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Alt asset fundraising falls in 2018 thanks to PE and private debt

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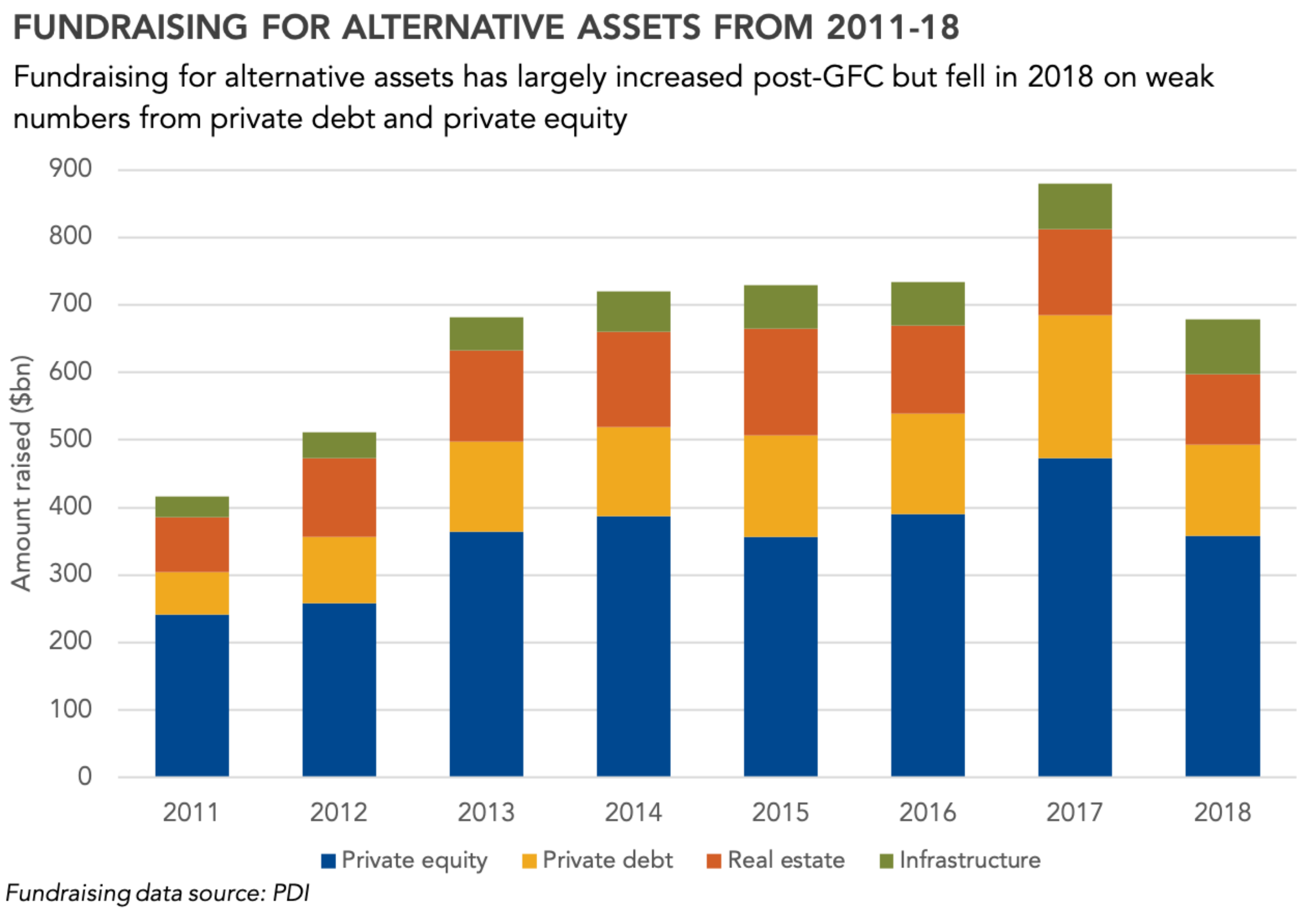

Real estate also fell, continuing a multiyear trend, after hitting a record high four years ago.

Fundraising for core alternative asset classes – private equity, private debt, real estate and infrastructure – fell off a cliff from 2017 to 2018, largely driven by steep declines in private equity and private debt, according to PDI data.

Private equity fundraising fell from $473.21 billion to $358.25 billion over that timeframe, while private debt fell from $211.38 billion to $134.09 billion. Real estate also contributed to the decline, though as an asset class, it has been falling since reaching a high of $158.28 billion in 2015. Infrastructure increased, however, by more than $12 billion.

The decline in last year's fundraising for private equity and private credit likely represents a fundraising "hangover" for the two asset classes, which can be joined at the hip given private equity firms' increasing reliance on alternative lenders.

We won't know what 2019 holds for us until the first quarter numbers are in come early April. If the past serves as prologue though, private debt and private equity will likely grow, given the nadir of last year's capital collecting efforts.