



CONVERGENCE
OPTIMAL PERFORMANCE

**Capital Flows into Alternative Asset Funds
September 30, 2017 Insight #18**

September 2017 Summary

Capital raised by issuers was brisk with **\$148.4BN** reported, up **159%** M-T-M with new and existing issuers reporting capital raised of **\$25.6BN** and **\$122.7BN**, respectively. Through Q32017, issuers raised \$1.226TR, up **32%** Y-T-D, with **\$372.3BN** and **\$853.4BN**, coming into new and existing issues, respectively.

Capital Flows into Hedge Funds declined **13%** over August and increased **3%** to 2016 YTD, Private Equity declined **53%** MTM and increased **52%** from 2016 YTD, Venture Capital increased **274%** MTM and declined **19%** from 2016 YTD, Other Funds increased **719%** MTM and up **41%** YTD.

Amount of Capital Flows Reported MONTH | YTD-Period Ended September 30, 2017

Fund Type	Total Issues	New Issues	Existing Issues
Hedge Funds:	\$20.3BN \$247.1BN	\$7.1BN \$40.6BN	\$13.1BN \$206.5BN
Private Equity:	\$8.7BN \$332.9BN	\$4.6BN \$231.6BN	\$4.1BN \$101.2BN
Venture Capital:	\$2.9BN \$25.2BN	\$1.9BN \$13.9BN	\$0.9BN \$11.2BN
Other Fund	\$116.4BN \$620.4BN	\$11.9BN \$86.1BN	\$104.5BN \$534.3BN

Number of New Fund Issues Reported-MONTH | YTD-Period Ended September 30, 2017

New issues totaled **532**, up **5%** MTM and **5,098** issues were launched YTD, up **7%**. Hedge Fund issues are up 4% MTM and declined -2% YTD, Private Equity is down 6% MTM and up 11% YTD, Venture Capital Funds are up 52% MTM and declined -10% YTD and Other Issues are up 2% MTM and up 20% YTD.

Total New Issues

Hedge Funds:	115 1,174
Private Equity:	148 1,561
Venture Capital:	76 627
Other Funds:	193 1,736

Convergence Forecast for Full Year 2017

Convergence forecasts \$1.464tr in new capital flowing into alternative funds, up 23% YTY and 6,778 new issues, up 7%, Broken down as follows:

	<u>New Capital</u>	<u>Change</u>	<u>New Issues</u>	<u>Change</u>
Hedge Funds:	\$313.6BN	+5%	1,474	-3%
Private Equity:	\$437.9BN	+32%	2,173	+11%
Venture Capital:	\$33.1BN	-16%	779	-11%
Other Issues:	\$679.6BN	+27%	2,352	+16%