CONVICTION PAPER

EVERGREEN FUNDS

RESHAPING PRIVATE MARKETS INVESTMENT ACROSS EUROPE

SEPTEMBER 2025

This is a marketing communication

EURAZEO

CONTENTS

Bold, underlined terms are defined in the **glossary, page 16**

MESSAGE FROM THE CO-CEO

“ Evergreen funds: facilitating access to private markets. ”

Christophe Bavière

CO-CEO — EURAZEO

Companies like Picard frozen foods, Arena swimwear, Besson shoes, and Carglass windscreens are just a few examples of successful businesses financed by Eurazeo, with retail investors contributing through their savings. The era when private markets were reserved exclusively for institutional investors is now behind us. At Eurazeo, we haven't just watched this transformation – we have been driving it for twenty-five years. Closed-end funds for retail investors, unit-linked products, large-scale Evergreen funds: each new solution proves that performance and accessibility are entirely compatible.

Historically, access to private investments and their potential returns was limited to institutional investors and ultra-high-net-worth clients, but that has changed. The **ELTIF**[1] framework establishes a unified pan-European market for private assets, removing access barriers for retail investors. In the UK, under the “Mansion House Compact,” major defined-contribution (DC) pension funds have committed to allocating at least 5% of their default funds[2] to private assets by 2030. In France, the Green Industry Act encourages the integration of unlisted assets into life insurance and retirement plan portfolios.

This shift benefits all parties: wealth managers gain access to a new asset class with attractive long-term returns and reduced volatility for client portfolios, while individual investors finally have the same opportunities as institutions.

In a context of growing demand for performance and flexibility, Evergreen funds are emerging as a natural evolution of private markets.

Their winning formula: a perpetual structure, combined with regular liquidity windows and significantly lower entry requirements. Our fund, Eurazeo Private Value 3 (EPVE 3), is a perfect illustration. Launched in 2018, it now has over €3 billion in assets and is delivering a 5-year net annualised return of 7.65%.[3] The success of this fund naturally leads us to the next step, with the international expansion of our offer and the launch of two new Evergreen funds: Eurazeo Prime Income Credit (EPIC) for **private debt** and Eurazeo Prime Strategic Opportunities (EPSO) for **private equity** secondaries. These vehicles maintain EPVE 3's operational excellence while introducing asset-class specialisation. For distributors and their clients, this means privileged access to a deep, diversified investment universe of strong, mature, and profitable companies.

By investing alongside institutions, individuals are doing more than just allocating capital - they're directly financing Europe's future champions. This aligns strong returns with real economic impact, establishing private markets as a key component of modern savings.

“ I encourage you to explore this Conviction Paper on Evergreen funds. In essence, an Evergreen fund is a straightforward investment vehicle designed for retail investors, providing ongoing access to the financing of private companies - the very businesses that drive European economic growth. ”

(1) ELTIF 2.0 (European Long-Term Investment Fund, revised in 2023) is the modernised European framework for long-term investment funds. It aims to facilitate long-term investment in the real economy by relaxing investment rules and access conditions for individual investors.

(2) Default DC funds: automatic investment plans for employees who have not chosen how their retirement savings should be invested. Funds are placed in a predefined portfolio designed to suit the majority of savers.

(3) Data as at August 14, 2025. Past performance is not indicative of future results.

Investing in private equity/private debt carries risks of capital loss and illiquidity.

Evergreen funds

A NEW ERA FOR PRIVATE INVESTMENT

WHAT IS AN EVERGREEN FUND?

Evergreen or perpetual funds represent a revolution in private market investing. Unlike traditional funds with fixed lifespans of typically 8-10 years, Evergreen funds can potentially run for 99 years.

Investors have complete control over their timing – they can invest and withdraw as needed, free from the calendar constraints of conventional closed-end funds.

KEY BENEFIT

No pressure from forced exits, plus the natural benefit of riding out economic cycles.

The 3 pillars de la révolution Evergreen

ACCESSIBILITY

By dramatically lowering entry barriers, Evergreen funds are opening up private markets to a much wider investor base.

This democratisation comes with fully digital subscription processes and multi-channel distribution, giving investors far more flexibility in how they invest.

SEMI-LIQUIDITY

Through broad diversification (portfolios spanning multiple vintages and underlying companies) plus liquidity reserves, Evergreen funds offer something new: regular liquidity opportunities for investors.

This gives investors unprecedented flexibility in private markets. It works through redemption windows, which are capped at a set percentage of fund assets to reflect the illiquid nature of the underlying investments.[1]

PERFORMANCE

Since capital is deployed immediately and stays invested, Evergreen funds deliver better long-term returns.

They smooth out the **J-curve effect** typical of traditional funds. With diversified, mature portfolios from day one, Evergreen funds provide much clearer visibility on returns.

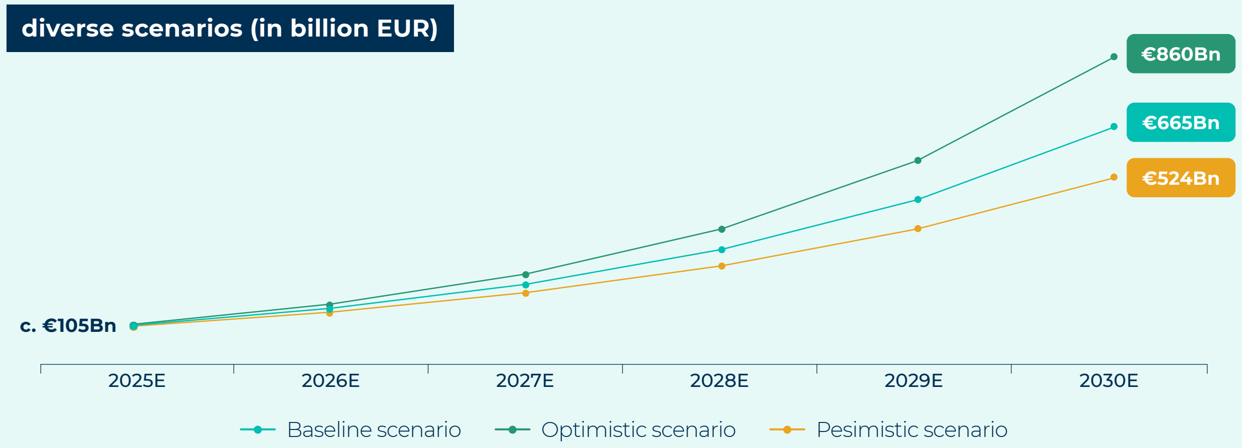
Investment in private equity/private debt carries risks of capital loss and illiquidity.

[1] Please refer to the Fund regulations for further details.

Key figures on the European Evergreen Market

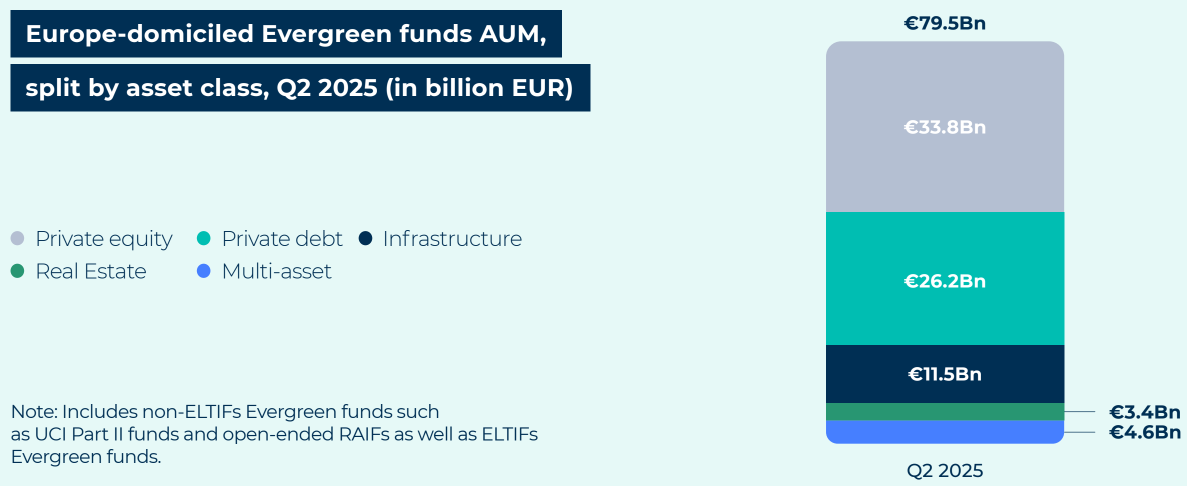
PRIVATE WEALTH ALLOCATION TO PRIVATE ASSETS: THE MOVE FROM CLOSED-END TO EVERGREEN

Estimated growth of Europe-domiciled Evergeen funds AUM across diverse scenarios (in billion EUR)



Note: Includes non-ELTIFs Evergreen funds such as UCI Part II funds and open-ended RAIFs as well as ELTIFs Evergreen funds.

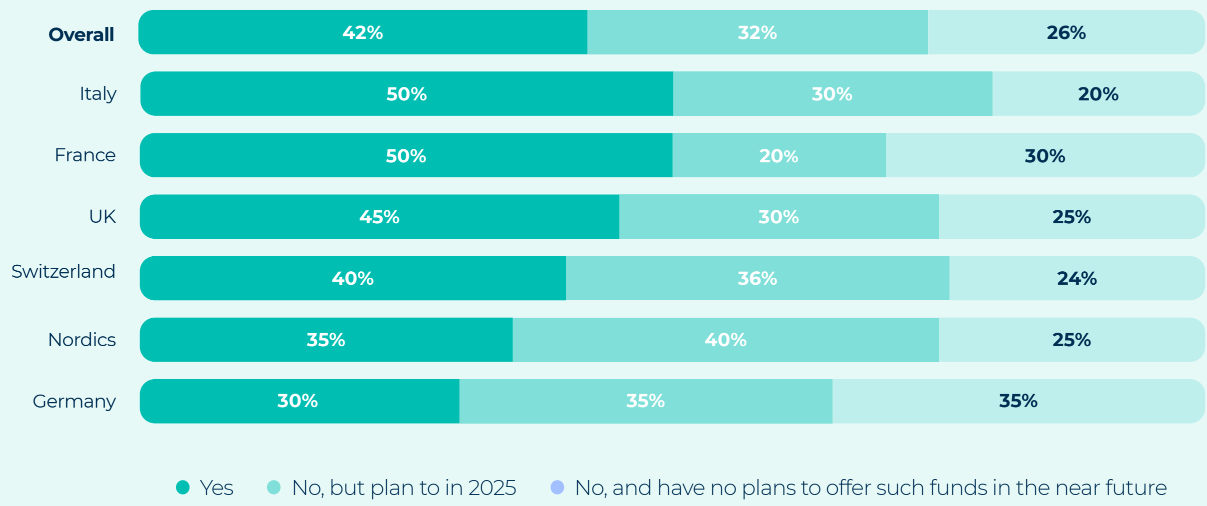
Europe-domiciled Evergreen funds AUM, split by asset class, Q2 2025 (in billion EUR)



Note: Includes non-ELTIFs Evergreen funds such as UCI Part II funds and open-ended RAIFs as well as ELTIFs Evergreen funds.

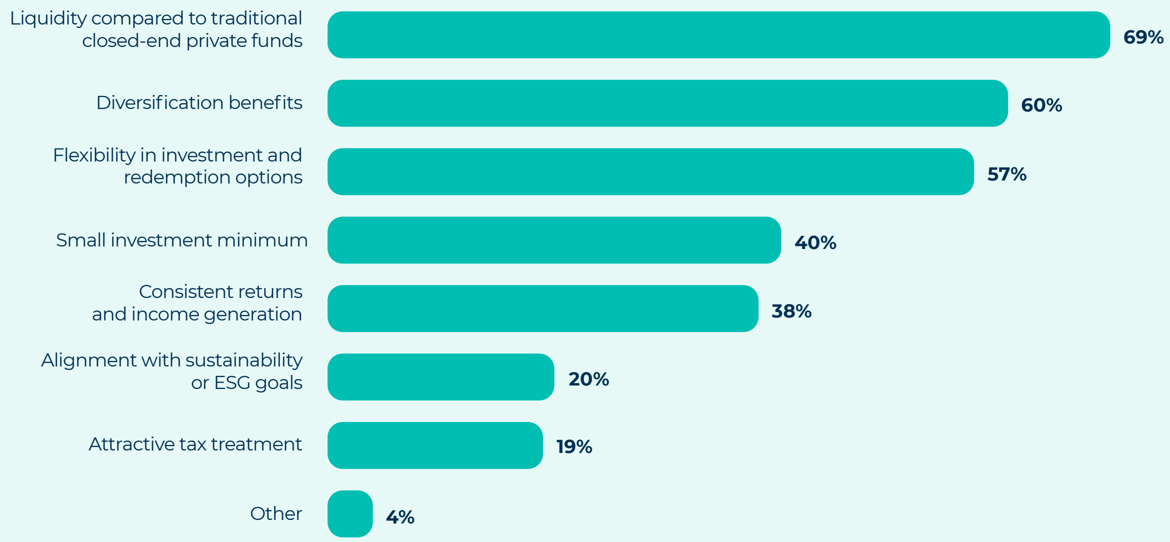
Source : Novantigo, 2025 Private Assets in Private Wealth Portfolios - The Next Frontier of Growth - August 2025

Current use of Evergreen private market funds



Note: Participants were asked 'Do you currently have evergreen private markets funds on your buy lists or offer to your clients?' (N=125)

Key reasons for client attraction to Evergreen funds



Note: Participants were asked 'What are the key reasons your clients are attracted to evergreen funds?' (N=103)

Source : Novantigo Private Banks and Wealth Managers Survey Q2 2025

3 QUESTIONS FOR

Dr Andrea Vathje

HEAD OF PRIVATE MARKETS INSTITUTE, PRIVATIZE

“ The ELTIF regulation has opened up European markets to retail investors. ”

Evergreen funds offer liquidity and operational simplicity that traditional private equity funds simply can't match.

Dr Andrea Vathje, Head of Private Markets Institute, Privatize, explains how these vehicles could accelerate the democratisation of private markets.

Evergreen funds have gained popularity in recent years. Does this reflect broader interest in private markets?

Interest in private markets has grown considerably over recent years. While the traditional 60/40 portfolio (60% equities, 40% bonds) was long the benchmark for investors, we've increasingly seen positive correlation between stocks and bonds in recent years.

In 2025, against a backdrop of armed conflicts and global political uncertainty, private markets have gained even more ground, establishing themselves as a diversification tool and source of portfolio resilience during volatile periods. Investors are also beginning to appreciate the depth of the private markets investment universe: according to S&P Capital IQ, globally, 88% of companies with annual revenues exceeding $100 million are private companies, with this figure reaching 96% in Europe.

Finally, the **ELTIF** 2.0 framework has opened new opportunities for investors to access private markets, further reinforcing this enthusiasm.

How can Evergreen funds help democratise access to private markets?

Evergreen funds remove several barriers for both investors and distributors. Semi-liquidity is a key feature for investors. While Evergreen funds remain long-term investments with minimum holding periods and defined redemption windows, they allow regular capital entries and exits under certain conditions.

Direct, continuous allocation is another major advantage. Average allocation levels typically reach 80% to 90% over the fund's lifetime: this means that, unlike closed-end funds, there's no **J-curve effect.** For distributors, Evergreen funds also offer numerous advantages, starting with operational simplicity. Distributors don't have to manage capital calls, but still have access to a fully capitalised vehicle. Moreover, they only need to train on one product, which can then stay on the platform as long as it remains relevant for clients.

Given that European retail investors currently allocate around 1% of their assets to private markets, what do you see as the growth potential for Evergreen funds going forward?

The ELTIF regulation has opened up European markets to retail investors, creating new growth prospects beyond discretionary portfolio management and encouraging the development of unit-linked products.

With many new products launching, broader access to Evergreen funds and persistently volatile markets, the growth potential is considerable. Education for both investors and distributors will be essential to support private market investment and ensure this growth.

Why Evergreen funds?

MAKING PRIVATE MARKETS ACCESSIBLE

EVERGREEN FUNDS: THE WINNING SOLUTION FOR INVESTORS AND DISTRIBUTORS

Traditional closed-end fund		Evergreen fund
High minimum initial investment Investors are typically **large institutions or family offices**	Invested amount	**Low minimum initial investment** Accessible to **a much wider range of investors**
Capital calls Committed capital is **gradually deployed** over several years	Invested amount	**Fully paid-in capital** Committed capital is deployed and put to work **immediately**
Fixed duration Investor capital is **locked up for the entire fund lifetime** (around 10 years)	Investment duration	**Semi-liquidity** Investors can **enter and exit the fund on an ongoing basis under certain conditions**(1)
No additional deployment At the end of the investment period, **no capital can be reinvested**	Investment duration	**Dynamic portfolio** As older investments are sold, **capital is reallocated into new opportunities**

Benefits both **distributors** and **investors**

(1) Liquidity windows for entering and exiting the fund are specified in each fund's prospectus.

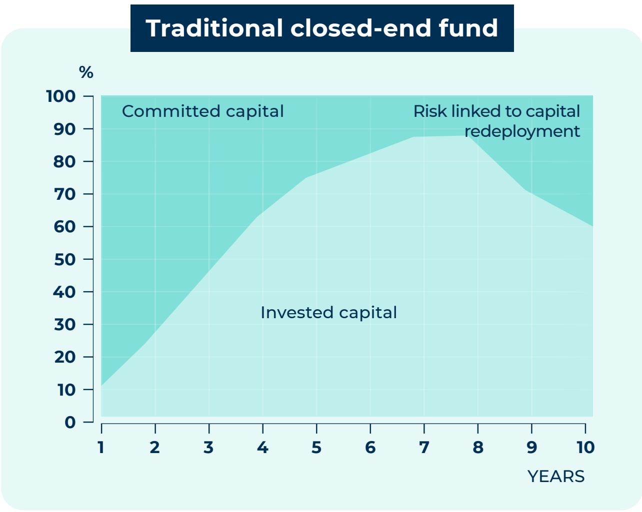
PERFORMANCE COMPARABLE TO BENCHMARK CLOSED-END FUNDS

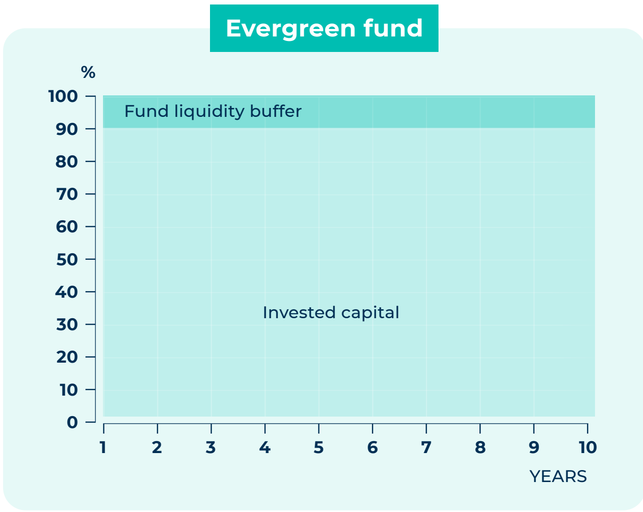
When comparing Evergreen fund performance with closed-end funds, the most commonly used metric is **internal rate of return (IRR)**, which is typically higher for closed-end funds. However, this direct comparison can be misleading.

IRR relies on specific assumptions: a defined lifespan and clearly identifiable cash flows. These conditions don't exist in the Evergreen model, making direct comparison largely irrelevant. It's rather like comparing fuel consumption between a plane and helicopter – both fly, but operate on completely different principles.

For a fairer comparison between the two models, **Multiple on Invested Capital (MOIC)** works better. This metric measures value created per pound invested, regardless of timing.

For any given IRR on a traditional closed-end fund, an Evergreen fund delivers a comparable net MOIC over equivalent investment periods, even with a lower rate of return (TWR[1]).
This is primarily due to more immediate capital deployment, allowing for fuller investment over longer periods.





Source: Eurazeo, illustrative representation

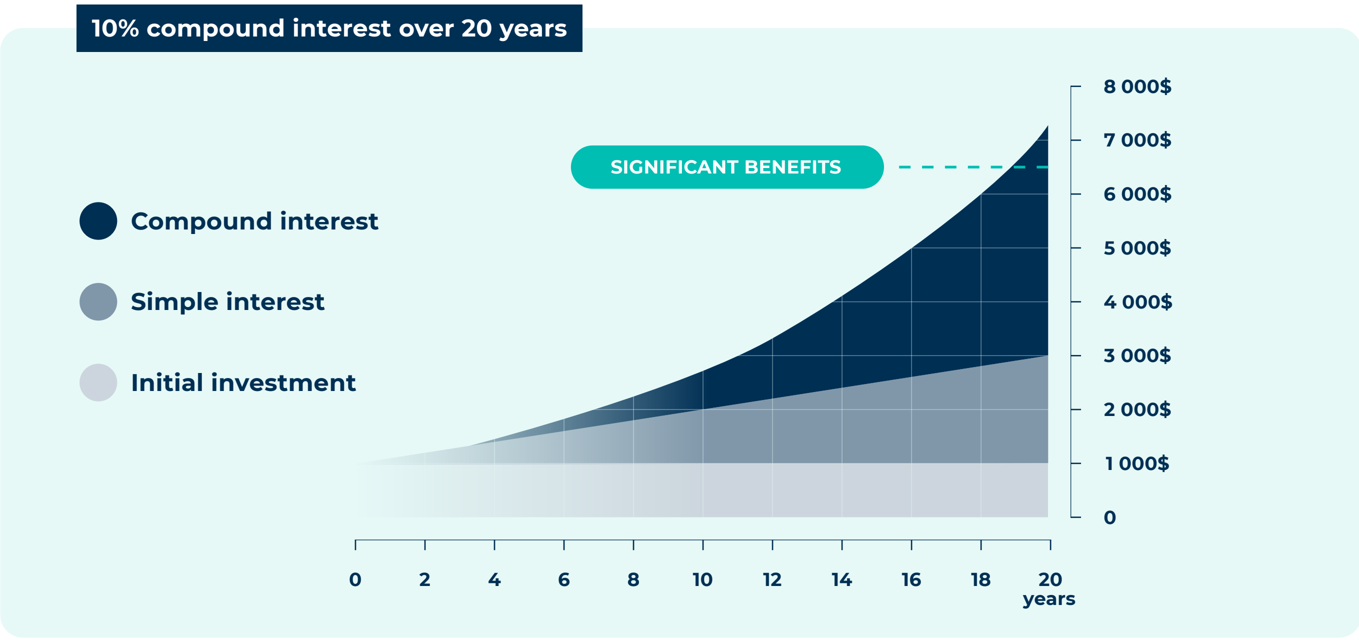
Traditional closed-end fund return - Net IRR	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
Evergreen fund return - Net TWR [1]	5%	6%	6%	7%	7%	8%	9%	9%	10%	10%	11%
Net MOIC equivalence over 10 years	1.7x	1.7x	1.8x	1.9x	2.0x	2.1x	2.3x	2.4x	2.5x	2.7x	2.9x

Sources: Eurazeo, CAIIA Association, data as at June 2022

THE COMPOUNDING EFFECT UNIQUE TO EVERGREEN FUNDS

MOIC takes into account all amounts invested and recovered, allowing it to reflect the overall effect of reinvestments. In other words, it measures total return relative to capital invested, incorporating reinvestments into the overall calculation.

Evergreen funds, thanks to their perpetual structure, continuously reinvest gains generated by their previous investments, thus creating a compound interest mechanism (compounding effect) that amplifies over time and optimises long-term value creation.



Source: The Calculator Site, illustrative diagram

[1] Net Time Weighted Return (TWR): a return measurement commonly used for Evergreen funds as it neutralises the effect of cash flows on performance, as opposed to IRR

Returns are neither guaranteed nor contractual and represent only a management objective. Investing in funds carries risks of capital loss and illiquidity.

The Eurazeo approach

A PROVEN INVESTMENT STRATEGY

EURAZEO: A LEADING EUROPEAN MID-MARKET PRIVATE ASSETS PLAYER

With over 50 years of history and €36.8 billion[1] in assets under management, Eurazeo is one of Europe's major private asset managers. The Group operates from 13 offices worldwide and has made the European mid-market segment its specialty, backing over 600 companies in their growth.

This expertise gives us a unique position in European SMEs[2] and mid-cap companies – businesses valued between €50 million and €1 billion that form the backbone of the continent's economy.

From France to Germany, and from Benelux to the Nordics, Eurazeo finances regional champions across high-growth sectors: technology, healthcare, business services, and consumer goods.

A EUROPEAN LEADER GROUNDED IN THE REAL ECONOMY

Eurazeo does more than provide capital or debt. We actively support the transformation of market-leading companies. Take Picard: we committed €50 million to France's leading frozen food retailer, supporting existing investors in an ambitious organic growth plan – opening new stores, expanding online, and modernising the store network.

This concrete example shows Eurazeo's direct impact on the real economy: creating jobs, driving international expansion, fostering innovation. Every euro invested helps strengthen Europe's business landscape whilst delivering on our ambitious ESG strategy.

Mid-market companies:
drivers of the European economy

A MAJOR POOL OF EUROPEAN MID-SIZED COMPANIES...

97%

of European companies **are SMEs**[3] (10-250 employees)

96%

of European companies with turnover above $100M **are unlisted**[4]

Large investment universe

...OFFERING UNIQUE ADVANTAGES[5]

GROWTH POTENTIAL

European SMEs show **turnover growth 25% higher and EBITDA growth 45% higher** than large companies

CONSOLIDATION OPPORTUNITIES

One-third of build-ups[6] worldwide occur in Europe, benefiting from a highly fragmented market

STRATEGIC EXIT VALUE

Mid-market companies achieve a 46% increase in their exit value, compared to just 25% for large-cap European companies

[1] Data as at 30 June 2025.
[2] SMEs (small and medium-sized enterprises).
[3] Eurostat. 97% of European companies with more than 10 employees have fewer than 250 employees. 3% of companies with more than 10 employees have more than 250 employees.
[4] S&P Capital IQ, April 2024.
[5] Pantheon Perspectives "The mid-market: How private equity's engine room can drive alpha" March 2024.
[6] External growth operations as part of a consolidation strategy.

EURAZEO'S INVESTMENT STRATEGIES: MEETING RETAIL INVESTORS' DIVERSIFICATION AND LIQUIDITY NEEDS

The success of Evergreen funds depends largely on selecting investment strategies that match their structure. Two asset classes excel at generating natural liquidity while offering the underlying quality that retail investors require: private debt and private equity secondaries. These strategies have excellent potential for scaling, diversification and stability, allowing asset managers to deploy large amounts of capital without compromising opportunity quality. Their flexible nature also allows for portfolio construction approaches tailored to specific return and risk targets.

Another key strength of Eurazeo's Evergreen strategy is the Group's ability to systematically co-invest alongside institutional vehicles.

Whether in private debt or private equity secondaries, this approach gives retail investors access to exactly the same investment opportunities as institutions, with no additional fees.

This ensures complete alignment between different types of investors while letting individual investors tap into the expertise and deal flow developed for institutional clients.

PRIVATE DEBT: STABILITY FOR PREDICTABILITY

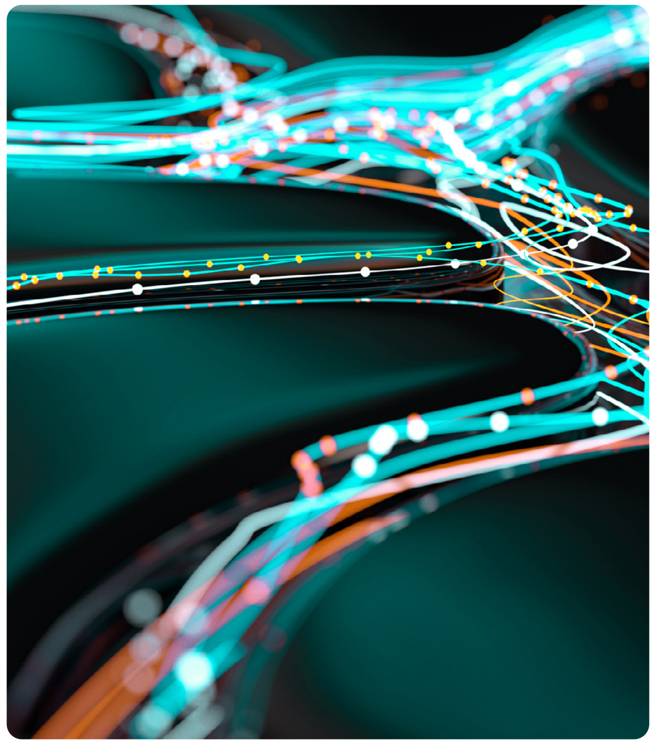
Private debt works perfectly for Evergreen funds because it naturally provides the liquidity they need. It's an excellent strategy that delivers both structural stability and attractive returns for individual investors.

Eurazeo's strategy rests on several pillars:

- Short investment cycles, typically 3-5 years, to facilitate capital rotation and repayment management.
- Enhanced protection through tailored legal documentation.
- Fund manager presence on portfolio company boards.

This creates close working relationships with financial sponsors (private equity funds), ensuring interests are aligned and allowing careful investment monitoring plus early risk identification.

On the returns side, exposure to European mid-market credit offers diversification away from traditional markets and attractive performance potential, while quarterly coupons provide the predictable, regular current income that retail investors particularly value.



Eurazeo private debt at a glance

2007 First private debt transaction	€9.8bn Committed	0% Annualised loss rate since inception
28 Investment professionals	9.7% Gross IRR since inception	+250 Transactions

Source: Eurazeo, data as at end June 2025

INVESTMENT CASE

DELIVERED BY EURAZEO'S PRIVATE DEBT TEAM

ORTHEUM

Building a leading orthopaedic network in Germany

Case studies shown are not representative of future investments.

Ortheum is one of Germany's leading outpatient orthopaedic networks, operating specialist centres for orthopaedics, trauma surgery and sports medicine.

WHY DID EURAZEO INVEST IN THIS COMPANY?

Run by an industry experienced management team, Ortheum is one of the fastest growing German platforms in the orthopaedic outpatient space. Thanks to an explicit M&A approach, the Group offers the unique opportunity to consolidate the large and fragmented outpatient market with more than 14,000 practices across Germany.

Driven by secular trends such as aging population and the strong demand for outpatient care solutions, Ortheum operates in a highly resilient, steadily growing ecosystem. Today, the Group stands out with a compelling financial profile evidenced by industry leading EBITDA margins and an outstanding cash conversion. Originally, Ortheum was founded by DPE Deutsche Private Equity (DPE) back in 2021. Following the platform creation phase, the Group joined Eurazeo's portfolio in 2024.

HOW HAS THE COMPANY BENEFITED FROM THIS INVESTMENT?

With more than €50m in debt financing, Eurazeo supports DPE and Ortheum as follows:

- **Acceleration of the buy-and-build[1] strategy, with over a dozen acquisitions successfully closed and integrated since 2024**
- **Significant EBITDA expansion over the next years via both organic and acquisitive growth**
- **Investment in state-of-the-art medical equipment (MRI, DVT) to create comprehensive treatment centers with a superior solution offering**
- **Geographical diversification with existing and new clusters in development**

[1] Acquisition and consolidation strategy

Key figures

AS AT JUNE 2025

Circa **600** Employees

More than **120** Specialists

More than **180,000** Patients

PRIVATE EQUITY SECONDARIES: INVESTING IN A DIVERSIFIED PORTFOLIO OF MATURE COMPANIES

A rapidly growing investment strategy, private equity secondaries tackles the diversification and risk reduction challenges that come with private equity funds.

By investing in assets already held by private equity funds that have reached maturity, this strategy provides immediate visibility on a diversified portfolio of mature, profitable companies that have already navigated their riskiest development stages.

Investing in a secondaries fund offers immediate access to several hundred companies across various sectors and regions, providing excellent diversification. Investors can therefore gain exposure to well-established businesses, often market leaders, with clear visibility on exit horizons.

Eurazeo Private Equity secondaries at a glance

2003
First secondaries transaction

€3.6bn
Committed

<1%
Annualised loss rate since inception

32
Investment professionals

16%
Gross IRR since inception

+80
Transactions

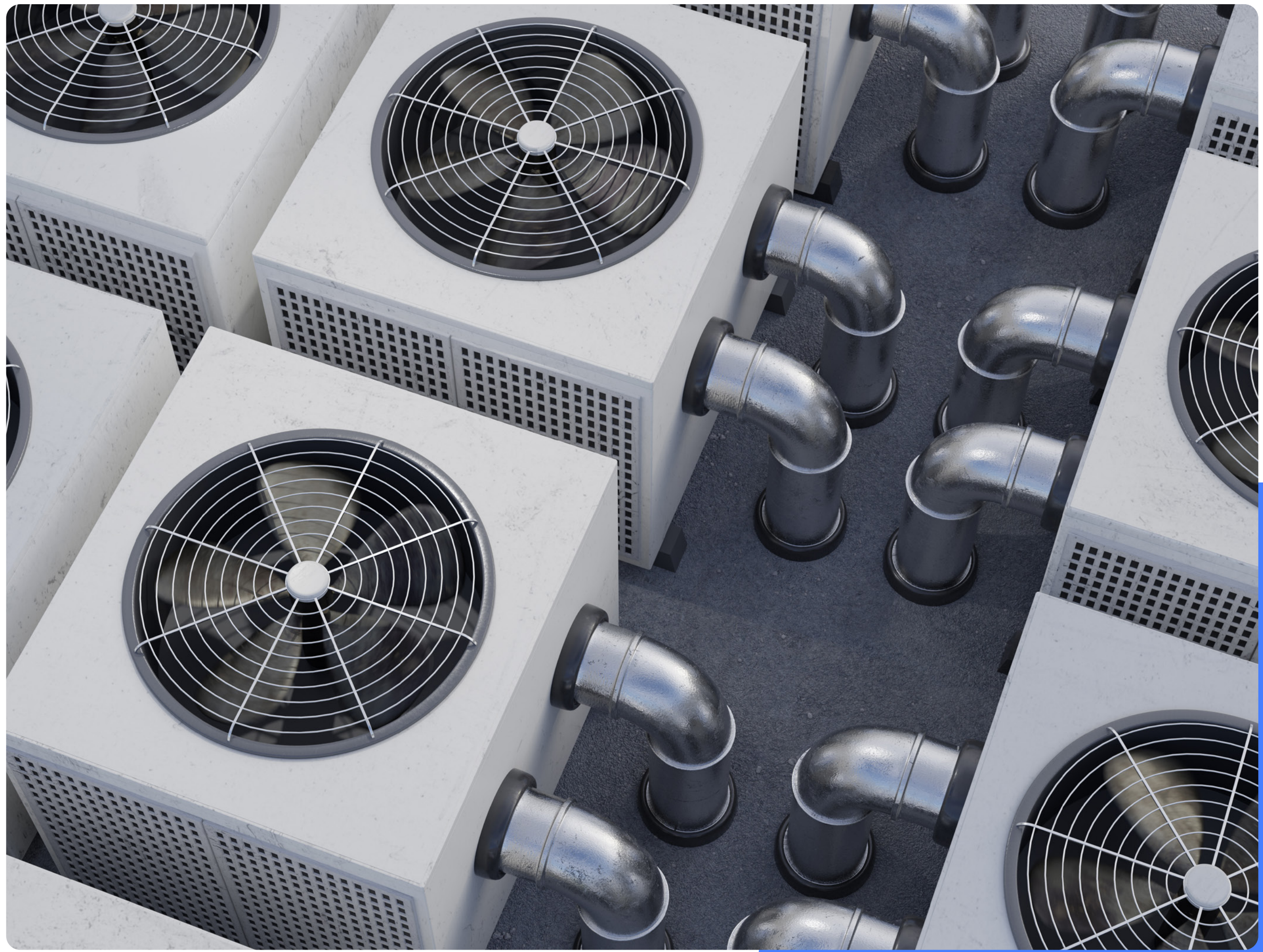
Source: Eurazeo, data as at end June 2025

INVESTMENT CASE

DELIVERED BY EURAZEO'S
PRIVATE EQUITY SECONDARIES TEAM

SYCLEF

Creating a European Refrigeration leader



Syclef is a French specialist in refrigeration and air conditioning system installation and maintenance. Historically present in south-east France, the company has the potential to become a European champion in a sector undergoing consolidation.

WHY DID EURAZEO INVEST IN THIS COMPANY?

In 2025, Eurazeo financed a continuation fund managed by Ardian Expansion, which had acquired the company in 2020. At the time of acquisition, Syclef had achieved strong growth : significant geographical expansion with 19 external growth transactions across Europe, organic growth above 10% annually, and a solid track record. This performance resulted in a tripling of business volume and profitability over the past 4 years.

HOW HAS THE COMPANY BENEFITED FROM THIS INVESTMENT?

Eurazeo invested €75 million in the continuation fund to support the company's new expansion phase. Targets for the coming years include:

- **Consolidation of the French market**
- **Acceleration of European expansion**
- **More than doubling turnover by 2029**

Key figures

AS AT JUNE 2025

Over
2,650
Employees

118
Locations across **4 European countries**

48
Local brands in France and **8 abroad**

Case studies shown are not representative of future investments.

JOINT INTERVIEW

“ Private debt and private equity secondaries are two resilient, scalable strategies that deliver liquidity and performance. ”

François Lacoste

MANAGING PARTNER
PRIVATE DEBT,
EURAZEO

Christophe Simon

MANAGING PARTNER
SECONDARIES & MANDATES,
EURAZEO

Through its range of Evergreen funds for retail investors, Eurazeo provides exposure to two strategies: private equity secondaries and private debt. Christophe Simon and François Lacoste, managing partners overseeing these strategies, explore the benefits and opportunities they offer within an Evergreen structure.

Eurazeo is well known for its European mid-market expertise. What makes this segment attractive to investors?

François Lacoste: The European mid-market offers an exceptionally wide investment universe. We’ve been active in this market for years, so we can provide access to a sector that large-cap players largely ignore. In Europe, 97% of companies are SMEs [1], and this segment accounts for the majority of value creation. The mid-market is where you’ll find the real gems – companies that lead their niche markets locally, across Europe or globally.

“ The mid-market is where you’ll find the real gems – companies that lead their niche markets locally, across Europe or globally.

François Lacoste ”

Eurazeo’s first Evergreen fund, EPVE 3, combines two strategies: private debt and private equity secondaries, which will also be offered as dedicated strategies in the PRIME range. Why take this approach?

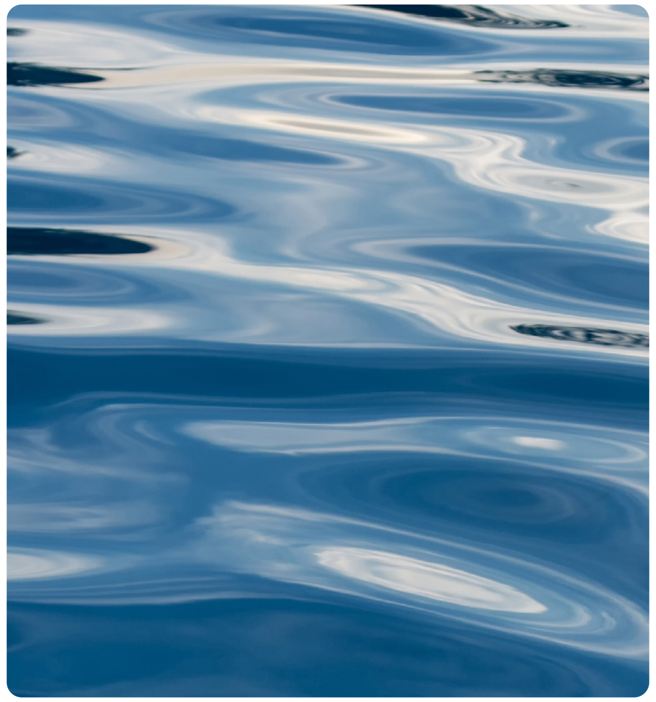
Christophe Simon: Private equity secondaries let you invest across several hundred companies, enabling very high diversification. Our European mid-market expertise then gives us access to a deep pool of solid businesses that are generally lightly leveraged.

François Lacoste: This diversification works well because it gives you two benefits: it reduces risk while maintaining our selectivity, even when markets are tough.

[1] Eurostat. 97% of European companies with more than 10 employees have fewer than 250 employees.

How do private debt and private equity secondaries strategies perform across different market cycles?

François Lacoste: Eurazeo launched its private debt strategy twenty years ago. We've weathered the 2008 financial crisis, Covid, the war in Ukraine, with portfolios that have shown both resilience during crisis periods and strong performance in more prosperous times. In Europe, the market has gradually opened up to the small and mid-cap segment where there are few alternatives to bank financing, which is often not able to support companies in their external growth strategies. Being positioned in this segment allows us to strengthen during crisis periods, when banks are more cautious about financing businesses, even those with very solid fundamentals.



Christophe Simon: Private equity secondaries is equally a resilient market that has demonstrated its ability to generate solid performance across numerous cycles. Eurazeo's secondaries strategy focuses on acquiring mature, profitable assets that have proven their ability over time to develop and repay their debt. Diversification, low portfolio leverage and good visibility on exit horizons ensure the robustness of our funds, which has translated into low volatility in our performance across cycles.

How do these two strategies fulfil the liquidity promise of Evergreen funds?

Christophe Simon: Private equity is illiquid by nature, but this illiquidity can be managed by concentrating on assets that are already mature. In secondaries, this is possible because we acquire assets already under LBO[1] for some years (generally 2 to 4 years) and for some of which the exit window is already identified, reducing our holding period. Moreover, having a large number of mature companies in portfolio allows our secondaries funds to benefit from regular distribution flow as exits materialise.

François Lacoste: For debt, we also have a relatively short average lifespan, around 3 to 4 years, with interests paid regularly every 3 to 6 months. Furthermore, both strategies—debt and secondaries—are scalable, allowing significant portfolio granularity within Evergreen funds that incorporate these asset classes. That said, private equity remains illiquid by nature: we've structured our funds to create the conditions for this partial liquidity, but the underlying assets need time to create value.

While Evergreen funds offer this, they remain long-term investments, particularly as they constantly reinvest their profits. This creates a snowball effect that boosts long-term performance.

How do you see the European private debt and private equity secondaries markets developing over the coming years?

Christophe Simon: Private equity secondaries has grown steadily for twenty years, driven by primary market growth, increasingly sophisticated secondary players and, more recently, new liquidity tools like GP-led transactions. The market has doubled over the past five years, and we expect it to double again by 2030. Managers have widely embraced this type of transaction, opening up new growth opportunities without eating into the traditional fund share sales market (LP-Interest).

François Lacoste: The private debt market has expanded strongly since 2008, and there's still plenty of scope to grow and gain market share, especially versus banks. Europe isn't one market but several, each at a different stage of development. In our core markets like France and Germany, our track record and market standing help us keep growing. At the same time, we're expanding into other markets—Scandinavia, Benelux, Southern Europe—where we find the same European market strengths: companies that can grow rapidly through acquisitions and strengthen their competitive position.

What makes Eurazeo distinctive in the Evergreen market?

Christophe Simon: As a long-established player, leader in European secondaries and debt, Eurazeo benefits from recognised expertise and an extensive network, enabling it to identify and secure quality deals. Our Evergreen strategies also provide privileged access to the European mid-cap market, which is large but typically hard for retail investors to reach. Most importantly, Eurazeo pioneered this model with the 2018 launch of Eurazeo Private Value 3 (EPVE 3), showing our position as a long-standing Evergreen operator committed to innovative, enduring investment solutions.

> **“Eurazeo pioneered this model with the 2018 launch of Eurazeo Private Value 3 (EPVE 3), showing our position as a long-standing Evergreen operator committed to innovative, enduring investment solutions.”**
>
> **Christophe Simon**

[1] Leveraged Buy-Out, ou rachat avec effet de levier

Conclusion

A COMPLETE RANGE OF EVERGREEN PRODUCTS

Our Evergreen range for private markets

GIVING INDIVIDUAL INVESTORS ACCESS TO PRIVATE MARKETS

EURAZEO PRIME INCOME CREDIT (EPIC)

PRIVATE DEBT

+€3bn

Target programme size

EURAZEO PRIME STRATEGIC OPPORTUNITIES (EPSO)

PRIVATE EQUITY

+€1.5bn

Target programme size

EURAZEO PRIVATE VALUE EUROPE 3 (EPVE 3)

PRIVATE DEBT 60%

PRIVATE EQUITY 40%

+€3bn

Fund size

FLEXIBLE

No predetermined lifespan

- Invest at any moment
- More flexible investment allocation

SIMPLE

Fully paid-in fund

- No capital calls to manage
- Committed capital can be put to work immediately

SEMI-LIQUID

Regular liquidity windows

- Redemptions capped at 5% of NAV per quarter[1]
- NAV published on a regular basis

ACCESSIBLE

Direct minimum investment

- €10K for PRIME range
- €20K for EPVE 3

Investing in private markets involves risks, including the risk of capital loss, the risk of illiquidity of the Fund's assets, and the risk related to the valuation of unlisted securities held by the Fund.[2]

[1] Terms set out in the Fund prospectus. [2] Principal risks. Please refer to the Fund prospectus for the complete list of associated risks.

GLOSSAIRE

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION)

A financial indicator that measures a company's operational performance before accounting for financial charges (debt interest), tax, depreciation and amortisation. In private equity, EBITDA is often used as a proxy for operational cash flow because it shows a company's ability to generate recurring profits from its business, regardless of how it's financed or its accounting methods.

ELTIF (EUROPEAN LONG-TERM INVESTMENT FUND)

A European framework that allows alternative investment funds in private assets to be sold to retail investors across the EU through the AIFM passport. After ELTIF 1 failed to achieve expected uptake, the rules were revised and ELTIF 2 took effect in January 2024.

INTERNAL RATE OF RETURN (IRR)

IRR measures investment profitability by factoring in when cash flows are generated. It assumes a fixed fund lifespan and planned cash flows. While it's the benchmark indicator for closed-end funds, it becomes less useful in Evergreen models where cash flows are continuous and not predefined.

J-CURVE

In private equity, this describes the typical pattern of fund returns: after an initial period of poor performance due to management fees charged upfront and gradual portfolio construction, the fund's value then rises significantly once investments reach maturity.

LEVERAGED BUYOUT (LBO)

A financial transaction in which a company is purchased mainly using borrowed money, combining a large portion of debt and some equity capital. The debt is then repaid using the profits generated by the acquired company.

MULTIPLE ON INVESTED CAPITAL (MOIC)

MOIC calculates the ratio between value created and capital invested, ignoring timing. For example, a MOIC of 1.8 means each pound invested generated £1.80 in value. It's a straightforward way to compare investment structures with different time frames, like Evergreen funds versus closed-end funds.

PRIVATE DEBT

Financing outside the traditional banking system, where lenders work directly with borrowers to negotiate and provide private loans that aren't traded on public markets.

PRIVATE EQUITY

Investment activity involving equity stakes in companies not listed on the stock exchange. It is divided into several segments: venture capital, growth capital, and leveraged buyouts (LBO).

PRIVATE MARKETS

Financing for private companies, as opposed to publicly listed ones. This is carried out either by investing in the company's equity (private equity) or by lending money (private debt).

CONTACTS

Mathieu TEISSEIRE
MANAGING PARTNER - INVESTOR RELATIONS
mteisseire@eurazeo.com

Luc MARUENDA
PARTNER - HEAD OF WEALTH SOLUTIONS - INVESTOR RELATIONS
lmaruenda@eurazeo.com

Agathe BUBBE
DIRECTOR - WEALTH SOLUTIONS - INVESTOR RELATIONS
abubbe@eurazeo.com

Investor Relations
Investor.relations@eurazeo.com

EURAZEO

eurazeo.com