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BlackRock

Innovation & Trends in Private Markets through ELTIFs

Content



01 The case for private markets

02 Private markets through ELTIFs

03 ELTIF 2.0 since 2024

04 Adoption in The Netherlands

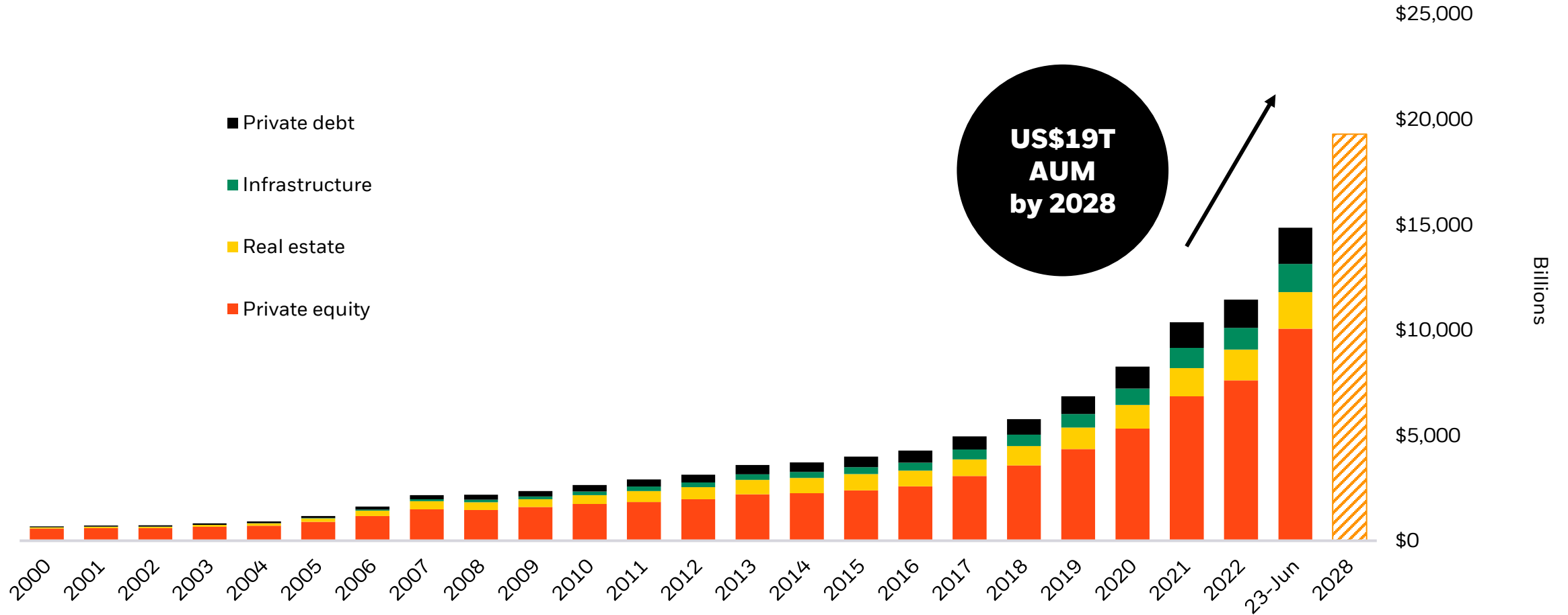
05 Conclusion

01

The case for private markets



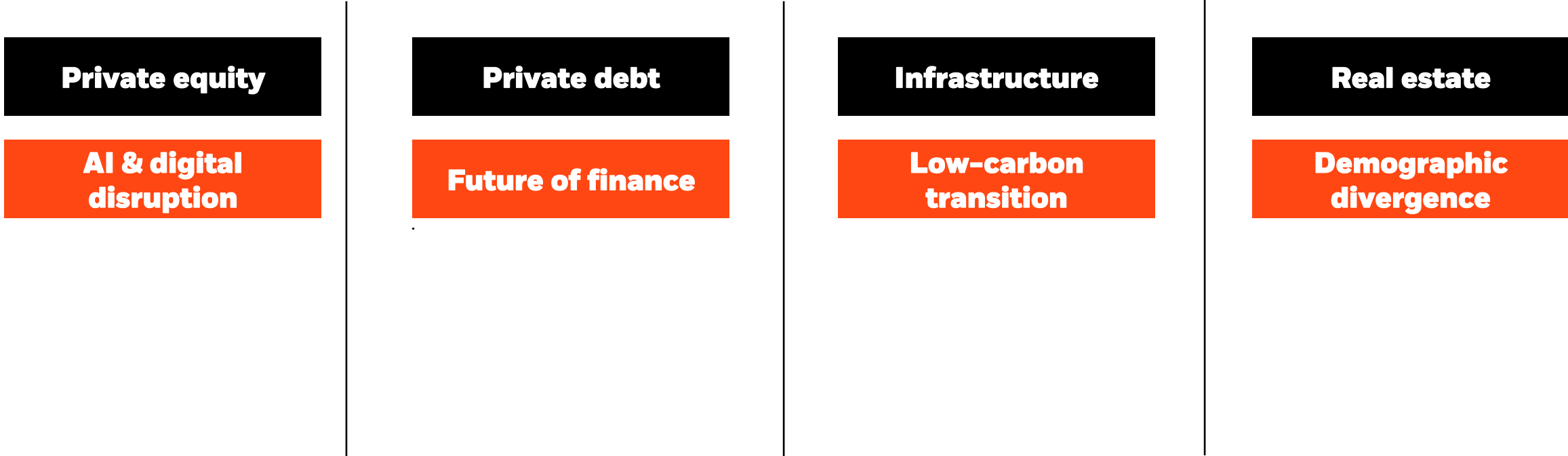
The growth of private markets continues to accelerate...



Sources: Preqin, annualized AUM as of 6/30/2023. \$19T AUM Preqin "The Future of Alternatives," 2024. All figures are in USD. Forecasts are not guaranteed and subject to change.

2024 private markets outlook & opportunities in today's mega forces

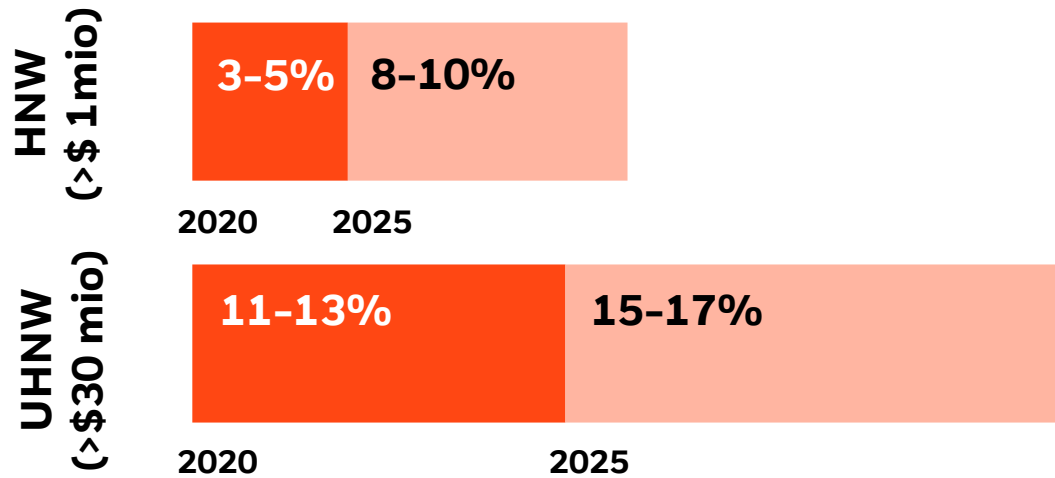
We've identified the big, structural changes that are reshaping our world: the mega forces. We believe four of these mega forces offer major investment opportunities across private markets asset classes.



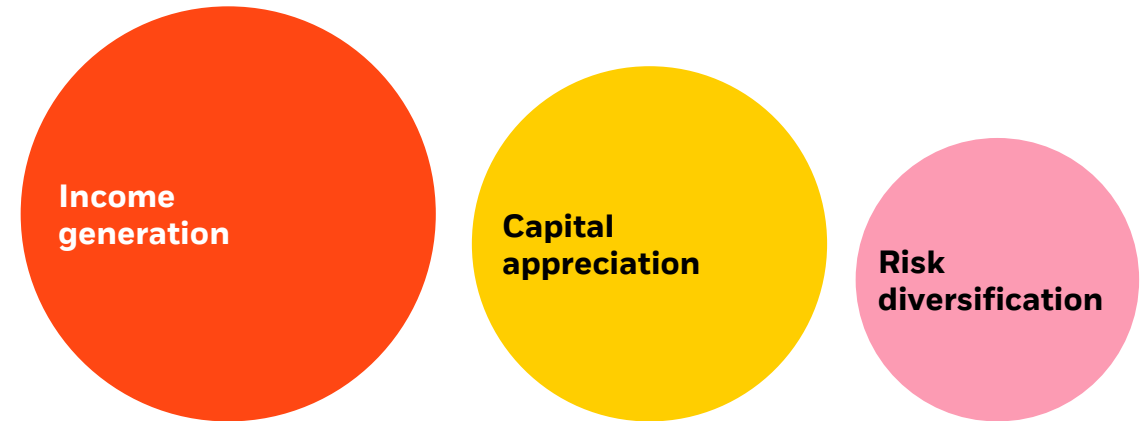
Source: BlackRock, 2024 Private Markets Outlook, 12 December 2023.

...and wealth clients want to access its benefits.

Wealth clients want to invest in private markets¹
Private markets allocations by investor type



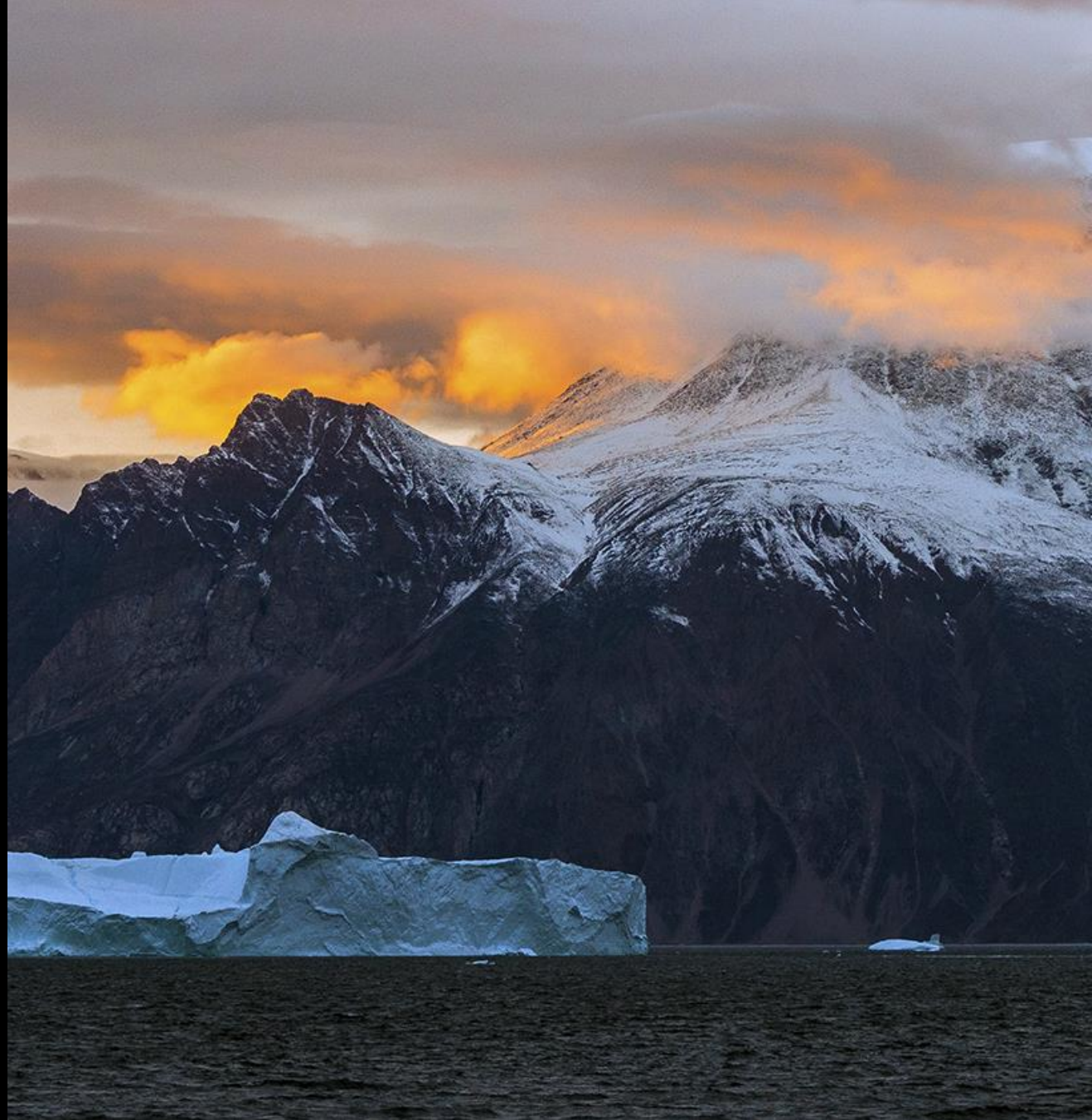
Top three considerations investors are turning to private markets²



There is no guarantee that any forecasts made will come to pass. 1 Oliver Wyman and Morgan Stanley Research Wealth and Asset Management Report, Competing for Growth. Published June 2021. High Net Worth (HNW) and Ultra High Net Worth (UHNW). Private Markets excludes liquid alternatives. 2 BlackRock 2023 Global Private Markets Survey.

02

Private markets through ELTIFs



European Long-Term Investment Fund (ELTIF)

01.

A design that breaks down barriers to entry

The ELTIF is the first wrapper that allows a scalable and regulated pan-European distribution of private markets investments across different investor types.

02.

Driving Europe's economic growth

The EU views the ELTIF as a powerful vehicle to boost investment and reduce the public funding gap in the economy. Rapid growth for the ELTIF is expected – the European Parliament has forecasted €100bn AuM by 2028.¹

03.

Democratising private markets for European investors

Adding private markets to clients' portfolios can lead to increased diversification, enhanced returns and a hedge against inflation.

Diversification and asset allocation may not fully protect you from market risk. There is no guarantee that any forecasts made will come to pass. For illustrative purposes only. Source: BlackRock, as of 31 May 2023. 1 State Street Insights, 'ELTIF 2.0: Reforms Set to Drive Significant Growth in European Private Markets', June 2023. 2 ELTIF

Private Markets through ELTIFs

Global Financial Crisis

Since 2015 after Global Financial Crisis

Private Investors

in Europe to insure economic stability growth

Financing projects and companies

in Europe

Invest in long-term equity

and some debt in real economy

European regulatory regime

For dedicated protection

Managed by authorized AIFM

Alternative Investment Fund Managers

124 ELTIFs in 2024¹

Offered by various asset managers

Source: 1. Simmons + Simmons presentation Nov 24

03

Since 2024 ELTIFs 2.0

ELTIF 2.0 was launched in 2024

To make investments in Private Markets more attractive for everyone

- **Broader Scope of Eligible Assets**
- **Removal of Minimum Investment Threshold**
- **Open-Ended and Evergreen Strategies**
- **Simplified Distribution and harmonized with MIFID II**
- **Tax incentives in some countries**
- **In essence, an ELTIF 2.0, like UCITS are both EU-regulated fund types but serve distinct investor needs and investment strategies**

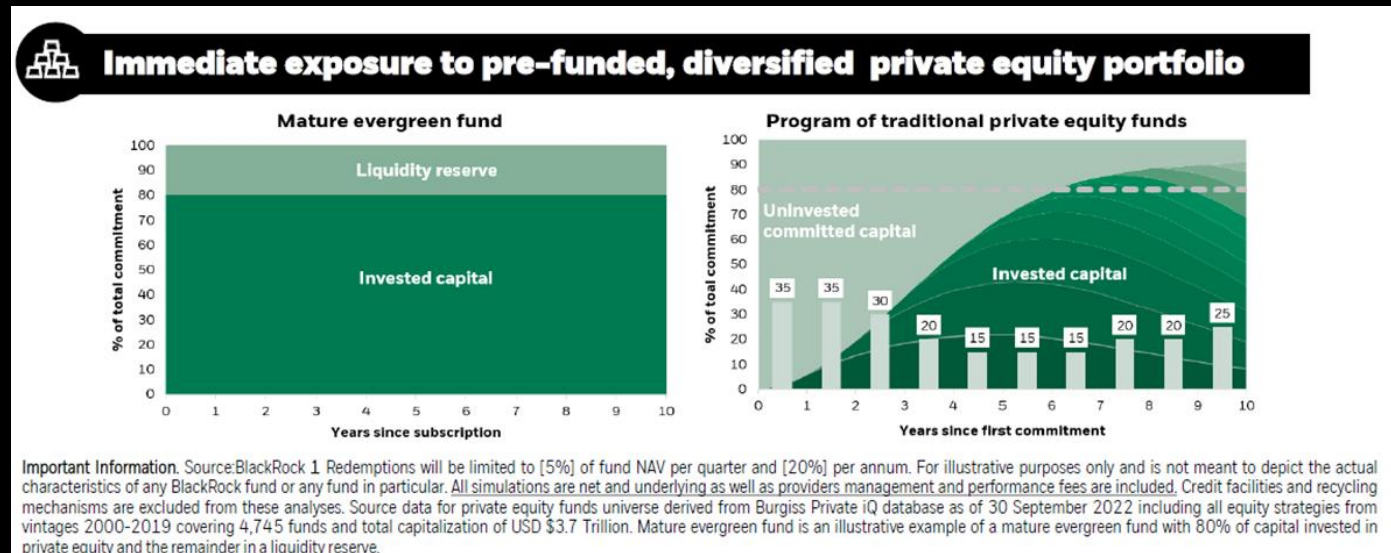
Improvement from an investor standpoint

1. Lower costs
2. Liquidity
3. Transparency
4. Eligible asset classes
5. Valuation
6. Unitization
7. Regulation

For illustrative purposes only. Subject to change

Introduction of ELTIF 2.0 with a liquidity reserve

- 80% is private markets and 20 % listed or cash
- Immediate exposure
- The manager will do cash flow management
- A more realistic monthly NAV
- Further improvement in liquidity



For illustrative purposes only. Subject to change

04

Adoption in Netherlands

ELTIF 2.0 in the Netherlands

- 1. Increased number of flavors**
- 2. Single- or multi asset classes**
- 3. New audience that will speed up the process**
- 4. NL Pension reform, APF and DC**
- 5. An intermediate step to Private Markets**

For illustrative purposes only. Subject to change



05

Conclusion

Summarize key points ELTIF



Wrapper lowers entry barriers

Private Markets accessible for all investors



More eligible assets

Real assets, Small Medium Enterprises, Private equity and debt



Regulatory framework

Managed by authorized AIFMs and adhere to strict regulations



More liquidity and flexibility

Flexible redemption policy and unitization



Diversification requirements

Requirements to mitigate investment risk



Marketing & Distribution

ELTIF easy to be promoted in the EU

Risk Warnings & Important Information



Risk Warnings

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially.

Levels and basis of taxation may change from time to time and depend on personal individual circumstances.

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