



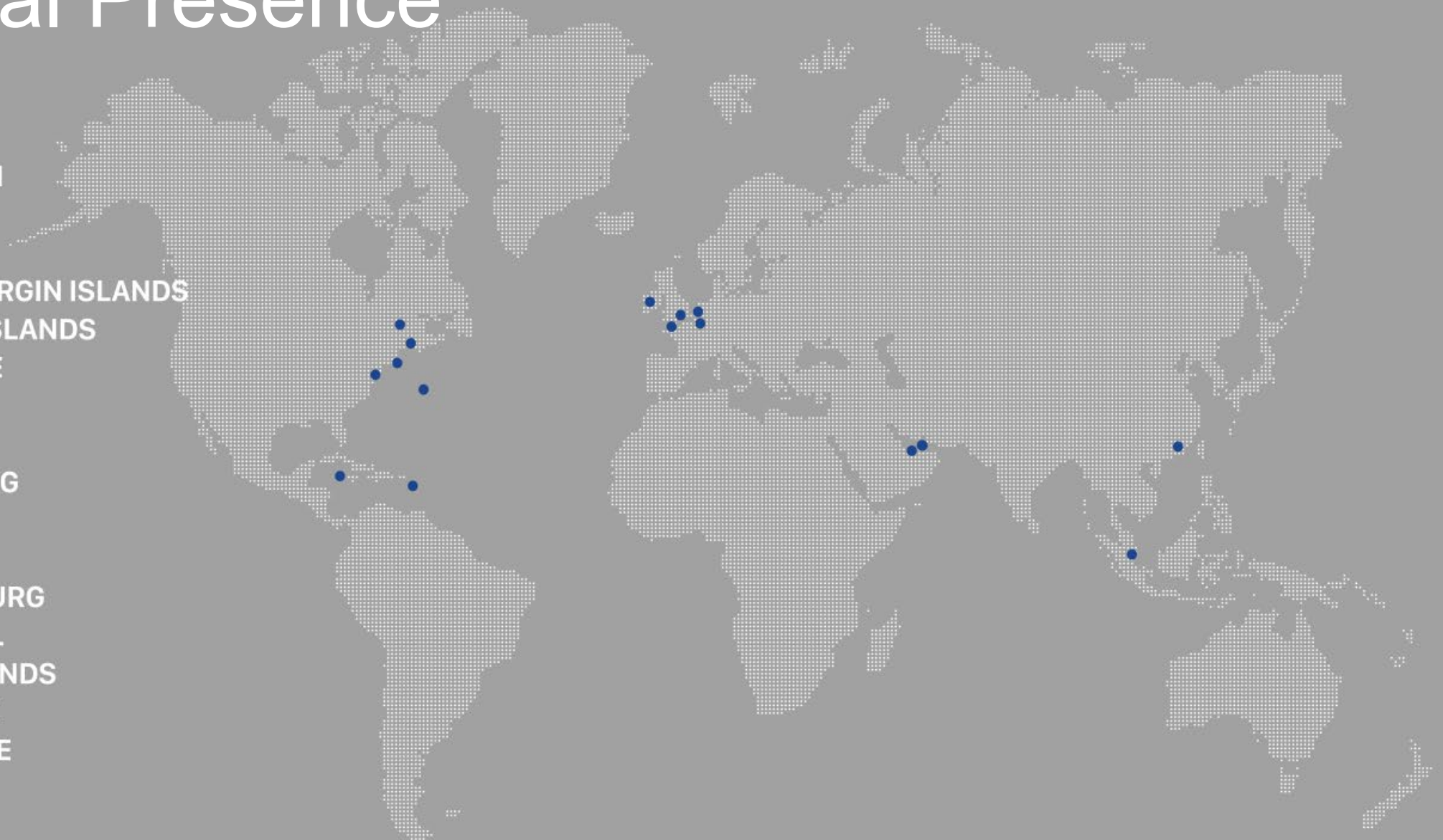
INSIGHTS
LONDON

Investment Funds Forum

6 September 2023

Global Presence

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PREQIN

Alternative Assets: Key Trends 2023



Key Trends in 2022-23

6th September 2023

**Pinja Saarikoski, Senior
Associate, Private Capital**

PREQIN

About Preqin

- The Home of Alternatives™
- Data, solutions, and insights for over 200k alternative assets professionals
- Founded in 2003, 15 offices globally
- Acquired Colmore in 2021
- Around 1,000 team members globally



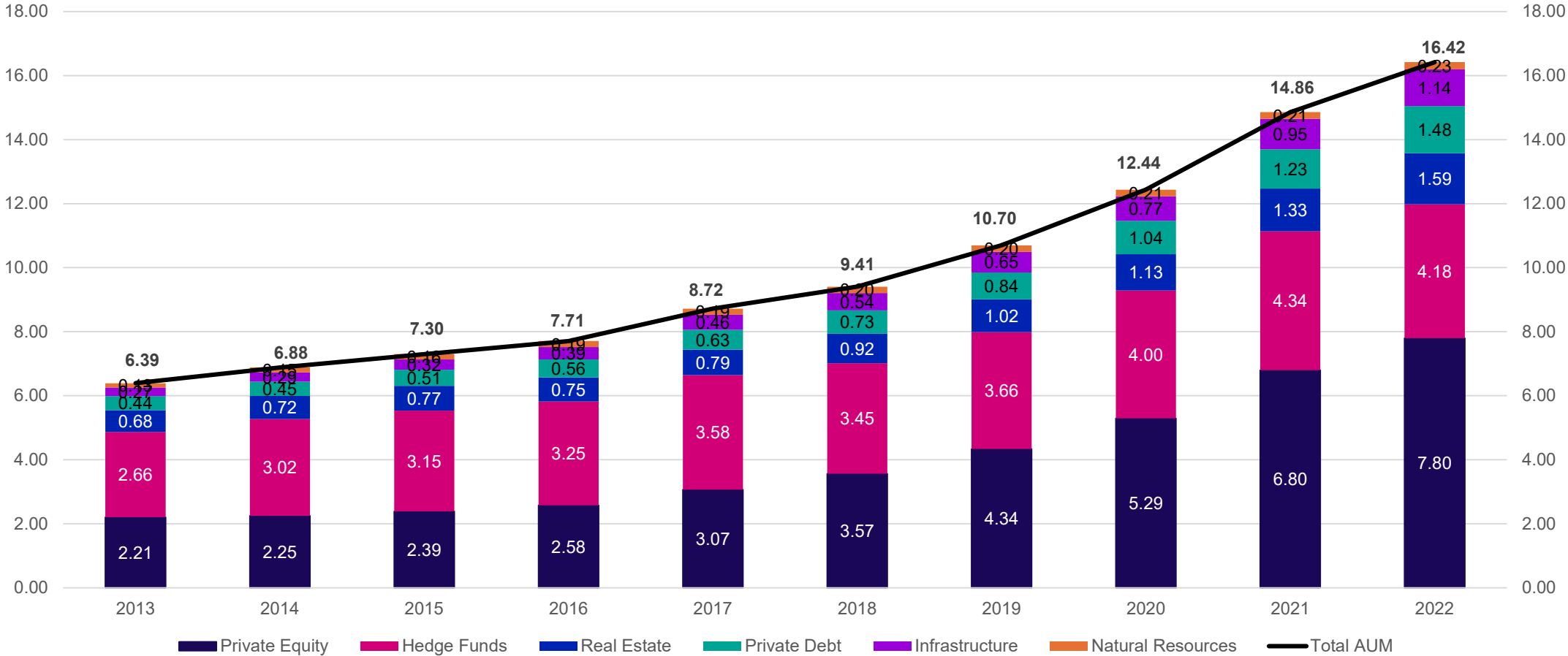
Agenda

1. Alternative assets overview
2. Private Equity: *fundraising trends and investor views*
3. Private Debt: *fundraising trends and investor views*
4. Hedge Funds: *fundraising trends and investor views*
5. ESG fundraising
6. Future of Alternatives

Alternative Assets in Europe 2023 Overview

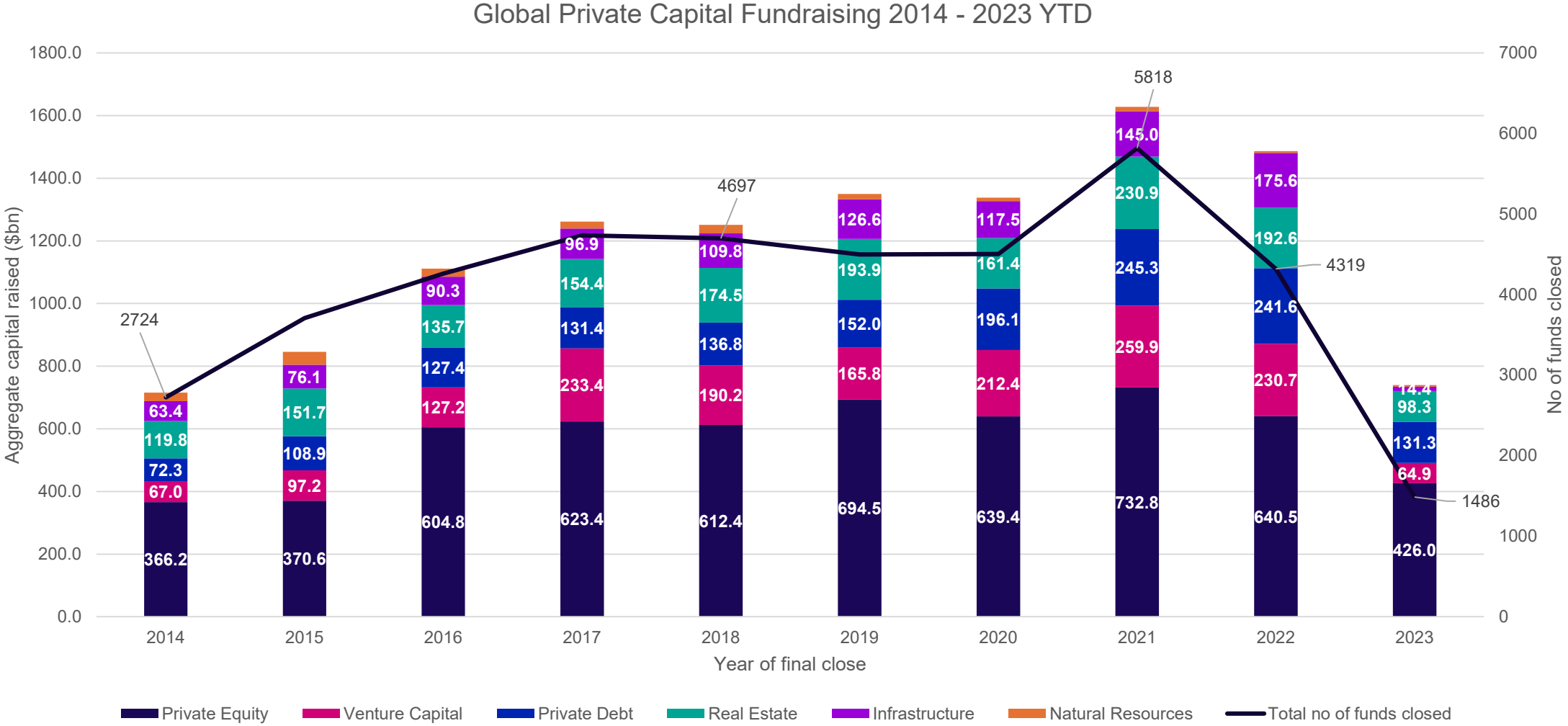
Top-Level View of the Alternative Assets Space by Size

Alternative Assets under Management (\$tn), 2013-2022



Source: Preqin Pro

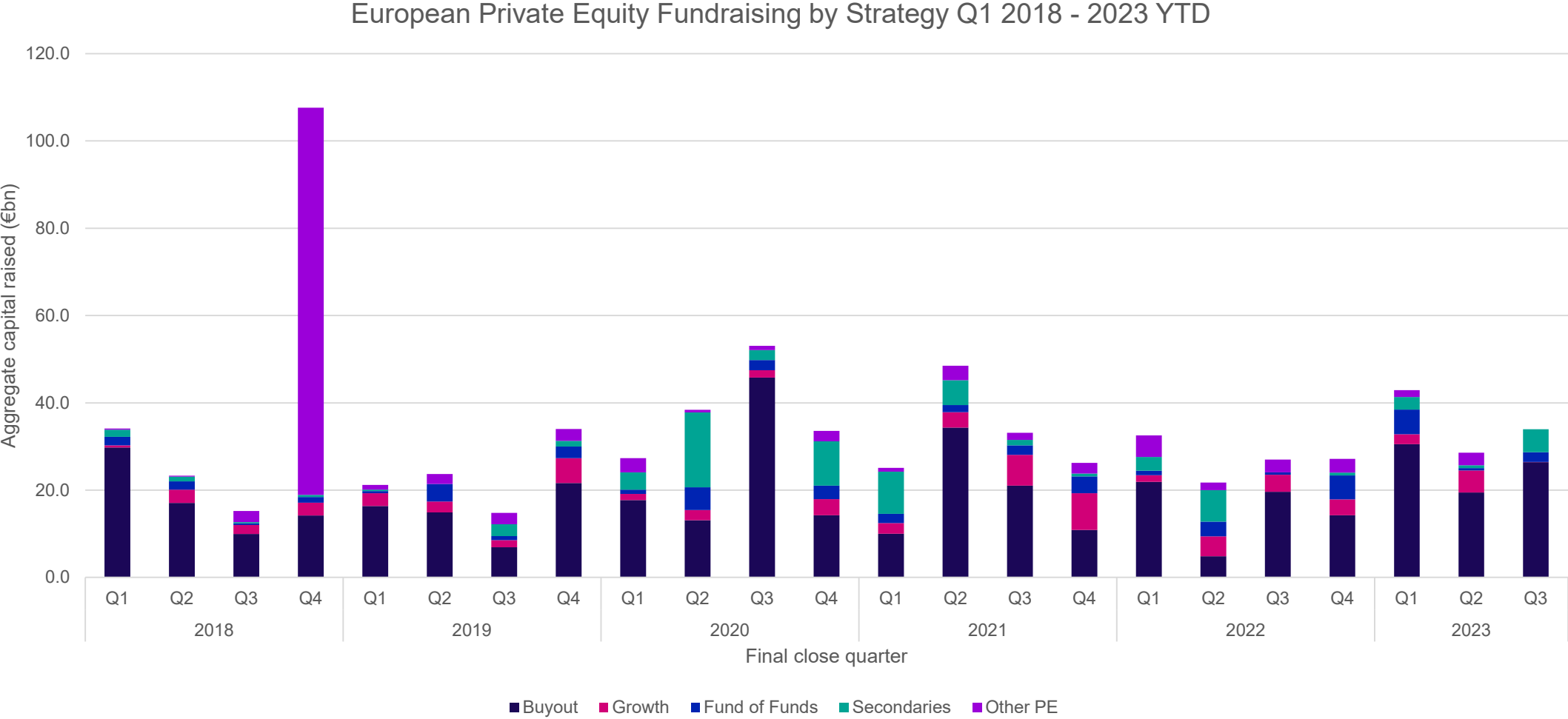
Challenging Environment for Private Capital Fundraising



Source: Preqin Pro

Private Equity in Europe

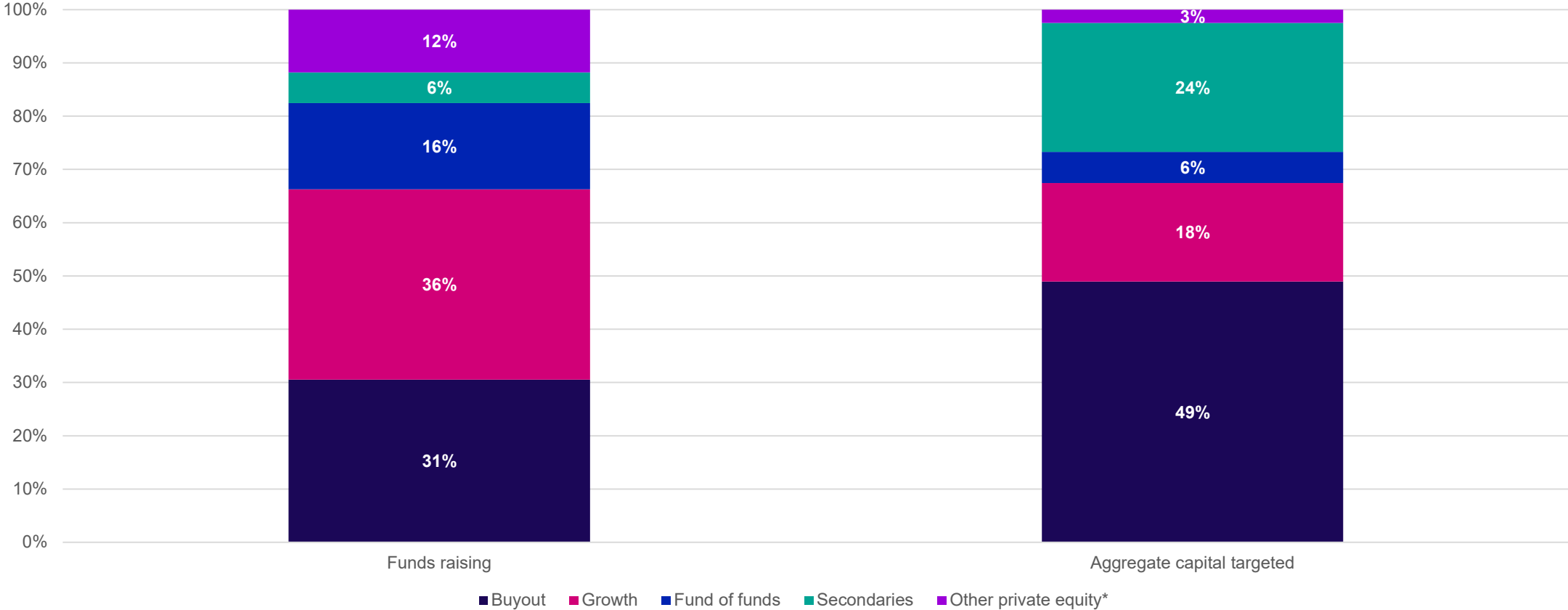
Private Equity Fundraising Still Lagging Investor Sentiment



Source: Preqin Pro

Secondaries Mega-Funds on the Rise

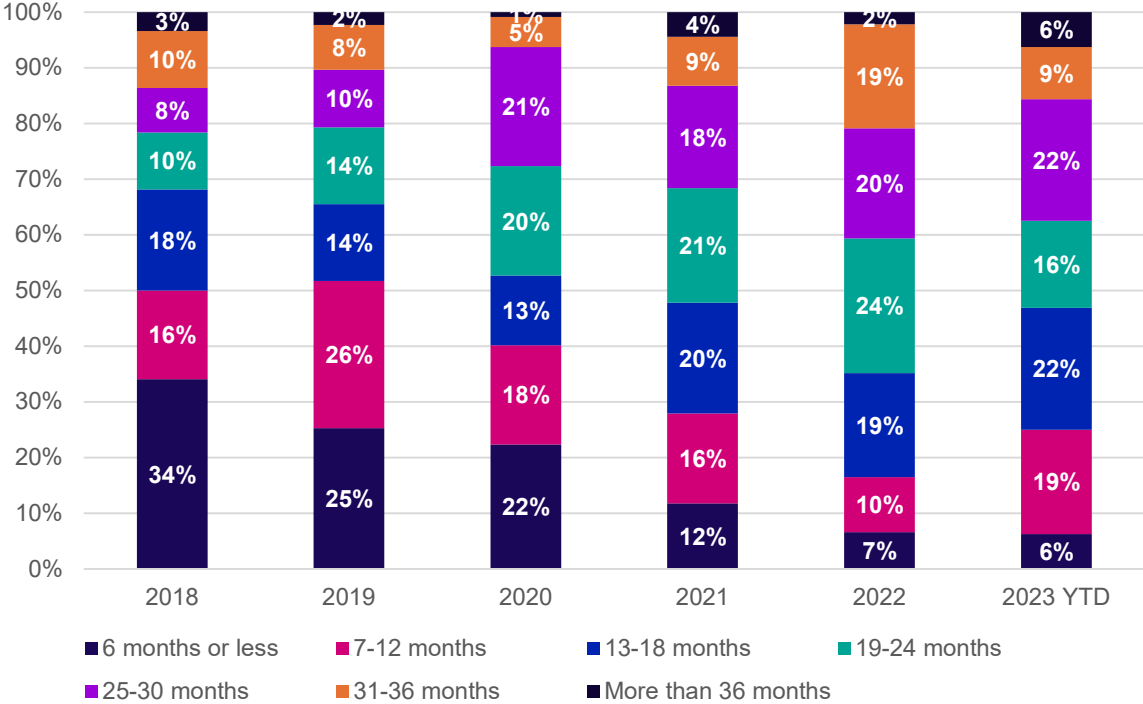
European Private Equity Funds in Market by Strategy, August 2023



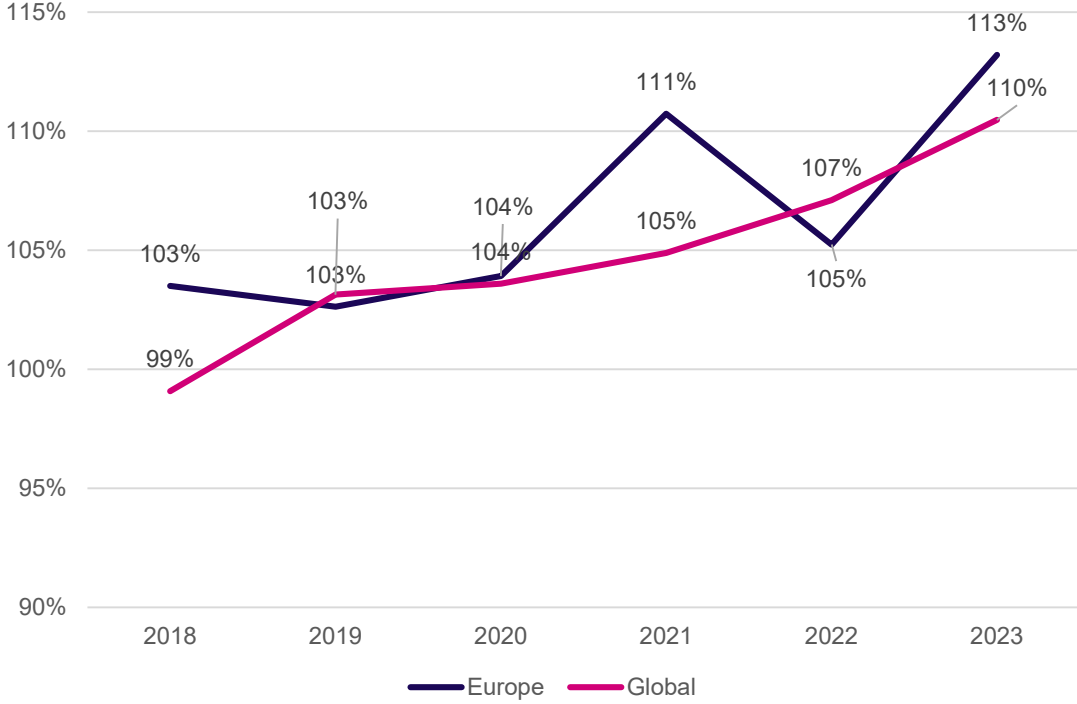
Source: Preqin Pro

Fundraising Successes with Lengthened Time on Road

European Private Equity Funds by Time Spent in Market, 2018-2023 YTD

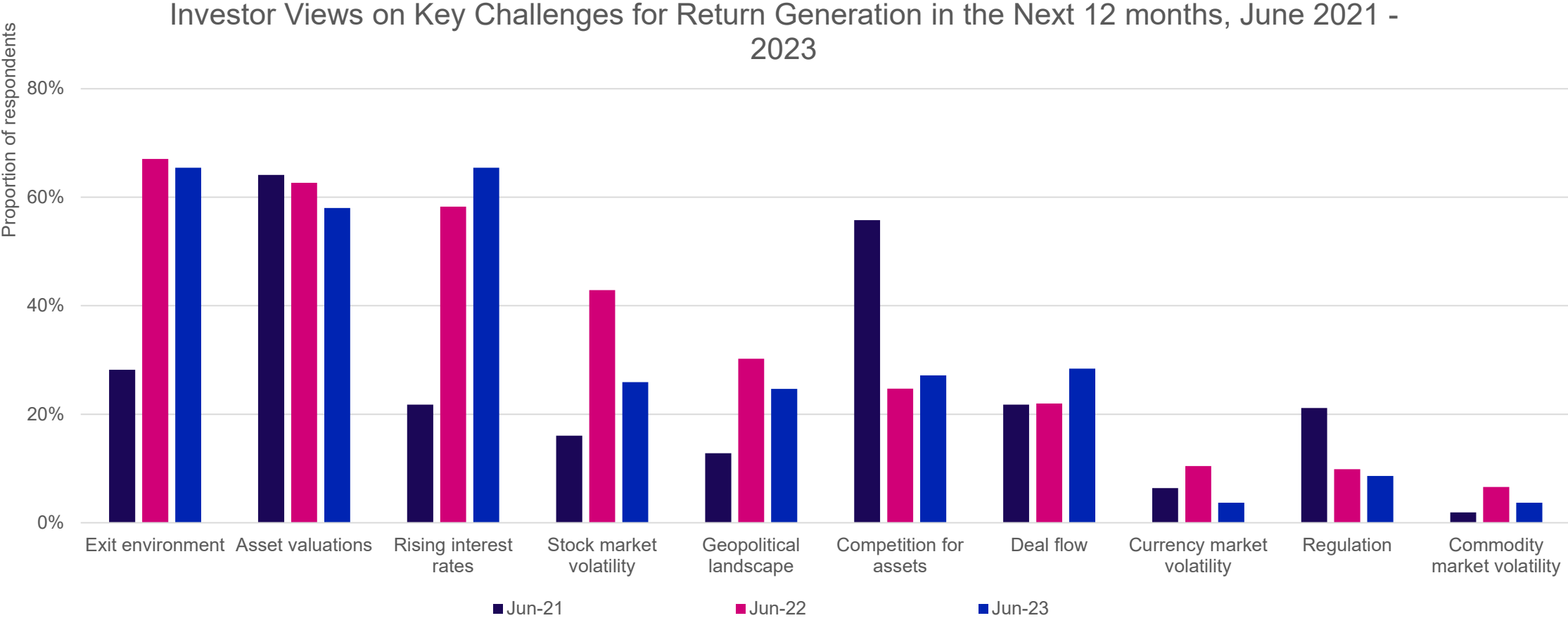


Private Equity Proportion of Target Achieved, Europe vs Global



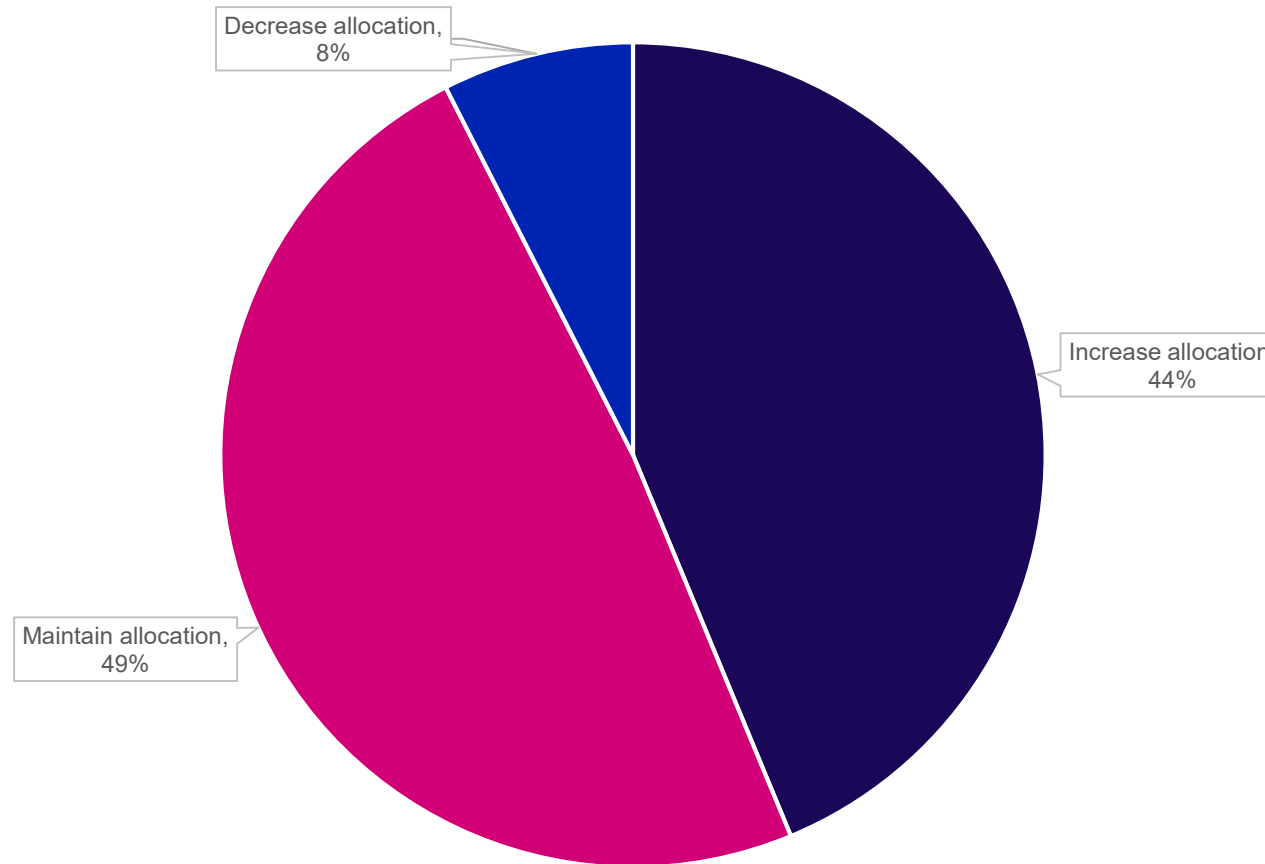
Source: Preqin Pro

Interest Rates, Valuations, and Exit Environment Remain Top Concerns for Private Equity Allocators



Source: Preqin Investor Surveys, June 2021 – 2023

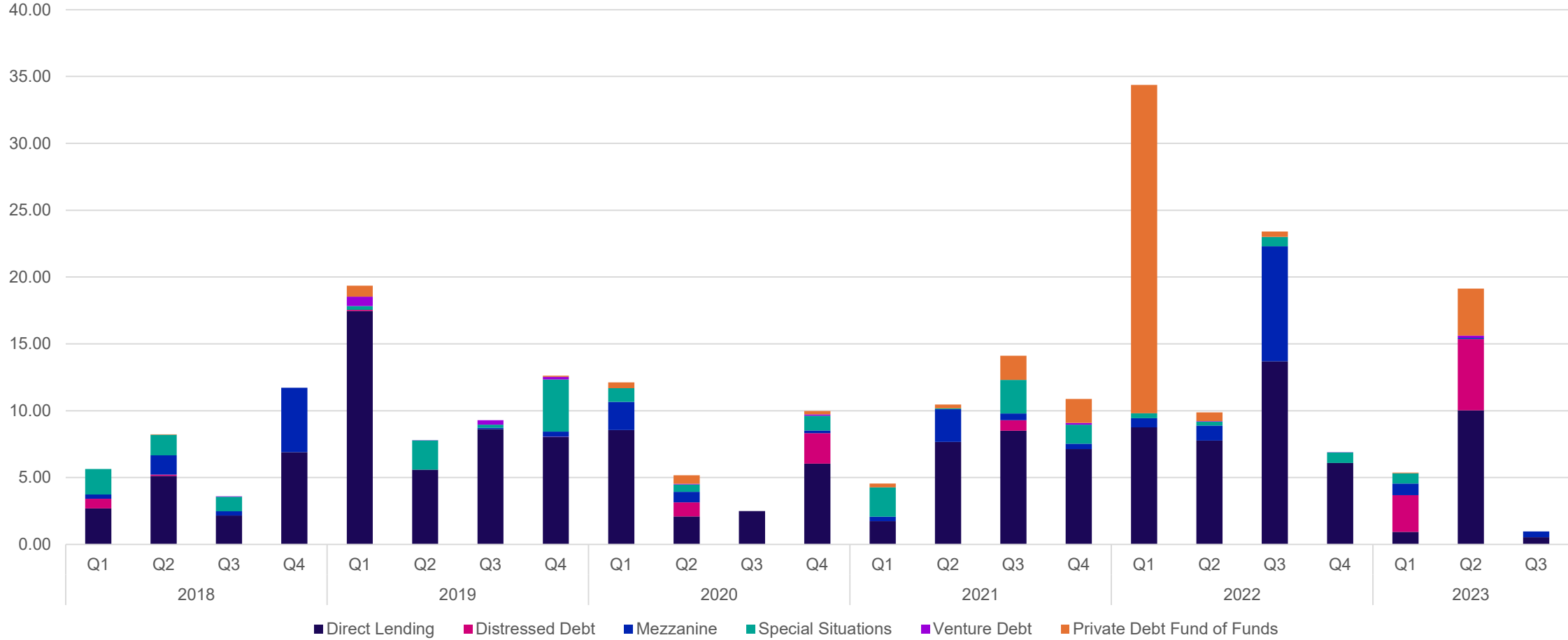
Majority of Investors Looking to Increase or Maintain Private Equity Allocation in the Long Term



Private Debt

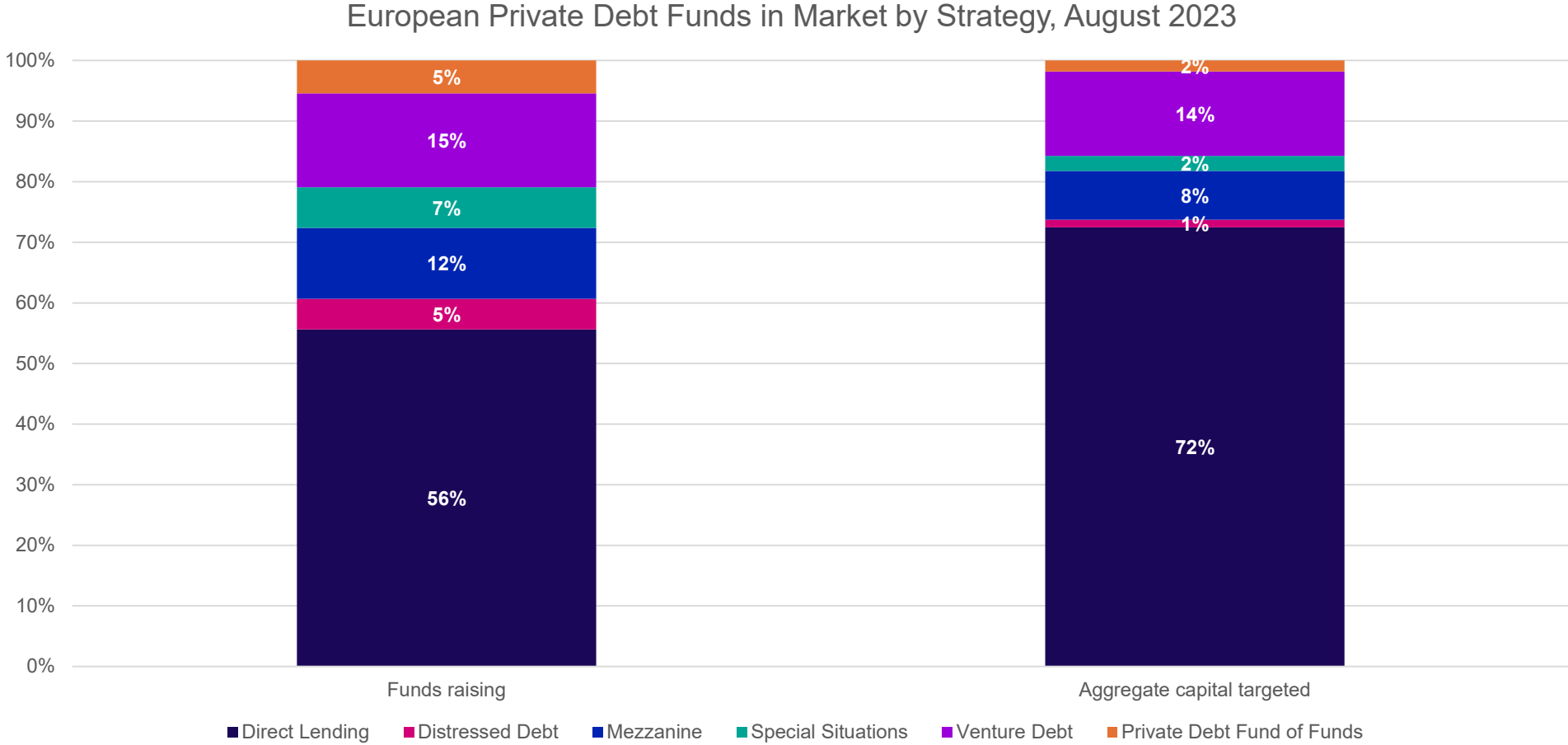
Renewed Interest in Distressed Debt

European Private Debt Fundraising by Strategy Q1 2018 - 2023 YTD



Source: Preqin Pro

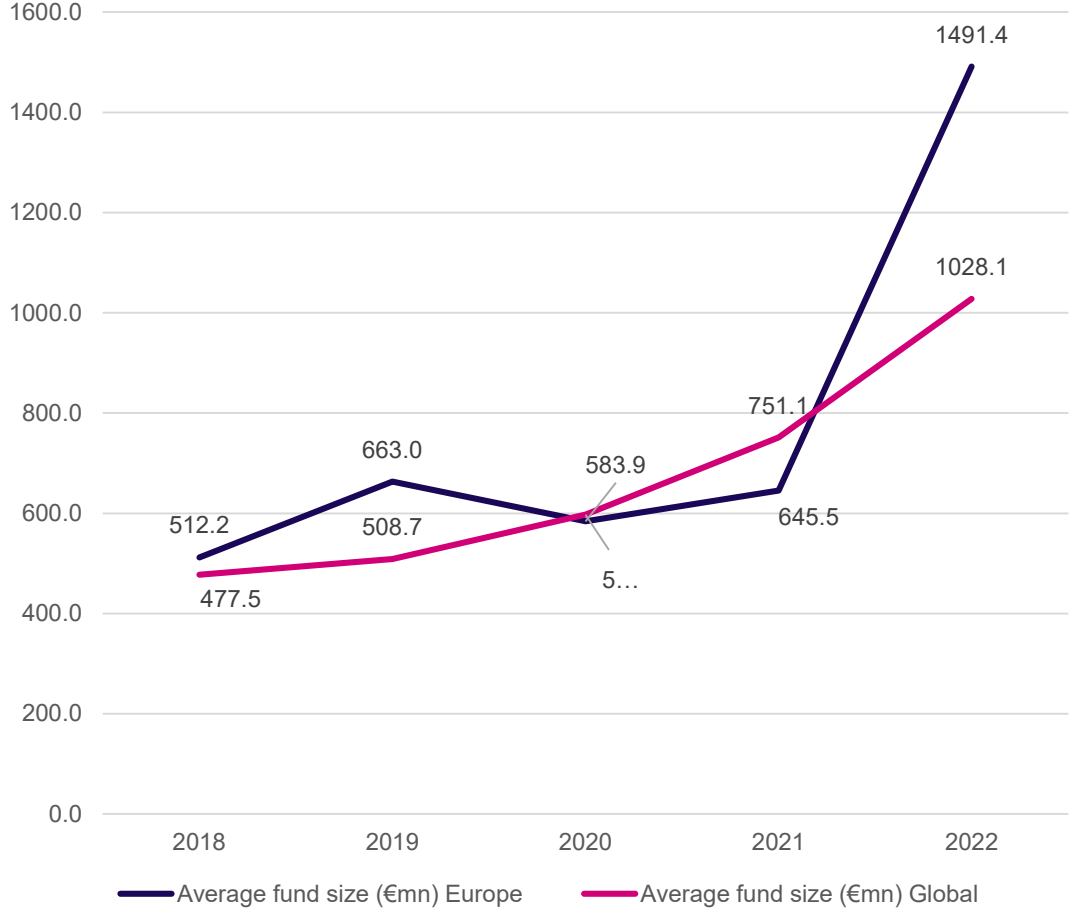
Direct Lending Continues to Dominate for Funds in Market



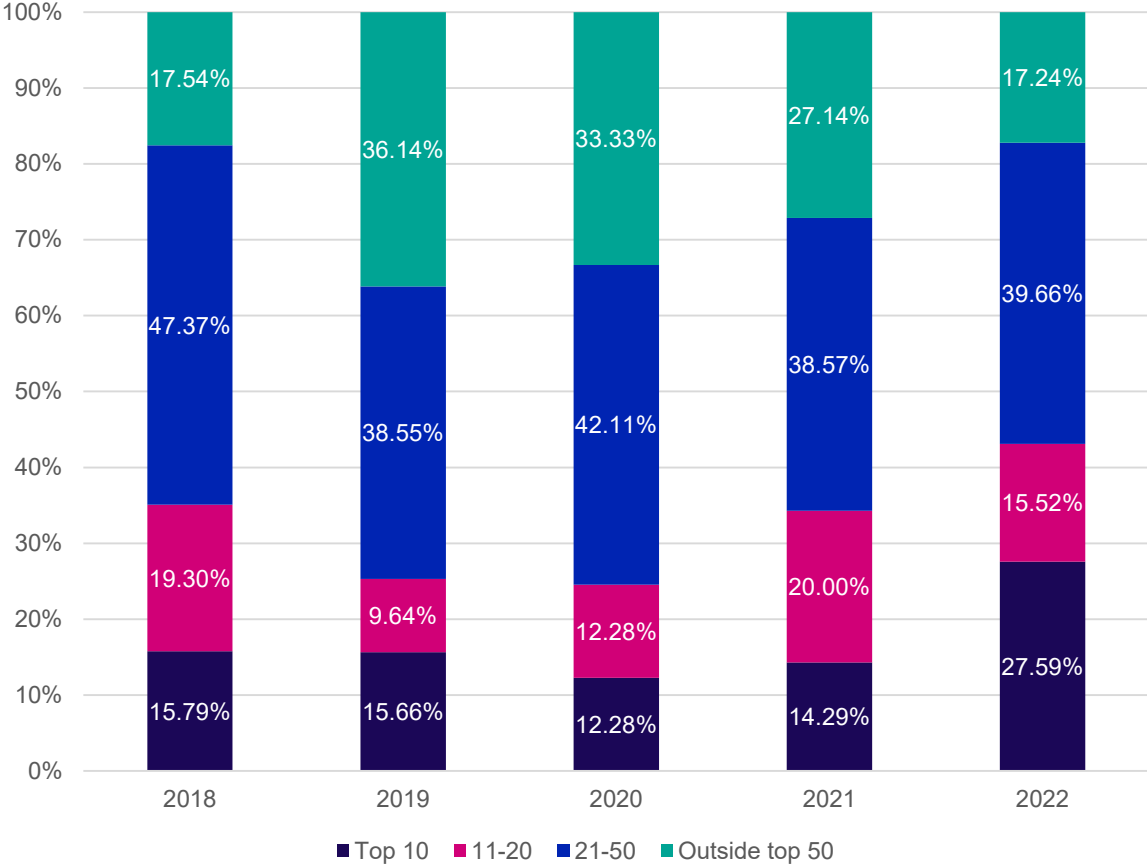
Source: Preqin Pro

Fundraising Successes, Capital Consolidation

Private Debt Average Fund Sizes, 2018-2022

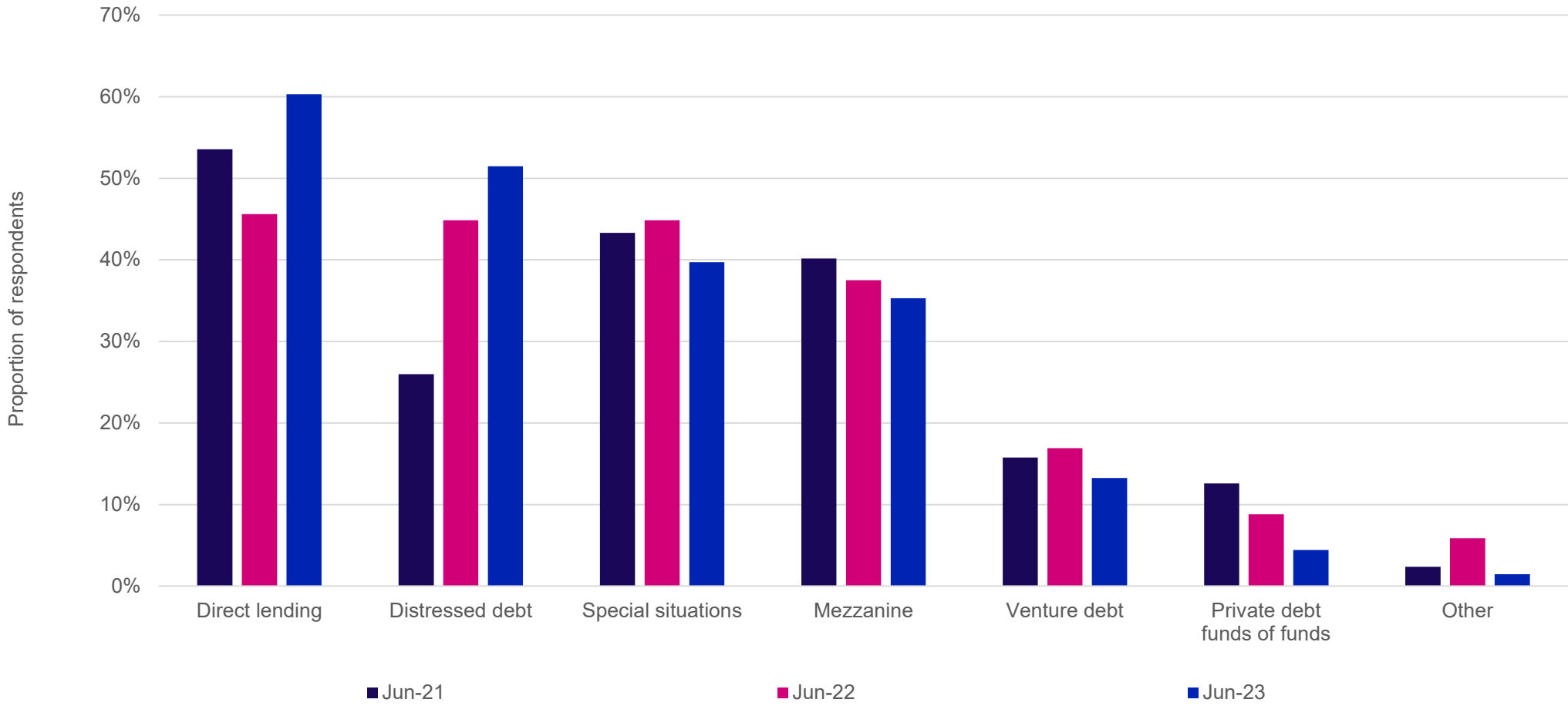


Proportion of Aggregate Capital Raised by the Largest Private Debt Funds closed in Europe, 2018 – 2022



Source: Preqin Pro

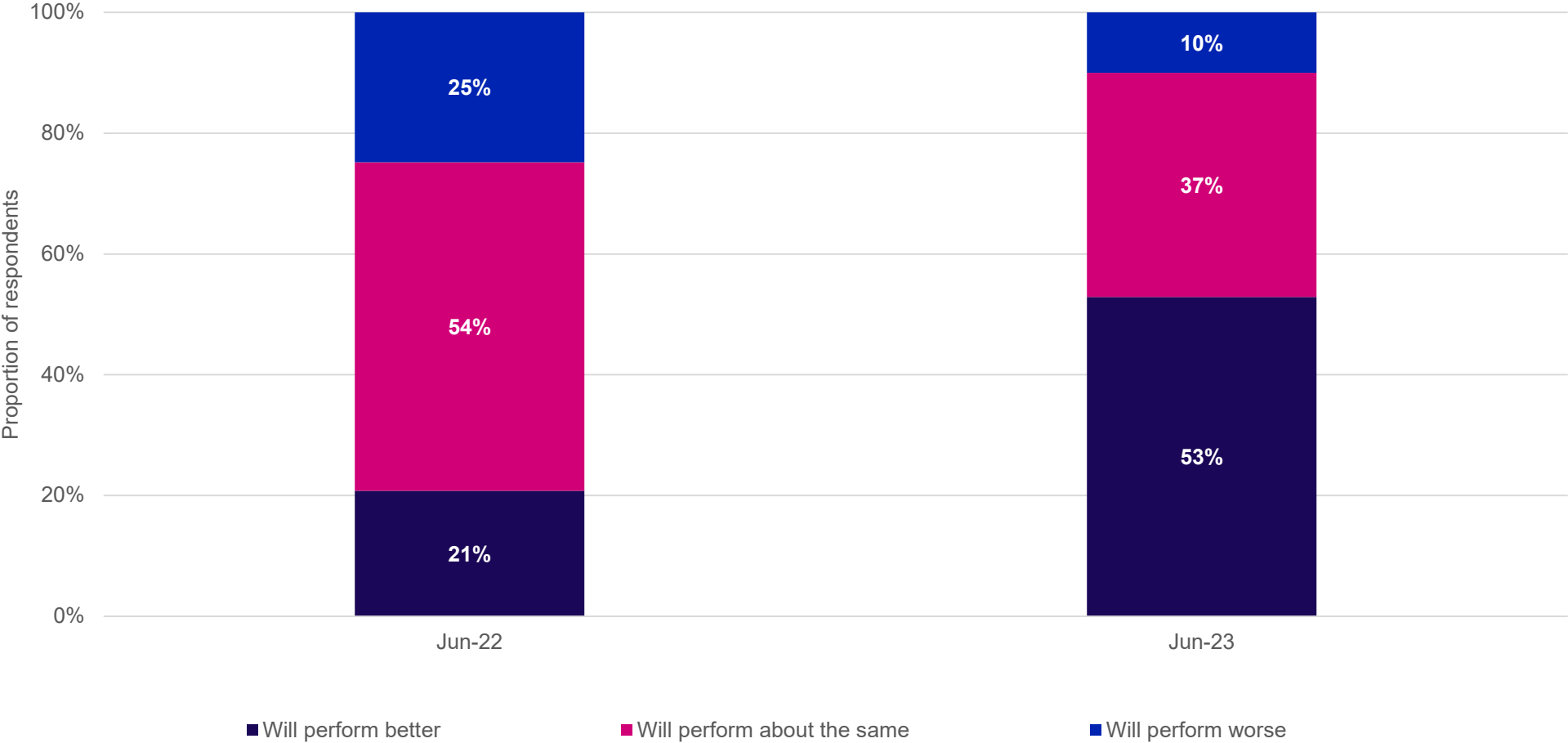
Investor Appetite for Distressed Debt and Direct lending



Source: Preqin Investor Surveys, June 2021 – 2023

Source: Preqin Pro

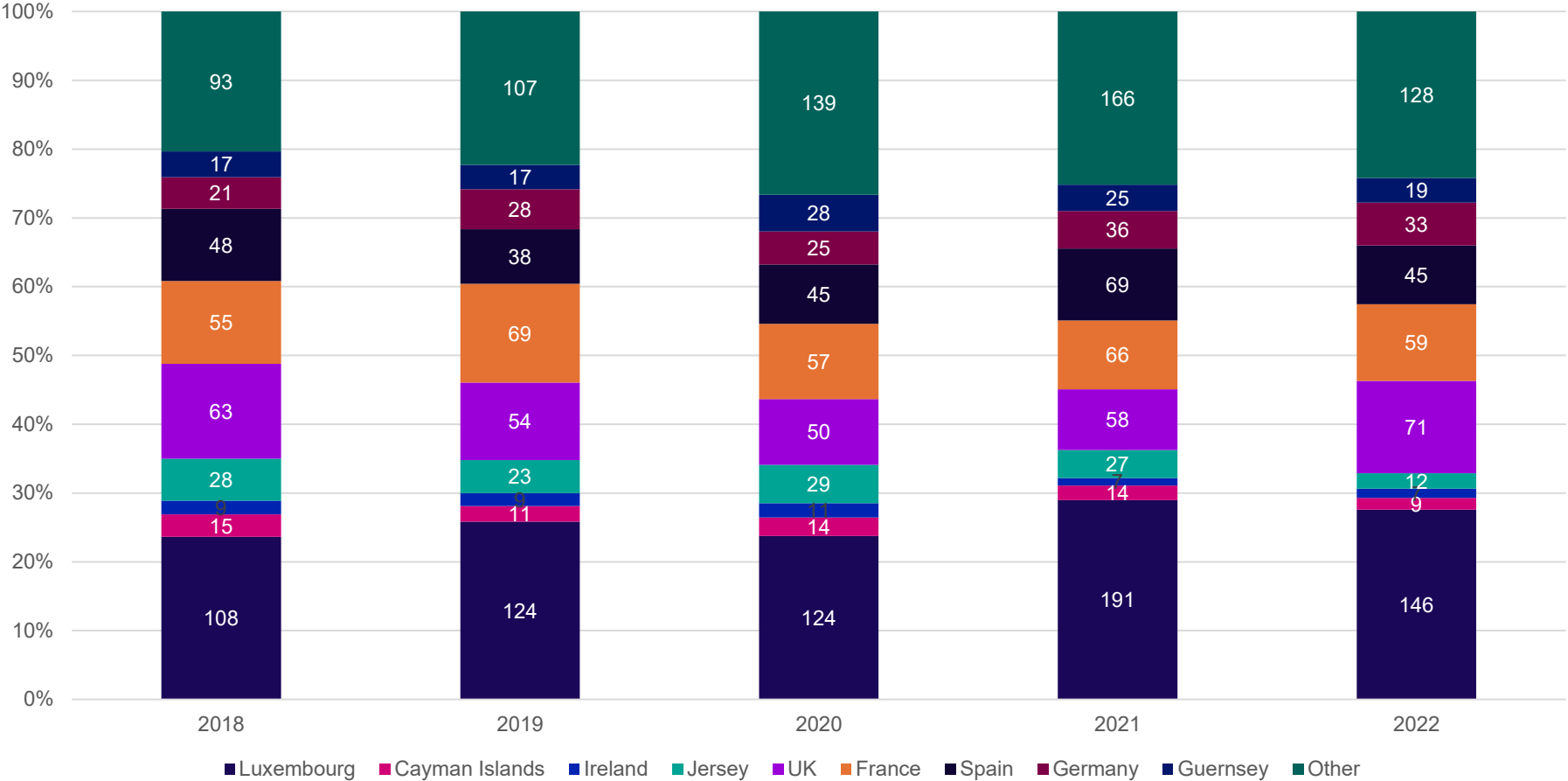
Improved Performance Expectations Driving Allocations



Source: Preqin Investor Surveys June 2022-2023

European Fund Domiciles

European Private Capital Funds by Domicile, 2018-2022



Source: Preqin Investor Surveys June 2022-2023

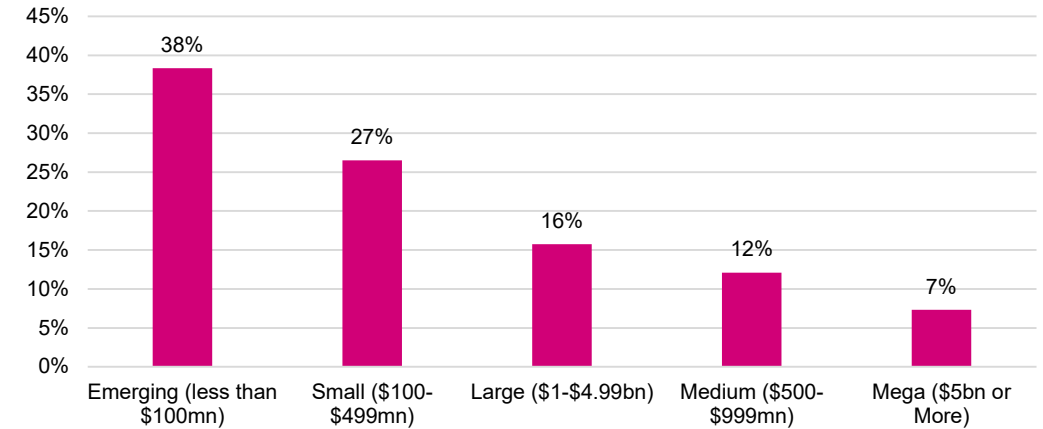
Hedge Funds

The Hedge Fund Industry by Numbers

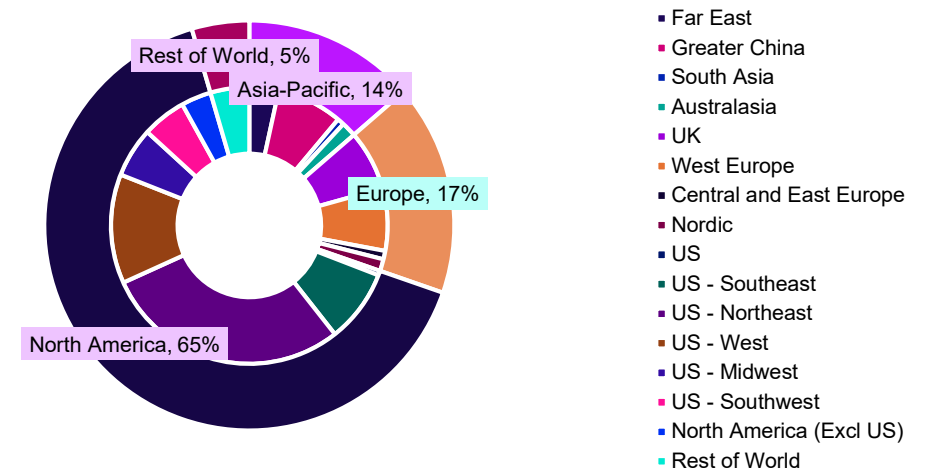
Preqin's Hedge Fund Dataset

- **7,500+ Active Hedge Fund Investors**
 - *1,369 Active European Hedge Fund Investors*
- **10,000+ Active Hedge Fund Managers**
 - *1,646 Active European Hedge Fund Managers*
- **31,600+ Active Hedge Funds**
 - *5,900 Active European Hedge Funds*
- **30,000+ Streams of Performance (Fund and Share Class)**
- **530+ Hedge Fund Benchmarks on Pro**

Proportion of Global Hedge Fund Managers Preqin Track by size

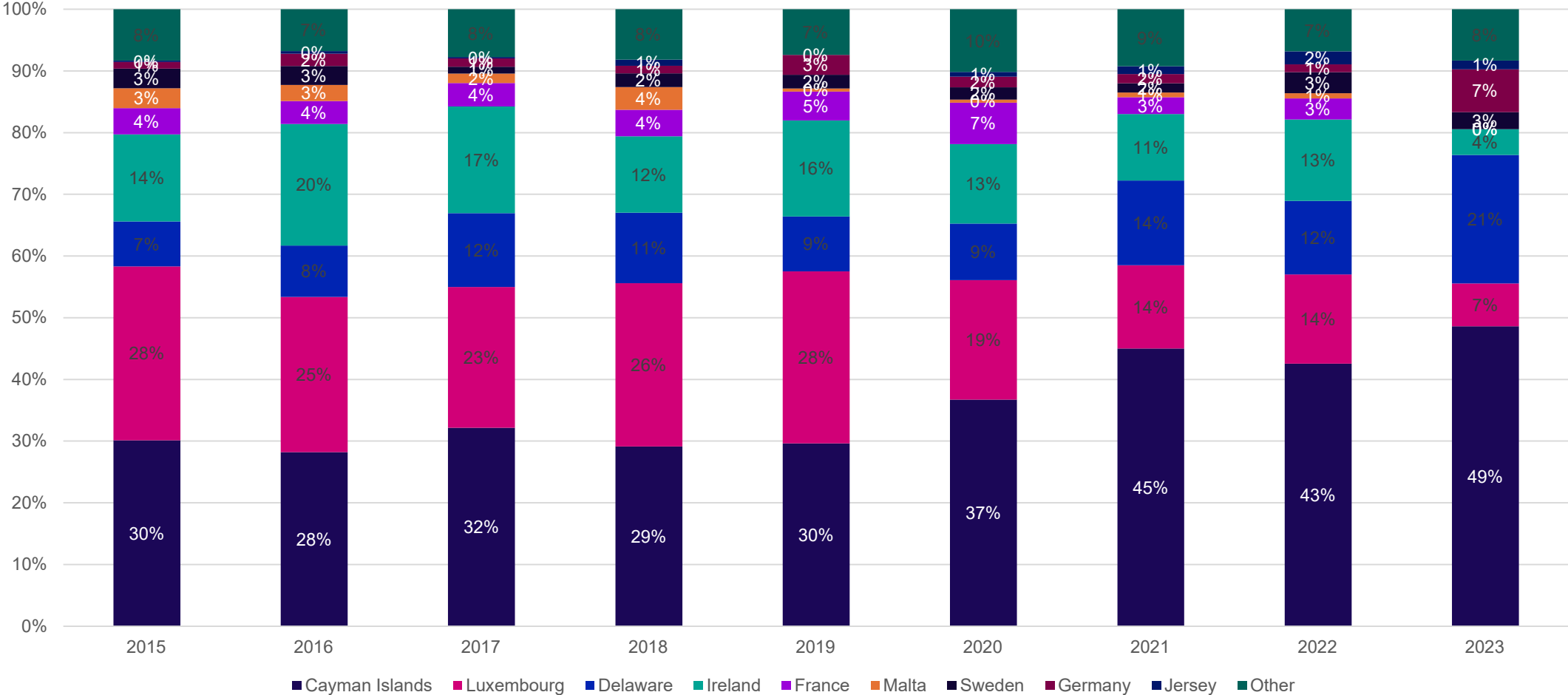


Active HF Managers by Region



Fund Launches by Domicile, European Managers

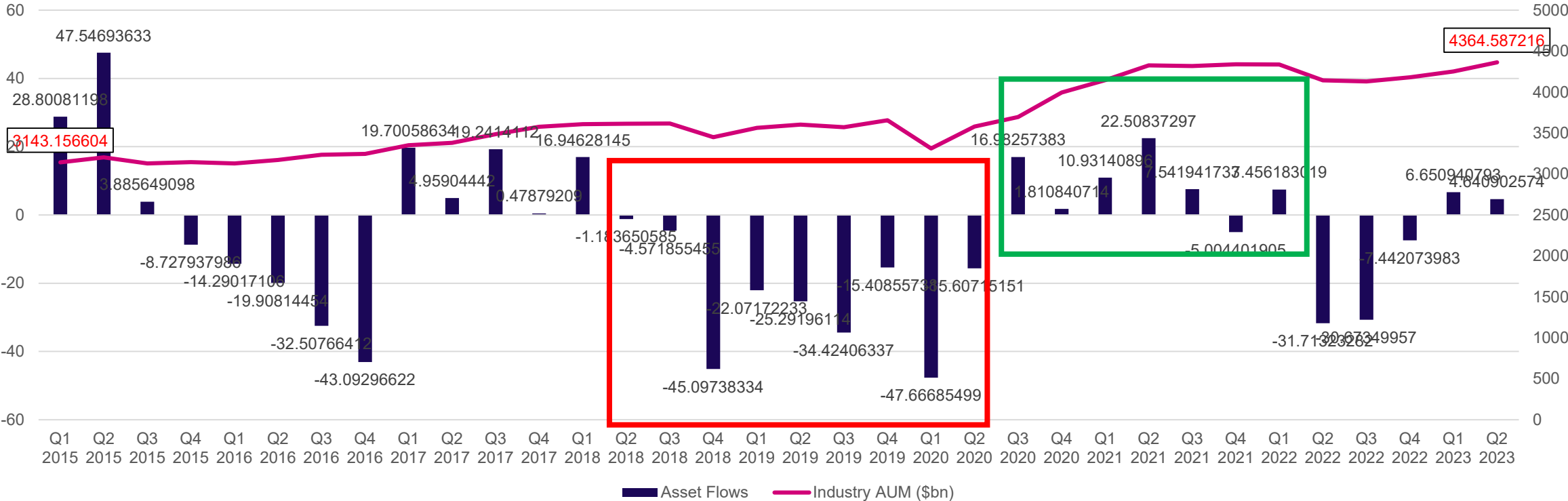
European-based Fund Launches by Domicile, 2015-2023 YTD



Source: Preqin Pro

Hedge Fund Asset Flows and AUM

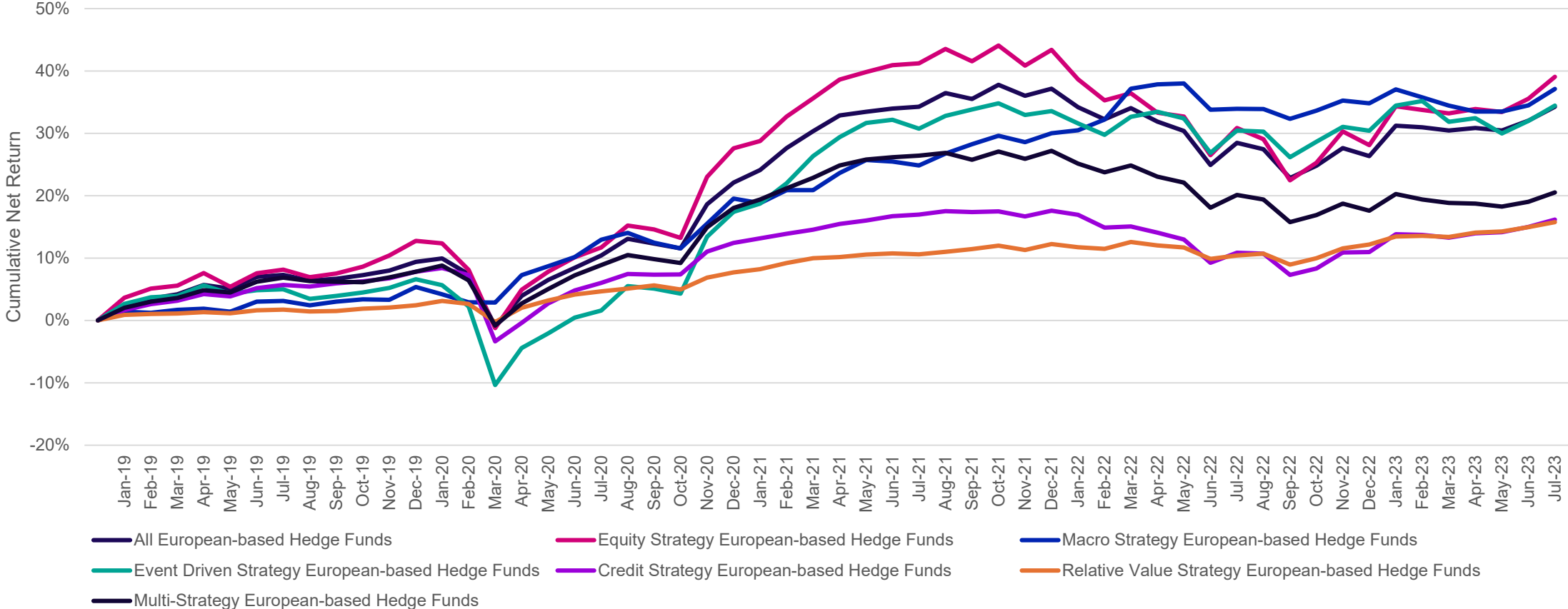
Quarterly Asset Flow & Assets Under Management of Hedge Funds (excl. UCITS) Globally, Q1 2015 - Q2 2023



Source: Preqin Pro

Cumulative Performance

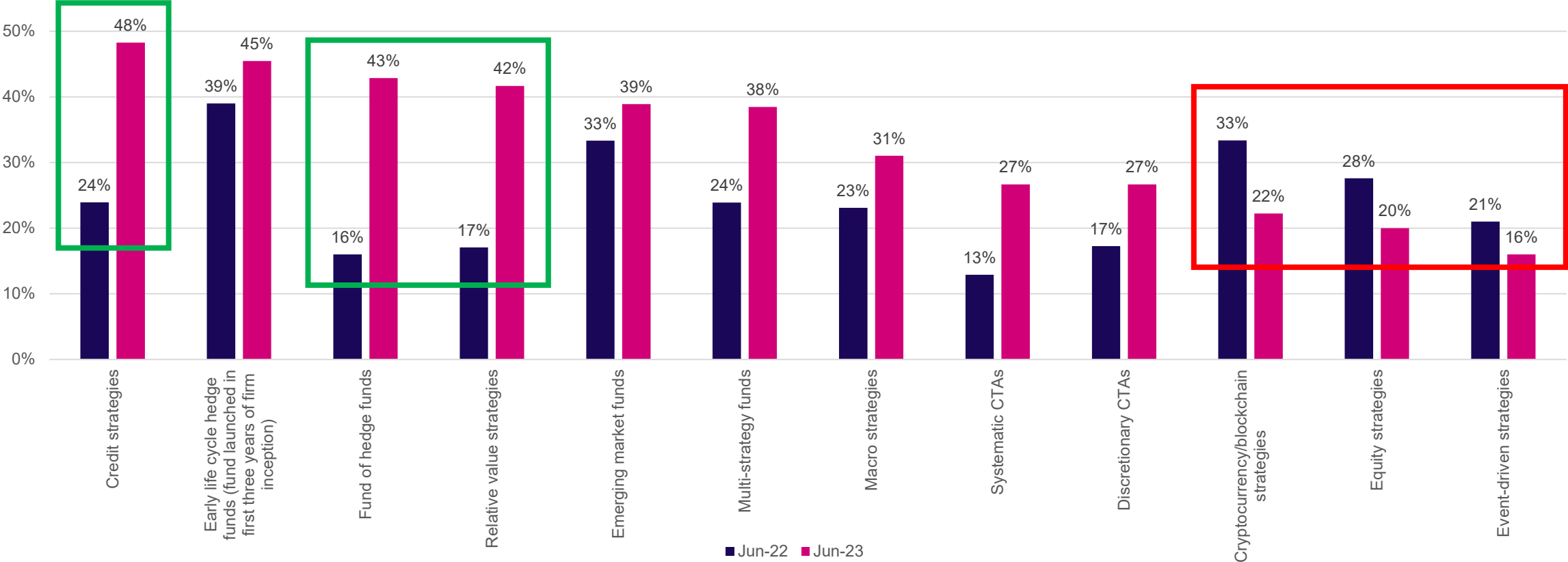
European-based Hedge Funds Benchmarks Cumulative Performance (January 2019 - July 2023)



Source: Preqin Pro

Increases in Investor Allocations to Credit and Relative Value Strategies

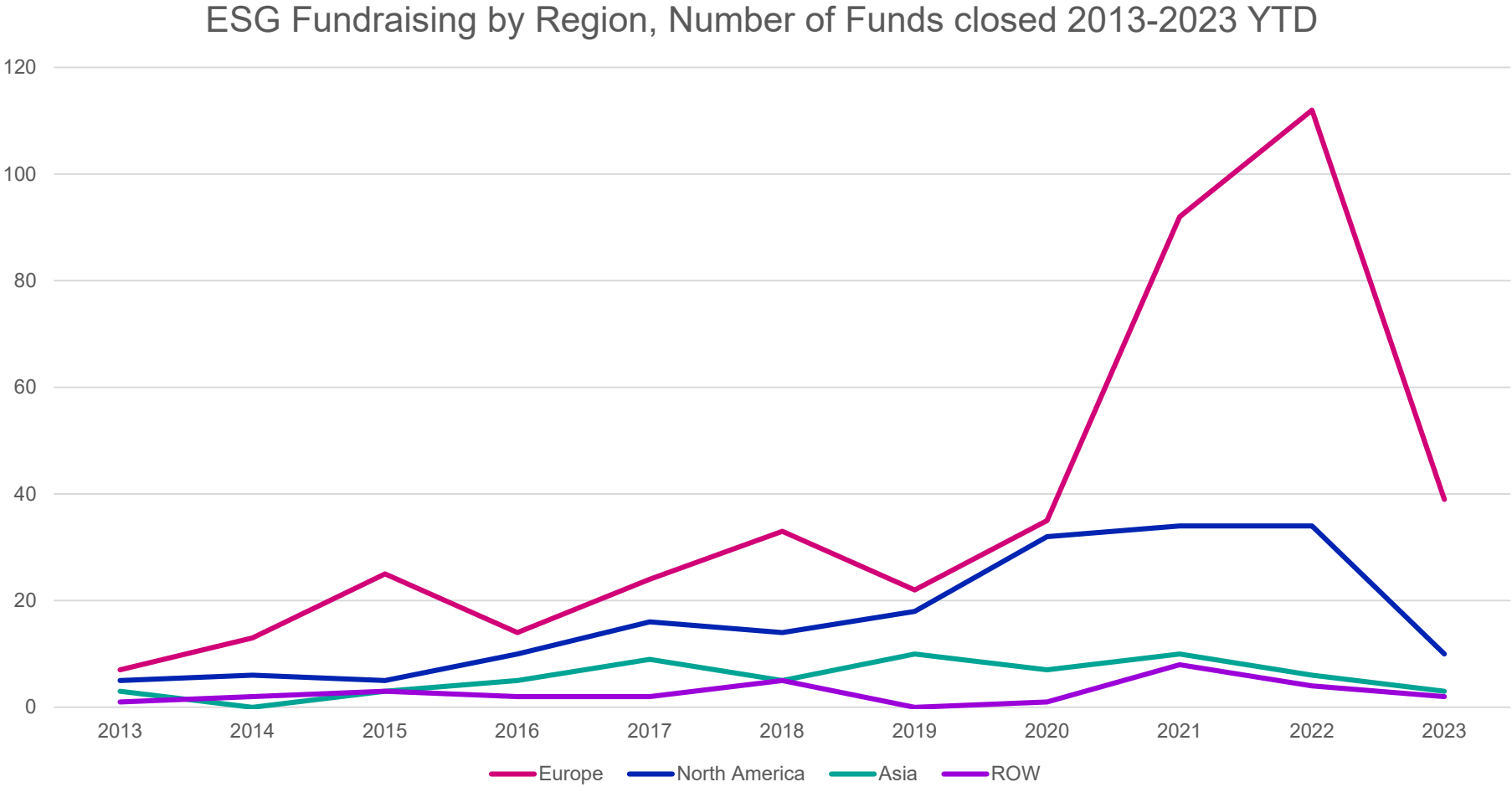
Proportion of Hedge Fund Investors Expecting to Increase Capital by Strategy Over Next 12 months, Jun-22 vs Jun-23 Survey Results



Source: Preqin Pro

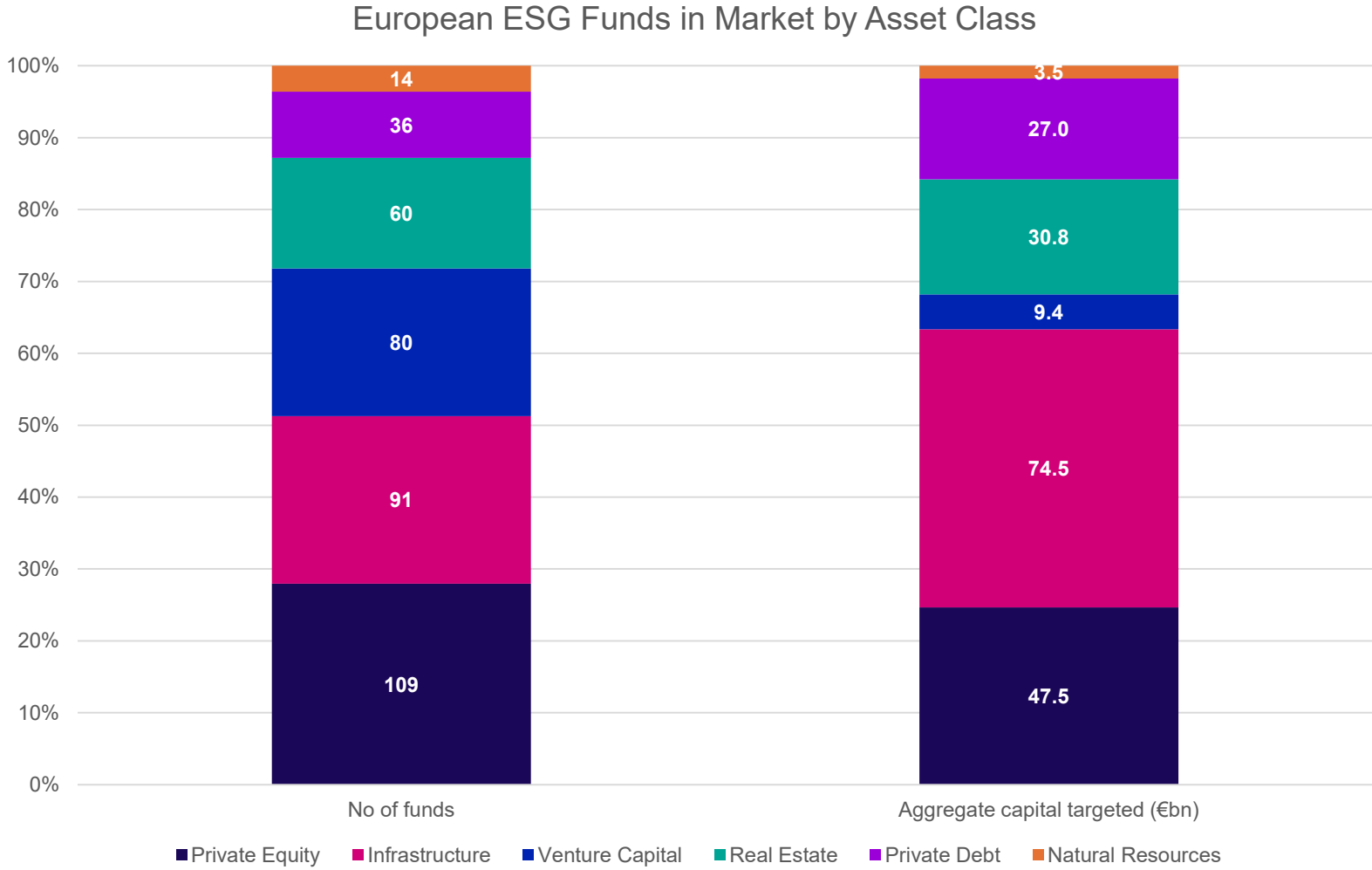
ESG

Europe Leads the Way in Private Capital ESG fundraising



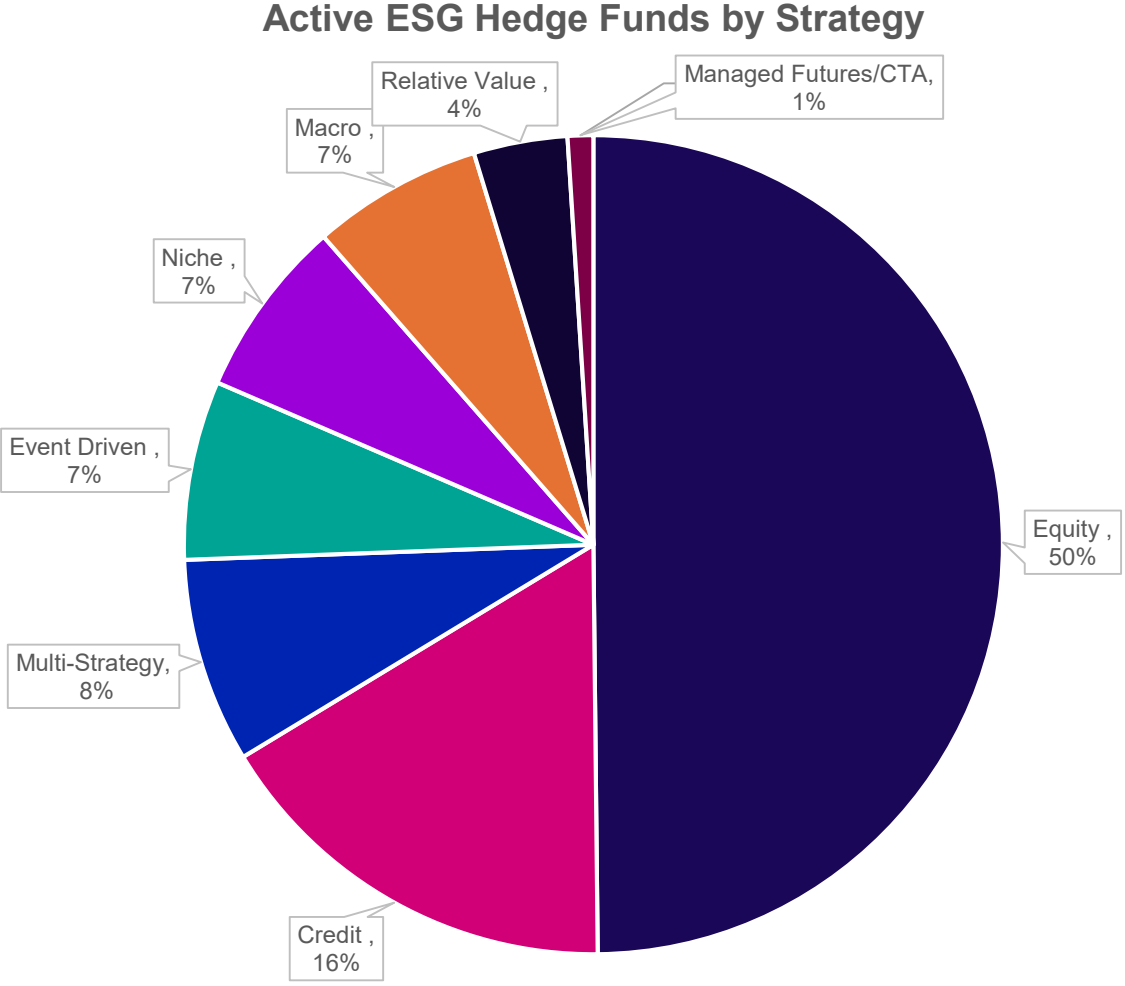
Source: Preqin Pro

European ESG Funds in Market



Source: Preqin Pro

ESG in Hedge Funds

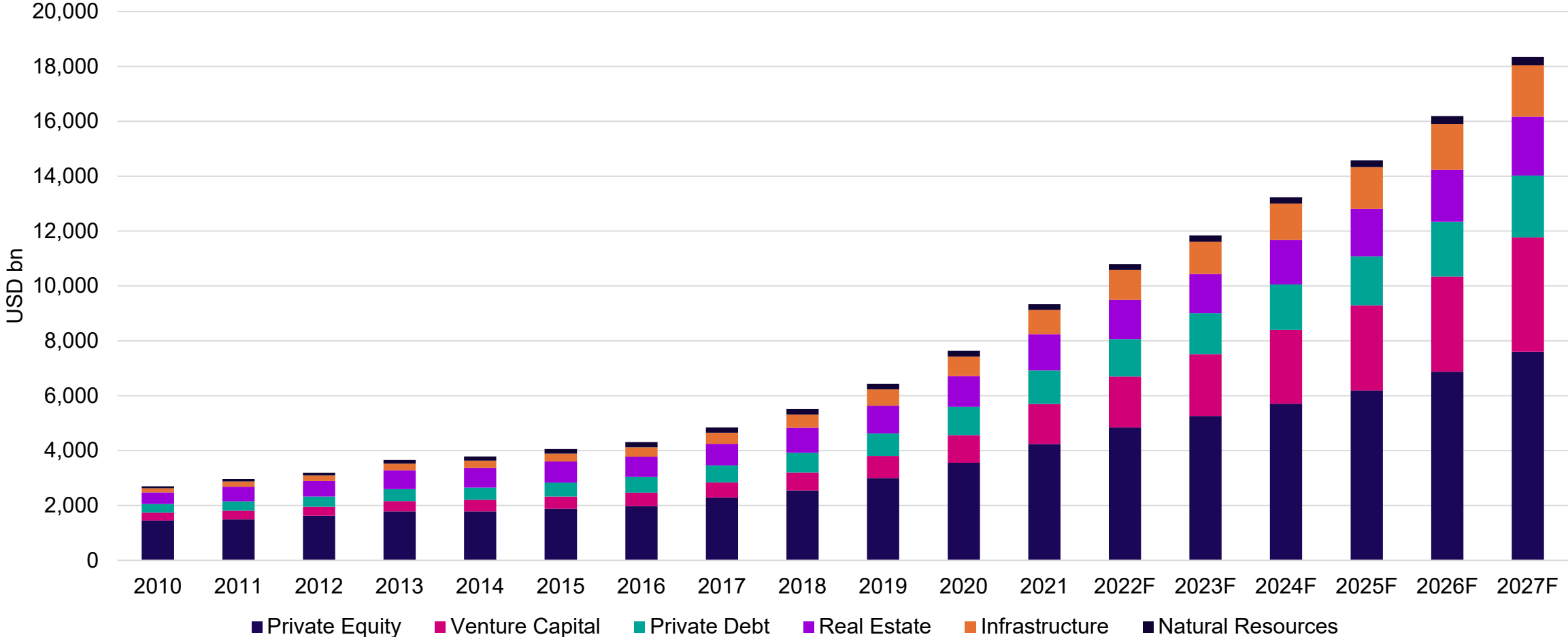


Source: Preqin Pro

Future of Alternatives

Private Capital AUM to Almost Double as Long-Term Demand Remains

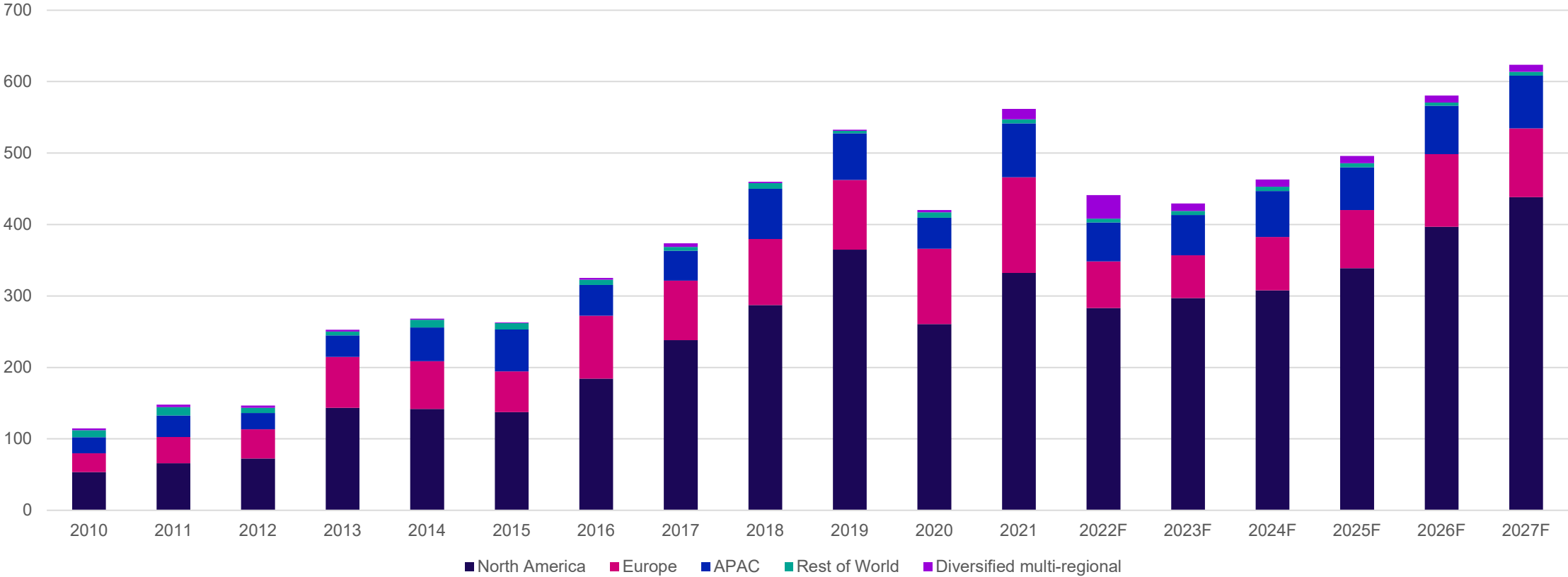
Alternative Assets Under Management by Asset Class, 2010-2027F



Source: Prequin Insights+

Private Equity Fundraising Forecasted to Regain Strength

Private Equity Fundraising Forecast by Primary Region Focus, 2010-2027F



Source: Preqin Insights+

Challenging Fundraising Environments, Steady Investor Demand

Key Trends in 2023 and Beyond

- Challenging fundraising environment with lengthened fundraising periods
- Softer fundraising expected in 2023 for private equity
- Increased appetite for secondaries and distressed debt
- Macro strategies resilient
- Concentration of capital within the industry is increasing
- Performance expectations for private equity, private debt and hedge funds improving
- Long term AUM growth
- Europe leading the way in ESG fundraising, while hedge funds lag behind



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