

Natural Resources Market Grows in Leaps and Bounds

Unlisted natural resources assets under management have grown fourfold since 2009

As the 2019 Preqin Global Natural Resources Report finds, the unlisted natural resources market has grown tremendously over the past decade, as the ecosystem of fund managers and investors has expanded. Assets under management have also grown rapidly, rising from \$175bn at the end of 2009 to \$668bn as at June 2018. The industry has the potential to grow further in the coming years: while energy funds currently dominate activity, other strategies offer investors non-correlated returns and portfolio diversification – the primary reasons that most investors cite as advantages of natural resources funds.

For a summary of the key trends affecting alternative assets, view the *Alternatives in 2019* report here:

<https://www.preqin.com/insights/special-reports-and-factsheets/alternatives-in-2019/25537>

Members of the media can request a complimentary press copy of the 2019 Global Natural Resources Report by emailing press@preqin.com.

Patrick Adefuye, Head of Real Assets:

“Natural resources is one of the smallest asset classes in the private capital world, but it is growing quickly. A flood of new entrants entering the industry has helped drive incredible growth in assets under management over the last decade or so. Investors continue to be drawn to the asset class primarily for its diversification and inflation hedging advantages, even though absolute returns have been relatively lacklustre.”

Key Natural Resources Trends:

- **Unlisted natural resources assets under management has grown from \$175bn at the end of 2009 to \$668bn in June 2018.**
- Asset growth has been spurred by a large number of new entrants to the sector. **Preqin currently tracks over 1,100 fund managers in the space and over 3,800 active investors.**
- **Energy dominates the industry**, accounting for \$89bn of the \$93bn raised in 2018. This leaves room for other strategies, like metals & mining, water, timberland, agriculture and farmland, to grow.
- Looking forward, **there are 305 funds in market seeking to raise a total of \$188bn in capital** – this is three times the number of funds raised successfully in 2018, as well as twice the amount of capital raised.
- Natural resources investors are most drawn to the asset class for its **portfolio diversification and low correlation to other asset classes** – 66% and 39% of investors respectively cite these as key reasons to invest in natural resources.

Preqin is the home of alternative assets, providing industry-leading intelligence on the market and cutting-edge tools to support participants at every stage of the investment cycle. More than 73,000 industry participants in over 90 countries rely on Preqin as their indispensable source of data, solutions and insights.

Preqin’s data and analysis is frequently presented at industry conferences, and is used in the global financial press and academic journals & white papers. We are always happy to support journalists by providing reports, custom data and one-on-one interviews.

For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.