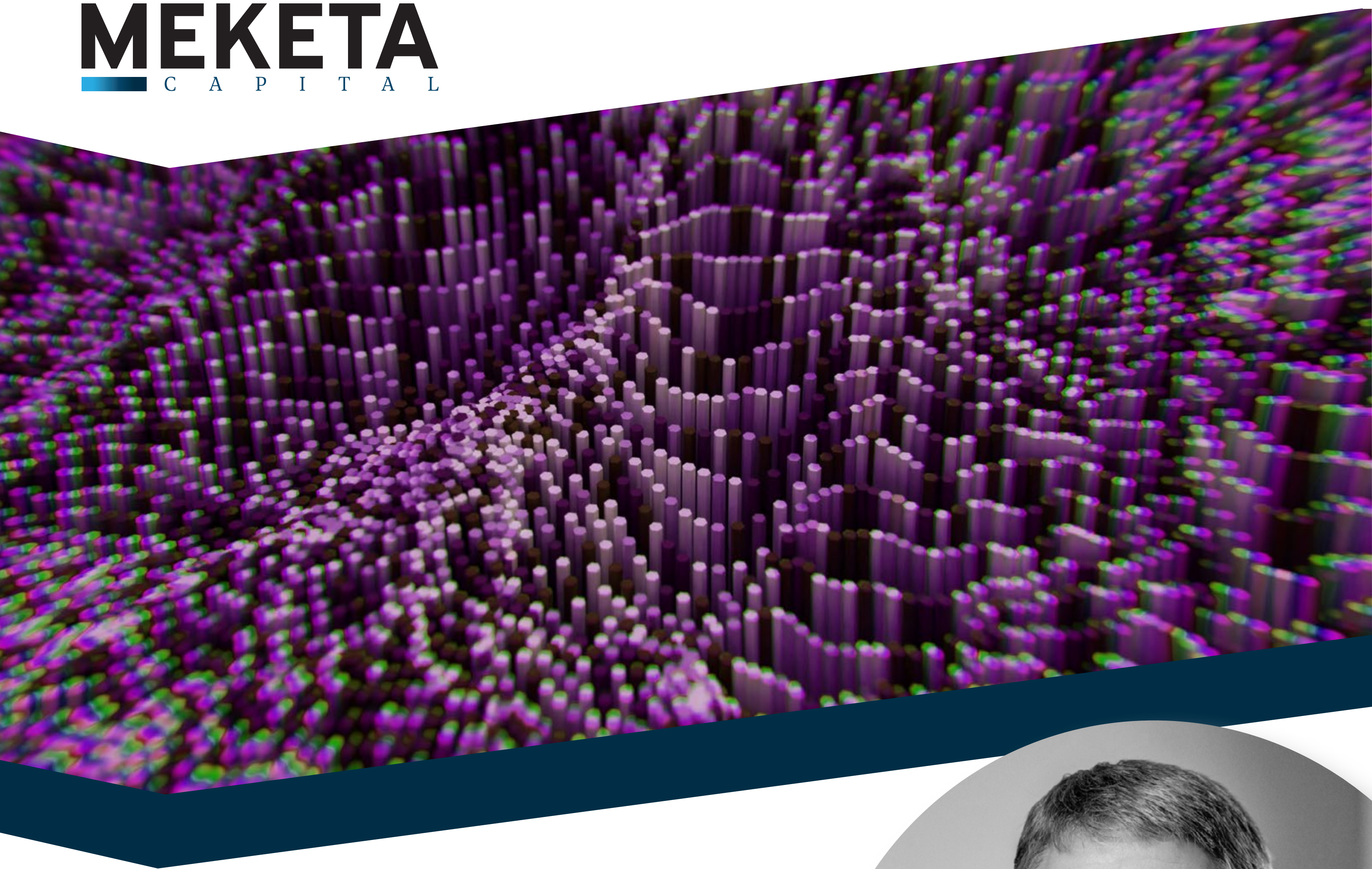

PRIMARK MEKETA PRIVATE EQUITY INVESTMENTS FUND

Diversification in the Technology Sector

Five Questions for Private Equity Consultant Steven Hartt.

AUGUST 2024

We recently spoke with Steven Hartt, CAIA, Managing Principal/Private Markets Consultant at Meketa Investment Group about how the Primark Meketa Private Equity Investments Fund allocates and diversifies investments within the private technology sector.

When it comes to the Primark Meketa Private Equity Investments Fund, what is your approach to investing in the technology sector?

We're looking for diversification across a number of dimensions, including across a number of underlying industries the technology companies serve. The economy can treat opportunities and risks in different industries in different ways at different times. So to have resilience in the portfolio, we diversify across various industries that the fund's technology companies serve.

Why is this diversification important?

For example, consider the COVID pandemic where some companies did well, and some did not. Essentially anything that involved human traffic into a business was crushed and had a very difficult time. Conversely, businesses that were set up to deliver goods and services, and firms that had an online ordering and delivery process, experienced a demand updraft and many performed really well. That's why it's critical to have diversification in the underlying industries that the fund's portfolio companies serve. Different underlying industries, and hence technologies companies, are going to have different opportunities and risks.

How do you find diversification in industries like software?

In the software space, we can diversify, for example, between horizontal and vertical software. **Horizontal software** is an application or a service that crosses lots of different industries. The fund's recent investment in AccessiBe, a software company that provides website accessibility, is a good example of that. AccessiBe's software helps provide accessibility solutions to websites for visually- or hearing-impaired consumers. AccessiBe's technology is used by customers across many different industries and sectors. While there may be a challenge to customers in one specific industry for this software, AccessiBe will likely be somewhat protected because it's being used by customers in other industries at the same time.

Vertical software, on the other hand, is a type of software that has been designed to meet the specific needs of a particular industry or market, such as healthcare, finance, or manufacturing. This allows the software to provide more specialized features and functionality that are relevant to that specific industry. For example, we might invest in a software company that's focused on the heavy-duty truck maintenance and repair industry. This technology is focused exclusively on those companies that are providing repair services for that particular industry segment. In this case, a headwind or tailwind in this industry may have a more direct impact on the value of the investment.

How do you determine how much to allocate to the various industry sectors within the portfolio?

To help guide the fund's industry diversification, we use a private equity benchmark from Burgiss (now part of MSCI, Inc.) and base our allocation decisions on roughly how the benchmark is allocated. This benchmark uses Global Industry Classification Codes ("GICS") to determine underlying company industry representation.

Why does the portfolio focus on middle market buyout investments?

First of all, middle market provides a huge opportunity set. America's middle market companies – those typically viewed as having annual revenues between $10 million and $1 billion – make up more than 30% of the US economy*, but because most are privately owned, individual investors may miss out on opportunities to invest. Middle market businesses account for about one-third of the US economy* and there are nearly 200,000 middle-market firms in the US, and most tend to be privately owned or closely held.* Today's middle market private markets businesses tend to be established and profitable, with a solid track record of providing core products and services. They typically reflect the real, broader economy, and in many cases, are the more solid and promising companies in which to invest.

Secondly, is performance. Historically, investors have been rewarded for investing in middle market buyout funds, as they have consistently been among the best-performing segments of the private equity markets. While data for the pricing of private market transactions is sparse, the available data suggests that middle market buyout transactions generally occur at lower purchase multiples on average than for the large and mega buyout market. While many factors contribute to this pricing spread, one primary factor for these relative discounts is that there are fewer financial intermediaries that serve smaller companies. In addition, there are fewer avenues available for these companies to raise capital on their own. Consequently, competitive middle market buyout managers are frequently able to identify transactions with limited or no competition, or to otherwise identify companies for which they can negotiate attractive pricing.

*Year-End 2022 Middle Market Indicator. National Center for the Middle Market. 2023.

For more information about Meketa Capital, please contact us at info@meketacapital.com.

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Meketa Capital is an investment advisor registered with the US Securities and Exchange Commission.

General Risks

Investors should carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. This information is included in the Fund Prospectus should be read carefully before investing. The Prospectus is available through the Prospectus link on the Primark website: Primark Prospectus. Please read the Prospectus carefully.

An investment in the Fund is subject to, among others, the following risks:

- The Fund is not intended as a complete investment program but rather the Fund is designed to help investors diversify into private equity investments.
- The Fund is a "non diversified" management investment company registered under the Investment Company Act of 1940.
- An investment in the Fund involves risk. The Fund is new with no significant operating history by which to evaluate its potential performance. There can be no assurance that the Fund's strategy will be successful.
- Shares of the Fund are not listed on any securities exchange, and it is not anticipated that a secondary market for shares will develop.
- Shares are appropriate only for those investors who can tolerate a high degree of risk, and do not require a liquid investment.
- There is no assurance that you will be able to tender your shares when or in the amount that you desire. Although the Fund will offer quarterly liquidity through a quarterly repurchase process, an investor may not be able to sell or otherwise liquidate all their shares tendered during a quarterly repurchase offer.
- The Fund's investment in private equity companies is speculative and involve a high degree of risk, including the risk associated with leverage.

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