

Private Equity Assets under Management Approach \$2.5tn

Global AUM reaches \$2.49tn as the industry doubles in size over the past decade

The total assets under management for the private equity industry* have grown to a record \$2.49tn as of June 2016 (the latest figures available). Preqin's 2017 Global Private Equity & Venture Capital Report finds that industry assets rose from \$2.39tn as of the end of 2015, continuing eight consecutive years of expansion in the wake of the Global Financial Crisis. Strong fundraising has driven this latest growth in assets: the dry powder component of industry AUM increased by \$117bn in the first six months of 2016, while the total value of assets held by fund managers (the unrealized value component of AUM) fell slightly.

See the sample pages of the 2017 Preqin Global Private Equity & Venture Capital Report [here](#)

Members of the press can request a complimentary copy of the report. Please email press@preqin.com for more details.

Key Facts from the 2017 Global Private Equity Report:

- **Total assets for the private capital industry** – including private equity, private debt, real estate, infrastructure and natural resources funds – **rose to a record \$4.46tn as of June 2016**, up from \$4.27tn as of the end of 2015.
- **The global private equity industry has doubled in size over the past decade**, rising from \$1.16tn in assets as of the end of 2006.
- **The rate of growth in industry assets has accelerated in recent years**: total AUM grew by 2.5% in 2014. This pace increased to 6.6% in 2015 and was 4.2% in the first half of 2016.
- **Dry powder levels have risen consistently, reaching a peak of \$869bn** at the end of H1 2016. This represents an increase of 16% compared to December 2015.
- **Strong fundraising has seen private equity funds secure over \$1tn in the period 2014-2016**, driving dry powder levels and competition for assets up.
- Consequently, dry powder accounts for the bulk of recent AUM increases: **the total value of invested assets held by fund managers fell 1% in H1 2016**.
- This is indicative of the level of capital that fund managers have distributed back to investors. **Annual distributions exceeded \$400bn in both 2014 and 2015**, and reached \$257bn in H1 2016, a record pace.
- The rate of capital being returned to investors is promoting a high level of satisfaction; **95% of investors said in December 2016 that private equity had met or exceeded their expectations in the past year**.

Christopher Elvin, Head of Private Equity Products:

“2016 was another stellar year for the private equity industry, and total AUM now stands at a record \$2.49tn as of June. The question on many people’s minds is ‘how much longer will it continue?’ While the reality is that only time will tell, the industry is well positioned for another strong year in 2017. In a low-interest-rate environment, the asset class continues to appeal to investors looking for high absolute returns and portfolio diversification.

This is borne out in the state of the market going into 2017: investor sentiment is extremely high, and there are currently record numbers of funds seeking investment. Many investors are looking to redeploy the capital returned to them back into the asset class, which in turn is stoking an active fundraising market. While asset pricing remains a very real concern for both fund managers and investors, 2017 has the potential to match the successes seen in 2016.”

* ‘Private equity’ refers to the closed-end private capital funds adopting buyout, growth, venture capital and other closely related strategies, as well as secondaries vehicles and funds of funds.

Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.

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