



State Street Private Equity Index Trends – May 2025

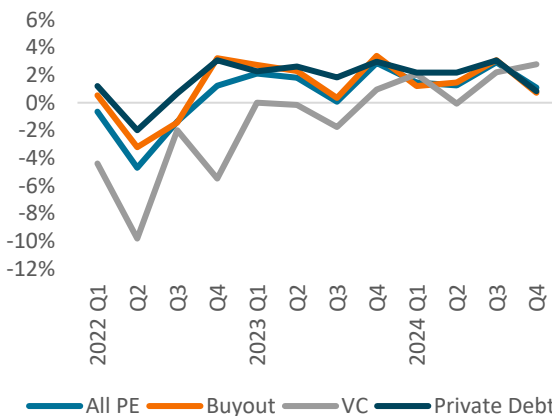
Venture Capital Leads Recovery as Buyout and Private Debt Cool in Late 2024

The State Street® Private Equity Index (SSPEI) recorded a modest 1.09% gain in Q4 2024, marking a notable slowdown from 2.92% in the previous quarter. The quarterly deceleration was primarily driven by Buyout and Private Debt funds, which saw returns decline to 0.72% and 0.83%, respectively—down sharply from 3.09% and 3.06% in Q3. In contrast, Venture Capital (VC) continued its upward momentum, delivering a solid 2.78% return for the quarter (see Exhibit 1A).

environment, where traditional buyouts face headwinds from more expensive leverage.

In the public markets, U.S. large-cap stocks, represented by the S&P 500, gained 2.41% in Q4 and 25.02% for the year—buoyed by tech sector strength, AI-driven optimism, and easing recession fears. Meanwhile, small-cap equities, as measured by the Russell 2000, delivered a meager 0.33% return in Q4 and 11.54% annually, highlighting a significant divergence in market leadership (see Exhibit 1B).

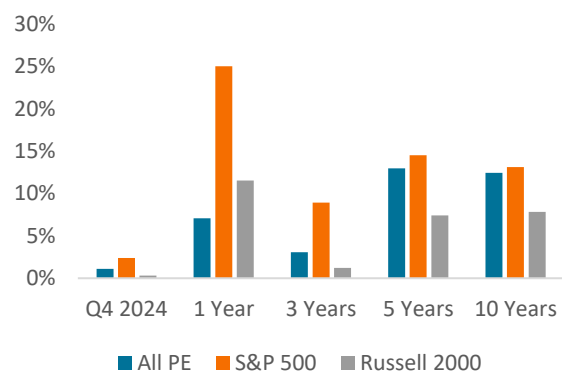
Exhibit 1: Private Equity Performance
A. Quarterly return by strategy



Source: State Street Global Markets, DataStream, as of Q4 2024.

For the full year, the SSPEI posted a 7.08% return, with Private Debt leading among major strategies at 9.11%, followed by Venture Capital (7.05%) and Buyout (6.81%). The year’s performance reflects the shifting capital dynamics in a high-rate

B. Private Equity Performance vs Public Equity



Source: State Street Global Markets, DataStream, as of Q4 2024.

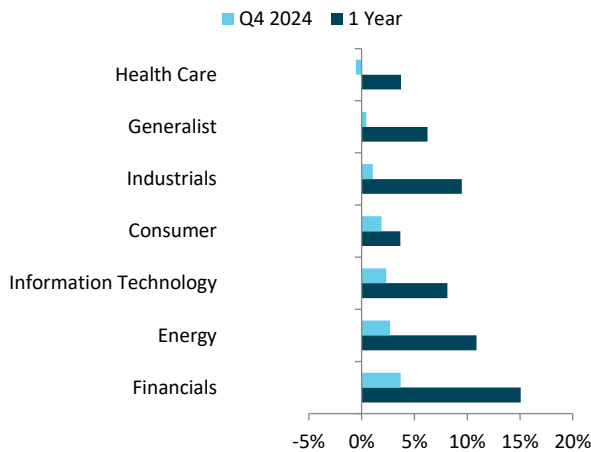
While the SSPEI underperformed the S&P 500 across all time horizons—from one quarter to ten years—it consistently outpaced the Russell 2000, except in the most recent one-year window.

Sector Performance Highlights

In Q4, private equity funds targeting Financials and Energy sectors outperformed, with returns of 3.71% and 2.69%, respectively. Meanwhile, Health Care and Industrials underperformed, posting returns of -0.54% and 1.05%.

On a one-year basis, most sector-focused funds continued to outshine generalist peers. Specialists in Financials (15.08%), Energy (10.89%), Industrials (9.49%), and Information Technology (8.12%) all exceeded the 6.25% return generated by generalist funds (see Exhibit 2). This performance gap illustrates the growing importance of sector specialization in today's competitive and capital-constrained environment.

Exhibit 2: Performance of Sector-Focused Funds

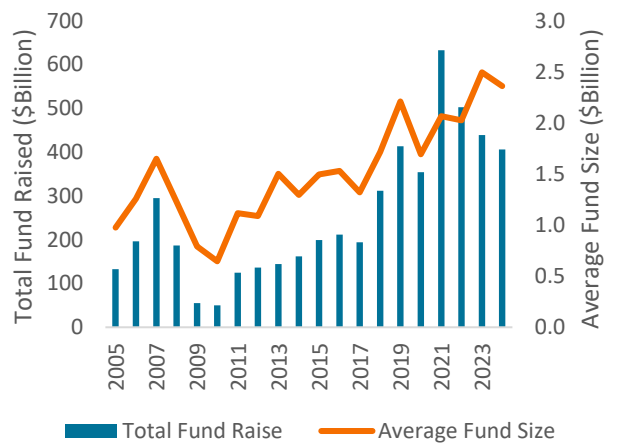


Source: State Street Global Markets, as of Q4 2024.

Fundraising and Market Dynamics

Fundraising activity totaled \$406 billion in 2024, slightly below the \$439 billion raised in 2023, and 36% below the \$632 billion peak reached in 2021 (see Exhibit 3). The average fund size for 2024 vintage funds remained steady at \$2.4 billion, continuing a long-term trend of capital consolidation toward established managers.

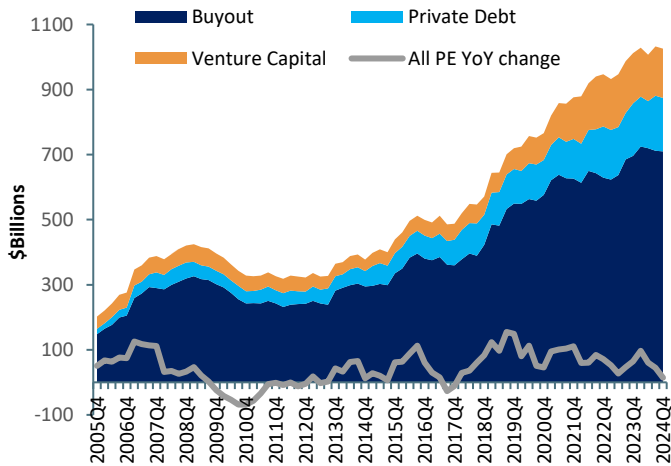
Exhibit 3: Private Equity Fund Raised by Vintage Year



Source: State Street Global Markets, as of Q4 2024.

Despite slower deployment, dry powder—uninvested capital committed to PE funds—remained elevated at over \$1 trillion in the SSPEI universe (see Exhibit 4), putting pressure on managers to find quality deals in a tighter credit environment.

Exhibit 4: Dry powder



Source: State Street Global Markets, as of Q4 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 4,100 funds representing more than \$5.7 trillion in capital commitments as of Q4 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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