Your essential newsletter for the global private markets industry

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December 15, 2025

In this newsletter

The big picture

In last Wednesday's issue of Preqin First Close we suggested that one route to private markets by investors seeking diversity was more liquid strategies, such as evergreen funds.

There's plenty of demand for them. Preqin estimates a record 4,433 open-ended funds were in market in October. So, we very much appreciate an assessment shared with us by reader **Boaz Warshavsky**, **Founder and CEO** of alternative investment analysis firm **Objective**.

As he explains, evergreens provide an entry point for some institutional and non-institutional investors looking to access private markets without the multi-year commitments required by traditional closed-end vehicles.

Semi-liquid funds represented at least $419bn NAV in June 2025 at a conservative estimate, according to Preqin data. Private credit led the way, particularly in the US and Europe. Real assets and secondaries also featured prominently, with investors attracted to their income-oriented strategies and relative liquidity.

The evergreen model can provide a blend of ongoing capital deployment, periodic liquidity, and more frequent NAV reporting than traditional approaches, suggests Boaz.

And, as we've highlighted in our new Preqin Primer, the capital recycling inherent in evergreens ['provides a natural vintage and portfolio diversification'].

Private wealth and non-institutional investors – including registered investment advisors (RIAs) in the US – are tapping this market. Boaz and his Tel Aviv-based research team estimate that more than 30% of new inflows into open-ended alternative vehicles in 2023 originated from high-net-worth and advisor-led client accounts.

But he warns that evergreen funds involve 'structural complexities'. So it's important to carefully assess redemption mechanics, valuation practices, exposure evolution (to different issuers, industry sectors, or geographies than originally intended), and the underlying quality of portfolios.

Let's take two of the key caveats cited by Objective: managing liquidity expectations; and smoothing reported returns.

On the first count: 'Evergreen funds remain more flexible than closed-end structures, but they are not a substitute for fully liquid investments,' Boaz explains. Typical quarterly or semi-annual redemptions are conditional rather than guaranteed, dependent on redemption gates, partial fulfilment, or delayed withdrawals enforced by fund managers.

On the second count, because net asset values (NAVs) are updated periodically and often rely on valuation methodologies that lag real-time market movements, return volatility might appear artificially low. Boaz says investors could misinterpret this as 'low risk', when in fact it reflects valuation timing rather than economic reality.

As we stated in our [Preqin Primer on evergreens], published earlier this year, they're not a substitute for public market liquidity. Or without risk.

Shaun Beaney
Editor, Preqin First Close

In detail

Research, news, and analysis

➔ Unicorns: The private capital take
➔ Why sector specialism counts in multifamily investment

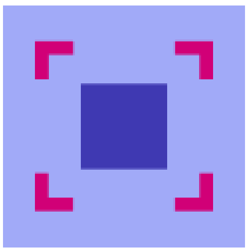
For Preqin Insights+ subscribers

➔ Deal Flow Monitor: Q3 2025
➔ Preqin Quarterly Updates: Q3 2025

What's hot around the world

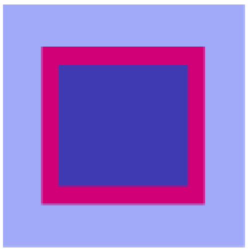
➔ Webinar recording: Fund Terms Advisor 2025
➔ Performance Benchmark Update for Japanese VC

From Preqin Pro



The Pennsylvania State Employees' Retirement System has committed $65mn to BVIP Fund XII, managed by Boston-based BV Investment Partners for US mid-market buyouts. The firm focuses on tech-enabled business services, and IT and communication services.

From Preqin Pro exclusives



In private equity, an APAC-based wealth management firm will target semi-liquid fund structures, particularly focused on North America, via primary and secondary vehicles in buyout and growth. It will also invest in various private credit, real estate, and infrastructure strategies.

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SVCA Annual Conference 2026 ➔

February 5, Singapore, SVCA

Private Markets in 2030: A fireside chat with Wei Li and Mark O'Hare ➔

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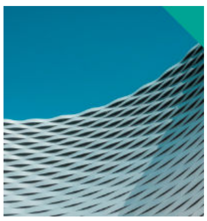

The Rise of Private Capital in Latin America ➔

Webinar recording, Preqin

Contact the team

Shaun Beaney
Editor, Preqin First Close
shaun.beaney@blackrock.com

Jayda Etienne
Deputy Editor
jayda.etienne@blackrock.com

Kerstin Weil
Research Editor
kerstin.weil@blackrock.com

Libby Fennessy
Production Editor
libby.fennessy@blackrock.com

Grant Murgatroyd
Head of News
grant.murgatroyd@blackrock.com

Nicole Lee
Head of Content
nicole.lee2@blackrock.com

Verde, 10 Bressenden Pl,
London SW1E 5DH

Contact

+44 20 3207 0200
preqin.com

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