**Asset Management**

* Asset management is the practice of buying, selling, and managing investments, commensurate with specific risk tolerances, to increase wealth over time.
* Asset management is generally provided by specialized firms to individuals, government entities, corporations, and institutional investors.
* The [asset management industry](https://www.bcg.com/industries/financial-institutions/asset-management) has emerged from the global pandemic in a position of strength, with assets growing by 11% in 2020 to end the year at $103 trillion.
* The U.S. asset management market is substantial and poised for growth. As of 2024, it’s estimated to be around **USD 48.22 trillion** in terms of assets under management. [However, by 2029, it’s projected to reach an impressive **USD 113.48 trillion**, with a **CAGR of 18.67%** during that period](https://www.mordorintelligence.com/industry-reports/usa-asset-management-industry).
* As of February 2024, the five largest asset management institutions, based on global assets under management (AUM), were BlackRock ($9.46 trillion), Vanguard Group ($7.25 trillion), Fidelity Management and Research ($3.88 trillion), The Capital Group ($2.5 trillion), and Amundi ($2.1 trillion).
* Asset managers have a variety of fee structures. The most common model charges a percentage of the assets under management, with the industry average at about 1% for up to $1 million. Larger portfolios are usually charged fewer and lower fees due to their size.
* A [registered investment adviser (RIA)](https://www.investopedia.com/terms/r/ria.asp) is a firm that advises clients on security trades and [manages their portfolios](https://www.investopedia.com/terms/q/qpam.asp). RIAs are closely regulated and are [required to register with the SEC](https://www.investopedia.com/ask/answers/041615/how-are-asset-management-firms-regulated.asp) if they manage more than $100 million in assets.
* Other types are: Broker, financial-advisor, Robo-advisor i.e. (A robo-advisor is a computer algorithm that automatically builds, monitors, and rebalances an investor's portfolio to suit their needs.).The robo-advisor market is expected to grow from $9.5 billion in 2024 to $72 billion in 2032.

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| **Year** | **Revenue (USD Million)** |
| 2018 | 2.79 |
| 2019 | 2.93 |
| 2020 | 2.94 |
| 2021 | 3.08 |
| 2022 | 3.23 |
| 2023 | 3.39 |

* In August 2023, BlackRock Inc., a prominent international credit asset manager, acquired Kreos. Kreos, renowned for its specialization in growth and risk-based financing for technology and healthcare enterprises, enhances BlackRock's market presence. This acquisition aligns with BlackRock's strategic objective of broadening its private-market investment portfolio.

**Private Equity and Venture Capital**

* **Venture capital and private equity are two types of financial assistance that are used by companies in different stage. Private Equity is a large investment in developed companies and venture capital is a small investment usually made in initial stages of development of a company**
* **Private equity, at its most basic, is equity—shares representing ownership of, or an interest in, an entity—that is not**[**publicly listed**](https://www.investopedia.com/terms/p/publiccompany.asp)**or traded. Private equity is a source of investment capital from**[**high-net-worth individuals**](https://www.investopedia.com/terms/h/hnwi.asp)**and firms.**
* **Venture capital is financing given to startup companies and small businesses that are seen as having the potential to generate high rates of growth and above-average returns.**
* **one notable development that emerged in recent times is the allocation of capital toward private equity has increased substantially, considering the resilience exhibited in returns of the private equity asset class across historical periods.**
* **The U.S. is the cradle of private equity, and it currently holds the title of the largest private equity market worldwide.**
* **The U.S. private equity market continues to expand and grow rapidly with close to 100,000 active investments, $900 billion in dry powder, and challenging public market volatility.**
* **PE has invested at least $1.1 trillion dollars in the energy sector over the last decade, with 80% of that in fossil fuels.**
* **PE currently has $4.4 trillion in assets under management, including $1 trillion of uninvested capital**
* **2021 was a record year in terms of the value of global first-time venture capital financing deals, when it amounted to 64.5 billion U.S. dollars globally.**
* **U.S.-based Blackstone was the leading private equity (PE) firm worldwide, with a recorded fundraising sum of 125.61 billion U.S. dollars between 2017 and 2022.**

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| Quarter | PE Fundraising (in billion $) |
| Q1 21 | 155.51 |
| Q2 21 | 180.01 |
| Q3 21 | 133.67 |
| Q4 21 | 160.85 |
| Q1 22 | 128.11 |
| Q2 22 | 155.46 |
| Q3 22 | 108.75 |
| Q4 22 | 143.56 |
| Q1 23 | 105.09 |
| Q2 23 | 104.18 |

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| Year | Deal count |
| 2012 | 8,026 |
| 2013 | 9,510 |
| 2014 | 10,713 |
| 2015 | 11,344 |
| 2016 | 10,215 |
| 2017 | 11,109 |
| 2018 | 11,606 |
| 2019 | 12,490 |
| 2020 | 12,713 |
| 2021 | 15,500 |