PRESS RELEASE

First closing: Multi-manager program YIELCO Specialty Lending II offers high-yield niche strategy with attractive risk hedging

- **Continuation of successful specialty lending strategy with broad thematic diversification across niche segments offering enhanced return potential**
- **Focus on asset-based lending and tailor-made financing solutions beyond traditional private equity-oriented strategies**
- **Conservative fund of funds program YIELCO Senior Debt II remains open for subscriptions**

Munich/Zurich/Madrid/Luxembourg, July 23, 2025 – YIELCO Investments Group ("YIELCO"), a private markets specialist, announces the first closing of its fund of funds program YIELCO Specialty Lending II ("YSL II"). Building on the success of its predecessor fund, YSL II pursues a cycle-independent niche strategy with a focus on senior secured asset-based loans, which offer broad diversification, stable current interest income, and additional return potential via equity kickers.

Attractive return profile with high risk hedging

"Demand for differentiated private debt strategies is growing noticeably as many investors seek reliable and high-yield alternatives in uncertain market phases. With YIELCO Specialty Lending II, we offer access to established asset-based lending managers with a proven track record. The focus is on senior secured credit instruments with conservative loan-to-value ratios backed by assets. In addition, investments in potential value appreciation open up attractive upside potential. This allows stable current income to be combined with additional value appreciation. Our goal is to build a broadly diversified and robust portfolio that combines stable current distributions of 6 to 8 percent per annum with a target net IRR of 11 percent per annum. YIELCO has already demonstrated the potential of this strategy with the success of its predecessor fund, YSL I: The portfolio's realizations to date show a gross return of 34 percent with a gross multiple of 1.57x," explains Dr. Matthias Unser, founding partner and member of the Executive Board of YIELCO Investments.

Broad diversification, access to established specialists

YIELCO Specialty Lending II is structured as a Luxembourg RAIF (SCA) with a target size of EUR 300 million. The program invests in more than 250 individual loans worldwide, primarily in Europe and North America, through 12 to 15 specialized managers. The portfolio will be built up rapidly through access to carefully selected funds, including several proven partners from the predecessor program.

Thanks to its broad diversification, strong asset collateralization, and focus on complex, often less accessible financing situations, YSL II provides ideal thematic diversification to traditional direct lending strategies. Investors thus gain a largely uncorrelated building block with a high security profile and above-average return potential.

YIELCO Senior Debt II still open for subscriptions

In addition to YIELCO Specialty Lending II, the conservatively oriented fund of funds program YIELCO Senior Debt II ("YSD II") with a target size of EUR 250 million is currently open for further subscriptions. The strategy focuses on senior secured loans in the European lower mid-market and offers investors high risk protection combined with attractive risk premiums compared to liquid investments. A portfolio of over 300 loans is to be built up through around 10 fund investments.

"We are very pleased with the positive fundraising momentum of YSD II with two further closings in the first half of this year. With an attractive total return – the target net IRR is 7 to 8 percent p.a. – and a high current interest rate of approximately 6 percent, the fund is particularly aimed at risk-averse investors looking for predictable distributions. The portfolio is already well advanced: six fund subscriptions with a late primary focus have resulted in 151 loans being added to the portfolio to date. New investors benefit from a rapid capital call profile as they participate directly in the existing portfolio," explains Börge Grauel, Partner and Co-Head of Private Debt at YIELCO Investments.

Long-standing expertise in the private debt segment

The YIELCO Partners have a successful track record with more than 20 years of experience, over 220 fund investments and a volume of over EUR 7.2 billion since 2003 in the private debt sector. This ensures access to leading global managers with a focus on the attractive small and mid-market segment.

About YIELCO

YIELCO Investments is an independent global private markets investment specialist with offices in Germany, Switzerland, Spain and Luxembourg. The group services over EUR 11 billion in capital commitments from institutional investors across the asset classes of private equity, private debt, and infrastructure.

Disclaimer

This is a marketing advertisement. The aforementioned funds are only offered to professional investors within the meaning of Annex II of Directive 2014/65/EU (MiFID II) and semi-professional investors in accordance with Section 330 of the German Capital Investment Act (KAGB). Investments in alternative investment funds are highly illiquid and involve a high level of risk. The targeted high returns may not be achieved. The value of an investment can fall as well as rise. There is a risk of a total loss of the invested capital.

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