Marketing communication
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KLARPHOS

Private Debt Webinar

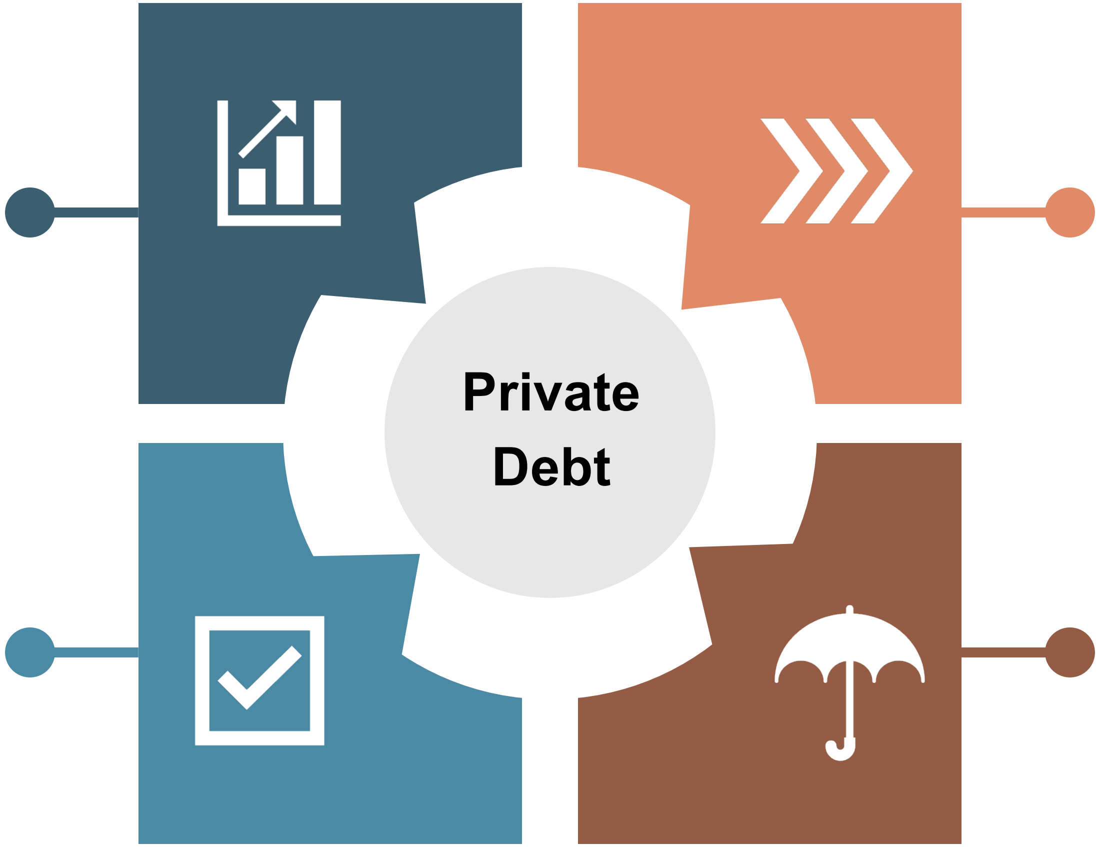
Private Debt – Strong Performance and Unique Advantages in Today’s Market

Attractive Returns

- Senior Direct Lending & ABF/SF yield 10%+ due to higher rates and margins.
- Opportunistic Credit returns 15-20%, offering Private Equity like returns.

Structural Advantages

- Loans are self-liquidating, income distributing, unlike Private Equity, which requires exits.
- Enhanced covenants and lower leverage improve overall credit quality.



Strong Market Position

- Private Debt has outperformed peer asset classes in both public and private markets, which is expected to continue.
- Private Debt provides essential financing to middle-market borrowers as banks retrench and public market liquidity wanes.

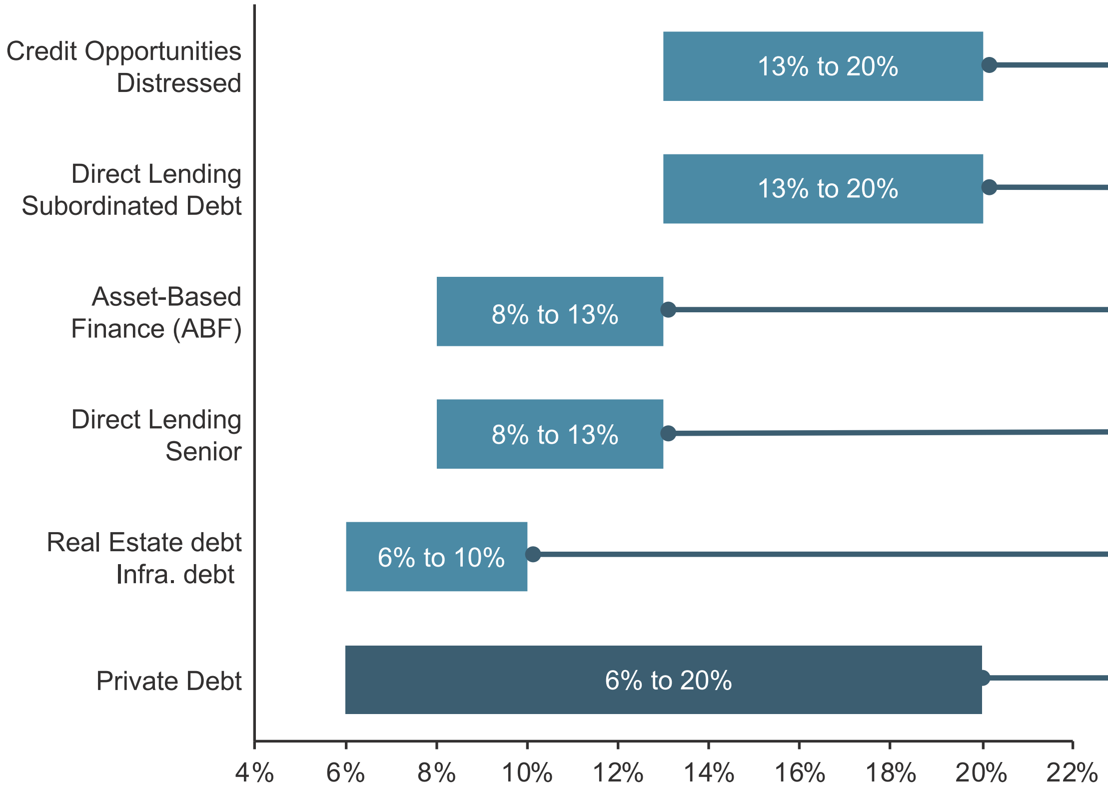
Diversification

- Exposure to lower and middle market borrowers offers low correlation to traditional markets.
- Floating rates limit interest rate risk, with additional protection from rate floors.

Source: Klarphos 2025

Private Debt return universe

Expected long-term ('through cycle’) gross IRRs



Credit Opportunities / Distressed: we believe we are in an early stage of the distressed debt cycle because default rates are still low. An excellent opportunity to invest

Direct Lending Subordinated: less competitive space. Upper Mid Market dominated by 3 to 4 firms

ABF: less crowded, market specialization and dedicated resources are required; sub-asset classes: aircraft leasing, maritime finance, consumer ABL, litigation or royalties finance, NAV lending etc.

Direct Lending - Senior: stiff competition and lack of differentiation among players. We believe selectivity is key among different platforms

Real Estate and Infra debt: low yielding strategies with high competition from Asset Managers and Banks, currently less attractive risk-adjusted returns

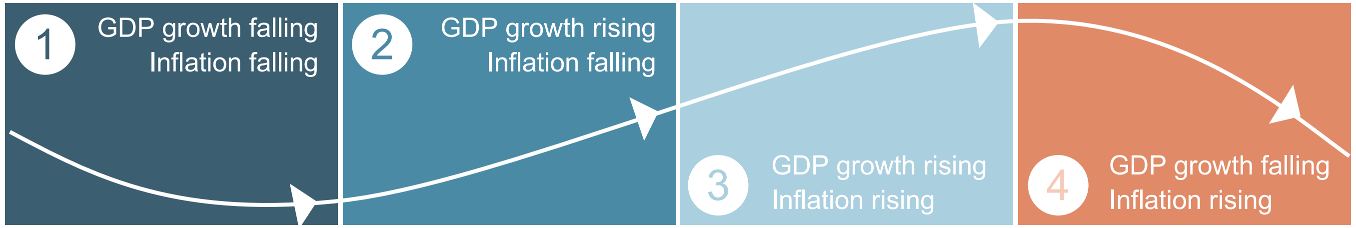
Guidance:

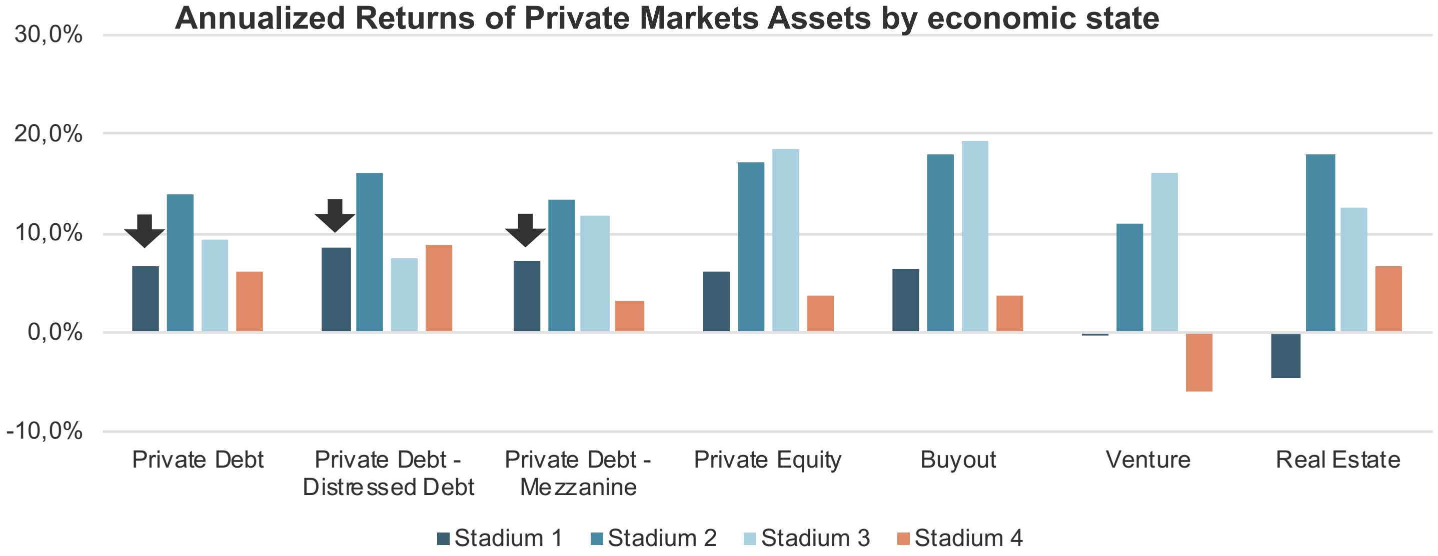
- *Gross IRRs reflect targets from potential underlying managers*
- *The difference between the lower and the upper end of the range is usually based on use of **leverage, concentration or risk appetite***
- *Our aim is to find the **best risk adjusted performers***

Source: Klarphos and Preqin, 2024; Returns above are based on target estimated gross IRR

Private Debt offers a genuine all-weather solution - window of opportunity to gain exposure

The 4 states of the market cycle





Our current view

- Markets started to transition from state 3 to state 4 in the economic cycle in 2021. Following the slowdown in inflation, we have now completed the transition to state 1.
- Appropriate portfolio construction needs diversification and anchors to Private Debt strategies, which can be resilient in any macro 'state'.
- Private Debt has demonstrated remarkable resilience during periods of declining GDP and high interest rates (see arrows).
- Focus on credit managers who have presented low annualized credit losses over multiple market cycles. This provides access to diversified Private Debt portfolios with consistent cash-flow returns and minimal drawdown risk.

Note: This study is based on the identification of macroeconomic stages (Bloomberg) and the corresponding mapping of asset class performance (Preqin) to these stages; Source: Klarphos, Bloomberg, Preqin; period 2000 to Q12024

Enhance Diversification and Resilience with Private Debt

Correlation Heatmap

		Sovereign EUR	Corporate EUR	Equity EUR	Real Estate EUR	Infra EUR	Private Equity	Opportunistic Credit	Direct Lending	Asset-Based Finance
	Sovereign EUR	1								
	Corporate EUR	0,8	1							
	Equity EUR	0,1	0,4	1						
	Real Estate EUR	0,4	0,6	0,7	1					
	Infra EUR	0,2	0,4	0,8	[illegible]	1				
	Private Equity	0	0,1	0,3	0,3	0,2	1			
Private Debt	Opportunistic Credit	-0,1	0,1	0,4	0,3	0,3	0,7	1		
Private Debt	Direct Lending	0	0,2	0,4	0,3	0,2	0,7	0,8	1	
Private Debt	Asset-Based Finance	0	0,1	0,1	0,2	0,1	0,1	0,2	0,3	1

(Opportunistic Credit, Direct Lending, Asset-Based Finance: Private Debt)

- The inclusion of **Private Debt** offers significant diversification benefits within a broader asset allocation strategy.
- **Private Debt substrategies** are demonstrating **favorable correlations** relative to public markets, enhancing portfolio resilience.
- **Asset-Based Finance** stands out with **low correlations** to both public and private markets, emphasizing its valuable role in diversifying portfolios.

Source: Klarphos, Preqin 2025

Vantage Evergreen Private Debt Fund: Solvency Capital Requirement (SCR) Indication

Solvency II Basis SCR

- Market risk SCR ca. 11.7%
- Total basis SCR approx. 11.8% (low counterparty risk)
- Assumptions:
  - Look-through for target funds
  - Low interest rate risk due to floating rate exposure Duration floored at 1%
  - Exclusively EUR and USD exposure (USD exposure 41% and hedged); Equity exposure 5% (only Type 2)
  - Credit exposure exclusively unrated, spread duration of 3 years
  - Unrated collateralized exposure 15%; SCR benefit from collateral set at 25%
  - No securitizations
  - One FX forward counterparty ("A" rating)
  - Correlations between submodules according to regulation EU 2015/35

Market Risk

		SCR of market risk submodules						Market risk SCR (ex Currency risk)	
Asset Class	Exposure	Interest Rate Risk	Equity Risk	Property Risk	Spread Risk	Concentration Risk	Currency Risk	Absolute	Relative
Direct Lending	47.50%	1.41%	0.00%	0.00%	4.28%	0.00%	4.38%	5.13%	10.80%
Asset based lending	15.00%	0.47%	0.00%	0.00%	1.01%	0.00%	1.88%	1.31%	8.75%
Opportunistic/credit funds	17.50%	0.39%	2.45%	0.00%	1.13%	0.00%	1.56%	3.60%	20.57%
Liquid Alternative Credit	7.50%	0.19%	0.00%	0.00%	0.68%	0.00%	0.00%	0.79%	10.50%
Co-investments	10.00%	0.37%	0.00%	0.00%	0.90%	0.00%	2.50%	1.13%	11.34%
Cash	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Forwards							-10.25%		
Total	100.00%	2.84%	2.45%	0.00%	7.99%	0.00%	0.06%		

Market Risk SCR	11.72%

Counterparty Risk

Asset Class	Exposure	Counterparty Risk
FX Forwards	41.00%	0.12%
SCR		0.12%

Counterparty SCR	0.12%

Basic Solvency Capital Requirement

Market Risk SCR	11.72%
Counterparty Risk SCR	0.12%
Basic SCR	11.75%

Target Return	8.50%
Return on SCR	72.35%

Source: Klarphos 2025; Data basis: Expected portfolio exposure of the Vantage Evergreen Private Debt Fund

Efficient, diversified access to top-tier Private Debt exposure

Evergreen – Innovative and cost effective

Timing – Excellent opportunity set for new capital deployment into credit – best since GFC

Access – Tier 1 managers only, plus fee discounts

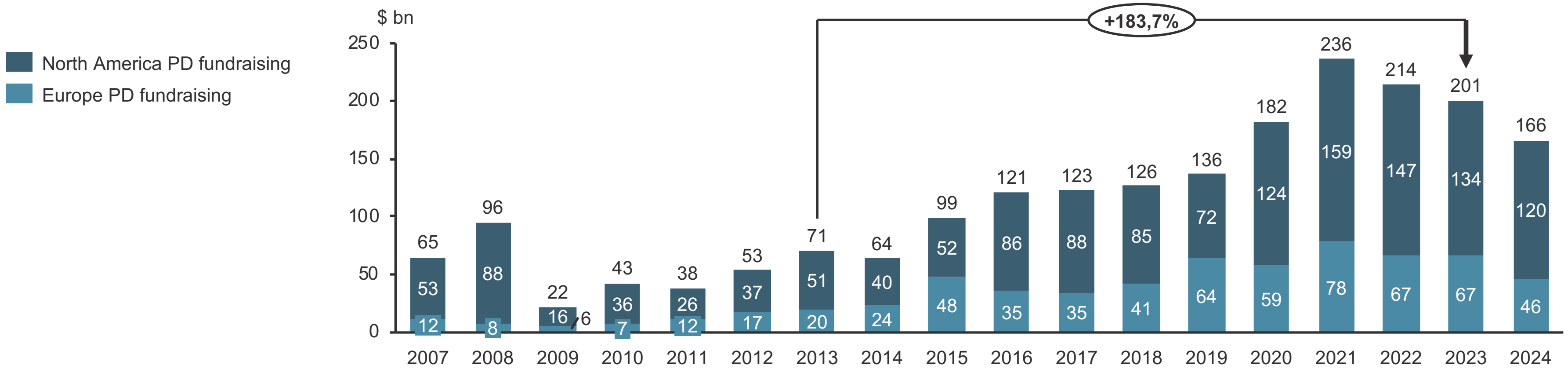
Portfolio – Fully diversified approach built by an experienced and specialized team

Longevity – Flexibility to adapt to all cycles scenarios and more aligned to fund structure trends

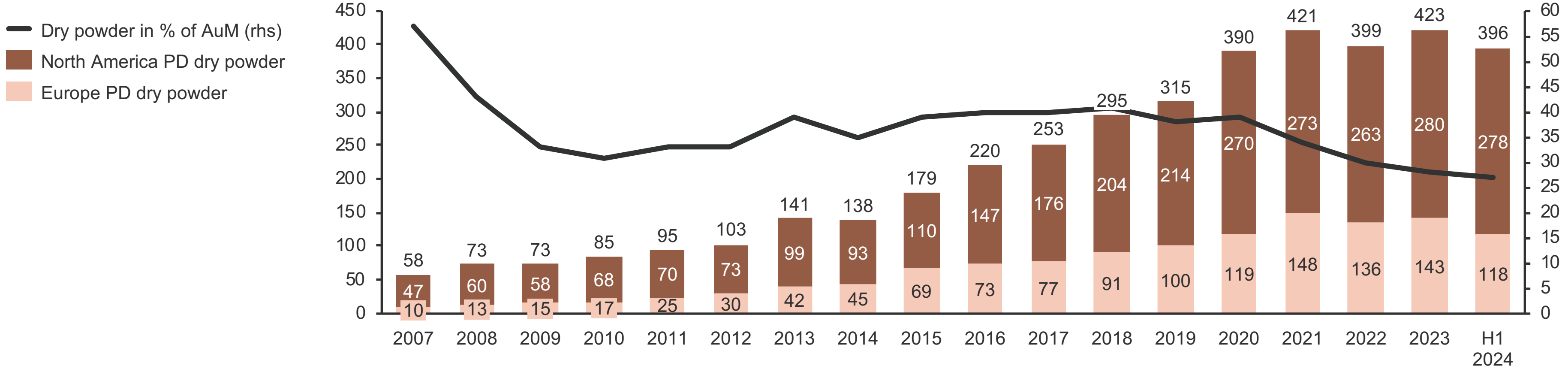
Plug and Play – Regulatory compliance and tailored reporting for insurance companies

Appendix I

Fundraising and dry powder of Private Debt



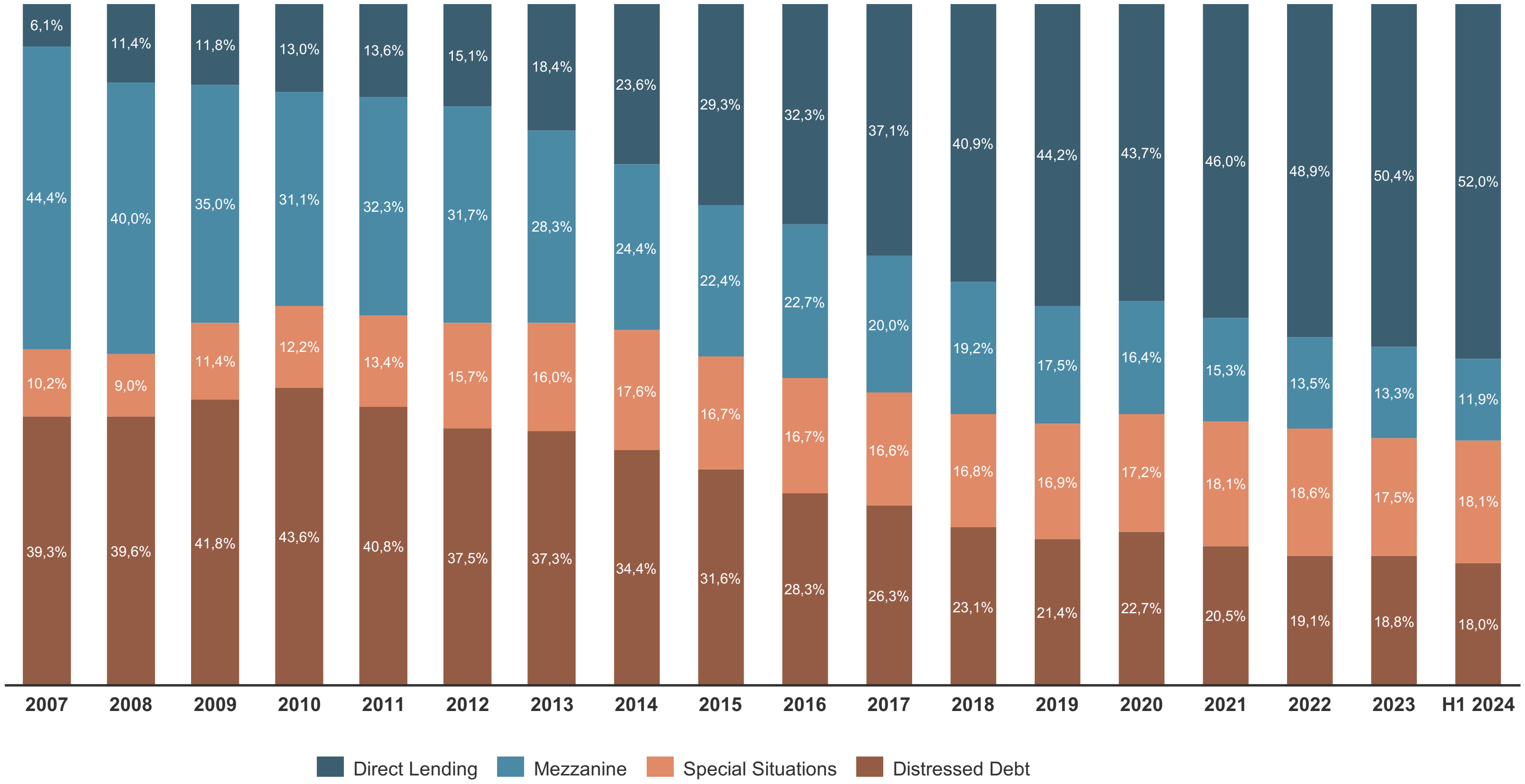
- Private Debt increased by 183,7% over the last 10 years
- European Private Debt market developed since the GFC and plays an instrumental role in investors' allocation



- Deployment pace of Private Debt strategies has been steadily increasing over the past 6 years
- Borrowers use Private Debt as source of funding together with other public market financing to optimize financing cost

Source: Klarphos, Preqin; Fundraising data as of March 2024 and dry powder data as of March 2024

Market share of Private Debt sub-strategies



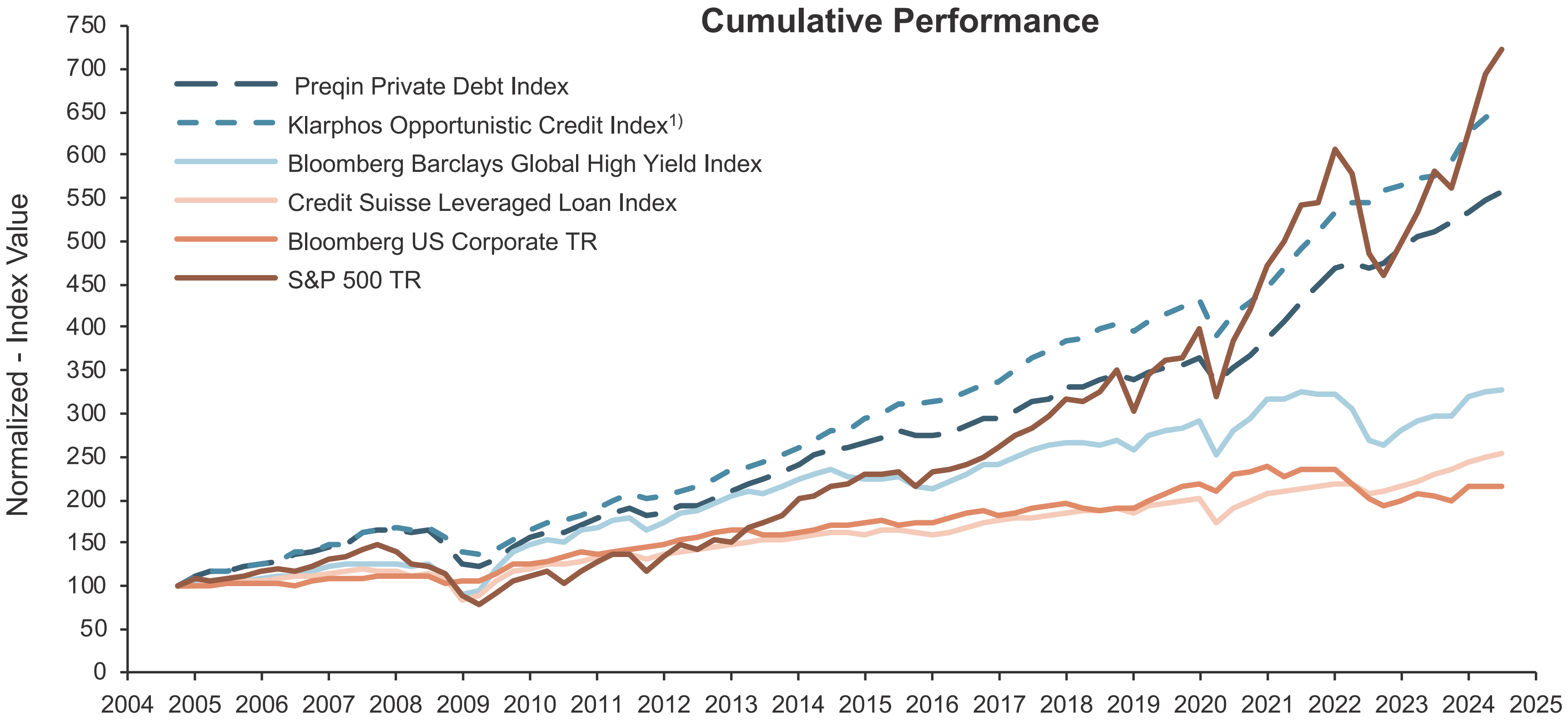
Improving valuation and increasing opportunity set in direct Lending/asset-based finance lead to higher conviction in Klarphos strategic asset allocation

Mezzanine and distressed debts market share has been continuously decreasing since the GFC. Both sectors face near-term headwind given late cycle dynamics

Opportunistic credit / special situation continues to provide compelling risk-reward

Source: Klarphos, Preqin; data as of March 2024; Global Private Debt market estimates

Private Debt produced persistent returns throughout the cycle



Private Debt returns vs other comparable asset classes such as High Yield Bonds, Levered Loans or Invest Grade Bonds are overwhelming.

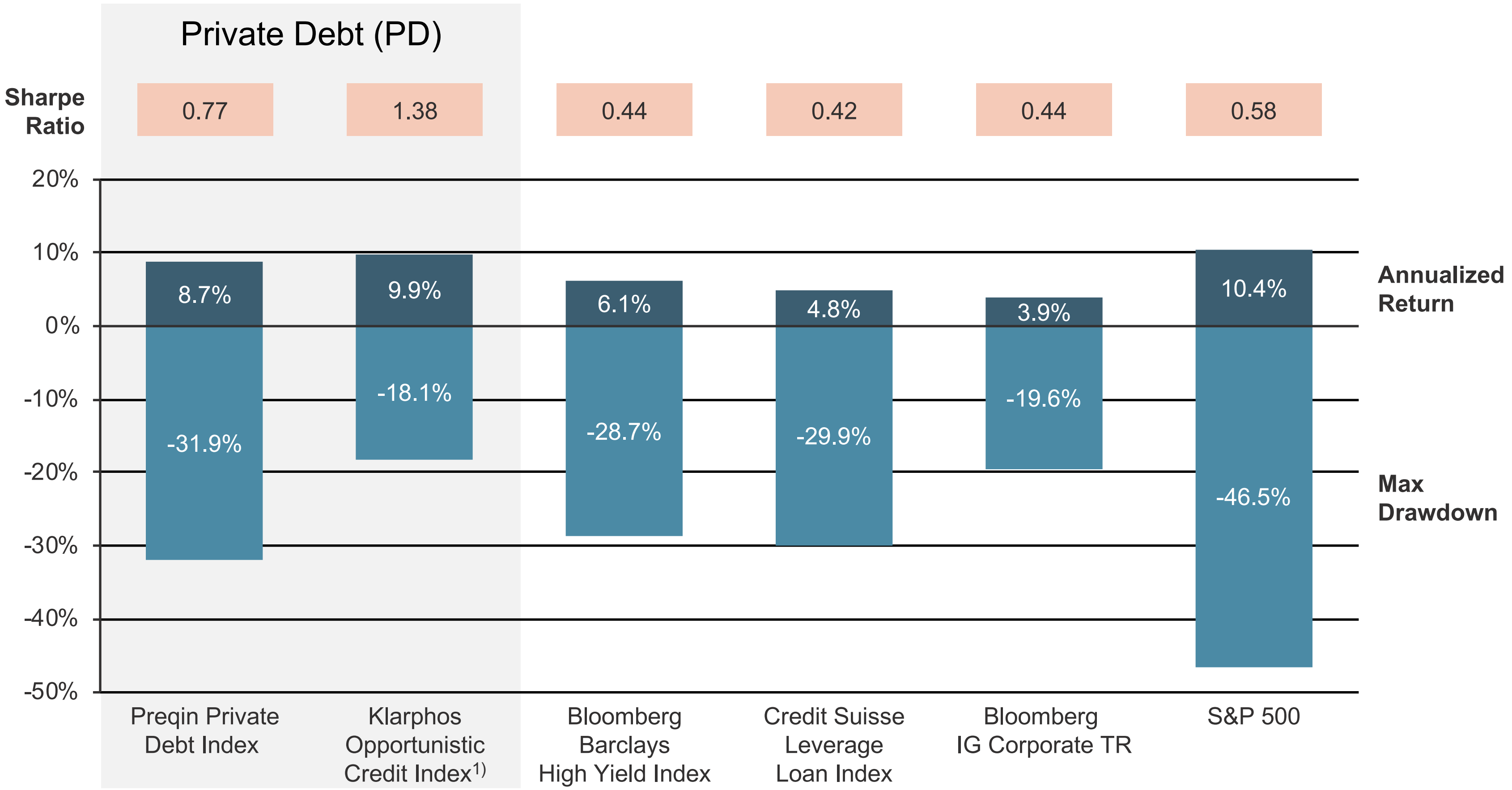
Private Debt faces more supportive technicals with high investor demand in tandem with potential deal flows from peer asset classes, i.e. maturity wave in the next 2 years for High Yield, followed by Leveraged Loans' maturity wall in 2028.

Private Debt has historically performed better and with more stable returns (lower volatility), generating also lower accumulated drawdowns.

This performance is mainly due to Private Debt's higher component of income (coupons are higher) and lower volatility.

1) The data is based on simulated performance based on historical data in the reference period. Klarphos Opportunistic Credit Index is a simulated index, equally weighted using 50% Preqin Private Debt – Mezzanine Index and 50% Preqin Private Debt – Distressed Index; Source: Cliffwater, Bloomberg, Preqin, Klarphos; Time period: September 30, 2004, to March 2024; Data extracted as of January 2025

Private Debt versus Public Markets

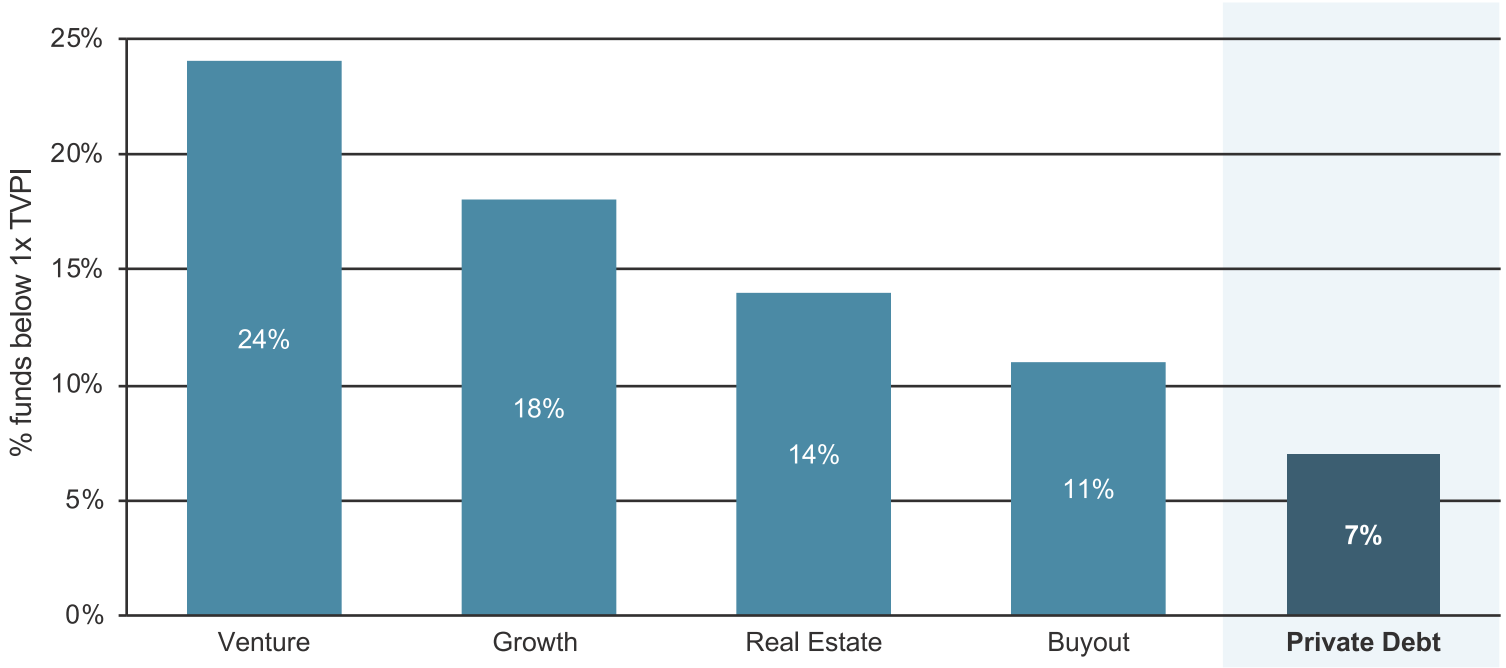


- Private Debt is a resilient investment proposition. Loans are floating and, historically, loss rates have been quite contained.
- It is more resilient vs. comparable public markets, because Private Debt contains mainly first-lien loans, all of them have several covenants, lenders control capital structures (which helps in case of workouts) and constant monitoring allow them to act early together with management teams.
- Private Debt generated (public) equity-like returns with a fraction of the volatility of public equity markets and limited drawdowns.
- Private Debt demonstrated a defensive and resilient nature and the capacity to protect capital when it was most needed: GFC, Covid crisis or 2022.

1) The data is based on simulated performance based on historical data in the reference period; Klarphos Opportunistic Credit Index is a simulated index, equally weighted using 50% Preqin Private Debt – Mezzanine Index and 50% Preqin Private Debt – Distressed Index;
Source: Cliffwater, Bloomberg, Preqin, Klarphos; Time period: September 30, 2004 to March 2024; Data extracted as of January 2025

The ‘Worst Case Scenario’ for Private Debt

Proportion of funds delivering less than 1x TVPI within each asset class



The graph offers a distinct visual representation of the potential for underperformance among different asset classes, specifically the likelihood of achieving returns below a 1x Total Value to Paid-In (TVPI) ratio.

Private Debt stands out with a low underperformance risk; only 7% of funds fail to reach the 1x TVPI benchmark.

In stark contrast, Venture Capital faces the highest risk with 24% of funds underperforming. This demonstrates that Private Debt's risk of underperformance is roughly one-third of that seen in Venture Capital and significantly lower than in other asset classes, highlighting its effectiveness at mitigating the frequency of underperforming funds.

Note: The displayed calculations derive from an analysis of the total number of funds with a reported TVPI on Preqin. The percentages represent the ratio of funds scoring below a TVPI of 1 compared to the overall quantity of funds in each respective asset class.
Source: Klarphos and Preqin; 2003 to 2023

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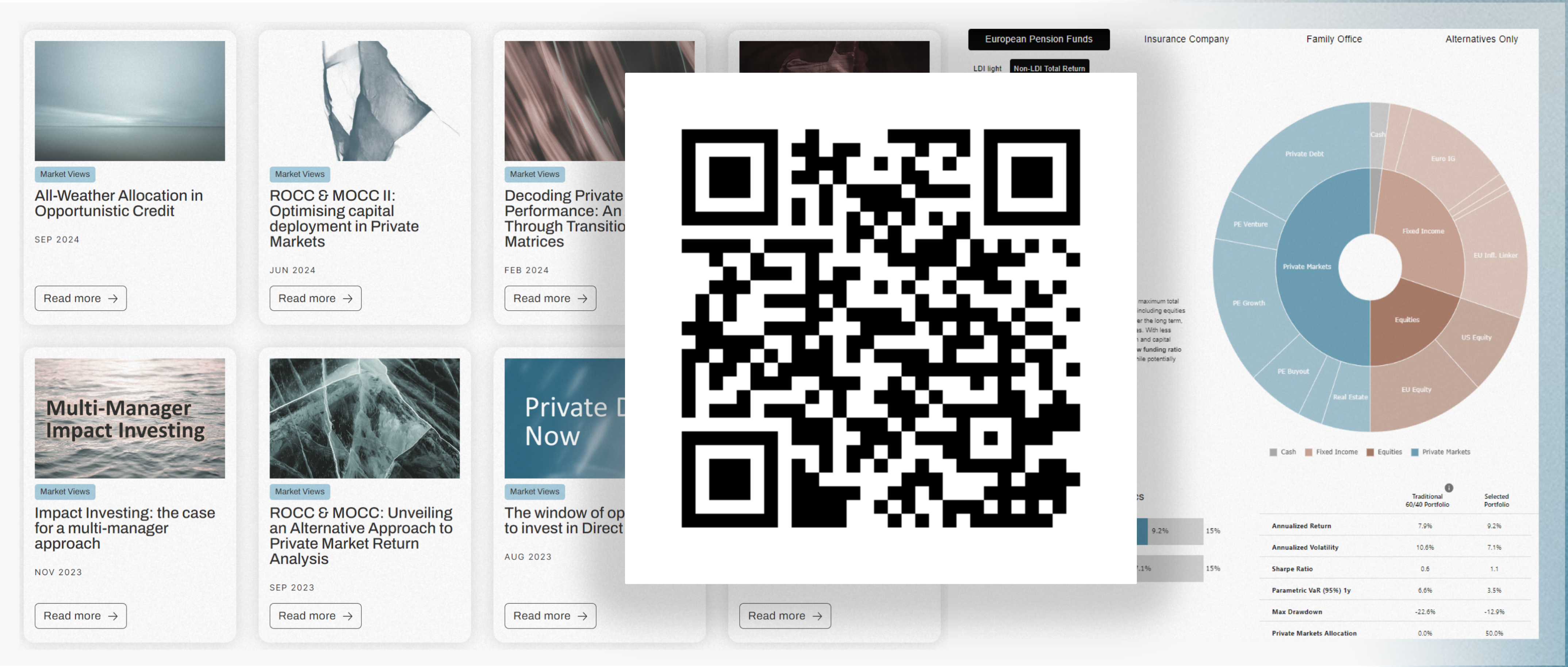

Appendix II: Definitions / Legal Disclaimer / Risk Disclosures

Definitions

Distributed to Paid-In Capital ("DPI") represents the amount of cash distributions received by investors as a percentage of the total amount of capital called. This measure shows how much of the capital invested has been returned to investors.

Multiple on Invested Capital ("MOIC") represents the total amount of distributions received and the total unrealized value of an investment divided by the total amount of capital invested. This measure shows how much of the original investment has been returned to investors. It is also called total value to paid-in (TVPI) and can be computed by adding DPI & RVPI.

Net internal rate of return ("IRR"): Represents the net rate of return on investments, calculates the rate that makes the sum of present values of all cash flows equal to the initial investment considering fees and expenses. This measure provides a more accurate picture of the actual return on investments. The net IRR may reflect the utilization of a subscription line of credit for Vantage Evergreen Private Debt Fund.

Residual Value to Paid-In ("RVPI") represents the total unrealized value of investments divided by the total amount of capital called.

Original Issue Discount (OID) represents the difference between the face value of a debt instrument (such as a bond or a note) and its issue price when it is first issued. OID arises when the debt instrument is issued at a price below its face value, and the difference between the two represents the OID.

Loan to value (LTV) is a financial metric used to assess the risk associated with a loan or debt investment by comparing the amount of the loan to the appraised value or market value of the underlying asset.

Most Favored Nations (MFN) is the concept that the first party will be entitled to at least as favorable terms as a second party in specified circumstances.

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Further information on costs related to the investment in the Fund can be found in the Fund’s private placement memorandum.

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Past performance is not indicative of future returns. Actual performance may vary. There can be no assurance that the strategy objectives will be realized or that the strategy will not experience substantial losses. Target IRR is hypothetical and is neither guarantee nor prediction nor projection of future performance. Alternative investments, by their nature, involve a substantial degree of risk, including the risk of total loss of capital. Alternative investments are suitable only for sophisticated well-informed investors.

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Risks and other Considerations

complete information on risks can be found in the Fund‘s private placement memorandum

Risks associated with investments: The performance of the shares depends on the performance of the investments of the fund. Past performance of the shares is not an assurance or guarantee of future performance.

The following list is not a complete list of all risks involved in connection with an investment in the fund. The risks will be described fully in an offering memorandum relating to Vantage Evergreen Private Debt Fund.

Market risk: The fund is exposed to the risk of loss resulting from fluctuations in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, credit spreads, equity prices, or foreign exchange rates. The latter applies in particular to the unhedged share class.

Liquidity risk: The investment is subject to redemption and transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and who is able to bear the risk inherent in such investment, with no certainty of return. The main part of the fund’s assets will generally have no, or only a limited, trading market. The fund’s investment in illiquid assets may restrict its ability to dispose of investments in a timely fashion or for a fair price. Illiquid assets may trade at a discount from comparable, more liquid assets.

Counterparty risk: The fund may enter into transactions in OTC markets, which will expose the fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

Conflicts of interest: Conflicts of interest may arise between Klarphos and/or investors or service providers.