

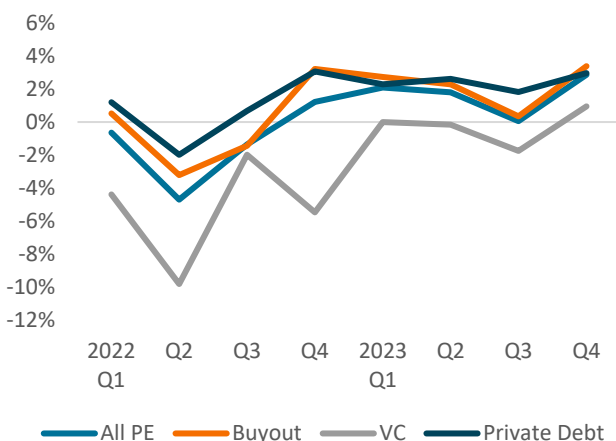


STATE STREET PRIVATE EQUITY INDEX TRENDS – May 2024

Private Equity Performances Rebound in Q4 2023

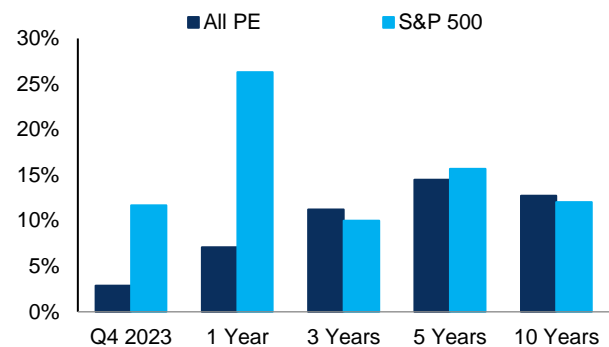
The State Street® Private Equity Index (SSPEI) recorded an overall gain of 2.87% in Q4 2023, bringing the annual return to 7.1%. Buyout funds rebounded significantly this quarter, achieving a 3.39% gain compared to 0.35% in Q3, and posted 9.12% return for the year. Venture capital (VC) returns turned positive to 0.95% in Q4, making the first positive and highest return since Q1 2022. Private debt funds maintained stable performance, with returns of 2.96% in Q4 and 10.66% for the year. (see Exhibit 1A). By contrast, the US public equity market, represented by the S&P500, outperformed the private market by a substantial 11.7% total return in the last quarter and 26.3% for the year (see Exhibit 1B).

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



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

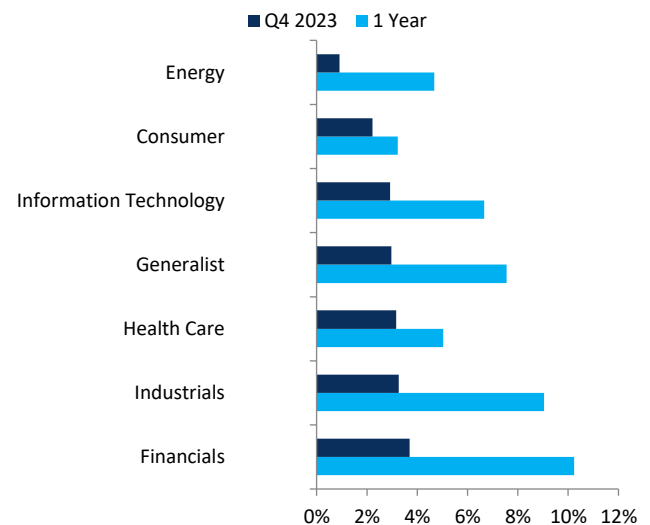
B. Private Equity Performance vs SP500



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

In Q4 2023, funds with an industrial and financial focus were the best performers, posting quarterly returns of 3.26% and 3.70% respectively. The energy sector, however, underperformed with a gain of 0.91%.

Exhibit 2: Performance of Sector-Focused Funds

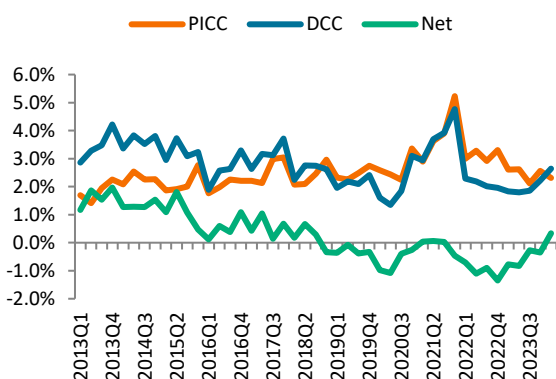


Source: State Street Global Markets, as of Q4 2023.

Over a one year horizon, industrials and financials sector specialists delivered annual returns of 9.04% and 10.24%, respectively, outperforming generalist funds, which returned 7.55% (see Exhibit 2).

Leveraging the timely and accurate daily cash flow data from State Street custody services, we have observed early signs of recovery in exit activities in recent quarters (see Exhibit 3). The quarterly distribution to committed capital (DCC) has been rising since Q2 2023 and is approaching 2.6% in Q1 2024, nearing its 10-year average of 2.7%. Additionally, net cash flow turned positive for the first time since Q4 2021.

**Exhibit 3: Private Equity Quarterly Cash Flows**



Source: State Street Global Markets, as of Q1 2024.

## 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 \$5.0 trillion in capital commitments as of Q4 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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