

The Role of Diversification in Safeguarding Your Investments

All investors, including family offices, increasingly focus on private markets in the ever-evolving landscape of alternative investments. With allocations to alternative assets on the rise according to almost every report, the relevance of data cannot be overstated in this traditionally opaque space.

BlackRock's recent announcement of its acquisition of Preqin, a leading provider of alternative markets data, is a development that promises to reshape the investment strategies of family offices worldwide. Besides the immediate benefits, this might signal that other types of investor and investment data will also be in high demand in the future.

The Big Data Revolution In Alternative Investments

BlackRock's agreed \$3.22 billion acquisition of Preqin is poised to catalyze a significant shift in how private markets are understood and navigated. Preqin's comprehensive data on private equity, real estate, hedge funds and infrastructure will enable BlackRock to create indexes for private markets, akin to those in public markets. As Larry Fink, BlackRock's Chairman and CEO, recently stated, "Just as index has become the language of public markets, we envision bringing the principles of indexing to the private markets."

This acquisition reflects a larger trend: data is becoming essential to modern investment strategies. For family offices and institutional investors involved in alternative assets, access to detailed and reliable data is crucial for making informed decisions, managing risk, and benchmarking performance. With BlackRock's acquisition of Preqin, the firm is positioning itself as a major player in the private market data arena, potentially transforming how pricing, sourcing, secondaries, and risk management are approached.

Future Prospects: Technology and Private Market Synergies

The acquisition also points to promising future developments at the intersection of technology and private markets. As Sudhir Nair, Global Head of Aladdin, remarked,

By integrating Preqin's comprehensive data with our Aladdin platform, we aim to simplify and enhance private markets investing. This collaboration will help bridge the transparency gap between public and private markets, offering a more connected and data-driven approach for investors and fund managers.

The merger of Preqin's data with BlackRock's Aladdin platform is a strategic initiative

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designed to advance data collection, establish new benchmarks, and provide sophisticated tools for asset allocation and performance analysis. This move underscores BlackRock's commitment to leveraging technology to drive innovation and efficiency in private market investments.

