Global Venture Capital on Track to Hit USD 1TN by 2022

Preqin and Vertex report examines the global venture capital community

Preqin and Vertex today jointly launch the Global Venture Capital Perspectives report, which examines the state of the venture capital industry worldwide, and looks at what developments and milestones could come in the next five years.

The report finds that venture capital assets under management have doubled over the past five years, reaching $856bn as of December 2018. This puts the industry on track to broach USD 1TN in AUM within the next few years. Growth has come with a boom of activity in the asset class – Preqin now tracks more than 5,000 active venture capital fund managers, and an equivalent number of institutions investing in the space.

While the US remains the largest single market for venture capital, it is truly a global industry. The biggest growth story is in Asia, and in China particularly, which is now home to 3 of the 10 largest venture capital funds ever raised. Activity remains focused on sectors like artificial intelligence & machine learning, healthcare technology and the internet of things.

Both fundraising and deal activity have been strong in recent years, with intense investor appetite fuelling capital raises, and competitive financing rounds spawning a proliferation of unicorns. But the industry faces challenges too: High valuations are making it difficult to secure attractive deal opportunities, and for some startups the path to a successful exit remains long and difficult.

Nonetheless, the outlook for this industry is bright, as venture capital continues to play a fundamental role in nurturing disruptive technologies and spurring entrepreneurial innovation.

For more information and analysis, see the full Global Venture Capital Perspectives report here: https://docs.preqin.com/reports/Global-Venture-Capital-Perspectives-A-Preqin-and-Vertex-Study-2019.pdf

“Venture capital has long been one of the most prominent parts of the alternative assets industry in the public zeitgeist,” said Mark O’Hare, Chief Executive of Preqin, “but historically it has been only a small part of the investment landscape. But activity has boomed in recent years, and with assets approaching $1tn, it is important to examine the industry on its own terms and offer a fresh perspective on how it got to this point, and what might lie in store. We are thrilled to work with partners like Vertex in this regard: by pairing the bird’s eye view offered by the data with the on-the-ground expertise of venture capital industry professionals, we are able to offer a truly 360-degree view of the industry as a whole.”

“At Vertex, we focus on our mission to seek out promising disruptive, and transformational leaders and nurture them into tomorrow’s global champions ” said Chua Kee Lock, Chief Executive Officer of Vertex Holdings, “We are thrilled to work with Preqin whom provide key venture capital (VC) funding and performance trends while our Vertex teams provide investment insights on opportunities and risks in innovation hubs such as China, India, Israel, United States and Southeast Asia. Together, we provide our joint perspectives on the capital markets and innovation ecosystems around the world.”
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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About Vertex Holdings (“Vertex”):

Vertex is a global network of venture capital funds. The Vertex network of funds invests in early stage technology opportunities through Vertex Ventures, early stage healthcare opportunities through Vertex Ventures HC, and growth stage opportunities through Vertex Growth. Each Vertex fund operates independently, with separate local teams that raise and manage their respective funds.

Vertex Holdings is an anchor investor in each of the Vertex funds, namely: Vertex Ventures China, Vertex Ventures US, Vertex Ventures Israel, Vertex Ventures SEA & India, Vertex Ventures HC and Vertex Growth.

For more information, please contact our communications team at communications@vertexholdings.com