



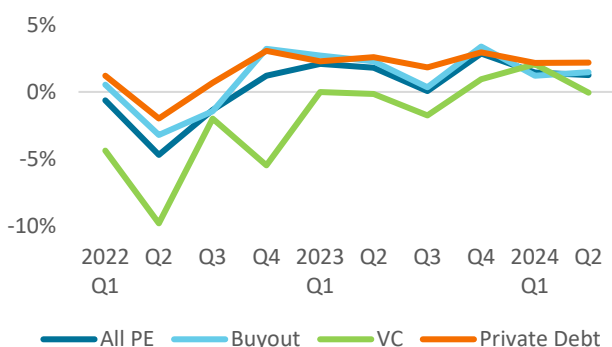
State Street Private Equity Index Trends – Oct 2024

## Private Debt Leads the Pack Again While Venture Capital Dips Back To Losses

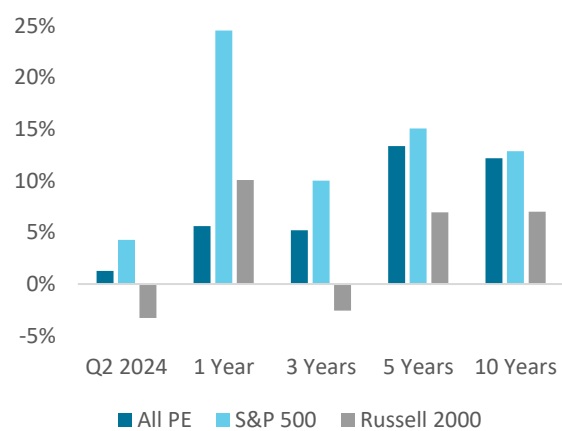
The State Street® Private Equity Index (SSPEI) recorded an overall gain of 1.26% in Q2 2024, slightly lower than the 1.46% return in Q1. Buyout and Private Debt funds largely maintained their performance from Q1, posting gains of 1.47% and 2.18%, respectively, while Venture Capital funds posted a -0.07% return, down from a 2.07% return in Q1 (see Exhibit 1A). Private Debt has outperformed Buyout in seven out of the ten quarters since Q1 2022, when the Fed rate hikes began.

U.S. large-cap stocks, represented by the S&P 500, posted a 4.3% total return in the second quarter and a 24.6% gain over the past year. In contrast, U.S. small-cap stocks, represented by the Russell 2000, posted a -3.3% loss in Q2 and a 10.1% gain over one year (see Exhibit 1B). The SSPEI underperformed the S&P 500 across all horizons, from one quarter to ten years, but outperformed the Russell 2000 over the same horizons, except for the recent one-year period.

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



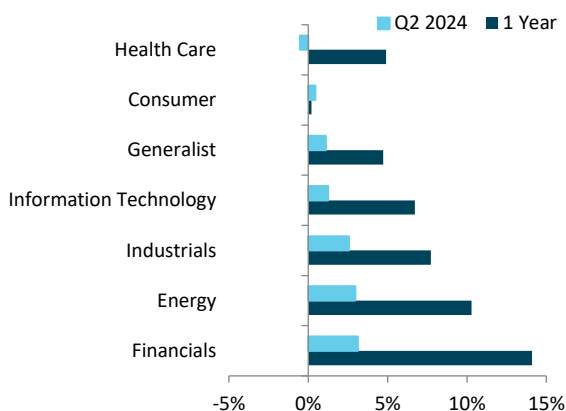
B. Private Equity Performance vs Public Equity



Source: State Street Global Markets, DataStream, as of Q2 2024.

In Q2 2024, funds focused on the financial and energy sectors were the top performers, posting quarterly returns of 3.13% and 2.97%, respectively. The healthcare sector underperformed, with a return of -0.53%. Notably, the information technology sector—dominant in both Buyout and VC funds—reported a modest 1.25% return in Q2 2024. Over the one-year horizon, specialists in the financials, energy, industrials, and IT sectors delivered annual returns of 14.11%, 10.29%, 7.73%, and 6.72%, respectively, outperforming generalist funds, which returned 4.72% (see Exhibit 2).

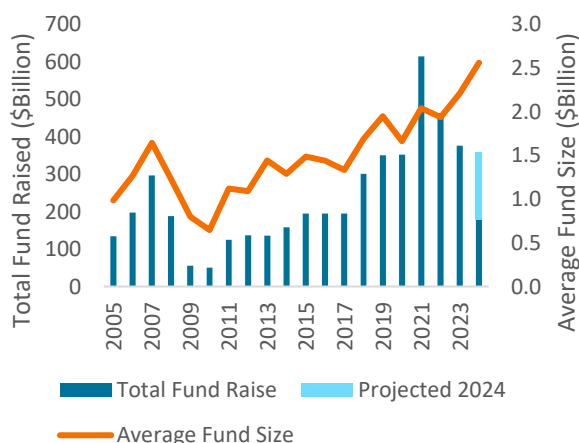
**Exhibit 2: Performance of Sector-Focused Funds**



Source: State Street Global Markets, as of Q2 2024.

Fundraising activity in the first half of 2024 reached \$179 billion, representing about 48% of the total funds raised in 2023. This projects a full-year fundraising total for 2024 close to \$360 billion, slightly lower than the 2023 vintage year (see Exhibit 3). The average fund size for the 2024 vintage year continued to increase to \$2.6 billion, up from \$2.2 billion in 2023, despite the overall slower fundraising activity.

**Exhibit 3: Private Equity Fund Raised by Vintage Year**



Source: State Street Global Markets, as of Q2 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 4,000 funds representing more than \$5.2 trillion in capital commitments as of Q2 2024.
- 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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