

# Fund Finance Friday



## Almost There: Fundraising Nears the 2024 Finish Line

December 13, 2024

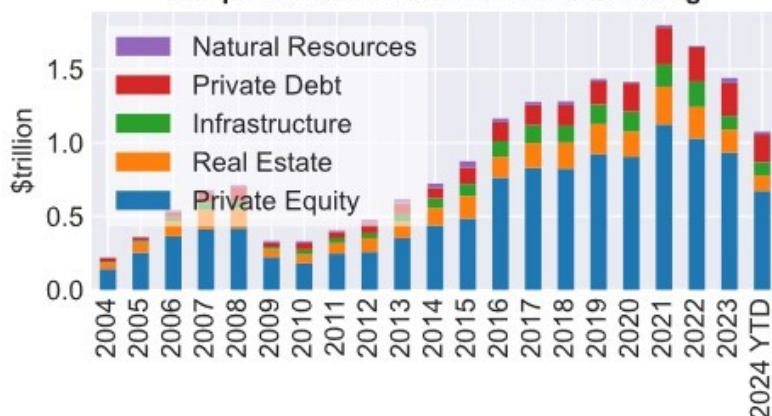


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Fundraising across private funds will close lower in 2024 but the year-to-date total now exceeds \$1.0 trillion, according to the latest data from Preqin. Closing the year above a trillion dollars in new commitments confirms the durable role of private fund allocations in institutional investment portfolios amid a challenging environment.

Coming into 2024, higher interest rates, uncertainty around valuations, and a constricted exit environment meant distributions would remain under pressure. Despite these limitations, LPs continued to allocate incremental new capital to private market strategies.

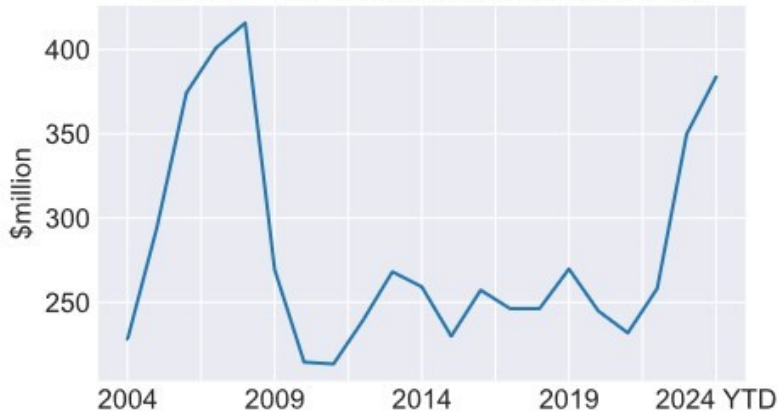
**Preqin Global Private Market Fundraising**



Source: Preqin.

Resilient fundraising benefited a limited number of sponsors. Average fund size returned to pre-GFC highs. The YTD average fund size of \$384 million illustrated the challenge for first-time sponsors or strategy specialists to get a fund off the ground.

**Global Private Average Fund Size by Vintage**



As the fund finance market matures, we see the AUM chart rising in significance compared to fundraising. The addressable NAV market now surpasses \$14.3 trillion and continues to grow steadily. Lenders that can attach at both the capital commitment and the asset level are best positioned to follow the direction of travel. Fundraising numbers are continually revised as new fund closings come to light, which means full-year totals will end higher than the YTD annualized numbers currently suggest.

**Global Private Aggregate AUM**

