

Access the Power of Evergreen Funds

Opening opportunities to private
markets for individual investors



What Is an Evergreen Fund?

In private markets, “evergreen” refers to fund structures designed to offer periodic liquidity¹ without a defined end date. Sometimes called semi-liquid or perpetual vehicles, these funds allow investors to buy in and redeem on a scheduled basis—typically quarterly—unlike traditional closed-end funds, which operate on a fixed, multi-year timeline.

The evolution of evergreen funds has helped expand access to private markets, enabling qualified individual investors to participate in institutional-quality portfolios with more investor-friendly terms.

Traditional Closed-End Fund Structures

Private equity has historically been accessed through closed-end vehicles—typically limited partnerships with an average ten-year life and potential extensions. Passive investors, or limited partners (LPs), make a commitment upfront, with capital called over time by the fund’s general partners (GPs) to deploy into private companies.

While closed-end vehicles remain common, they can present several challenges for individual investors. Despite these hurdles, long-term historical data supports the asset class: research shows that the median US buyout and growth funds have outperformed public markets in 25 of 27 vintage years between 1995 and 2021, delivering nearly 5% annualized outperformance (direct alpha) over the S&P 500^[1].

01

Long lock-up periods
and limited liquidity

02

High investment
minimums

03

Complex tax reporting
(e.g., Schedule K-1s)

Seeking to Redefine Private Markets for Individuals

In response to growing demand from individual investors—who seek the return potential of private equity without the challenges of closed-end vehicles—evergreen vehicles are gaining traction. From a structural perspective, evergreen funds deploy capital immediately

and do not require multi-year commitments². They pool assets to build diversified portfolios of private companies³—similar to closed-end funds—but offer more frequent NAV reporting and are designed to put client assets to work expediently.

These funds aim to provide:

- Simplified access with lower investment minimums (typically around \$25,000)
- Immediate deployment of capital—no waiting for capital calls
- Periodic liquidity, often on a quarterly basis¹
- More frequent valuations (monthly or quarterly Net Asset Value “NAV”)
- Ongoing capital contributions, enabling dollar-cost averaging
- Generally, 1099 tax reporting, avoiding K-1s

Turning Common Concerns into Solutions



Charts are for illustrative purposes only. Diversification does not protect against loss

Comparing Evergreen and Traditional Structures

FEATURE	EVERGREEN FUND	TRADITIONAL CLOSED-END FUND
Liquidity	Semi-liquid ¹	Illiquid for 8–12 years
Investment Minimum	~\$25,000	\$250,000
Capital Deployment	Invested upon subscription	Drawn over investment period
NAV Frequency	Monthly or quarterly	Typically quarterly
Tax Reporting	Form 1099	Schedule K-1
Access	Broad qualified investor base	Primarily institutional LPs



For illustrative purposes only. Investment minimums and other fund characteristics are presented for illustrative and educational purposes only. Investment minimums and other fund characteristics will vary depending on each particular fund.

Evergreen Solutions—Built for the Future

Private equity continues to grow as a core component of diversified portfolios.¹ Global assets under management (AUM) in the asset class reached \$11.5 trillion in 2024 (unrealized value and unfunded commitments), with a 12% compound annual growth rate (CAGR) since 2000.² While institutional investors have historically driven this growth, Carlyle believes institutions may be at or near their allocation targets. This shift is creating new opportunities for individual investors to access an asset class that has historically supported institutional portfolio construction.

Looking ahead, Carlyle believes private wealth will become a primary driver of new capital into these markets. Under a moderate-growth scenario, retail investors could represent 13% of global private equity AUM by 2030—up from just 3.2% in 2022³. Evergreen structures will likely play a critical role in enabling this evolution.

By the Numbers² ³

\$11.5T

Assets Under Management

12%

Compound Annual Growth Rate

13% by 2030

Projected Retail Investor Share
of Private Equity AUM

Source: Carlyle Analysis and Prequin data. For illustrative purposes only. Global private equity AUM is as of September 2024. CAGR is calculated from January 2000 - September 2024. Please refer to source two at the end of the document for more information. Please refer to source three at the end of the document for key assumptions of projected retail investor growth.

Is an Evergreen Allocation Right for You?

Evergreen funds are not a one-size-fits-all solution. They can be a strategic tool to help address a variety of portfolio challenges—whether an investor is just entering private markets or looking to streamline a complex portfolio. Below are some common investor profiles that may benefit from evergreen fund structures.

THE FIRST TIMER

New to private markets.

Seeking a simple, accessible way to get exposure without complex tax processes or long lock-ups.²

01



02

THE STEADY BUILDER

Looking to steadily increase exposure to private markets.

Seeking a way to scale into private markets without waiting for a fund cycle or committing a lump sum.



03

THE SEASONED INVESTOR

A tactical allocator looking to respond to market shifts or short-term views. Seeking flexibility and quick deployment, without the timing limitations of traditional fund cycles.



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Investors may Benefit from:

- **Built-in diversification³**
Access a broad array of investments with multi-vintage exposure across sectors and regions.
- **Defined liquidity**
Periodic redemptions aligned with long-term planning.¹
- **Institutional access**
Potential opportunities to invest alongside experienced teams and flagship strategies.
- **Smoother deployment**
Continuous pacing and mature assets may reduce early-stage return drag.
- **Investor-friendly terms**
Lower investment minimums than closed-end funds and more simplified tax reporting.
- **Immediate exposure**
Enter a live, diversified portfolio.³

Terms to Know

NET ASSET VALUE (NAV)

Net asset value, or NAV, represents the total value of a fund's assets minus its liabilities. In private markets, NAV is most used to express the equity value of an investment fund or vehicle, calculated on a periodic basis. NAV serves as a key reference point for investors, offering a snapshot of current portfolio valuation and performance over time.

COMPOUND ANNUAL GROWTH RATE (CAGR)

The average annual rate at which an investment grows over time, assuming any gains are reinvested. CAGR smooths out the ups and downs to show how steadily an investment has grown over a set period.

Charge Forward with Carlyle

With deep private markets expertise and a commitment to innovation, Carlyle is positioned to deliver evergreen solutions designed for today's investors.

Let's discover new opportunities—together.



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To learn more about evergreen funds and other private market opportunities, visit our Carlyle ConnectED. Here, you'll find resources, case studies, and expert insights to help you advance on your investment journey.

END NOTES

1. Evergreen Funds are designed to provide periodic liquidity, but the mechanism and frequency of redemptions vary depending on the particular fund and fund type.
2. Some Evergreen Funds may restrict redemptions with initial lockup periods and early redemption fees.
3. Diversification does not eliminate risk of loss.

SOURCES

- [1] Gompers, P.G. and S.N. Kaplan (2022). Advanced Introduction to Private Equity. Cheltenham & Northampton: Edward Elgar Publishing. This comparison of the performance of private equity funds to public indices is for illustrative purposes only. You cannot directly invest in an index.
- [2] Carlyle analysis. Data source: Preqin, accessed March 10, 2025. Encompasses all types of global private equity funds. CAGR growth calculated from industry-wide AUM from January 2000 to September 2024.
- [3] Carlyle Analysis, Alpinvest Partners, Private Equity as an Asset Class: A Medium-Term Outlook, April 2024. Assumes an average 2% increase in allocations to private-equity every year from 2022 to 2030 from individual investors and 4.1x increase in share of individual investors in private-equity AUM 2022 to 2030. Outlook presented here is a scenario and not a forecast. Actual developments may turn out significantly different from the scenario presented herein, depending, among other independent variables, on the growth of assets owned by different investor groups, the relative performance of different asset classes, risk-return preferences of investors, and asset allocations. The scenario presented herein should not be relied upon as a promise or representation as to future performance of any investment or investment advice.

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RISK FACTORS

Prospective investors should be aware that an investment in a Fund involves a high degree of risk, and it is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a Fund and for which a Fund does not represent a complete investment program. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment. Prospective investors are urged to consult with their own financial, tax, and legal advisors about the implications of investing in a Fund. The following is a summary of only certain considerations and is qualified in its entirety by a Fund's offering materials, which may contain additional information about associated risks pertaining to an investment in a Fund.

Speculative Investment. Carlyle cannot provide any assurance that it will be able to choose, make or realize any particular investment, asset, or portfolio on behalf of a Fund. There can be no assurance that investments made by a Fund will be able to generate returns or that the returns will be commensurate with the risks of investing in the type of transactions described herein. The activity of identifying, completing and realizing upon attractive investments is highly competitive and involves a high degree of uncertainty. A Fund must compete for investments with other private equity investors having similar investment objectives. The portfolio companies in which a Fund may invest (directly or indirectly) are speculative investments and will be subject to significant business and financial risks.

Illiquidity of the Shares and Difficulty to Value. Shares that are not listed on any securities exchange may be considered illiquid. A Fund is intended for long-term investment by investors that can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. Additionally, there is no guarantee that an investor will be able to sell all of the Shares in a repurchase offer that the investor desires to sell. A Fund should therefore be considered to offer limited liquidity. Further, the valuation of a Fund's investments will be difficult, may be based on imperfect information and is subject to inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such investments, from values placed on such investments by other investors and from prices at which such investments may ultimately be sold.

Highly Competitive Market. The activity of identifying, completing and realizing upon attractive investments is highly competitive and involves a high degree of uncertainty. A Fund will be competing for investments with other private equity investors having similar investment objectives. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Fund and adversely affecting the terms upon which investments can be made.

Investors in a Fund will bear multiple layers of fees and expenses. In general, a Fund's investors may bear two layers of fees and expenses: asset-based fees, incentive fees and expenses at the Fund level, and asset-based fees, carried interests, incentive allocations or fees and expenses at the Underlying Fund level. In addition, to the extent that a Fund invests in an Underlying Fund that is itself a "fund of funds," the Fund will bear a third layer of fees.

"Cash Drag" Risk. A Fund may maintain a sizeable cash position in anticipation of funding capital calls. A Fund will generally not contribute the full amount of its commitment to an Underlying Fund at the time of its admission to the Underlying Fund. Instead, the Fund will be required to make incremental contributions pursuant to capital calls issued from time to time by the Underlying Funds. In addition, Underlying Funds may not call all the capital committed to them. The overall impact on performance due to holding a portion of the investment portfolio in cash or cash equivalents could be negative.

Leverage; Borrowings Risk. A Fund may borrow money, which magnifies the potential for gain or loss on the amount invested, subjects the Fund to certain covenants with which it must comply and may increase the risk of investing with the Fund.

Fixed-Income Securities Risks. Fixed income securities risks include interest rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

Cash and Cash Equivalents. A Fund may maintain a sizeable cash position in anticipation of funding capital calls. As a result, the Fund generally will not contribute the full amount of its commitment to an Underlying Fund at the time of its admission to the Underlying Fund. Instead, the Fund will be required to make incremental contributions pursuant to capital calls issued from time to time by the Underlying Fund. The overall impact on performance due to holding a portion of the investment portfolio in cash, cash equivalents and other fixed-income investments could be negative.

Management Risk. The Adviser cannot provide any assurance that it will be able to choose, make or realize investments in any particular investment, asset or portfolio. There can be no assurance that investments affected through a Fund will be able to generate returns or that the returns will be commensurate with the risks of investing in the type of transactions described herein.

Portfolio Companies Risks. The portfolio companies in which a Fund invests, either directly or indirectly through an Underlying Fund, may involve a high degree of business and financial risk. Portfolio companies may be in early stages of development, may have operating losses or significant variations in operating results and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Portfolio companies may also include companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, they may have weak financial conditions and may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions.

No assurance can be given that a Fund's investment program will be successful. Accordingly, a Fund should be considered a speculative investment that entails substantial risks, and a prospective investor should invest in a Fund only if they can sustain a complete loss of their investment.