, profitable companies and the importance of diversification as AI creates both opportunities and risks. He said, “Some companies will be hurt by AI. That’s why it’s important to be diversified.”

PIF’s largest single-company position is only about 3% of the portfolio. Compared to the S&P 500, where only 10 stocks account for about 40% of the value, PIF is far less concentrated.

“We’re seeing a lot of interesting assets we can potentially acquire and that’s exciting”

Q What excites you most about today’s secondaries market and how is PIF positioned for that?

A “We are seeing more sales volume in secondaries than we’ve ever seen before,” said Michael. “Our job is to be really granular from the bottom up and try to buy the best assets that we can at the best price.”

The large supply creates an attractive buying environment for PIF. “We’re seeing a lot of interesting assets we can potentially acquire and that’s exciting,” Michael said. But, selectivity in this environment is just as important. Historically, Pomona typically purchases about 1% or 2% of its doable deal flow.

Michael also expressed optimism about PIF’s existing holdings, noting that the portfolio’s quality, diversification and maturity position it to benefit from potential exits.

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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 carefully read the Fund’s prospectus and consider carefully the risks that they assume when they invest in the Fund’s common shares.

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Source: “An Exclusive Webinar with Michael Granoff” transcript. Figures and characterizations reflect remarks made during the webinar and should be reviewed against approved product materials before external use.

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