Accessing Investment Opportunities in Private Markets

Three Questions with Co-CEO Steve McCourt.

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We recently spoke with Steve McCourt, CFA, Managing Principal and Co-CEO of Meketa Investment Group, about how today's investor can get access to investment opportunities within private markets.

How can the average investor get exposure to private markets?

Currently, we offer two compelling opportunities: The Primark Meketa Private Equity Investments Fund and the Meketa Infrastructure Fund. Each provides an accessible way for RIAs to allocate to institutional-quality private market investments across their client base. These are 40-act interval funds, priced daily with a daily NAV with 1099 tax treatment and no accreditation or eligibility requirements for investors. Their core investment holdings are direct co-investments in private companies. RIAs can invest their clients' capital on a daily basis, and, if they want, they can take capital out quarterly, subject to certain limitations.

All types of investors can invest in the funds, not just the super wealthy, so it's an easy way for RIAs who service lots of individual clients to participate in private markets, which is an asset class that historically has been accessible only to institutional investors.

Can you tell us a little about the due diligence process for your investments?

We take what we've learned from working in the institutional marketplace for the last 45 years and identify who we feel are the strongest general partners in the private equity and infrastructure marketplaces, respectively.

Meketa Investment Group, for example, has been investing in private equity funds on behalf of our clients for more than 20 years. We get access to a significant flow of co-investment opportunities that come to us through that population of private equity general partners.

Through our general partner network, our infrastructure co-investments work the same way. In infrastructure, there are fewer number of GPs but still a significant co-investment flow that comes to us. And then we evaluate the co-investments to identify what we feel are the strongest in terms of their alignment with the general partners, core competency, and select them based on diversification goals and objectives related to the portfolio.

What is your view on the interval fund as a vehicle for private investments? How is performance being measured? Is it a time-weighted return?

One of the things that gives us a lot of comfort in providing access to private investments through interval funds is that we are focused on offering these through RIAs. So, in a sense, RIAs are serving a role for the retail marketplace that Meketa serves in the institutional marketplace. They're advising clients. They're educating clients on private equity, illiquidity and time-weighted rates of returns and internal rates of returns.

As far as performance goes, for us, it's important to know your client. And we want to know that the investors in these vehicles are being properly educated about the reasons why to enter or exit private investments. And at the end of the day, this is an illiquid asset class that's also a long-term asset class and investors in it, regardless of the vehicle structure, should acknowledge the time weighted versus internal rate of return (IRR).

The great advantage of our funds over traditional private investment funds is really our co-investment structure and how that impacts fees. In a co-investment vehicle, the investor typically pays no underlying fee on the co-investments. And in our case, the private equity interval fund has a 1.5% management fee and 50 basis point cap on expenses. The assets going into the funds have no ancillary fees or carried interest.

You're essentially getting access to institutional-quality private market assets at an all-in fee of 2% per year. If you're an institutional investor investing in funds, paying "2 and 20" on those funds to get access to underlying deals, your overall fee load could be 5% - 8% per year. These interval funds, if you're able to create them using co investments, represent a much more efficient way to get access to private market assets.

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

General Risks

An investment in a private market investment entails a high degree of risk and no assurance can be given that any private market investment objectives will be achieved or that investors will receive a return of their capital. Investors should carefully consider the Funds investment objectives, risks, charges, and expenses before investing. **This and other information is included in the Fund Prospectus and is available through the Prospectus links on the Meketa Capital site here for the Primark Meketa Private Equity Investments Fund (PMPEX) and here for the Meketa Infrastructure Fund (MIFAX). 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.
→ This Closed End 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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