The Secondaries Market Is Undercapitalized | Taylor Robinson

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SUMMARY

The discussion highlights the current undercapitalization in the market, emphasizing the need for increased fundraising to stimulate growth. With a significant volume of transactions in the previous year, the available capital is rapidly depleting, necessitating a shift to rejuvenate investment activity.

- *The market is currently undercapitalized, with only 1 to 1.5 years of dry powder available.*
- *Last year's transaction volume reached $240 billion, which significantly absorbed available capital.*
- *The fundraising environment is challenging, impacting the ability to replenish capital.*
- *A revitalization of fundraising efforts is essential for market growth.*
- *The concept of a "flywheel" is introduced, suggesting that increased investment can lead to further growth and activity.*

As a market, we're really undercapitalized. I mean, the way we measure it, we sit somewhere between one one and a half years of dry powder at a point in time. When you have a year like last year where you've got $240 billion of volume, you soak up a lot of that. And we happen to be in a very hard fundraising environment. We need that flywheel to start spinning again for I think the market to grow.