A new era

Overview of the ELTIF market 2023/2024

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I. Introduction

European Long-Term Investment Funds (ELTIFs) are only now showing signs of growth, almost a decade after they were introduced in the EU in 2015 with the aim of making it easier for investors to invest in unlisted investments. For a concept intended to boost long-term investment, the fact that the instrument has taken a few years to gain momentum is perhaps understandable. ELTIFs are intended to support the transformation of the European economy towards greater sustainability and the expansion of infrastructure, which cannot be achieved without the involvement of non-state investors.

ELTIFs enable investors to invest in private markets such as private equity, private debt, infrastructure or real estate as part of a regulated product. They significantly expand the circle of potential investors for such investments. Prior to their introduction, only institutional investors and very wealthy private investors (high-net-worth individuals and ultra-high-net-worth individuals) could invest in these segments. With ELTIFs, it is possible to invest as little as EUR 10,000 (in some cases even less).

The new ELTIF regulation (ELTIF 2.0) is electrifying markets. It makes things easier for both product providers and distributors. Most players expect the supply of ELTIFs and demand to increase as a result. With the regime into its 10th year, it is high time that investors regard it as the first choice for private market investments.

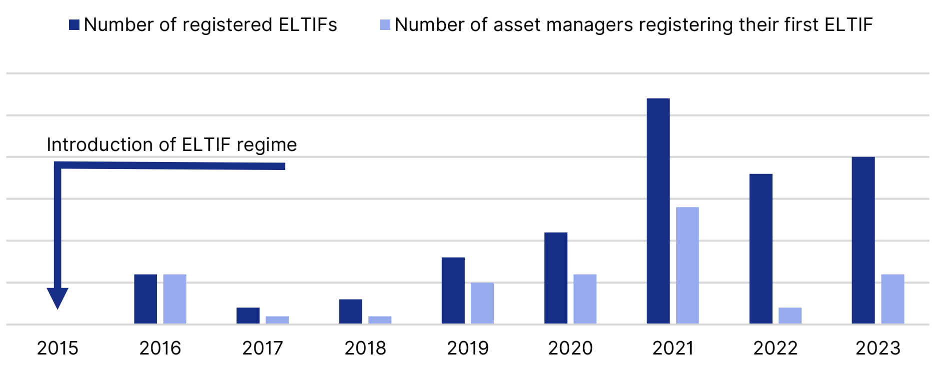
This study follows ELTIF developments for the third year. It provides an overview of the ELTIF market in 2023 and describes how the product range and fund volume have developed. It also presents the results of the major Scope survey conducted in February and March 2024, in which 34 asset managers with total assets under management of EUR 16.7trn took part. Of these, 26 have launched at least one ELTIF, including four with a debut market entry in the current year. These 26 providers have ELTIF assets of EUR 8.3bn. The study concludes with an outlook for the ELTIF market in the coming years.

II. Market overview 2023

This study is based on 95 ELTIFs that were authorised by a local European supervisory authority or reported directly by the asset managers according to the ELTIF register of the European Securities and Markets Authority (ESMA) by the end of December 2023. ELTIFs have been offered by 41 different asset managers.

In 2023, 20 new ELTIFs were added. These came from 13 asset managers, six of which issued an ELTIF for the first time. This means two more products came onto the market in 2023 than in the previous year: there were 18 new ELTIFs in 2022 and two providers launched their first ELTIF.

Figure 1: Number of new ELTIFs per calendar year



Source: ESMA, asset managers and own research, as at 31.12.2023

Of the total of 95 authorised ELTIFs, 85 had been distributed by the end of 2023. Of these, 54 were actively marketed until the end of 2022 so had closed before the start of 2023. As a result, 31 ELTIFs were actively marketed or subscribed by investors in 2023. Those 31 ELTIFs are offered by 19 different asset managers. The remaining 10 of the 95 ELTIFs were launched in 2023 but not actively marketed. Sales were not scheduled to start until 2024.

ELTIF market volume is just under EUR 14bn

We found detailed volume data for 78 of the 85 ELTIFs from asset managers, external data providers such as Bloomberg and publicly available sources. The 78 ELTIFs had a fund volume of EUR 13.3bn at the end of 2023.

No information or incomplete information on assets is available for seven products, so Scope has extrapolated or estimated these. Scope estimates their volume at around EUR 400m. Taking this estimate into account, the size of the ELTIF market in Europe is likely to have been around EUR 13.6bn at the end of 2023, with the three largest funds (Meridiam Infrastructure Europe III SLP, klimaVest and GF Infrastructures Durables SLP) – all with a focus on infrastructure –accounting for 25%. The 10 largest ELTIFs account for 48% of overall fund volumes. This means there is a strong concentration of invested assets in a small number of products.

Compared to 2022, the market volume has increased by around EUR 2.7bn. This corresponds to growth of 24%. Five ELTIFs account for 48% of the increase in volume.

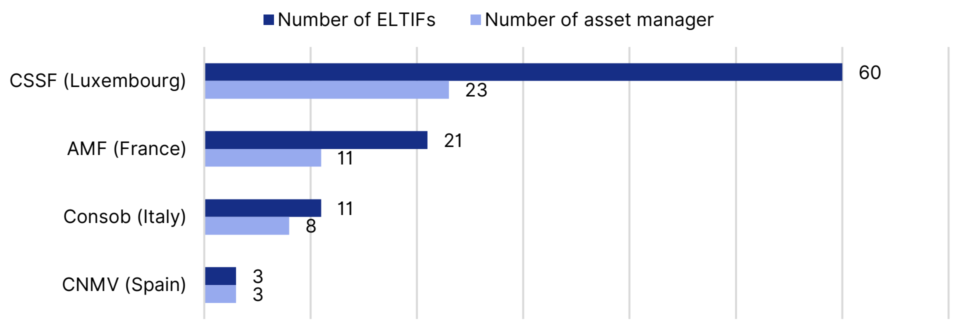
> *„2023 was largely characterised by waiting for the ELTIF 2.0 amendment, which is why only a modest number of products entered the market."*
> Dr Andrea Vathje, Head of Privatize Private Markets Institute, Privatize

1. Domicile

Luxembourg dominates as fund domicile

Of the 20 ELTIFs launched in 2023, 18 were authorised by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. Eleven of the 18 products authorised by the CSSF are authorised for pan-European distribution. One ELTIF was authorised by the Commissione Nazionale per le Società e la Borsa (Consob) in Italy and one with the Comisión Nacional del Mercado de Valores (CNMV) in Spain. Of the 20 new ELTIFs issued in 2023, only 10 were distributed in the same year. In this study, Scope only considers the 85 funds already launched and distributed in 2023.

Figure 2: Authorised ELTIFs per supervisory authority*



* incl. ten funds that were launched in 2023 but not yet marketed
Source: ESMA, asset managers and own research; as at: 31.12.2023

With a total of 60 ELTIFs (all ELTIFs issued until 2023, including those not marketed), Luxembourg is by far the country with the most authorised products. France follows in second place, with 21 products authorised by the Autorité des Marchés Financiers (AMF).

The CSSF is also ahead in terms of assets under management (AuM) by supervisory authority with around EUR 7.7bn spread across 52 ELTIFs that were actively marketed. A total of around EUR 5.2bn is invested in products authorised by the AMF (21 ELTIFs). This is followed by Consob (10 actively marketed ELTIFs) with a volume of EUR 700m, and CNMV (two actively marketed ELTIFs).

"The Luxembourg supervisory authority CSSF has shown that it continues to take a pragmatic and efficient approach to the launch of new ELTIFs. Even though the new ELTIF RTS have not yet been finalised, ELTIFs can be launched under the new regime."
David Zackenfels, Senior Vice President Legal, ALFI

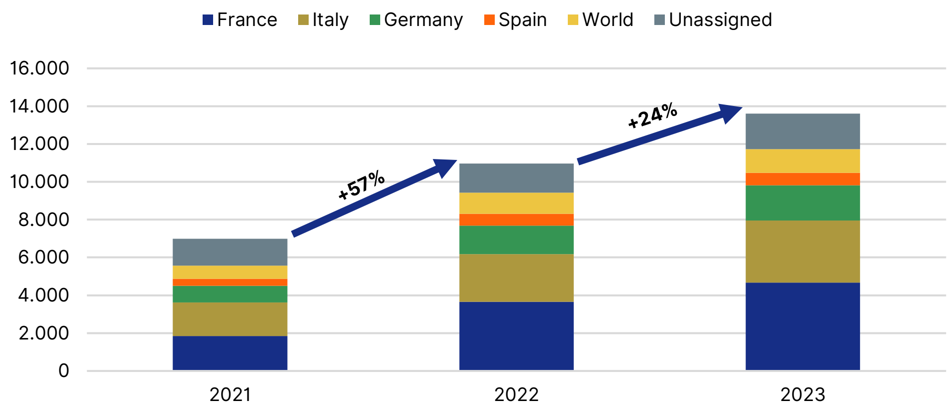
As in previous years, AMF products have the largest average volume. The reason for this is that large-volume ELTIFs are primarily authorised in France, which are sold exclusively to professional investors. Their assets total EUR 4.3bn. Providers that also want to distribute ELTIFs to private clients on a pan-European basis, on the other hand, generally authorise their products by the CSSF. The vehicles available in Luxembourg are accordingly accepted by European investors and distributors.

2. Regional distribution of assets under management

ELTIF volume increases by almost a quarter compared to 2022

The use of ELTIFs differs from country to country. French investors have invested the most capital in the products, followed by Italian and German investors.

Figure 3: ELTIF volume by country (in million euros)



Source: Asset managers and own research; as at: 31.12.2023

(1) France

French investors most heavily invested

In terms of ELTIF volume, French investors continued to have the largest share of the market in 2023. Last year, the French ELTIF market increased from EUR 3.7bn at the end of 2022 to EUR 4.7bn at the end of 2023 (+28%). Around EUR 700m was fresh money. The remaining EUR 300m was made up of capital that had been previously committed plus fund performance.

Since 2015, French investors have invested in a total of 31 ELTIFs. Of these, 17 are authorised in France (AMF). The remaining 14 are authorised in Luxembourg and Italy (CSSF, 13 funds, Consob, one fund). In 2023, French investors invested in 10 funds.

This strong growth is primarily attributable to products for institutional clients. For example, 18 of the 31 ELTIFs sold in France, with a fund volume of EUR 4.5bn, are aimed exclusively at professional clients. The importance of ELTIFs for institutional investors is higher in France than in other EU countries. At the same time, ELTIFs for private clients with insurance wrappers are gaining in importance in France. ELTIFs can qualify as products for unit-linked life insurance policies under certain conditions and in compliance with defined investment limits and can be purchased by retail clients as part of a life insurance policy[1].

Retail clients benefit from tax advantages if they purchase ELTIFs as part of unit-linked life insurance policies. Provided the life insurance policy is held for at least eight years, the investor does not have to pay income tax on reinvested capital gains. If the life insurance policy is paid out after at least eight years, there are further tax advantages[2].

ELTIFs popular in insurance shells

ELTIFs in the context of unit-linked life insurance policies are not held directly by the private client but by the respective insurer. As insurers are subject to Solvency II, they benefit from reduced capital adequacy requirements for ELTIFs that invest in private equity. In addition to the tax advantages for private investors, this may be one of the reasons why ELTIFs in unit-linked life insurance policies have recently been successfully marketed in France. A further aspect to be considered regarding liquidity is that, should the retail client unexpectedly require liquidity, this is provided at the life insurance level. The life insurer's investment in the ELTIF is initially not directly affected by this.

ELTIFs are also sold directly in the private wealth units of major French banks and private banks as well as via independent asset managers. As in Germany, the cumbersome onboarding process, including identity checks to rule out money laundering or fraud (KYC process), has so far made direct ELTIF distribution in France difficult. Compared to the German market, however, the fact that private equity has a comparatively long tradition in the French private client business in view of the strong local private equity industry has a positive effect.

The extensive restriction of French market players to ELTIFs launched in France could be relaxed under the new regulations. ELTIFs can be marketed not only to professional investors but also to retail investors in the EU by means of a European distribution passport, while the rules for distribution to retail investors have been relaxed.

> *"Some suppliers from France see ELTIF 2.0 as a threat because competition is growing. But at the same time, it enables French companies to distribute their products across Europe."*
> Luc Maruenda, Head of Wealth Solutions, Eurazeo

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1 Qualifying ELTIF products must be launched by a French Alternative Investment Fund Manager (AIFM). The investment limits are either a maximum of 10% of a contract with a minimum amount of EUR 10,000 (i.e. they are not permitted for contracts under EUR 100,000) or 50% of the contract with a minimum investment of EUR 100,000 per contract. Taking into account the current ELTIF minimum investment amount of EUR 10,000, a private client can therefore invest 10% in a qualifying ELTIF product for an insurance contract of between EUR 100,000 and EUR 200,000, increasing to 50% from EUR 200,000.

2 In detail, there is a flat-rate allowance for the first EUR 4,600 of taxable investment income. In addition, investment income is taxed at 7.5% or, in the case of policies with a nominal amount of more than EUR 150,000, at 12.8% (for the volume exceeding EUR 150,000).

(2) Italy

With a total fund volume of EUR 3.3bn in the hands of Italian investors at the end of 2023, Italy is the second-largest ELTIF market in Europe. Compared to the previous year's volume of EUR 2.5bn, this corresponds to an increase of around EUR 760m or 30%. Around EUR 600m in new investor funds were acquired in Italy. The remaining EUR 160m mainly reflects the performance of the funds.

Since the product was launched, Italian investors have invested in a total of 44 ELTIFs. Only 10 of these are authorised in Italy by Consob. The remaining 34 are authorised in Luxembourg and France (CSSF, 29 funds, AMR, five funds). In 2023, Italian investors invested in 15 funds.

Tax benefits favor ELTIFs in Italy

Demand for ELTIFs continues to be characterised by private investors with comparatively small average sales per client of less than EUR 100,000. The main drivers are tax incentives for products that invest either in the Italian economy or in innovations according to certain specifications. With these so-called PIR-compliant products ("Piani Individuali di Risparmio", individual pension plans), private individuals resident in Italy are exempt from capital gains tax and inheritance tax, provided a minimum holding period of five years is observed. An investor can benefit from the tax advantages up to EUR 30,000 per year and up to a maximum total amount of EUR 150,000 for a holding period of at least five years.

The Italian provider Azimut alone actively marketed nine ELTIFs in 2023, of which seven fall under the PIR rules. With a total of 17 ELTIFs, Azimut is the company with the most ELTIFs overall. Around 10% of all ELTIF assets are allocated to its products. The company had 19 ELTIFs in issue by end-April 2024, one short of its target for the end of the year.

Strong sales performance

One of the main reasons for the sales success is the fact that the product and sales are in the same hands. In addition, Azimut's advisors (Promotori) have a comparatively long history of selling ELTIFs and are therefore well trained in the sale of private market products. Many of Azimut's clients actively request a follow-up product after their first ELTIF investment. As Azimut now offers ELTIFs in the private equity, private debt and infrastructure segments, clients can also diversify their portfolios across different asset classes.

> *"At the end of 2023, 80% of our funds complied with the PIR regulations and thus benefited from tax relief."* -- Salvatore Sberna, Head of Alternative Investments, Azimut

ELTIFs that are not PIR-compliant have also been successfully marketed in Italy. One reason for this is that the ELTIF is comparatively well known among private investors in Italy. Secondly, Italian retail clients are relatively relaxed about investing in closed-ended funds. In addition, the Italian market, with its large number of financial advisors and sales of unit classes typically with comparatively high fees, is considered to be strong in terms of sales. Finally, the settlement of ELTIFs is less of a problem in Italy, where Allfunds can settle them in general, than in Germany where there is no equivalent to Allfunds.

(3) Germany

By the end of 2023, German investors will account for almost EUR 1.9bn of the fund volume in the ELTIF market. This corresponds to an increase of 24% compared to the previous year (2022: EUR 1.5bn). Germany continues to rank third in Europe. The increase is mainly due to newly acquired capital from investors of around EUR 360m, although no detailed information was available from the asset manager for two funds. Scope has estimated a value of EUR 60m for these two funds based on the asset manager's historical sales data and current sales data for 2023 for similar funds and strategies.

So far, German investors have invested in a total of 15 ELTIFs. None of them are authorised in Germany (BaFin) while 14 of the 15 funds are authorised in Luxembourg (CSSF) and one in France (AMF). In 2023, German investors invested in six ELTIFs.

Largest ELTIF for private investors

It is striking that a large part of the overall growth is attributable to Commerz Real's klimaVest (around 40%). The fund volume of klimaVest rose from around EUR 990m at the end of 2022 to around EUR 1.27bn at the end of 2023. This makes it the largest ELTIF in Europe that is marketed to private investors. klimaVest invests in renewable energy plants and sustainable infrastructure.

There are several reasons for this success. Firstly, the ELTIF is integrated into the private client sales of several institutions: Not only Commerzbank but also savings banks and co-operative banks. Secondly, the topic of renewable energies is in tune with the zeitgeist and generates customer interest. The fact that the fund currently allows private investors a daily exit up to an investment amount of EUR 500,000 is also conducive to sales.

"The switch to ELTIF 2.0 will not take place for klimaVest until 2025 at the earliest, as the EU has not yet finalised all the technical regulatory details. klimaVest was launched as a semi-liquid product under the old ELTIF regime and can take advantage of a transition period of up to five years."
Timo Werner, Fund Manager, Commerz Real

In addition, ELTIFs continue to be successfully placed in the private wealth units of the major banks in Germany. The advantage of the major banks is that they carry out their own processing and are not reliant on third-party providers.

Excluding klimaVest and the distribution of ELTIFs within major banks, comparatively little has happened in Germany in the past year. Large distribution networks or private banks have not placed ELTIFs to any significant extent.

Momentum in the German market

However, there is some movement in the German ELTIF market. Several ELTIFs have been launched by German asset managers in 2024. In March, Union Investment, together with Mercer, launched its first ELTIF for private clients, the "UniPrivatmarkt Infrastruktur ELTIF", which is intended to invest in infrastructure assets in a broadly diversified manner.

"Investing funds quickly in line with the strategy will be a key criterion for achieving the return targets and thus arousing investor interest."
Jochen Wiesbach, Managing Director of Union Investment Privatfonds GmbH

Hansainvest has launched the "PORTA EQUITY ELTIF" fund of funds as a service KVG (Kapitalverwaltungsgesellschaft, or capital management company) with a focus on private equity, venture capital and private debt.

The AC One Planet ELTIF was launched in 2023 and went on sale in 2024. This invests in renewable energy and sustainable infrastructure. Also new is the M&G Corporate Credit Opportunities ELTIF, which invests primarily in corporate bonds and will also be available to private investors in 2024. The Partners Group Direct Equity ELTIF II aims to build a globally diversified, direct private equity portfolio. In addition, many other providers launched ELTIFs with marketing approval in Germany in 2024, such as Amundi and Apollo (see Table 2). Further products are being launched or planned (see chapter "Conclusion and outlook").

There is also some momentum among the centralised settlement platforms, as new providers are approaching them to discuss the inclusion of ELTIFs in preparation. It is probably only a matter of time before the major settlement and fund platforms are able to offer ELTIFs as a product.

In addition, third-party providers are becoming active and want to simplify the processing of ELTIFs. This applies to all areas of client onboarding, bookings and the processing of ELTIFs themselves.

"New companies in the market are offering a range of services that provide knowledge about ELTIFs and available strategies and facilitate access, subscription, reporting and booking in investor portfolios." -- Dr. Andrea Vathje, Head of Privatize Private Markets Institute, Privatize

(4) Spain

Spanish investors continue to account for the fourth-largest share with a total ELTIF volume of EUR 652m. Against the previous year's volume of EUR 632m, this represents an increase of around 3%.

Since the launch of the market, Spanish investors have invested in 12 ELTIFs. Only two of the 12 are authorised in Spain (CNMV). The remaining 10 that have marketing authorisation in Spain are authorised in Luxembourg and Franche (CSSF, eight funds; AMF, two funds). In 2023, only two funds were available for Spanish investors to invest in. In addition, the BIDEGIÑ I FILPE fund was launched at the end of 2023.

Many ELTIFs for private investors in Spain too

As in Italy, the market is dominated by retail products (10 out of 12 ELTIFs), but professional investors are also active. Investment is dominated by private debt products (eight out of 12 ELTIFs or 85% of the fund volume), which were offered by asset managers such as Oquendo, Muzinich, Solventis or Talde and, since 2022, also by Natixis/MV Credit.

Since 2018, ELTIFs have been given preferential tax treatment in the Basque region of Spain under certain conditions as an instrument to promote long-term investments in Europe.

> *"The different taxation of ELTIFs in the various regions of Spain poses challenges for distribution"*
> Beatriz del Val, Investment Director, Talde

On the settlement side, Allfunds has a strong presence in its home market of Spain. As Allfunds can generally settle ELTIFs, settlement in Spain is not as problematic as in Germany, for example.

(5) Other countries

Other EU countries in which investors are invested in ELTIFs are Sweden, Luxembourg, the Netherlands, Belgium, Austria and Finland (in order according to the detailed data on sales volumes).

Following a due notification process, ELTIFs can also be sold to private clients outside the EU. For example, some products were sold to private clients in Switzerland. In addition, two ELTIFs from French providers, which are only authorised for professional investors, were also sold outside Europe, e.g. in the US and Japan. The reasons for this vary. In some cases, foreign institutional investors are primarily interested in the strategy of the fund or the asset manager so the vehicle or the regulatory regime are of secondary importance. Others, especially smaller institutional investors from abroad, find ELTIFs attractive because, unlike other private market vehicles, they have comparatively low investment minimums and capital is often only called up once.

For a volume of EUR 1.9bn, no detailed information is available from the asset managers as to the countries in which the products were sold.

3. Asset classes

The non-public markets for ELTIF purposes are essentially made up of four segments: private equity, private debt, infrastructure and real estate. The ELTIFs focus on these, either individually or as a combination (multi-asset).

(1) Assets under management and placement volume

Private equity, private debt and infrastructure on a par

As in 2022, fund volumes are distributed relatively evenly between private equity, private debt and infrastructure. At EUR 4.2bn each, or a share of 31.1%, private equity and infrastructure have the highest weighting. The 35 private equity ELTIFs were and are marketed to a broad client base. Eight ELTIFs from five providers are aimed exclusively at institutional or professional investors. These eight ELTIFs account for 25.9% of the private equity volume of EUR 1.1bn. In total, the 35 ELTIFs were offered by 14 asset managers.

In infrastructure, 10 products are offered by nine asset managers. Four of the 10 ELTIFs are aimed exclusively at institutional or professional investors. These four ELTIFs account for 53.6% of the ELTIF volume in the infrastructure asset class. Meridiam, with its Meridiam Infrastructure Europe III SLP fund with a volume of EUR 1.3bn, is both the joint-largest infrastructure ELTIF and the largest fund aimed exclusively at institutional or professional investors. With a volume of around EUR 1.3bn, klimaVest is the other joint-largest infrastructure ELTIF and it is still an exception due to its focus on private clients.

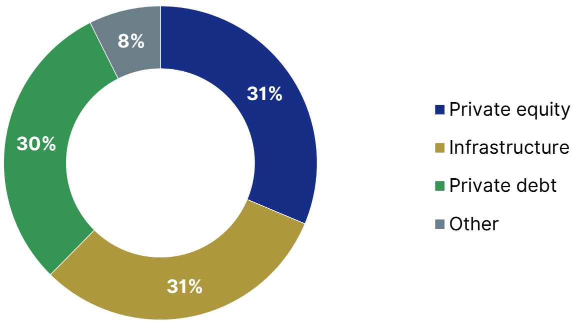
Infrastructure ELTIFs have a significantly higher average volume than private equity ELTIFs, as infrastructure ELTIFs are in greater demand from institutional and professional investors, who subscribe to very high volumes compared to private investors.

The third strongest asset class is private debt with EUR 4.1bn or 30.2%, which includes 27 products from 12 providers. Eleven of the 27 ELTIFs are aimed exclusively at institutional or professional investors. These account for 54.9% of the fund volume in this asset class. In terms of the number of ELTIFs launched, private debt ELTIFs are the second-largest asset class.

The "Other" category includes mixed strategies (5.7% of the fund volume or nine ELTIFs), real estate strategies (1.7% or three ELTIFs) and one product for which no detailed information is available.

Of the 14 products that invest in several asset classes, a large proportion of the total volume is attributable to Italian investors (42.5% of the fund volume), as many of the PIR-compliant ELTIF products are not limited to one asset class.

Figure 4: Fund volume by asset class



Source: Asset managers and own research; as at: 31.12.2023

A similar picture emerges for the volume placed. A total of around EUR 2.2bn was placed in 2023, of which EUR 662m was placed in infrastructure ELTIFs (29.9%). EUR 655m and EUR 605m were placed in private equity and private debt ELTIFs respectively. This corresponds to a share of 29.7% and 27.4% respectively. The remaining EUR 285m was placed in mixed and real estate strategies.

(2) Expectations on supply and demand in relation to the asset class

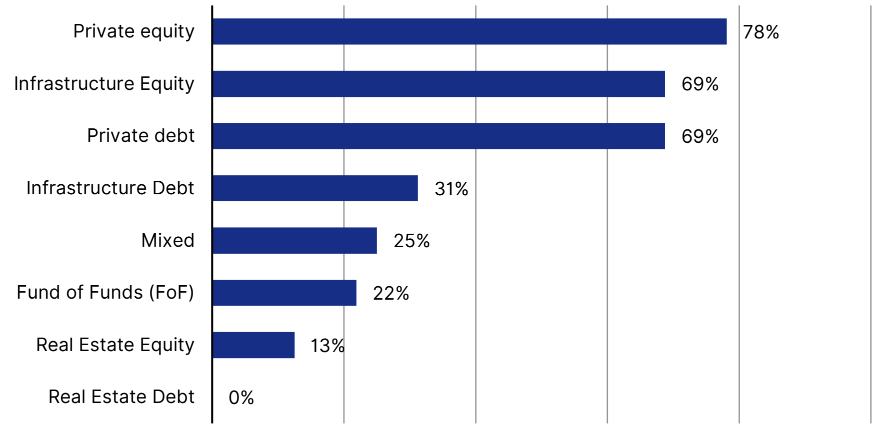
Real estate ELTIFs currently hardly in focus

Participants in the Scope survey agreed that the three asset classes of private equity, infrastructure (equity investments) and private debt will continue to attract the most capital in 2024. By contrast, real estate strategies – especially those with a core focus – are currently unlikely to meet with much approval from investors (see Fig. 5).

> *"There is currently a strong desire for reallocation in the market and new asset classes beyond real estate are being sought."* -- Jamal El Mallouki, Co-Founder and Chief Growth Officer, Portagon

In interviews, most providers emphasised that they see greatest interest from investors in the private equity and infrastructure asset classes. In the case of private equity, the companies point to the high return expectations that appeal to investors. In the case of infrastructure, clarity plays an important role: investing in solar parks, wind turbines or power lines appears to be more tangible than the further development of companies (private equity) or the granting of loans (private debt) due to expansion targets and the enormous need for investment in infrastructure. Nevertheless, some companies point to the advantages of private debt investments, which are the most liquid of the aforementioned investment segments and would suit conservative investors.

Figure 5: Survey - Which asset class will achieve the highest capital allocation in the overall ELTIF market in 2024 (maximum of four responses)?



Source: Scope Fund Analysis; 32 responses

(3) Expected returns

The individual asset classes promise different levels of returns. Expected performance depends largely on the structure of the individual ELTIFs. Nevertheless, there are guidelines that describe the asset classes.

> *"With private market investments for private investors, they generally expect a return of at least 10% p.a. as compensation for the complexity and low liquidity."*
> Nicolas Audhoui-Darthenay, Head of Private Assets Product, Natixis Investment Managers

Private equity with the highest expected return

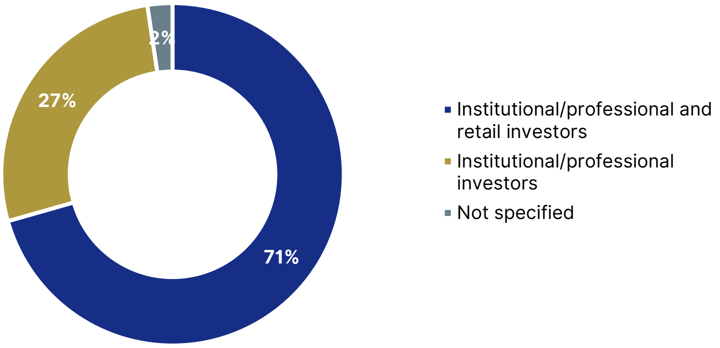
Scope asked asset managers about the expected return (net IRR) in various asset classes for the planned or already launched ELTIFs. A total of 28 of the 34 respondents provided information on this. In the three dominant asset classes of private equity, infrastructure and private debt, the lowest return is expected for the infrastructure asset class. 56% of the providers surveyed estimate it at less than 7%. For private debt, two thirds of providers expect a return of more than 6%. Companies see the highest growth in the private equity asset class: 77% of those surveyed expect a return of at least 10%. However, not all respondents commented on every asset class. For example, only 13 respondents stated their return expectations for private equity.

4. Investors

Seven out of ten ELTIFs accessible to private investors

Of the 85 ELTIFs that were actively marketed, 60 ELTIFs are aimed at both institutional/professional investors and private clients. A total of 23 ELTIFs are intended exclusively for institutional/professional investors. Scope has no information on the investor group for two ELTIFs. Despite the high number of ELTIFs in which private clients have invested together with institutional clients (in some cases via a separate vehicle), the volume of these 60 funds is only EUR 8.0bn. In terms of number, retail ELTIFs account for 70.5%, but only 58.4% in terms of fund volume. The market for products for private investors has therefore grown more strongly in terms of numbers than the market for purely institutional products. In the past three years alone, 49 ELTIFs (2021: 23; 2022: 14; 2023: 9) were launched that are also aimed at private investors.

Figure 6: Number of ELTIFs by client group*

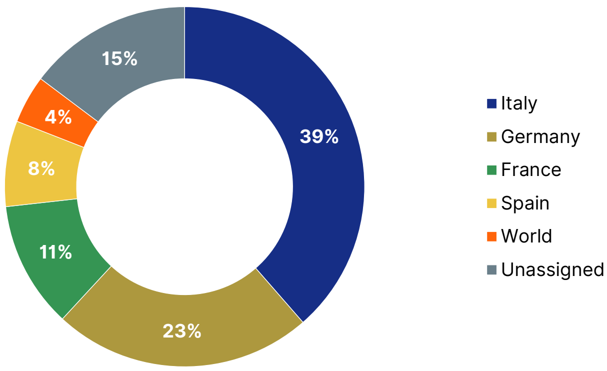


* only actively marketed products; source: asset managers and own research; as at 31.12.2023

Due to the new products launched in 2024 and the announced ELTIFs, the focus on private investors will continue to increase. However, Scope does not expect to see significant growth in assets under management before 2025, as settlement systems still need to be set up or improved and distributors need to be trained.

A regional analysis of retail ELTIFs clearly shows how strongly this market segment is dominated by Italy. Just under 39% of the volume of all ELTIFs in which private investors are invested is attributable to Italy, 23% to Germany (of which klimaVest accounts for more than two thirds), 11% to France and 8% to Spain. Institutional/professional investors are also active in the ELTIFs suitable for private clients. Scope does not have detailed information on the distribution of assets among individual client groups.

Figure 7: Volume in ELTIFs that are/were accessible to retail clients, by country

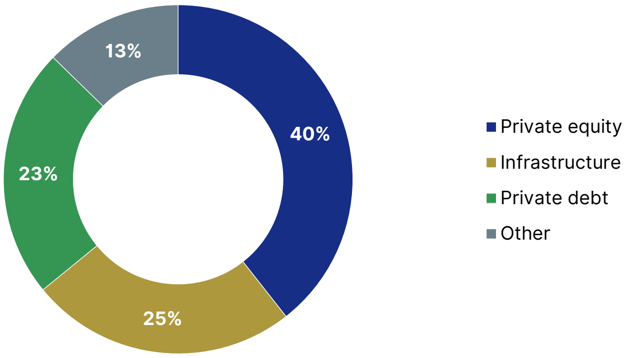


Source: Asset manager and own research; as at: 31.12.2023

Private investors prefer to invest in private equity

Among the ELTIFs available to private clients, private equity accounts for 39.4% of volumes (spread across 27 ELTIFs), followed by infrastructure with 24.7% (six ELTIFs) and private debt with 23.2% (15 ELTIFs). Other products account for 12.7% (12 ELTIFs). Private equity is therefore slightly more heavily weighted in retail products than in ELTIFs for institutional investors. This is in line with expectations, as private equity is the most accessible of the private market asset classes and is the entry point into the private market segment for many retail investors, partly due to the comparatively high expected returns. In addition, the Other category is more heavily weighted in private client products than in the market as a whole. This is primarily due to the PIR-compliant products for the Italian market, which often fall into this category.

Figure 8: Volume in ELTIFs that are/were accessible to retail clients, by asset class

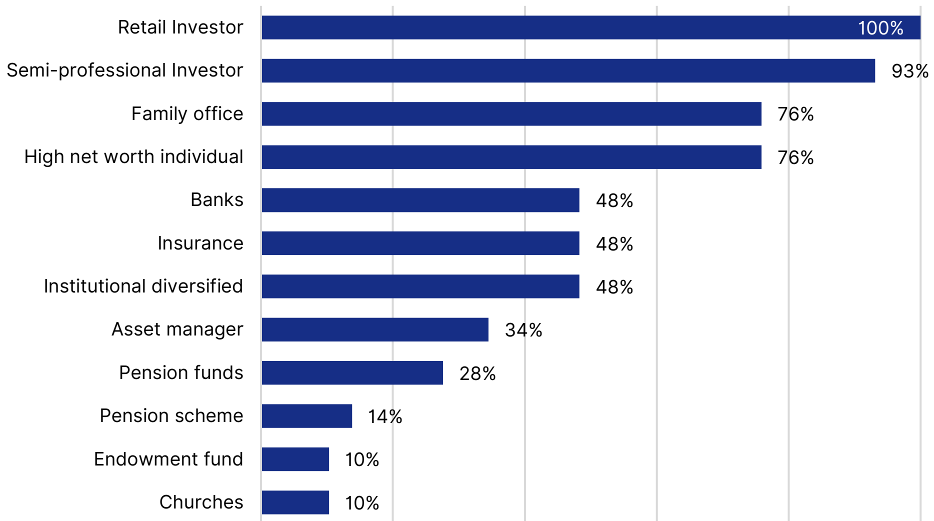


Source: Asset managers and own research; as at: 31.12.2023

Offer for private investors to be expanded

In the Scope survey, all participating providers stated that their ELTIFs focus on private investors (see Figure 9). None of them exclude this client group. Most also target semi-professional investors with their product ranges. Just under 80% of the houses would like to have family offices or particularly wealthy private investors as clients.

Figure 9: Survey - Which investor groups are currently or will be the target group for your ELTIF offerings?



Source: Scope Fund Analysis; 29 responses

5. Focus on sustainability

Investors will have invested a total of EUR 6.7bn in ELTIFs with an explicit ESG focus by the end of 2023. This corresponds to almost 50% of the total ELTIF volume. These include the ELTIF from Meridiam, and the klimaVest from Commerz Real, both at EUR 1.3bn and both investing in infrastructure. A total of 29 products have an ESG reference, with 24 falling under Article 8 and five under Article 9 of the EU Sustainable Finance Disclosure Regulation. Scope has no information on the sustainability orientation of 41 ELTIFs.

New ELTIFs mostly sustainability-oriented

A look at the new ELTIFs launched in 2024 reveals a mixed picture in terms of sustainability, particularly in the infrastructure asset class. Although some products have a clear impact orientation (Article 9 SFDR), completely technology-neutral products that consider conventional and therefore less sustainable investments are also attracting investors. It should be emphasised that newly launched ELTIFs are predominantly sustainability-oriented and are classified at least as Article 8 products under SFDR.

III. Costs

ELTIFs are significantly cheaper than conventional investment products in private markets strategies such as funds of funds. The annual management fees of share classes with comparatively small minimum investment amounts of less than EUR 100,000 are between approximately 0.95% and 2.6%. Private debt strategies generally have lower management fees than private equity strategies due to lower expected returns. In addition to a fixed management fee, many ELTIFs have a performance fee that is between 10% and 20% above a predefined threshold. This hurdle rate is typically fixed at 7%-8% for private equity products and lower for mixed strategies. A few products charge benchmark-related performance fees. Some products may charge a front-end load, usually up to 2% or 3%. For products with a small minimum denomination, whose target clientele tends to be in the mass-affluent segment, the front-end load can also be higher at up to 5%.

If products have different unit classes for different investor groups, the fee structures sometimes differ significantly. Unit classes for institutional investors regularly have lower cost profiles than those for private investors.

IV. Duration

Fixed duration no longer mandatory with ELTIF 2.0

Private debt products generally have a comparatively short duration of five to eight years. Private equity strategies typically have a duration of between 10 and 12 years. Products that invest in infrastructure, on the other hand, have a longer duration and usually run for 10 to 50 years. The long-term structures that are also sold to private investors, so-called semi-liquid ELTIFs, allow for early redemption. However, for structures with flexible redemption options, it is important to address and manage the maturity transformation risk.

The often very illiquid assets cannot be sold in the short term, but investors are provided with liquidity, which can lead to problems in the event of high redemptions. Many asset managers plan semi-liquid products, but with minimum holding and cancellation periods (see chapter "Special challenges/discrepancy between illiquid assets and permanent tradability").

V. ELTIF 2.0

When the ELTIF regime was introduced, reform of the regulation was already planned after five years. To this end, the European Commission launched a public consultation in October 2020 to gather feedback on how the attractiveness of the ELTIF could be increased. It then drew up a proposal to amend the ELTIF Regulation. Following negotiations between the European Council, the European Commission and the European Parliament, the reform of the ELTIF regime was adopted on 15 February 2023. The revised ELTIF Regulation ("ELTIF 2.0") entered into force on 9 April 2023.

1. Current situation

The revised ELTIF Regulation has been applied since 10 January 2024. In order to crystallise the rules, the European Securities and Markets Authority (ESMA) published its final draft of the Regulatory Technical Standards (RTS) shortly beforehand in December 2023. This had been long awaited in order to provide the necessary clarification.

Supervisory authority and EU Commission at odds

However, the draft drew complaints from many market participants about inconsistencies, particularly regarding the requirements for liquidity management and redemption procedures. The European Commission, whose approval is required, shared this criticism and commented on the

ESMA draft at the beginning of March 2024. The Commission called for changes to the draft, mainly on the following points:

- Return rules should only be amended with the prior consent of the national supervisory authorities.
- A notice period of at least 12 months is not required.
- The requirements for liquidity and the instruments for managing it must be adapted to take account of the diversity of ELTIF concepts.
- The rules on costs must be adapted to the PRIIPs Regulation, MiFID and AIFMD.

The Commission had asked ESMA to comment on these points within six weeks. On 22 April, the supervisory authority commented on the EU Commission's recommendations. With its new proposals, ESMA has chosen a middle course between the more liberal approaches of the Commission and its own, more restrictive stance. It has accepted many of the Commission's adaptations but has stuck to its original position on some points (in some cases with modifications).

In particular, ESMA rejects the Commission's proposal to link the maximum redemption amount to the redemption frequency and the notice period. Instead, the supervisory authority continues to demand that ELTIFs must have a minimum liquidity ratio if they allow investors to redeem before maturity. According to ESMA, this minimum liquidity ratio should be based on the length of the redemption period.

The Commission can now approve or reject the revised RTS. If it approves the current version, the European Parliament and the Council will then have three months to object to the RTS.

2. Key innovations of the ELTIF 2.0 regime

New regime brings relief

Regardless of the current discussions about technical regulatory standards, the ELTIF 2.0 Regulation is the driving force behind the new ELTIF market dynamic. It brings several simplifications for both providers and distributors.

The most important simplifications for **providers** because of ELTIF 2.0 include:

- Only 55% of ELTIF assets must be invested in eligible assets (previously: 70%)
- Funds of funds are now possible; AIFs may be target investments, not just ELTIFs
- The permitted debt ratio has increased from 30% to 50%
- Semi-open-ended products are possible

Distribution is facilitated by the following changes:

- Minimum investment amount of EUR 10,000 and upper limit for share of total assets (if less than EUR 500,000) of 10% no longer applicable
- Separate suitability test no longer required

3. Market reactions

The new rules are largely seen as very favourable by the players on the ELTIF market.

> *"The ELTIF 2.0 regulation will once again make it much easier for private investors to access private market investments and thus offer more and more people access to this asset class."*
> Benjamin Fischer, iShares & Wealth Head of Banks & Strategic Clients, *BlackRock*

Semi-liquid ELTIFs possible now

They expect the **introduction of semi-liquid products** to have the greatest impact. These are ELTIFs that allow investors to enter and exit the fund on an ongoing basis. This means that it is no longer mandatory for investors to remain in the fund from the beginning of the ELTIF's term until its end.

However, as the underlying assets are more or less illiquid, it is not possible to enter or exit the fund on a daily basis. Instead, there are various deadlines and recurring time windows in which entry or exit is possible: notice periods, minimum holding periods and percentage caps per quarter (gating).

Many refer to this recently possible concept as evergreen - by which they mean an ELTIF that runs uninterruptedly until the end of its term. In order to approximate unlimited terms, evergreen ELTIFs are given terms of several decades, e.g. 99 years.

The evergreen structure offers several advantages that are emphasised by market participants. Firstly, the increased flexibility for entry and exit increases investor interest. They are much more willing to buy if they do not see all their money tied up for years. This is likely to increase demand.

On the other hand, providers hope that this will simplify processing. Until now, this has been a weak point of the ELTIF, which has significantly hindered its rapid spread (see chapter "Special challenges/Settlement").

> *"Evergreen vehicles provide regular, albeit limited, liquidity, typically on a quarterly basis, and remove the risk of having to fulfil capital calls at a later date when an investor's liquidity may be limited."* -- Manuel Kalbreier, Managing Director, Neuberger Berman

Funds of funds are now allowed, but deployment is uncertain

Market players are divided as to whether the **authorisation of funds of funds** will bring extra momentum. The increased flexibility of providers when launching new ELTIFs is seen as a positive. They also point out that liquidity can be ensured relatively easily by selling individual target funds. Broad diversification is also a plus point for funds of funds. One hurdle, however, is the look-through process, which must be guaranteed for fund-of-funds managers. They have to ensure that a detailed view of the target funds is possible. This seems difficult for funds of funds that do not only invest in in-house products. However, the use of a fund of funds can be very useful for mapping one's own platform.

The improved possibility of transferring ELTIFs to other jurisdictions under the new regime is also appreciated. First and foremost, this means **easier distribution** throughout Europe.

The flexibility to offer ELTIFs with **minimum investment amounts of less than EUR 10,000** has so far only been utilised to a limited extent. Most companies intend to stick to this minimum level for the time being. However, there are also some companies that offer ELTIFs with low investment amounts for private investors or would like to launch such products.

ELTIF 2.0 also poses challenges

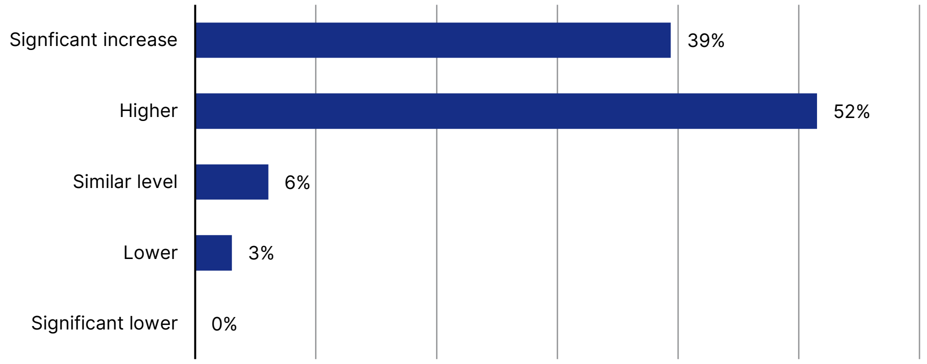
ELTIF 2.0 has not just been greeted with enthusiasm. The newly opened **redemption options** in particular have been criticised as they could convey a false sense of fungibility. Many of the typical assets in ELTIFs are illiquid and yet it should be possible to exit the products at regular intervals. This mismatch can give rise to risks comparable to those of open-ended property funds, whose units can be traded flexibly (albeit with a notice period) even though their assets are illiquid.

Some also criticize the adjustment of the **proportion of permissible assets** (at least 55% instead of the previous 70%). The actual aim of ELTIFs, which is to invest primarily in the private market, cannot be guaranteed with such softened limits. In particular, a high liquidity ratio, which can amount to up to 45% under the new regime, would lead to a dilution of returns.

High expectations for new regime

Nevertheless, the overall high expectations for ELTIF 2.0 are also reflected in our market survey. Nine out of 10 companies assume that supply and demand will increase as a result of the new regulation. Around half even expect a significant increase in momentum.

Figure 10: Survey – How will the new ESMA regulation (ELTIF 2.0) affect the supply and demand dynamics of ELTIFs?



Quelle: Scope Fund Analysis; 33 Responses

> *„With the relaxation of the new regime, significantly more responsibility lies with the asset manager; the interests of investors and thus investor protection should continue to take centre stage.“* --
> Markus Pimpl, Managing Director Client Solutions, Partners Group

VI. Special challenges and risks

The ELTIF has presented providers and distributors with several challenges in recent years - and continues to do so. The handling of some has improved over time, while others have yet to undergo their baptism of fire.

1. Political uncertainties

Discussions about RTS slow down activities

In the survey of 34 market participants, Scope asked about the greatest risks for ELTIFs. Political uncertainties were mentioned most frequently. These are not geopolitical risks, but rather uncertainties due to changing regulations. As the data was collected in February and March, the unclear situation regarding the RTS at that time is fully reflected. ESMA's regulatory technical standards from December 2023 had irritated many market players, and the Commission's reaction had revealed a certain confrontational stance.

> *"We expect that clarity on the revised liquidity rules will allow asset and wealth managers to develop greater conviction in their medium-term product strategies."*
> Barry Fricke, EMEA Head of Alternatives Distribution for Wealth, Goldman Sachs

2. Discrepancy between illiquid assets and permanent tradability

Maturity mismatch was mentioned just as frequently. This reflects the concern that the discrepancy between long-term investments in private markets and fungibility sought by investors in semi-open products could become a problem.

> *"We are concerned that semi-liquid ELTIFs give the impression that it is easy to exit private market investments at any time. This suggests something that cannot be achieved."*
> Walter Liebe, Head of Intermediaries Germany, Pictet Asset Management

Liquidity management challenging

In this context, liquidity plays a key role in determining the extent of this risk and how it is managed. Funds that allow investors to exit on an ongoing basis are forced to maintain a minimum level of liquid assets. Like open-ended property funds, providers are faced with the dilemma of maintaining sufficient liquidity for investors wishing to exit while at the same time keeping the liquidity ratio low to minimise the negative impact on the performance of the ELTIF due to holding low-yielding cash.

> *"Prudent product design which includes aligning liquidity terms with the liquidity profile of the investments in the portfolio, will be of utmost importance."*
> Pulkit Sharma, Head of Alternatives Investment Strategy & Solutions, J.P. Morgan Asset Management

It is clear that liquidity will reduce the return on an ELTIF, as its private market investments generally yield significantly higher returns.

Providers are planning to manage this mismatch with various measures. On the one hand, cancellation periods and minimum holding periods are intended to offer protection. In Germany, some providers are establishing the same rules as for open-ended mutual property funds with a minimum holding period of 24 months and a notice period of 12 months. Providers also want to set quotas that determine the volume of redemptions per quarter (gating).

Status of the RTS according to ESMA draft

The regulatory technical standards of the ELTIF 2.0 Regulation address this challenge. They set requirements for funds that allow investors to exit on an ongoing basis. The current version of the RTS stipulates that such ELTIFs must maintain a minimum level of liquidity and set upper limits for redemptions. Both depend on the length of the notice period: the longer the notice period, the lower the minimum liquidity ratio and the higher the percentage cap on redemptions.

However, this regulation is not yet finalised: the Commission has yet to respond to the latest ESMA proposals.

Table 1: RTS regarding liquidity and redemption amount (ESMA draft)

Notice period	Minimum of liquid assets	Maximum redemption amount
6 to <12 months	10%	90%
3 to <6 months	15%	67%
1 to <3 months	20%	50%
Less than 1 month	25%	20%

Source: ESMA; as at 22.04.2024

> *"Although investors, especially German investors, do not like illiquidity, a restriction on daily tradability makes sense for the ELTIF, especially for asset classes such as infrastructure."*
> Christian Humlach, Head Wholesale Austria & Germany, Aquila Capital

The size of the products is particularly important. ELTIFs that only have a few target investments are less flexible if an increased redemption request from investors forces them to sell their investments. Depending on the investment focus, larger ELTIFs may offer more flexibility if investments have to be sold. This is because they have more choice. Diversification across different asset classes can also be advantageous if markets show varying degrees of fungibility.

In addition, providers who previously only offered closed-ended structures face the challenge of having to deal with liquidity management as soon as they want to offer semi-open-ended ELTIFs. They must then prove that they have the expertise to manage liquidity appropriately.

Secondary market could increase flexibility for closed-ended ELTIFs

In order to ensure a certain degree of tradability for closed-ended ELTIFs as well, various providers are planning to set up a secondary market for their ELTIFs. Investors could then offer their ELTIF units there and look for a buyer. However, secondary markets are not expected to be established before the second half of 2025.

> *"The introduction of a secondary market is a great opportunity for closed-ended ELTIFs to offer their investors more flexibility."* -- Friedrich von Ketteler, General Counsel, Moonfare

3. Recession

Furthermore, many providers consider a period of economic weakness to be a risk for ELTIFs. A recession is likely to affect them like other forms of investment. However, the value of private market investments should fluctuate less than the public markets due to their long-term structure.

4. Sales barriers

Sales barriers are also perceived as a risk by many providers. This area includes several aspects that start at different points.

(1) Settlement

The settlement of ELTIFs remains challenging in Germany, but the situation is improving. Whereas just one or two years ago, only a few major banks were able to process ELTIFs in-house, the options have now expanded. More and more platforms are able to process the products, but by no means all of them.

> *"Particularly in the fragmented continental European banking market with its many different fund platforms, the processing of ELTIFs continues to pose a challenge for sales."*
> Dr. Andrea Vathje, Head of Privatize Private Markets Institute, Privatize

With the new momentum brought about by ELTIF reform, traditional platforms such as Attrax are now also offering the processing of selected ELTIFs. In addition, service providers (some of which are still new) are also active in this area, aiming to support product providers and distributors at various points in the process chain.

Third-party companies want to make settlement easier

Portagon offers a distribution platform for alternative investments and has set itself the task of transforming the private capital market. Through its standardised end-to-end software solution and digital marketplace with an extensive network of distribution partners, the company is used by both global issuers and distributors of illiquid financial products.

The Privatize platform offers institutional investors, discretionary portfolio managers and investment advisors a complete solution to understand, select and implement private market funds. Privatize provides a comprehensive range of knowledge on private-market investments as well as relevant information on private market funds such as ELTIFs. The platform also enables digital and legally compliant subscription to existing securities accounts at leading custodian banks.

S64 Capital has experience in scaling processes for ELTIFs with its digital private markets platform, which offers end-to-end support for the core functions of structuring, onboarding, governance, collateral value and secondary market as well as lifecycle management.

To scale processes, iCapital offers end-to-end operations for asset managers and wealth managers (private banks, family offices, etc.). Services include digital client onboarding, digital underwriting processes and onboarding with banks and other distributors as well as customised client reporting. At the same time, iCapital offers asset managers advice on structuring ELTIFs.

Goji, which is part of Euroclear, specialises in making all service processes for private market investments relating to client onboarding, KYC processes, underwriting processes and knowledge transfer scalable. As a speciality, Goji has a focus on the settlement of ELTIFs.

Clearstream expects to be able to settle more products in the standard segment of Vestima, its in-house fund platform, in the future. This is particularly true when providers enter the market that have many liquid products on offer that are traditionally tradable in Vestima Standard. Products with multiple capital calls can be listed in the Prime segment of Vestima, although this is not used by all German banks.

Overall, the processing of products should become much easier in future. Due to the growing range of products on offer, settlement solutions are increasingly being made available and distributors are gaining access to more and more products.

In Southern Europe, the settlement of ELTIFs is not quite as problematic as in Germany, as the Allfunds platform frequently used there is capable of doing this - although not equally for all ELTIFs.

(2) Education

More knowledge for investors, advisors and product selectors

"Education is key" – Scope heard this phrase more than once when surveying market participants. Education, which is emphasised as a decisive factor, affects several levels at once. Firstly, there are the (private) investors. The investments to be found in an ELTIF are not trivial and need to be explained in detail. In Germany in particular, private market investments are often unknown to the general public and private investors have had few opportunities to invest there in the past. The nature of private market investments differs from that of securities that are publicly traded on the stock exchange and the funds that buy these securities. Investors need to be made aware of these peculiarities – opportunities and risks – to enable them to invest in ELTIFs. The basic functioning of private equity, infrastructure and private debt must be understood, including the illiquidity of such investments and their long-term nature.

However, there is also a need for clarification at advisor level. If the ELTIF is to be a success in sales, salespeople must be trained accordingly. Asset managers, independent financial advisors and bank client advisors all need to familiarise themselves with the product in order to be able to sell it to their clients. However, the ELTIF can also secure a firm place in the canon of advisors in private banking units and wealth management. This is also only possible with the most comprehensive knowledge of the investment product possible. Nevertheless, traditional private market funds will continue to exist in these segments in particular, especially for the (U)HNWI client group.

> *"Demand from retail investors will depend on how financial advisors feel about the product - because they have to assess the suitability for their clients. This is why education at both levels is so crucial."*
> Loredana Carletti, Head of Amundi Real Assets (Lux), Amundi

It is also necessary to build up knowledge about ELTIFs one level up: Only product selectors who know how to categorise the products will select them for sale.

The providers of ELTIFs and external service providers meet this need for further training with their own programmes, brochures, information portals or even entire departments. With their help, investors, advisors and product selectors alike are to be familiarised with the topic.

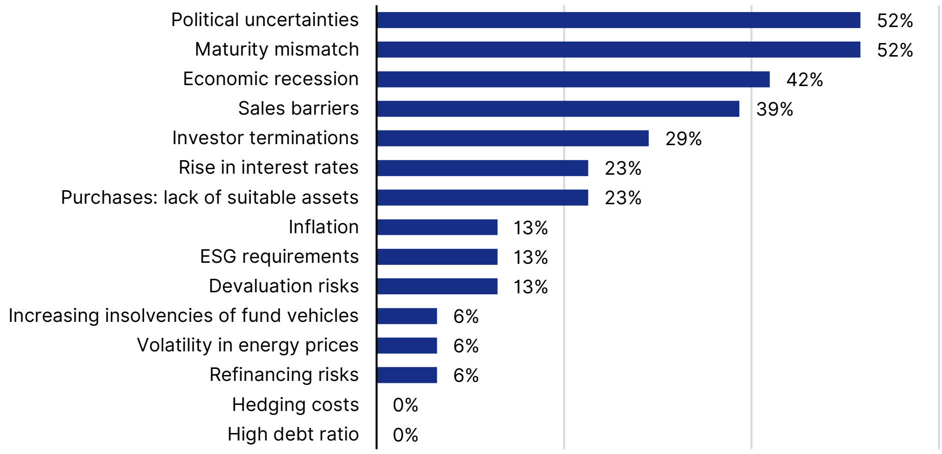
5. Sales to retail investors

Under the new regime, the potential group of investors has expanded considerably. The abolition of the minimum investment amount of EUR 10,000 opens up access to ELTIFs for private investors below the private banking segment. Not all providers will enter the market with products aimed at this group of investors but some will. Some specialised asset managers may currently only have contact with institutional investors. In future, they will face the complex challenge of setting up and supporting sales to private investors. The right partners are needed to sell the ELTIFs accordingly.

Added to this is the widespread scepticism towards closed-ended products in Germany. Bad experiences and various investor scandals have led to a low level of willingness to invest in such vehicles.

> *"When ELTIFs are introduced with reference to their "fixed terms", this often causes a frown among distributors. This is one of the reasons why our new ELTIF has an evergreen structure."*
> Clemens W. Bertram, Head of Wholesale Germany & Austria, Muzinich

Figure 11: Survey – In your opinion, what are the biggest risks for ELTIFs?



Source: Scope Fund Analysis; 31 Responses; up to five responses were possible

VII. ELTIF in private banking

European fund providers have high hopes for the ELTIF. Whether these hopes are realised depends crucially on the private banking departments of the major banks and distributors. After all, they decide whether and which ELTIFs are offered to investors. Scope spoke to decision-makers at major banks and distributors about the prospects for ELTIFs in advisory practice. The key findings:

Private markets as a fixed element within asset allocation

Private market investments are playing an increasingly important role. Currently, private market investments tend to be offered in the HNWI/private wealth segment. However, they believe that private market investments will become firmly established in the asset allocation of private banking clients in the future. The ELTIF makes asset classes that were previously reserved primarily for institutional investors available to a broader range of investors, including retail investors. Although it is not the only way to invest in private markets, the ELTIF offers many advantages, a high level of transparency and will play an important role in private banking.

In recent years, large distributors in particular have hardly offered ELTIFs to their clients. The main reason was that the product range and fund volumes were too small. The current significant increase in the product range is therefore creating the opportunity for many private banking units to take a serious look at ELTIFs for the first time. The new regulatory requirements are a further boost for sales.

Despite all the optimism, a representative of a large private banking department warned not to overestimate the sales opportunities in the near future. He considers an increase in cash flows in ELTIFs of 20% to 30% for 2024 compared to the previous year to be realistic.

One major obstacle that is currently preventing even greater growth is the high level of advisory services required. Many clients are not yet familiar with private market investments and their risks. Information and financial education therefore play an important role in making ELTIF and private markets in general even more relevant in sales. The procedural integration of ELTIFs into advisory processes also plays an important role in this context.

According to the private banking units surveyed, the performance of the funds currently launched will play an important role in the long-term success of ELTIFs. In the coming years, they will have to prove that private investors can also achieve attractive returns in private markets. This is proof that other closed-ended fund vehicles have often failed to provide.

There is no consensus among distributors with regard to the liquidity offered by ELTIFs. Some of the distributors surveyed only offer ELTIFs without liquidity during the fund term in order to emphasise the illiquid nature of private market investments. Others, on the other hand, categorise the possibility of exiting before the end of the fund term as a strong selling point.

VIII. Conclusion and outlook

Solid increase of assets under management

The growth in assets under management in ELTIFs last year is solid but not overwhelming. There are two reasons why the volume and number of ELTIFs did not increase more strongly. Firstly, 2023 was not a good year for the sale of private market investments. At a time when 3%-4% p.a. can be earned on conventional interest-bearing investments, other forms of investment have had a hard time, even if they promise a higher return. The latter applies all the more to forms of investment to which investors have to commit themselves for a long time, which is regularly the case with private market investments.

On the other hand, some providers, especially those seeking to enter the market with new products, held back on activities to wait for the ELTIF 2.0 regime, which came into force on 9 April 2023 and has been applied since 10 January 2024.

There is still no complete clarity on the exact form of some of the new rules. In December 2023, the European Securities and Markets Authority (ESMA) published its draft of the regulatory technical standards. Since then, ESMA and the European Commission have been exchanging views, sometimes controversially.

Although the RTS are on the home straight, the expected momentum from the new rules will only reach the current year to a limited extent. Many asset managers are still waiting to see what the final version will look like before launching their new product on the market.

Supply will increase, industry hopes for higher demand

As soon as the RTS are finalised, ELTIF supply is expected to increase. Asset managers are unanimous in their hope that demand will then also rise quickly, but they are moderate in their forecasts. In the current year, the relatively high interest rates on various forms of investment are likely to continue to dampen investor appetite for entering the private market. The future success of the ELTIF therefore also depends to a large extent on interest-rate levels. In Germany, scepticism towards new financial products and some bad experiences with closed-ended funds could also inhibit the spread of ELTIFs.

There will be strong demand if it becomes clear that ELTIFs can achieve high returns across the board or have a very favourable risk/return profile. As this realisation will take years to develop, it will be some time before investors invest more widely. Initially, ELTIFs will gain volume in the private banking and semi-institutional sectors before they take off with mass affluent private clients or in the retail segment.

What is clearly recognisable is that the number of companies entering the market with an ELTIF is increasing. Last year, six companies launched an ELTIF for the first time. Nine "newcomers" have already been announced for 2024 (Allianz Global Investors, Fidelity, Moonfare, Natixis [AEW, Flexstone], Oddo BHF, Swiss Life, UBS, Union Investment and Zurich/Pemberton). This is good for investors because it increases the range of products on offer and the growing competition is forcing providers to improve their performance and more favourable cost structures. For the providers, on the other hand, competition is becoming a challenge. They have to prove themselves with their ELTIFs in a broader environment. This applies in particular to small providers from Germany, which will have to compete with large international asset managers.

The latter, in turn, are taking a critical look at the product ideas of providers from the old closed-ended fund market in Germany. They fear that ELTIFs will come onto the market that are poorly diversified, risky and more expensive than average and that this will limit investment success. This could put ELTIFs in a bad light as a product class. In principle, some providers are concerned that the ELTIF designation will no longer be perceived as a sign of quality because the 2.0 regime is less strict than the first regulatory iteration.

The expected flood of new products and providers could bring to light strategies that only utilise the product for a new sales approach.

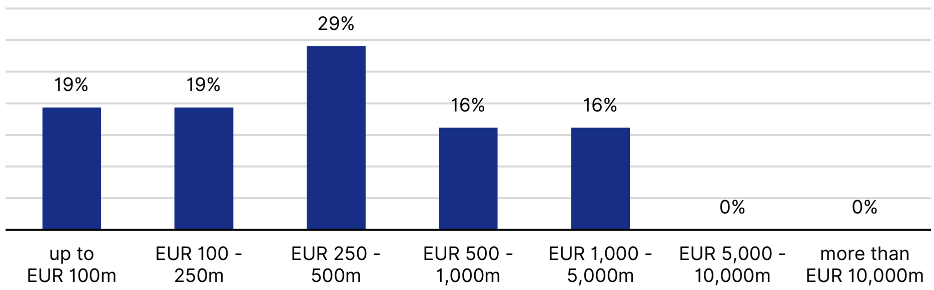
Some asset managers very active, industry has extensive plans

The newly available range is developing dynamically at some companies. Some companies such as Goldman Sachs, Partners Group, Amundi, Azimut and BlackRock launch at least one ELTIF almost every year. This enables investors to diversify according to individual vintages. In addition, companies such as Eurazeo and Muzinich are planning private debt evergreen structures.

Service KVGs are also in close dialogue with asset managers regarding the launch of further products. Hansainvest alone is currently in talks on more than 10 products, predominantly in the private equity, infrastructure and private debt segments.

The providers' growth forecasts vary. Just under 40% of the companies surveyed by Scope expect their ELTIF assets to grow by up to EUR 250m by 2026. Almost 30% see an increase of between EUR 250m and EUR 500m. One in six asset managers expects the volume to increase by EUR 1bn to EUR 5bn.

Figure 12: Survey – By the end of 2026, what is the projected growth in your company's assets under management in ELTIFs across Europe (in EUR million)?



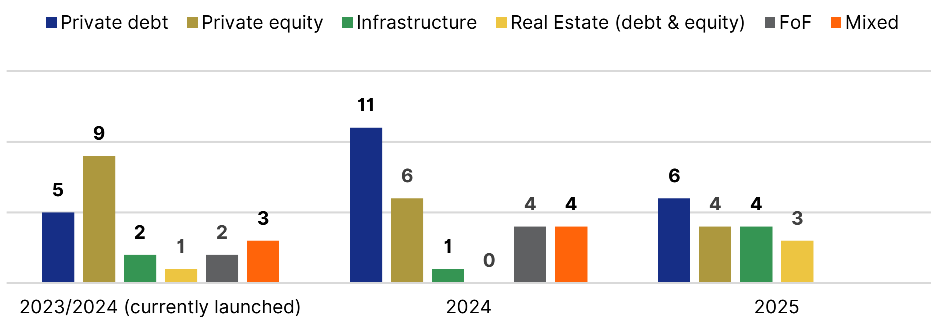
Source: Scope Fund Analysis; 31 Responses

Market volume of EUR 30-35 bn expected until end of 2026

Based on the information from the survey, discussions with asset managers and Scope's own research, Scope estimates the ELTIF volume to be between EUR 30bn and EUR 35bn by the end of 2026. In Scope's view, at least 20 new ELTIFs will come onto the market in the next 12 months. These include a number of new asset managers.

When it comes to the planned asset classes, it is clear that providers are focusing on private debt and private equity funds in the current year. These two investment segments will also take centre stage in the next two years. However, products in other asset classes such as infrastructure are also planned.

Figure 13: Survey – In which asset are you planning to launch new ELTIFs in the next three years (2024-2026)?



Source: Scope Fund Analysis; 24 Responses

Special focus on private debt in 2024

Scope expects more private debt products to come onto the market in 2024, but private equity and infrastructure will also remain attractive. Infrastructure is a particular focus in Germany and France. Many asset managers have already started or are in the starting blocks here. There is currently particular demand from investors for renewable energy.

In the private markets sector, there is currently hardly any investment in the property segment. Many investors are questioning their property investments and would like to reallocate some of them to the infrastructure segment. The product offering for this is currently being created. Following a correction in valuation approaches, new entries into private equity are also increasingly being included in allocation approaches again, and ELTIFs should also benefit here.

In the past, private equity ELTIFs have enjoyed solid demand in the private client business in Italy. However, mixed strategies will also become significantly more important, as a diversified product can be well integrated in the portfolio context and an ELTIF gives investors access to different asset classes.

Evergreen structures will be established in the market

One thing is certain: the future belongs to evergreen structures as far as the broad markets are concerned. More and more companies will launch products that are designed accordingly. A few will not join in without headaches because they consider permitted liquidity to be difficult. However, they will not turn their backs on the opportunities offered by this structure.

However, Scope believes that the uncertainties regarding ELTIF 2.0 and the RTS have slowed growth. In terms of volume, 2024 will be comparable to the subdued 2023. We do not expect a boost until 2025 when the RTS will be finalised, settlement challenges will be largely resolved and there will be progress in educating advisors on private market investments for private investors. In France and Italy, we expect ongoing solid growth due to the tax incentives and the long-standing establishment of the asset classes.

Current activities in the relaunch of ELTIFs continue to focus strongly on Luxembourg. The vehicles are recognised and established among many European investors. At the same time, BaFin is showing flexibility and has held out the prospect of practical regulation of ELTIFs in Germany with its recently published FAQs.

This paves the way for German capital management companies to launch products under the ELTIF regime in Germany and expand their product range accordingly. ELTIF 2.0 is expected to become a game changer in the market for alternative investment funds for private investors in Europe. There is therefore a chance that new ELTIFs authorised by BaFin will strengthen Germany as a fund domicile.

It would also be interesting for the German government to consider whether favourable tax treatment, such as for retirement provision or the contribution of inheritances, would be a sensible incentive to keep capital in Germany. In this way, old-age provision could be promoted in a very targeted manner and urgently needed investments in the country's own infrastructure could be boosted. The example of Italy shows that this can work and that targeted incentives may work better than subsidies. Private capital has huge potential to achieve great things here!

IX. Methodology

Scope has counted ELTIFs of an asset manager that are subject to the same strategy but were authorised as multiple ELTIFs for prospectus-related reasons as one ELTIF. Different asset managers of a group were counted as one asset manager. If a product was set up by a service KVG, the underlying asset manager responsible for product management was used as the basis. In addition, there were isolated adjustments by asset managers who, among other things, submitted changed values for the volume and number of their ELTIFs for 2022. Compared to the previous year's study, this resulted in a net reduction in the ELTIF volume of around EUR 220m and a reduction in the number of ELTIFs by five. Furthermore, where information was missing for ELTIFs that are offered in several countries, their volume breakdown by country was allocated on the basis of previous years. For seven products, no or no complete information on assets is available, so Scope has estimated these. Scope estimates their volume at around EUR 350m. In principle, 22 asset managers with 68 ELTIFs contributed detailed information to the study. Of these, 61 ELTIFs were actively marketed until the end of 2023, with a total volume of EUR 9.9bn.

Table 2: ELTIFs open for investment

Asset manager	ELTIF name	Asset class, region	Duration	Minimum investment (in EUR)	Capital calls	Expected closing	SFDR	Type of investors	Country/countries of distribution
ALGEBRIS INVESTMENTS (IRELAND) LIMITED / HEDGE INVEST SGR S.P.A.	HI ALGEBRIS PMI INNOVATIVE ELTIF	Public equity, Innovative Italian Small Caps PIR-compliant	2031 (8 years +1x1 year extension option)	10,000	Single	February 2025	Article 8	Retail & professional	IT
AMUNDI ASSET MANAGEMENT SAS	AMUNDI COMMERCIAL REAL ESTATE LOANS II (ELTIF)	Private debt, senior mortgage debt, Europe	2031 - 2035 (8 to 12 years)	5,000,000	Multiple	Closed-ended. Final closing date TBD.	Article 8	Institu-tional/profes-sional	AT, BE, DE, DK, ES, FI, FR, IT, LU, NL, NO, SE
AMUNDI LUXEMBOURG S.A.	PI SOLUTIONS - (subfund) AMUNDI PARTNERS INVESTINDUSTRIAL PRIVATE EQUITY	Private equity, co-investments, Southern Europe	2033 (10 years +3 years extension option)	1,000	Single	Q2 2024	Article 8	Retail	EU, UK
AMUNDI LUXEMBOURG S.A.	PI SOLUTIONS - (subfund) AMUNDI REALTI	Real Estate, EEA	2121 (99 years)	10,000	Single	Evergreen	Article 8	Retail & professional	FR, CZ, DE, BE, ES, NL, AT, IT, LU
AMUNDI LUXEMBOURG S.A.	AMUNDI PRIVATE MARKETS ELTIF TRANSITIONS	Multi-Asset (Private Equity, Pri-vate Debt, Infrastructure), with multiple investment channels (secondaries, fund investments, co-investments)	2121 (99 years)	1,000	Single	Evergreen	Article 8	Retail	EU, UK
Apollo Private Markets SICAV	APOLLO PRIVATE MARKETS SICAV- (subfund) APOLLO CLEAN TRANSITION EQUITY ELTIF	Infrastructure	n/a	n/a	n/a	n/a	n/a	Retail & professional	BE, DK, ES, FI, IT, LU, NL, NO, SE, AT, DE
AQUILA CAPITAL INVESTMENTGESELLSCHAFT MBH	AC ONE PLANET ELTIF	Infrastructure, EWR & OECD	2122 (99 years)	1	Single	Evergreen	Article 9	Retail & professional	AT, DE, LI, LU
AZIMUT INVESTMENTS S.A.	AZIMUT ELTIF - VENTURE CAPITAL DIGITECH EUROPE	Venture capital, Europe	2030 (+3x1 year ex-tension option)	1,000	Single	November 2024	Article 6	Retail & professional	IT
AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE DEBT DIGITAL LENDING IV	Private debt, Italy PIR-compliant	2029 (+1x1 year exten-sion option)	1,000	Single	November 2024	Article 6	Retail & professional	IT
AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE EQUITY VALSABBINA	Private equity, co-investments, Italy PIR-compliant	2030 (+2x1 year ex-tension option)	10,000	Single	June 2024	Article 6	Retail & professional	IT
AZIMUT INVESTMENTS S.A. / HIGHPOST CAPITAL LLC	AZIMUT ELTIF - VENTURE CAPITAL HIPSTR	Venture capital, North America, Western Europe, Middle East	2033 (+3x1 year ex-tension option)	1,000	Single	July 2024	Article 6	Retail & professional	IT
AZIMUT INVESTMENTS S.A. / MUZINICH & CO. SGR S.P.A	AZIMUT PRIVATE DEBT CAPITAL SOLUTIONS II - ELTIF	Private debt, Italy, PIR-compliant	2031 (+1x1 year exten-sion option)	1,000	Single	July 2024	Article 6	Retail & professional	IT
AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - VENTURE CAPITAL ALICROWD IV	Venture capital, Italy PIR-compliant	2032 (+1x1 year exten-sion option)	1,000	Single	July 2024	Article 6	Retail & professional	IT
BLACKROCK FRANCE S.A.S.	BLACKROCK FUTURE GENERATION PRIVATE EQUITY OPPORTUNITIES ELTIF	Private equity, global	2035 (10 years +2x1 year)	125,000	Multiple	Final Closing Q1 2025	Article 8	Retail & professional	LU, BE, CZ, DE, DK, ES, FI, FR, GR, IS, IE, IT, NL, NO, PL, PT, SE

BLACKROCK FRANCE S.A.S.	BLACKROCK PRIVATE EQUITY ELTIF	Private equity, global	2031 (8 years +3x1 year)	30,000	Single	Final Closing Q2 2024	Article 6	Retail & professional	BE, CZ, DE, DK, ES, FI, FR, GR, HU, IE, IS, IT, LU, MT, NL, NO, PL
BNP PARIBAS ASSET MANAGEMENT FRANCE	BNP PARIBAS EUROPEAN SME DEBT FUND 3	Private debt, Europe	2038 (14 years)	5,000,000	Multiple	Final Closing June 2024	Article 8	Institutional	AT, BE, DE, ES, FR, IE, IT, NL, PT, LU
COMMERZ REAL FUND MANAGEMENT S.A R.L.	KLIMAVEST ELTIF	Infrastructure, Europe	2070 (50 years +2x5 years extension option)	10,000	Single	Evergreen	Article 9	Retail & professional	DE
EURAZEO FUNDS MANAGEMENT LUXEMBOURG	EURAZEO EUROPEAN REAL ESTATE II ELTIF PRIVATE FUND, SCSP SICAV-SIF	Real Estate, Western Europe	2033	125,000	Multiple	n/a	Article 8	Professional	FR
EURAZEO FUNDS MANAGEMENT LUXEMBOURG	FCPR EURAZEO ENTREPRENEURS CLUB	Private equity, co-investments, Europe & North America	2032	20,000	Single	n/a	Article 8	Retail & profes-sional	FR
EURIZON CAPITAL SGR S.P.A.	EURIZON ITEЯ ELTIF	Infrastructure, Italy	8 years	n/a	n/a	n/a	n/a	Retail & professional	IT
EURIZON CAPITAL SGR S.P.A.	EURIZON PIR ITALIA - ELTIF	Mixed	10 years	n/a	n/a	n/a	n/a	n/a	IT
GENERALI GLOBAL INFRASTRUCTURE	GF INFRASTRUCTURES DURABLES	Infrastructure, Europe	35 years	n/a	n/a	n/a	Article 8	Institu-tional/profes-sional	FR
HANSAINVEST LUX S.A. / PORTA EQUITY	PORTA EQUITY ELTIF	Fund of Funds, private equity, venture capital, private debt	2044 (20 years +2x10 years extension option)	1	Single	Evergreen	Article 6	Retail & professional	DE
M&G INVESTMENT MANAGEMENT LIMITED	M&G CORPORATE CREDIT OPPORTUNITIES ELTIF	Private debt	2074 (50 years +2x5 years extension option)	10,000	n/a	n/a	Article 6	Retail & professional	BE, DK, ES, FI, GR, IE, IT, NL, NO, PT, SE, LI, DE, FR, AT
MIROVA	MIROVA ENVIRONMENT ACCELERATION CAPITAL	Private equity, pan-European	2034 (10 years +2x1 year extension option)	10,000	Single	June 2024	Article 9	Retail & professional	FR, LU, ES, IT, DE, NL, BE, AT, NO, SE, FI
MOONFARE	MOONFARE PRIVATE MARKETS PORTFOLIO ELTIF	Private equity, co-investments, Europe & North America	2034 (10 years +2x3 years extension option)	10,000	Single	May 2026	Article 6	Retail & professional	Europe
NEUBERGER BERMAN AIFM S.À R.L.	NB DIRECT PRIVATE EQUITY FUND 2024 ELTIF	Private equity Co-investments, Europe & North America	2032 (8 years from fi-nal closing - December 2024 + 3x1 year exten-sion option)	25,000	Single	December 2024	Article 8	Retail & professional	AT, BE, DK, FI, FR, DE, GR, IT, LI, LU, NL, NO, PT, ES, SE, UK, CH
ODDO BHF ASSET MANAGEMENT SAS	ODDO BHF COMMIT FOR TOMORROW ELTIF	Fund of Funds, private-equity-Funds, co-investments, Europe & North America	2034 (10 years +2x1 year extension option)	1,000	Single	December 2025	Article 8	Retail & professional	AT, BE, FR, DE, IT, LU
OQUENDO CAPITAL SGEIC S.A.	OQUENDO SENIOR III ELTIF	Private debt, Spain	2032 (8 years +2 years extension option)	250,000	Multiple	June 2025	Article 8	Non-profes-sional investors	ES
PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP DIRECT EQUITY II ELTIF SICAV	Private equity, global	2035 (10 years +3x1 year extension option)	125,000	Multiple	May 2025	Article 8	Retail & profes-sional	BE, DE, DK, ES, FR, IE, IT, NL, PT, SE, AT, LI
PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP PRIVATE MARKETS OPPORTUNITIES SICAV - PARTNERS GROUP PRIVATE EQUITY	Private equity, global	2124 (100 years +1x3 years extension option)	10,000	Single	Evergreen	Article 8	Retail & profes-sional	AT, BE, DE, ES, FI, FR, GR, IT, LI, LU, NL, NO, PL, PT, SE

PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP PRIVATE MARKETS II SICAV	Private equity, private infra-structure, private debt, global	2035 (10 years +2x1 year extension option)	20,000	Single	2025	Article 8	Retail & profes-sional	BE, CY, CZ, DK, ES, FI, IE, IT, LU, NL, NO, PL, PT, FR, GR, LI, SE, DE
PICTET ALTERNATIVE ADVISORS (EUROPE) S.A.	PICTET ENTIVRONMENT CO-INVESTMENT FUND I ELTIF	Private equity, co-investment, global	10 years +3x1 year ex-tension option	10,000	Single	End 2025	Article 8	Retail	EU, UK
PICTET ALTERNATIVE ADVISORS (EUROPE) S.A.	PICTET REAL ESTATE CAPITAL ELEVATION CORE PLUS ELTIF	Real Estate, Europe & UK	30 years	20,000	n/a	Evergreen	Article 8	Institu-tional/profes-sional	LU, AT, BE, CY, DE, DK, ES, FI, FR, GR, IE, IT, MT, NL, PT, SE
SCHRODER INVESTMENT MANAGEMENT (EUROPE) S.A.	SCHRODERS CAPITAL PRIVATE EQUITY ELTIF 2023	Private equity, Europe	2031 (8 years +2x1 year extension option)	10,000	Single	Juni 2024	Article 8	Retail & professional	AT, BE, DE, DK, ES, FI, FR, GR, IE, IS, IT, LU, NL, NO, PT, SE
SWISS LIFE ASSET MANAGEMENT AG	SWISS LIFE PRIVADO INFRASTRUCTURE	Infrastructure, Europe	2074 (50 years +2x5 years extension option)	1,000	Single	Evergreen	Article 8	Retail & professional	AT, BE, DE, DK, FI, FR, ES, LU, NL, NO, PT, SE, IT, CH
TALDE GESTIÓN, SGEIC,S.A.	TALDE DEUDA ALTERNATIVA II, FILPE	Private debt, senior financing, Spain	2034 (10 years)	100,000	Multiple	n/a	Article 8	Retail & professional	ES
TURENNE CAPITAL PARTENAIRES SAS	FPCI EMERGENCE ETI 2	Private equity, buyout, France	2034 (10 years +2x1 year extension option)	1,000,000	Multiple	12 months with an extension op-tion (2 additional periods of 6 months each)	Article 8	Institu-tional/profes-sional	FR
TURENNE CAPITAL PARTENAIRES SAS	SLP SELECTION & OPPORTUNITES	Private equity, growth capital, buyout, France	2119 (99 years)	250,000	Single	Evergreen	Article 8	Institu-tional/profes-sional	FR, LU
UNION INVESTMENT LUXEMBOURG S.A	UNIPRIVATMARKET INFRASTRUKTUR ELTIF	Infrastructure, co-investment, Europe	2122 (99 years)	25	Single	Evergreen	Article 8	Retail & professional	LU, DE, AT

Footnote: Information may vary across different share classes; the displayed share class represents the one with the smallest minimum investment or the retail share class; countries of distribution may offer this share class to different investor groups.
Source: ESMA, asset managers and own research

Table 3: ELTIFs included in this study

Supervis. authority	Asset manager	ELTIF name	Start date	Country/countries of distribution
INFRASTRUCTURE				
CSSF	ALTER DOMUS MANAGEMENT COMPANY S.A.	AC ONE PLANET ELTIF	2023	AT, DE, LI, LU
CSSF	APOLLO PRIVATE MARKETS SICAV / CARNE GLOBAL FUND MANAGERS (LUXEMBOURG) S.A.	APOLLO PRIVATE MARKETS SICAV- (subfund) APOLLO CLEAN TRANSITION EQUITY ELTIF	2023	BE, DK, ES, FI, IT, LU, NL, NO, SE, AT, DE
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - INFRASTRUCTURE & REAL ASSETS ESG	2022	IT
CSSF	BLACKROCK FRANCE S.A.S.	BLACKROCK ALTERNATIVE FUNDS S.C.A., SICAV-RAIF - (subfund) BLACKROCK PRIVATE INFRASTRUCTURE OPPORTUNITIES ELTIF	2021	DE, DK, ES, FI, FR, IT, LU, NL, PT, SE, CZ, GR, PL, IE, BE
CSSF	CARNE GLOBAL FUND MANAGERS (LUXEMBOURG) S.A.	FRANKLIN TEMPLETON PRIVATE MARKETS SICAV - (subfund) CLIMATE ALPHA OPPORTUNITY ELTIF	2023	Not yet marketed
CSSF	COMMERZ REAL FUND MANAGEMENT S.A R.L.	KLIMAVEST ELTIF	2020	DE
CONSOB	EURIZON CAPITAL SGR S.P.A.	PRAMERICA ITEЯ ELTIF	2020	IT
AMF	GENERALI GLOBAL INFRASTRUCTURE	GF INFRASTRUCTURES DURABLES S.L.P.	2020	FR
AMF	MÉRIDIAM SAS	MERIDIAM INFRASTRUCTURE EUROPE III SLP	2016	FR
CSSF	THOMASLLOYD / ADEPA ASSET MANAGEMENT S.A.	THOMASLLOYD SICAV - (SUBFUND) SUSTAINABLE INFRASTRUCTURE GROWTH FUND	2021	DE, FR
AMF	TIKEHAU INVESTMENT MANAGEMENT	T2 ELTIF ENERGY TRANSITION FUND	2020	FR, ES
CSSF	WAYSTONE MANAGEMENT COMPANY (LUX) S.A. / SCHELCHER PRINCE GESTION	SCHELCHER INFRASTRUCTURE DEBT SICAV-RAIF ELTIF - (subfund) SCHELCHER EURO CORE INFRASTRUCTURE TRANSITION DEBT	2022	LU, BE, DE, FR, IT
CSSF	WAYSTONE MANAGEMENT COMPANY (LUX) S.A. / SCHELCHER PRINCE GESTION	SCHELCHER INFRASTRUCTURE DEBT SICAV-RAIF ELTIF - (subfund) SCHELCHER EURO IMPACT INFRASTRUCTURE TRANSITION DEBT	2022	AT, BE, DE, DK, ES, FI, FR, GR, IE, IS, IT, LU, NL, NO, PT, SE
MULTI ASSET				
CONSOB	8A+ INVESTIMENTI SGR S.P.A.	8A+ REAL ITALY - ELTIF	2021	IT
CONSOB	AMUNDI SGR S.P.A.	AMUNDI ELTIF AGRITALY PIR	2021	IT
CONSOB	ANIMA SGR S.P.A.	ANIMA ELTIF ITALIA 2026	2021	IT
CONSOB	ANTHILIA CAPITAL PARTNERS SGR S.P.A.	ANTHILIA ELTIF ECONOMIA REALE ITALIA	2021	IT
CONSOB	EURIZON CAPITAL SGR S.P.A.	EURIZON ITALIAN FUND - ELTIF	2019	IT
CONSOB	EURIZON CAPITAL SGR S.P.A.	EURIZON PIR ITALIA - ELTIF	2021	
CSSF	GOLDMAN SACHS ASSET MANAGEMENT FUND SERVICES LIMITED	GOLDMAN SACHS ALTERNATIVES SICAV - (subfund) PRIVATE MARKETS ELTIF	2022	AT, BE, DE, DK, ES, FI, FR, GR, IE, IT, LU, NL, NO, PL, PT, SE, SL
CSSF	GOLDMAN SACHS ASSET MANAGEMENT FUND SERVICES LIMITED	GOLDMAN SACHS ALTERNATIVES SICAV - (subfund) PRIVATE MARKETS ELTIF II	2023	Not yet marketed
CSSF	KAIROS PARTNERS SGR SPA	KAIROS ALTERNATIVE INVESTMENT S.A. SICAV - (subfund) RENAISSANCE ELTIF	2021	IT
CSSF	PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP PRIVATE MARKETS ELTIF SICAV	2021	BE, CY, CZ, DE, DK, GR, ES, FI, FR, IE, IT, LU, LI, MT, NL, PL, NO, PT, SE

CSSF	PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP PRIVATE MARKETS II SICAV	2023	BE, CY, CZ, DK, ES, FI, IE, IT, LU, NL, NO, PL, PT, FR, GR, LI, SE, DE
PRIVATE DEBT				
CSSF	AMUNDI ASSET MANAGEMENT SAS	AMUNDI REAL ASSETS FUNDING S.C.A., SICAV-RAIF - (subfund) AMUNDI COMMERCIAL REAL ESTATE LOANS II (ELTIF)	2022	AT, BE, DE, DK, ES, FI, FR, IT, LU, NL, NO, SE
CSSF	AMUNDI ASSET MANAGEMENT SAS	AMUNDI REAL ASSETS FUNDING S.C.A., SICAV-RAIF - (subfund) AMUNDI SENIOR IMPACT DEBT IV (ELTIF)	2021	EU
CSSF	AMUNDI LUXEMBOURG S.A.	PI SOLUTIONS - (subfund) AMUNDI ELTIF LEVERAGED LOANS EUROPE	2020	AT, DE, ES, FR, IT
CSSF	AZIMUT INVESTMENTS S.A. / MUZINICH & CO. SGR S.P.A	AZIMUT ELTIF - PRIVATE DEBT CAPITAL SOLUTIONS	2021	IT
CSSF	AZIMUT INVESTMENTS S.A. / MUZINICH & CO. SGR S.P.A	AZIMUT PRIVATE DEBT CAPITAL SOLUTIONS II - ELTIF	2023	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE DEBT DIGITAL LENDING	2021	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE DEBT DIGITAL LENDING II	2022	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE DEBT DIGITAL LENDING III	2023	IT
AMF	BNP PARIBAS ASSET MANAGEMENT FRANCE	BNP PARIBAS EUROPEAN SME DEBT FUND	2016	FR, LU, BE
CSSF	BNP PARIBAS ASSET MANAGEMENT FRANCE	BNP PARIBAS EUROPEAN SME DEBT FUND 2 S.C.SP.-RAIF	2019	AT, BE, DE, FR, IT, NL
CSSF	BNP PARIBAS ASSET MANAGEMENT FRANCE	BNP PARIBAS EUROPEAN SME DEBT FUND 3 SA SICAV-RAIF ELTIF	2023	AT, BE, DE, ES, FR, IE, IT, NL, PT, LU
CSSF	M&G INVESTMENT MANAGEMENT LIMITED	LUXEMBOURG SPECIALIST INVESTMENT FUNDS (3) SICAV- (subfund) M&G CORPORATE CREDIT OPPORTUNITIES ELTIF	2023	BE, DK, ES, FI, GR, IE, IT, NL, NO, PT, SE, LI, DE, FR, AT
CSSF	MUZINICH & CO. (IRELAND) LIMITED	MUZINICH EUROPEAN LOANS 4 ELTIF SICAV, S.A.	2021	ES
CSSF	MUZINICH & CO. (IRELAND) LIMITED	MUZINICH FIRSTLIGHT MIDDLE MARKET ELTIF SICAV, S.A.	2019	AT, DE, ES, FR, IT
CSSF	MUZINICH & CO. (IRELAND) LIMITED	MUZINICH TARGET LOANS 2025 ELTIF SICAV, S.A.	2021	IT
CSSF	NATIXIS INVESTMENT MANAGERS INTERNATIONAL	NATIXIS FUND S.C.A. SICAV-RAIF - (subfund) MV SUBORDINATED - NATIXIS ELTIF	2021	ES
AMF	OCTOBER FACTORY	OCTOBER ITALIAN SME FUND 1	2019	FR
AMF	OCTOBER FACTORY	October SME II	2016	FR
AMF	OCTOBER FACTORY	October SME III	2018	IT
AMF	OCTOBER FACTORY	OCTOBER SME IV	2020	FR
AMF	OCTOBER FACTORY	OCTOBER SME V	2022	FR
CSSF	OQUENDO CAPITAL SGEIC S.A.	OQUENDO IV ELTIF S.C.A. SICAV-RAIF	2020	ES
CSSF	OQUENDO CAPITAL SGEIC S.A.	OQUENDO SENIOR DEBT FUND II ELTIF S.C.A. SICAV-RAIF	2022	ES, FR, IT
CSSF	PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP PRIVATE MARKETS CREDIT STRATEGIES ELTIF S.C.A., SICAV- (subfund) CREDIT STRATEGIES 2017 (EUR)	2017	AT, DE, DK, ES, FI, IT, SE
CNMV	SOLVENTIS, SGIIC, S.A.	FONDO DE INNOVACION, FILPE	2018	ES
CNMV	TALDE GESTIÓN, SGEIC,S.A.	TALDE DEUDA ALTERNATIVA, FILPE	2019	ES

AMF	TIKEHAU INVESTMENT MANAGEMENT	ELTIF TIKEHAU DIRECT LENDING	2020	
CSSF	WAYSTONE MANAGEMENT COMPANY (LUX) S.A. / ZENON ASSET MANAGEMENT	TREA DIRECT LENDING ELTIF S.C.A., SICAV-RAIF - (subfund) TDL III ELTIF COMPARTMENT	2021	PT, ES, West Europe
		PRIVATE EQUITY		
CSSF	AMUNDI LUXEMBOURG S.A.	PI SOLUTIONS - (subfund) AMUNDI ELTIF PRIVATE INVESTMENT CAPITAL OPPORTUNITY	2022	DE, IT
CSSF	AMUNDI LUXEMBOURG S.A.	PI SOLUTIONS - (subfund) AMUNDI PARTNERS INVESTINDUSTRIAL PRIVATE EQUITY	2023	EU, UK
AMF	AMUNDI PRIVATE EQUITY FUNDS	AMUNDI ETI MEGATENDANCES	2018	FR, IT
AMF	AMUNDI PRIVATE EQUITY FUNDS	CAA ETI MEGATENDENCES	2017	FR, IT
CSSF	AZIMUT INVESTMENTS S.A.	AZIMUT ELTIF - VENTURE CAPITAL DIGITECH EUROPE	2023	IT
CSSF	AZIMUT INVESTMENTS S.A. / BROADLIGHT CAPITAL MANAGEMENT, LLC	AZIMUT ELTIF - PRIVATE EQUITY BROADLIGHT	2022	IT
CSSF	AZIMUT INVESTMENTS S.A. / HIGHPOST CAPITAL, LLC	AZIMUT ELTIF - PRIVATE EQUITY HIGHPOST	2022	IT
CSSF	AZIMUT INVESTMENTS S.A. / P101 SGR S.P.A.	AZIMUT ELTIF - VENTURE CAPITAL P103	2022	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE EQUITY OPHELIA	2021	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE EQUITY PENINSULA - TACTICAL OPPORTUNITY	2021	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - PRIVATE EQUITY VALSABBINA	2023	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - VENTURE CAPITAL ALICROWD	2021	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - VENTURE CAPITAL ALICROWD II	2022	IT
CSSF	AZIMUT INVESTMENTS S.A. / AZIMUT LIBERA IMPRESA SGR S.p.A.	AZIMUT ELTIF - VENTURE CAPITAL ALICROWD III	2023	IT
CSSF	AZIMUT INVESTMENTS S.A. / HIGHPOST CAPITAL LLC	AZIMUT ELTIF - VENTURE CAPITAL HIPSTR	2023	IT
CSSF	BLACKROCK FRANCE S.A.S.	BLACKROCK ALTERNATIVE FUNDS II ELTIF SICAV - (subfund) BLACKROCK PRIVATE EQUITY ELTIF	2023	BE, CZ, DE, DK, ES, FI, FR, GR, HU, IE, IS, IT, LU, MT, NL, NO, PL
CSSF	BLACKROCK FRANCE S.A.S.	BLACKROCK ALTERNATIVE FUNDS S.C.A., SICAV-RAIF - (subfund) BLACKROCK PRIVATE EQUITY OPPORTUNITIES ELTIF	2019	BE, DE, DK, GR, ES, FI, FR, IE, IT, LU, MT, NL, PT, SE, NO
CSSF	BLACKROCK FRANCE S.A.S.	BLACKROCK ALTERNATIVE FUNDS S.C.A., SICAV-RAIF - (subfund) BLACKROCK FUTURE GENERATIONS PRIVATE EQUITY OPPORTUNITIES ELTIF	2023	LU, BE, CZ, DE, DK, ES, FI, FR, GR, IS, IE, IT, NL, NO, PL, PT, SE
CONSOB	CREDEM PRIVATE EQUITY SGR S.P.A.	ELTIFPLUS	2021	IT
CONSOB	EQUITA CAPITAL SGR S.P.A.	EQUITA SMART CAPITAL - ELTIF	2021	IT
AMF	EURAZEO FUNDS MANAGEMENT LUXEMBOURG	FCPR EURAZEO ENTREPRENEURS CLUB	2019	FR
AMF	EURAZEO FUNDS MANAGEMENT LUXEMBOURG	FONDS NOV SANTE ACTIONS NON COTEES	2021	FR
CNMV	FINECO, SGIIC, S.A.U.	BIDEGIÑ I FILPE	2023	ES
AMF	MANDARINE GESTION	NOVESS - LE FONDS ESS	2020	FR
AMF	MIROVA	MIROVA ENVIRONMENT ACCELERATION CAPITAL S.L.P	2021	FR, LU, ES, IT, DE, NL, BE, AT, NO, SE, FI

AMF	MONTEFIORE INVESTMENT	NOV TOURISME ACTIONS NON COTEES ASSUREURS - CAISSE DES DEPOTS RELANCE DURABLE FRANCE	2020	FR
CSSF	NEUBERGER BERMAN AIFM S.À R.L.	NB ALTERNATIVE FUNDS SICAV S.A. - (sub-fund) NB DIRECT PRIVATE EQUITY FUND A ELTIF	2021	BE, CS, DK, FI, FR, DE, IE, IT, LU, NL, PT, ES, SE, UK, CH
CSSF	NEUBERGER BERMAN AIFM S.À R.L.	NB ALTERNATIVE FUNDS SICAV S.A. - (sub-fund) NB DIRECT PRIVATE EQUITY FUND 2022 ELTIF	2022	BE, CS, DK, FI, FR, DE, IE, IT, LI, LU, NL, NO, PT, ES, SE, CH
CSSF	NEUBERGER BERMAN AIFM S.À R.L.	NB ALTERNATIVE FUNDS SICAV S.A. - (sub-fund) NB DIRECT PRIVATE EQUITY FUND 2024 ELTIF (Effective 13 March 2024, the fund name changed from NB Direct Private Equity Fund 2023 ELTIF to NB Direct Private Equity Fund 2024)	2022	AT, BE, DK, FI, FR, DE, GR, IT, LI, LU, NL, NO, PT, ES, SE, UK, CH
CSSF	PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP DIRECT EQUITY ELTIF S.C.A., SICAV-SIF - (subfund) PARTNERS GROUP DIRECT EQUITY 2016 (EUR) ELTIF	2016	AT, BE, CY, DE, ES, FI, FR, IE, NL, SE
CSSF	PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP DIRECT EQUITY II ELTIF SICAV	2022	BE, DE, DK, ES, FR, IE, IT, NL, PT, SE, AT, LI
CSSF	SCHRODER INVESTMENT MANAGEMENT (EUROPE) S.A.	SCHRODERS CAPITAL - (subfund) PRIVATE EQUITY ELTIF 2023	2023	AT, BE, DE, DK, ES, FI, FR, GR, IE, IS, IT, LU, NL, NO, PT, SE
AMF	TURENNE CAPITAL PARTENAIRES SAS	FPCI CAPITAL SANTE 2	2019	FR, LU, BE, NL
AMF	TURENNE CAPITAL PARTENAIRES SAS	FPCI EMERGENCE ETI	2016	FR
AMF	TURENNE CAPITAL PARTENAIRES SAS	NOV RELANCE IMPACT	2021	FR
AMF	TURENNE CAPITAL PARTENAIRES SAS	SLP SELECTION & OPPORTUNITES	2020	FR, LU
PUBLIC EQUITY				
CONSOB	ALGEBRIS INVESTMENTS (IRELAND) LIMITED / HEDGE INVEST SGR S.P.A.	HI ALGEBRIS ITALIA ELTIF	2021	IT
CONSOB	ALGEBRIS INVESTMENTS (IRELAND) LIMITED / HEDGE INVEST SGR S.P.A.	HI ALGEBRIS PMI INNOVATIVE ELTIF	2023	IT
REAL ESTATE				
CSSF	AMUNDI LUXEMBOURG S.A.	PI SOLUTIONS - (subfund) AMUNDI REALTI	2022	FR, CZ, DE, BE, ES, NL, AT, IT, LU
CSSF	EURAZEO FUNDS MANAGEMENT LUXEMBOURG	EURAZEO EUROPEAN REAL ESTATE II ELTIF PRIVATE FUND, SCSP SICAV-SIF	2022	FR
CSSF	PARTNERS GROUP (LUXEMBOURG) S.A.	PARTNERS GROUP GLOBAL PROPERTIES	2023	
CSSF	PICTET ALTERNATIVE ADVISORS (EUROPE) S.A.	PICTET REAL ESTATE CAPITAL ELEVATION CORE PLUS ELTIF SICAV - (subfund) CD	2021	LU, AT, BE, CY, DE, DK, ES, FI, FR, GR, IE, IT, MT, NL, PT, SE
UNASSIGNED				
CSSF	FONDACO LUX S.A.	THE BLOSSOM ELTIF II	2016	

Source: ESMA, asset managers and own research

Related research

European ELTIF study 2023: Market survey and outlook
European ELTIF study 2022: Market volume significantly larger than thought

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