

New Investment Spotlight

A compilation of portfolio transactions closed within the iDirect Private Markets Fund

As of December 31, 2023

KKR



WARBURG PINCUS



iDirect Private Markets Fund is the only registered fund with Direct Access Arrangements with identified private equity managers. iDPE Deal Ledger represents a sampling of the industries and companies in which iDPE's named Private Equity Managers have a strong conviction.

Q4 2023 PORTFOLIO TRANSACTIONS

At a time when investors are cautious about the return outlook for traditional public markets,^{*} we believe private equity can offer important long-term advantages, including strong historical returns and diversification benefits.

Name	Project Sherborne
Investment Date	October 2023
Style	Growth Buyout
Industry	Pharmaceuticals
Company Description	Sherborne is a leading pharmaceutical contract development and manufacturing organization (CDMO) specializing in parenteral fill-finish solutions, with a focus on injectable fill-finish (F&F) services primarily for commercial-scale production. The company operates facilities in the U.S. and E.U., serving over 80 active pharmaceutical clients globally. The company's services include sterile F&F, formulation and development, logistics, packaging, and global regulatory support. The company offers delivery platforms such as prefilled syringes, liquid and lyophilized vials, sterile crystallization, frozen/liquid pre-mix systems, and powder-filled vials.
Investment Thesis	Sherborne is positioned for growth through various organic and inorganic strategies, including deepening customer relationships and expanding capabilities. The company has substantial opportunities for operational improvements and capacity expansion, which are expected to accelerate growth and enhance margins. Sherborne's well-positioned footprint, strong brand, and differentiated capabilities align with key customer purchasing criteria, making it an attractive investment opportunity for Warburg and iDPE. ¹

Name	Project Belvoir
Investment Date	October 2023
Style	Buyout
Industry	Trading Companies & Distributors
Company Description	Belvoir is a distributor in the food and foodservice disposables (FSD) and janitorial/sanitation (Jan/San) sectors, with FSD products accounting for approximately 60%+ of its revenue and Jan/San products making up the remaining 40%. The company offers a diverse portfolio of over 30,000 SKUs to a customer base exceeding 30,000 active clients. Operating through a network of 50+ branches across the United States, Belvoir has a strong regional focus in the Western U.S., where it has established itself as a key player in providing value-added, specialty distribution services to its clients in the foodservice and cleaning industries.
Investment Thesis	Belvoir is a leading platform in the FSD and Jan/San and packaging distribution markets. The entity is set to rival market leaders in a highly fragmented sector, offering a resilient and minimally cyclical product range. With a history of successful acquisitions and a strong value proposition, the company boasts a diverse customer base and high revenue retention. The transaction is expected to unlock synergies and drive organic growth through various strategies, including cross-selling and eCommerce expansion. Led by an experienced management team, the company is well-positioned for continued growth and strong financial performance. ²

^{*}Source: [S&P Global Market Intelligence](#) as of October 2023.

Name	Project Zipper
Investment Date	November 2023
Style	Buyout
Industry	Application Software
Company Description	Zipper specializes in market data management solutions that assist customers in monitoring their market data expenditures, which often involve complex terms and conditions. The company's product suite comprises software, which accounts for 70%+ of its Annual Recurring Revenue (ARR), and managed services, making up the remaining ~30%. The company's offerings include spend management for streamlined tracking of market data vendors and invoice verification; usage management for analyzing service entitlements by platform and user to reduce unnecessary subscriptions; compliance & reporting for maintaining a searchable content database to standardize policies; enquiry management for consolidating and managing requests through a portal; and revenue management for aiding exchanges, brokers, and vendors in reducing revenue inefficiencies, simplifying billing, and ensuring compliance.
Investment Thesis	The company is a category leader in the Market Data Management (MDM) space, boasting clear ROI and strong adoption tailwinds. The company has established itself as the system of record with a strong right-to-win among large financial institutions. There is significant room for growth within its existing install base, with market dynamics providing tailwinds for modest greenfield adoption. Additionally, Zipper has multiple value creation levers within its control, further solidifying its position in the industry and its potential for expansion and increased market share. ³

Name	Project Pursuit
Investment Date	November 2023
Style	Buyout
Industry	Specialty Chemicals
Company Description	Pursuit is a diversified chemicals producer with three main segments: adhesives, sealants & additives; industrial tapes; and corrosion protection & waterproofing. It specializes in products such as protective coatings for electronics and specialty tapes for cable manufacturing. The majority of its sales are in North America, with some presence in Asia and EMEA. Financially, Pursuit has a strong performance with substantial revenue and EBITDA, high margins, and efficient capital utilization, demonstrating the strength of its brand and product portfolio.
Investment Thesis	The company produces mission-critical products like coatings and adhesives that, despite being essential to the functionality of high-value products, typically account for a small percentage of the end costs. These products are highly engineered, application-specific, and often subject to regulatory standards, leading to low substitution risk. Pursuit's portfolio is marked by leading brands with strong customer perception, often being sole-sourced for niche applications where they hold significant mindshare. The company is aligned with enduring secular trends such as the transition to electric vehicles and investment in fiber optic networks, positioning it well for future growth. ⁴

Name	Project Sahara
Investment Date	October 2023
Style	Buyout
Industry	Trading Companies & Distributors
Company Description	Sahara is a leading provider of flow control products (including pumps, valves, and actuators) that caters to industrial and aerospace and defense sectors. These products play crucial roles in applications such as machinery lubrication, aircraft component control, and ship and submarine buoyancy. The company has a strong aftermarket presence, contributing significantly to its revenue. With a global footprint, Sahara operates 20+ manufacturing facilities and employs 3,000+ people.
Investment Thesis	The company operates in enduring industrial markets, with its products holding key positions in long-term aerospace and defense projects. Sahara's offerings are highly engineered and mission-critical, ensuring strong customer loyalty due to the high cost of failure in large, complex systems. There is significant potential for operational improvement through various strategies, including sales force effectiveness and lean manufacturing. Additionally, the fragmented market presents opportunities for growth through strategic mergers and acquisitions. ⁵

For more information, please reach out to your financial advisor, or visit:
www.idirectpmfund.com.

For the prospectus of the iDirect Private Markets Fund, please call: **877-562-1686**.

ENDNOTES

1. Warburg Pincus Investment Memorandum 2023.
2. Warburg Pincus Investment Memorandum 2023.
3. Vista Investment Memorandum 2023.
4. KKR Investment Memorandum 2023.
5. KKR Investment Memorandum 2023.

iDirect

PRIVATE MARKETS FUND

IMPORTANT INFORMATION

INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE iDIRECT PRIVATE MARKETS FUND (THE "FUND") BEFORE INVESTING. THIS AND OTHER IMPORTANT INFORMATION ABOUT THE FUND IS CONTAINED IN THE FUND'S PROSPECTUS, WHICH CAN BE OBTAINED BY CALLING 877-562-1686. THE PROSPECTUS SHOULD BE READ CAREFULLY BEFORE INVESTING.

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The discussion of the various risks associated with the Fund and the Shares (as defined and described in the Fund's Prospectus) are not intended to be a complete enumeration or explanation of the risks involved in an investment in the Fund. The Fund should be considered a speculative investment and involves a high degree of risk and may involve loss of capital, up to the entire amount of a shareholder's investment.

The nature of private equity can result in a lack of transparency due to limited information, and the risk of loss is increased due to speculative strategies employed by the Fund, including investing assets in private equity, private credit, early stage and other private investments which may not perform as expected. More importantly, Fund shares and shares of underlying funds will not be listed on any national securities exchange and are subject to restrictions on transferability, thereby making them illiquid.

Other risks include, but are not limited to, market risk, concentration risk, and potentially less diversification due to the substantial portion of Fund assets invested in manager-specific private equity. The Fund is also subject to the risks of leverage, higher fees and additional layers of expenses, as well as the potential for greater volatility due to Fund assets invested in a limited number of securities, or a focus on particular sectors and geographical regions.

Assets invested in foreign securities exposes the Fund to various geopolitical risks and currency fluctuations typically not applicable in the U.S., and this risk is magnified for emerging markets. The potential for adverse changes in business and tax laws involves tax risk and heightened regulatory scrutiny. The lack of a secondary market for trading private equity subjects the Fund to liquidity risks and may result in greater price risk and potential for inaccuracies in determining fair market value of investments held in the portfolio. Investments acquired in reliance on imperfect information increases counterparty risk and liabilities, and anticipated value may not be realized.

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