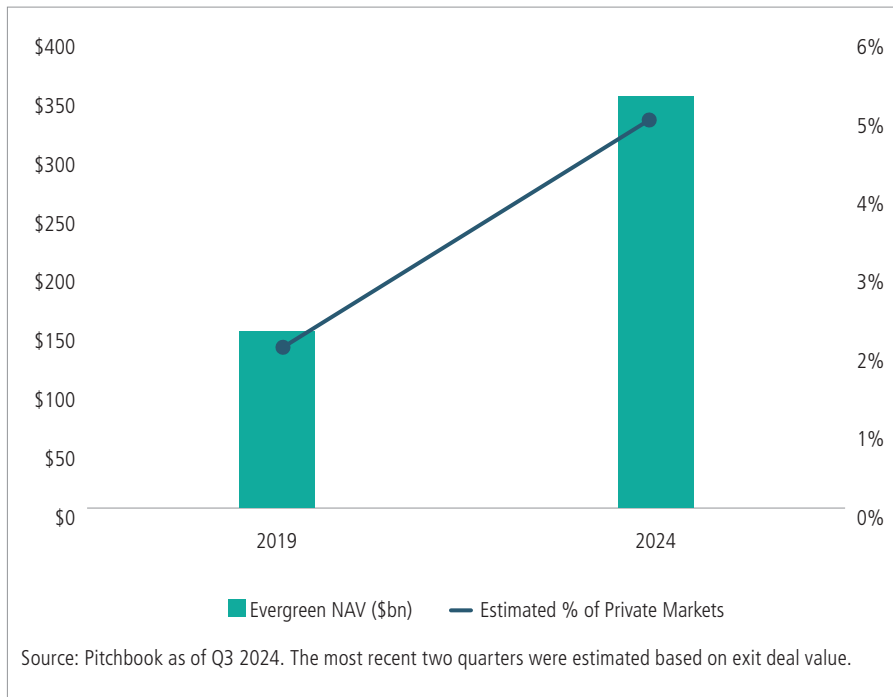


Family Office Insights: Evergreen Funds

Family offices often encounter challenges in private markets, including managing liquidity, complex fund administration and aligning investment horizons with long-term objectives. As a result, the market for private capital evergreen funds has gained significant popularity in recent years, driven by growing demand for investor-friendly features that traditional closed-end funds often lack.



What Are Private Capital Evergreen Funds?

Evergreen funds are open-ended investment vehicles that allow investors to make long-term allocations to private companies without a fixed end date. Unlike traditional closed-end private equity funds, which typically require a large, one-time commitment and lock up capital for 10 to 12 years, evergreen funds offer ongoing access, letting investors enter or exit at periodic intervals (often monthly or quarterly) with lower minimums. This structure provides immediate exposure and greater liquidity, and profits are typically reinvested, supporting continuous portfolio growth and new investments.

Why Are Family Offices Using Evergreen Funds?

Key Benefits

Flexible Access and Liquidity

Easy subscription process, along with options for liquidity

Continuous Private Market Exposure

Ongoing exposure to private markets rather than lumpy capital calls

Operational Simplicity

Reduced complexity of managing multiple vintage funds and recycling distributions

Alignment with Intergenerational Planning

Removes the constraints of capital calls, fixed fund terms and forced exits

Growing Market Opportunity

Rapidly expanding market with products available across multiple asset classes

Top Use Cases We Observe

Creating a flexible liquidity sleeve within the broader portfolio, allowing family offices to respond to changing cash flow needs, capital calls or unexpected opportunities without locking up capital for a fixed term

Establishing a core allocation to private markets, enabling family offices to quickly ramp up their private market exposure whilst minimizing the requirement to continually diligence new vintages

Streamlining operational oversight and reporting with consolidated holdings in a single vehicle, reducing administrative complexity over time

Utilised as liability management tools, reducing exposure to unexpected capital calls and the risk of having to sell assets to fund these

The increase in availability of high-quality assets provides investors with potentially comparable returns to traditional drawdown-style vehicles due to instant deployment of capital into private market assets

Three Key Charts

1 Comparable Returns to Traditional PE Drawdown Funds¹

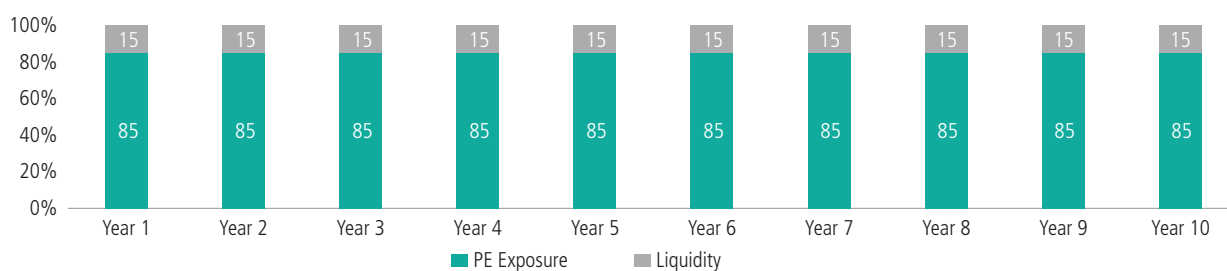
Return Analysis (10-Year Period) ¹	IRR	MOIC	Value of \$100 After 10 Years
Traditional PE Program (Built from Scratch)	11.8%	3.0x	\$300
Traditional PE Program (At a Steady State)	13.7%	3.6x	\$360
Evergreen Fund (0% Liquidity Buffer)	14.2%	3.8x	\$380
Evergreen Fund (15% Liquidity Buffer)	12.7%	3.3x	\$330

Source: Neuberger Berman.

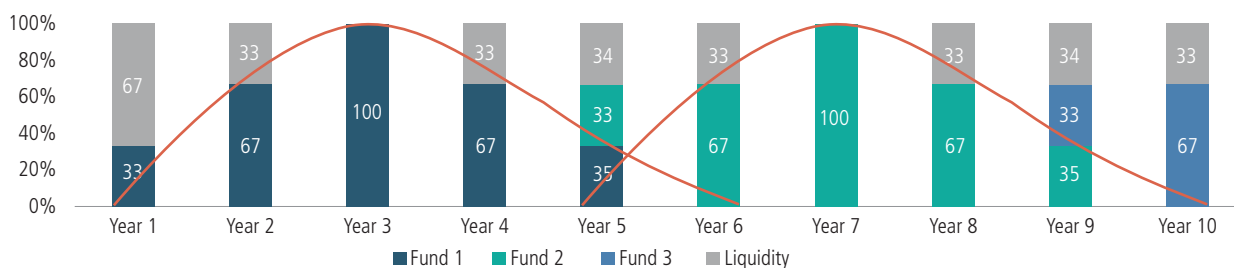
¹ Under all four scenarios, we assume that PE returns 14.2%. Importantly, the underlying investment content of each vehicle is the same, and the structure does not change PE return assumptions. In traditional program and evergreen funds, we include the return of liquidity in our analysis. As traditional program investors have the agency to invest the liquidity portfolio as they see fit, we assume that the liquidity in the traditional program returns 8.0%. Typically, we observe evergreen fund managers taking a conservative approach to liquidity management, often investing in highly-rated bonds; we assume that the liquidity in the evergreen fund returns 4.0%.

2 Liquidity Management Tool

Evergreen Fund



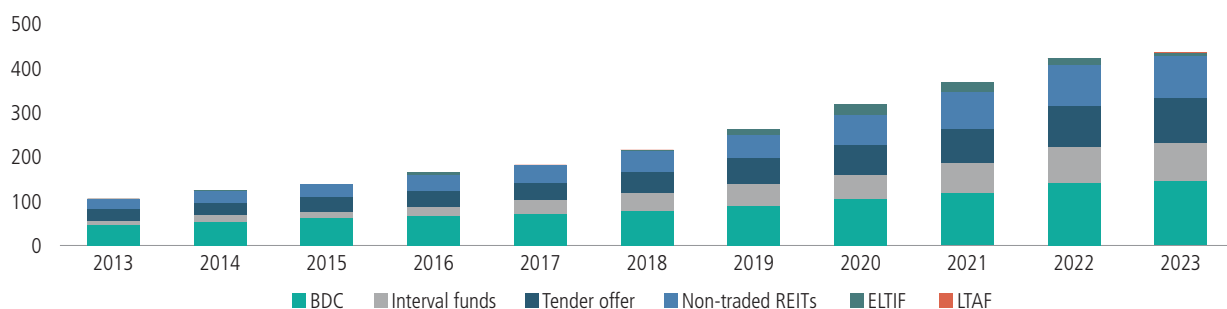
Closed-End Funds



Source: Preqin.

3 Significant Market Growth in Recent Years

Evergreen Fund Growth Over Time



Source: Preqin.

Risk Considerations Relating to Private Equity Strategies

Prospective investors should be aware that an investment in any private equity strategy is speculative and involves a high degree of risk that is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of such investment and for which the investment does not represent a complete investment program. An investment should only be considered by persons who can afford a loss of their entire investment. This material is not intended to replace any the materials that would be provided in connection with an investor's consideration to invest in an actual private equity strategy, which would only be done pursuant to the terms of a confidential private placement memorandum and other related material. Prospective investors are urged to consult with their own tax and legal advisors about the implications of investing in a private equity strategy, including the risks and fees of such an investment.

You should consider the risks inherent with investing in private equity strategies:

Market Conditions: Private equity strategies are based, in part, upon the premise that investments will be available for purchase by at prices considered favorable. To the extent that current market conditions change or change more quickly anticipated investment opportunities may cease to be available. There can be no assurance or guarantee that investment objectives will be achieved, that the past, targeted or estimated results be achieved or that investors will receive any return on their investments. Performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment.

Legal, Tax and Regulatory Risks: Legal, tax and regulatory changes (including changing enforcement priorities, changing interpretations of legal and regulatory precedents or varying applications of laws and regulations to particular facts and circumstances) could occur that may adversely affect a private equity strategy.

Default or Excuse: If an Investor defaults on or is excused from its obligation to contribute capital to a private equity strategy, other Investors may be required to make additional contributions to replace such shortfall. In addition, an Investor may experience significant economic consequences should it fail to make required capital contributions.

Leverage: Investments in underlying portfolio companies whose capital structures may have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

Highly Competitive Market for Investment Opportunities: The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance or guarantee that a private equity strategy will be able to locate, consummate and exit investments that satisfy rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital. Reliance on Key Management Personnel. The success of a private equity strategy may depend, in large part, upon the skill and expertise of investment professionals that manage the strategy.

Limited Liquidity: There is no organized secondary market for investors in most private equity strategies, and none is expected to develop. There are typically also restrictions on withdrawal and transfer of interests.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues: Neuberger Berman's business activities as well as the activities of any private equity strategy and its operations and investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negative affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of Neuberger Berman. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), Neuberger Berman could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on Neuberger Berman's operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

Geopolitical Risk: Neuberger Berman's business activities, as well as the activities of any private equity strategy and its operations and investments, could be adversely affected by global geopolitical issues. In particular, conflicts between two or more nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, present material uncertainty and risk with respect to any investment strategy, the performance of its investments or operations, and the ability of any private equity strategy to achieve its investment objectives. Intra-country conflicts can cause a negative impact on and significant disruptions to the economy within that country as well as to business activities globally and therefore could also adversely affect the performance of investments. Additional governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that could be adverse to the investment strategy that any private equity strategy intends to pursue, all of which could adversely affect any private equity strategy's ability to fulfill its investment objectives. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in any of the impacted countries, they may have adverse consequences related to the ongoing conflict.

Valuation Risk: Due to the illiquid nature of many strategy investments, any approximation of their value will be based on a good-faith determination as to the fair value of those investments. There can be no assurance that these values will equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of.

This document is for illustrative and discussion purposes only and does not constitute an offer or solicitation with respect to the purchase or sale of any security.

In addition to these risk considerations, there are specific risks that may apply to a particular private equity strategy. Any investment decision with respect to an investment in a private equity strategy should be made based upon the information contained in the confidential private placement memorandum of that strategy.

Disclaimer

This document is addressed to professional clients/qualified investors only.

United Kingdom and outside the European Economic Area (EEA): This document is issued by Neuberger Berman Europe Limited, which is authorised and regulated by the Financial Conduct Authority and is registered in England and Wales, at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. Neuberger Berman Europe Limited is also a registered investment adviser with the Securities and Exchange Commission in the US, and the Dubai branch is regulated by the Dubai Financial Services Authority in the Dubai International Financial Centre.

European Economic Area (EEA): This is issued by Neuberger Berman Asset Management Ireland Limited, which is regulated by the Central Bank Ireland and is registered in Ireland, at 2 Central Plaza, Dame Street, Dublin, D02 T0X4.

This material is provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. The firm, its employees and advisory clients may hold positions of companies within sectors discussed. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that any investments in securities identified and described were or will be profitable. Any views or opinions expressed may not reflect those of the firm as a whole. Information presented may include estimates, outlooks, projections and other "forward-looking statements." Due to a variety of factors, actual events may differ significantly from those presented. Neuberger Berman products and services may not be available in all jurisdictions or to all client types. Investing entails risks, including possible loss of principal. Investments in hedge funds and private equity are speculative and involve a higher degree of risk than more traditional investments. Investments in hedge funds and private equity are intended for sophisticated investors only. Unless otherwise indicated returns shown reflect reinvestment of dividends and distributions. Indexes are unmanaged and are not available for direct investment. **Past performance is no guarantee of future results.**

No part of this document may be reproduced in any manner without prior written permission of Neuberger Berman.

NEUBERGER	BERMAN
-----------	--------

Neuberger Berman
2 Central Plaza
Dame Street
Dublin, D02 T0X4
Ireland

The Zig Zag Building
70 Victoria Street
London, SW1E 6SQ
United Kingdom

www.nb.com