

A group of business professionals are gathered around a large wooden table, reviewing various financial documents. The documents feature bar charts, line graphs, and tables of data. One person is using a calculator, while others are pointing at specific data points. A smartphone is also visible on the table. The scene is brightly lit, suggesting a modern office environment.

FPA of Indianapolis

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Executive Summary

Private wealth-focused evergreen funds have eclipsed \$400 billion in net assets, with registered interval and tender offer funds passing \$110 billion in 2025, doubling in the past three years.

Estimates are that total assets could surpass \$1 trillion within the next five years, driven by continued adoption across wealth platforms, financial advisors, and institutional channels seeking simplified portfolio management and periodic liquidity without sacrificing exposure to private strategies too much.*

Evergreen fund structures have risen in popularity but are not new. Open-end real estate and timberland funds have existed for decades. BDCs and REITs have long straddled the line between public and private formats.

The interval fund construct was originally established by the Securities and Exchange Commission back in 1993. What is relatively new is the widespread migration from real estate and private credit focused strategies to private equity and infrastructure.

At Meketa Capital, we believe that exposure to private markets belongs in wealth portfolios as part of a comprehensive approach to asset allocation with possible return, risk, and diversification benefits, in addition to providing clients access to a broader investment opportunity set versus just public markets.

Agenda

1. Introduction to Meketa Investment Group
2. Review of Private Markets
3. Review of Evergreen Vehicles (i.e. the car frame)
4. Importance of Underlying Investments and Structure (i.e. the engine)
5. Fund Examples
6. Conclusion

A group of business professionals in a meeting room, standing around a large table covered with various financial charts, bar graphs, and line plots. One person is using a calculator, another is pointing at a chart with a pen, and others are looking at the data. A smartphone is also visible on the table. The scene is brightly lit, suggesting a modern office environment.

Meketa Investment Group

Meketa Investment Group | An Experienced Institutional Investor in Private Markets



25+
Years of Investing in Private Markets

100+
Private Markets Clients

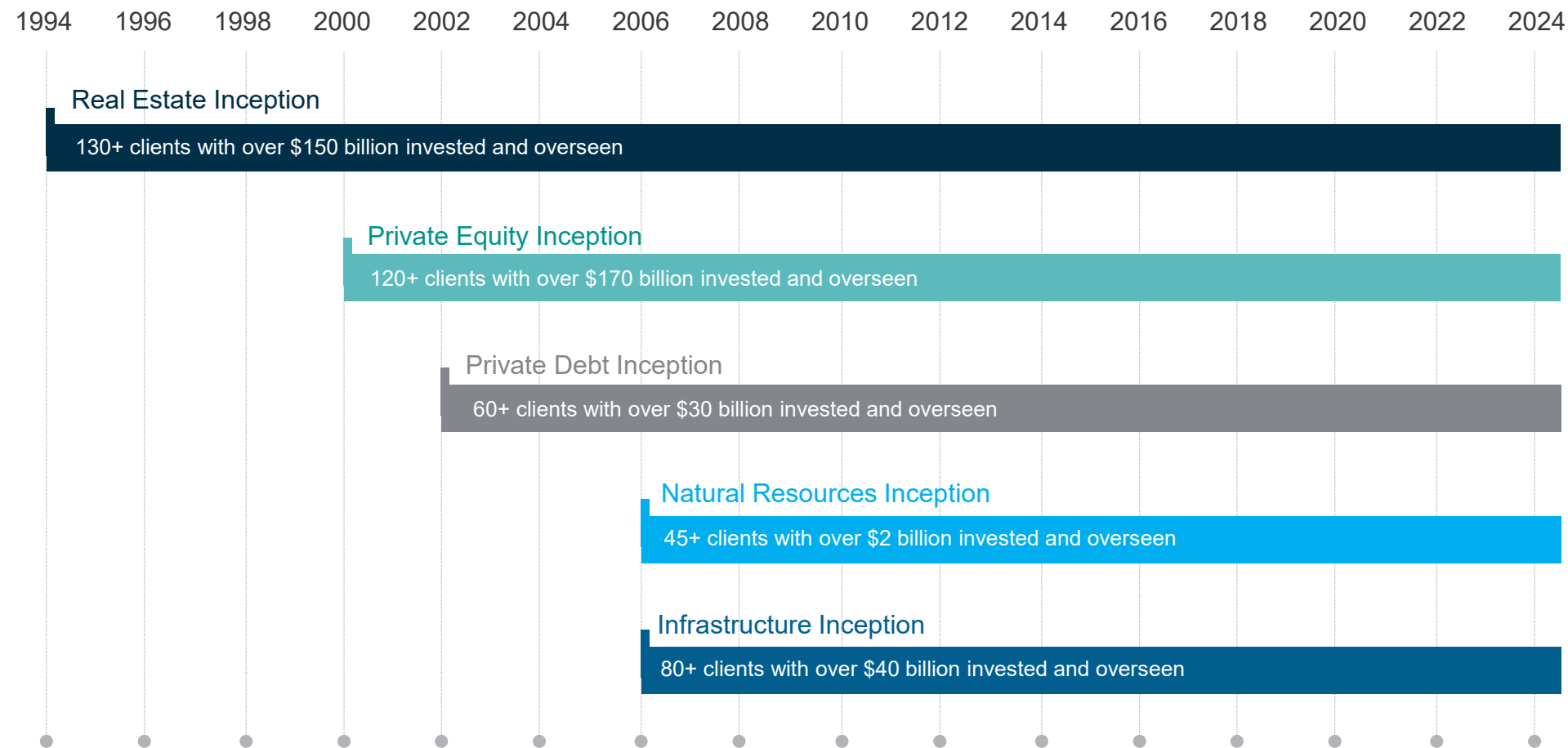
50+
Private Markets Employees

Long-Term Track Record
of Private Market Investing

Denotes both discretionary and non-discretionary assets under advisement as of 12/31/2024.
Client and employee counts as of 3/31/2025. Average years of experience denotes private market consultants and investment analysts.

Meketa Investment Group | Extensive Private Markets Expertise

We serve as a specialized Private Markets Consultants on many client relationships and are long-tenured in the space.



Denotes both discretionary and non-discretionary assets under advisement.
Clients invested and overseen data is as of December 31, 2024. Years noted above are the inception dates for the type of service provided by Meketa Investment Group.

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Review of Private Markets

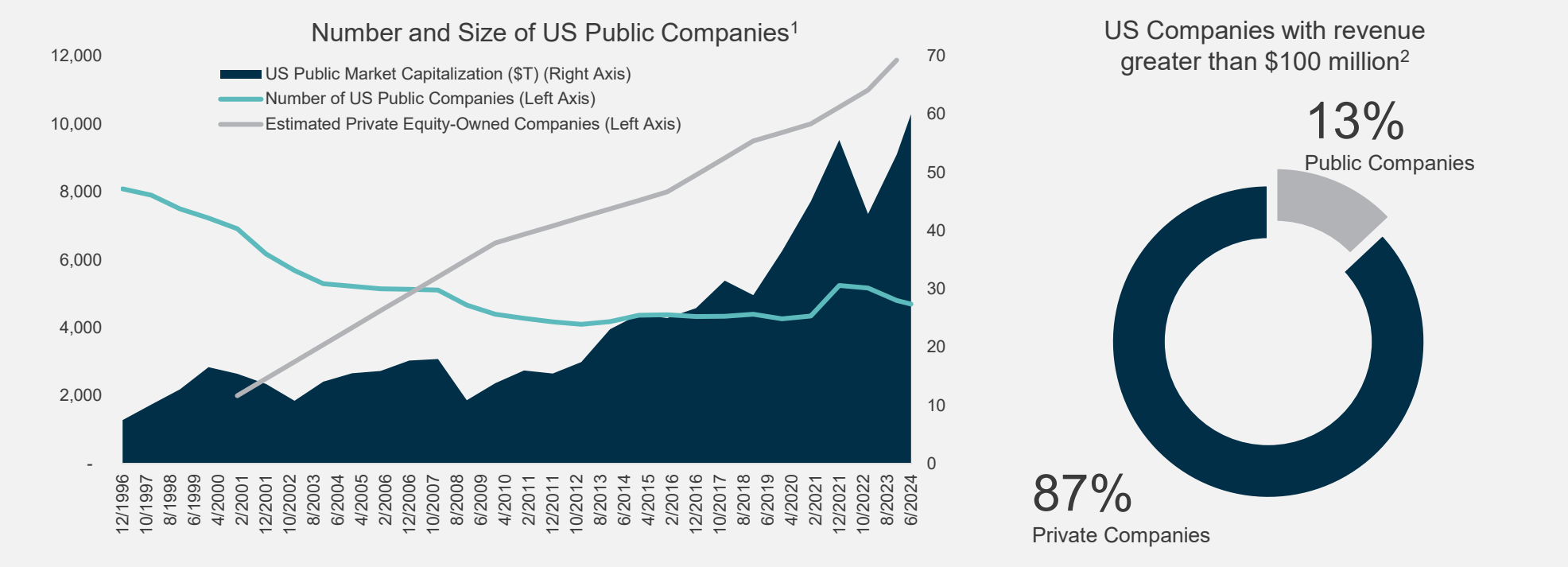
Private Equity Case Study: Berkshire Hathaway

- › Contrary to popular belief, Berkshire Hathaway has a significant stake in private companies, accounting for 53% of the portfolio spread across 67 holdings at the end of 2024
- › In fact, an analysis of the portfolio from 1980 through 2017 found an average allocation of 65% in private companies, ranging from as low as 20% to as high as 80% during that period.
- › Private equity investing (specifically buyouts and growth equity) fits well with Mr. Buffett's philosophy of making long-term investments, finding good management teams, and taking advantage of the power of compounding growth.



A Shift in Public and Private Markets

More growth and potential opportunity is occurring in the private equity market.



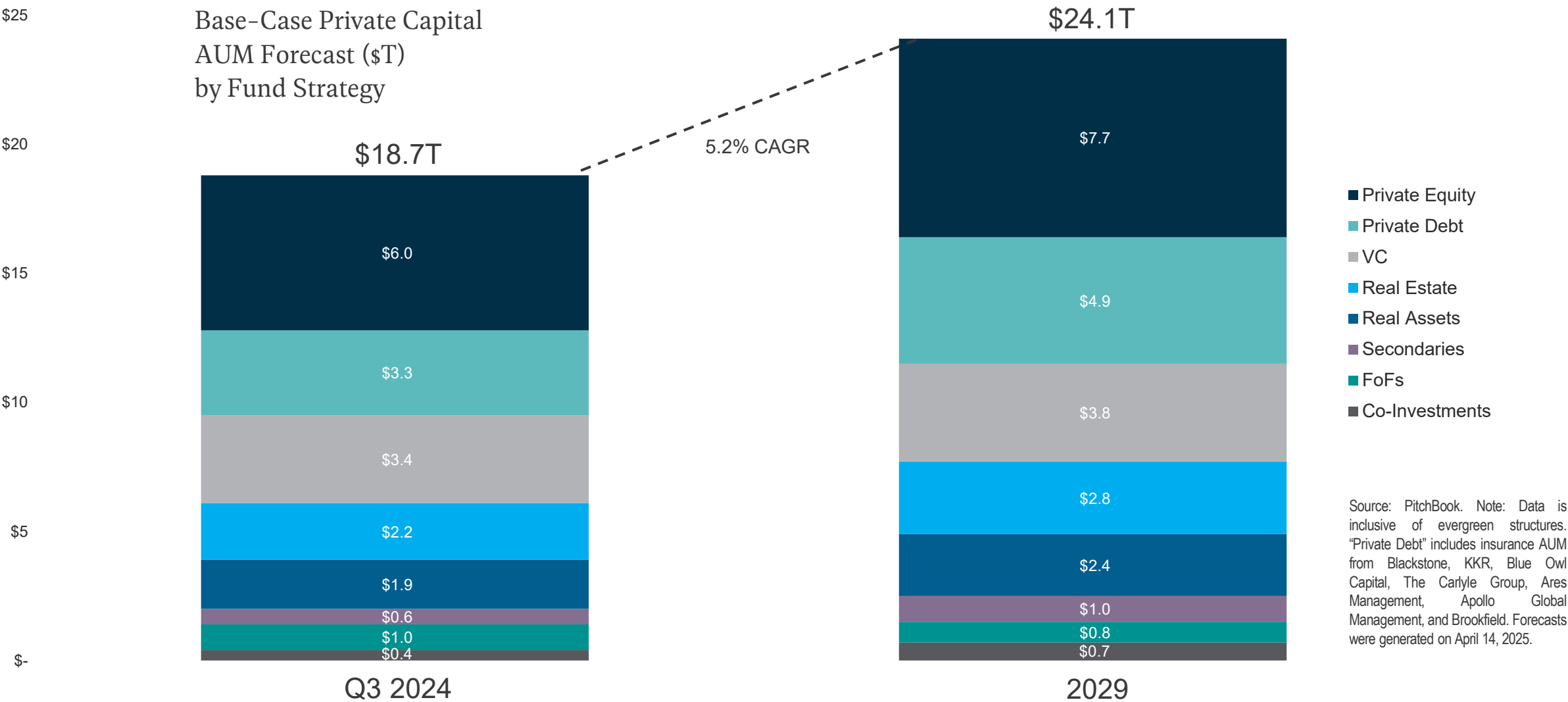
57% reduction in the number and 6x increase in size of public companies over last 25 years

6.6x more private company investment opportunities in the overall equity market

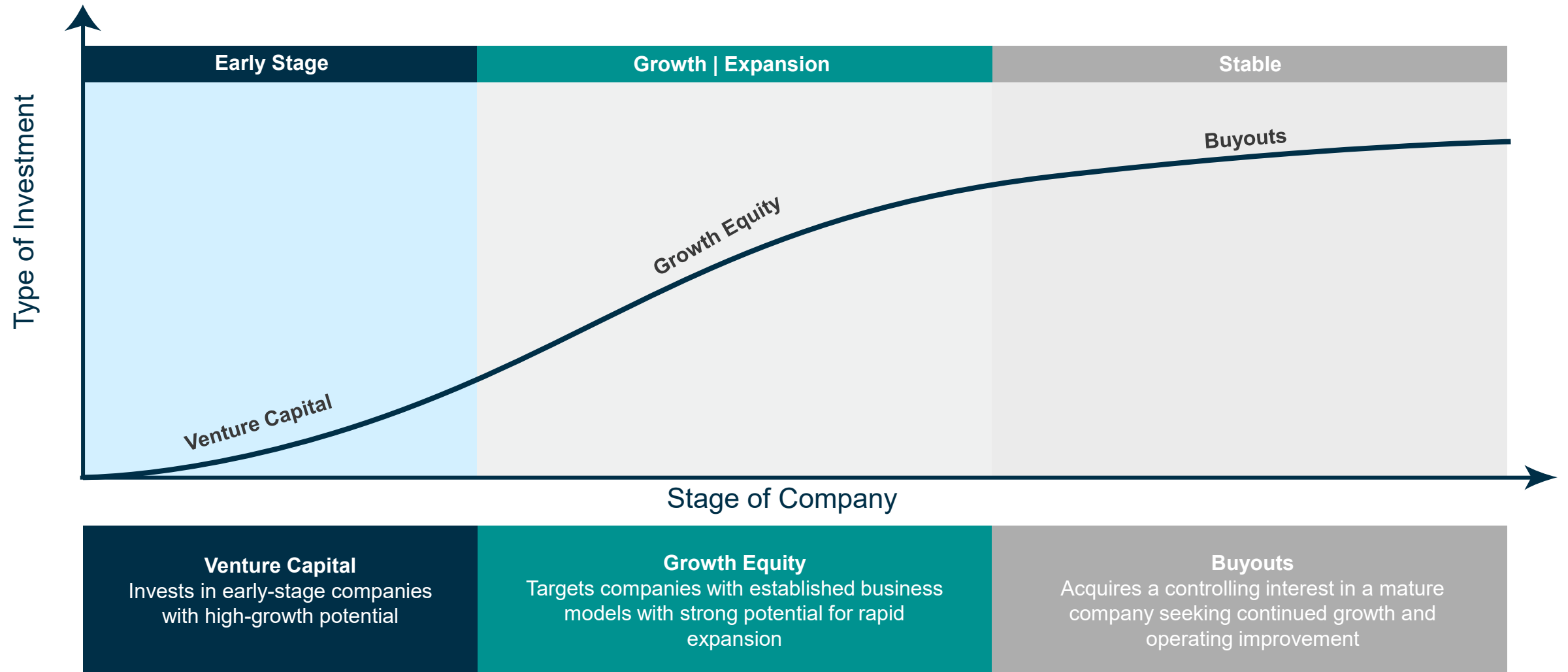
¹ Bloomberg. Stock count from NASDAQ, New York Stock Exchange (NYSE), and New York Stock Exchange American.

² S&P Capital IQ, for companies with last 12-month revenue greater than \$100 million, 2023.

Private Markets Assets Under Management Trends



Types of Private Equity Investments by Company Stage



For illustrative purposes only. Not Exhaustive.

Actual Institutional Performance as of June 2024

91% of US public pensions plan to increase or maintain their current private equity allocation.

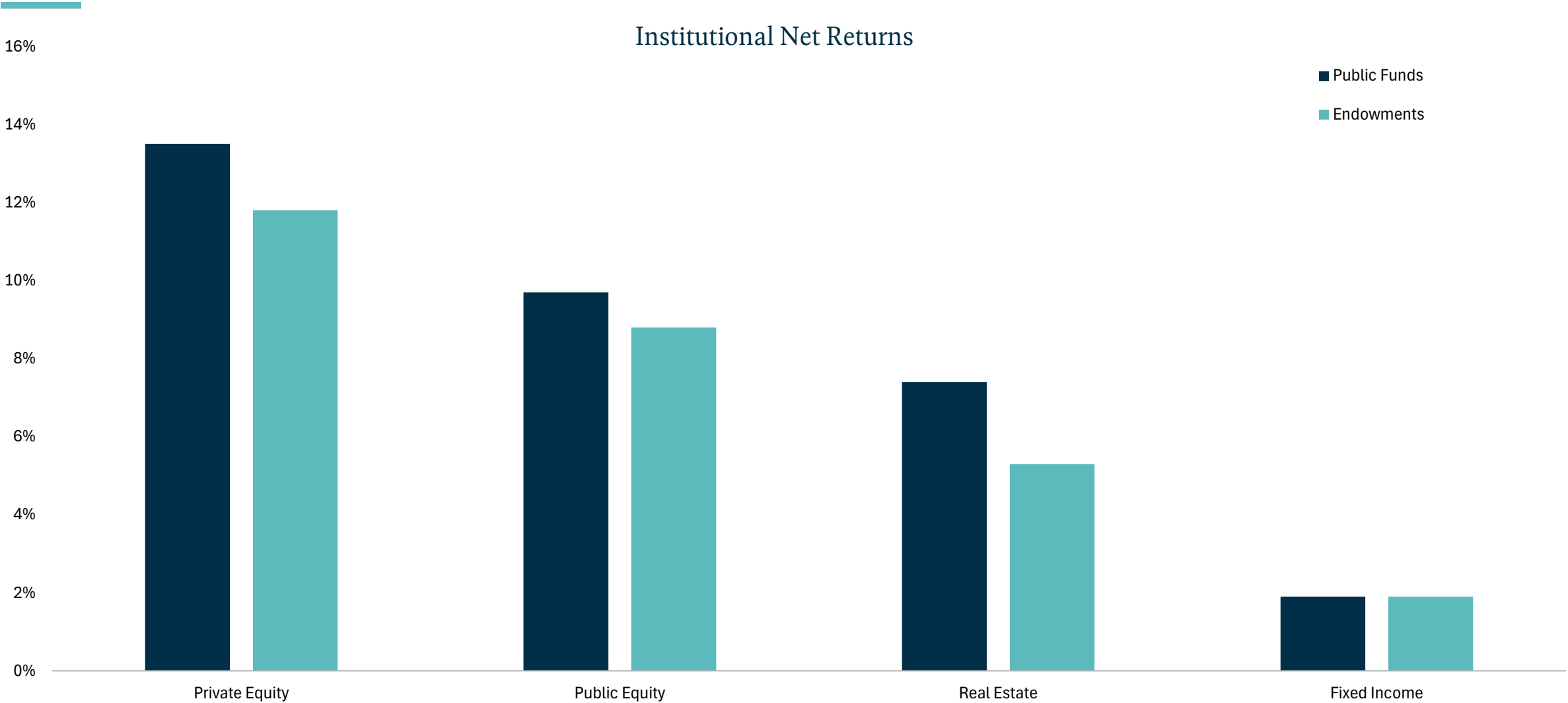
Top 10 Public Pension Funds by Private Equity Returns

Annualized 10-year private equity returns		Members	Return
1.	Vermont Pension Investment Commission	65,637	18.82%
2.	Ohio School Employees Retirement System	252,447	17.20%
3.	West Virginia Investment Management Board	N/A	17.03%
4.	Massachusetts Pension Reserve Investment Management	300,000	16.88%
5.	Illinois State Board of Investment	182,872	16.70%
6.	City of Baltimore Employee's Retirement	17,989	16.50%
7.	Iowa Public Employees Retirement System	414,172	15.99%
8.	Chicago Policemen's Annuity & Benefits Fund	27,774	15.94%
9.	Public Employees' Retirement Association of New Mexico	132,073	15.92%
10.	Florida State Board of Administration	1,200,000	15.81%

Past performance is not indicative of future returns. May lose value.

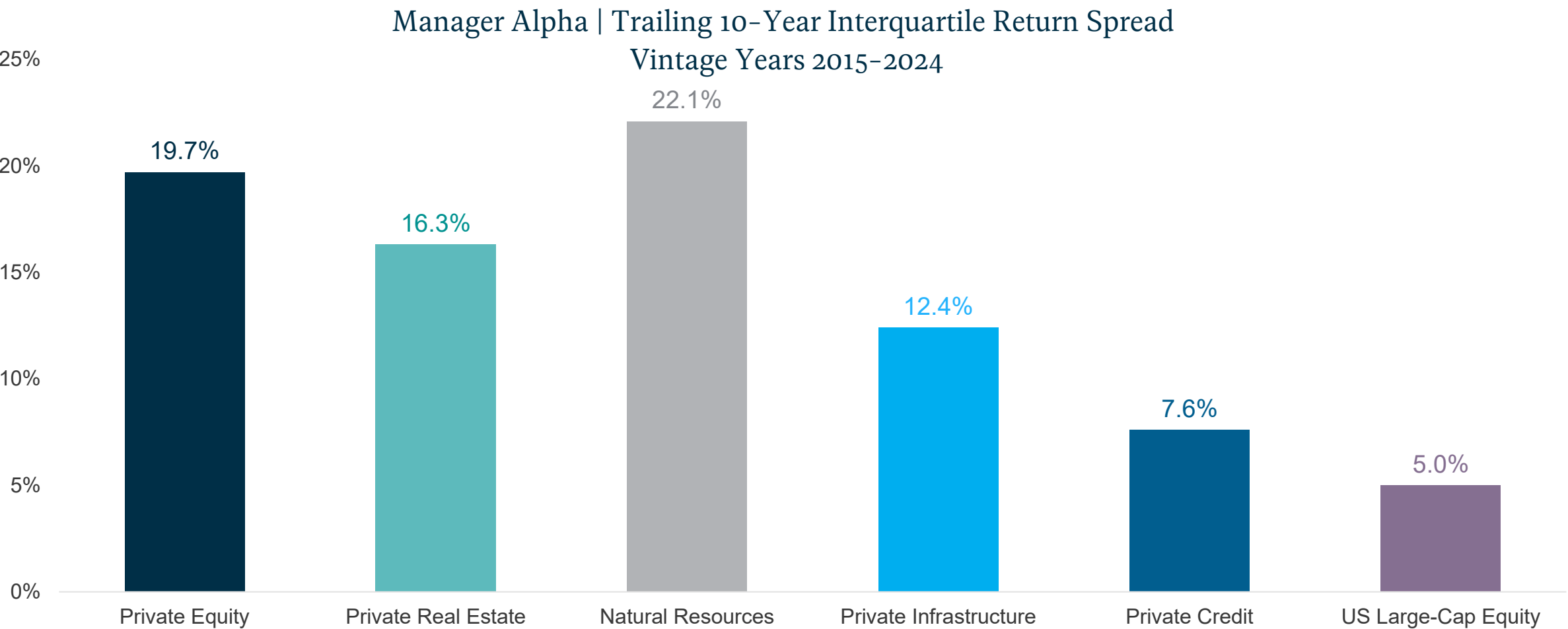
Source: AIC 2025 Public Pension Study

Institutional Performance as of June 30, 2024



Past performance is not indicative of future returns. May lose value.
Source: AIC 2025 Public Pension Study. Based on 10-year median annualized returns as of June 30, 2024

Manager Selection Matters







Past Performance is not Indicative of Future Performance. May Lose Value.
Sources: eVestment, as of 12/31/2024. NCREIF, as of 12/31/2024. Cambridge Associates via IHS Markit, as of 12/31/2024, data pulled in May 2025. Cambridge data is extremely limited and appropriate consideration should be taken when Cambridge data is presented given the quality of the data and the small sample size. Indices: Cambridge Private Natural Resources Composite, Cambridge Private Equity Composite, Cambridge Opportunistic Real Estate Composite, Cambridge Infrastructure Composite, Cambridge Private Credit Composite, and eVestment US Large Cap Equity. Private market performance presented in this chart is net of fees. Public Market performance presented in this chart is gross of fees.

Institutional Allocations To Private Markets Overview

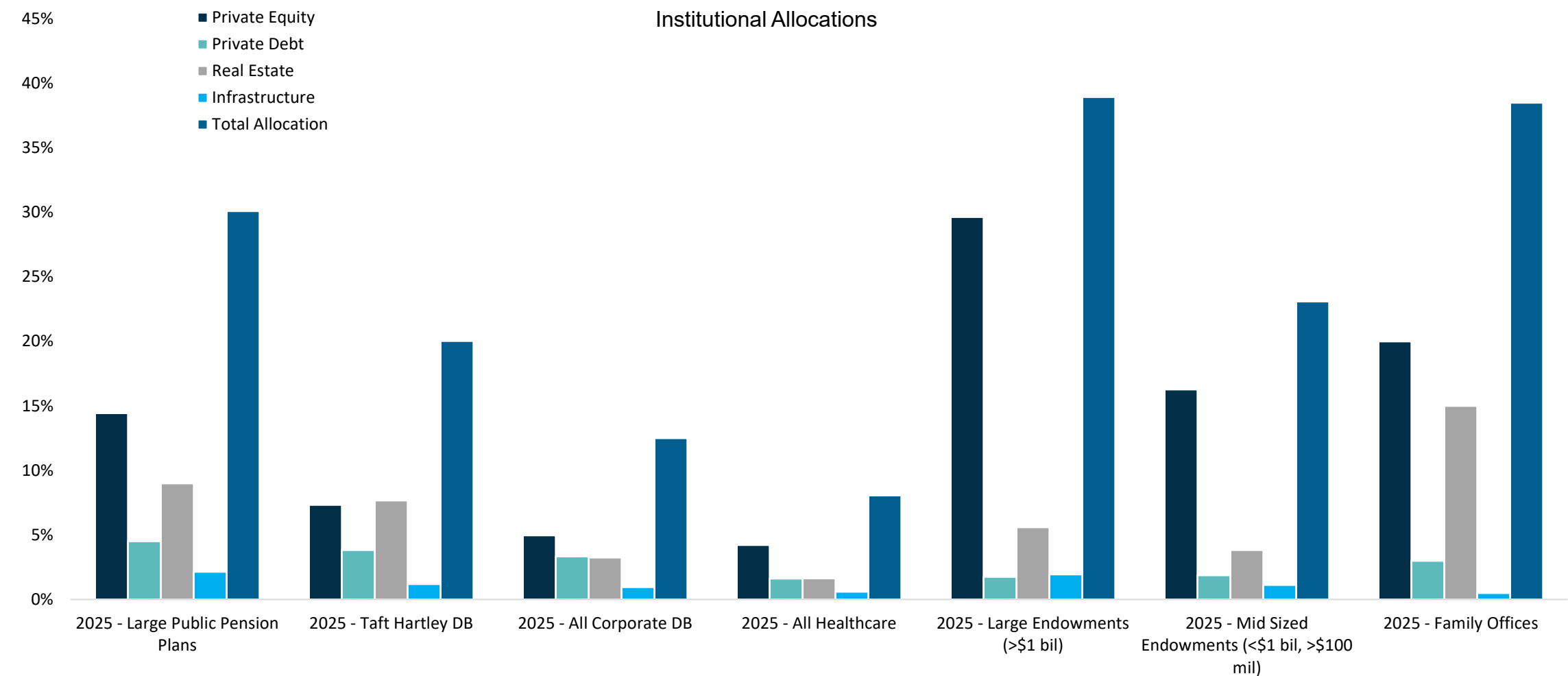
For the last eight years, Meketa Investment Group has been collecting institutional asset allocation data from various sources

- › Reviewing this data may be useful when contemplating asset allocation
- › The source and degree of transparency we have for different data sets of institutional asset allocation information varies

	<div>  </div> <div> Large Public Pensions </div>	<div>  </div> <div> Large/Mid/Small Endowments </div>	<div>  </div> <div> Family Offices </div>	<div>  </div> <div> All Institutional Groups </div>
Initial Source	2024 Annual Reports of ~50 Largest US Public Pension Plans	2024 NACUBO-Commonfund Study of Endowments (NCSE)	Citi Private Bank's Global Family Office 2024 Survey and the UBS 2024 Global Family Office Report (Averaged)	InvMetrics Peer Universes
Transparency	High	Medium	Medium	Low

Source: Meketa Investment Group. Data is best available and updated to Meketa Essentials as of April 2025. In order to provide summary data, various assumptions have been made and applied by the Meketa Investment Group Research team. While a potential input to asset allocation decisions, this information should not be solely relied on when making asset allocation decisions.

Peer Allocations To Private Markets



Source: Meketa Investment Group relying on underlying source data as noted. Large public pensions from annual reports. Large/Mid/Small Endowments from NACUBO Survey. Family offices Citi Private Bank and UBS surveys. All other data from InvMetrics. Data is best available and updated to Meketa Essentials as of April 2025. For illustrative purposes only.

A group of business professionals in white shirts are gathered around a large wooden table, reviewing various financial documents. The documents feature bar charts, line graphs, and tables of data. One person is pointing at a bar chart with a pen, while another uses a calculator. The scene is brightly lit, suggesting a modern office environment.

Review of Evergreen Funds (i.e. the “car frame”)

Private Equity Focused Evergreen Funds vs Mutual Fund

	Open End Mutual Fund	Tender Funds	Interval Funds
Registration	SEC; Subject to 1940 Act requirements	SEC; Subject to 1940 Act requirements	SEC; Subject to 1940 Act requirements
Available for Purchase	Daily, end of day NAV	Monthly or Daily tender at end of day NAV	Daily, end of day NAV
Redemption Liquidity ¹	Daily, end of day NAV	Quarterly or semi-annual periods at the sole discretion of the fund Board	Quarterly or semi-annually for minimum 5% of shares outstanding
Investment Types	Predominantly liquid and publicly traded	Predominantly illiquid, but can hold both privately and publicly traded	Predominantly illiquid, but can hold both privately and publicly traded
Fees	Management fee and fund expenses	Management fee, fund expenses, and typically incentive fee	Management fee and fund expenses

Subject to certain limitations. There is no assurance that a tender fund will be able to tender your shares when or in the amount that you desire. Although an interval fund will offer periodic 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.

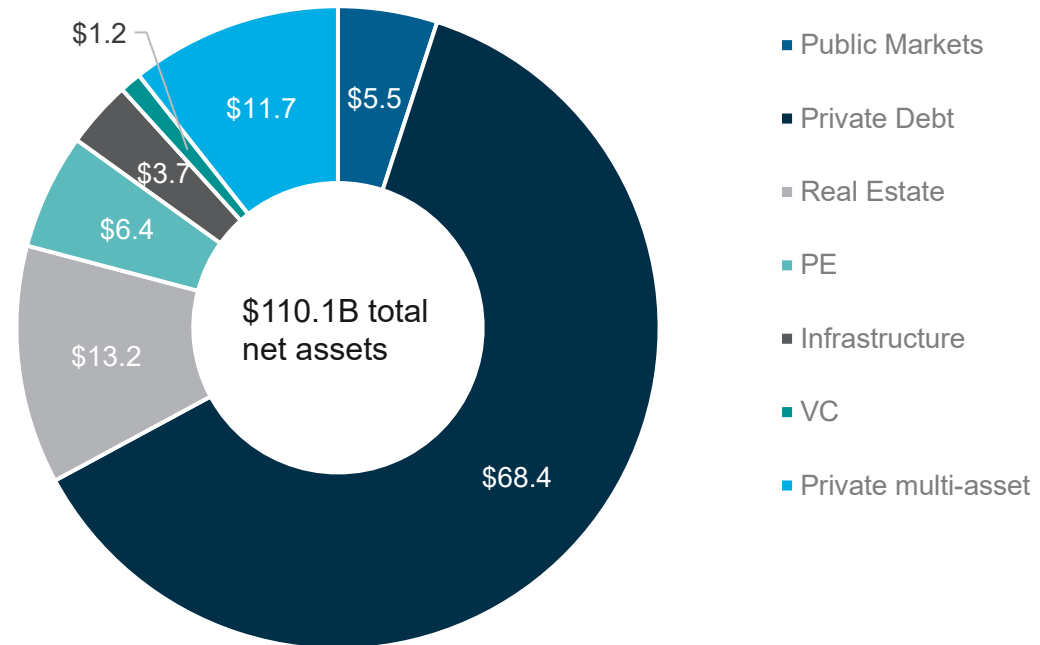
What is an Evergreen Fund

Private debt currently dominates the evergreen fund landscape

Private equity and infrastructure have been growing over the last three years

We expect the AUM and number of funds to continue increasing as private wealth allocations are still in the early stages

Share of Morningstar-tracked evergreen fund net assets (\$B) by category



Sources: Morningstar and PitchBook, Geography: US, As of April 30, 2025

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The Underlying Investments and Structure (i.e. “the engine”)

Three Primary Ways for Evergreen Funds to Access Private Equity

Direct Fund Investments (Drawdown)

- › Traditional vehicle for institutional investors
- › Commit capital to a partnership with a 12 year+ life and capital is “drawn down” over time
- › Blind pool of investments
- › Typical fees are 2% management fee and 20% carry plus fund expenses

Secondaries

- › Purchase an existing LP stake in one or several direct funds for a discount to NAV
- › Helps mitigate the J-Curve by shortening the investment period
- › Has grown to include GP-led transactions
- › Usually performed in public auction, but some transactions private

Co-Investments

- › Direct investment into portfolio company alongside GP and “parent fund”
- › Usually no fee, no carry
- › GPs utilize it for investor relations, larger than typical investment sizes, and to replace some of the debt portion of the transaction
- › Range from co-sponsor to pre-signing to post signing syndication

¹ Private markets in 2025: picking up the pace. Moonfare. ² Co-investments typically limit the amount of control management has over the assets within the portfolio.

The Importance of Looking Under the Hood

- › Well known private equity sponsors have raised significant AUM based on their namesake and institutional track record, launching evergreen funds that invest alongside their other vehicles or sub advising external evergreen funds, e.g. Apollo, KKR, Blackstone, etc
- › Other well known asset management firms have launched primarily fund of funds evergreen vehicles
- › Two key questions for financial advisors to consider in their due diligence:
 1. **Fees**: private equity investing is associated with higher fees, especially when compared to public equity investments. However, all in fees may be much higher than anticipated, may be assessed on unrealized gains or total fund AUM including leverage, and may significantly reduce the net return to your clients
 2. **What are the underlying investments?** Two evergreen funds offering access to private equity may have vastly different strategies, valuation policies, and sub asset class exposures which can lead to high variability across short and long-term NAV performance.
- › Broadly speaking, while a strong proponent of private markets access for wealth advisors and their clients, Meketa Capital has seen some deterioration in alignment of interests between asset managers and investors between traditional institutional PE vehicles and evergreen structures.

Areas of Awareness for Advisors; The Ubiquity of Secondaries

- › Traditionally, secondary investments provided an effective portfolio management tool for LPs (liquidity), a different source of return, and J-Curve mitigation/diversification benefits.
- › Institutional secondary GPs have existed since the 1990s and are well established.
- › Secondary investing is attractive and a sensible investment for many reasons, including:
 - › Ability to instantly be diversified across many funds, GP relationships, and vintage years
 - › J-curve mitigation as most secondary investments are made towards the end of the investment period or during the harvest period
 - › **Unrealized gains up front**
 - › Insight into the current portfolio and holdings vs. investing in a blind pool
 - › Meketa Investment Group has allocated client assets into secondary funds for decades
- › A well-known feature of secondary investment is often referred to as an “NAV Squeeze” or “Flip-Up”. It entails buying an asset at a discount to the current NAV of the portfolio (based on underlying GP valuation) and then instantly flipping the value back up to the GP valuation and recognizing the performance.
- › This technique has been a feature of secondary investing for decades but has always been recognized as an unrealized gain/paper profit and much less impactful than the multiple of invested capital (MOIC) for investors.
- › *“Any secondary investor should ignore the IRR for the first five years of any investment as it is artificial until an actual exit occurs.”*- Kline Hill Partners partner at recent Pension Bridge conference

Areas of Awareness for Advisors; The Ubiquity of Secondaries Continued

- › We believe secondary transactions have been over-allocated to in evergreen funds to date. Why?
 1. Many evergreen funds are marketing the NAV Squeeze as evidence of great performance when in fact it is an unrealized gain and an accounting maneuver.
 2. As the evergreen funds get larger, they may be forced to make larger secondary investments to continue growing performance, decreasing the opportunity set and running up against established institutional secondary investors.
 3. Potential for over-diversification: One of the main attraction points for PE is the spread of returns between the top quartile funds and median/bottom quartile. Numerous secondary investments can result in hundreds of GP relationships and thousands of portfolio companies leading to private equity beta exposure rather than top quartile access.
 4. Stretching for Larger NAV Flip ups: Given the need to keep performance driven by the NAV squeeze going and in the case of some tender funds, the presence of an incentive fee on unrealized gains, the temptation is ever present to invest in lower quality, higher risk deals that carry a large discount. The larger the discount the greater the performance pop the fund receives from an NAV squeeze.

Potential Advantages of Co-Investments

What is a co-investment?

- › Equity investment directly into an operating company
- › Investment generally made alongside a private equity fund that is contributing capital to the transaction

What are some potential benefits of co-investments?

Lower Fees

- › Co-investments generally do not have management fees or carried interest attached
- › Typical fee-efficiency may result in 600+ bps performance advantage

Immediate Capital Deployment

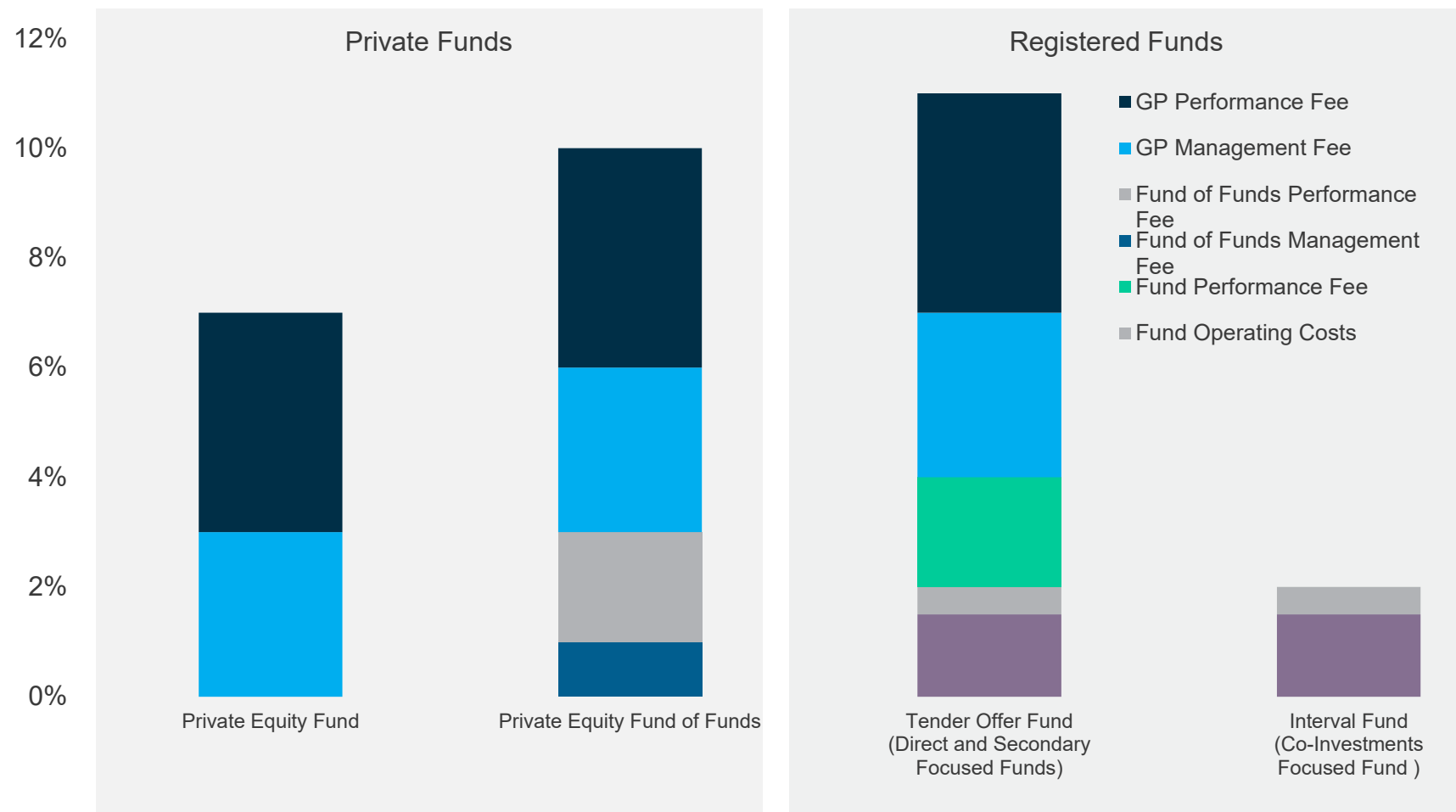
- › Put capital to work immediately
- › Reduce J curve
- › Reduced investment hold time compared to a fund
- › Average holding period – 5.6 years¹

More Control²

- › Select specific investments for portfolio
- › Precise control over capital deployment
- › GP-diversification benefits
- › No adverse selection bias

¹ Private markets in 2025: picking up the pace. Moonfare. ² Co-investments typically limit the amount of control management has over the assets within the portfolio.

Significant Variability of Fees Among Private Equity Investment Vehicles



There is no complete and reliable data set for private investments. The information is extremely limited, and most data is compiled from funds that elect to self-report and tend to be biased toward higher performing funds. Losses are underreported. Funds included in these measures lack commonality and transparency. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a "survivorship bias" that may additionally impact the data reported.

Source: Meketa Capital, 2024. For visual purposes only.

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Fund Examples

Actual Fund Comparisons

	Fund A	Fund B		Fund C	
Interval or Tender	Interval	Interval		Tender	
Tax Reporting	1099	1099		1099	
Subscriptions	Daily	Daily		Monthly	
Liquidity	Required 5% Semi-Annual ¹	Required 5% Quarterly ¹		Optional 5% Quarterly	
Co-Investments	18%	90%		50%	
Secondaries/Direct Fund	82%	10%		50%	
PE Type	Small/Middle/Large Buyout, Growth, Venture, Credit	Small/Middle Buyout		Small/Middle/Large Buyout, Growth, Venture, Credit	
Leverage for Investment?	No	No		Yes	
Incentive Fee	No	No		10%	
Management Fee	1.00% (1.4% at June 2026)	1.50%		1.40%	
Total Annual Fund Operating Expenses After Fee Waivers & Expense Reimbursements	Class I – 1.96%	Class I - 2.36%	Class II - 2.51%	Class I – 3.29%	Class D – 3.54%
# of Investments	201	35		174	
# of Portfolio Companies	1200+	29		1000+	

¹Subject to certain limitations. There is no assurance that a tender fund will be able to tender your shares when or in the amount that you desire. Although an interval fund will offer periodic 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.

Source: As of July 31, 2025 the most recent factsheets, prospectus, and annual reports for the stated Funds. Specific fund names available upon request.

Conclusion



Conclusion

Meketa Capital believes that access to private markets is an important asset allocation tool for wealth advisors and their clients.

A well thought out private markets allocation has the potential to improve performance and reduce portfolio volatility as it has for many of Meketa's institutional clients over the decades.

From an asset class perspective, client education is key as although the portfolio volatility should be meaningfully lower than public markets, private markets investments are riskier than their public market counterparts, driven primarily by liquidity risk (higher returns aren't free after all).

As wealth advisors explore adding private market allocations to their client portfolios, we encourage them to focus on two important areas of due diligence: total fees and the underlying investments

In addition, wealth advisors should explore model allocations with well-established private market investors as a way to offer different variations of private market exposures tailored to a client's risk tolerance and income needs as an alternative to having a menu of individual private market options.

Important Information

For any questions, please email the team at info@meketacapital.com

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