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Press release
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Smaller GPs and independent firms lead the way in carried interest distribution, Armen HEC Value Sharing Index reveals

Second edition of the Index highlights evolving value-sharing practices across European private markets, with independent and mid-sized firms driving alignment through broader participation.

(Wednesday, 7 May 2025 – Paris): [Armen](#), the purpose-driven investment firm specialising in minority investments in private equity firms, in partnership with [HEC Junior Conseil](#), the student-led consulting arm of [HEC Paris](#), and international business law firm [DLA Piper](#), today published the [second edition of the Armen HEC Value Sharing Index](#). The findings confirm that wealth-sharing mechanisms are playing an increasingly strategic role in the way mid-market GPs structure their organisations, incentivise teams and drive long-term alignment with investors.

The second edition deepens our partnership with HEC Junior Conseil, and strengthens it with a collaboration with DLA Piper to highlight European best practices and their importance for LPs.

Renaud Tourmente, Deputy CEO and COO of Armen, said: *“Value sharing is no longer just a retention tool – it’s a strategic imperative. The firms that succeed today are those that align economics with culture, accountability and long-term ambition. We’re seeing a growing recognition amongst GPs that sharing value more broadly is not only the right thing to do, but also the smart thing. It strengthens team cohesion, attracts top talent and builds long-term resilience. This year’s Index shows that independent and mid-sized GPs are leading the way in embedding these principles into the fabric of their organisations.”*

The Index surveys over 200 private market GPs across a range of strategies and firm sizes – from less than €500M to those exceeding €10B in AUM – to evaluate how economic value is distributed within firms. The 2025 edition reflects responses from managers across 22 European countries, with strong representation from France, the UK, DACH, Benelux, the Nordics and Southern Europe. The firms surveyed span private equity, private debt, infrastructure, real estate and multi-strategy platforms.

The results reinforce that thoughtful value-sharing is key to talent retention, internal alignment and long-term organisational resilience.

Results and conclusions

- **Carried interest distribution reinforces its role as the most widely used alignment mechanism:**
 - 53% of firms now allocate carried interest to more than 80% of employees – a marked increase versus 31% last year.
- **Smaller GPs share more value, more broadly:**

- Funds with less than €500M AUM grant carried interest to 77% of staff on average, compared to just 52% in firms managing greater than €10B.
- Similarly, 31% of employees at smaller firms hold equity in the management company, versus just 17% at larger firms.
- **Equity ownership remains concentrated:**
 - In over half the firms surveyed, equity is held by only 20% of team members, consistent with findings from the first edition of the Index.
- **Independent GPs more frequently share both carried interest and equity:**
 - Independently owned firms are more likely to adopt broad-based distribution models, reinforcing cultural and governance differences in how value is shared.
- **Regional trends reveal divergent philosophies:**
 - France and the Nordics lead in CI distribution, whilst Southern Europe is bridging the gap compared to last year in a relatively homogeneous result.
 - France, Benelux and Southern Europe seem to include more employees in ownership.
- **GPs confirm that wealth sharing distribution is a fundamental element in ensuring alignment and long-term stability for their LPs** (64% considered it important or very important for their LPs).

Dominique Gaillard, Chairman of Armen, added: *“Broad-based wealth sharing is one of the most effective ways to ensure long-term alignment between GPs and LPs. It reinforces continuity, succession and sustainability – all of which are critical to investor confidence. As a firm committed to supporting the next generation of private equity leaders, we believe that inclusive value-sharing models are fundamental to the industry’s future. The Index highlights how European GPs are evolving their practices and we hope that it will serve as both a benchmark and an inspiration for responsible, forward-looking growth.”*

ENDS

Notes to Editor

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About Armen:

Armen is a mission-driven company which aims to contribute to a positive change in the private equity ecosystem and to responsibly steer management companies and their holdings, according to ESG-Criteria, towards a sustainable future. Armen's first fund invests as a minority shareholder in European alternative investment companies through transactions called GP Stakes.

Armen is regulated by the French financial regulator Autorité des Marchés Financiers (AMF), as a portfolio management company since 07/09/2022 under the number GP-202222.

Currently, Armen has Exempt Reporting Advisor status with the SEC under registration No. 802128669 in the USA.

www.armen.eu

About HEC Junior Conseil:

HEC Junior Conseil is the student-run strategy consulting club of HEC Paris, one of Europe's top business schools. Since 1971, we have supported companies, start-ups, and institutions across all sectors, providing expertise in strategy, marketing, finance, digital transformation, and market research, including survey design and analysis.

Each year, we successfully complete over 170 consulting projects, combining academic excellence, operational rigor, and a deep commitment to innovation to help our clients tackle their strategic and operational challenges.

<https://www.hec-junior-conseil.fr/>

About DLA Piper:

DLA Piper is a business law firm with operations in more than 40 countries across the Americas, Europe, the Middle East, Africa and Asia Pacific, able to support companies around the world.

www.dlapiper.com