



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

**6<sup>th</sup> 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





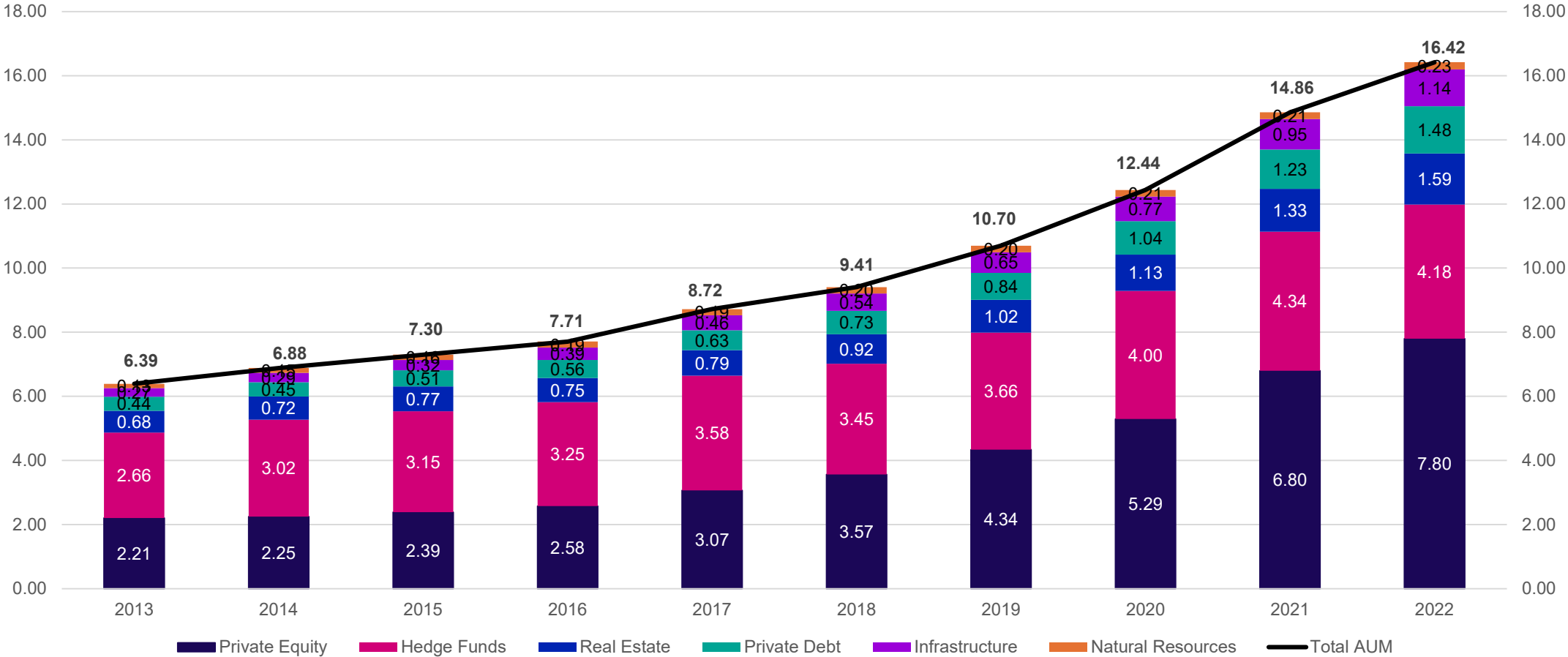
# Agenda

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

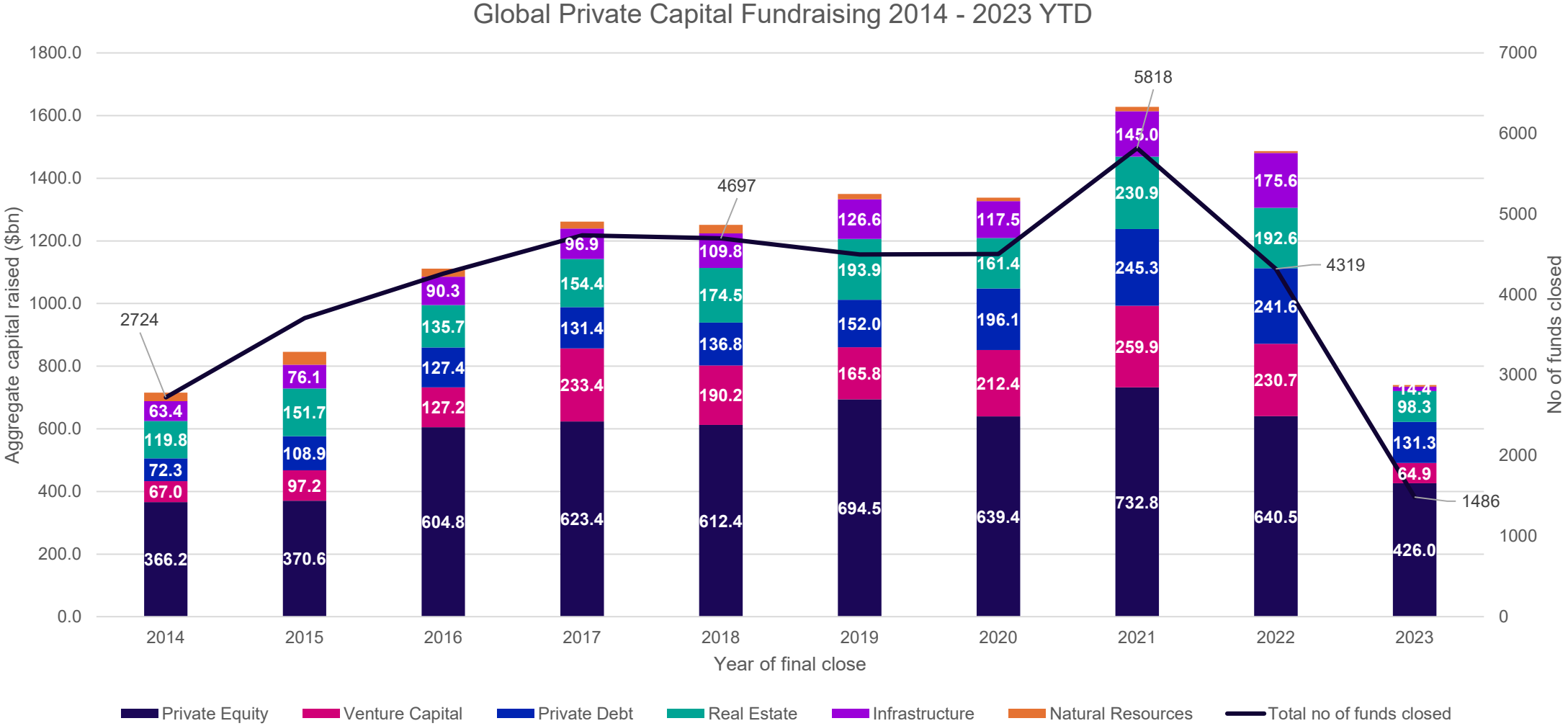
Alternative Assets under Management (\$tn), 2013-2022



Source: Preqin Pro



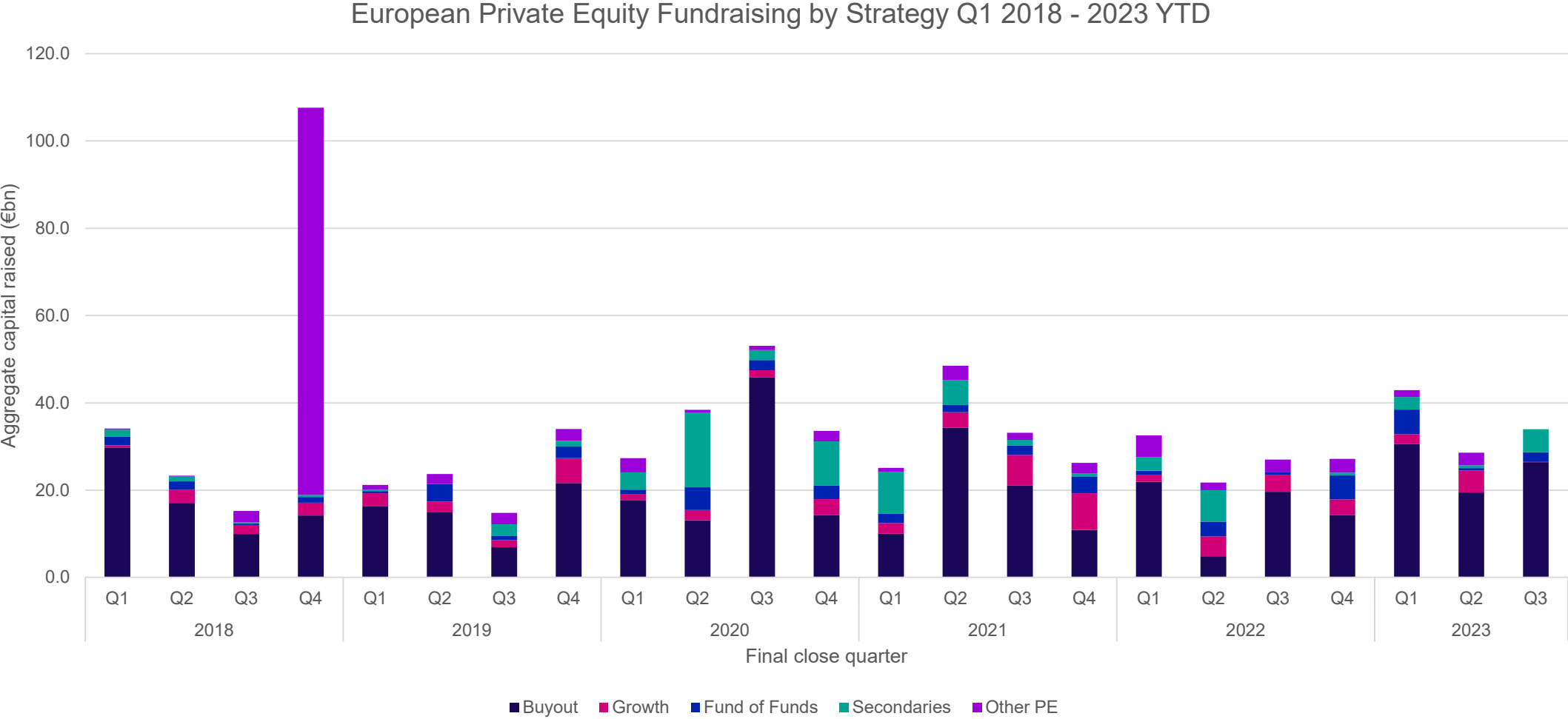
# Challenging Environment for Private Capital Fundraising



Source: Preqin Pro

# Private Equity in Europe

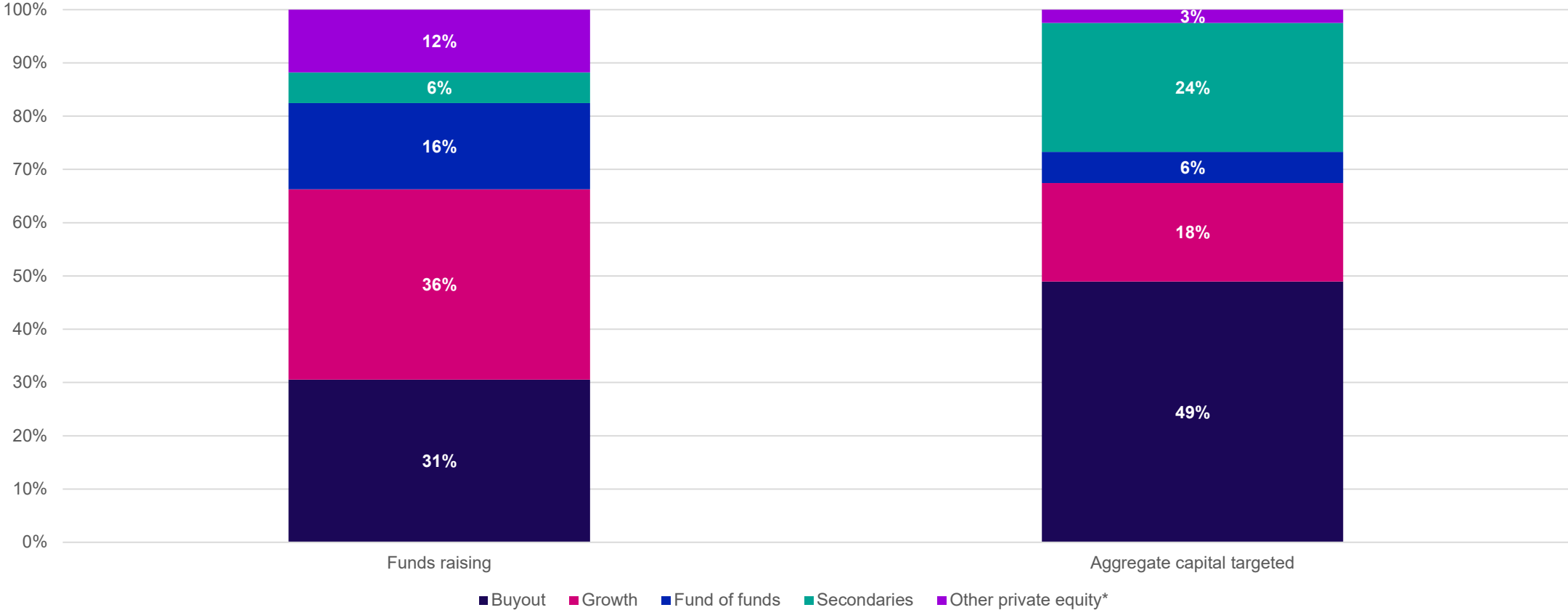
# Private Equity Fundraising Still Lagging Investor Sentiment



Source: Preqin Pro

# Secondaries Mega-Funds on the Rise

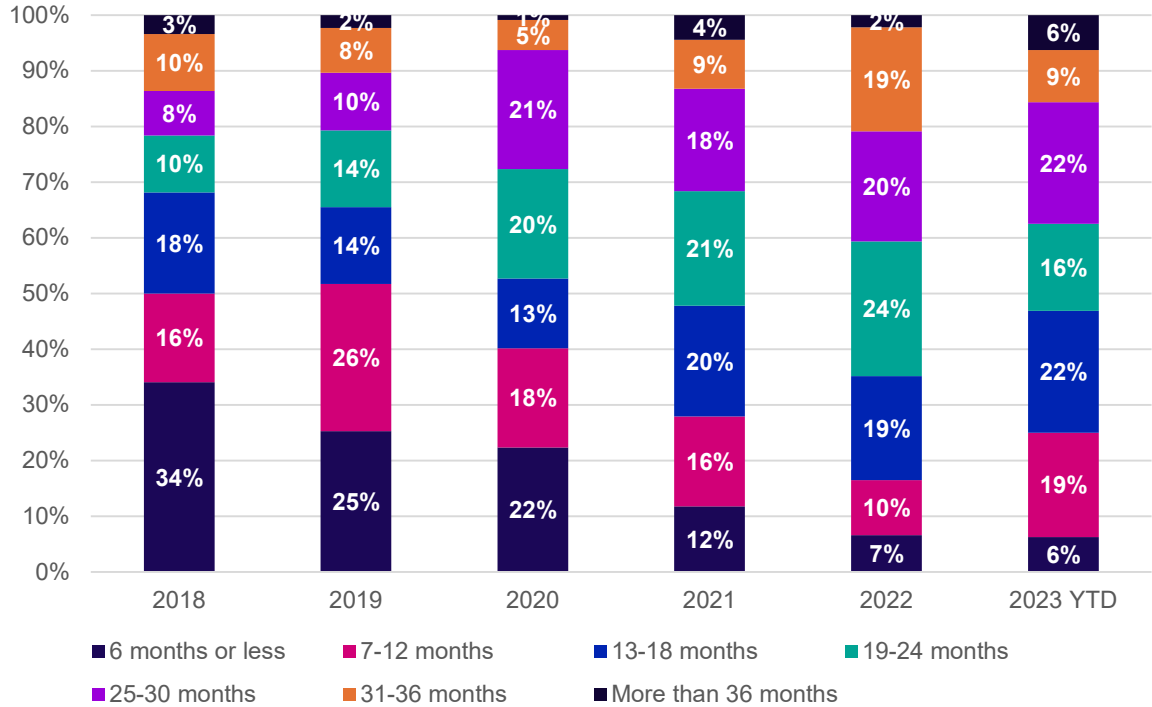
European Private Equity Funds in Market by Strategy, August 2023



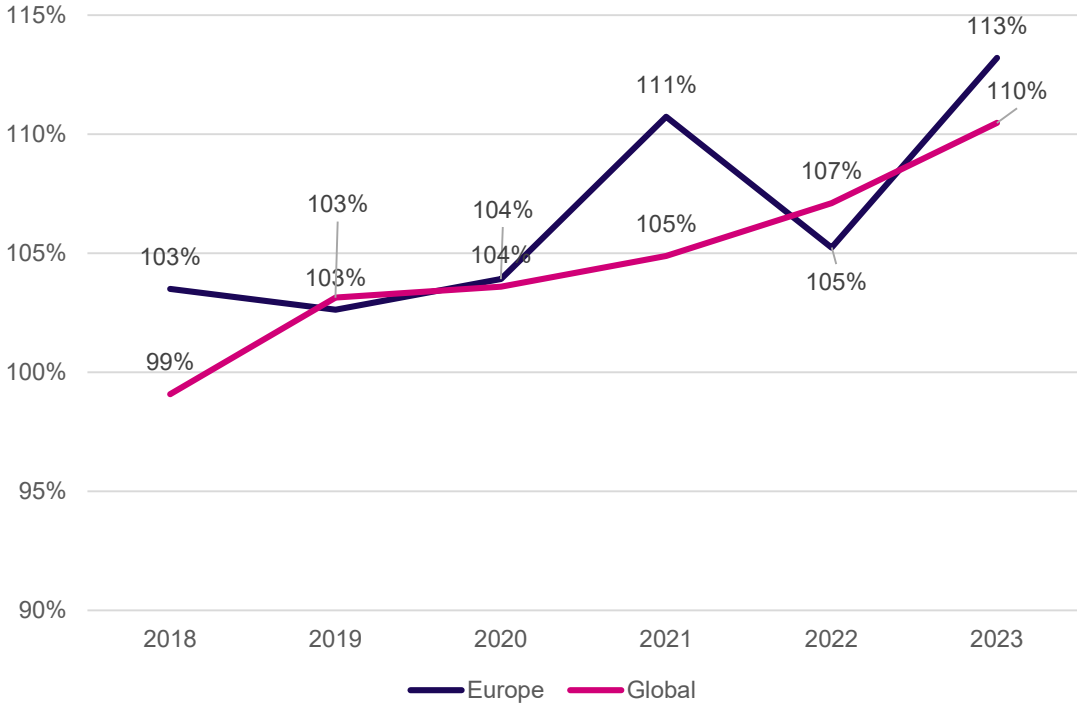
Source: Preqin Pro

# Fundraising Successes with Lengthened Time on Road

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

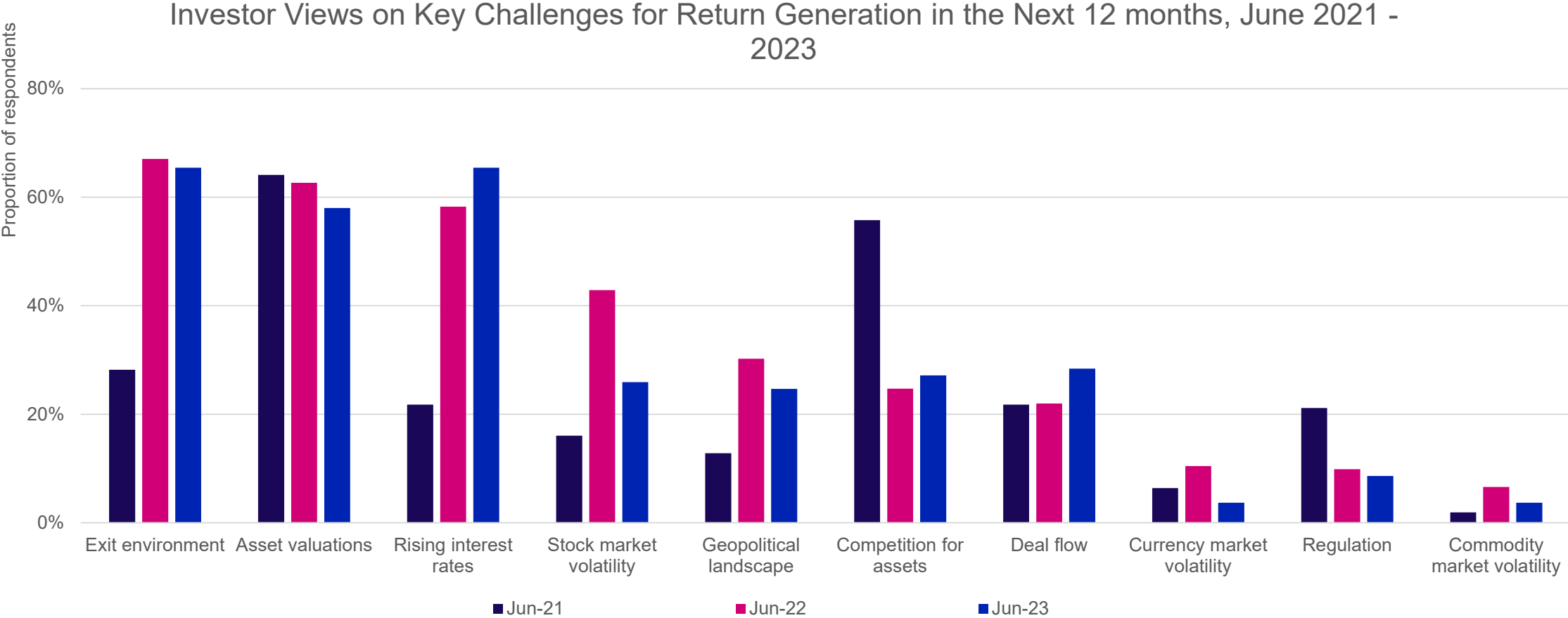


Private Equity Proportion of Target Achieved, Europe vs Global



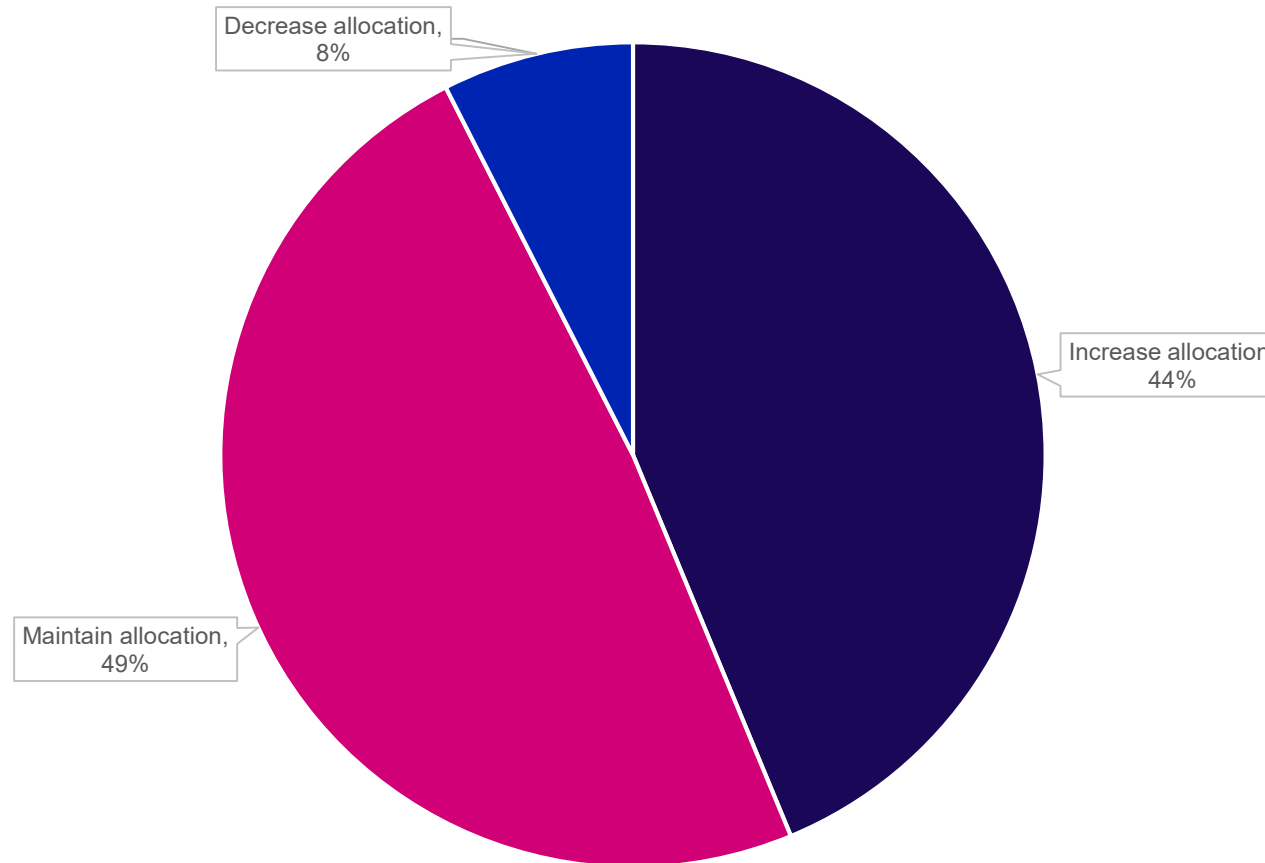
Source: Preqin Pro

# 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

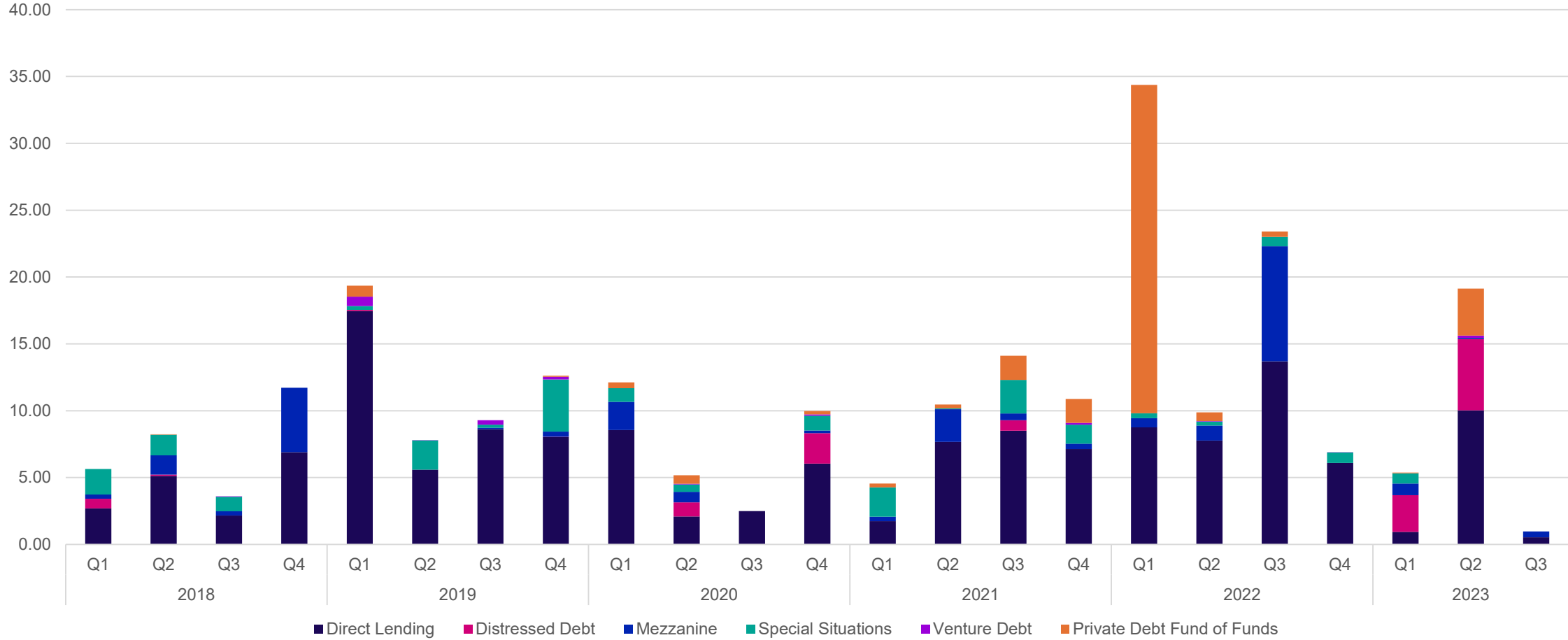




Private Debt

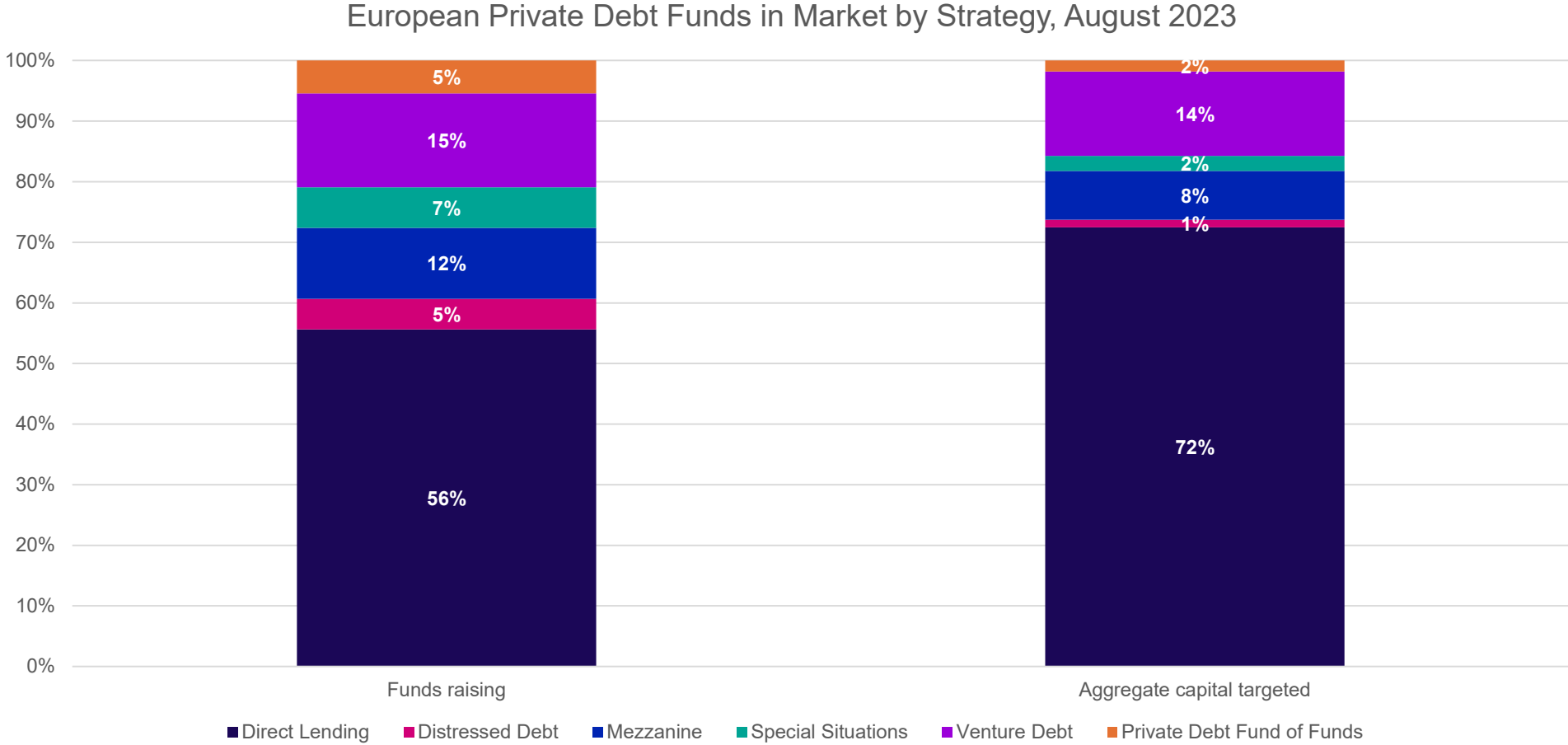
# Renewed Interest in Distressed Debt

European Private Debt Fundraising by Strategy Q1 2018 - 2023 YTD



Source: Preqin Pro

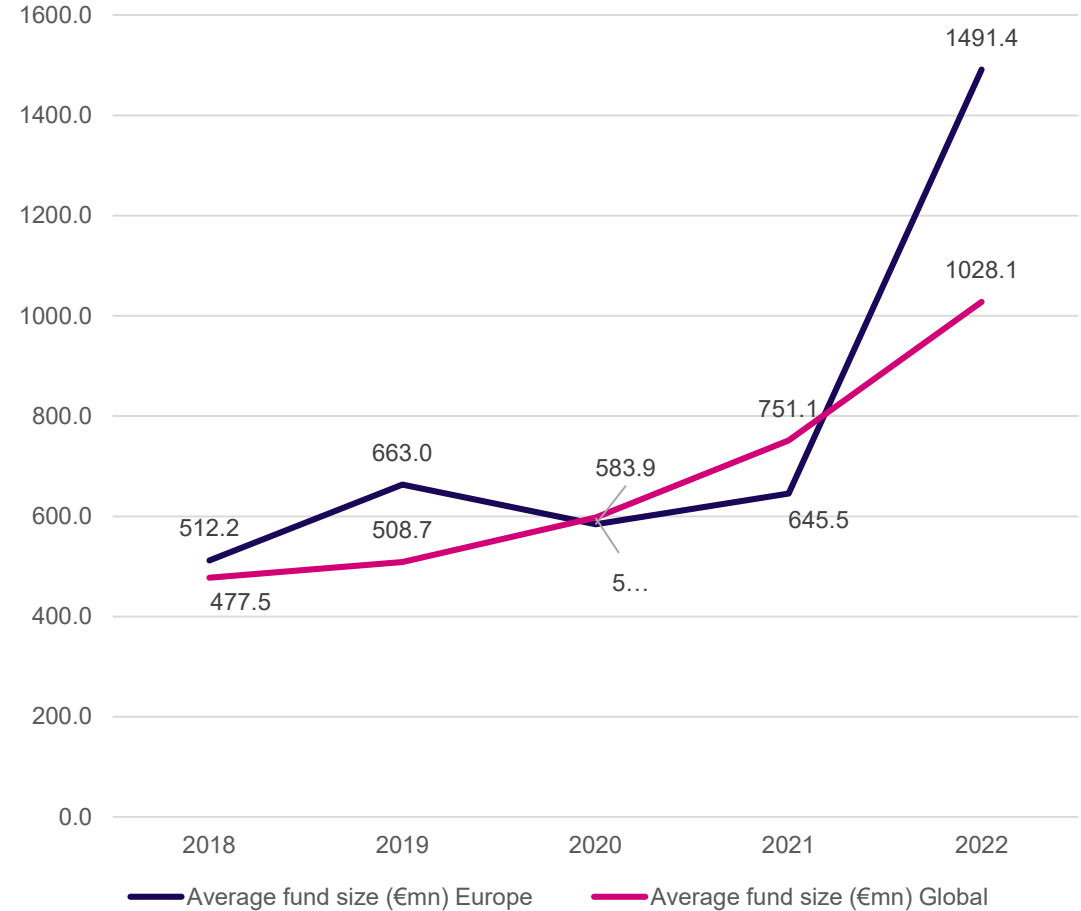
# Direct Lending Continues to Dominate for Funds in Market



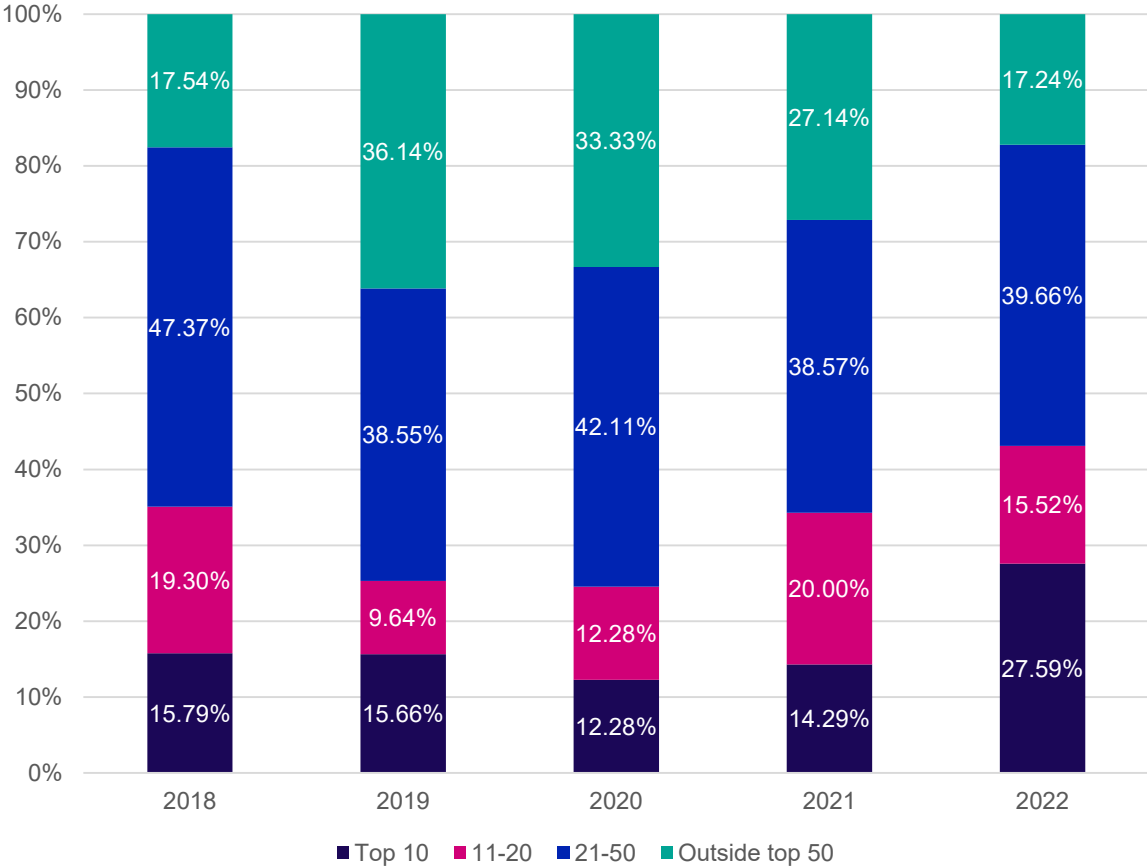
Source: Preqin Pro

# Fundraising Successes, Capital Consolidation

Private Debt Average Fund Sizes, 2018-2022

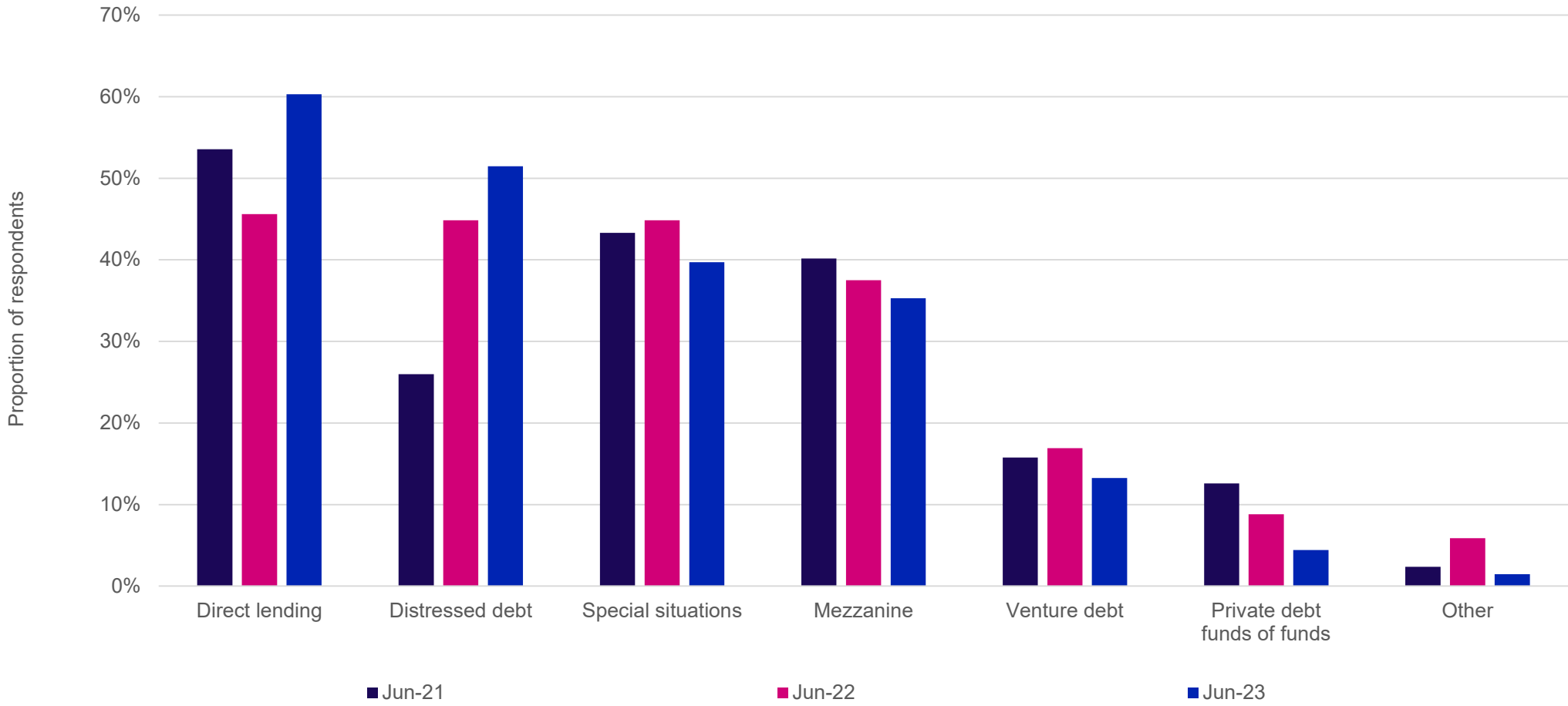


Proportion of Aggregate Capital Raised by the Largest Private Debt Funds closed in Europe, 2018 – 2022



Source: Preqin Pro

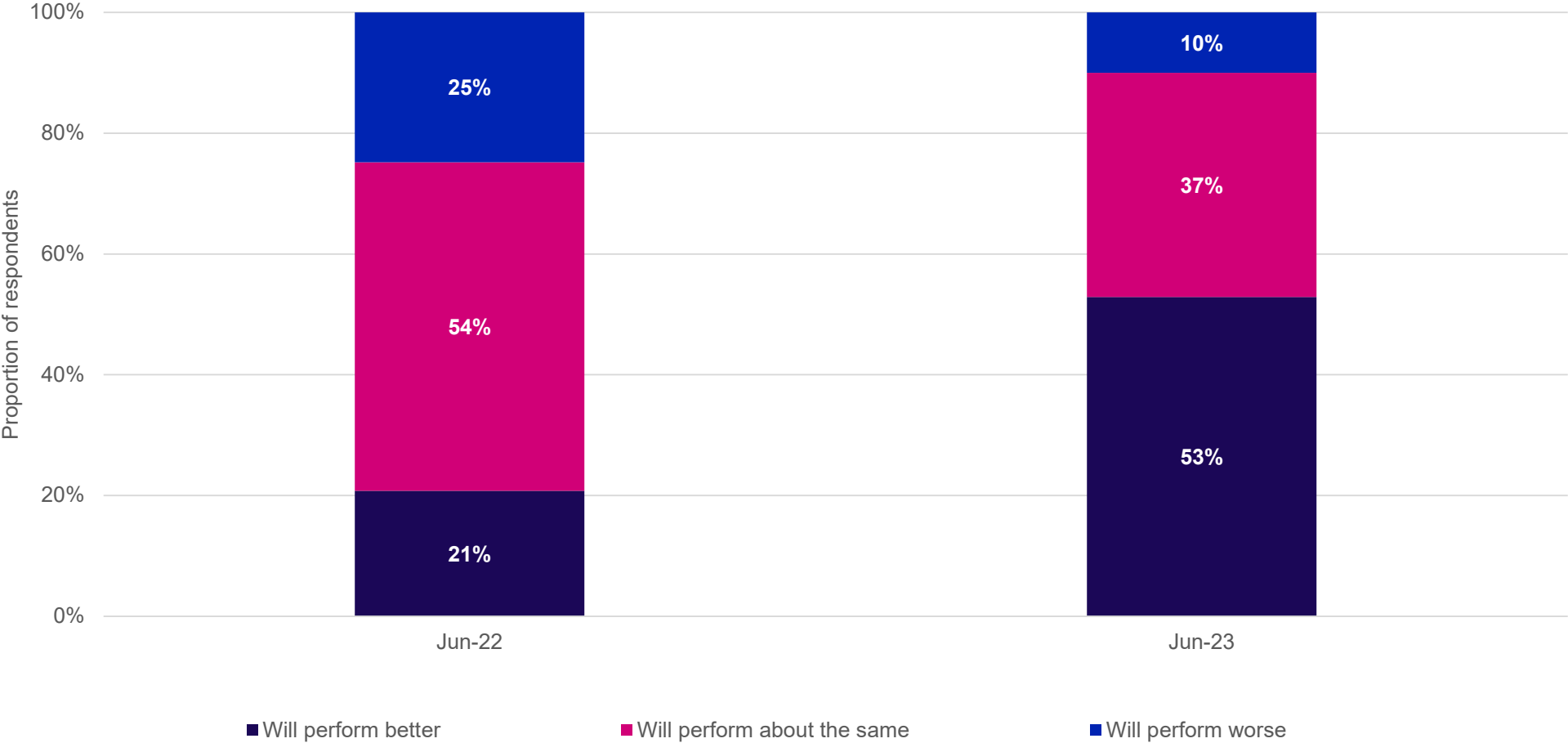
# Investor Appetite for Distressed Debt and Direct lending



Source: Preqin Investor Surveys, June 2021 – 2023

Source: Preqin Pro

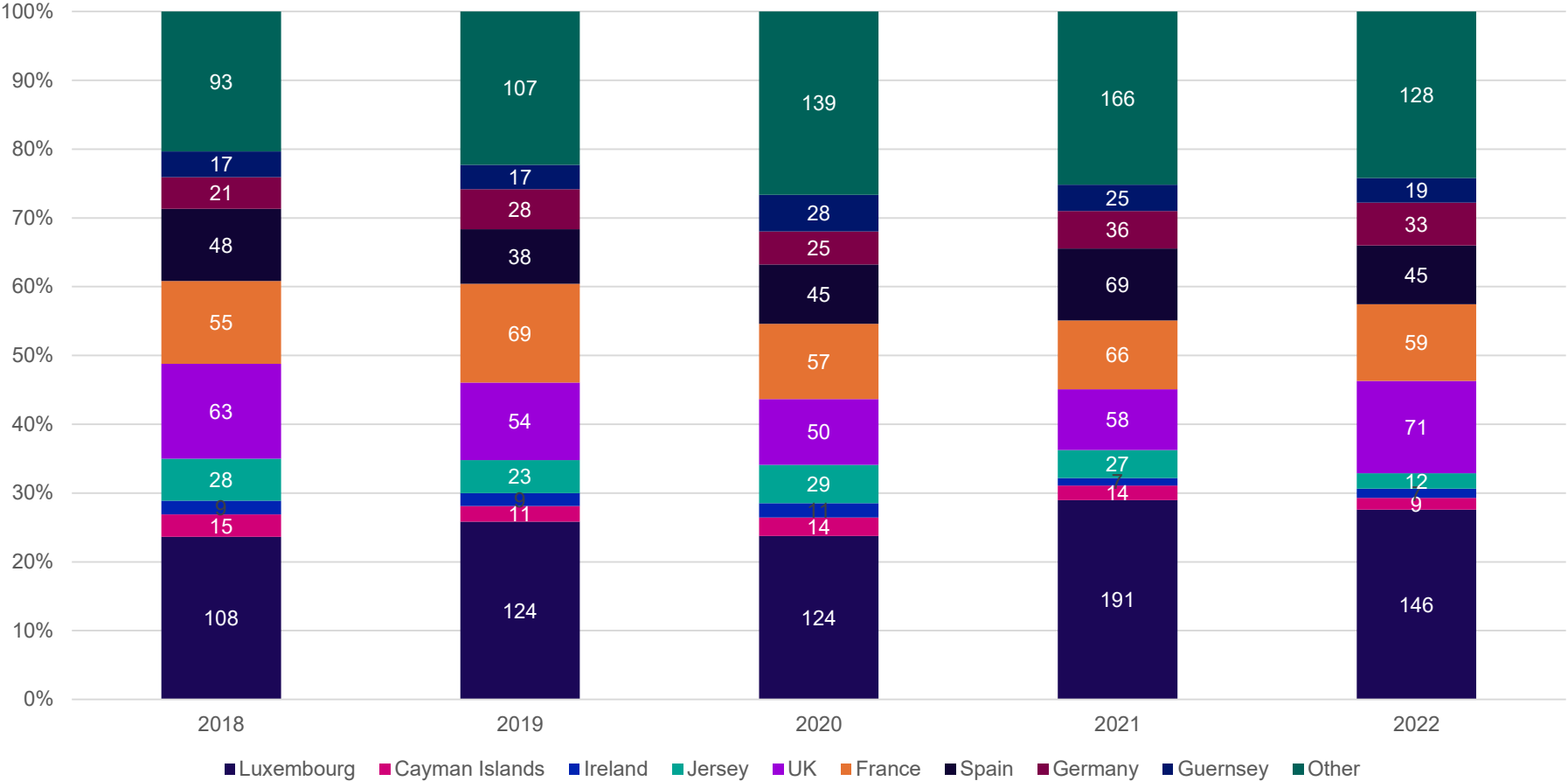
# Improved Performance Expectations Driving Allocations



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



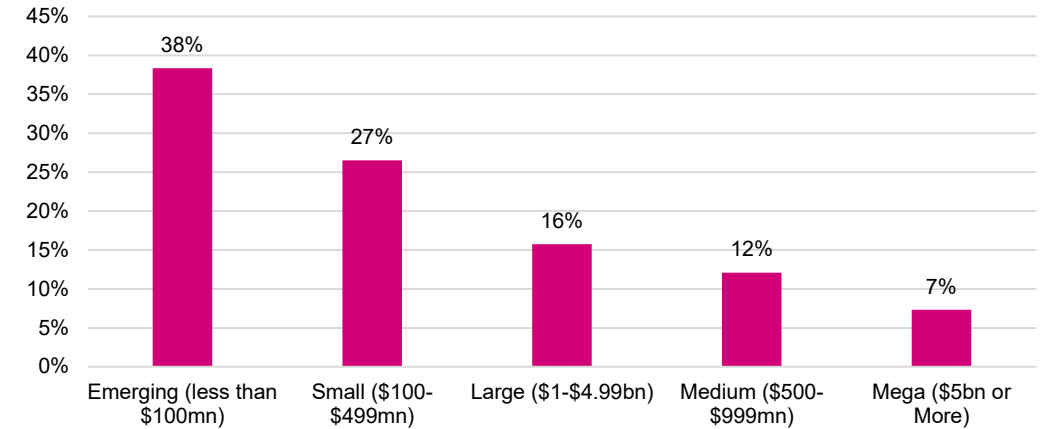
# Hedge Funds

# The Hedge Fund Industry by Numbers

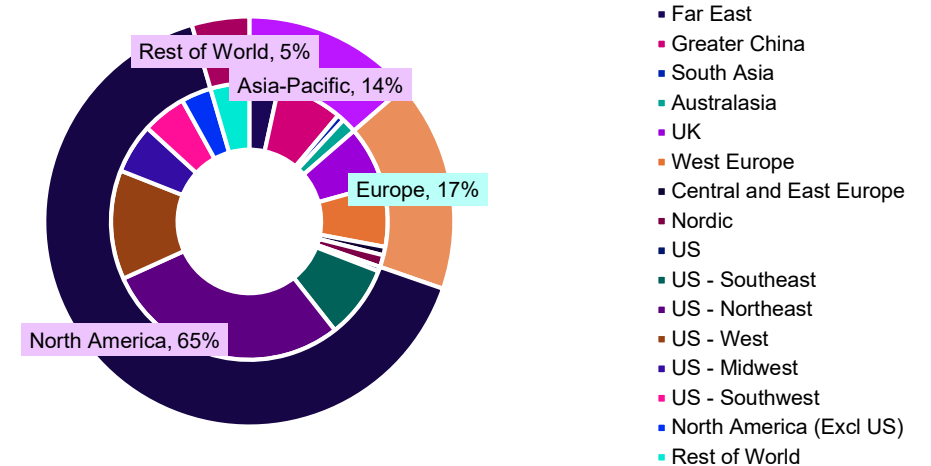
## Preqin's Hedge Fund Dataset

- **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

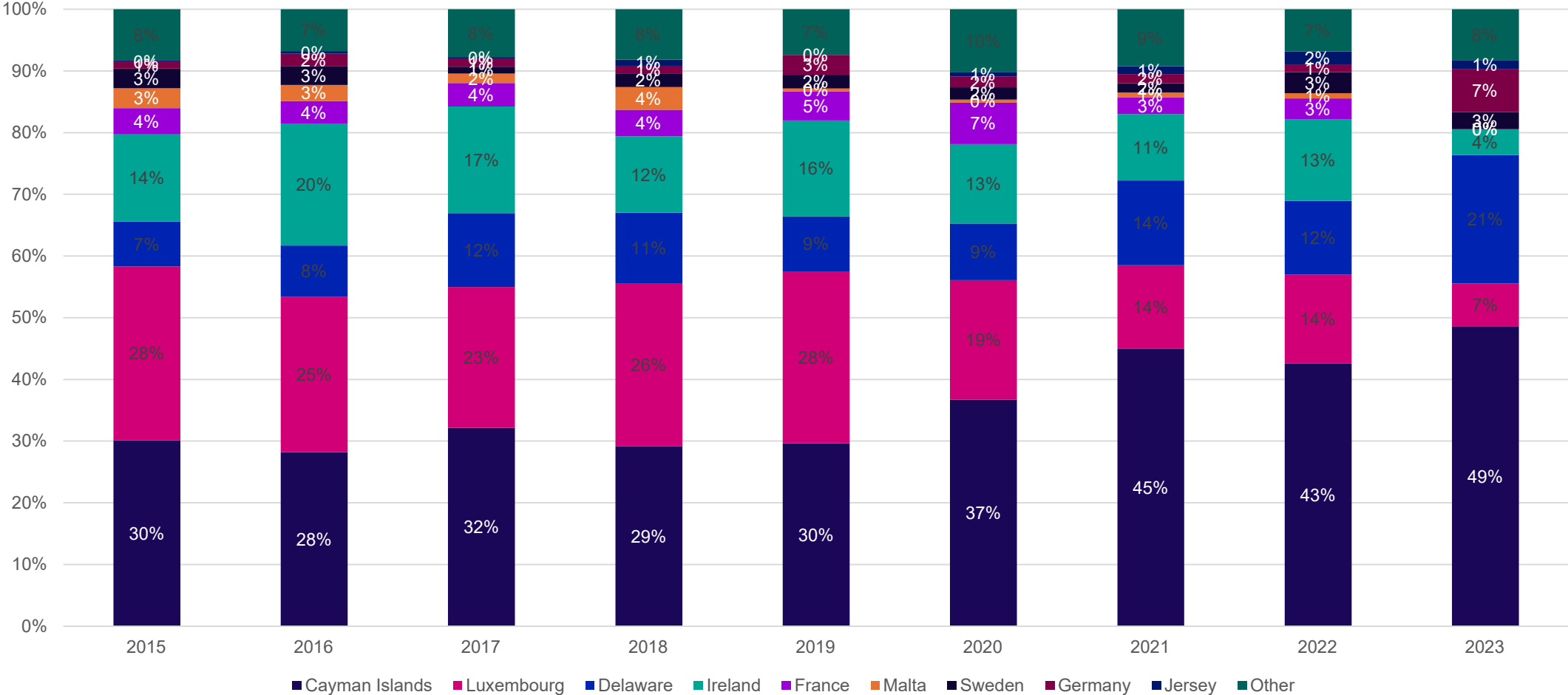


Active HF Managers by Region



# Fund Launches by Domicile, European Managers

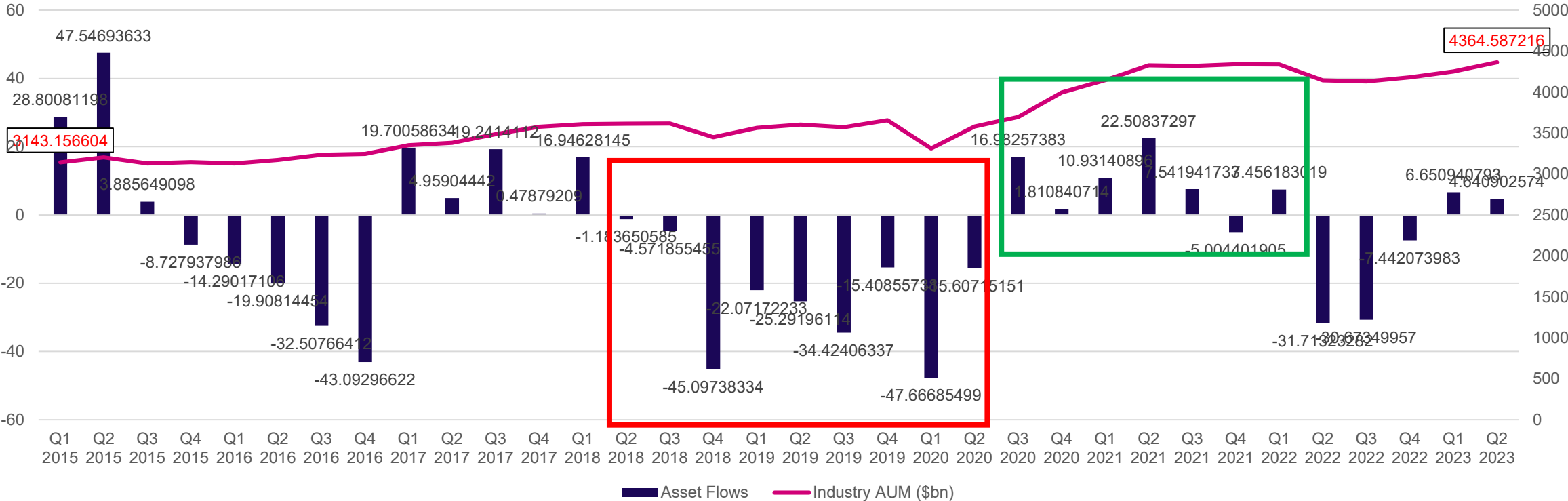
European-based Fund Launches by Domicile, 2015-2023 YTD



Source: Preqin Pro

# Hedge Fund Asset Flows and AUM

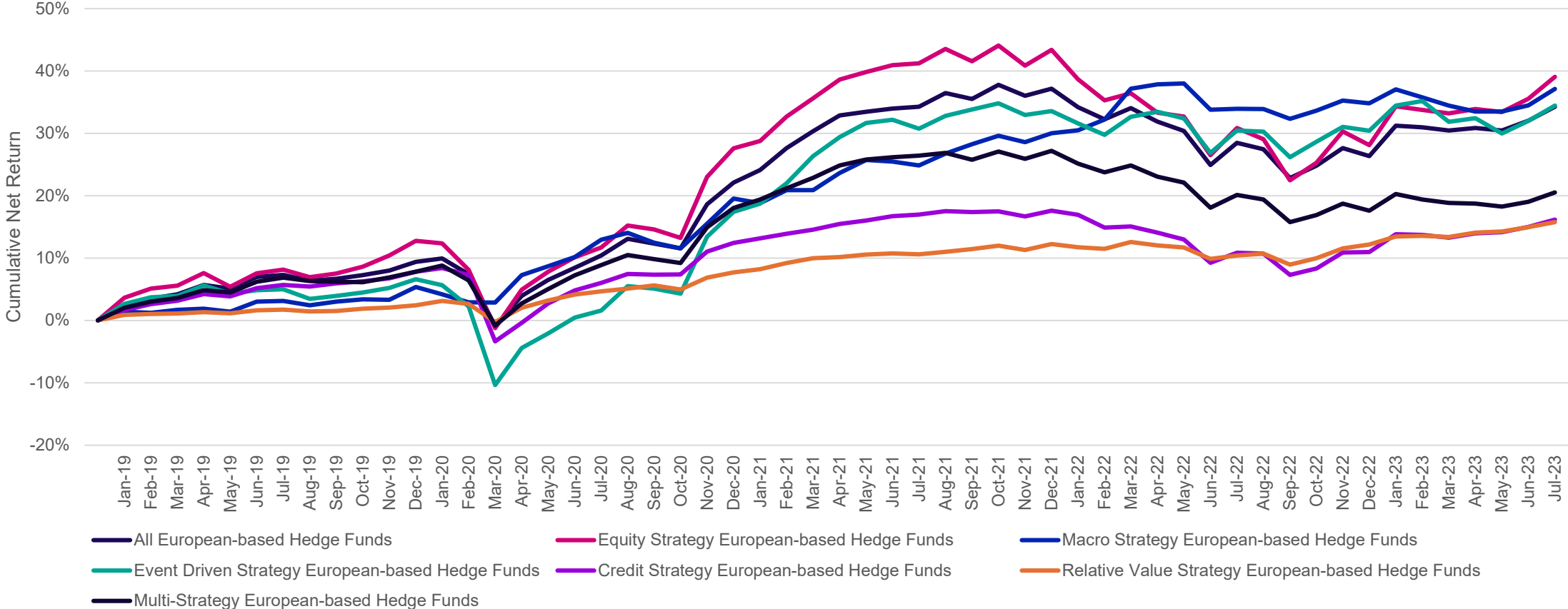
Quarterly Asset Flow & Assets Under Management of Hedge Funds (excl. UCITS) Globally, Q1 2015 - Q2 2023



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**

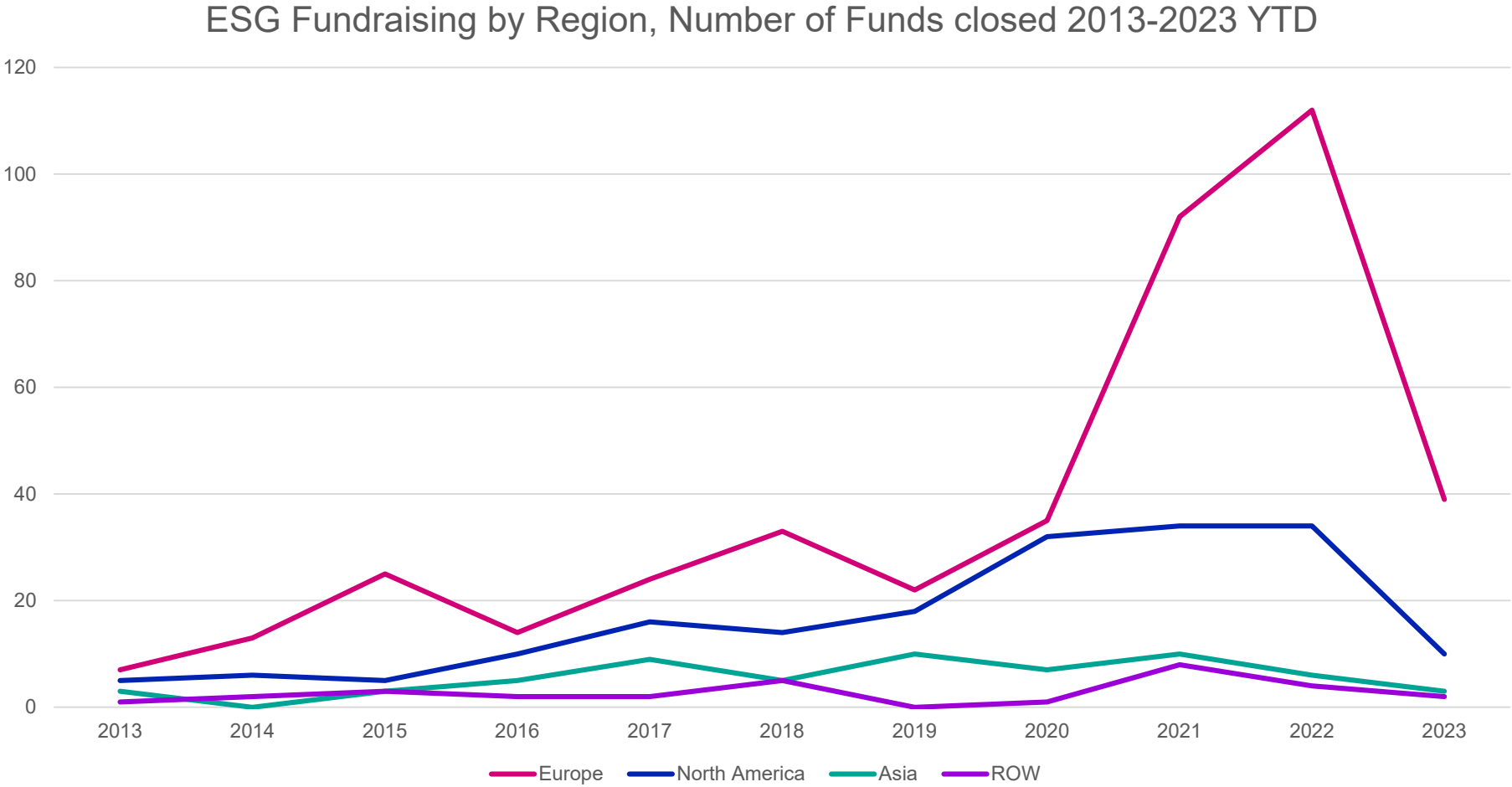


Source: Preqin Pro

ESG

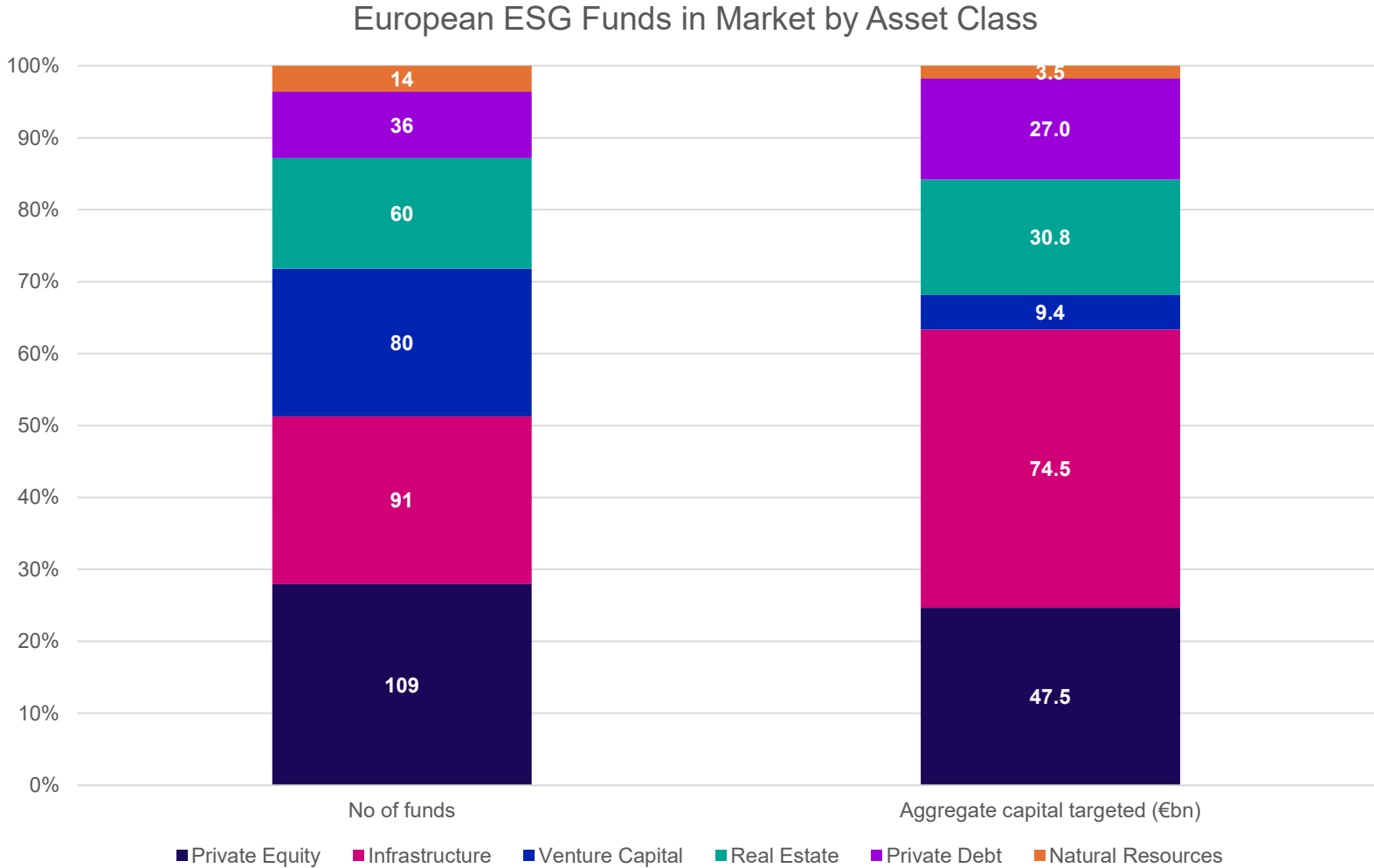


# Europe Leads the Way in Private Capital ESG fundraising



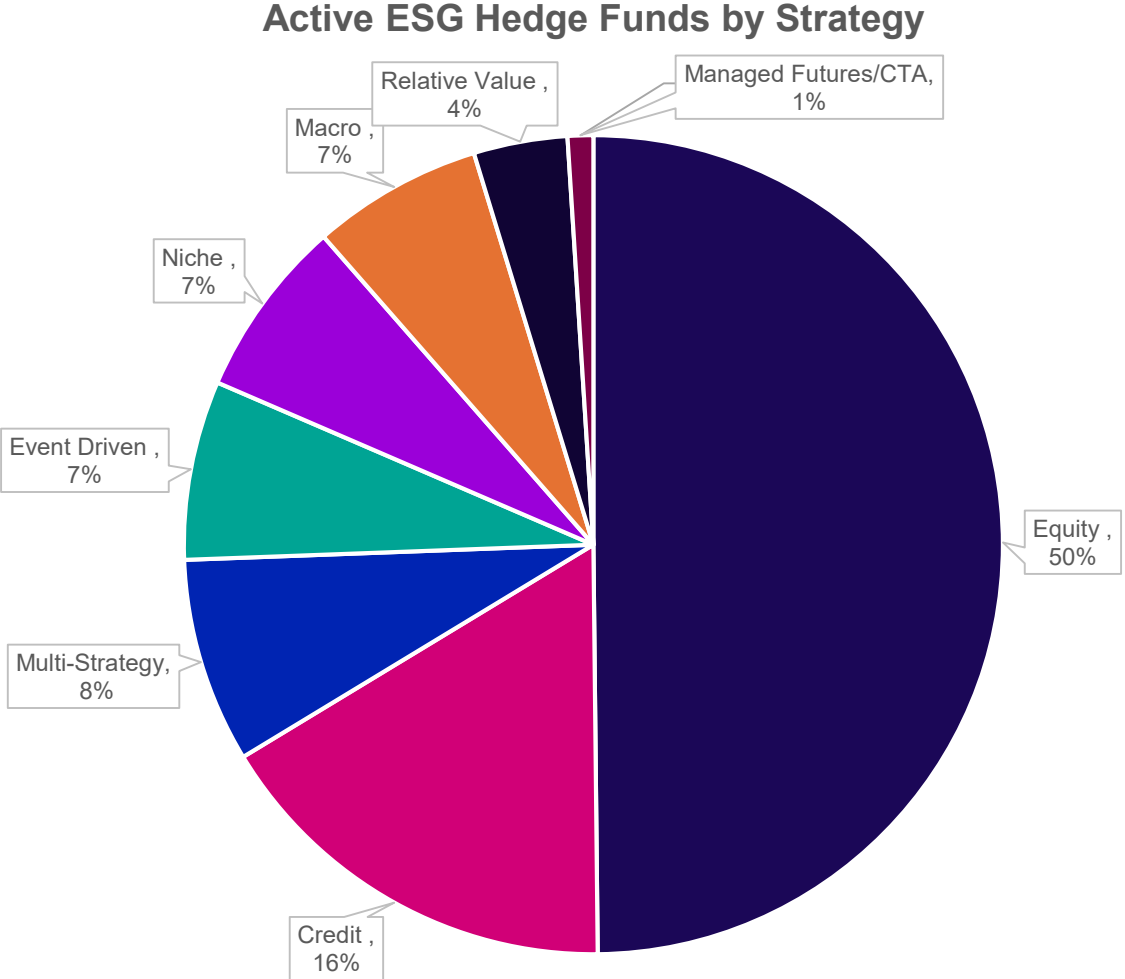
Source: Preqin Pro

# European ESG Funds in Market



Source: Preqin Pro

# ESG in Hedge Funds

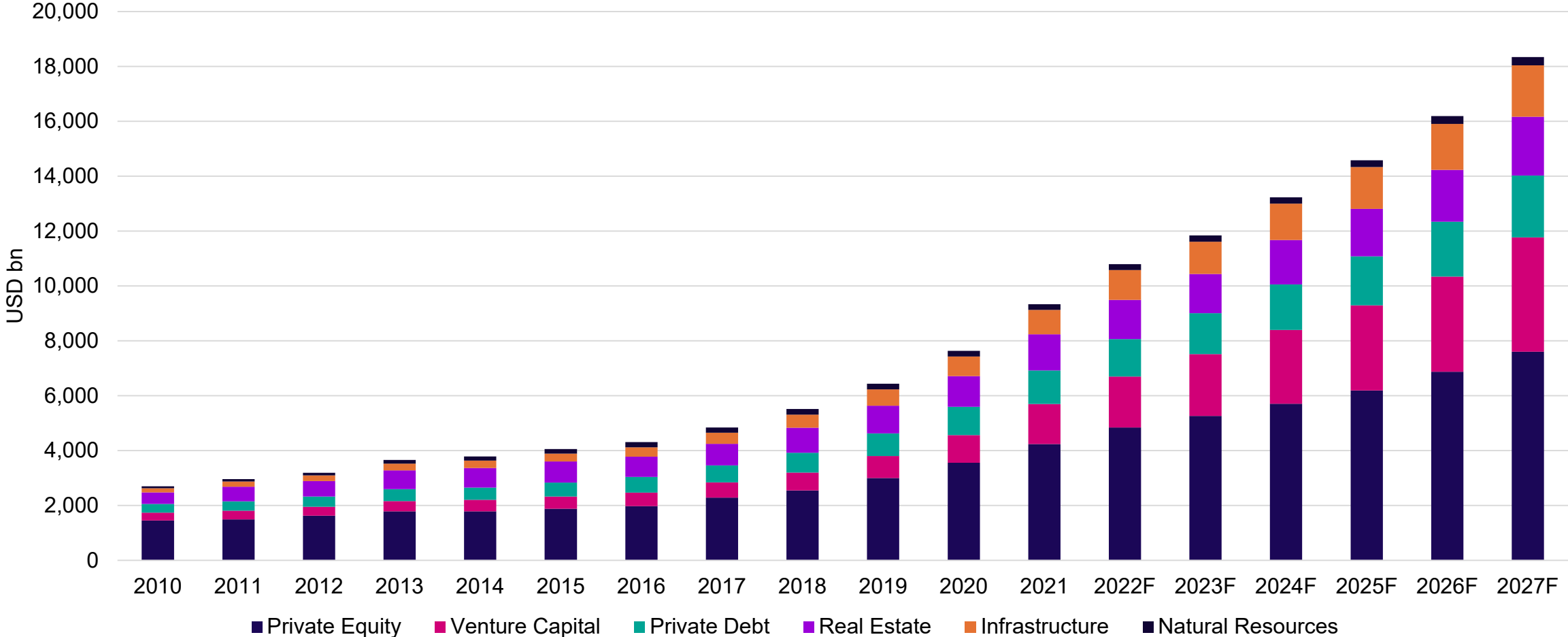


Source: Preqin Pro

# Future of Alternatives

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

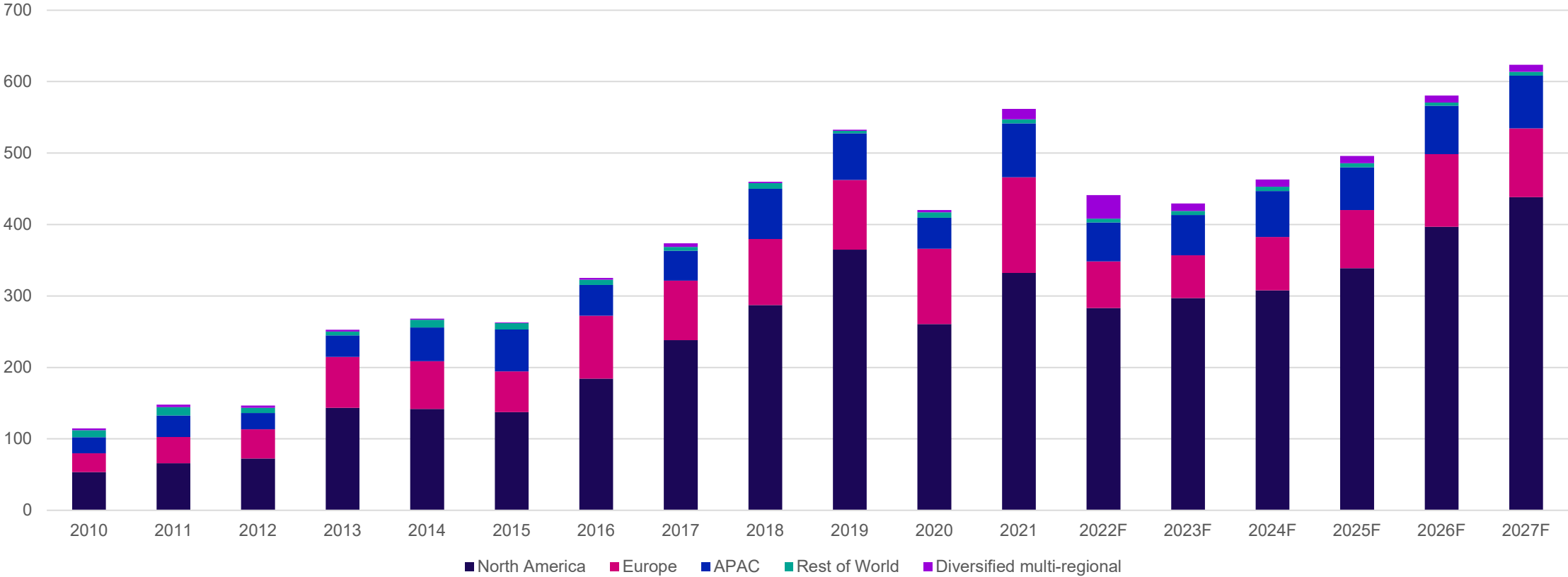
Alternative Assets Under Management by Asset Class, 2010-2027F



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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