Evergreen Funds: The Rise of Semi-Liquid Alternatives

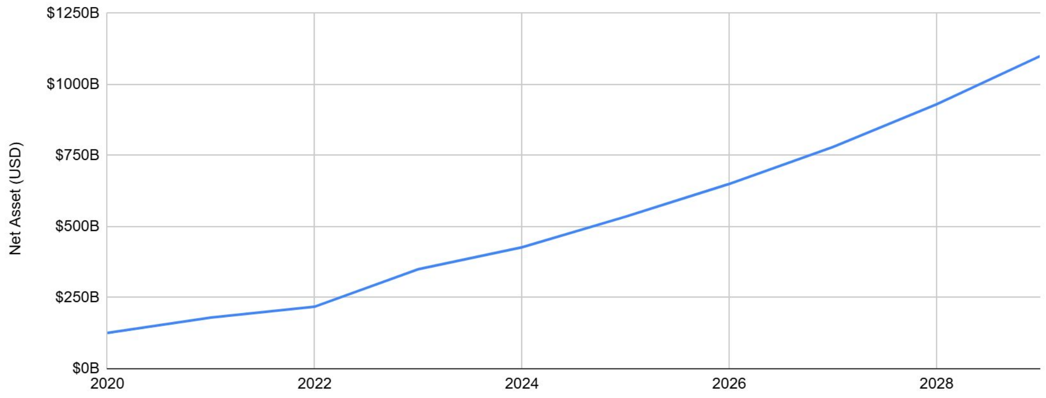
April 29, 2026

Key Takeaway

- Evergreen funds surpassed US$493B in net assets as of Q3 2025 (+30% YoY), projected to reach US$1.1T by 2029, with fund launches hitting a decade-high of 123 in 2025.
- Private credit evergreen funds outperformed closed-end peers by ~160 bps (12 months to Sep 2025) and beat public benchmarks across all horizons; private equity evergreens lagged listed equities.
- Venture capital represents 27% of private equity AUM (~US$3.2T) yet only 3.4% of evergreen vehicles — multiple VC-focused launches are anticipated in 2026 to close this gap.
- U.S. DOL's proposed 401(k) safe harbor rule (Mar 2026) and Europe's ELTIF 2.0 (€34B, +55% YoY) are accelerating democratization, though Greenman OPEN's Q4 2025 redemption gate underscores that liquidity risk remains real.

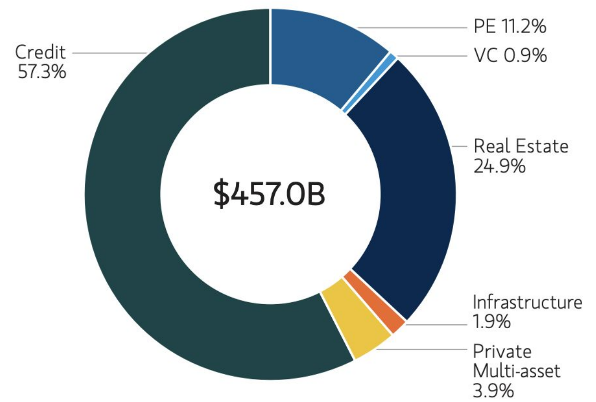
Net Asset Growth and Projected Growth

Evergreen Fund Net Assets Are Expected to More Than Double by 2029



Case：Semi-Liquid Evergreen Private Equity

Overall allocation of the semi-liquid evergreen market is currently concentrated in credit



Investment Implications

VanEck BDC Income ETF (NYSE: BIZD): A basket of 35 publicly listed Business Development Companies, effectively listed evergreen private credit vehicles, anchored by top-tier names such as Ares Capital, Blue Owl, and Main Street Capital. Entry as low as ~US$13 per share; daily exchange liquidity. Forward dividend yield: ~12.5%, paid quarterly, making it one of the highest-yielding liquid instruments in the alternatives space. Inception-to-date annualized total return: ~6.3%. Best suited for investors seeking steady cash flow from private credit exposure without lock-ups or redemption gates.

Blackstone Private Credit Fund (BCRED): The world's largest private credit fund at $72B in total investments, originating senior secured floating-rate loans to mid-to-large corporate borrowers. Minimum investment: US$2,500; eligibility requires net worth ≥$250K or income ≥$70K plus net worth ≥$70K. Quarterly redemptions subject to NAV-based gates (typically 5% of NAV per quarter); shares held under one year redeemed at 98% of NAV.

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