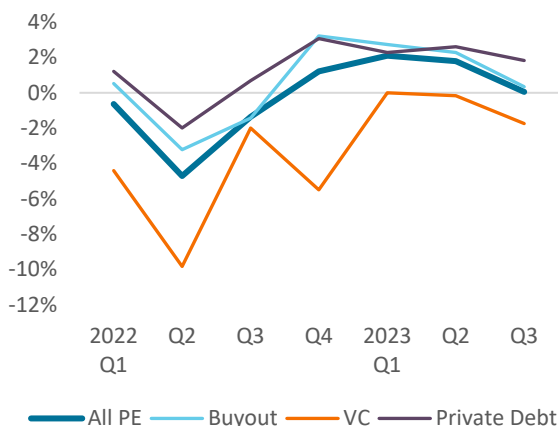


STATE STREET PRIVATE EQUITY INDEX TRENDS – Jan 2024

Private debt outperforms amid the overall lower returns in Q3 2023

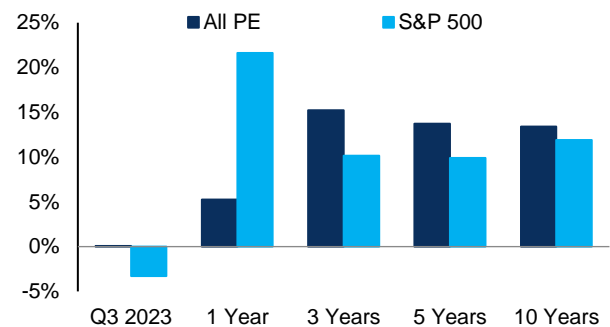
The State Street® Private Equity Index (SSPEI) posted an overall 0.06% gain in Q3 2023, the lowest quarterly return in 2023 so far. Buyout funds had only a small growth of 0.35% in this quarter, and venture capital (VC) continues to suffer from losses, reporting a quarterly return of -1.8%. On the other hand, despite a slight slowdown, the performance of private debt funds maintained its lead over Buyout and VC with 1.8% return in Q3 2023, resulting in a meaningful 7.3% return year to date (see Exhibit 1A). In comparison, the US public equity market, represented by the S&P500, also experienced a decline in Q3. It posted a -3.3% total return (see Exhibit 1B).

Exhibit 1: Private Equity Performance
A. Quarterly return by strategy



Source: State Street Global Markets, as of Q3 2023.

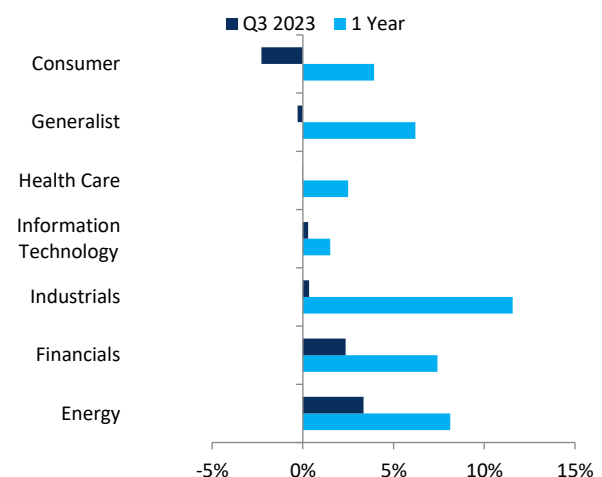
B. Private Equity Performance vs SP500



Source: State Street Global Markets, DataStream, as of Q3 2023.

During Q3 2023, the best-performing funds were those with an energy and financial focus, of which posted 3.3% and 2.4% quarterly returns respectively; in contrast, consumer sector underperformed others with a -2.3% loss in Q3.

Exhibit 2: Performance of Sector-Focused Funds

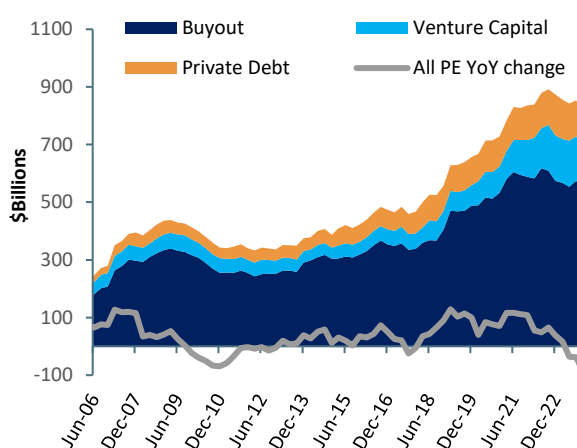


Source: State Street Global Markets, as of Q3 2023.

At one year horizon, industrials, energy and financials sector specialists, with 11.6%, 8.1% and 7.42% annual returns, performed better than the generalist funds who returned 6.2% (see Exhibit 2).

As of Q3 2023, SSPEI posted a dry powder of \$854 billion, an increase from the \$843 billion in Q2 2023. The year-over-year change in all PE dry powder has been negative in the past two quarters since Q2 2023, after being mostly positive in the past decade (see Exhibit 3).

Exhibit 3: Private Equity Quarterly Dry Powder



Source: State Street Global Markets, as of Q4 2023.

ABOUT THE STATE STREET PRIVATE EQUITY INDEX

Participants in private capital markets need a reliable source of information for performance and analytics. Given the non-public nature of the private equity industry, collecting comprehensive and unbiased data for investment analysis can be difficult. The State Street Private Equity Index ("SSPEI") helps address the critical need for accurate and representative insight into private equity performance.

Derived from actual cash flow data of our Limited Partner clients who make commitments to private equity funds, SSPEI is based on one of the most detailed and accurate private equity data sets in the industry today. These cash flows received as part of our custodial and administrative service offerings are aggregated to produce quarterly Index results. Because the SSPEI does not depend on voluntary reporting of information, it is less exposed to biases common among other industry indexes. The result is an index that reflects reliable and consistent client data, and a product that provides analytical insight into an otherwise opaque asset class.

- Currently comprises more than 3,900 funds representing more than \$4.9 trillion in capital commitments as of Q3 2023.
- Global daily cash-flow data back to 1980.
- The Index has generated quarterly results since Q3 2004.
- Published approximately 100 days after quarter-end.

SSPEI web portal link

<https://globalmarkets.statestreet.com/peindex>



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