

Newsletter Review | July 2025

Introducing Evergreen Funds

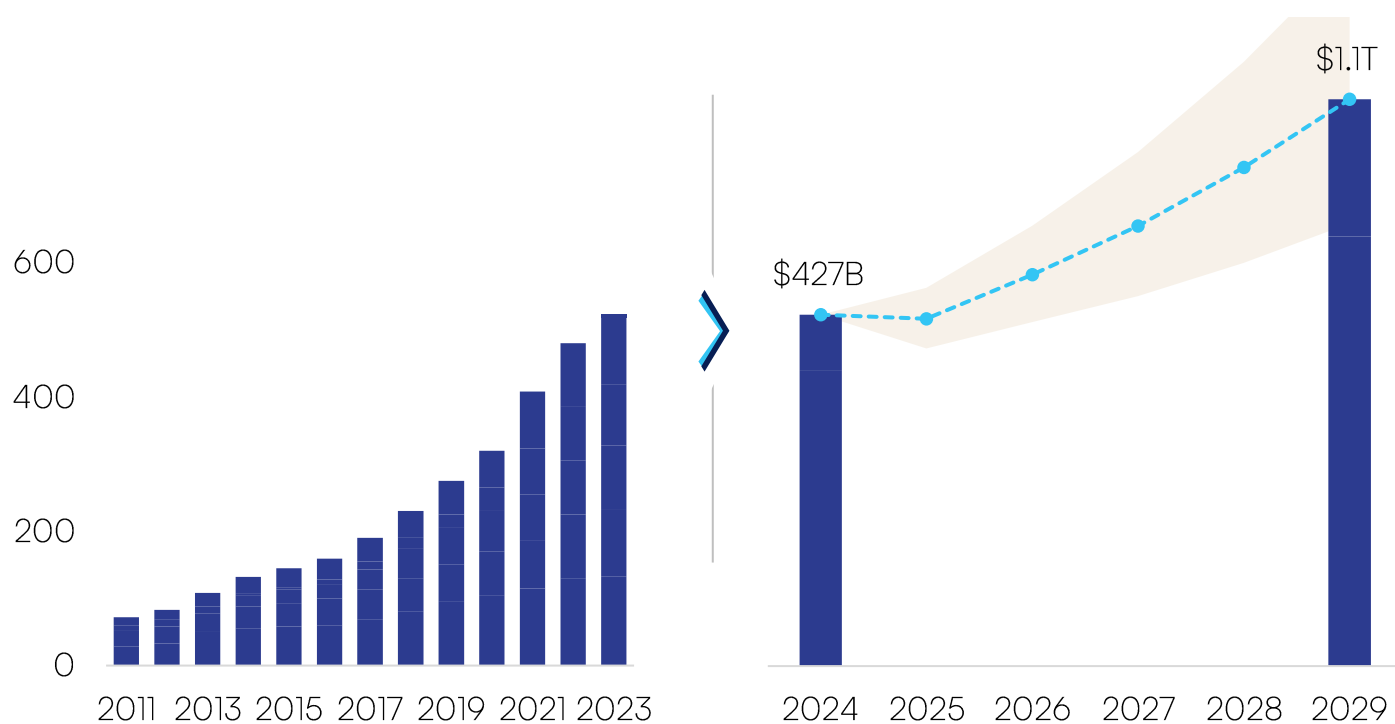




The rise of evergreen funds

Evergreen funds are rapidly gaining momentum in Private Markets by offering a flexible, on-demand alternative to traditional closed-ended vehicles. By the end of 2024, assets under management in evergreen vehicles reached \$427 billion, with forecasts projecting growth to \$1.1 trillion by 2029. In fact, many fund managers and institutional investors expect evergreen structures to account for half of all Private Markets fundraising as early as 2027 as private investor allocations continue to rise.

Number of evergreen funds & AUM forecast





Key features of evergreen funds

Issued and managed by the same managers as closed-ended funds, evergreens give investors immediate access to a fully deployed, diversified portfolio of assets and provide the freedom to adjust the Private Markets exposure through periodic subscription and redemption windows. Also known as perpetual or open-ended funds, evergreens automatically recycle exit proceeds into new deals, enabling investors to benefit from compounding returns from day one.

Overview of key features: Evergreens vs. closed-ended

| Feature | Closed-ended funds | Evergreen funds |
|-------------------|---------------------------------------|--|
| Access | Capital pledged in fundraising period | Subscribe periodically (e.g., monthly/quarterly) |
| Fund Term | Fixed life (typically 10-15 years) | Open-ended (perpetual) |
| Deployment | Drawdowns over 3-5 years | 100% invested upon subscription |
| Liquidity | Distributions upon exits | Investor-driven redemption windows |
| Redemption policy | n/a (no redemptions possible) | Redemption caps/gates limit outflows |
| Returns | Lump-sum returns of capital | Automatic reinvestment of exit proceeds |
| Performance | Net IRR on called capital | Compounding returns on full investment |
| Fee Basis | Fees on committed/invested capital | Fees charged on net asset value (NAV) |



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