

Alternatives Funds Top \$10tn in Assets under Management

Total AUM on track to hit \$14tn by 2023, ahead of Preqin’s 2018 projection

The alternative assets industry crossed the \$10tn threshold in 2019, with assets under management reaching \$10.31tn as of the end of June 2019 (the latest available data). This is an increase of more than \$700bn in just the first six months of the year, with all asset classes making gains. Given the strong growth rate seen in the past five years, this puts the industry on track to reach \$14tn in assets by the middle of 2023, outstripping the prediction made in Preqin’s 2018 [Future of Alternatives](#) report. Fund managers have benefited from a large influx of capital from investors, as well as strong long-term performance, but the way ahead looks increasingly challenging. High asset pricing is compressing future returns in most private capital asset classes, while hedge funds are struggling to gain investors’ confidence and attract or retain capital.

For more information and analysis, see the full [Alternatives in 2020](#) report here:

<https://docs.preqin.com/reports/Preqin-Alternatives-in-2020-Report.pdf>

If you would like a complimentary press copy of any of the 2020 Preqin Global Alternatives Reports, please contact us at press@preqin.com.

Mark O’Hare, Chief Executive - Preqin:

“In our 2019 reports, we observed that financial markets were at a watershed moment, with high asset valuations, economic and political uncertainty, and a challenging period for investment returns ahead. Fast forward to today and this is just as true, if not more so: global markets have continued their upwards path, and the outlook is certainly challenging. Alternative assets have a good track record of delivering for their investors, but if they are to continue to do so, it will need to adapt and evolve in response to market challenges and opportunities.”

Key Alternative Assets Facts:

- Alternative **assets under management reached \$10.31tn as of the end of June 2019**. This is up from \$9.56tn at the end of 2018, and \$6.43tn at the end of 2013.
- Between 2013 and 2018 the industry grew at an average annual rate of 8%. If it continues at this pace, **AUM will reach \$14tn by the middle of 2023**, ahead of Preqin’s projection made in its 2018 [Future of Alternatives](#) report.
- Robust long-term returns and diversification advantages have drawn more investors to the industry. At the end of 2019 **Preqin tracks 12,000 institutions allocating to the space**, around 80% of institutional investors globally.
- But **market conditions have become more challenging**, and are set to get even more difficult in the year ahead. Fund managers are having to adapt their approaches in response:
 - Hedge funds are consolidating as investors pull a net \$82bn out from January to November 2019.
 - Private equity activity in tech-based sectors is soaring, even as activity in traditional areas like retail declines.
 - Private debt funds are embracing covenant-lite loans to navigate a competitive lending space.
 - Infrastructure managers are moving up the risk/return curve in order to preserve returns.
 - Real estate funds are seeing sea-changes induced by the move towards e-commerce and the rise and fall of co-working.

Preqin is the Home of Alternatives™, the foremost provider of data, analytics and insights to the alternative assets community. From pioneering rigorous methods of data collection to developing a revolutionary platform, we have committed ourselves to furthering the understanding of alternatives for over 16 years. Through close partnership with our clients, we continuously build innovative tools and mine new intelligence to enable them to make the best decisions every day.

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

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