

Unlisted Natural Resources Industry Assets Surpassed \$450bn in 2016

Assets held by unlisted natural resources funds* reached \$455bn as of June 2016, having grown by almost \$50bn in six months

Preqin today launches its **2017 Global Natural Resources Report**, which finds that the unlisted natural resources industry is growing at an accelerating pace. As of the end of June 2016 (the latest data available), global assets reached \$455bn, up from \$407bn at the end of 2015. Natural resources funds have seen their assets increase by 10% or more every year since 2004, and the industry has more than tripled in size since the end of 2008. More than 40% of current assets consist of the \$187bn of dry powder (capital that managers have not yet deployed), and it is this element that has accounted for the majority of asset growth since the end of 2015.

See the sample pages of the 2017 Preqin Global Natural Resources Report:

<https://www.preqin.com/docs/reports/2017-Preqin-Global-Natural-Resources-Report-Sample-Pages.pdf>

Members of the press can email press@preqin.com to request a complimentary copy of the report.

Key Findings from the 2017 Preqin Global Natural Resources Report:

- **Unlisted natural resources assets grew by 12% in the first half of 2016**, following two successive years in which the industry expanded by 10%.
- Older vintage funds still hold a significant proportion of industry assets. **Funds with a 2009 vintage or older hold \$89bn in total assets**, almost a fifth of the total industry.
- **More recent funds have significant amounts of dry powder to deploy**. 2014 vintage funds alone account for \$49bn, almost as much as the \$50bn held by 2016-vintage vehicles.
- **North America-focused funds account for \$328bn**, or 72% of total global assets. This dwarfs those held by funds focused on Europe (\$52bn), Asia (\$23bn), or other regions (\$53bn).
- Similarly, **energy-focused funds hold \$362bn in total assets**, 79% of the industry. Diversified natural resources funds account for 7% of AUM, while agriculture (5%), mining (4%), timberland (4%) and water (0.3%) funds are all much smaller.
- **Energy-focused funds are also the fastest-growing sector** of the unlisted natural resources industry. The AUM of energy funds grew by 18% in H1 2016, compared to 12% for agriculture funds and 6% for mining funds. Diversified natural resources funds actually saw their assets fall by 10% in the same period.

Tom Carr, Head of Real Assets Products:

“The unlisted natural resources industry continues to grow in size, and in the first six months of 2016 alone funds added almost \$50bn in combined assets. The pace of growth for the industry is actually accelerating, and has seen double-digit annual increases for more than a decade now. At this pace, we may see the industry exceed half a trillion dollars in AUM by the end of 2017.

Within the asset class, the balance of assets remains heavily weighted towards energy funds and funds focused on North America. Although agriculture- and mining-focused funds have seen steady growth, they remain dwarfed by the energy sector and may be struggling to attract the same level of expertise and investment. That said, all primary natural resources sectors have seen consistent growth, and the asset class as a whole continues to emerge as an important part of the alternatives industry.”

**Natural resources' is defined as closed-end private capital vehicles focusing on making investments in the energy, agriculture, metals & mining, timber and water industries.*

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.

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

New York	London	Singapore	San Francisco	Hong Kong	Manila
+1 212 350 0100	+44 20 3207 0200	+65 6305 2200	+1 415 316 0580	+852 3958 2819	

www.preqin.com / info@preqin.com