

FUND FINANCE FRIDAY

Preqin Presentation Kicks Off Symposium Content

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Sola Akinola, Director of Research for Preqin, kicked off the Symposium with a very rosy Private Capital Market update this morning. The data presentation added to the market participants' clear optimism about the continued growth opportunity for fund finance. Highlights of the presentation included:

- Global private assets under management sits at \$5.8 trillion.
- Private capital fundraising in 2018 totaled \$824 billion.
- There is a steady trend of capital consolidating with top sponsors (\$1 billion-plus funds accounted for over 50% of all capital raised in 2018).
- Dry powder now exceeds \$2 trillion, a 100% increase since 2007.
- Asset valuations are a key concern for sponsors.
- Distributions to investors continue to exceed called capital.
- There are over 11,000 institutional investors active in alternative investments.
- More investors intend to increase rather than decrease their exposure to alternatives in 2019.
- Preqin forecasts alternative assets to grow to \$14 trillion by 2023, driven by strong investor appetite for private equity over the next five years.
- Family wealth will be a key contributor to growth in assets under management.
- Private debt AUM has doubled since 2010, and Preqin forecasts it doubling to \$1.4 trillion by 2023.
- There are a record 4,967 funds in the market seeking \$1.5 billion in capital (both numbers up materially from a year ago).
- 84% of institutional investors report planning to increase their allocation to alternatives in the next five years.
- Diversity is an increasingly important focus of the private equity community.