



Pomona College Annual Endowment Report



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2025 Pomona College Annual Endowment Report

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Letter from the Chief Investment Officer



It is my privilege, in my seventh year as Chief Investment Officer of Pomona College, to introduce our first annual endowment report. The close of a fiscal year brings an opportunity to reflect, not just on the numbers, but on the decisions, conversations, and circumstances that shaped them. While people are most curious about what happened over the last 12 months, we know the real measure of success lies in the years and decades ahead. Our focus, therefore, remains on stewardship for the long term, ensuring Pomona’s endowment continues to support students, faculty, staff and the College’s mission for generations to come.

For the fiscal year ending June 30, 2025, Pomona’s endowment returned 11.7%, modestly ahead of our policy benchmark at 10.9%. Performance this year was shaped by a mix of strengths and challenges. Global equities, and in particular our U.S.-focused managers, were the most significant contributors to out-performance. Our investments in real, tangible assets delivered strong results, thanks to favorable market conditions and the steady nature of real-asset strategies in a diversified portfolio. By contrast, our diversifying strategies detracted from returns, due to poor performance from our systematic managers who were down double digits this year. While disappointing in the near term, these strategies continue to play a critical role in helping protect the portfolio against stress in traditional markets.

While we recognize that annual results often draw the greatest attention, our stewardship remains firmly rooted in the long term. Over the last 3-, 5- and 10- year horizons, Pomona’s endowment has delivered results that both sustain the College’s mission today and preserve purchasing power for generations to come.

Figure 1 | Average Annual Compound Returns (%) as of 12/18/2025

Composites	3-Year	5-Year	10-Year
Pomona College	9.4%	11.5%	8.3%
Diversified Policy Benchmark	8.9%	10.6%	8.0%
Simple 70/30 Benchmark*	12.8%	9.3%	7.7%

*The simple benchmark is a blend of 70% MSCI ACWI and 30% Bloomberg US Aggregate Bond Indices.

At year-end, the endowment stood at \$3.25 billion, compared to \$2.99 billion the prior year. Spending distributions of \$118 million directly supported Pomona's students, faculty and programs, ensuring that the resources entrusted to us are felt tangibly across the campus.

Artificial intelligence continues to be the hot topic in the investment world, as it relates to the companies our managers are invested in, and as part of the day-to-day of how we work. Over the past year, we have begun to integrating AI tools into the daily operations of the investment office, enhancing the way we do research, enabling us to monitor investments more efficiently, and streamlining internal workflows. We expect this adoption to deepen in the year ahead, helping us make better decisions and serve the College with greater efficiency.

At its heart, the endowment is more than a financial resource — it is a promise to support the future generations of Pomona College students, faculty and staff. This responsibility requires more than chasing returns; it calls for patience, foresight and values-driven stewardship. By staying diversified and taking a careful approach to risk, we can ensure the endowment continues to serve its purpose across cycles and centuries.

As we look ahead, we do so with humility and optimism. Markets will bring periods of uncertainty, but Pomona's endowment is built to endure, guided by a philosophy that prioritizes excellence, diversification and a long-term perspective. Above all, our work is in service of the College's mission: To ensure talented students have access to the finest education, faculty have the resources to pursue teaching and scholarship at the highest level, and that Pomona continues to thrive for generations to come.

I am deeply grateful to my colleagues on the investment team, the Investments Committee and the broader Pomona community for their wisdom, partnership and trust. It is a privilege to serve as steward of these resources, and our office remains committed to advancing the College's mission through careful and thoughtful investment management.

Chirp! Chirp!

Dave Wallace

Chief Investment Officer

Pomona College

Investments Summary

At Pomona College, we are committed to stewarding our endowment in a way that ensures the financial strength of the institution for generations to come. Our investment philosophy is guided by three core principles:

- ✱ **Preserve and Grow Capital**

The endowment is invested to preserve its real (inflation-adjusted) purchasing power while generating sustainable returns to support the College’s mission.
- ✱ **Intergenerational Equity**

Our strategy ensures that both current and future students benefit from endowment support.
- ✱ **Diversification & Risk Management**

We construct a diversified portfolio across asset classes to minimize risk while maximizing long-term growth.

Asset Allocation FY2025

The charts below illustrate the asset allocation for FY2025. Figure 2 identifies the asset classes while Figure 3 shows the allocation by the role Pomona’s asset classes play in the portfolio.

Figure 2 | Asset Allocation: Fiscal Year 2025

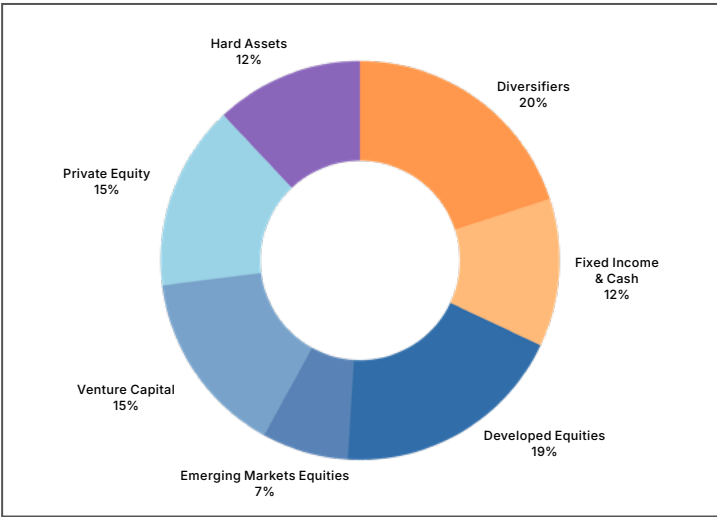
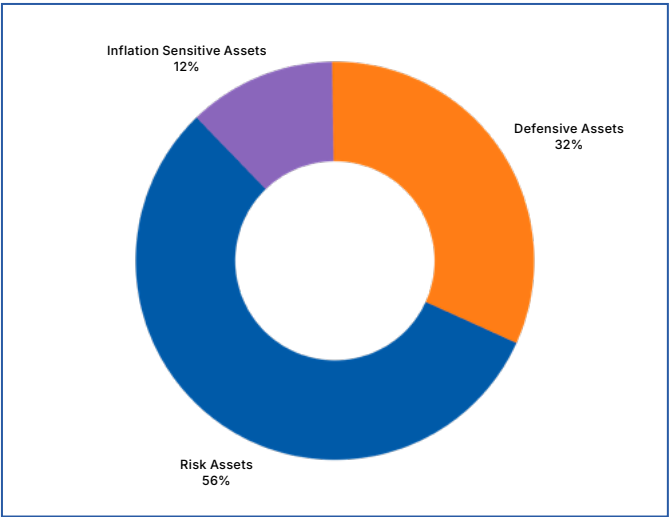


Figure 3 | Asset Class Category Totals



\$36M

Annual amount provided by the endowment for financial aid

49%

Annual contribution to the operating budget

414

Annual equivalent of full scholarships funded

\$3.25B

Total endowment value as of June 30, 2025

11.7%

Annual return for FY2025

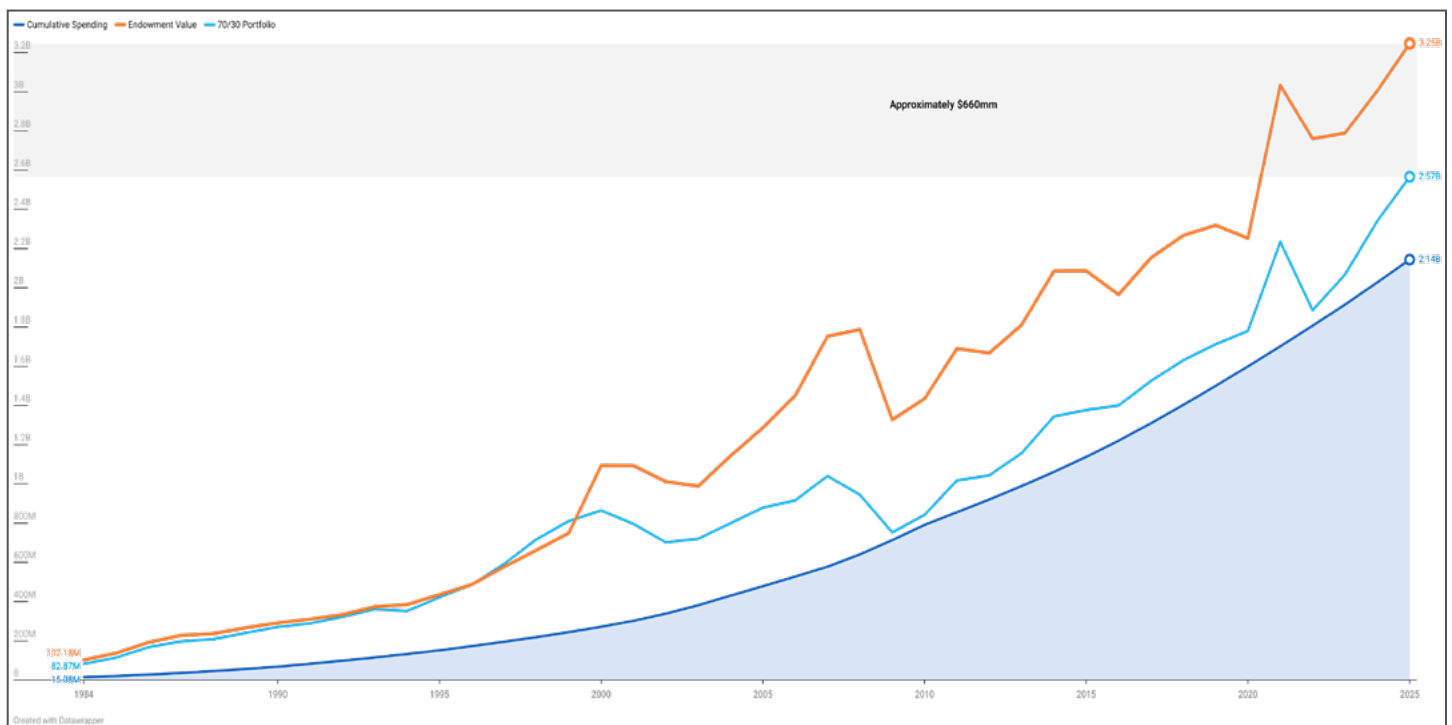
8.3%

10-Year average annual return

Growth of the Endowment

As of June 30, 2025, the total endowment value grew to \$3.25B, with a total investment pool of \$3.44B (Figure 4). The annual return for the year was 11.7%, bringing the 10-year average return to 8.3%.

Figure 4 | Growth of the Endowment



Market & Economic Overview

Over the past fiscal year, the market labored higher despite waves of uncertainty and negative headlines. Even amid political shifts, markets managed to grind slightly upward through Election Day. The day following the election, U.S. equity markets surged: The Dow rose 3.6 percent, the S&P 500 gained 2.5 percent and the NASDAQ climbed nearly 3 percent, all closing at record highs as investors welcomed the clarity and prospect of tax relief, deregulation and policy certainty.

However, the calm was soon tested. In January 2025, the emergence of DeepSeek, a Chinese open-source AI model matching the capabilities of leading U.S. counterparts, sparked widespread tech-sector turbulence, wiping away hundreds of billions in market value as markets reassessed the AI leadership narrative.

Through the late winter and early spring, the markets absorbed the implications of this shift and pending policies from the new administration. When new reciprocal tariffs were announced in early April volatility spiked yet again, only to be met swiftly with a rebound in stock prices as trade tensions eased. As the fiscal year ended on June 30, equity indices managed to close the year at all-time highs.

During this time the College faced another potential challenge — a proposal to sharply increase the federal excise tax. Early drafts of legislation envisioned a 21 percent rate, a level that would have constrained the resources available to directly support Pomona students and faculty. As the bill evolved, the proposed rate fell to 8 percent, and in July, the final legislation reduced Pomona's tax rate to zero. The resolution of this uncertainty was a welcome reminder that our work calls us to look beyond the day-to-day uncertainties of investments and remain focused on the decisions that drive long-term ability of the endowment to advance Pomona's mission.



KEY INSIGHT

The One Big Beautiful Bill Act reduced Pomona's potential endowment tax liability from 21% to 0%.





“Our focus, therefore, remains on stewardship for the long term, ensuring Pomona’s endowment continues to support students, faculty, staff and the College’s mission for generations to come.”

—Dave Wallace, Chief Investment Officer



Investment Performance

The College’s fiscal year runs from July 1 through June 30, and for the fourth year out of the last five, the endowment portfolio outperformed its benchmark. All asset classes showed positive returns, with equity allocations, both public and private, in the double digits.

While annual results often draw the greatest attention, our stewardship remains firmly rooted in the long term. Over the last 3-, 5- and 10-year horizons (Figure 1), Pomona’s endowment has delivered results, outperforming benchmarks and reinforcing the value of a disciplined, long-term approach. These efforts help sustain the College’s mission today and support future purchasing power.

Figure 1 (also on p. 2) | Average Annual Compound Returns (%) as of 12/18/2025

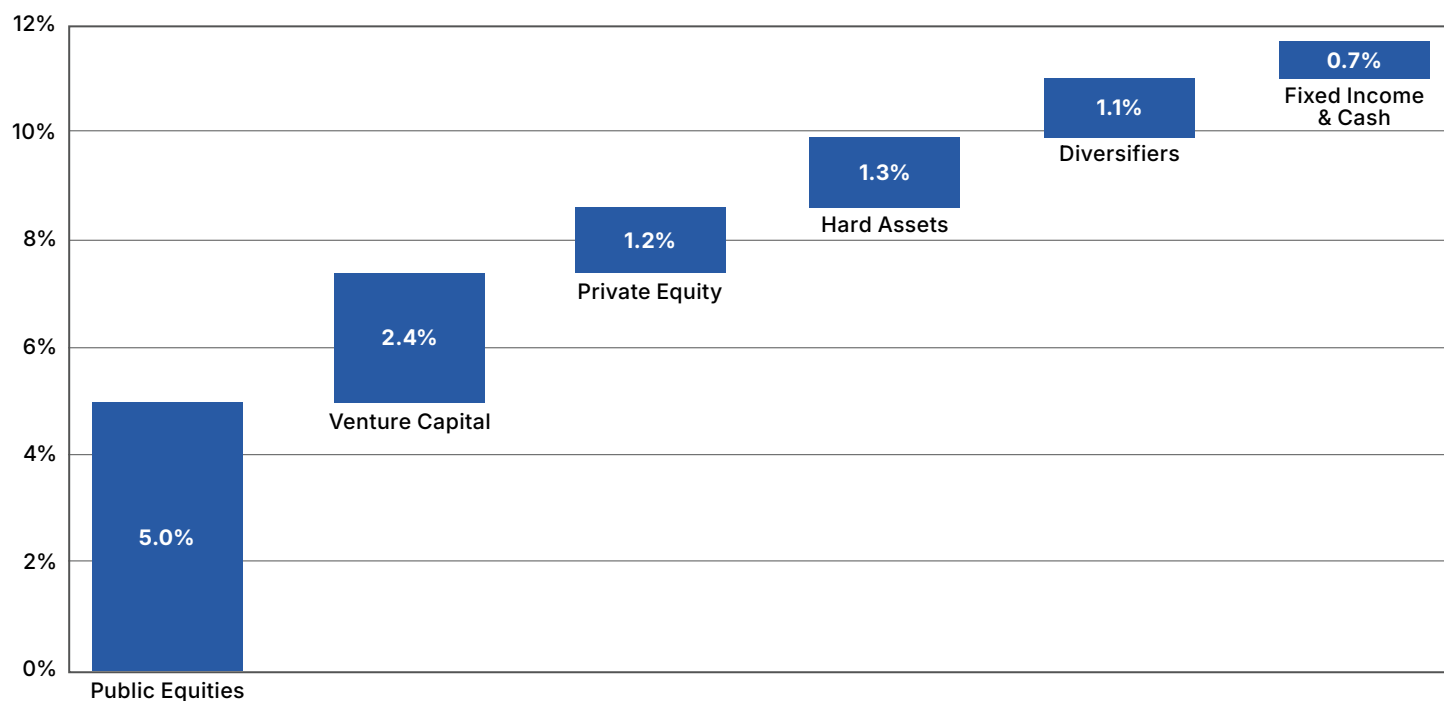
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Performance this year was shaped by a mix of strengths (Figure 5) and challenges: Global equities, and in particular our U.S.-focused managers, contributed significantly to our performance. Our hard assets portfolio also delivered strong results, reflecting market opportunities and the resilience of real-asset strategies in diversified portfolios.

In contrast, our diversifying strategies were disappointing with poor performance from our systematic strategies, leading to a 6.1% return for the asset class. However, they remain a key safeguard — designed to help protect the portfolio when traditional markets come under pressure.

Figure 5 | Categorization of Gains for FY25 Annual Return (11.7% Total)



Equities

Public equities remained the primary driver of performance this year, consistent with the past two years. Our allocation to developed equities led the way, returning 17.5%, and outperforming its benchmark (MSCI World) by 1.2%. Our U.S.-focused managers drove performance, with all but one beating their individual and asset class benchmarks. Our emerging markets portfolio was also a solid contributor to returns this year, with the allocation returning 15%, just slightly lagging its benchmark (MSCI Emerging Markets) by 0.3%. Private equities lagged public equities for the third year in a row, although with notably improved performance. Pomona's venture capital and growth equity allocation returned over 12%, while our allocation to more traditional buyout and secondaries managers was up over 14%.

Hard Assets

Hard assets, particularly private hard assets, also had a strong fiscal year, returning at 9.8% — 2.1% ahead of its benchmark. Since inflation began rising in spring 2021, hard asset allocation has been our top performer, averaging 13.5% annually compared with 11.3% for the S&P 500 and 5.4% for a standard 70/30 benchmark.

Diversifiers and Cash

The College's allocation to diversifying strategies, while positive on an absolute basis, was somewhat disappointing. Strong performance from our absolute return and long/short focused managers, was drug down by poor performance from our allocation to systematic strategies, which were down over 15% for the year.

Spending Policy & Impact on Operations

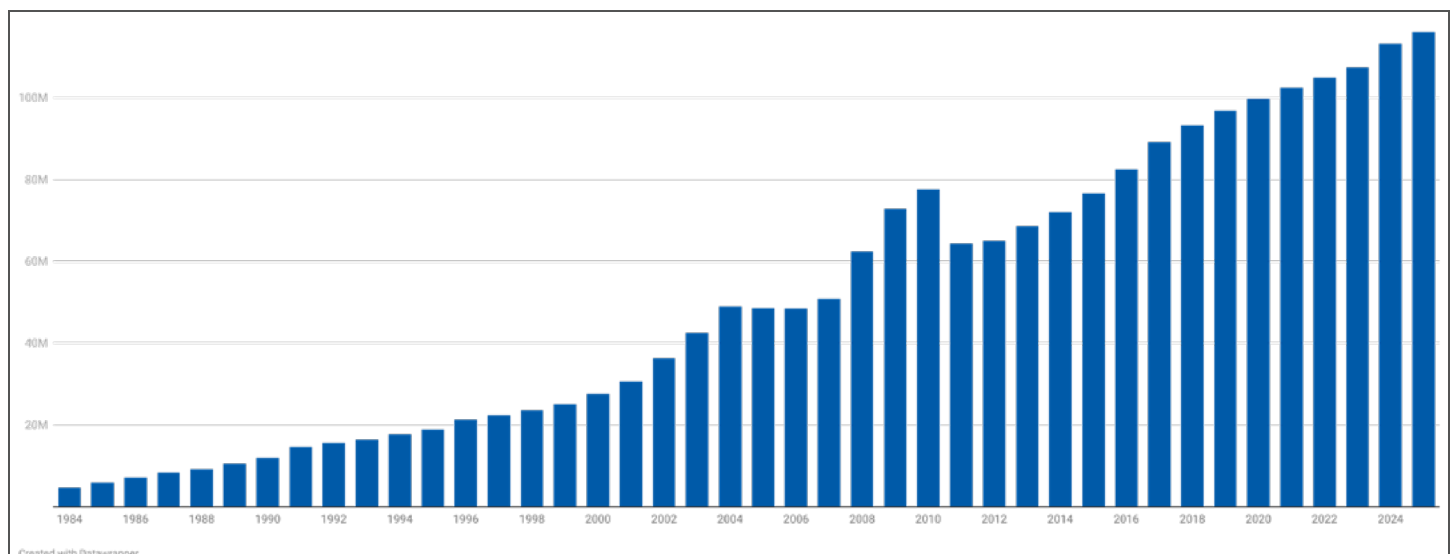
Pomona's policy calls for spending between 4.5% and 5.5% of the average value of the endowment over the last five years.

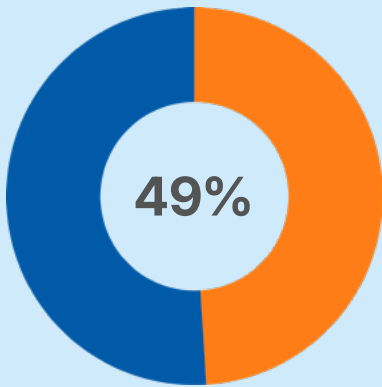
For fiscal year 2025, the endowment payout funded 49% of the operating budget of the College, including \$36 million in financial aid. The endowment directly supports programs across campus including:

- Faculty salaries
- Summer research grants for students
- Lab supplies and classroom materials
- Travel for student athletes

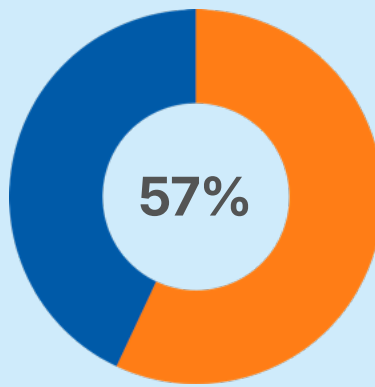
Strong investment performance has driven annual endowment spending from ~\$49 million in 2005 to ~\$118 million in 2025 (Figure 6). Along the way, the endowment payout has grown to support over 50% of the operating budget.

Figure 6 | Annual Endowment Spending Over Time (1984-2025)

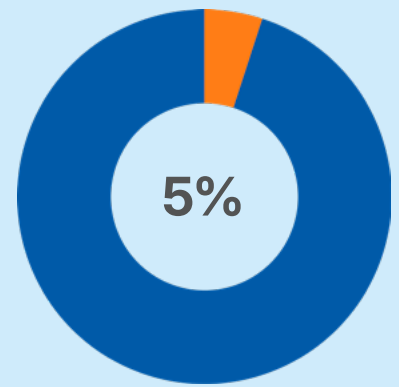




Percent of operating budget funded by the endowment (annual)



Percent of financial aid funded by the endowment (annual)



Endowment payout to institution (annual)



KEY INSIGHT

In FY24-25, the endowment funded roughly \$36 million in student scholarships.

Governance & Oversight

Pomona's governance framework ensures that our investments are aligned with thoughtful investment policies and provides accountability for the Investments Office to support the long-term financial health of the College. The endowment is managed with rigorous oversight by the Board of Trustees, which delegates investment responsibilities to the Investments Committee and the Investment Office.

Investments Office

Led by the Chief Investment Officer, this team manages the endowment's day-to-day operations and leads diligence on external investment managers.

David Wallace
Chief Investment Officer

Joshua Ross, CFA
Managing Director

Ed Shim
Director

Austin Bell, CFA
Operations Manager

Mitchell K. Polon
CFA, CPA
Cash Manager

Mitch Lange
Senior Investment Analyst

Donna Henry
Endowment Administrator

Jasmine An
Investment Operations Analyst

Investments Committee

Comprised of trustees with deep expertise, this committee reviews investment policies, approves new investments and monitors portfolio performance.

Peter Sasaki '91 | Chair
Managing Member, CGS Associates, LLC

Matthew Estes '88
General Partner, StoryHouse Ventures

Jeff Parks '02 | Vice Chair
Co-Founder and Managing Partner, Riverwood Capital Management

Wei Hopeman '92 P'28
Co-Founder and Managing Partner, Arbor Ventures

Janet Benton '79 | Chair of the Board
Founder, Frog Rock Foundation

Bobby Lee '02
Chief Executive Officer, JRK Property Holdings

Johny Ek Aban '19 | Young Alumni Trustee
Sr. Investment Associate, Architect Capital

Jenn Wilcox Thomas '08
Managing Director, Pathstone

A Note from the Chairs

Pomona's endowment is one of the institution's most vital assets, borne of the generosity of past donors, sustaining the excellence of our mission today and safeguarding opportunities for generations to come. Establishing our own investment office is a commitment to stewarding these resources with the highest standard of care. It ensures that we manage capital not only with discipline and accountability, but also with a deep sense of purpose, so that every dollar entrusted to us will have a long-term impact in expanding access, supporting our mission, and strengthening the transformative work of our students, faculty and staff. We invest neutrally, guided solely by the mandate to maximize risk-adjusted returns, which reflects our fiduciary responsibility to protect and grow the endowment to sustain the College's mission for generations to come.

Peter Sasaki '91

Chair

Jeff Parks '02

Vice Chair

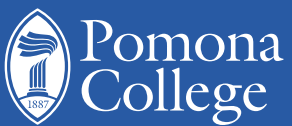






[Investments.pomona.edu](https://investments.pomona.edu)

The figures in this book are accurate as of
September 16, 2025, and are unaudited.



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