

Bridgepoint Group

Acquisition of Kayne Anderson Real Estate

29 June 2026

Operator

Good day, ladies and gentlemen, and welcome to the Bridgepoint Update Call. (Operator Instructions) I would now like to hand the call over to Raoul Hughes, CEO, to open the presentation.

Raoul Hughes

Good morning, and welcome. I'm Raoul, the Group's Chief Executive, and I'm joined this morning by Ruth, our CFO, and we're thrilled to welcome Al, Chief Executive of Kayne Anderson.

As you have seen, today, we announced the coming together of two great firms through our acquisition of Kayne Anderson Real Estate, another major step forward in our plan to build the clear global leader in middle market value-added investing across all alternative asset classes.

I'll let Al take you through the brilliant business that he has founded and built into the powerhouse that it is today in a few moments.

But first, a few points from me. The addition of Kayne Anderson Real Estate broadens our product suite and ensures that we now have category-killing products operating at scale across all four major private market asset classes as well as a growing secondaries pillar.

This acquisition is bang on strategy.

Kayne Anderson Real Estate is a \$22 billion AUM scaled mid-market value-added investor, a true leader in medical offices, senior living, student and multi-family as well as light industrial, sectors that benefit from what Al so perfectly describes as the "silver tsunami".

But most importantly, it's an extremely strong cultural fit. The team are entrepreneurial, alpha focused and humble.

They are committed for the long term, taking nearly half of the consideration in long-term locked up stock, ensuring that we're all fully aligned from day one.

I hope Al won't mind me saying this, but based on the day one consideration, the acquisition is priced at an attractive sub-9 times multiple on the midpoint of '27 EBITDA guidance and is highly accretive for our shareholders.

Now as you will have heard me say for a while, we've been looking at the real estate space, but I've always felt it particularly important to buy both the right asset in exactly the right part of the real estate market at the right time in the cycle.

Al and I met several years ago, and it was clear back then that this was absolutely the right asset. Just like ECP isn't any old infrastructure play, Kayne is a specialist and sits in the growing part of the real estate space with a 19-year track record of strong returns. The timing is now perfect for several reasons.

Firstly, we've completed our successful integration of ECP and have the bandwidth and experience to do the same again here.

Secondly, the real estate market is at an inflection point and is taking off.

And thirdly, the momentum in the business is undeniable, having just closed an oversubscribed latest flagship fund at \$5.1 billion, double its predecessor.

We believe there is significant further growth potential in Kayne, driven not only by the underlying growth in its specialist markets, but also by the meaningful scale benefits of joining Bridgepoint's platform, including our strong IR capabilities, immediate cross-sell opportunities and the potential to launch incremental organic product initiatives.

Now the deal doesn't just add scale. It accelerates our growth and raises the quality of our earnings, improving our FRE centricity significantly from 50% to 60%.

And it further diversifies our income streams, meaning that the fees from our largest fund now only account for 15% of our overall revenue.

Ruth will take you through the numbers in detail later. But ultimately, it's a highly accretive transaction, mid-single digit in 2027 and over 20% in '28 and a '27 multiple broadly comparable with the discounted multiple we've been trading on, a testament in many ways to the undervalue that Al and his colleagues see in our current share price.

So accretive, high-quality, scaled, high growth, well priced. It ticks every box. As I said at the very start, this is transformational for the group.

It will take our overall AUM from \$95 billion to \$117 billion. It balances the business post deal with 50% of our AUM in the US and importantly, 50% in real assets. And it builds on what we do from independence in 2000 to Hermes, the EQT Credit to ECP, a proven disciplined track record of platform-enhancing M&A.

Kayne Bridgepoint, as it will become, is the next chapter.

In fact, in autumn '23, I sat here and presented ECP, a combination that I hope you all now see as

enormously successful.

Well, today, I sit here just as excited to present Kayne and introduce you to Al as I was to introduce Doug back then.

Kayne is the ECP of the real estate world and that brings me briefly to our existing business, which continues to fire on all cylinders.

Since our last market update, fundraising has continued to exceed our expectations. BE VIII held its first close and now stands at €6.7 billion with the fees having been turned on at the beginning of June.

ECP VI is heading towards its hard cap and is expected to close in the coming weeks, and BDL V should close at around €5 billion, 25% above its cover number of four.

And our 11th CLO has also now been priced. I'm, therefore, able to go beyond confirming our fundraising guidance and instead raise it from €24 billion to €28 billion.

These efforts are, of course, the result of continued performance across all our strategies. Our deployment remains on track. We continue to drive value across our portfolios.

And critically, we continue to return cash to our investors through delivering exits. ECP V is a particular standout and is now beginning to look very much like BDC III, thanks in no small measure to the brilliant Pro Energy deal, which if it maintains its current momentum, could result in a greater than 3 times money multiple for that fund as a whole.

So to conclude, the group has never had more momentum with strong performance across the board and our IR machine really bearing fruit, both in cross-selling and strengthening our existing relationships with the world's leading LPs.

And with that, I'll hand over to Al to take you through the Kayne Anderson business and explain why he thinks the Bridgepoint Group is such a natural home for the next chapter of growth. Al?

Al Rabil

Thanks, Raoul. It's great to be here with you and Ruth, and we're incredibly excited to be partnering with you to create the premier global middle market investment platform across all alternative asset classes.

In a minute, I'll take you through why we think we're heading into a super cycle for our real estate sectors and how we're different and a differentiated platform. But first, let me quickly address why this transaction makes so much sense.

From the moment I met Raoul and the team, it was clear to me that we belong together. We share a similar culture, there's no overlap of strategies, and Bridgepoint has a bigger platform with global

distribution. And we can grow our business while not having to change anything in how we operate our business. In every single way, one plus one equals three or even four.

So who are we? Kayne Anderson Real Estate is the category killer in the alternative sectors of real estate in the US.

We are a vertically integrated operating platform focused on medical office, seniors housing, student housing and light industrial. All sectors with structural demand tailwinds, higher growth, supply constraints and underinvestment. We manage over \$22 billion in AUM and approximately \$38 billion in gross asset value.

We have a strong track record over our last 19 years with our flagship equity funds generating a 15% net realized IRR since inception and our debt platform generating a 12% net IRR across all debt investments ratio.

Based on that track record, we've been able to take advantage of the most recent dislocation in commercial real estate and have raised approximately \$10 billion across the platform since the beginning of 2024 and had our most active years of deployment.

Let me quickly unpack how we're built because those numbers come from a platform whose capabilities span the entire capital stack.

We manage around \$22 billion in total, roughly \$17 billion in equity strategies and a little over \$5 billion in debt, and we can move up and down the capital structure to stay relevant in every market.

On the equity side, it starts with our flagship opportunistic and value-add strategy, where we develop and reposition assets across our specialist sectors, medical office, seniors housing, student housing, light industrial and multifamily.

Alongside that, our core equity strategy holds stabilized income-producing assets in those same specialist sectors and our attainable housing strategy is focused on multifamily at workforce attainable rents, an area of deep structural demand in the US today.

Then there is our debt platform, approximately \$5 billion today and one of the most differentiated parts of what we do.

It is fully integrated with our equity business. We only lend in the sectors where we already have deep operating expertise, which gives us a true edge in market knowledge, underwriting, and the ability to step in operationally if we ever need to.

We have originated or acquired more than 10,000 loans since inception with a realized loss rate of under 2 basis points. And since 2015, we have invested more than \$18 billion across direct originations, loan purchase, SASB CMBS and Freddie Mac structured products.

That loss rate matters, it speaks to the same discipline right across the equity platform. Put it together and you have a single, vertically integrated operating platform that can invest through the whole capital structure and across every part of the cycle.

I'll come back to Kayne Bridgepoint in a second, but let's quickly cover why real estate and why now for Bridgepoint shareholders. The sectors which we focus on are mission-critical asset classes. These are the best sectors within real estate and real estate as a whole is the third largest asset class after fixed income and equities.

For investors around the globe, US commercial real estate is an essential part of an allocation to alternatives. And as you can see on the chart across all private real estate, allocations are up around 20% since 2013.

Private real estate has consistently delivered attractive returns with lower volatility than public markets and with a much lower correlation to the broader macro environment. And our sectors have done even better as we essentially have the trifecta today, an attractive buying opportunity, limited new supply and strong rental growth.

I often say that I'm old enough to have lived through and worked through 1988, 1998, 2008 and the global pandemic for commercial real estate and I can tell you, hands down that the past three years and continuing today is the best buying opportunity for real estate that I've seen since the GFC and one of the three best that I've seen over my nearly 40-year career.

There is no doubt real estate is at an inflection point, particularly in the alternative sectors in which we invest.

I believe that we're entering a decade-plus long super cycle for asset classes as real estate recovers and investors continue to rotate out of the more traditional sectors and into alternatives.

Essentially, what happened is we had the era of free money/quantitative easing from 2012 to 2022, which drove up prices for all assets, including US commercial real estate. This peaked in early 2022.

I will point out that while most real estate firms had their biggest allocation [deployment] years in 2021 and 2022, we were very disciplined during that time period believing that we were at or close to peak pricing. Then beginning in March of 2022 and continuing through May of 2023, you had rates move up 525 basis points.

Obviously, cap rates expanded and pricing collapsed with most commercial real estate falling in value by 20% to 50% from the second half of '22 through the first half of 2024.

The good news is values have stabilized and started to recover, but interest rates have remained higher for longer, which has extended the buying opportunity.

At the same time, equities and corporate bonds are at or near all-time highs. So, on a relative basis, real

estate looks very compelling. And on top of that, supply constraints are virtually certain to stay in place for the foreseeable future, making the investment case even more attractive.

Traditional real estate, often defined as office, retail, multifamily and large bay industrial has been heavily invested in, and in many cases, is facing a much more difficult outlook.

This has forced capital to look elsewhere. The reason that we chose the sectors that we're in, medical office, student housing, seniors housing and light industrial, is that you have demand tailwinds for the next 20-plus years that makes them incredibly resilient.

These asset classes are not highly correlated to the macro economy and do not require GDP growth to have rent growth.

The demand is structural in nature, driven by both demographics and secular tailwinds.

One of my favourite things is find the demand and let it run you over, and that is exactly what Kayne offers to real estate in exactly the same way that you see ECP offering this to infrastructure.

And just like ECP, we occupy the part of the market that has very high barriers to entry. Ownership is highly fragmented and operating expertise is extremely difficult to build.

There are very few qualified operating platforms in these sectors, and it takes years to develop the relationships, knowledge and credibility to invest well. So while more capital is coming into our verticals, most of it is not competing directly with us.

Instead, much of it is looking to buy from us and or partner with us to access the expertise we have spent more than two decades building.

In our target sectors, medical office, seniors housing, student housing and light industrial, we focus only on the highest end of the asset classes, which is the most resilient part of already resilient sectors.

We are the largest operator of medical office in the US now managing over 50 million square feet or 5 million square meters across more than 1,000 properties in 45 states. We have relationships with over 211 hospital systems and large physician groups across the country.

In student housing, these are all high-end purpose-built student accommodation at the Power four conference schools. Our assets are exclusively highly amenities best-in-class pedestrian de-campus properties at the premier public state universities in the United States.

Our seniors housing is focused exclusively on the higher end of the market, our properties are all private pay with a continuum of care consisting of approximately two-third independent living and one-third assisted living. The average entry age of our residents is 80 years old, and the average age is 84 years old.

Our light industrial is focused on infill locations in urban markets where we cater to smaller tenants renting 5,000 to 10,000 square feet on average. Demand is driven by ecommerce and smaller businesses that account for close to 50% of US GDP.

In our sectors, we have a unique operating model where we retain all operational capabilities and control in-house including a 14-person in-house construction management and design team. But in addition to that, we have proactively aligned ourselves with the best operating part in each respective asset class on either an exclusive or proprietary basis. This has led to both the majority of our portfolio being sourced on an off-market basis and superior operating performance.

I thought I'd bring the demographic story to life a bit more here. Across student housing, medical office, seniors housing and light industrial, demand is compounding at the same time that new supply has fallen from 24% to 77% from recent peaks.

In student housing, Power four enrolment continues to grow, while delivery declined sharply this past academic year.

In medical office, the 65-year-old population is growing significantly with 11,000 Americans turning 65 every day for the next 20 years. Outpatient care continues to be the wave of the present and the future yet new supply is down 33% from recent highs.

In seniors housing, the 80-plus-year-old population is surging with the 80 and over population in the US set to double over the next 10 years, yet starts are down 77%.

And in light industrial, e-commerce and last mile logistics continue to drive escalating demand, while well located infill supply remains highly constrained.

None of this works without the team, and that's by far our proudest achievement and our culture is a major part of our success, which I would sum up as a gritty and team-oriented culture. We call it "one team, one dream".

We've grown from five people when I rolled my own firm into Kayne Anderson to launch the real estate platform in 2007 to 128 team members today with more than 100 of them focused on our investments and operations.

We have deep expertise across the capital stack with David Selznick and me leading the platform and senior sector heads who have delivered through multiple cycles. This is a specialist team made up of the lead experts in each of the sectors in which we focus.

Each of us lives, eats and breathes our asset classes and teamwork-oriented culture. This is a true differentiator. We believe that grit, discipline and operating knowledge matter as much, if not more than IQ and this team brings all four.

So when we look at the opportunity today, as I said, it's a trifecta. First, demand tailwinds. Second, supply tailwinds. And third, a buyer's market for which we are uniquely positioned.

That positioning is why we have had access to both equity and debt capital in a liquidity constrained environment.

We are known as a certainty of close buyer, and that reputation matters, and it earns us proprietary sourcing. The numbers on this slide show the momentum.

Our flagship equity fund grew almost 2 times to \$5.12 billion from \$2.75 billion in the prior vintage, and we achieved that in the most challenging fundraising environment since the GFC.

That growth is a powerful proof point in itself. It reflects the opportunity of our investment pipeline, the depth of investor confidence in the platform, and it is supported by our long track record of top quartile's equity performance through cycles.

So this is not just fundraising momentum, it's further evidence of the expertise discipline and capabilities that have made Kayne Anderson Real Estate one of the leading specialist real estate platforms in the US.

Since 2020, we have deployed around \$40 billion across the platform. This also speaks to the discipline of Kayne Anderson Real Estate's deployment model.

From 2021 to 2022, the platform deployed around \$7 billion in equity and \$7 billion in debt using its debt strategies to lean into dislocation during COVID and the rate hiking cycle, while remaining more selective on equity deployment.

And equity market conditions improved in 2023 to 2025, our deployment accelerated materially with almost \$16 billion deployed across equity strategies, more than 2 times the 2020 to 2022 level, while total Kayne Anderson Real Estate platform deployment continued to compound at a mid-teens compound annual growth rate since 2020.

We've also distributed over \$12 billion since 2020. So, this is not just a story about institutionalizing these alternative verticals. It's a story about discipline, differentiated access and consistent execution as well as growth.

Said simply, Kayne Anderson Real Estate is the ECP of Real Estate for Bridgepoint. We represent a fifth pillar with strong alignment to Bridgepoint's strategic priorities.

Let me show you what that track record actually looks like across our flagship value-added equity series.

We have raised seven flagship funds since 2007, and the story is one of unbroken growth from \$136 million in our first fund to \$5.12 billion in our latest vintage.

That is almost 40 times growth in fund size over the series, and we've grown through every market environment along the way.

And the returns have been every bit as consistent, a 15% realized net IRR across the flagship funds since inception with net multiples in the 1.3 times to 1.6 times range. Fund after fund through multiple cycles we have delivered first or second quartile performance. That kind of consistency is very rare in our industry.

Growth in scale, consistency of returns and top quartile performance, that's the foundation of everything we do. And it's not just a flagship series, that same discipline runs right through the rest of the platform across our core open-ended funds and our debt strategies.

On the open-ended side, both of our core vehicles have consistently beaten their benchmarks. KACORE, our core equity fund now at around \$3.3 billion of NAV. And KCRED, our core debt fund at roughly \$1.9 billion of NAV.

In closed-ended debt, our KARED funds have delivered net IRRs of between 10% and 12% with strong multiples and a steady return of capital to investors and our opportunistic credit strategy, KAROD has performed even more strongly at around a 17% net IRR.

What ties all of this together is that same discipline, directly originated sector focused credit, top quartile returns and a loss ratio of under 2 basis points across the debt platform since inception. Whether it's equity or debt, core or opportunistic, the message is the same consistent top quartile performance built on specialist expertise.

In summary, we are thrilled to be joining the Bridgepoint family. We're excited about the growth ahead for Kayne Bridgepoint real estate and equally excited to contribute to the next phase of growth for the Bridgepoint platform itself.

This combination makes business stronger and gives us a much bigger opportunity set for our investors, our people and the platform. We're joining from a position of real momentum. We've just closed our latest flagship fund at \$5.12 billion surpassing our \$3 billion target and our initial \$4 billion hard cap handily.

And we believe the real estate market is at a true inflection point offering tremendous opportunity in our sectors.

We have spent almost 20 years building a specialist operator-oriented real estate platform, and we are excited about how Bridgepoint accelerates what we can do next. The Bridgepoint partnership gives us global reach, deeper relationships and real scale benefits without changing what makes Kayne Anderson Real Estate special.

And together with ECP, we believe Bridgepoint has the best-in-class real assets platform in America,

focused on two of the most powerful structural trends in the market, power and AI on the one side and mission-critical demographics driven real estate on the other. That is a very exciting place to be.

Ruth Prior

Thanks, Al. I agree. It's really exciting. Look, I'm going to take a few minutes to run through the details of the transaction, its impact on the group and our guidance. Turning first to the transaction structure.

We are buying all of Kayne's FRE, 15% of the carry in historic funds and up to 35% of the carry in future funds, starting with KAREP VIII.

The consideration is 55% in cash and 45% in stock. The cash component will be funded by a combination of existing cash on the balance sheet and a new bridge facility, which we will refinance with the new USPP. Our leverage will increase to around 2 times net debt to EBITDA by the end of this year and quickly delivered to return to less than one turn of leverage by mid-2028.

As we did for the ECP transaction, we will issue most of the stock component through our UP-C structure to be held in the form of OP units until exchanged into London listed shares. On closing, shares and OP units equivalent to 189 million shares will be issued.

There's a staggered lockup, which will expire in thirds over three years on the anniversary of closing each year from '27 to '29.

Additionally, up to 102.5 million shares may be issued in 2030, depending on the quantum of run rate fees achieved by the end of 2029. Delivering the midpoint of the guidance case would trigger the earn-out award in full.

And as with ECP, a proportion of both the initial consideration and the earnout will be used to incentivise members of the broader team at Kayne Bridgepoint, who will become shareholders for the first time. We are paying less than 9 times EBITDA for mid-single-digit EPS accretion in 2027. And a mid-single-digit EBITDA multiple for EPS accretion of over 20% in '28.

Now today, we have shared many metrics to showcase the strength of the Kayne Bridgepoint business and explained why it warrants becoming our fifth pillar.

Consistent with the other verticals in the group, Kayne Bridgepoint's excellent track record of fund performance has resulted in material growth in the size of their funds across both equity and debt, with the most recent fund in each increasing by over 80% compared to their predecessors with KAREP VII closing recently on June 15.

For us, the best proof point of a strong performing business and with that, we are confident this transaction will add to our track record of successful and accretive M&A.

This is the latest in a series of transactions through which we have successfully grown the platform and diversified into private credit, infrastructure and secondaries.

Since acquisition, credit has almost doubled its EBITDA margin and increased the size of its flagship fund by 117% from Direct Lending II to Direct Lending IV. ECP has delivered a 12-point increase in EBITDA margins to 64%, while the flagship fund growth from ECP IV to the hard cap for ECP VI would represent growth of 126%. And additionally, actual EPS from ECP has been more than double what we told you to expect at announcement.

With this transaction and the organic growth being delivered across the platform, we are well on our way towards achieving the next growth milestone of \$200 billion of AUM by 2029 or 2030 as set at our 2024 Capital Markets Day.

The enlarged group will be even better diversified across product, geography and sectors, offering our LPs 13 strategies across our five investment verticals.

The investment teams across the group will total over 350 professionals and our office network will grow to 18 offices around the world and in an environment of higher inflation it increases the proportion of real assets in our AUM to almost 50%, and balances our geographic footprint within half of AUM in US and half across Europe.

Quality of earnings will be further enhanced with the largest vertical private equity at just over one-third of combined AUM and the largest single fund at 16% of total management fees, a number of which will decrease further over time. Now turning to the breadth of product.

We now have four of five flagships at or above 5 billion in size. In addition to our closed funds, we also raised additional capital from evergreen vehicles in wealth, infrastructure and real estate and the continuous warehousing issuance of CLOs. Our exposure to the wealth channel is currently small but offers long-term upside.

The addition of Kayne Bridgepoint to the group gives us a platform, which can support sustained growth through the next fundraising cycle and beyond. In a world where fundraising generally has been tough, we are doing well across all our strategies.

As our performance, particularly DPI, middle-market focus and disciplined investment approach resonates with the world's largest LPs. Our IR platform has delivered impressive flagship fundraises across all strategies simultaneously with new investors and cross-sell within the current group accounting for roughly one-third to half of the capital raised.

With less than 20% overlap between our LP bases, there is lots of potential to cross-sell as we share just 5 of the top 50 LPs globally, and Kayne Bridgepoint brings over 115 LP relationships, which are new to the group.

So in the near term, the clearest opportunity is to cross-sell into LPs who have an allocation to real assets, which is split between infrastructure and real estate, but currently only invest in one or the other and to develop ancillary funds in each strategy and between strategies.

So what does the combination do for our financial profile? If we combine our financial results for 2025 as the latest available full year, the enlarged group would have generated management fees nearly one-fourth larger at over GBP0.5 billion.

Fee paying AUM and the management fees they generate would have been more diversified and more balanced geographically, but the share of fees coming from funds in the US, increasing from 28% to 43%. Together, we grow faster and with a higher quality of earnings, greater FRE centricity and increasing margins.

So turning to guidance.

First, the detailed guidance for Kayne Bridgepoint and then an update on the existing perimeter. Without going through every line, the key guidance points are Fund VII was raised at \$5.1 billion, closing on June 15 this year, and we expect Kayne Bridgepoint to raise over \$15 billion over the next three years with an average fund cycle of two to three years.

Management fees in 2025 totalled GBP141 million with fees expected to grow between 20% and 30% per year in the medium term. The catch up fees for Fund VII will be paid before the transaction closes.

We expect the average fee rate on capital raised in the next three years to average just over 1%. Fee income from evergreen and open-ended vehicles is expected to be approximately 30% of total fees. We expect PRE to represent 5% to 10% of total income in 2027 and then to grow to 20% to 30% of total income in the medium term.

The operating leverage from increasing fund size is expected to drive FRE margin to between 60% and 70% in medium term resulting in an EBITDA margin of around 65% to 70% in '27 and then growing further to 70% plus in the medium term.

And as ever, Adam will be very happy to talk you through any of the assumptions over the next week. Turning to the existing perimeter of the group, as Raoul said earlier, we are increasing our fundraising guidance again from €24 billion by the end of the year to €28 billion.

This is now 40% higher than our initial guidance of €20 billion for this round of fundraising. BE VIII activated on the June 9 and has currently closed €6.7 billion.

Final close will be by Q1 '27. And we think the right fund size is somewhere between €8 billion and €8.5 billion. BDL IV has closed €4.8 billion and is expected to close next month around €5 billion. And CLO XI priced last week.

ECP VI has closed \$4.8 billion with a further large close of up to \$2 billion expected sometime this week. So, its impact may or may not be in the first half. It is expected to conclude its fundraising in the second half of the year and is moving towards the hard cap of \$7.5 billion.

If it reaches its hard cap, the successor fund ECP VII is likely to start paying fees in 2029 as a larger fund will take longer to deploy well.

We expect consistent growth in management fees, inclusive of inorganic growth initiatives, of 13% to 16% on a rolling three-year basis.

FRE margin is expected to be 40% to 45% in '26 and '27, depending on when ECP VIII holds its final close.

So on PRE, we now expect to be at the top end of the guided range of 20% to 25% of total income in '26 and '27 with the phasing in 2026 moving to two-thirds in the first half and one-third in the second half, driven by the early start of accruing carry from ECP V.

The ECP funds sold some Constellation shares at the start of the month, having agreed an accelerated lockup. The shares, which were sold represented 70% of the shares, which were due to be unlocked in by this year and placed at a price of \$281 per share.

Cash proceeds to us were just over GBP28 million. It is worth remembering that the proceeds flow through to us from a number of vehicles, some of which are already paying carry and some of which are not yet paying carry.

So the net impact is that this has derisked our PRE guidance for 2026.

In addition, we had the completion of the sale of Cornerstone earlier this month, which resulted in \$1.5 billion being returned to fund investors.

Given that standout result as well as the continued strong performance of Pro Energy, ECP V has the potential to be a 3 times money multiple fund, an outstanding result in the infrastructure vertical.

So the business has performed well year-to-date. Fee-related earnings for the first half of the year are expected to be broadly in line with the company par consensus, which we published this morning with potential upside if ECP VI next close falls in this quarter.

Guidance for performance-related earnings remain at the top of the range of 20% to 25% of total income. But as I've just said, with PRE phasing now expected to be around two-third in the first half of the year.

Together, this is expected to result in first half 2026 EBITDA above the current consensus. All other guidance remains unchanged from March this year.

So bringing that all together, here is an illustrative view of 2027 based on the ranges in our guidance, including the contribution we expect Kayne Bridgepoint to make to the group in dollars in the right-hand column.

Bridgepoint's current perimeter achieved a 33% EBITDA CAGR from 2018 to 2025 and grew its EBITDA margin to 53%.

Kayne Bridgepoint is expected to achieve a similar EBITDA CAGR of over 30% while increasing its EBITDA margin towards 60%.

With guidance for management fee growth of 20% to 25%, we expect management fees in '27 of \$200 million to \$220 million.

Even at PRE of \$10 million to \$20 million, we come to an expected '27 EBITDA in the range of between \$130 million and \$160 million.

If you then take an exchange rate of \$1.35 to the pound, we expect EBITDA for the combined group to be in the range of GBP475 million to GBP570 million.

With all flagship funds materially raised this year, 2027 FRE is locked in with a strong PRE pipeline. And as you've heard me say before, we are becoming very cash generative for the next five years.

And as a result, we will deliver quickly back to below 1 times net debt to EBITDA by mid-'28, and as such, we will have the capacity to do further M&A and to enhance distributions to shareholders in line with the broader growth of the business in the short to medium term.

In conclusion, the business is in really good shape and continues to deliver both operationally and strategically. Over the latter three years, we have successfully expanded into new verticals of infrastructure, secondaries and now real estate.

The flywheel of capital deployment and realizations continues to turn in the middle market. The €17.8 billion invested in '24 and '25 and €16.6 billion of capital return to fund investors, both record amounts for the group.

The operational leverage in the business has allowed us to grow management fees by 13% in '24 and '25 while increasing FRE by 21%.

And we are guiding to future management fee growth of between 13% and 16% over a rolling three year period. We continue to take share in fundraising and as a result, have today increased our fundraising guidance for the cycle to the end of this year from €24 billion to €28 billion.

And lastly, our trading liquidity has improved materially over the last year with the trailing three month average daily traded volume increasing from GBP2.6 million to GBP7.2 million or from 25 basis points to 77 basis points of free float.

And with that, I'll hand back to Raoul.

Raoul Hughes

That's great. Thank you, Ruth, and thanks, Al. That's amazing.

Okay. Following the unanimous recommendation of the Board and with the support of insider shareholders, and including where they can Blue Owl, 36% of the share capital have provided irrevocable undertakings in favour of the transaction.

And we will now take full shareholder approval at a general meeting in September and a circular will be released in due course.

There are some other conditions to the transaction in addition to shareholder approval, including typical antitrust clearances, consents from investors in certain care funds and a reorganization to separate care from the wider Kayne Anderson mothership.

Subject to satisfying these conditions, we expect the transaction to complete at the end of this year. So, a quick reminder on why this and why now?

For a truly global mid-market alternatives manager, real estate is an important part of the product suite. It is the third largest asset class after equities and fixed income and a critical allocation for our core investor base, the world's largest institutional investors.

As Al outlined, we are entering a once in a cycle moment at Kayne and benefit from what we see as a super cycle.

Ultimately, if we're going to move into value-added real estate, you want to be in the US first as it's a scaled market with deep opportunities.

And why Kayne? Well, because we believe it is the best platform in the best part of the US real estate market. It targets specialist real estate with a true middle-market DNA and a strong track record of delivering value-added sectors, a category killer in its sectors, just like the rest of the Bridgepoint Group. And a strong cultural fit and a highly complementary set of LP relationships, the case is compelling.

The right business at the right time with the right team.

Finally, before taking questions, I wanted to conclude what this transaction means for the enlarged group.

We've always been clear about our ambition to build the leading global mid-market alternatives platform focused on value-added investing diversified across all major private asset classes and geographies and united by a high-performance entrepreneurial culture.

As we've demonstrated before, whether with EQT Credit, ECP or Newbury, we have a strong track

record of identifying great businesses, partnering with their management teams and creating value for all in the process, and I see the same opportunity here with Kayne.

The result is a stronger, more diversified and more resilient Bridgepoint Group now equally balanced across Europe and the United States and with 50% of AUM in real asset investing and a group that is uniquely positioned to capture the opportunities we see across the alternative landscape.

Financial performance for shareholders remains compelling. Our earnings are growing materially while becoming increasingly FRE-centric with high cash generation, and our EBITDA margin continues to trend above 60%.

We have simple values at the firm. We do what we say we're going to do and that's exactly what today's announcement represents, building the platform we said we will build, growing in line with a clear strategy and doing so while preserving the high-performing and entrepreneurial culture that has underpinned our success from the very beginning.

I'm absolutely thrilled to welcome AI and the Kayne team to Bridgepoint and incredibly excited about what we can do together.

And with that, we'll open for questions.

Q&A

Operator

Ladies and gentlemen, we will now begin the question-and-answer session. (Operator Instructions)

Arnaud Giblat, BNP Paribas.

Hi, hopefully you can hear me. I've got three questions, please. If you can start with the fundraising schedule at Kayne Anderson. I mean you talked about €15 billion. I'm just wondering what we should pencil in, in terms of timing and potential sizing of funds. Equally, does that include fundraising from the wealth platform? Or could this come on top?

The second question is on KAREP expectations. There's a clear step-up between carried interest, I think, from '27 to '28.

Could you perhaps run through which funds into carry mode and so we can better understand that mechanism of carried interest step up? And finally, on Bridgepoint/ECP, Fund V seems to be doing extremely well. You're talking about potentially 2 times more?

I'm just wondering when we should be thinking about the ECP V carry mode. Thank you.

Raoul Hughes

Okay. Thanks, Arnaud. Morning. Well, I guess Al should do the first one and certainly, and then Ruth's second one or Al's second, I'll do the third, I guess.

Al Rabil

Good morning, Arnaud and everyone else. From a fundraising timing perspective, we are well along on investing Fund VII, which we just closed at \$5.12 billion. So, we're about 60% allocated.

We would expect to start initial fundraising for KAREP VIII which is likely to be a \$7.5 billion, plus or minus, US dollar fund early next year with a close sometime in 2028.

On the -- so that's a closed-end fund. On the open-ended side, we are currently bringing in approximately \$300 million to \$350 million per quarter.

We expect to bring in probably about \$1.5 billion per annum for KCORE, so that is the open-ended equity fund, core equity fund that we have that currently sits at about \$4 billion of net asset value.

On the debt side, we have an open-ended fund that's approximately \$2 billion of NAV, and we expect to add approximately \$200 million per quarter to that fund.

And we also have a number of other funds that are pending, which I'm not really at liberty to speak about at the moment. But there will be additional funds that will be part of the platform going forward.

Raoul Hughes

I mean, touching on the start of that comment, one of the things that perhaps we didn't bring -- we haven't brought had enough in our materials is the timing of KAREP VII and KAREP VIII and the nature of the opportunity in the market means that you -- at the point you reached the final close of KAREP VII, you're actually already 60-odd percent committed within the fund.

So it's already a pretty sort of well invested and built portfolio sitting within it. So when you're thinking, Arnaud, modelling the likely sequencing of funds, I think KAREP VIII will probably be a shorter period from VII to VIII than you might have anticipated in some of the existing ECP in Bridgepoint.

Whether KAREP 9 will be quite as quick is another matter, but that's certainly within the shorter term.

Ruth Prior

And then also, Arnaud, that also explains the -- your second question. So, we get 15% of carry from all of the historic KAREP funds. So we don't get the 35% until KAREP VIII. Clearly, KAREP VII is double the size of KAREP VI. So that's the first bit of carry you see in '27 and VII starts to kick in in '28 and that's what the step-up is because actually the fund is so much bigger.

Raoul Hughes

ECP, I think we've sort of alluded to this in the -- I think I made some comment in the presentation about ECP V is showing some of the hallmarks of BDC 3. And BDC was a standout fund for its type in the whole market in its vintage. That's just -- they're going phenomenally well -- long, may it continue it's going really, really well. And I think it will accelerate some of the carry recognition from it. Ruth, do you want to give an intimation about when?

Ruth Prior

In terms of...

Raoul Hughes

When the ECP V might start getting.

Ruth Prior

So ECP V carry will start being recognized this year. And I think it will clearly build from there into next year as well.

Raoul Hughes

I mean, we're sort of intimating again this morning that fund may be a money fund as a whole, plus for an infrastructure fund, it's just astonishing. It's tremendous.

Arnaud Giblat

Perfect. Could I get you to repeat the size of Fund VIII, please? I didn't catch that.

Raoul Hughes

I think he said seven and a half.

Al Rabil

Seven and a half billion.

Raoul Hughes

Dollars, US dollars!

Arnaud Giblat

Thank you.

Operator

Thank you. (Operator Instructions) Nicholas Herman, Citi.

Raoul Hughes

Hi, Nick.

Operator

Nick appears to have lowered his hand. Second, please.

Raoul Hughes

That's very unlike you, Nick. We don't know Nicky's question.

Nicholas Herman

Can you hear me now?

Raoul Hughes

I obviously turned my head too quickly.

Nicholas Herman

I actually do have a bunch of questions. I'll start with three please. Congrats on the deal, first of all, because this is -- it seems like really compelling. Track record of the business is clearly very strong. And as you said yourself, the real estate cycle does appear to have turned, and I think Al said he's expecting a 10-year super cycle.

I guess just why were the sellers willing to sell at such multiples, especially as this business comprises or comprise half of their AUM in the '28 multiples even lower than Bridgepoint's on valuation? And I think we'd all agree that your shares are pretty discounted. So just if you can help me to rationalize that, please?

Second question on the growth. What is the usual deployment cycle for the KAREP funds? And from the growth profile that you've guided to, what is it that drives the range in the management fee revenue growth profile.

And you also just talk a little bit more about that -- about the growth profile between the initial commitments to KAREP VIII and thereafter? And then finally, are you planning platform expansion as a result of this deal?

You referenced the cross sell opportunity which is pretty clear, but just wondering if you see any other synergies with these deals such as adjacencies? I'll stop there for now. Thank you.

Raoul Hughes

Okay. Well, I think the first one's obviously for you, Al.

Al Rabil

Yeah, so as I've noted and as you noted, we think we're in front of a 10-year super cycle in our asset classes, and that is going to require a significant amount of incremental capital. And so, we're thrilled to be joining with Bridgepoint who has a global distribution network.

I think we are arguably together forming the best-in-class real assets platform in the US together with ECP and Kayne Anderson Real Estate. And I think it positions us for growth going forward.

We also have a very strong expectation that Bridgepoint stock is going to rise materially in the future and our view is that it is materially undervalued today even before this transaction, but we have a ton of synergies with the broader platform, and I think this positions us to really take advantage of what we see going forward.

Raoul Hughes

Is there a two seconds on baking that logic about why about the structure of real estate within -- you are the Chief Executive of the wider Kayne group. And you're coming across into this and maybe it's worth a minute on why from the rest of the group?

Albert Rabil

Well, for the rest of the group, I mean, I think it's really just singling out real estate and the opportunities in front of it, and obviously you and I have known each other for three years. This has obviously been in process for quite a while.

I think beyond the economic synergies, there are incredible cultural synergies. So, it is -- I don't think it's an overstatement to say it's a unique opportunity to join two great platforms that are very synergistic, economically and culturally, maybe not in that order.

But I think that there are huge benefits going forward. The rest of the Kayne platform, which is private credit and energy, obviously, private credit and energy are in very different places today than real estate. And so those businesses will continue operating as they have on a going forward basis.

But as I stated before, real estate is really in a position that we are desirous and need incremental capital.

And I also think that the synergies between the platforms, which we really haven't addressed in our opening remarks, et cetera, I think they're really are true synergies with the platform, particularly on the real asset side, that will benefit us in ways that are not actually put forward in the numbers today.

Raoul Hughes

I think, Nick, it comes back to what we've been saying for a long time, really, which is in an industry like ours, and it's a consolidating industry like ours, it's a function of -- there are advantages in being a diversified platform that enables you to offer a range of different products to your institutional investors to -- they compete with what they want to and obviously, a range of products, enables you to invest in the sales force and the sales structure that gives you the ability to go out and sell to those investors.

But ultimately, we're all people businesses and we've all come from small cottage industries and we've developed in a way. And so the culture and being part of being together is a fundamental part of everything we do.

And so when you think about doing transactions like this one, is -- and I've said this consistently, it's

finding people that you want to work with. It's fun to be with people you get on with, you're finding businesses with a similar culture. And that counts for an awful lot really in the choice of the way you want to be, which home you want to be part of.

And this worked beautifully with ECP. And you think you talked to the wider ECP team, they've been able to come into Bridgepoint, but they'd be absolutely part of the Bridgepoint story.

They've not just been lost in a room and forgotten about and that's absolutely the same with AI in this case. AI is joining our Managing Committee, part of the leadership to the business going forward is that it's a completely different offering for anybody who want them to join a wider platform.

You get the benefit of diversification, the benefit of the sales force and the benefit of the scale.

But you're not lost, and you're an integral part of the story and family, that's really quite come -- I think it's quite compelling.

Albert Rabil

Well, but we are also the beneficiaries of having the case study of ECP, obviously, Doug and Pete and Tyler and the entire team being thrilled with being part of Bridgepoint. And so that -- and seeing how that's functioned has made it, I would say, materially easier for us to understand how this is going to work. And I think it will be a seamless integration and incredibly exciting. Yes

Raoul Hughes

Yes, deployment cycle was the second question.

Albert Rabil

Yeah. So, I'm not sure what additional we're looking for. As I said, we're 60% deployed on KAREP VII. And typically, we start fundraising at 75% deployment, which we will hit this year. So, we will be launching KAREP VIII in the first half of 2027.

As I said, I think it will be a \$7.5 billion plus or minus fund. The -- what has transpired in our business is that we've been working in the verticals in which we invest for close to 20 years and have developed a best-in-class operating platform as well as having unfettered access to capital, both equity and debt.

And so while more money is coming into alternatives, our strategic advantages have actually gotten bigger and bigger. And so our deal sizes have gotten bigger just reference to the \$7 billion plus or minus Bell Tower deal on the medical office side, we also just acquired close to \$1.4 billion of seniors housing.

And so the deal sizes are bigger because we become a first call and most of our sourcing has truly been done on a proprietary basis. And so, the capital requirements as alternatives become a bigger and bigger piece of the real estate industry have gotten bigger and bigger and we're going to be the beneficiaries of a broader global distribution platform.

And so our deployment, we don't have deployment targets. We've been judicious when times have been difficult. We've learned in when there have been big buying opportunities, and we've done that throughout our close to 20-year history.

But as I've said and has been noted, we do think that we're in the early innings of a 10 year super cycle in these alternative asset classes because demand is not -- is really not ending, in fact, escalating dramatically over the next 20 years.

And we are either uniquely positioned or in incredibly rarified air where we sit in terms of our operating capabilities, our access to capital, our knowledge and our relationships in these asset class.

So we're very bullish about very strong deployment -- very strong fundraising and also very strong deployment over the next three to five years.

Raoul Hughes

Platform expansion, is that a sort of group question or a real estate question or both.

Nicholas Herman

Well, particularly on the real estate side.

Ruth Prior

Are you talking about going into Europe, Nick?

Nicholas Herman

Well, I mean, I was -- partly that, I guess, also combining it with secondaries, et cetera.

Ruth Prior

I think in terms of Europe, I think what Al has just said in terms of what the team in the U.S. have ahead of them. I think Europe would clearly make sense to have real estate. I think they're going to be a little bit like ECP.

The US has got such growth ahead of it. It may be that Europe won't come along as quickly as you might anticipate, just because Doug's got the same issue. He's got so much demand in the US. And then, of course, across the rest of the platform, absolutely all of our strategies are linking up with the Newbury team now looking at how we can sort of develop that business.

Raoul Hughes

I mean this acquisition gives us -- gives the group scale position in private equity, private credit, infrastructure and now real estate sitting across a thematic of however you define it, middle market-type investing of those product sets, two of them are predominantly Europe and two of them are predominantly US.

And I think we think there's still significant growth opportunities within each of the four legs across the group. And with Newbury, we had -- and Newbury isn't yet scaled.

It's a -- we found a different way into secondaries, but we do now have a secondaries platform and strategically over the next few years, we're going to be building out that secondaries platform, so it can sit as a sort of as a sort of -- as a horizontal across the four verticals.

In an ideal world we would be playing in all 4 of the main verticals that we're in. And there's plenty of room to continue to grow within these verticals in the business. We said -- we had a Capital Markets Day is sort of 18 months or so ago where we came up with this sort of \$200 billion AUM number.

I think we were around about 50 or about the \$70-odd billion AUM at the time we sort of stood up and said that.

This takes us to \$120 billion and I don't -- and we've sort of -- we've not talked about the \$200 billion quite as much as we did in '24, and that's partly because that was always only ever a staging post. It was never an ultimate end game or an ultimate target.

And I think there is whilst remaining true to the sort of thematics of middle market value-added investing there's plenty of scope for this group to continue to grow and to go well beyond the \$200 billion in time.

Operator

David McCann, Deutsche Bank.

David McCann

Good morning, team. Congratulations on the deal. Just two questions for me. A couple of already been answered already. But as you mentioned in the prepared remarks there, obviously, this does take the nexus of the group more towards the U.S. bias than you've had before.

Question really was that a conscious decision? So how much of this was driven by, you just wanted to have a bigger U.S. presence as a business versus the actual product and the capabilities you're acquiring, sort of what took precedent there.

I hope it's more related to that, is the U.K. still the right place for this group to be listed if you are sort of more consciously going outside of the pond?

And the second question, again, you touched on this in one of the prior questions, but you've obviously filled the main four asset buckets within private markets. If you were to do something else, is it fair to say M&A wise, is it fair to say that that would be adding to an existing bucket, perhaps in a different geography or different capability? Or is there some other asset class you'd like to move into beyond what you've already now got?

Raoul Hughes¶ Okay. So, I'll start with the U.S. I think if you -- we spent quite a lot of time -- we've been talking about -- well, we've had a strategy to be in all the verticals across alternatives.

We've been thinking for a while that real estate is an obvious place for us to go. And we have -- we spent quite a lot of time looking at various different opportunities to move into real estate.

One thing that became quite clear to us a while ago is if you want to move into the added value real estate world, an investing world, alternative world, and you want to do it at scale, which you need to do it at scale.

There's no point in us checking is different -- but the point entering one of the main verticals unless you can enter it at scale. And if you're going to do that, you need to look into the U.S. because the opportunity set just exist for scaled really players in Europe materially.

So it was a logical place to look. I think actually, and then we found the best business. So in a sense, it's because there's more likely to be the right business in the U.S.

And then we found the best business that was and it was in the U.S. rather than say, I think there is a very helpful byproduct for us of this in balancing out the group's positioning between the U.S. and Europe.

One of my sort of sayings is that, I think I said to Al when we were first together is that I want the group to be more American without being less European -- which is a complete oxymoron, but it's one of those sort of statements that I come out with every now and then.

And I think that is the case. We see a real advantage in, and we want to be more balanced across transatlantic balance. But we want the "can do / go get" American feel within the business, which has definitely come with ECP and will continue to come now. But a lot of Bridgepoint heritage is European and we don't lose the European nexus to it.

Listing venue, we are a British headquartered business, and we took a decision when we IPO-ed in 2021 as a British business, we ought to be listed in London, and we remain a British business.

That's the first one. I didn't write the question down.

Ruth Prior

M&A, geography.

Raoul Hughes

Yeah, geography. So, we now have the -- we do have the four pillars. I think that therefore, I don't think there's anything outside what you define as one of those four pillars or secondaries that we want to go into.

But within the four pillars that we've got, I think there's significant room to expand the opportunity set and the offering that we have. And that will be a combination of organic launches of new products. There's a -- we're having a conversation at the moment with investors in the early stages of effectively a cross ECP/Bridgepoint product, a business called Connectivity or a product called connectivity,

which we'll invest in sort of infrastructure, energy transition, but from a services lens rather than a hard asset lens.

So we're talking to LPs about that at the moment. So, there will be product extensions within the geographies, we are actively looking at further M&A opportunities to build out each of those verticals and whether that is ancillary products within them or in different geographies. And I think there are -- there's still plenty of opportunity to do.

Operator

Nicholas Herman, Citi.

Nicholas Herman

Hello.

Raoul Hughes

Hello again.

Nicholas Herman

Two more for Al, please and then one for Raoul or Ruth. On growth, I mean, Al, could you please talk about the contrast the opportunity to grow across real estate and equity and debt? And I guess more broadly, given Kayne's clear active approach, can you just talk about the bottlenecks and scaling these strategies particularly from a deployment perspective, I guess, conceptually, how we should think about scaling these funds beyond KAREP VIII?

Second one, on the open-ended vehicles, just a quick clarification. Do these vehicles fully -- or do those NAVs fully translate into fee-paying AUM? Or is there a difference between what's fee paying and NAVs?

And then a final one on ECP. So ECP VI is going to be now be invested over four years by the looks of it. While that deployment, I guess, cycle would make sense normally, we've obviously talked in the past about how you would scale the deployment and you have your three or joint ventures with the size of the fund. So given that opportunity as well, it seems like you're not scaling the deployment into the data centre opportunities that you have through your joint ventures? Is that correct? 'Cause otherwise it would seem that the four-year deployment cycle seems somewhat slower than what we would have expected size notwithstanding?

Raoul Hughes

Well, should if I do that first the third one first. what was -- so we've been cautious about how much capital we raise in ECP VI it's a material -- the market opportunity is fantastic. It's -- but the hard cap is a material step up from the previous fund size, and we -- as you probably know about us by now, we like to sort of under promise and overdeliver. So we've been deliberately cautious about the scaling of it.

They are -- we are absolutely confident now they're going to hit the hard cap of \$7.5 billion and I

think we're just -- what we're basically thinking is that this is a materially bigger fund than the previous one, and it's a bigger fund than we were intimating to the market we would be raising, and therefore, we're being a bit more prudent about the assumptions and when the next fund after this starts.

I don't think there was any statement about lack of investable opportunities and the pipeline of things they do. We just think it's a bigger fund, we should be a bit more conservative about time frame.

Ruth Prior

Alongside the \$7.5 billion, of course, there's a large SMA investor that is separate and therefore, the deployment has to be around \$12 billion. So, I don't think we're saying it's -- the deployment is any slower. I just think we've got more to deploy.

Raoul Hughes

We felt certain analysts have got slightly over their skis on the timing of the next fund, in their models.

Ruth Prior

Yes.

Al Rabil

Continuing the last question. First, I'll go to question two, which was fee-paying AUM, I think, on the open-ended side. When I'm referencing NAV, that is fee-paying AUM. So we have a queue for both of our funds, the open ended debt fund as well as the open-ended equity fund, which I will note is quite the exception generally speaking today, and that's been the case historically as well.

So there is more capital desirous of coming in, and we will deploy that capital. But fee-paying AUM in the open-ended funds. So when I'm referencing NAV, it's all fee-paying AUM.

Your first question, I wasn't exactly clear on context, but I think you were talking about debt and equity and barriers to entry possibly or -- maybe you can give me some more context. Are you talking about fundraising or deployment or both? And what that looks like.

Nicholas Herman

Can you hear me? Okay. Yes, sure. I was just asking about the opportunity to grow these funds across the equity and debt side and how you kind of compare those.

And then I was just wondering about how you think about the opportunity to scale the deployment and therefore, conceptually how we should think about -- because clearly, a 50% step-up in vintage between 7% and 8% is quite large.

So I guess just more broadly, should we be thinking about 20% to 25% thereafter. That was kind of what I was trying to get at.

Al Rabil

No. If you look at it historically, we've had a history of going 50% to 100% bigger on subsequent funds on our opportunistic equity side. And I think the fact that we were massively oversubscribed and raised \$5.12 billion speaks to our historical discipline and track record, but it also is, in large part, the fact that 60% of that fund is deployed shows you the opportunity set and what has happened and what I said earlier is that the opportunity set has continued to get bigger and bigger for us because while not casting aspersions, let's just say the majority of our competitors are not having the same kind of fundraising success that we have and also don't have the same access to debt capital that we have.

So we've been able to set ourselves apart over the last three years, not just from a performance perspective in terms of returns, but also as a certainty of close buyer and a go-to player where -- which has led to a significant amount of proprietary sourcing, including the Welltower deal, which was close to a \$7 billion deal from a publicly traded company on a proprietary basis almost unheard of so the majority of that 60% allocation has been done on a proprietary basis.

So we are not AUM gatherers. We do not seek to take all of the capital that we can garner; we've actually been oversubscribed on every fund that we've raised since our first fund on the opportunistic equity side.

So every single -- we have turned away a significant amount of capital. What we see going forward and the estimate on \$7.5 billion is a guesstimate on the opportunity set in front of us.

And I think we're incredibly well positioned to raise that capital and to deploy that capital very efficiently because despite the fact that there's more money coming into alternatives, we are getting more and more phone calls and are one of the very few that have the size, scale, certainty of close capabilities, equity and debt capabilities.

And when I say equity, debt, I'm talking about debt procurement on the equity side to close transactions of size and scale very quickly and very efficiently.

So we see massive deployment opportunities in front of us and actually -- and I think what you've seen historically is really the tip of the iceberg in terms of where this goes.

So on the equity side, we are very sanguine about being able to both raise adequate capital as well as the deployment dynamics. On the debt side, we see a similar dynamic. The debt side is interesting. It is scalable quickly.

And while we've had bouts of illiquidity on the debt side, it has been a highly competitive market. We do think that the wall of maturities that we're looking at today and some of the dynamics in the overall economy present opportunities for us.

We're currently investing an opportunistic closed-in debt fund, which is close to \$1.7 billion. We expect to have that deployed over the next 12 months and our open-ended fund continues to see opportunities and has an inbound queue.

So we think that the deployment for both of those funds is going to accelerate over the next 12 months and probably over the next three years.

But I think a hallmark of both sides, equity and debt and Bridgepoint as well, and this is where there are philosophical similarities has been to be disciplined in our investment approach.

So as I said, we are judicious in times of liquidity or where pricing is close to peak pricing, and we lean in very significantly when we see closer to trough pricing or opportunities.

We do see on the debt side that opportunity coming to us, but we are a top 5% performer on the debt side of the business over the last decade plus, we expect that to continue.

So while we are incredibly bullish about deployment opportunities, both equity and debt, it's always in the context of investor returns and making sure that we are disciplined and that we are investing from the perspective of outsized or asymmetric return risk dynamics instead of asymmetric risk return dynamics

Nicholas Herman

Very helpful, thank you very much.

Raoul Hughes

Thank you.

Operator

Okay. That was our final question. I'll hand back now to the management team for closing remarks.

Raoul Hughes

Okay. Well, thank you very much. Hopefully, you've got the impression that we're all very excited about this and looking forward to the future. And with that, thank you very much for your time.

Al Rabil

Thank you.