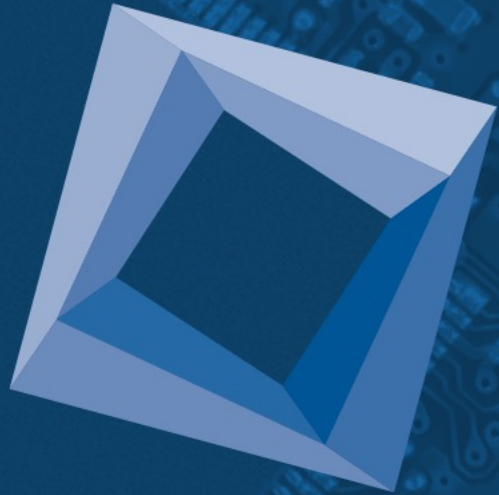


32 Pleasant Street
Sherborn, MA 01770
www.silverwoodpartners.com

Jonathan Hodson-Walker
508.651.2194
jhw@silverwoodpartners.com



SILVERWOOD PARTNERS

Investment Bankers

2023 Review

2023 Strategic Recap in 300 Slides

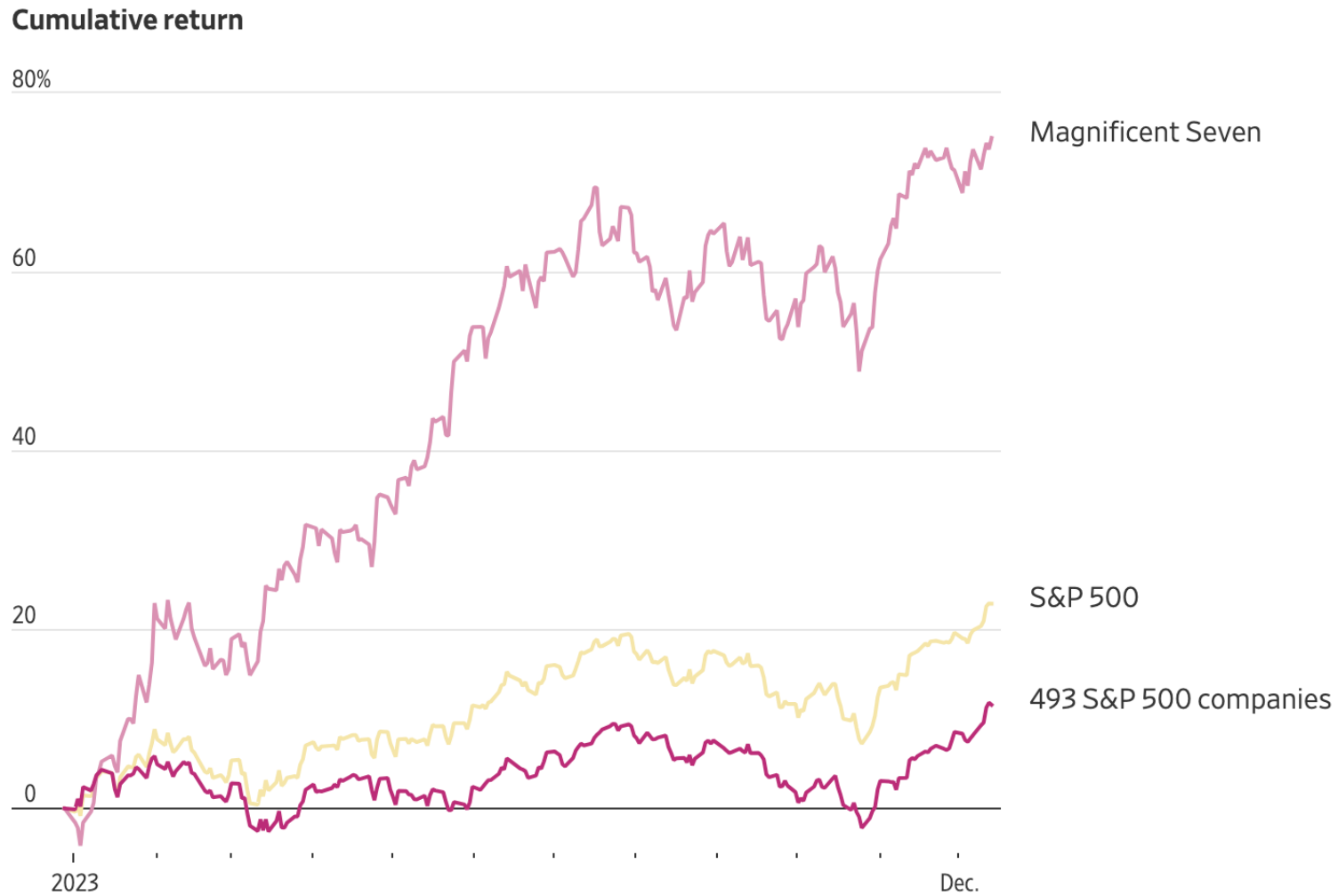
January 10, 2024

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MARKET DISTORTION – THE MAGNIFICENT SEVEN



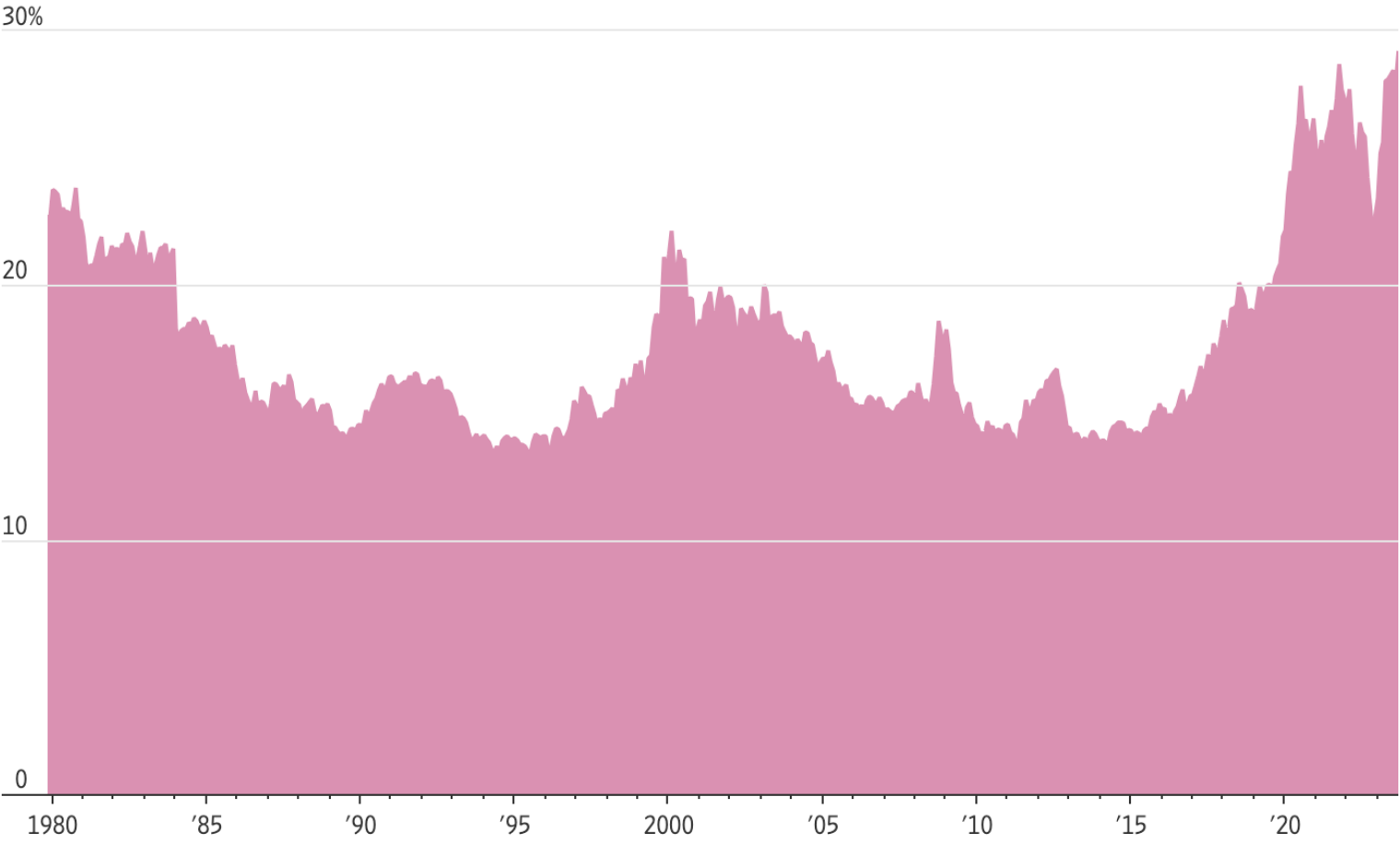
Source: Dow Jones Market Data; FactSet

Magnificent Seven:
Apple, Microsoft,
Alphabet, Amazon,
Nvidia, Tesla and
Meta Platforms



MARKET DISTORTION; 40+ YEAR HIGH – THE MAGNIFICENT SEVEN

Combined share of the largest seven companies in the S&P 500



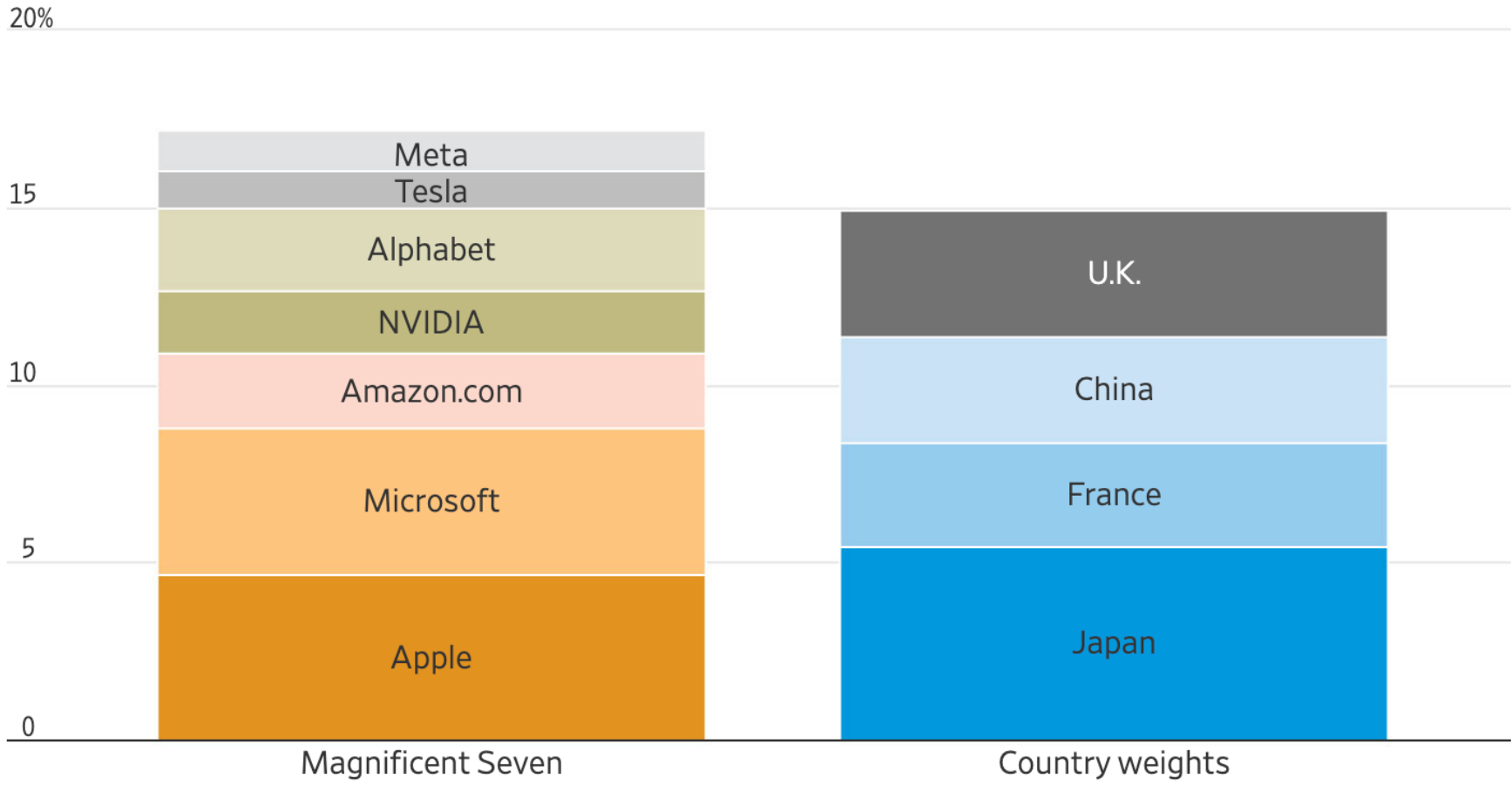
Note: Data through Nov. 16
Source: FactSet, Goldman Sachs Global Investment Research

Magnificent Seven:
Apple, Microsoft,
Alphabet, Amazon,
Nvidia, Tesla and
Meta Platforms



MAGNIFICENT SEVEN ... COMPANIES THE SIZE OF COUNTRIES

Weighting in the MSCI All Country World index



Sources: MSCI; Allspring Global Investments



NATIONAL DEBT ... FAST APPROACHING \$34 TRILLION

WHAT IS THE NATIONAL DEBT TODAY?

\$33,891,047,362,778

That's



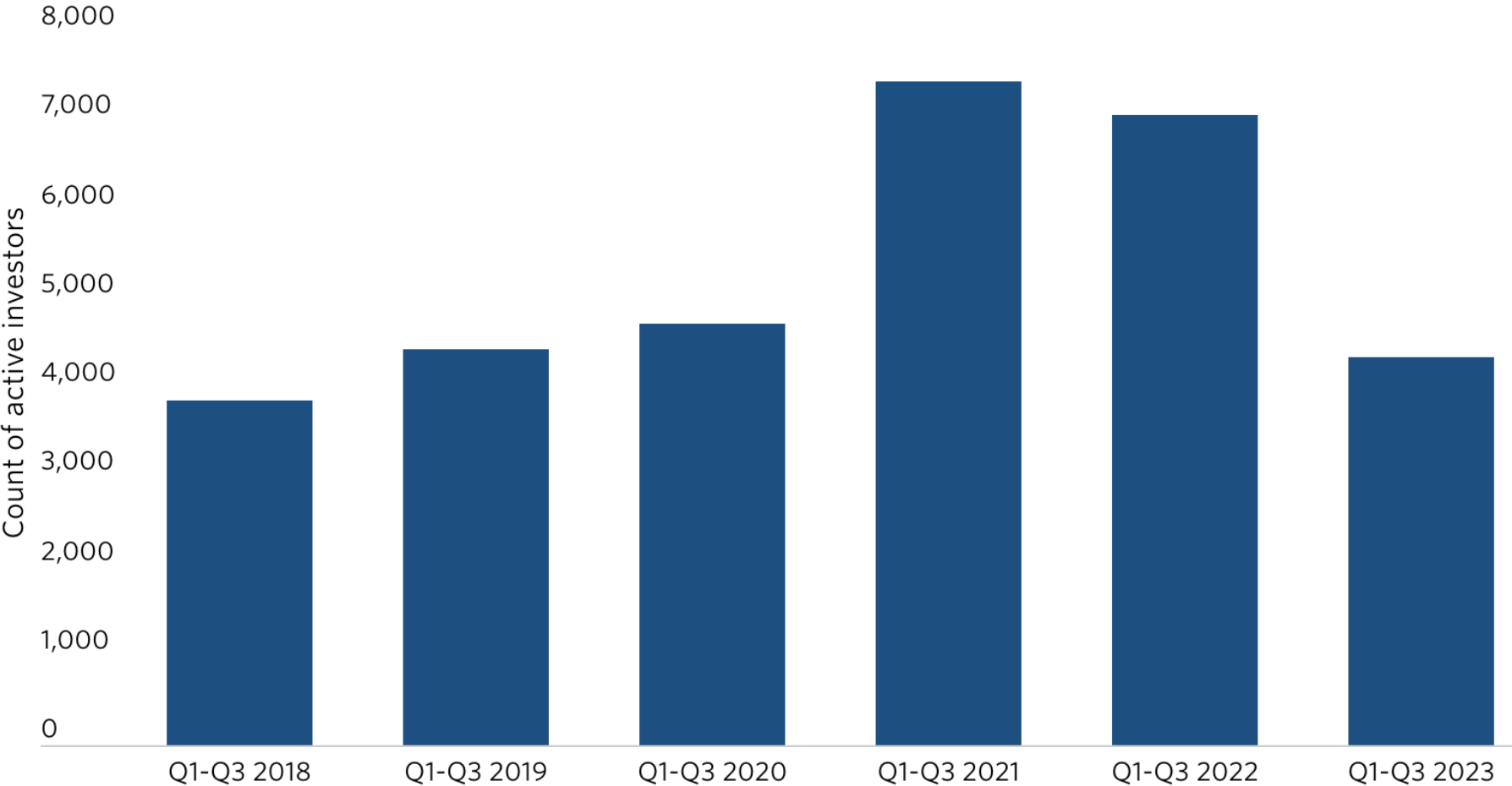
\$101,216

for every single person in America.



DECLINING VC INVESTMENT ACTIVITY

Investors that participated in two or more US VC deals in each time period



Source: PitchBook data
As of Dec. 6, 2023

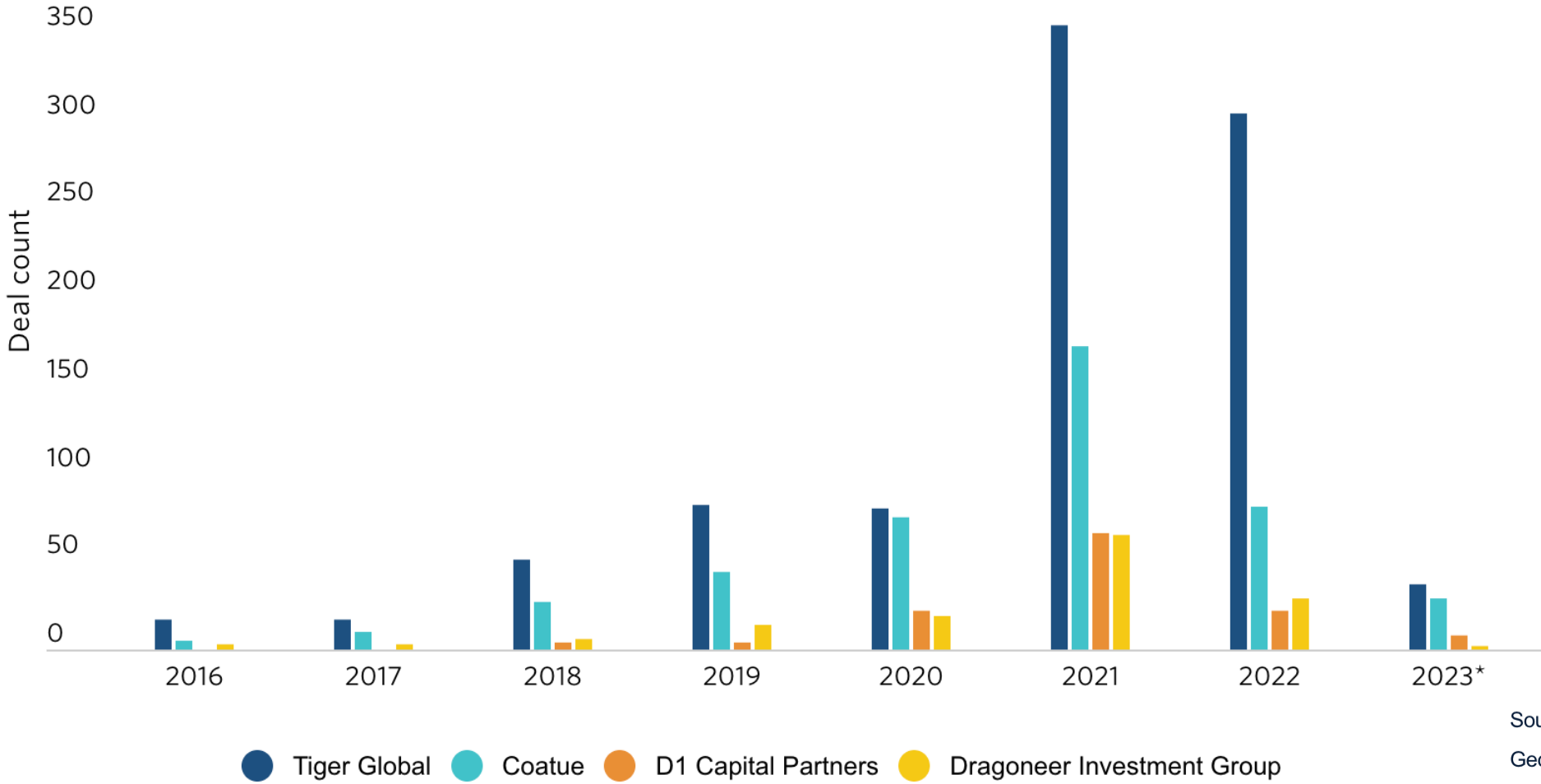


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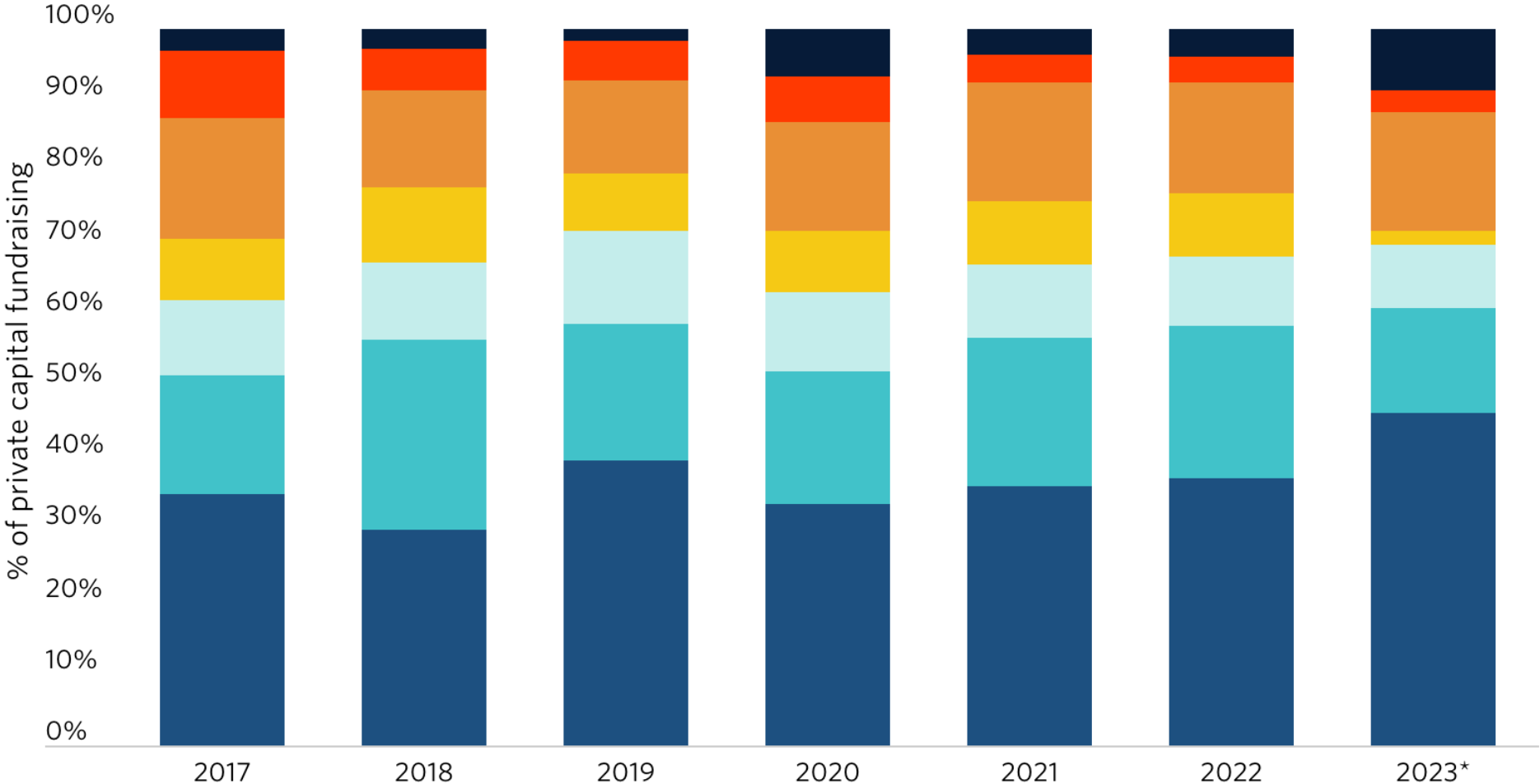
RISK OFF BY HEDGE FUNDS IN LATE-STAGE VC ~90% ACTIVITY DECLINE



Source: PitchBook data
Geography: Global
As of Dec 6, 2023



PE LARGER SHARE OF PRIVATE CAPITAL FUNDRAISING IN 2023



Source: PitchBook data
 Geography: Global
 *As of Sept. 30, 2023



SPAC COLLAPSE ...

Exhibit 2: SPAC Prices Post-Reverse Merger Transaction (as a Percentage of the IPO Price)

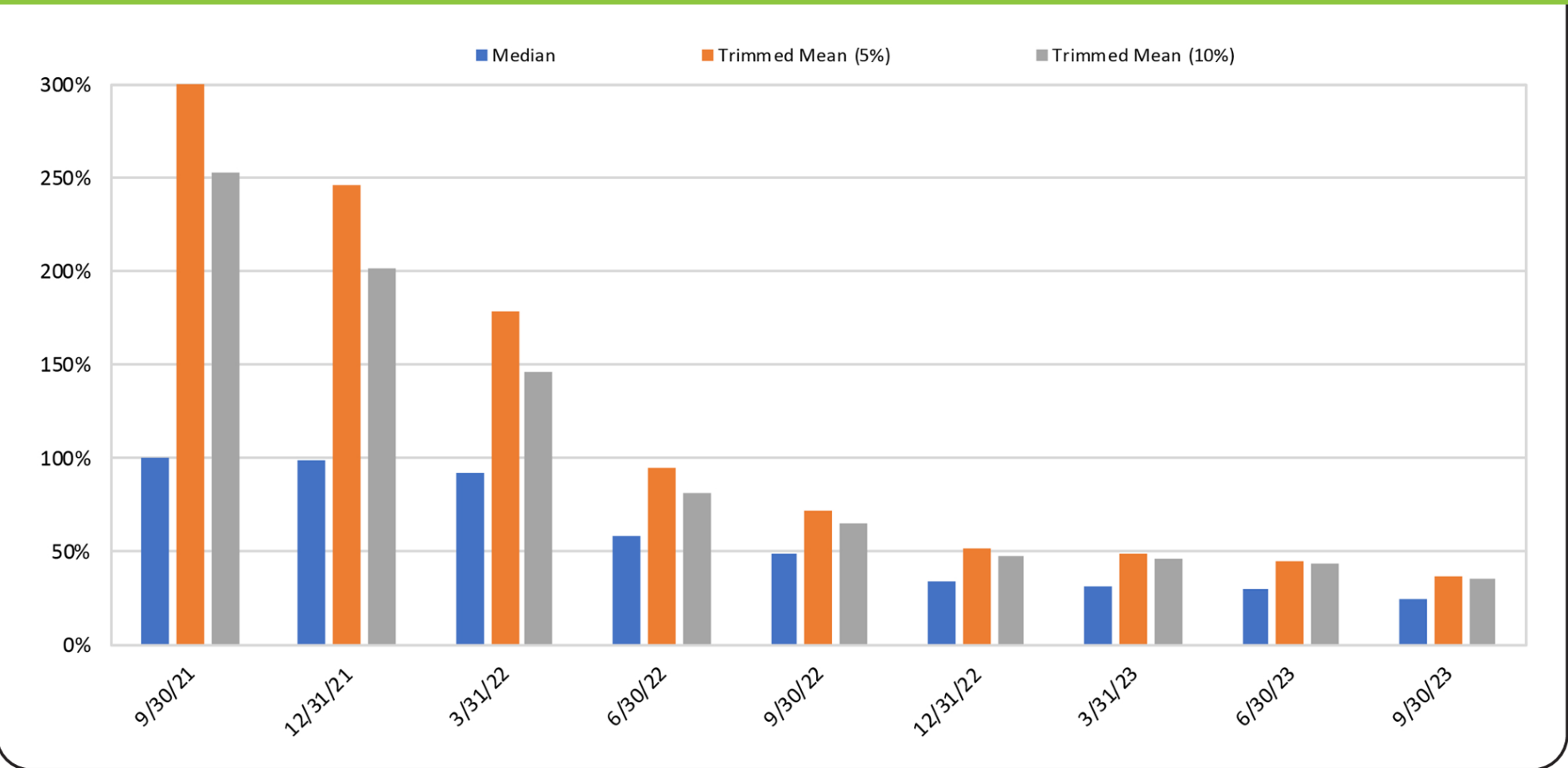
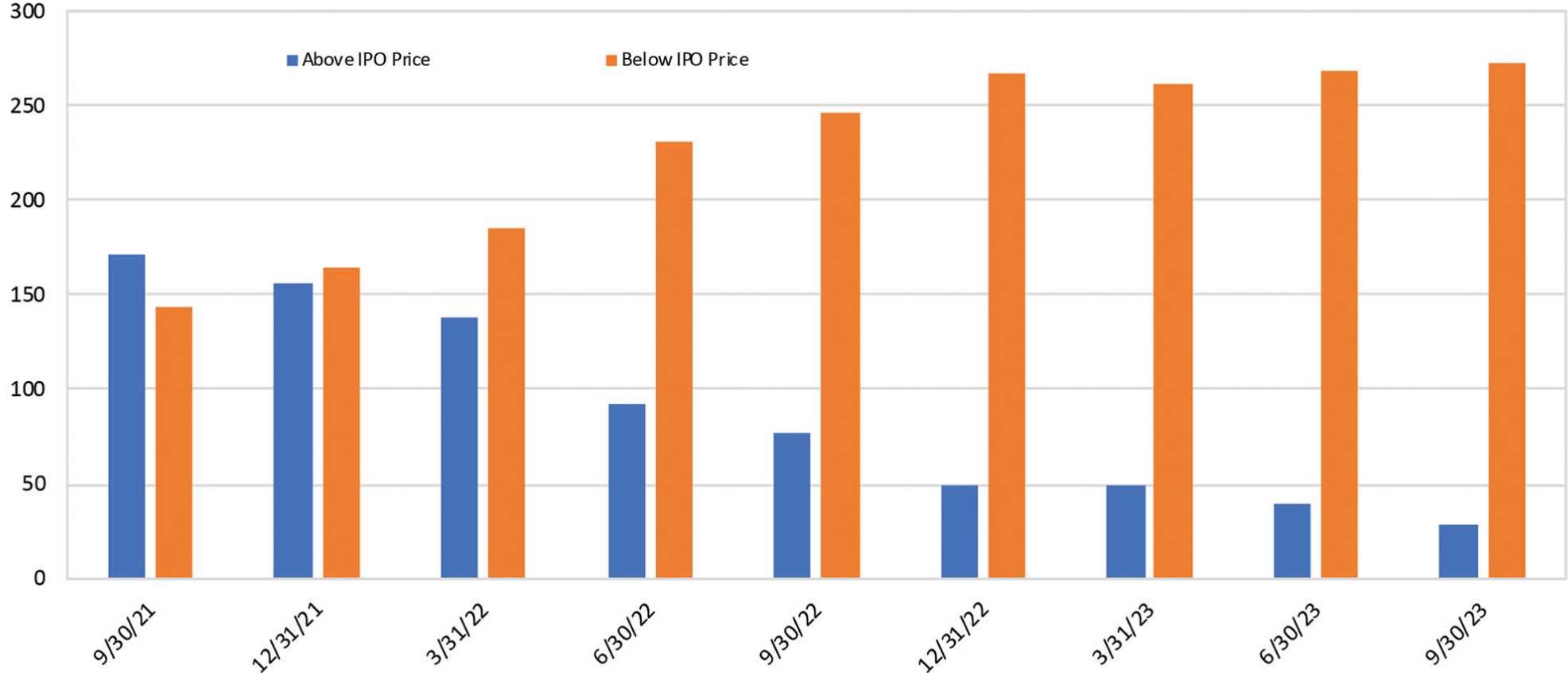


Exhibit 2 utilizes a trimmed mean summary statistic, which is an average that controls for outliers. A trimmed mean (10 percent) excludes the top 5 percent and bottom 5 percent of returns, then computes the arithmetic average of the remaining 90 percent of observations.

SPAC COLLAPSE ... ADDITIONAL

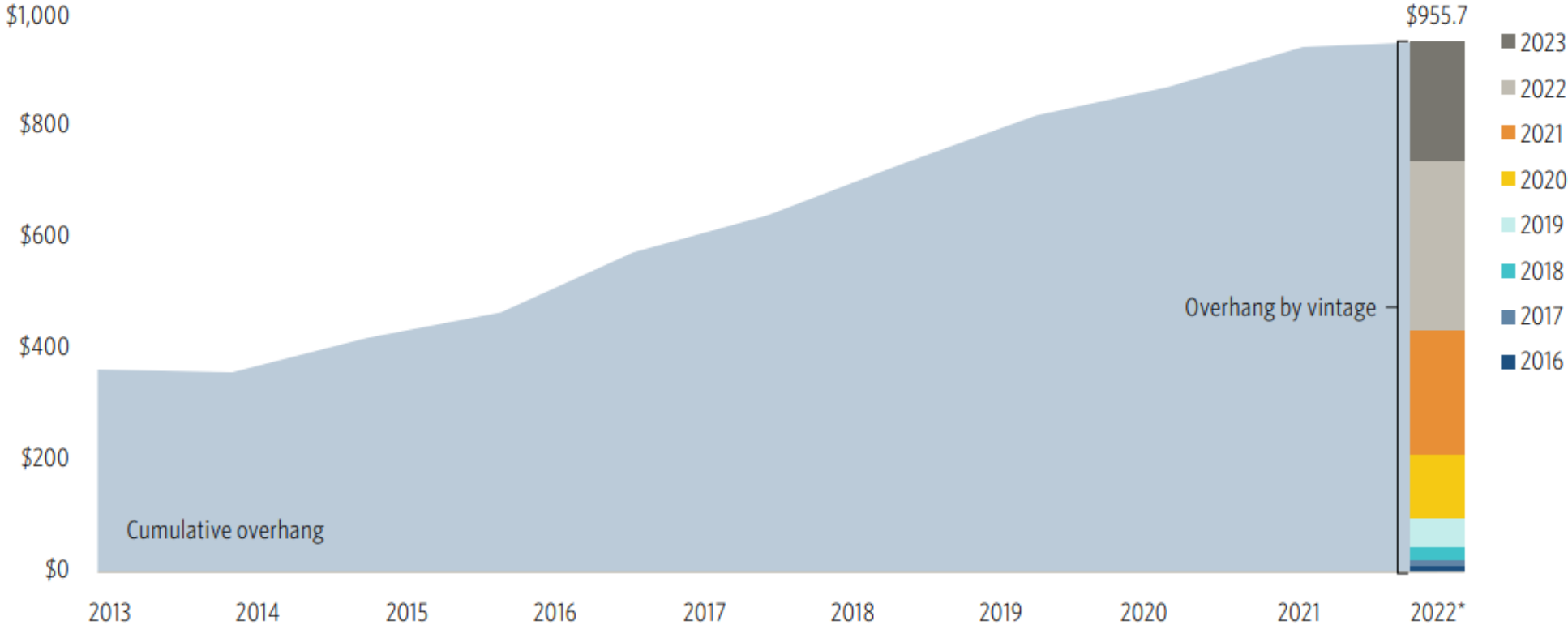
Exhibit 3: SPAC Prices Post-Reverse Merger Transaction (Number Above or Below the IPO Price)



PRIVATE EQUITY OVERHANG – \$956 BILLION

Private Equity Overhang: Near All Time High and Growing

US PE Dry Powder (\$B) By Vintage⁽¹⁾



⁽¹⁾ Pitchbook as of Mar'23

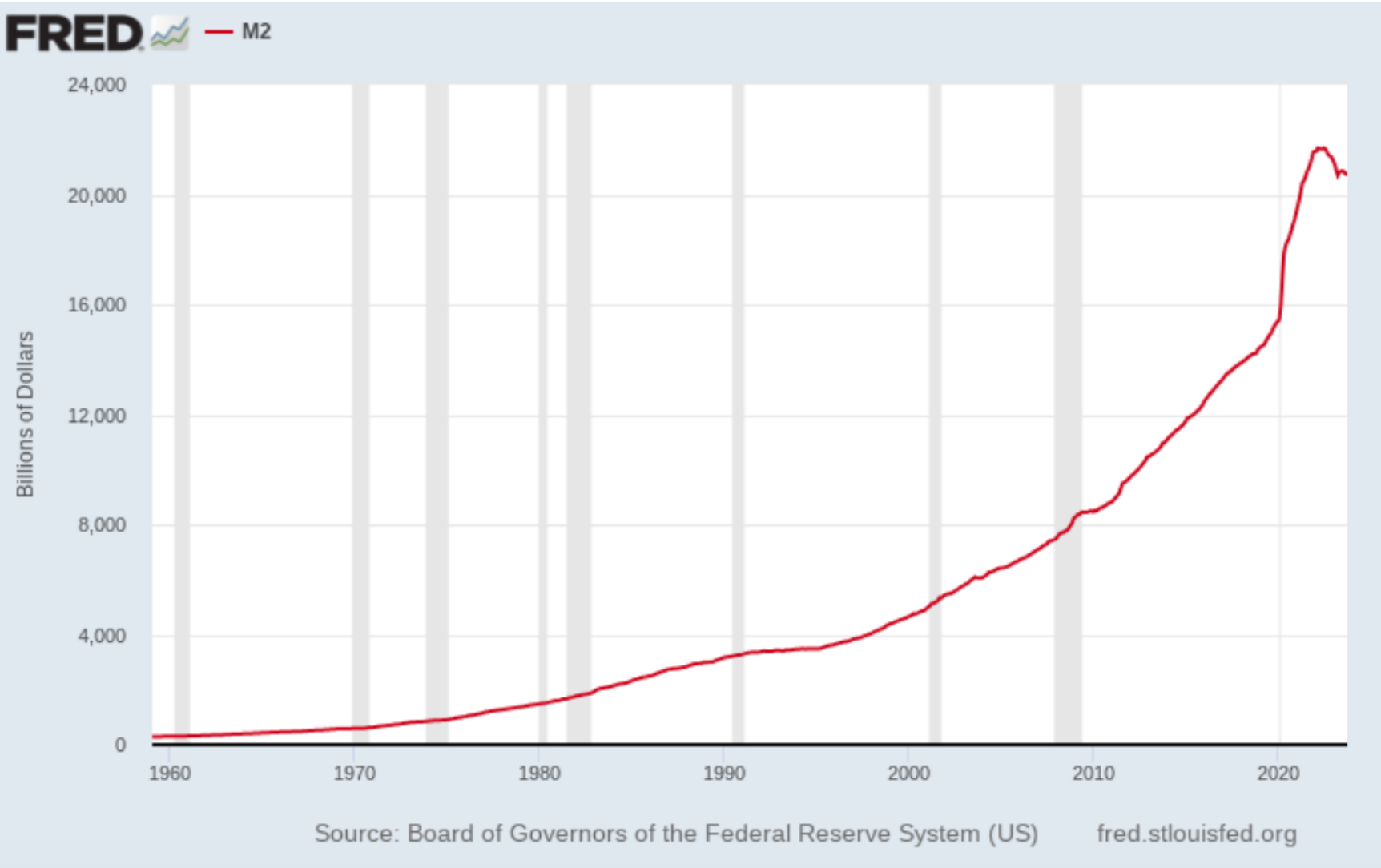


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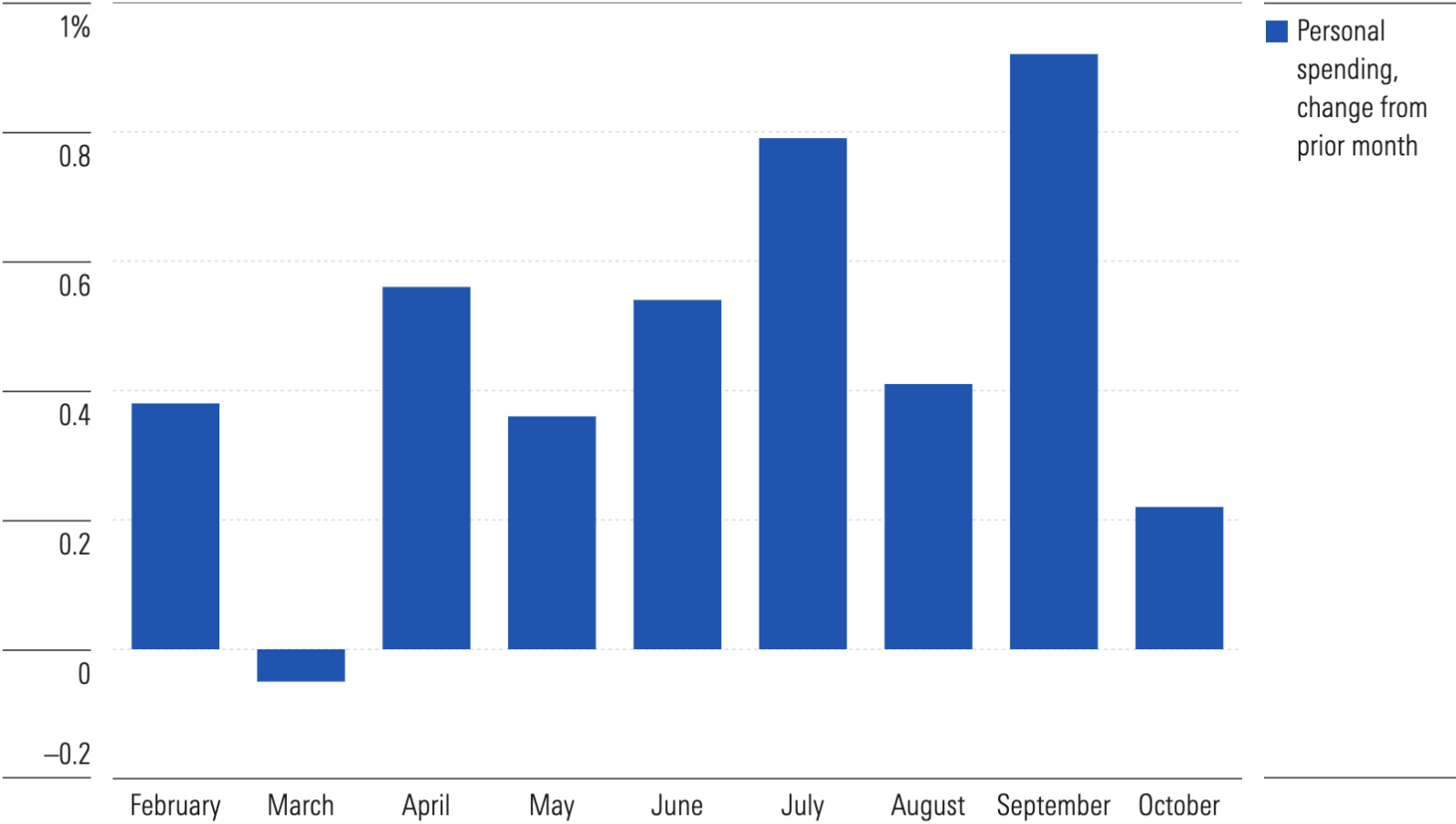


RATE OF CHANGE IN M2 – PARABOLIC IN PANDEMIC ... NOW NEGATIVE



PERSONAL EXPENDITURES – LOWER GROWTH HEADING INTO Q4

2023 Personal Expenditures Data



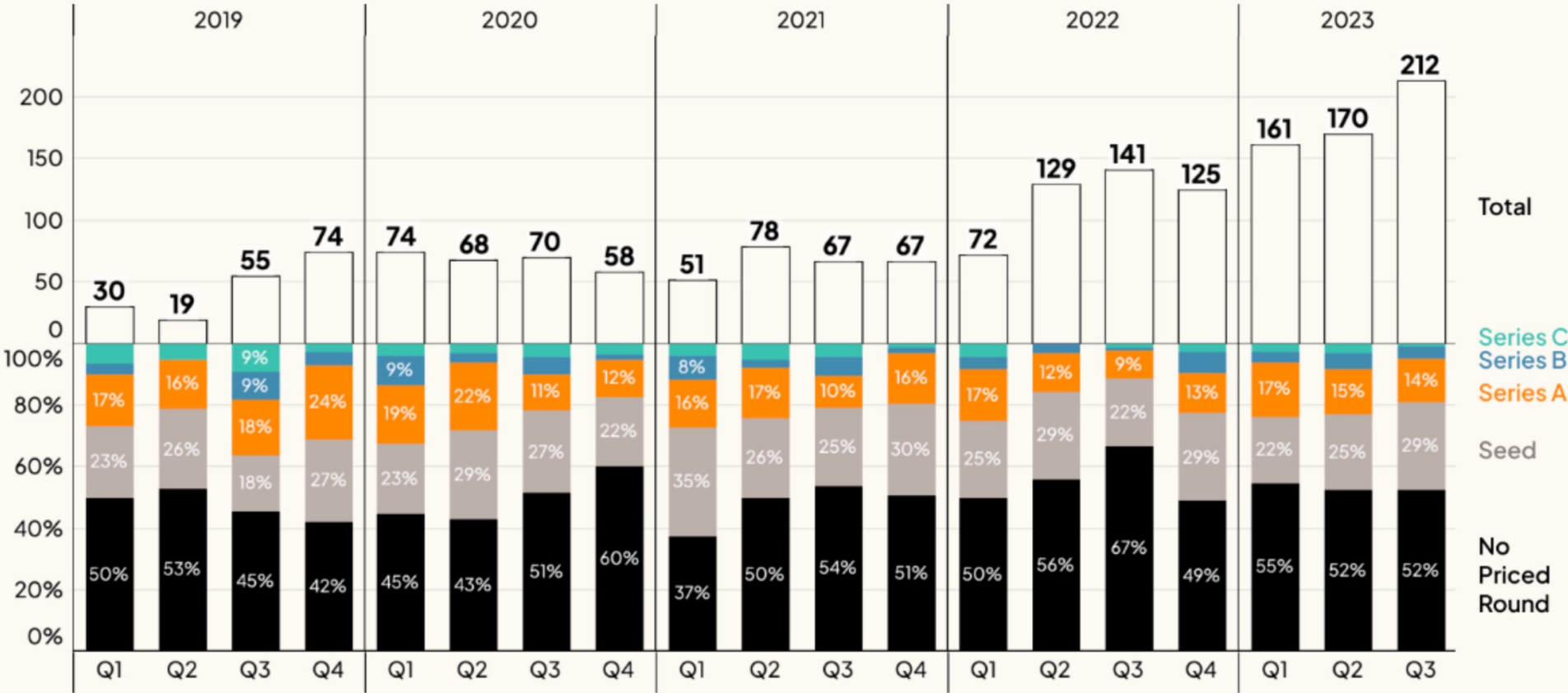
Data as of Dec 1, 2023. Bureau of Economic Analysis via FRED, Federal Reserve Bank of St. Louis



STARTUP SHUTDOWNS ACCELERATED IN Q3 2023

Startups are shutting down in record numbers

Startups using Carta that shut down due to bankruptcy/dissolution, overall and by stage | Q1 2019–Q3 2023



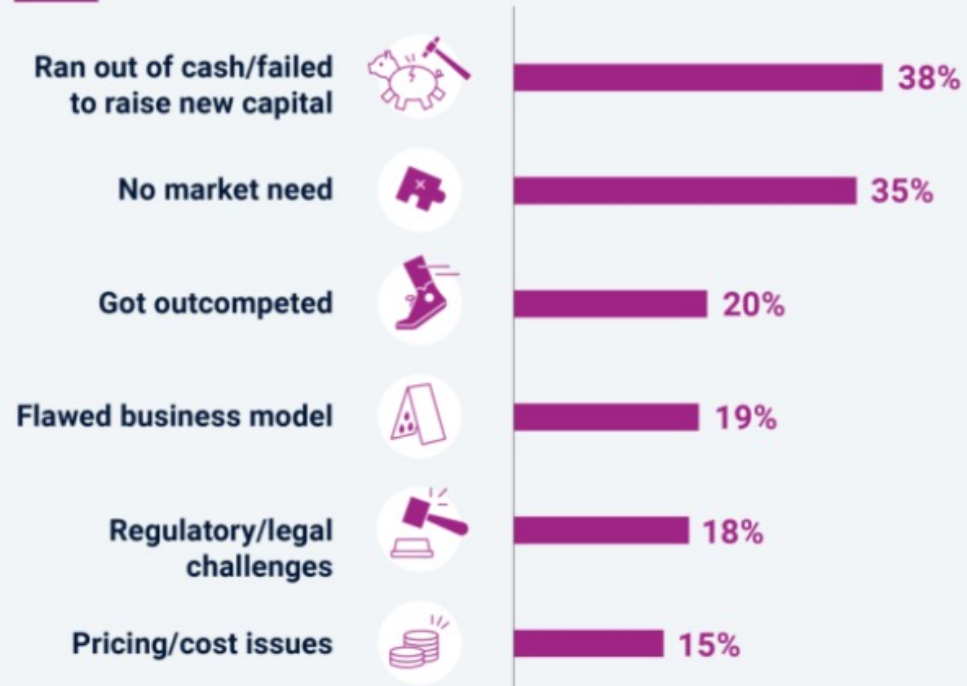
©2023 eShares Inc., d/b/a Carta Inc. ("Carta"). All rights reserved.



STARTUP FAILURE CAUSES

CBINSIGHTS

Top reasons startups fail



Note: Based on an analysis of 111 startup post-mortems since 2018.

Source: CB Insights

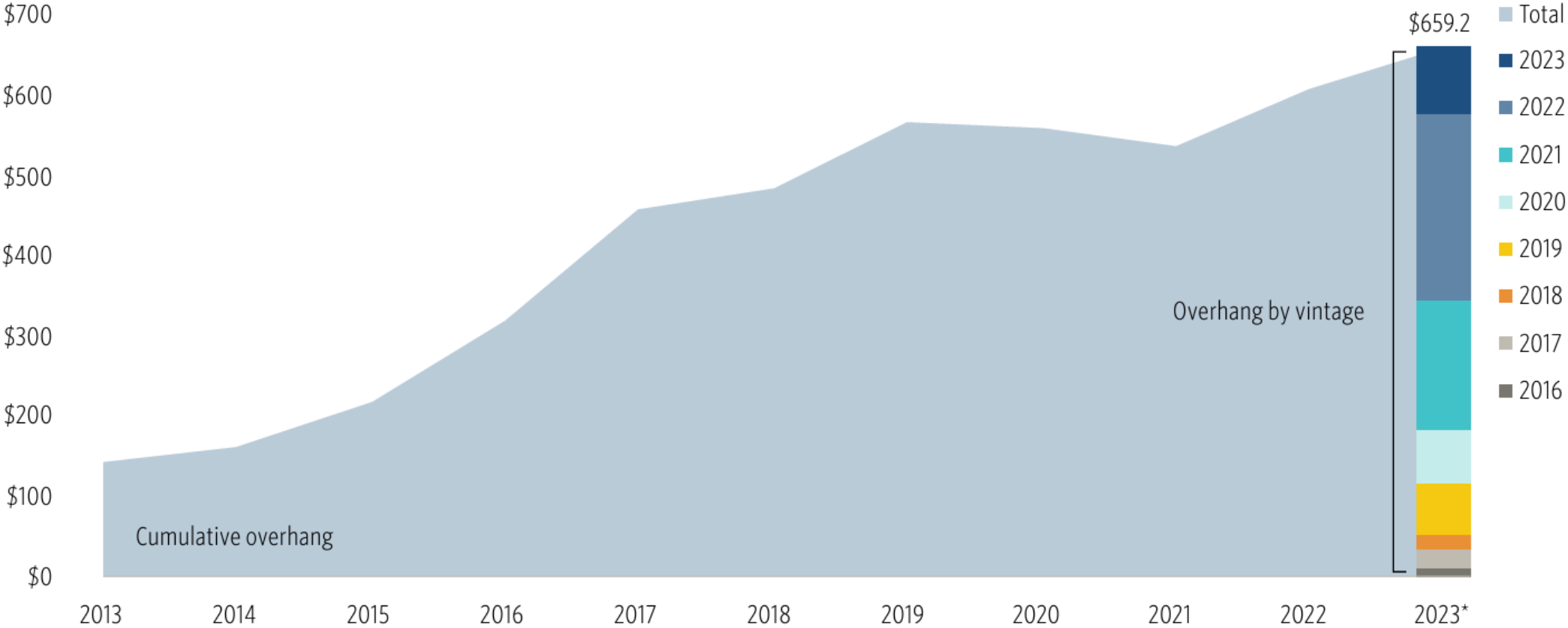


SILVERWOOD PARTNERS

COPYRIGHT SILVERWOOD PARTNERS 2001-2023

HOWEVER ... RECORD LEVEL OF DRY POWDER IN VC

VC dry powder (\$B)



Source: PitchBook • Geography: Global
*As of March 31, 2023

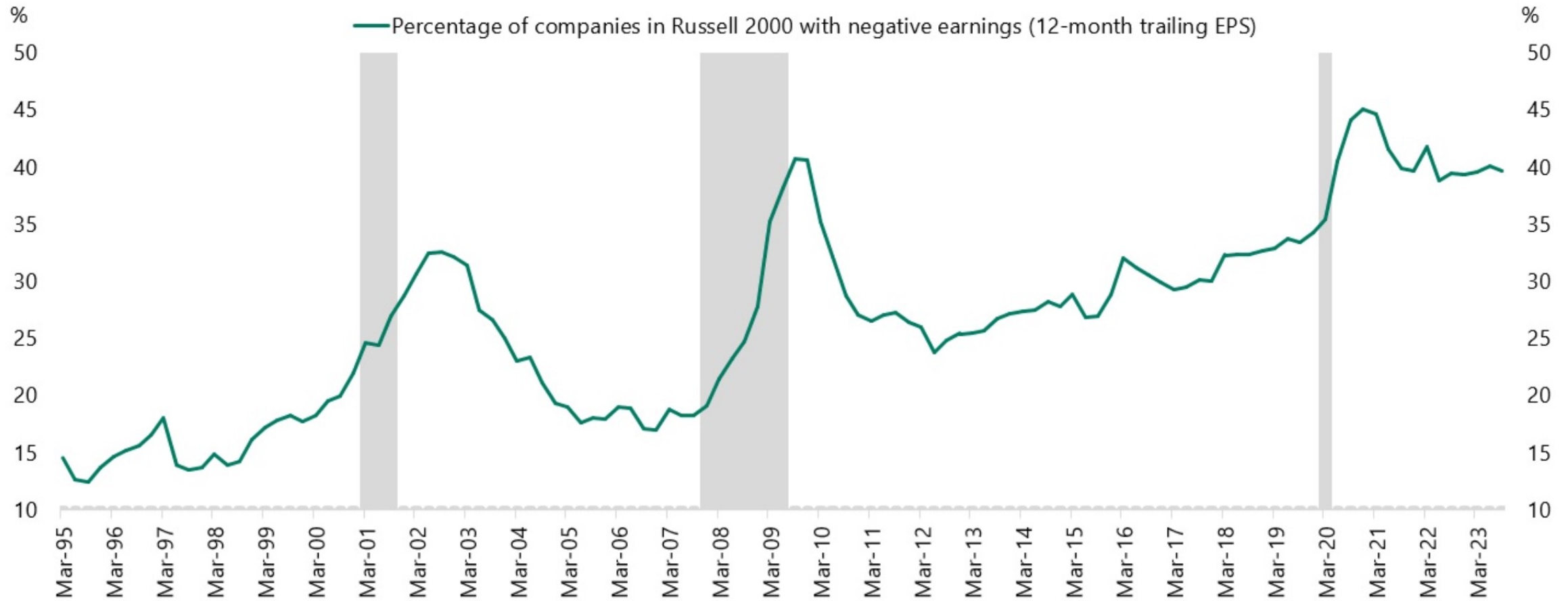


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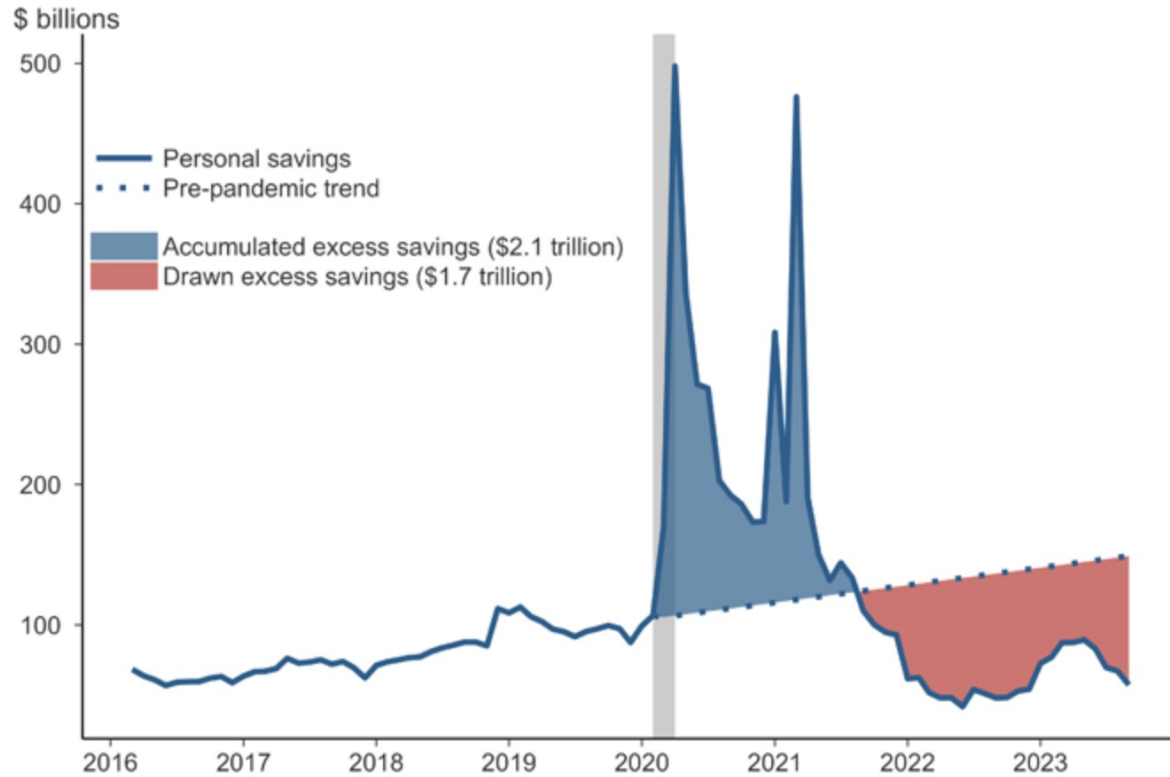


THE ZIRP ZOMBIES – 40% OF RUSSELL 2000 HAVE NEGATIVE EARNINGS



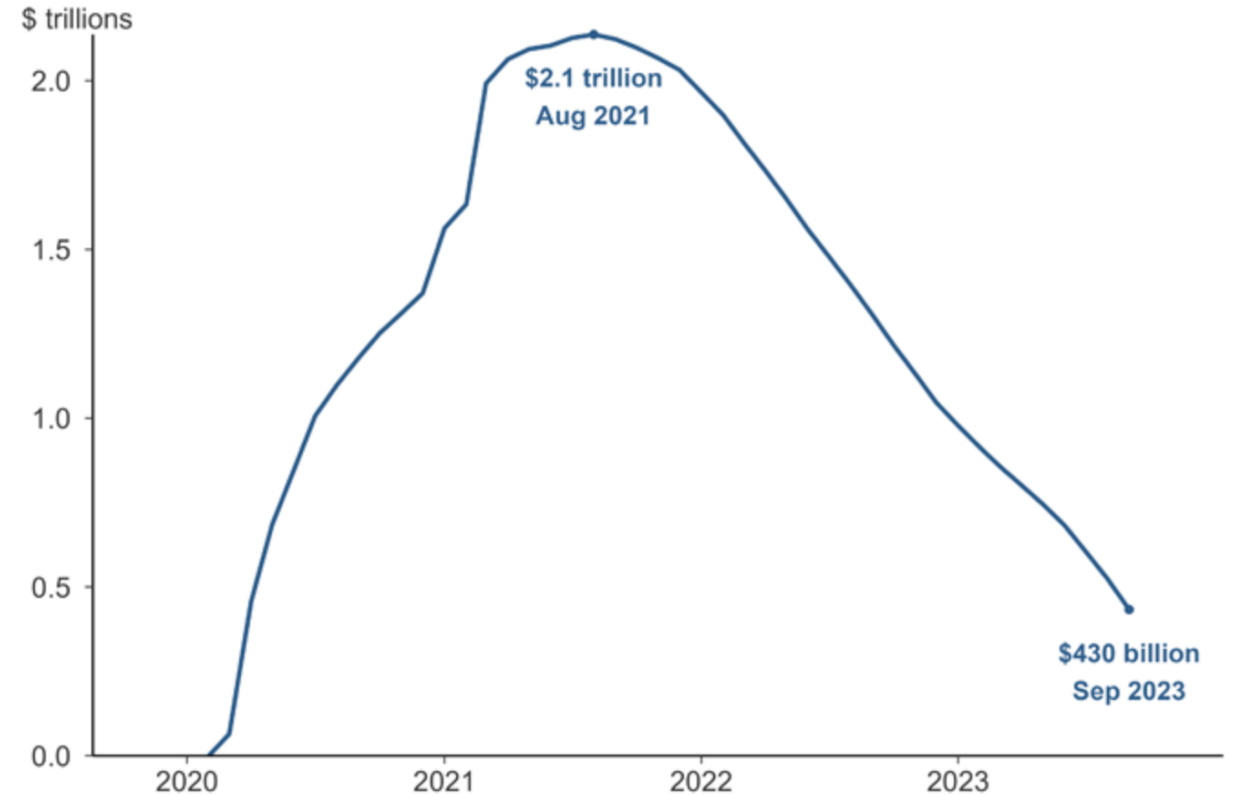
BURNING THROUGH PERSONAL SAVINGS IN THE US

Aggregate Personal Savings Compared with Pre-Pandemic Trend



Note: Gray shaded area represents NBER recession dates. Source: Bureau of Economic Analysis and authors' calculations.

Cumulative Aggregate Pandemic-Era Excess Savings



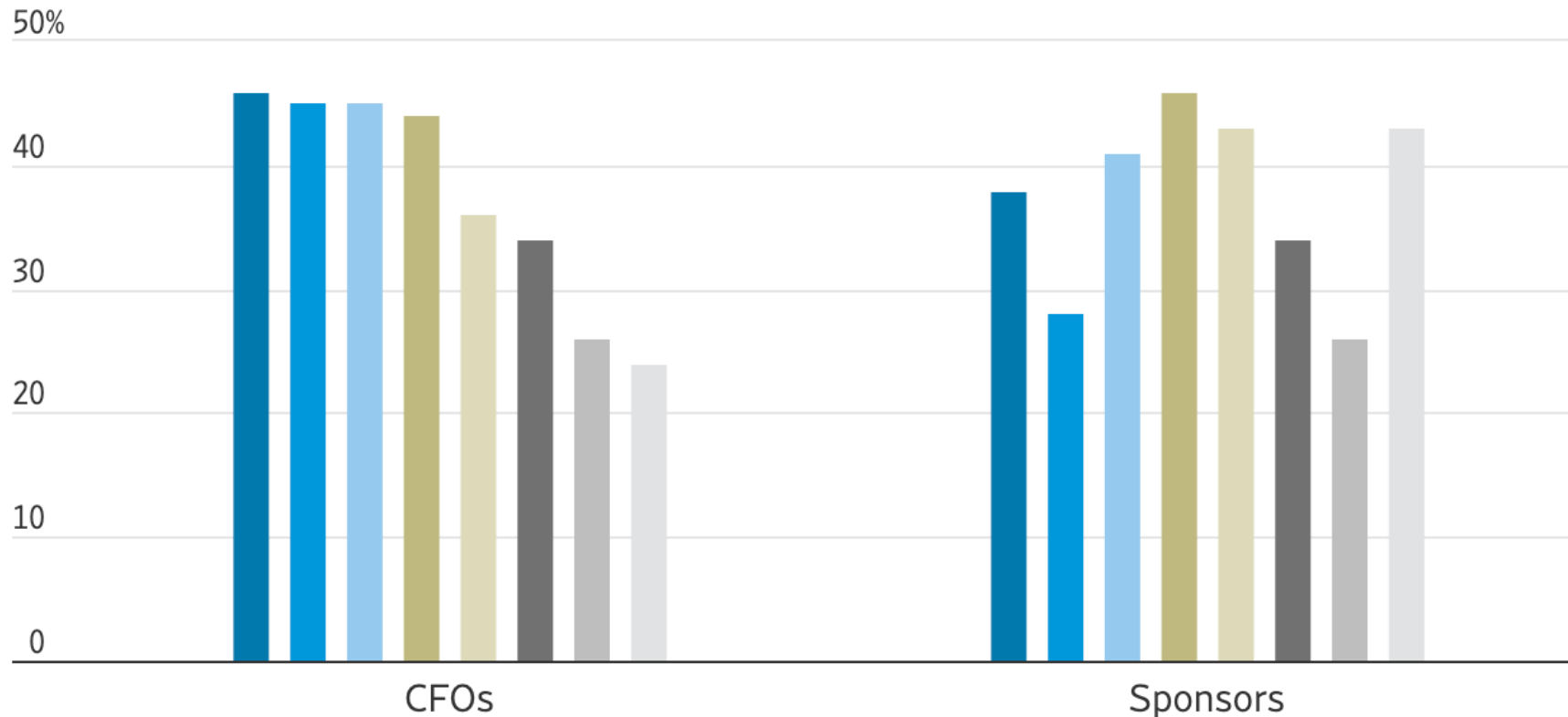
Source: Bureau of Economic Analysis and authors' calculations.

Authors: Hamza Abdelrahman and Luiz E. Oliveira
Source: Bureau of Economic Analysis, Federal Reserve Bank of San Francisco



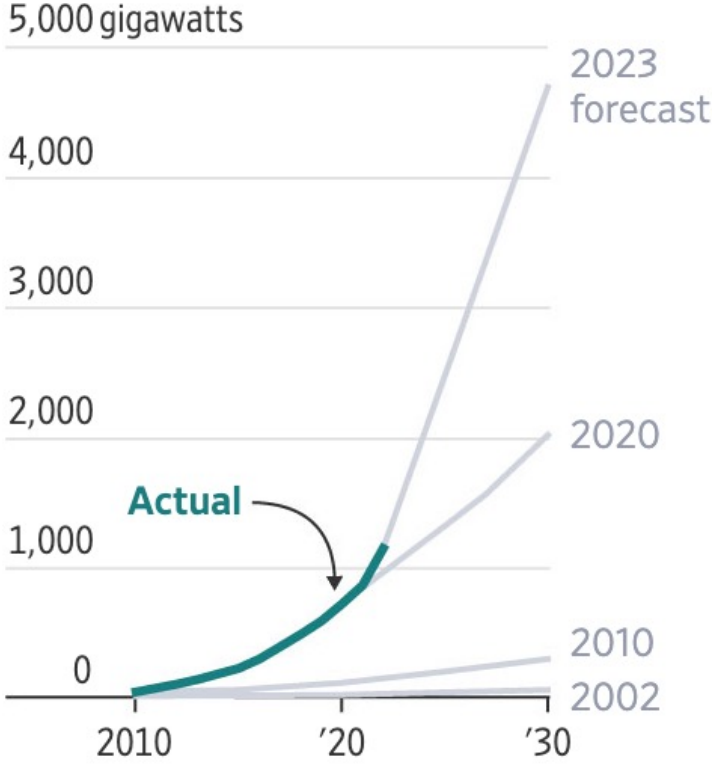
KEY AREAS OF FOCUS FOR CFOs VS. PE SPONSORS

- Technology enablement
- Optimizing capital structure
- Improving working capital
- Completing exit or sale
- Cost reduction
- Accounting or SEC reporting
- Entering new geographies
- Mergers & acquisitions

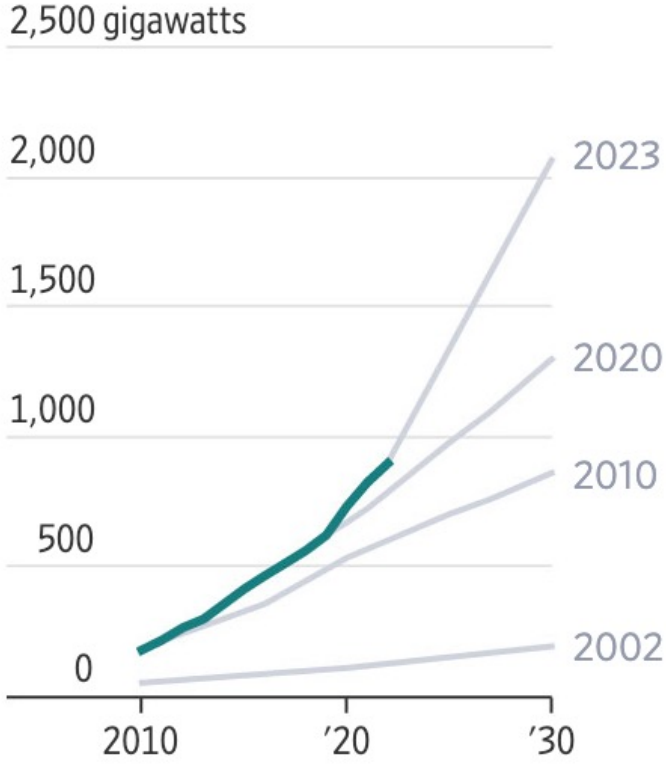


GROWTH OF GLOBAL GREEN TECHNOLOGIES HAS OUTPACED FORECASTS

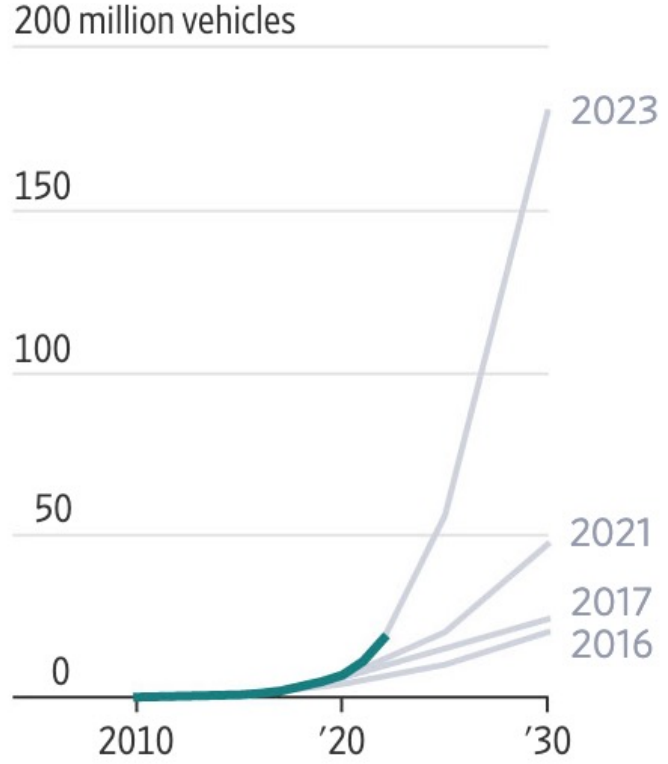
Solar capacity



Wind power capacity



Global stock of battery-electric vehicles



Sources: Boston Consulting Group; projections from International Energy Agency (stated policies scenarios); historical data from International Renewable Energy Agency (wind, solar) and IEA (BEVs, 2022 solar figure)

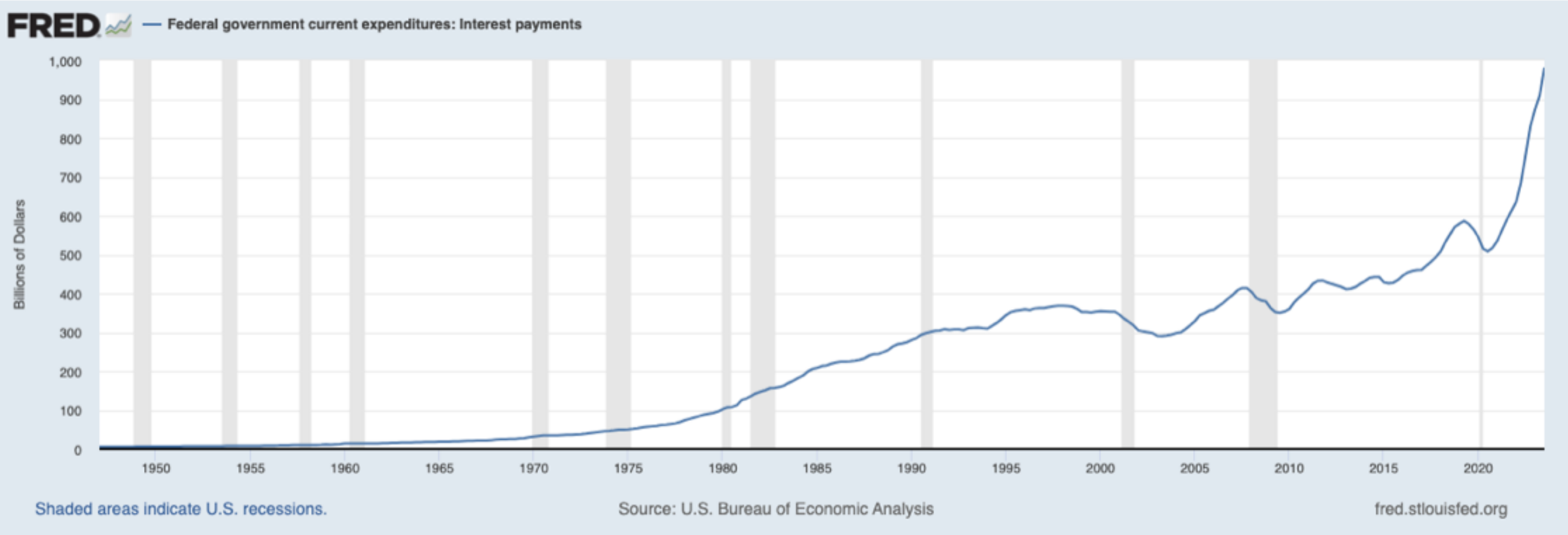


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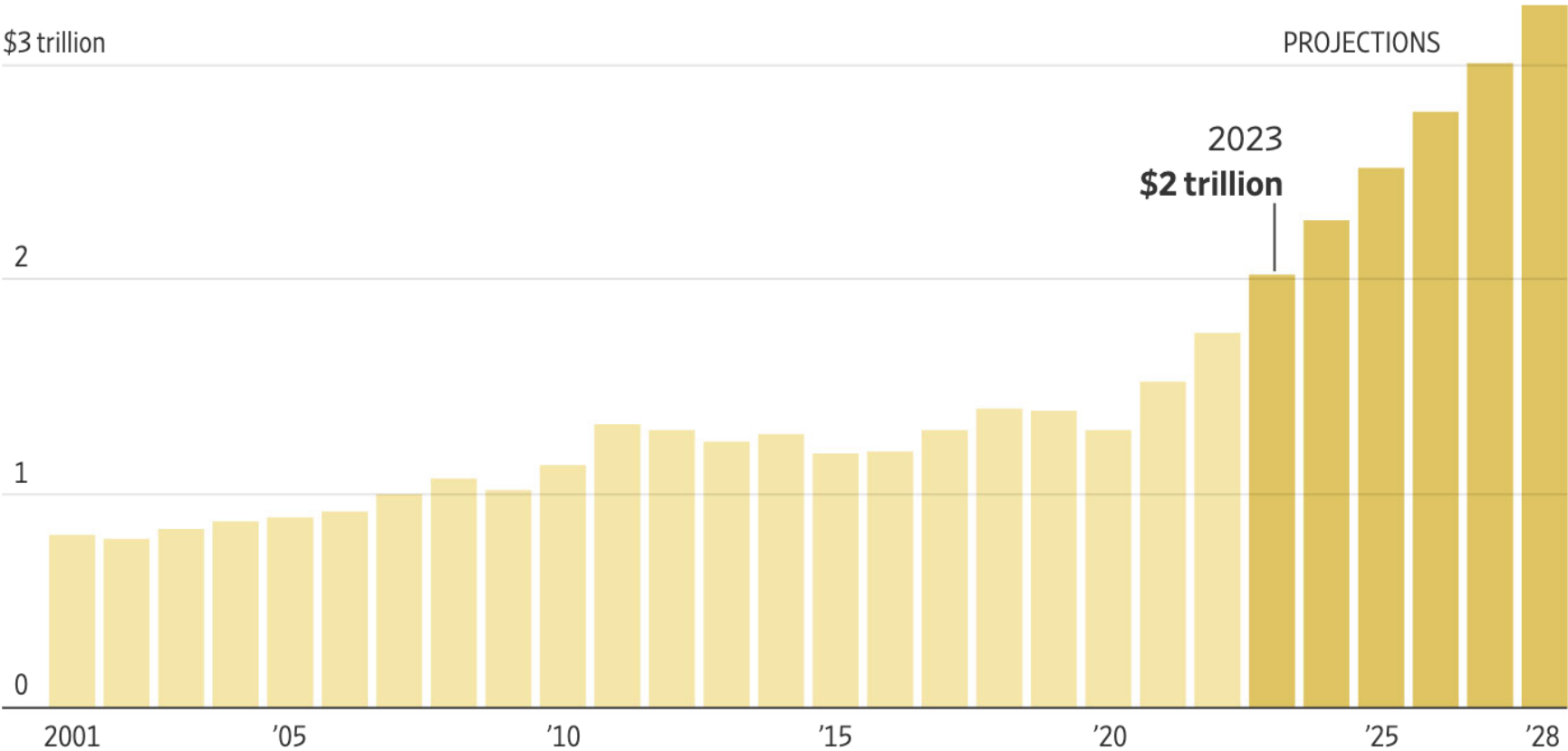


INTEREST PAYMENTS ON GROSS U.S. GOVERNMENT DEBT – HYPERBOLIC



GLOBAL GOVERNMENT INTEREST EXPENSE AT \$2 TRILLION AND RISING

World governments' annual net interest payments on their debt

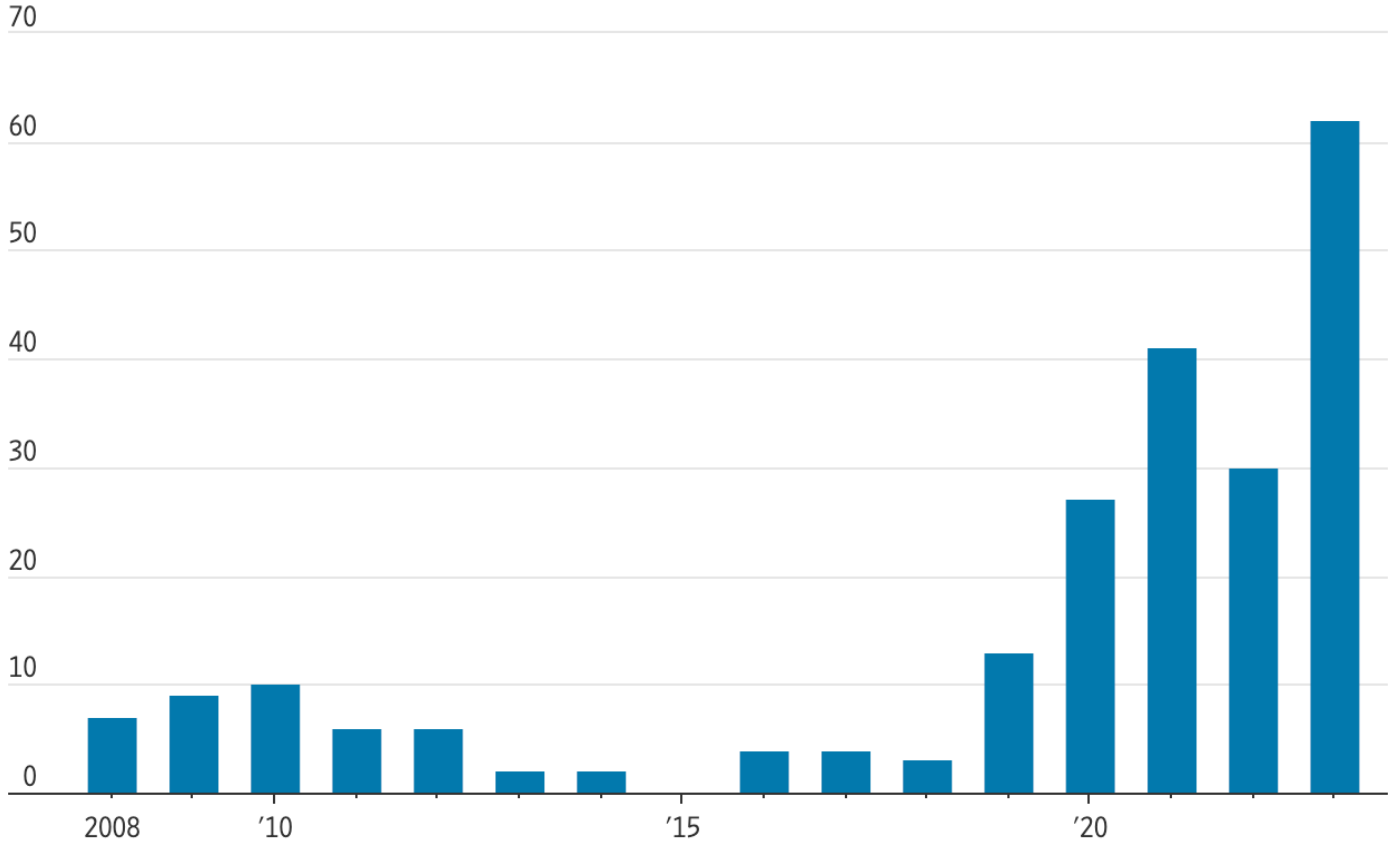


Note: Data cover general (central, local and state) government.
Source: Teal Insights analysis of International Monetary Fund data



COMMERCIAL REAL ESTATE CHALLENGES CONTINUE

Number of UCC foreclosure sale notices for commercial property loans

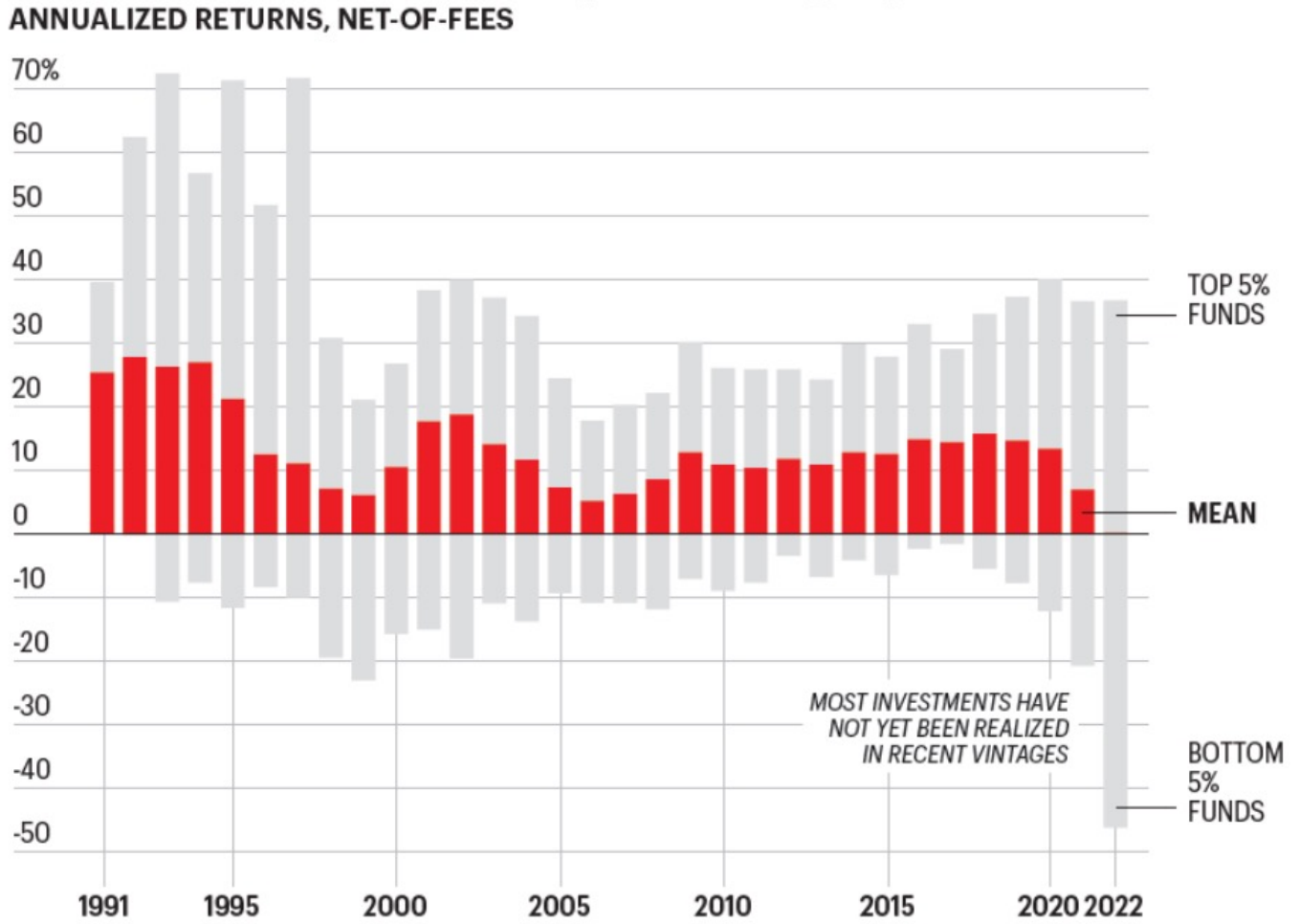


Note: The Journal counted uniform commercial-code foreclosure-sale notices for commercial property loans published in national and regional newspapers between Jan. 1, 2008, and Oct. 31, 2023. When a loan had multiple notices, we counted only the first.

Source: The Wall Street Journal



PE FUNDS RETURNS (IRR) PER VINTAGE YEAR



SOURCE: EFRONT
 NOTE: IRR ESTIMATES CALCULATED FOR FUNDS WITH A VINTAGE YEAR OF 2019 OR LATER ARE NOT CONSIDERED TO BE MEANINGFUL, AS MOST INVESTMENTS HAVE LIKELY NOT YET BEEN REALIZED.

FORTUNE



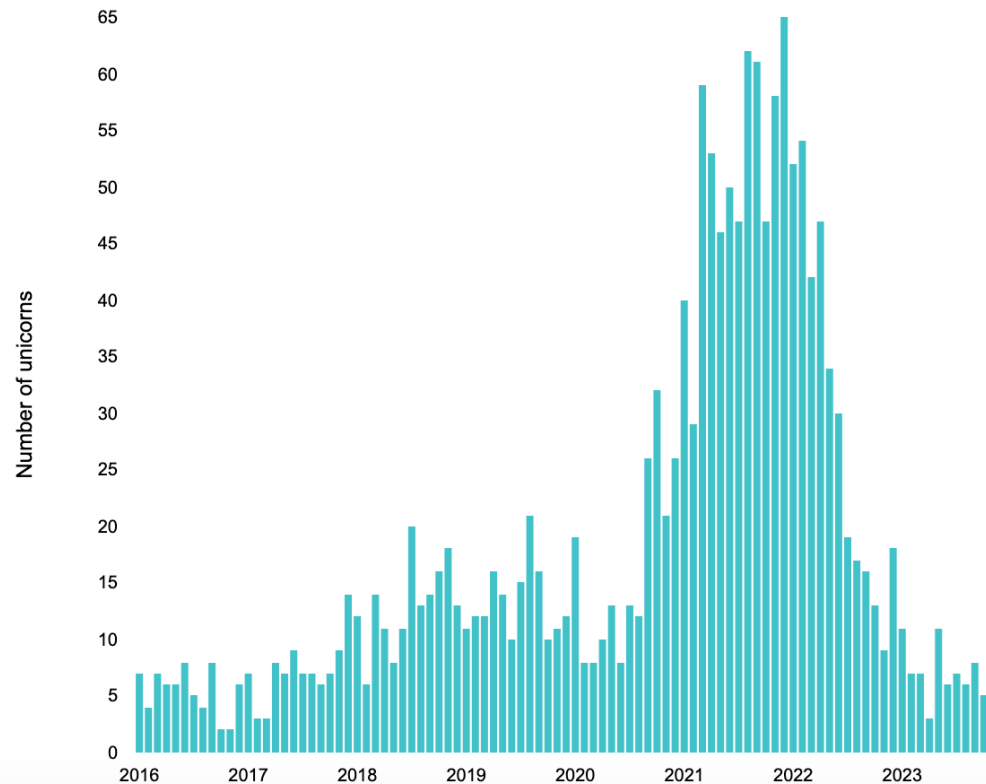
UNICORN HERD THINNING

Unicorn creation over time Monthly Quarterly Annually [Reset all](#)

Click on a column to display the list of unicorns for that time period.

Filter by region.

Global



List of new unicorns

Company	Verticals	Country	VC raised to date	Most recent valuation	Unicorn as of	Status
AgentSync	InsurTech, SaaS	United States	\$161.1M	\$1.3B	October 2023	Active
Keyfactor	FinTech, Internet of Things, SaaS	United States	\$212.3M	\$1.3B	October 2023	Active
Prove	Artificial Intelligence & Machine Learning, Cybersecurity, Mobile	United States	\$261.4M	\$1.3B	October 2023	Active
Capital Rx	HealthTech, SaaS	United States	\$247.0M	\$1.1B	October 2023	Active
Headway	Digital Health, LOHAS & Wellness	United States	\$232.3M	\$1.0B	October 2023	Active
Zhipu AI	Artificial Intelligence & Machine Learning, Big Data, EdTech, Robotics and Drones, SaaS	China	\$54.4M	\$1.0B	September 2023	Active
Dragos	Cybersecurity, Industrials, Internet of Things	United States	\$432.2M	\$2.0B	September 2023	Active
Helsing	Artificial Intelligence & Machine Learning, TMT	Germany	\$344.7M	\$1.8B	September 2023	Active
Kin	FinTech, InsurTech, Real Estate Technology, TMT	United States	\$321.0M	\$1.0B	September 2023	Active
Lyten	CleanTech	United States	\$459.5M	\$1.1B	September 2023	Active

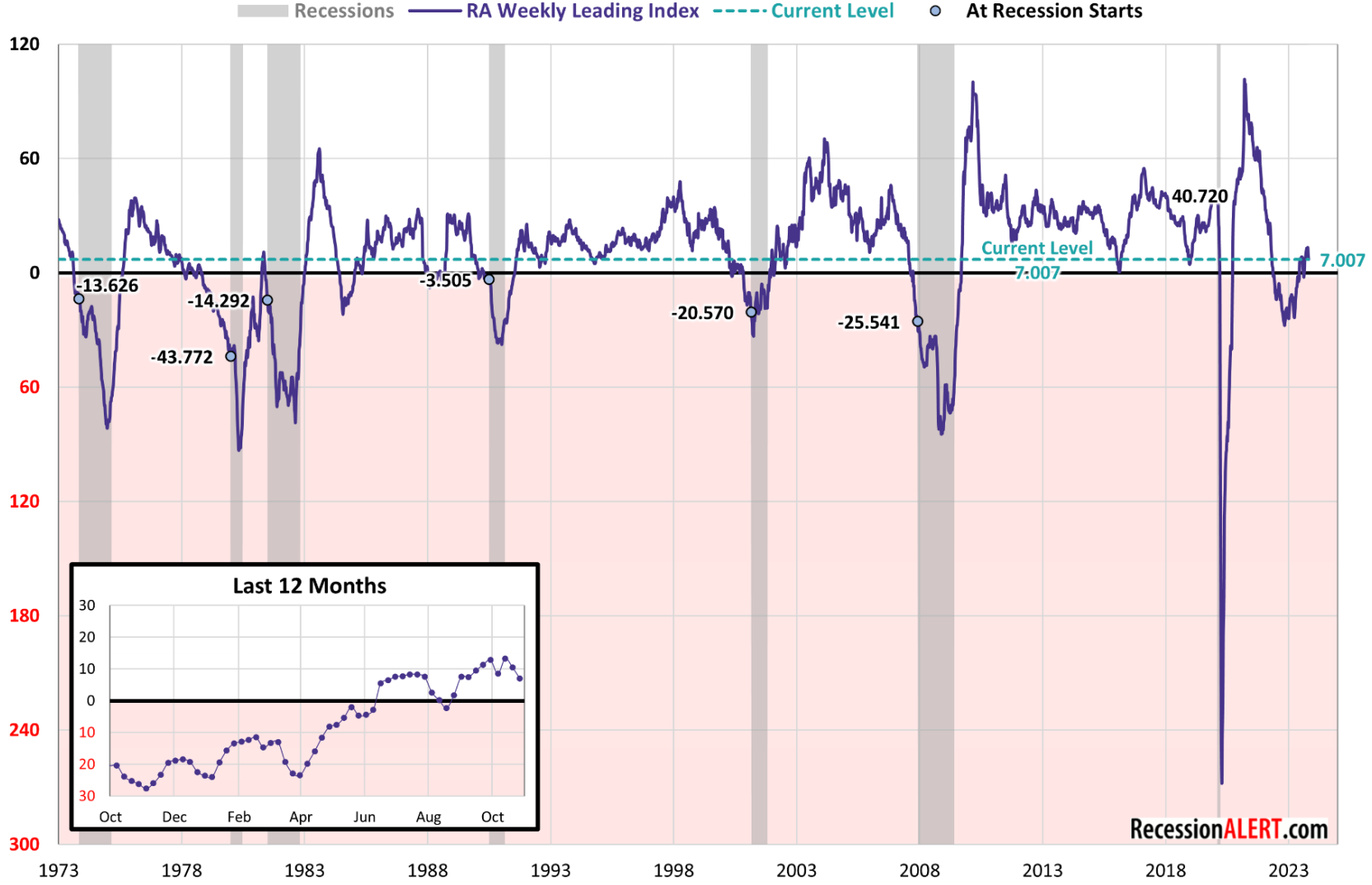


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RECESSION ALERT WEEKLY LEADING ECONOMIC INDEX

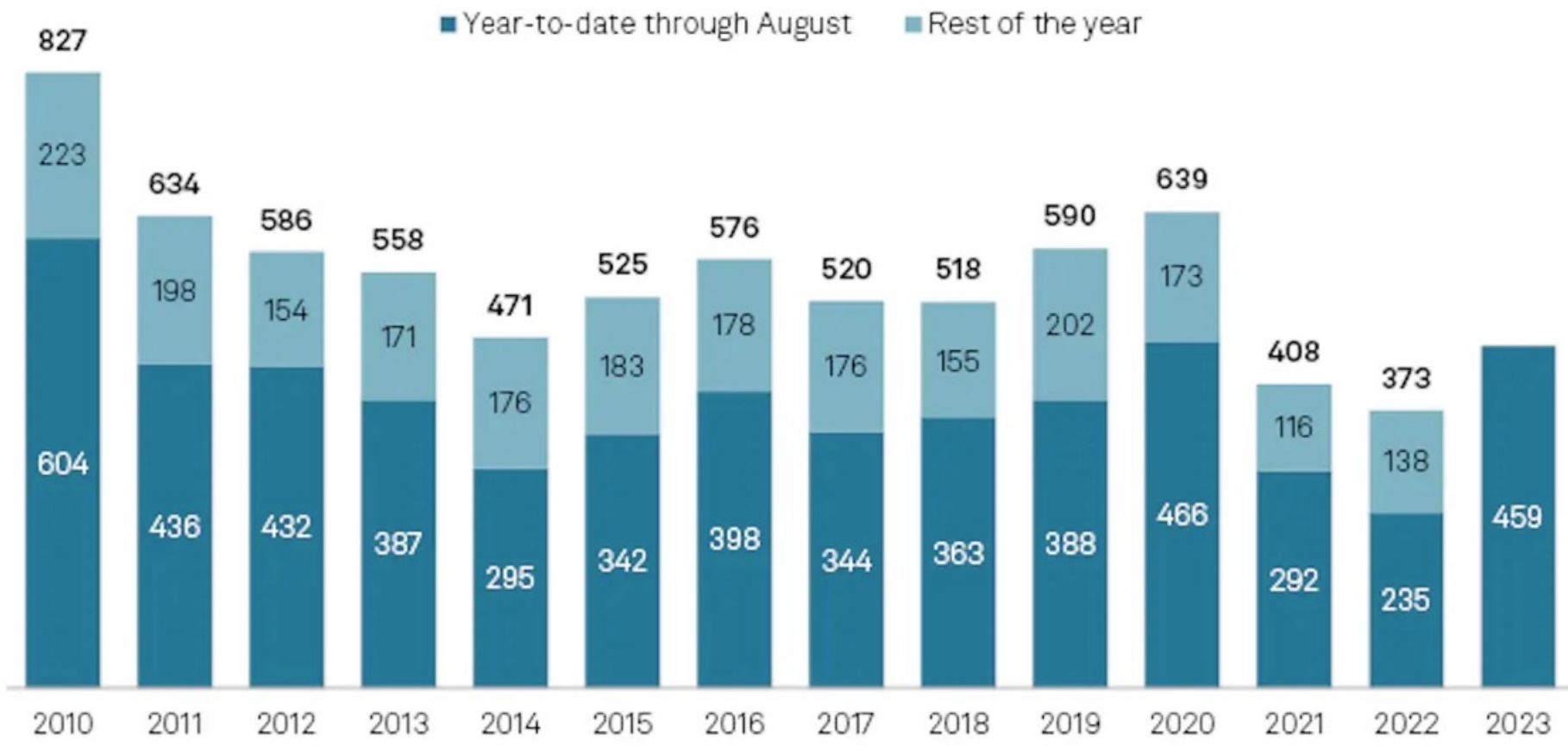


RecessionALERT.com



CORPORATE BANKRUPTCY FILINGS ALMOST DOUBLE YTD IN 2023 vs. 2022

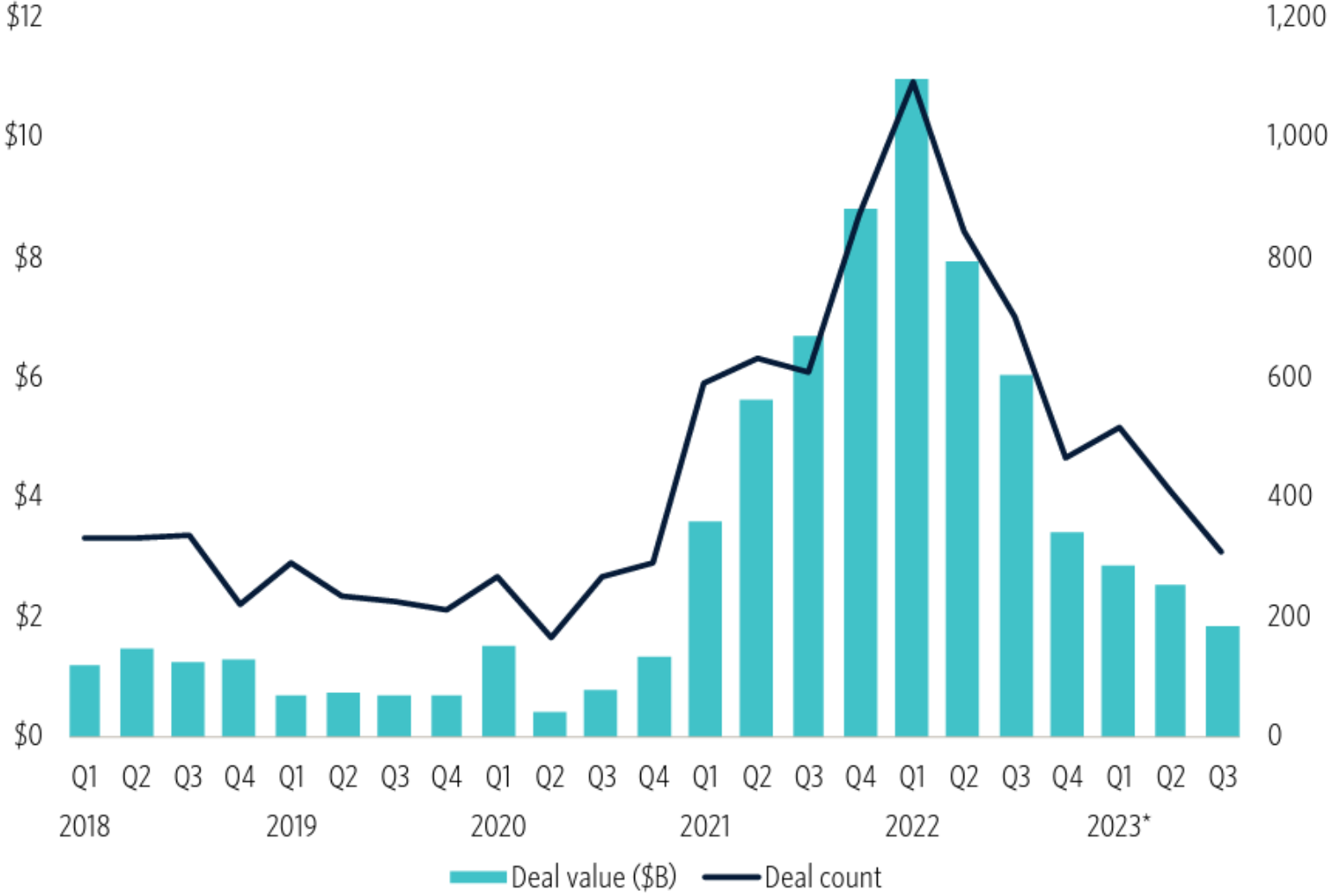
US bankruptcy filings by year



S&P Global



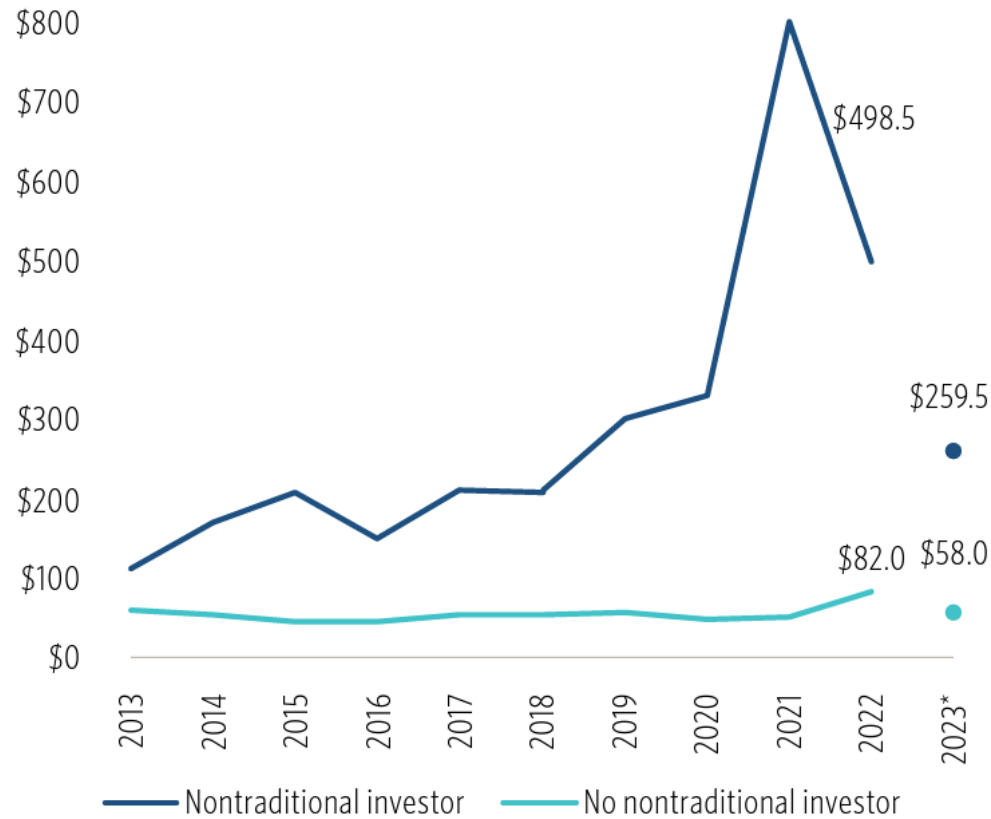
CRYPTO RETRENCHMENT – VC DEAL ACTIVITY BY QUARTER



NONTRADITIONAL INVESTOR ACTIVITY

Venture-growth valuation for nontraditional investors declines to five-year low

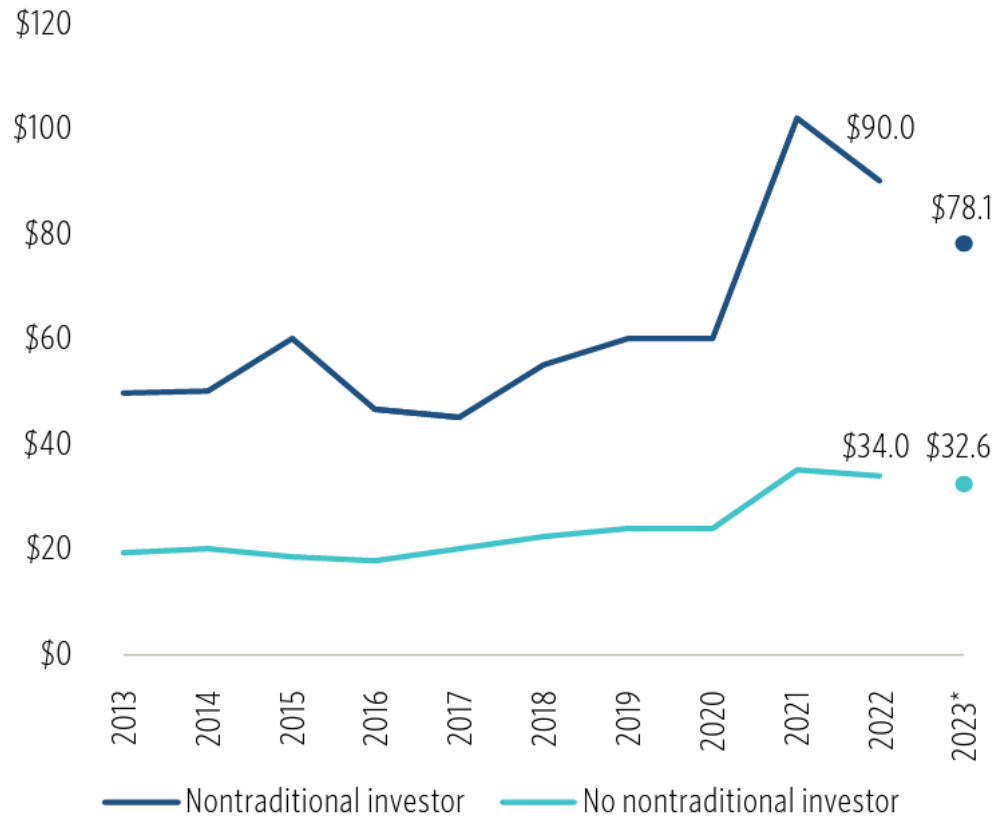
Median venture-growth pre-money valuation (\$M) by investor type



Source: PitchBook • Geography: US
*As of September 30, 2023

Median late-stage valuation for nontraditional investors declines 13.2% YoY

Median late-stage VC pre-money valuation (\$M) by investor type



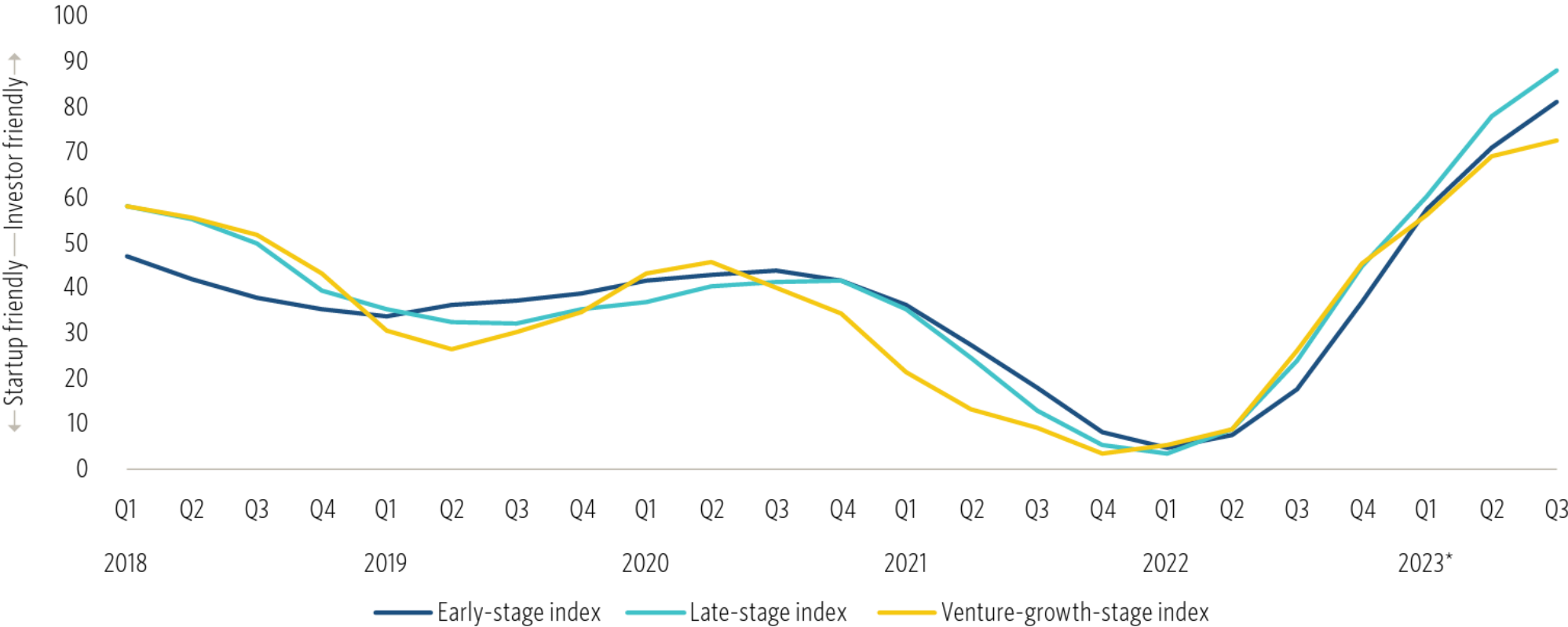
Source: PitchBook • Geography: US
*As of September 30, 2023



INCREASINGLY AN INVESTOR'S MARKET ...

Investor friendliness within US venture market continues to climb to record high

VC Dealmaking Indicator by quarter



Source: PitchBook • Geography: US
*As of September 30, 2023



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WEEK OF 11-06

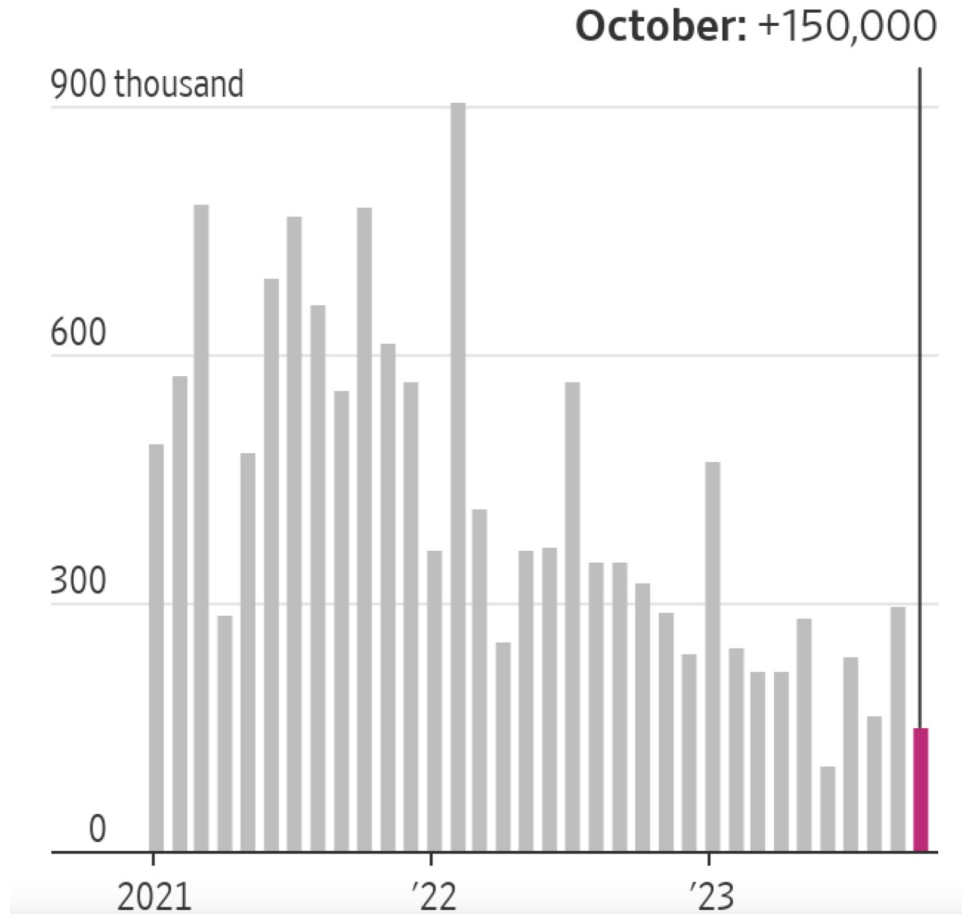


EMPLOYMENT TRENDING DOWN

Quits as a share of total nonfarm employment

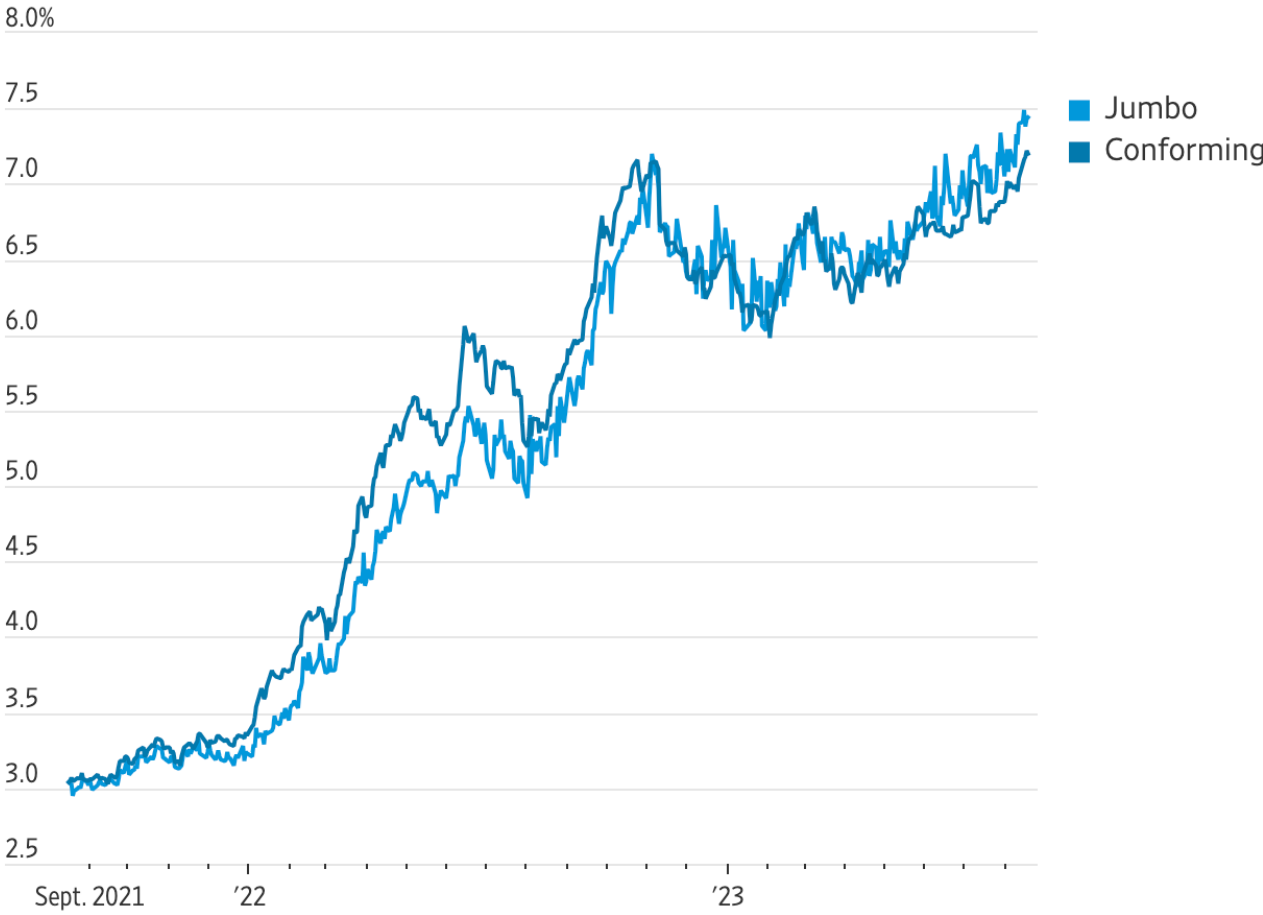


Total nonfarm payrolls, change from a month earlier



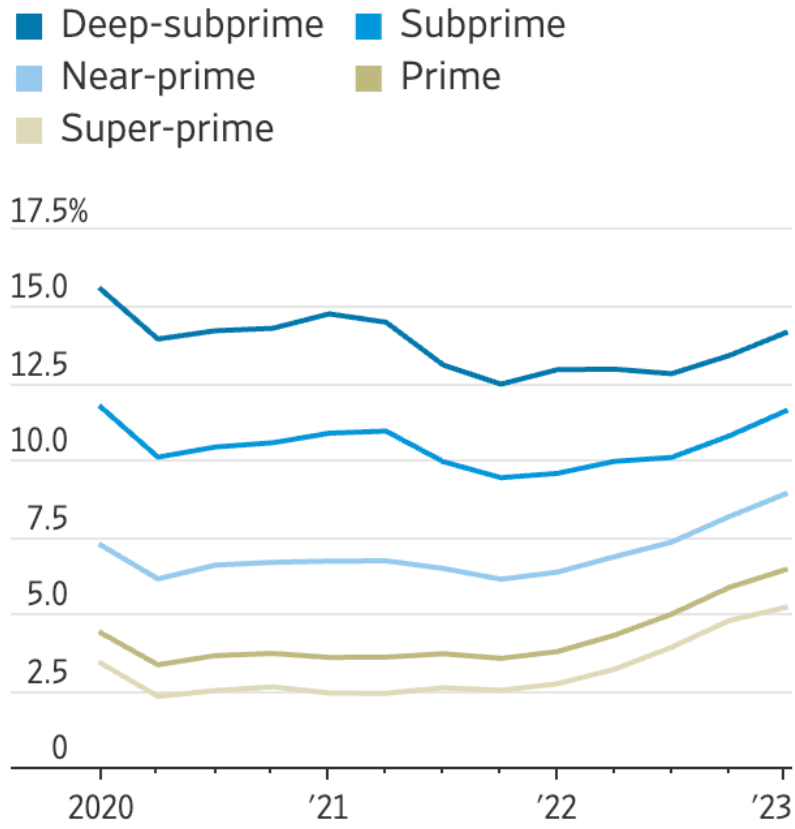
BORROWING COSTS OF 7%+ FOR HOUSES AND CARS

30-year mortgage rates by loan size



Source: Black Knight

Interest rate on a new-car loan, by credit score

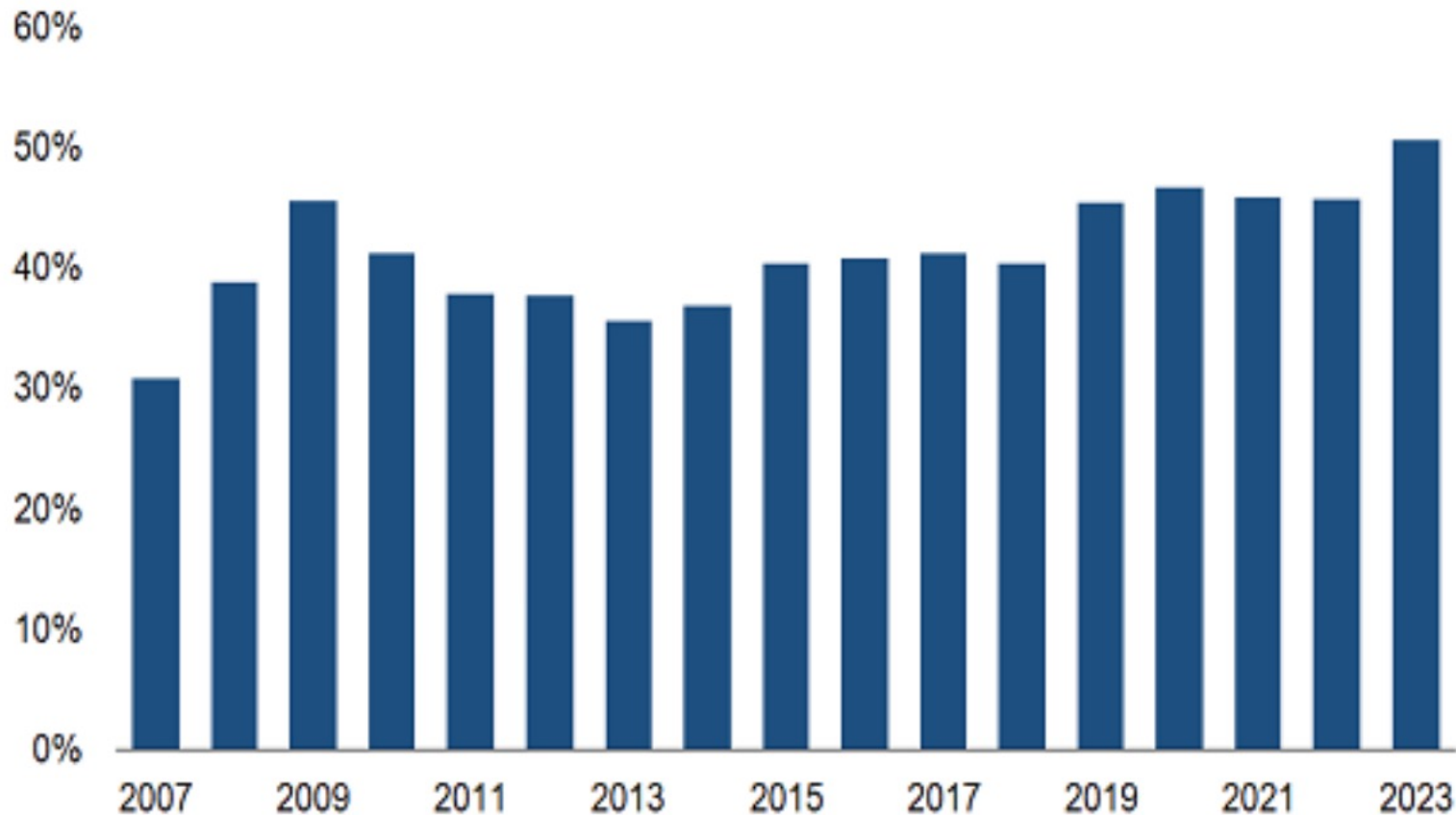


Source: Experian



EQUITY CONTRIBUTION TO LBOs INCREASING

Equity contribution: LBOs



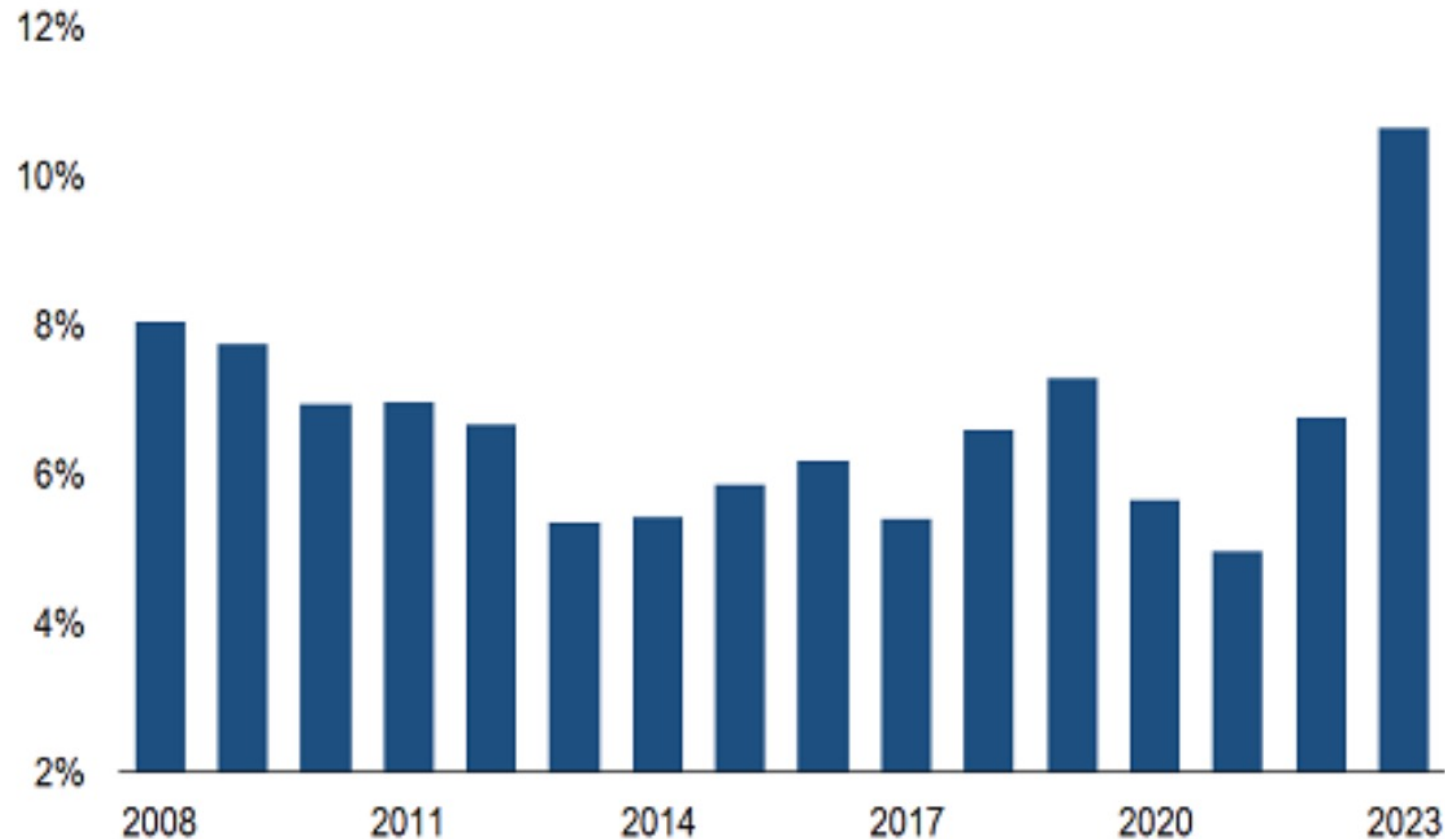
Through Sept. 30, equity contributions for LBO transactions increased to 51%, the first time in LCD's history of tracking this metric (since 1997) that sponsors have offered an equity infusion of more than half the funding mix. The average equity contribution in the 10 years through 2021 was 41%.

Source: PitchBook | LCD • Data through Sept. 30, 2023



NEW ECONOMIC ERA ... LARGE INSTITUTIONAL LBO LOAN YIELDS

Yield to maturity of large corp institutional LBO loans



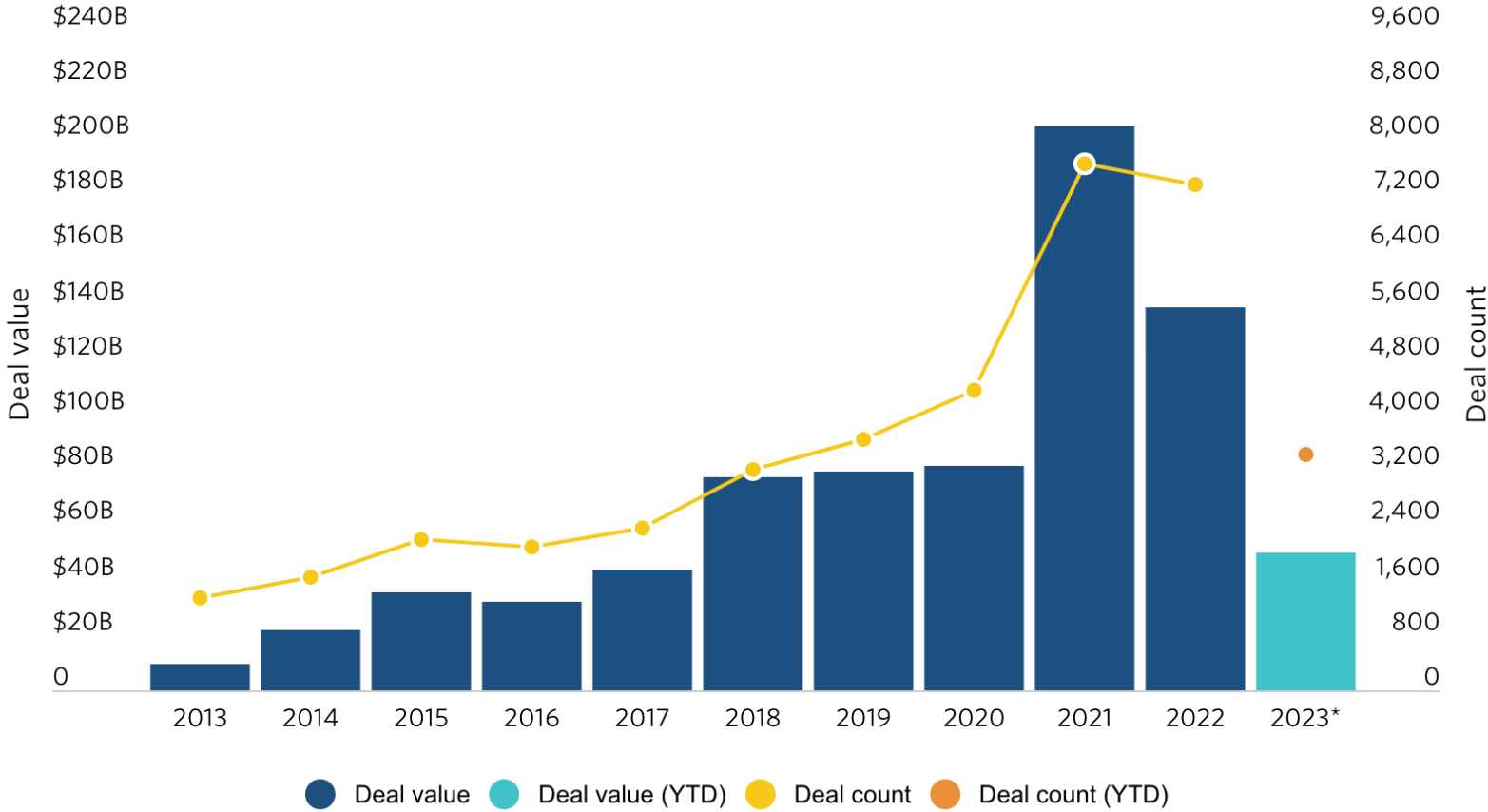
The dramatic jump in the underlying base-rate of interest has favored lenders, contributing to raising the average yield to maturity on LBO loans in the third quarter above 11% for the first time on record. Over the entire first three quarters of the year, the average yield is 10.7%.

Source: PitchBook | LCD • Data through Sept. 30, 2023



US VCS REDUCING INTERNATIONAL INVESTMENTS

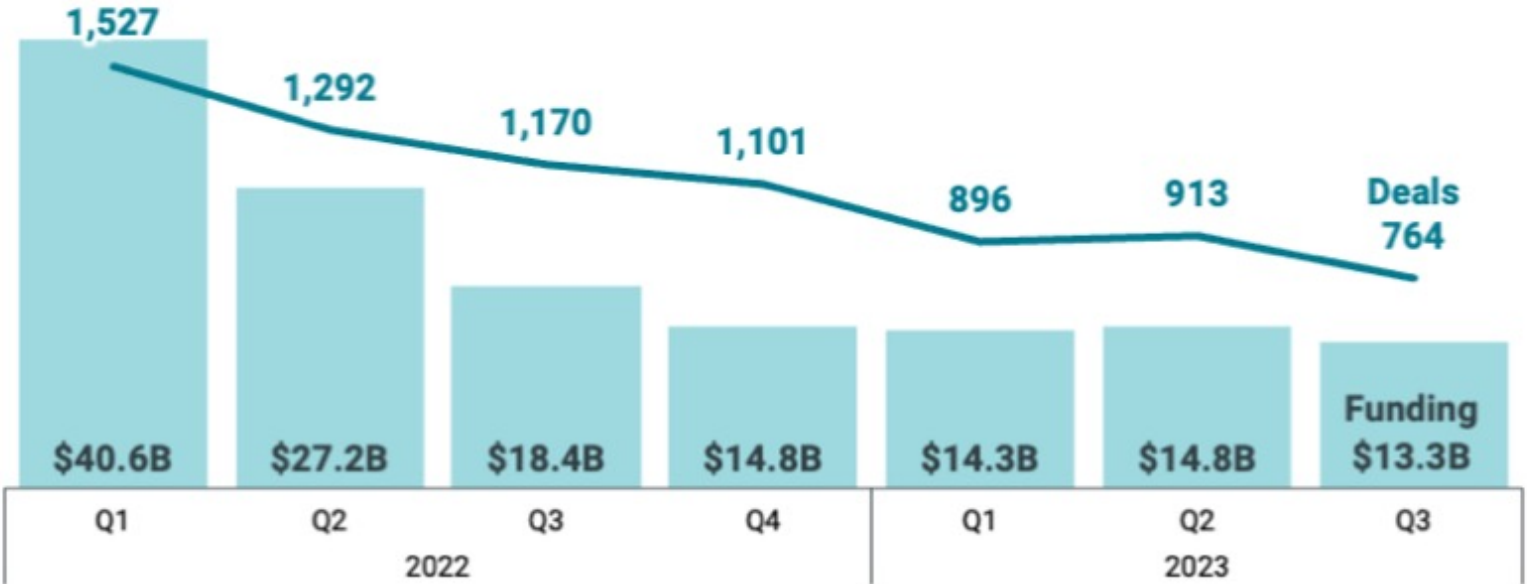
Global VC deal activity with US investor participation



CORPORATE VENTURE FUNDING AT 5-YEAR LOW



CVC-backed funding and deals fall to lowest levels since 2018



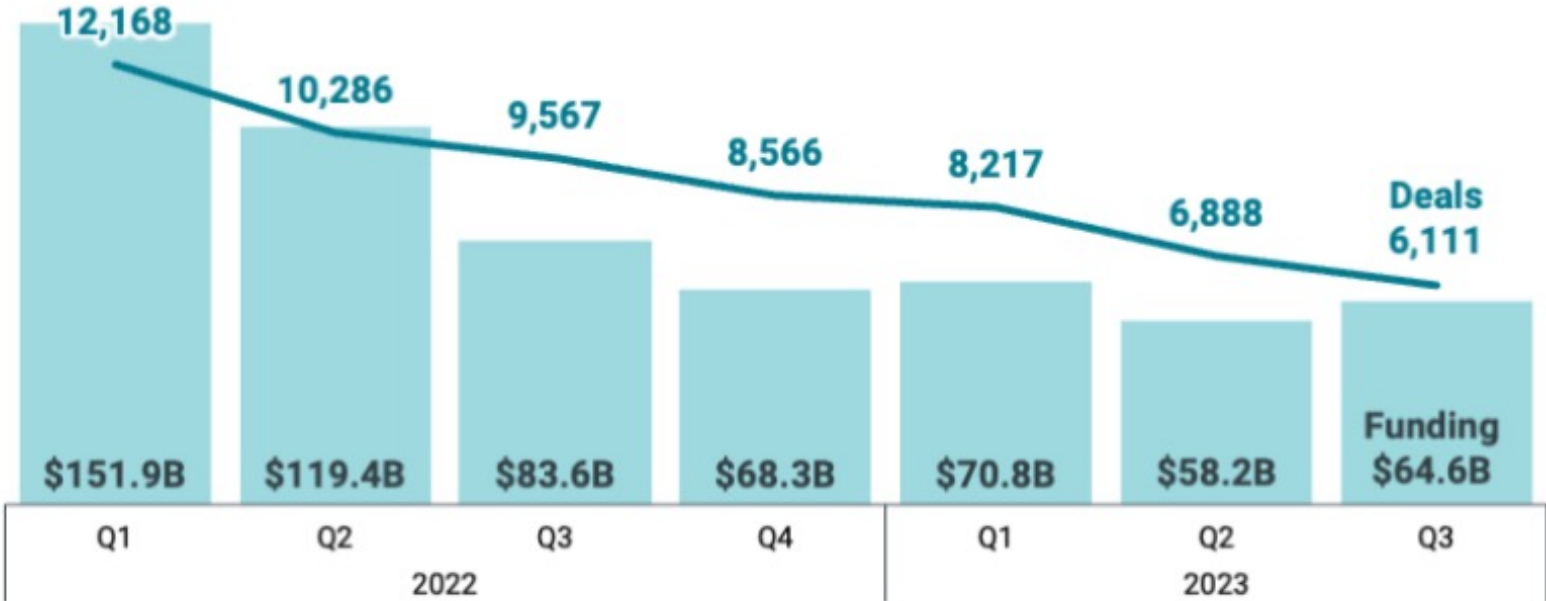
Source: CB Insights State of CVC Q3'23 Report.



VENTURE DEAL VOLUME CONTINUES TO DECREASE



Venture deals slide for the sixth straight quarter in Q3'23

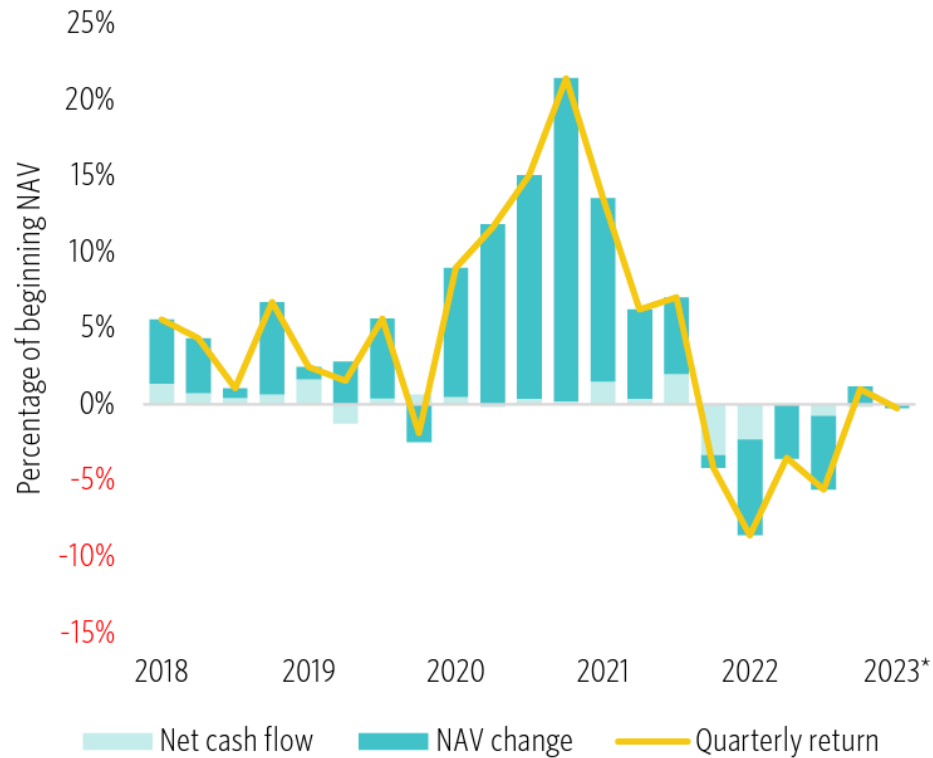


Source: CB Insights State of Venture Q3'23 Report.



VENTURE CAPITAL RETURNS

Venture Capital Index quarterly return by source



Venture Capital Indexes annualized returns*

Index	1-year	5-year	10-year	15-year
Venture capital	-8.2%	16.4%	15.4%	11.8%
Sub-\$250M	-11.3%	19.3%	16.5%	12.3%
\$250M+	-8.0%	16.0%	15.3%	11.8%
Private capital	5.1%	14.0%	13.5%	10.7%

Source: PitchBook • Geography: Global

*As of June 30, 2023

Note: Net cash flows include distributions received by LPs and contributions sent to GPs for investment. NAV change captures the unrealized markups (or markdowns) after those cash flows have been factored in.

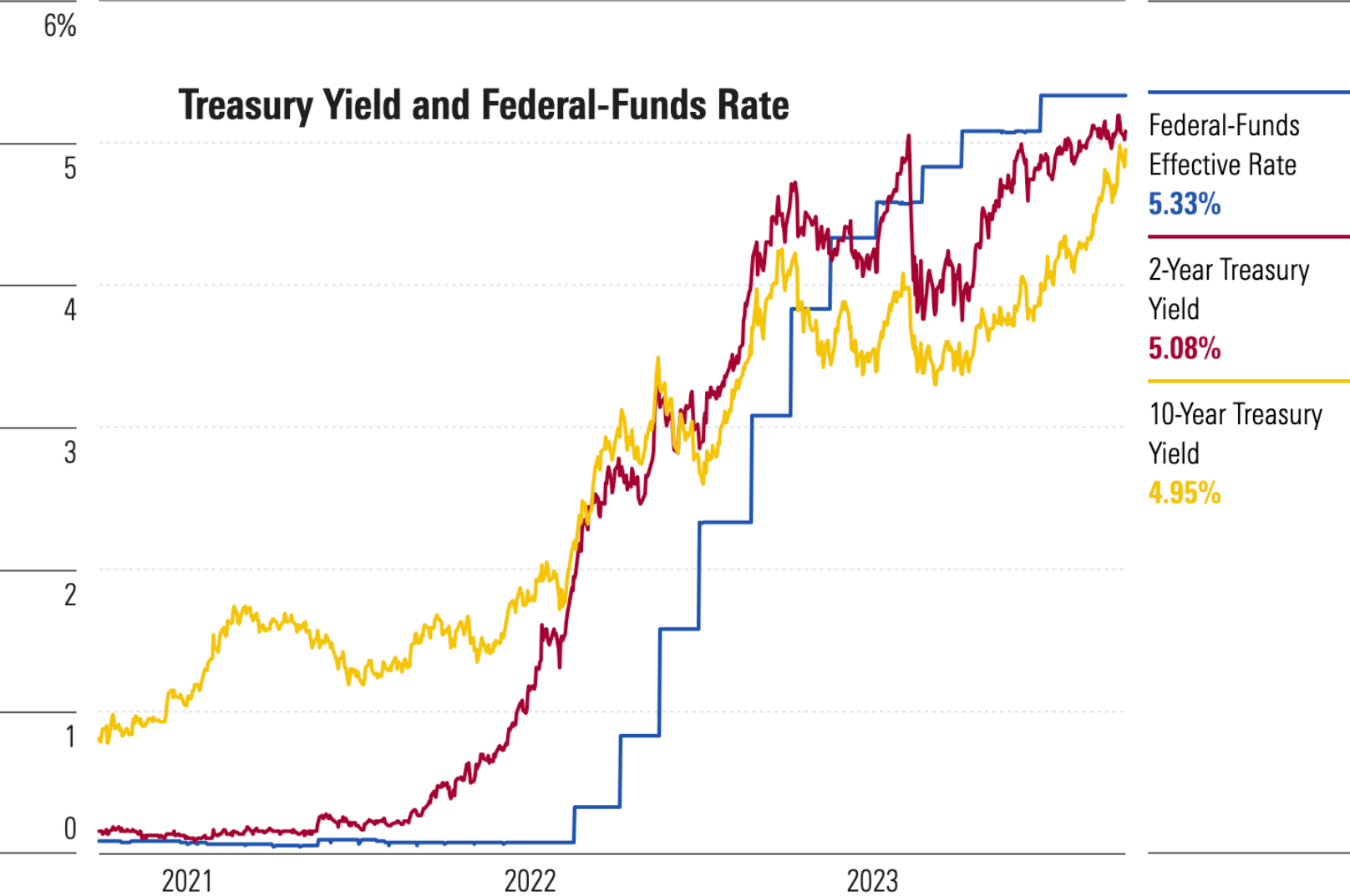


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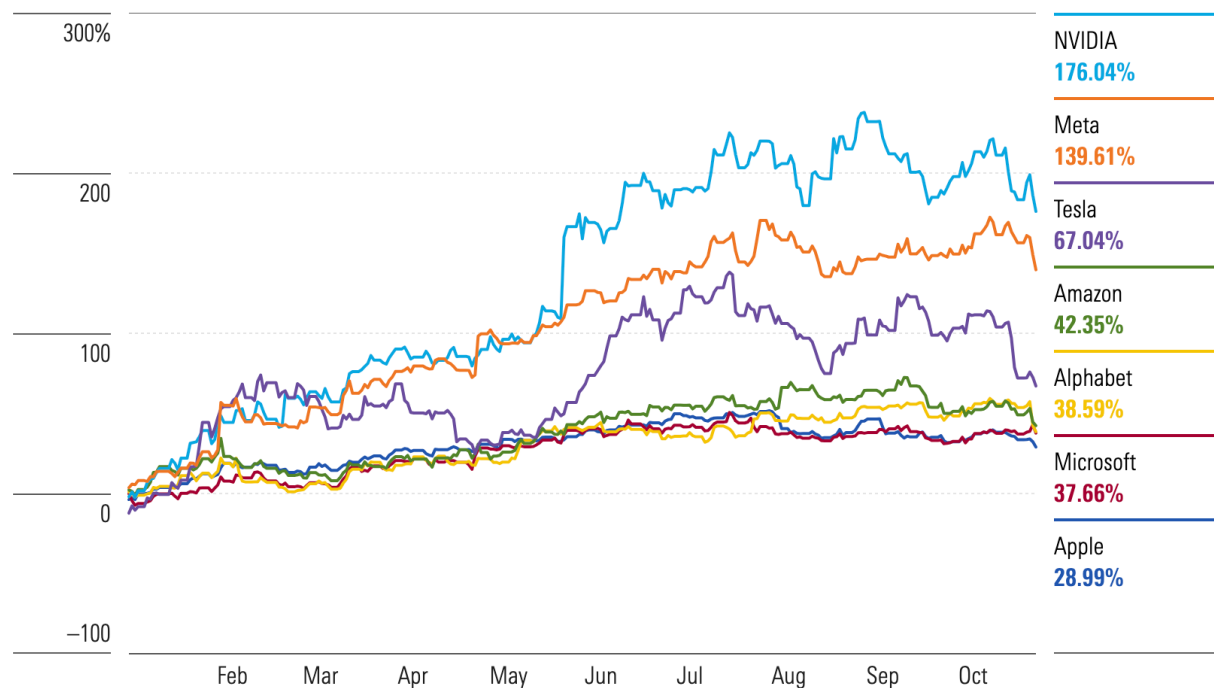


A 5% YIELD MARKET



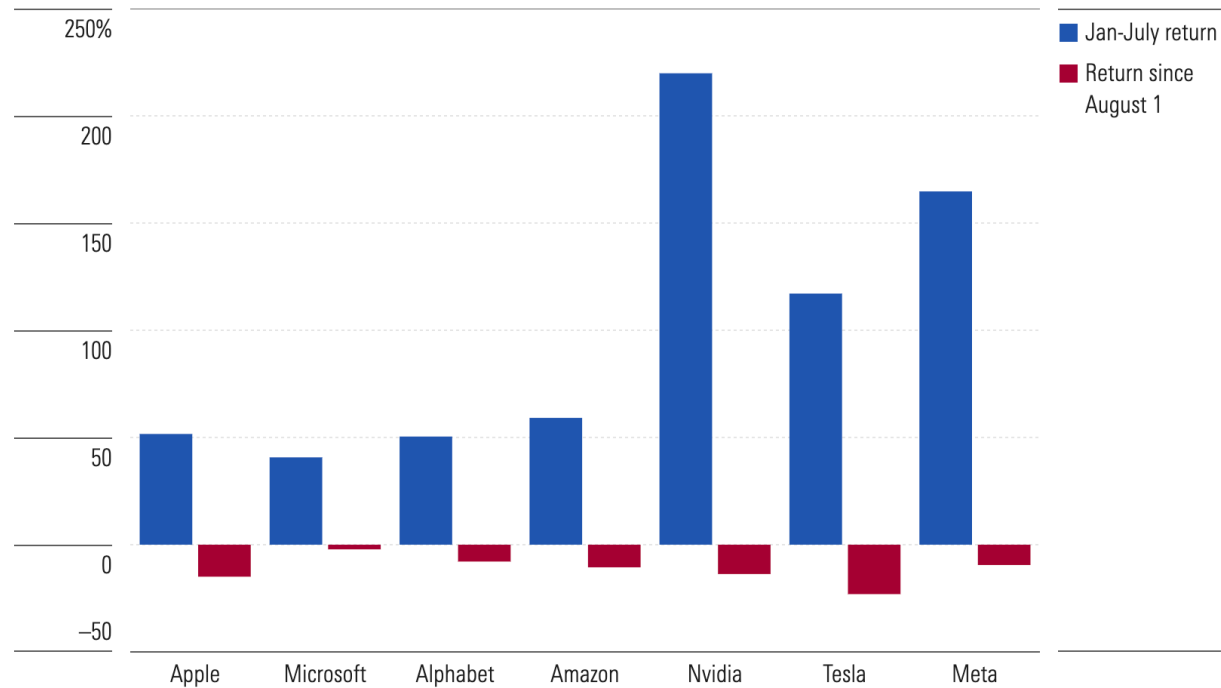
MAGNIFICENT SEVEN STILL RIDING HIGH FOR 2023

Magnificent Seven Year-to-Date Returns



Data as of Oct 26, 2023. Morningstar Direct.

2023 Magnificent Seven Returns



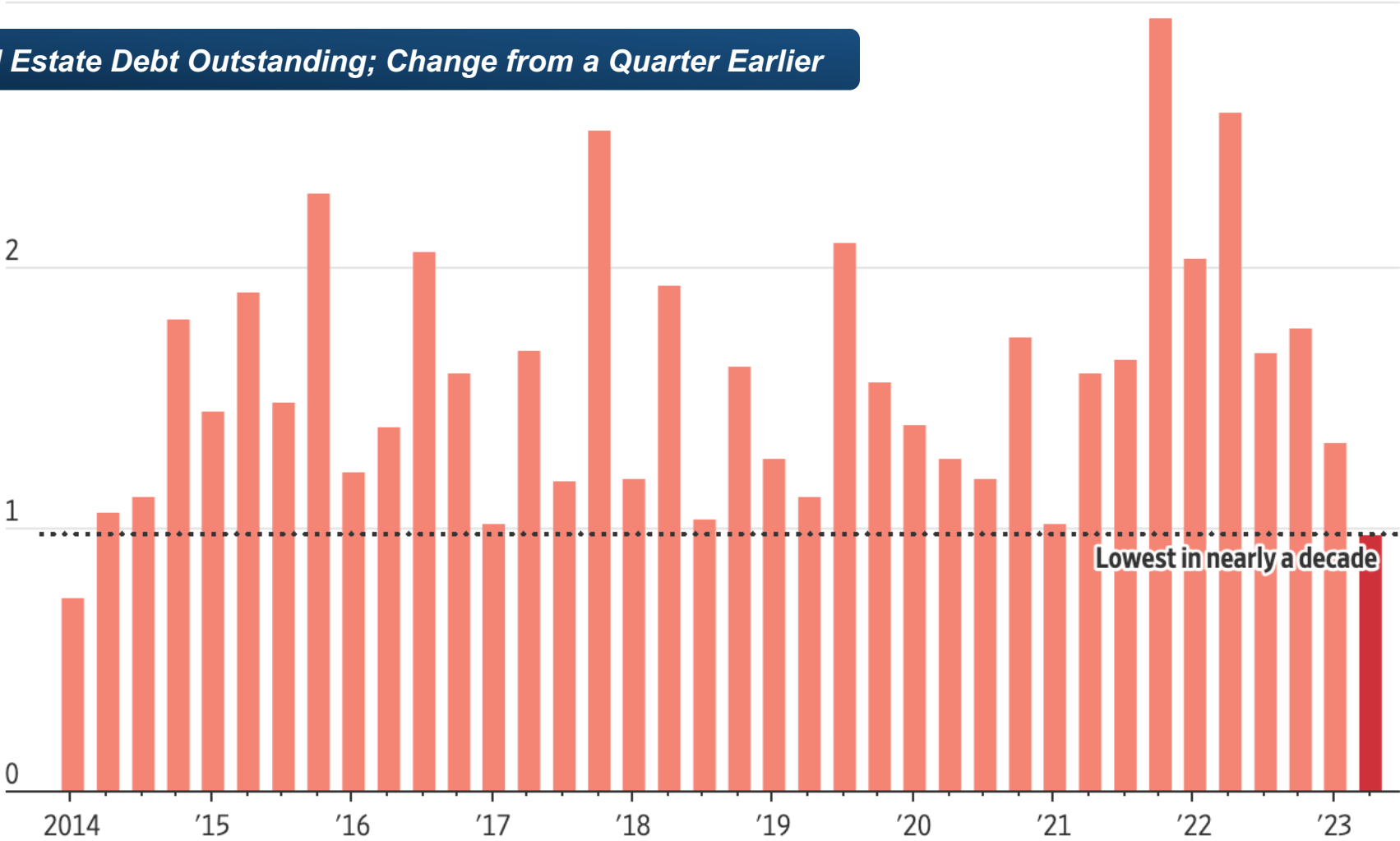
Data as of Oct 26, 2023. Morningstar Direct



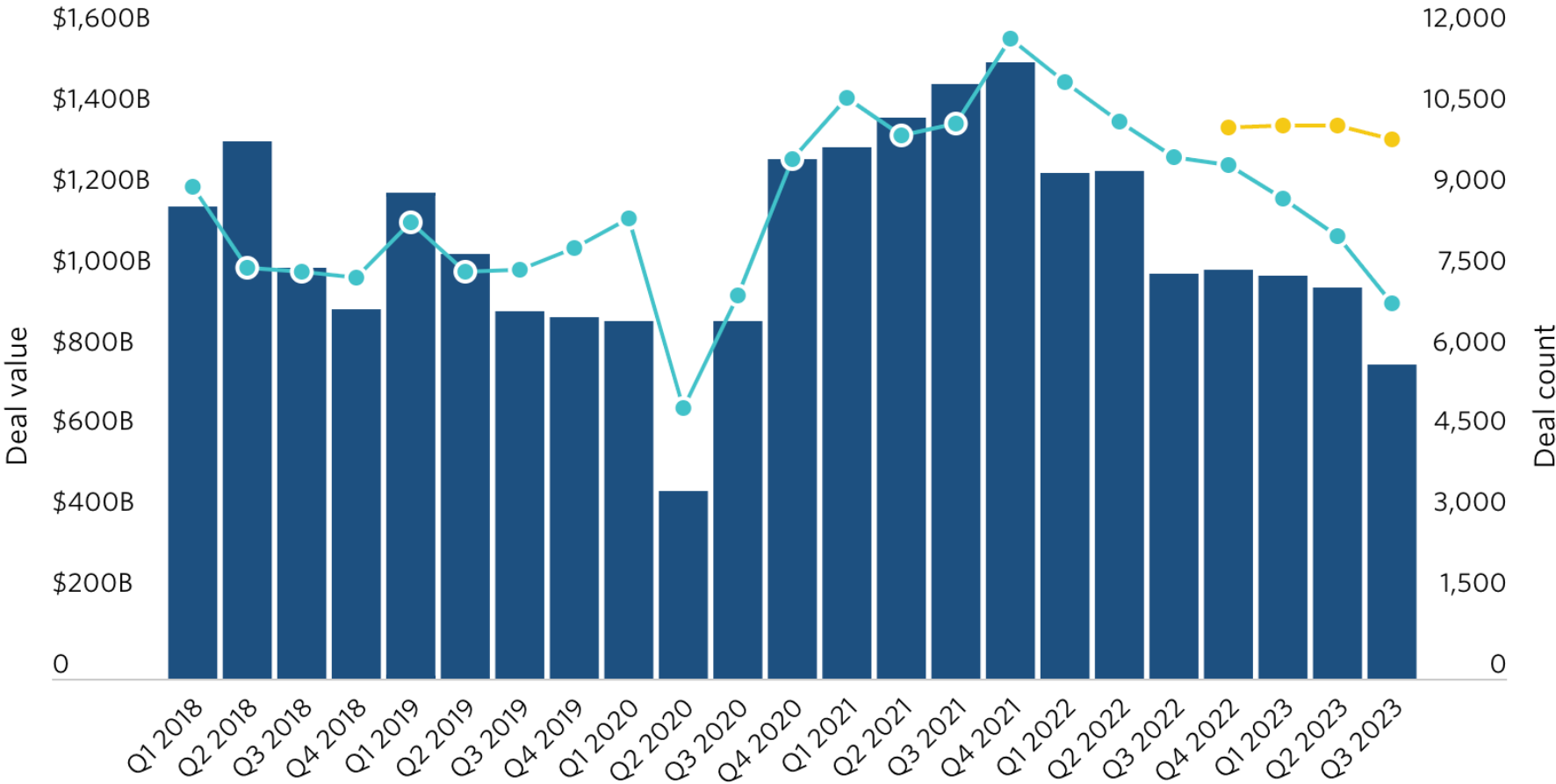
COMMERCIAL REAL ESTATE DEBT OUTSTANDING DECREASING

3%

Commercial Real Estate Debt Outstanding; Change from a Quarter Earlier



GLOBAL M&A VOLUME AND DEAL COUNT CONTINUE TO DECLINE IN Q3



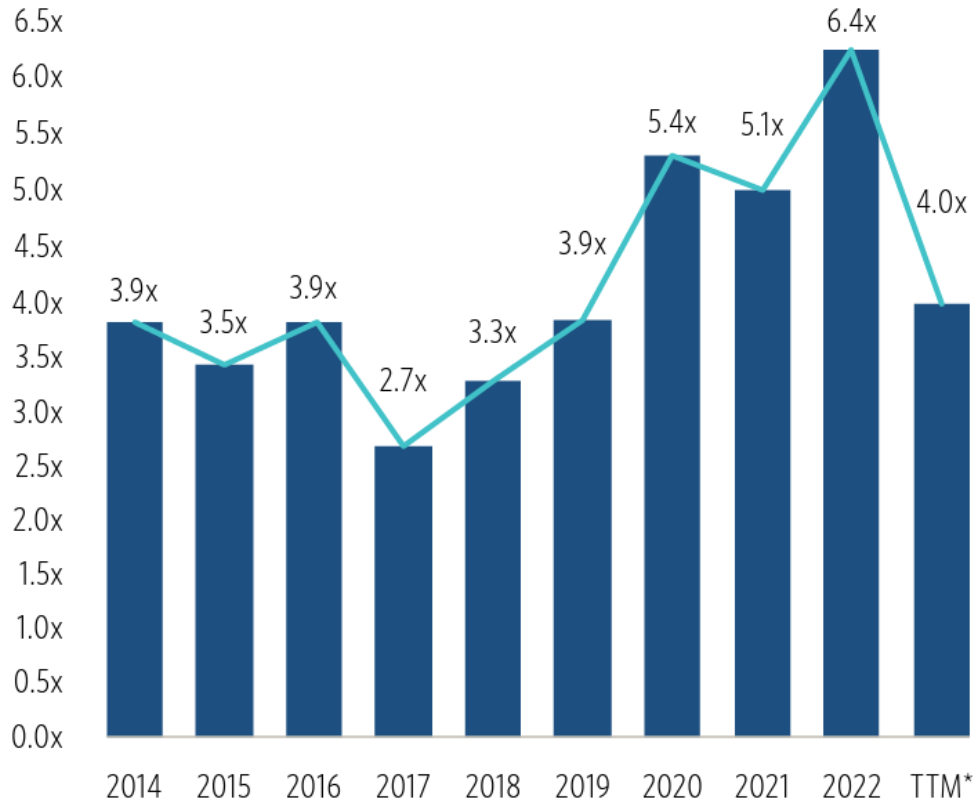
● Deal value
 ● Deal count
 ● Estimated deal count

Source: PitchBook's **Q3 2023 Global M&A Report**
 *As of Sept. 30, 2023



M&A EV/REVENUE MULTIPLES BY DEAL SIZE

M&A megadeal EV/revenue multiples

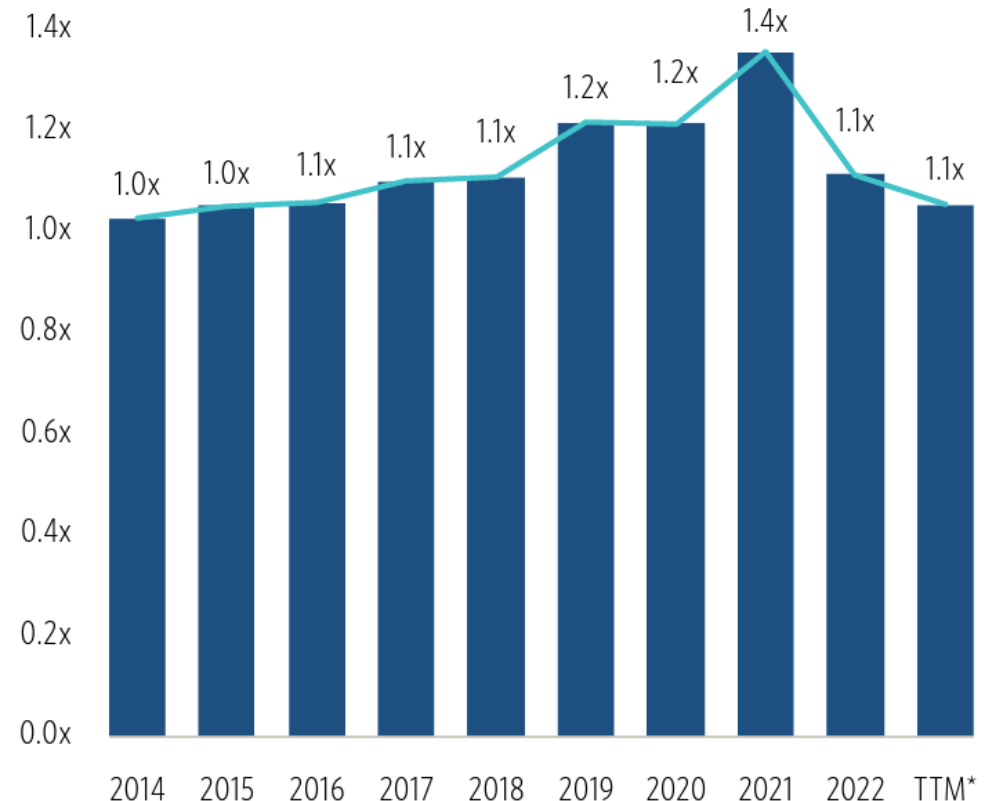


Source: PitchBook • Geography: North America and Europe

*As of September 30, 2023

Note: Megadeals are deals that are \$5 billion or larger.

M&A EV/revenue multiples on deals below \$100 million



Source: PitchBook • Geography: North America and Europe

*As of September 30, 2023



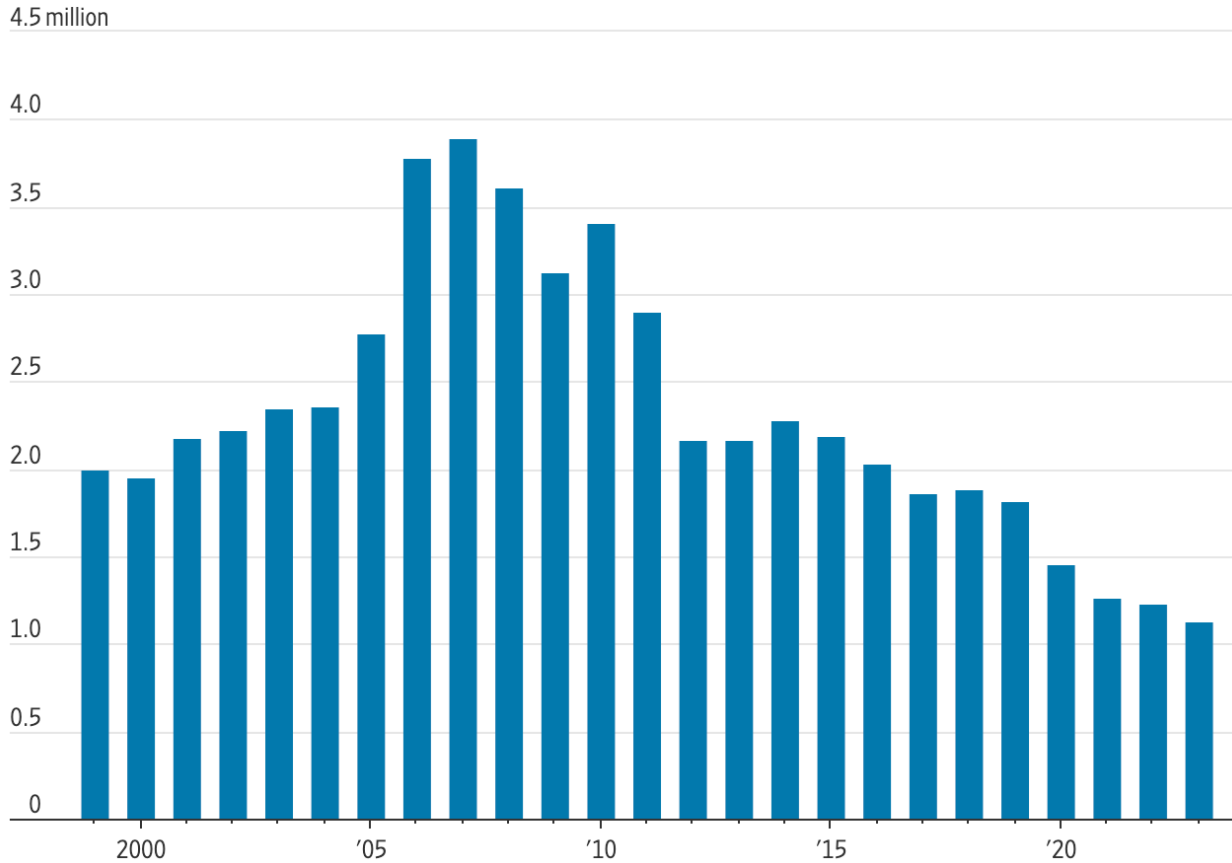
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WEEK OF 10-23



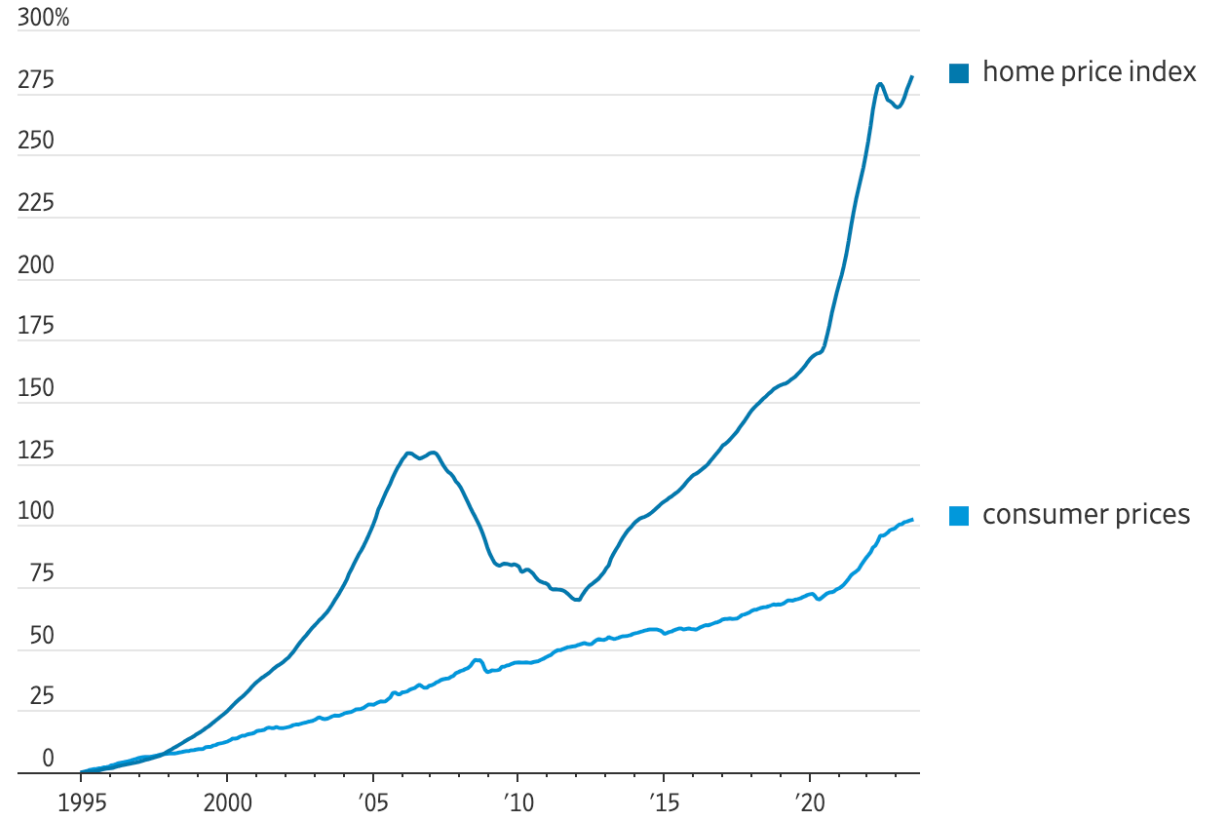
US HOUSING: RECORD LOW INVENTORY; RECORD HIGH PRICES

Inventory of existing homes for sale in the month of September



Source: National Association of Realtors, via FactSet

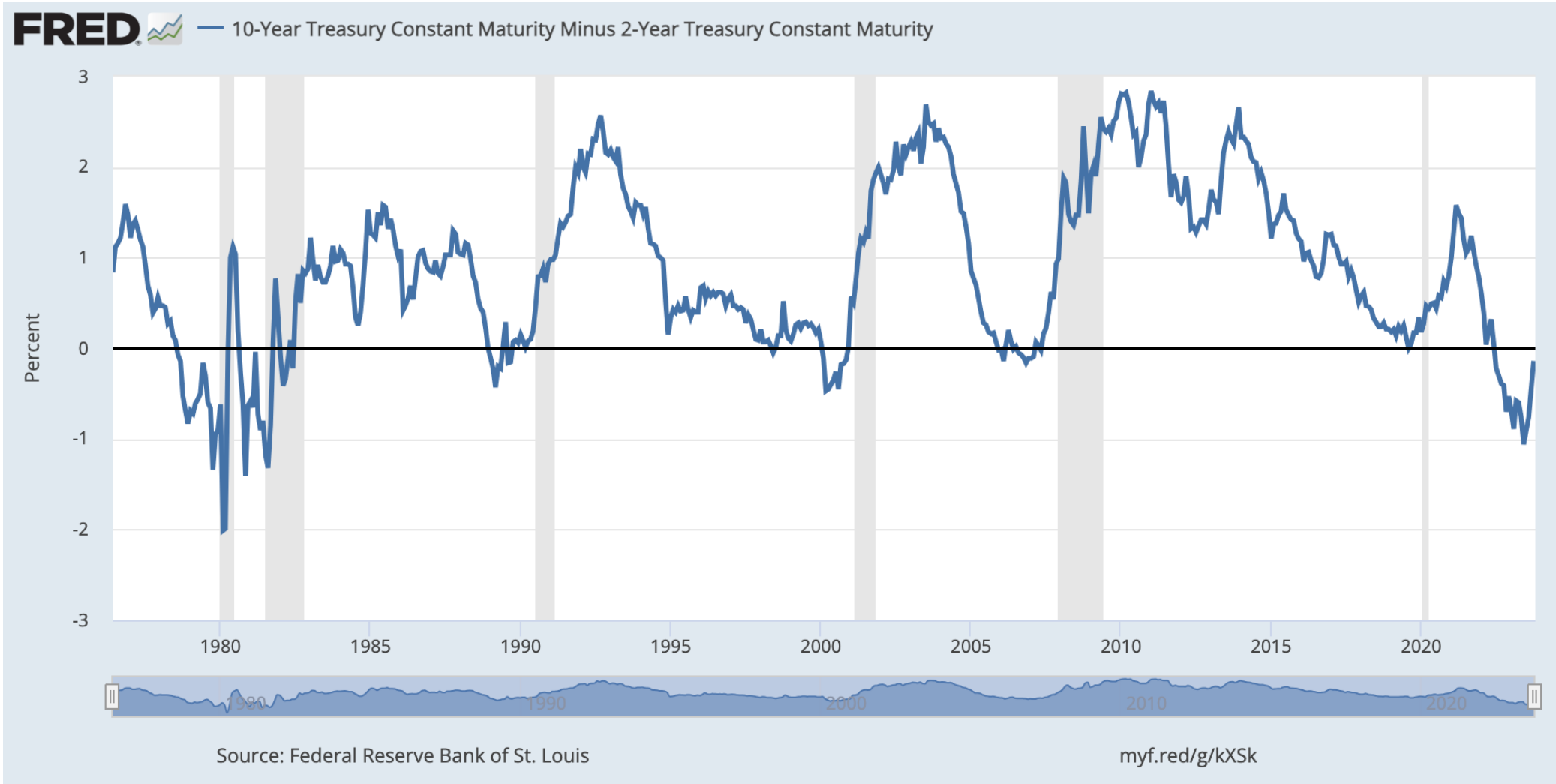
Cumulative change in the S&P/Case-Shiller U.S. National Home Price Index and consumer prices since Jan. 1995



Source: S&P Dow Jones Indices (home price); Labor Department (consumer prices)

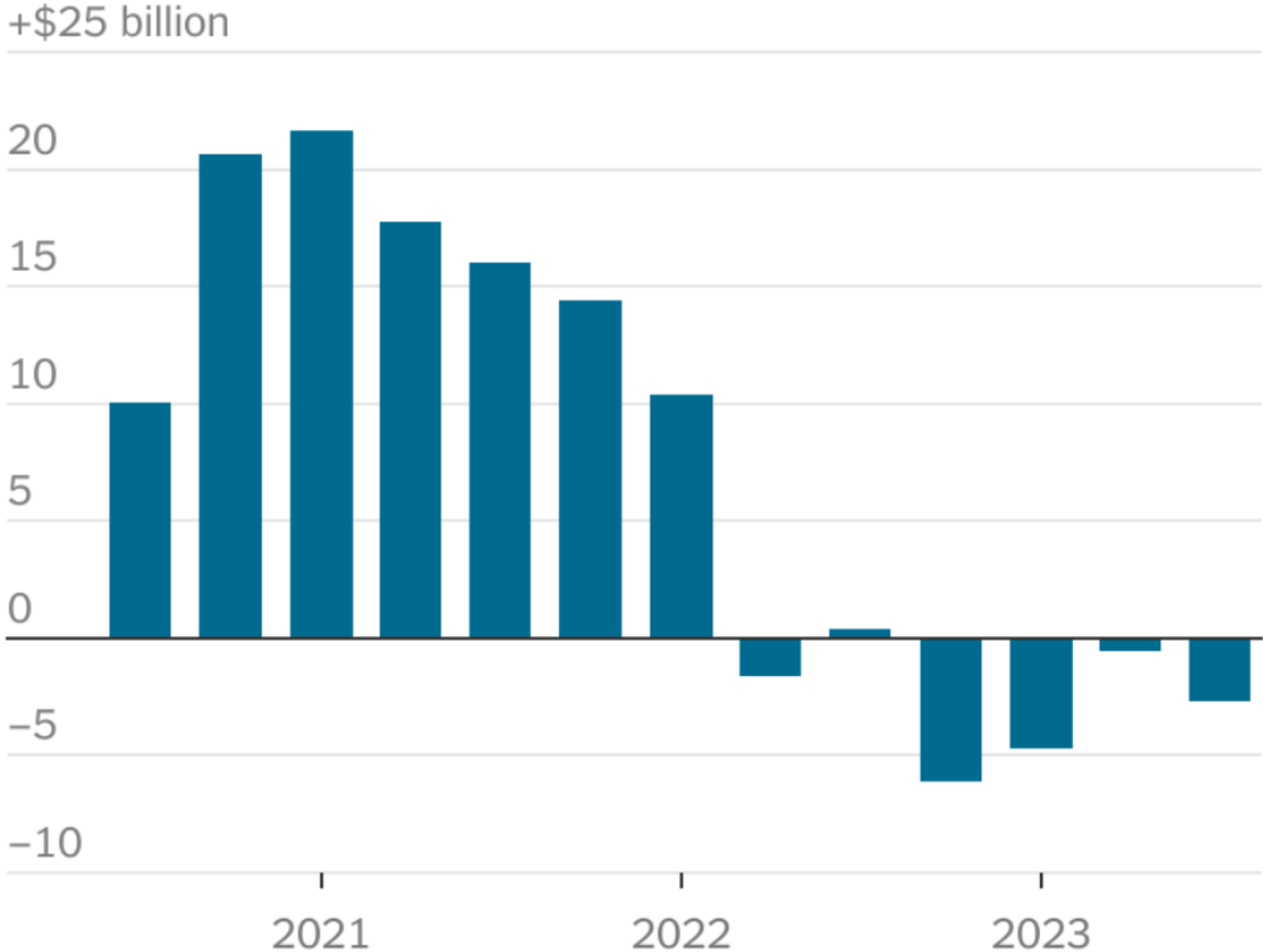


RECESSIONS HISTORICALLY CORRELATE WITH YIELD CURVE INVERSIONS



ESG OUT OF FAVOR

Quarterly investment flows to E.S.G. funds

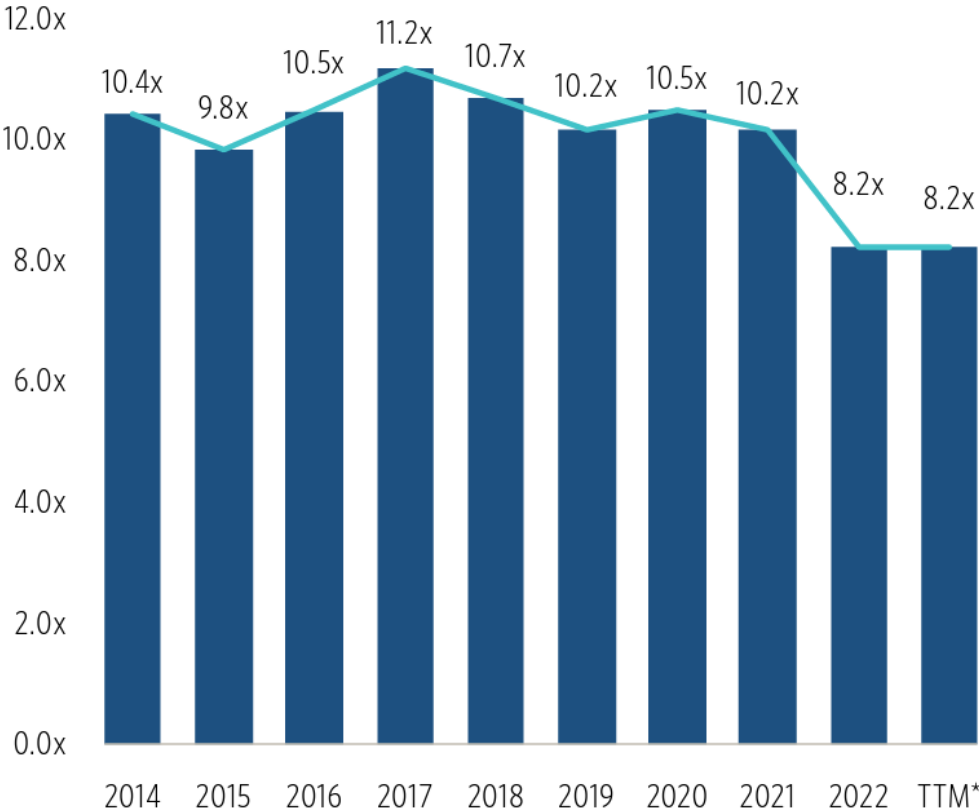


Source: Morningstar; The New York Times



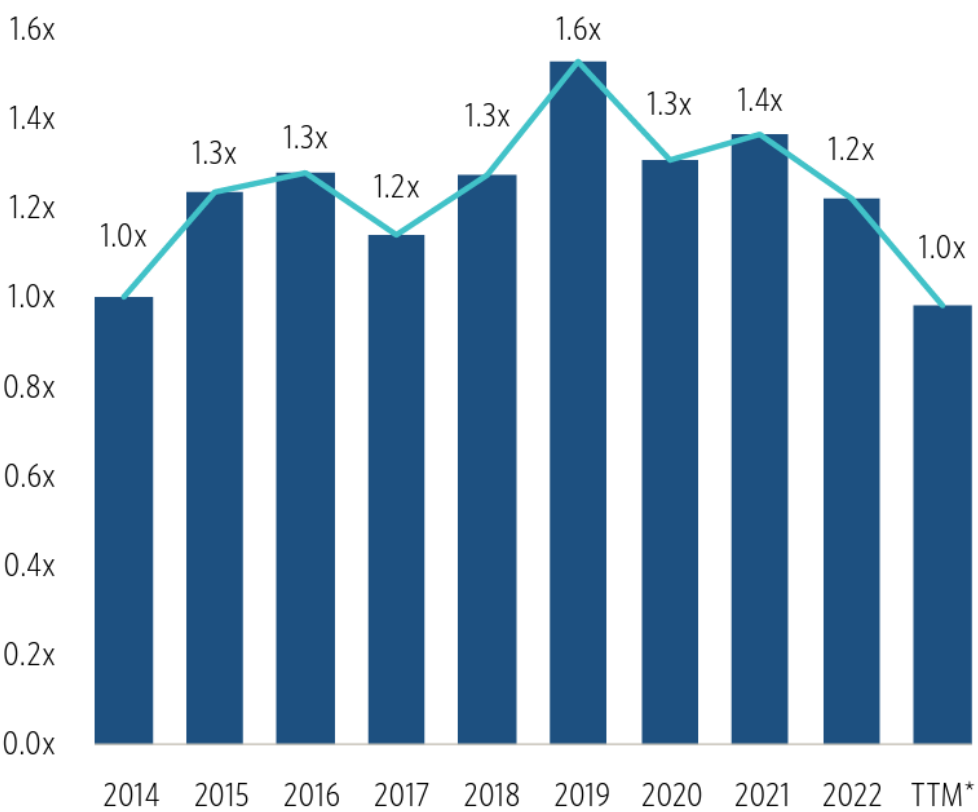
B2C M&A VALUATION MULTIPLES

B2C M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023

B2C M&A EV/revenue multiples

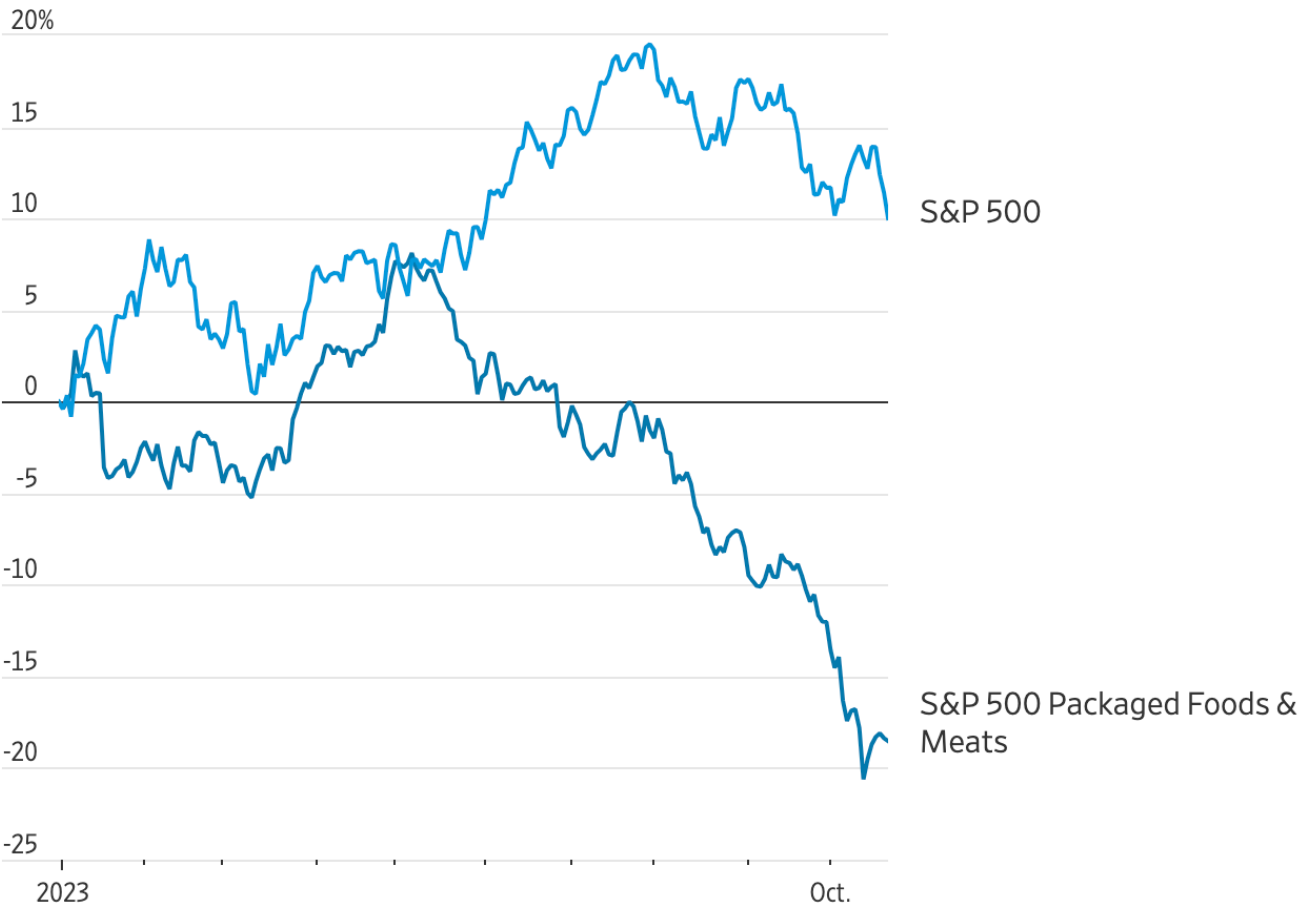


Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023



CONSUMER SECTOR UNDER PRESSURE – CPG

Index performance, year to date



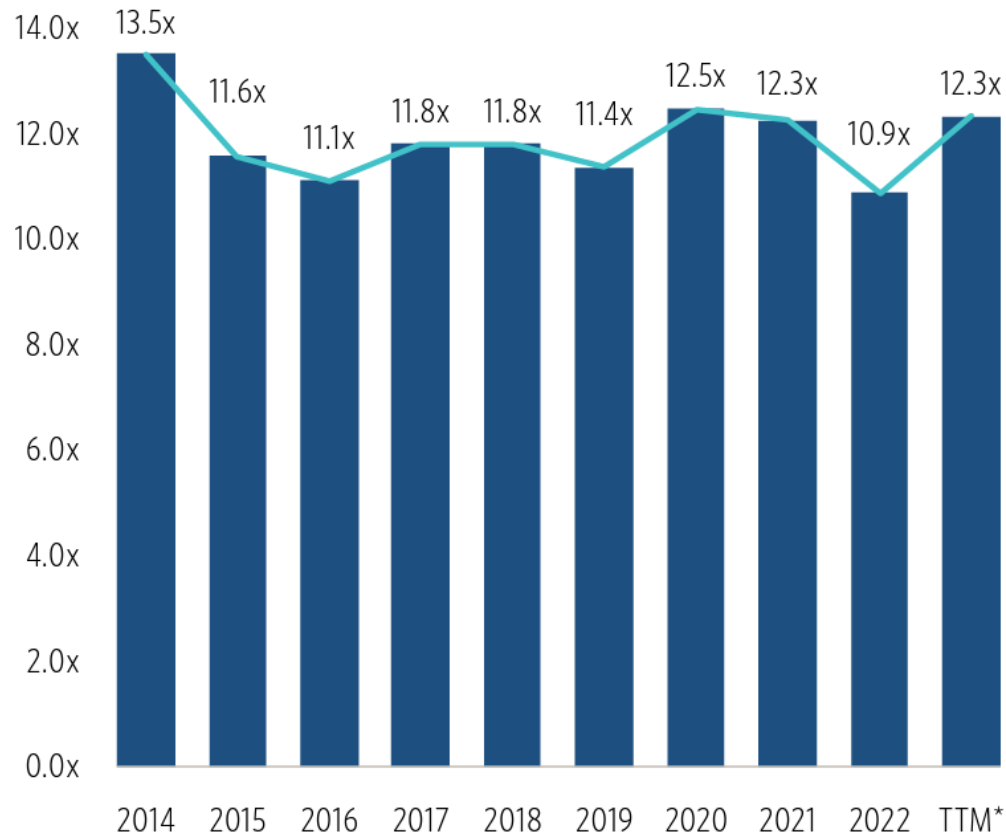
As of Oct. 20, 5:18 p.m. ET

Source: FactSet



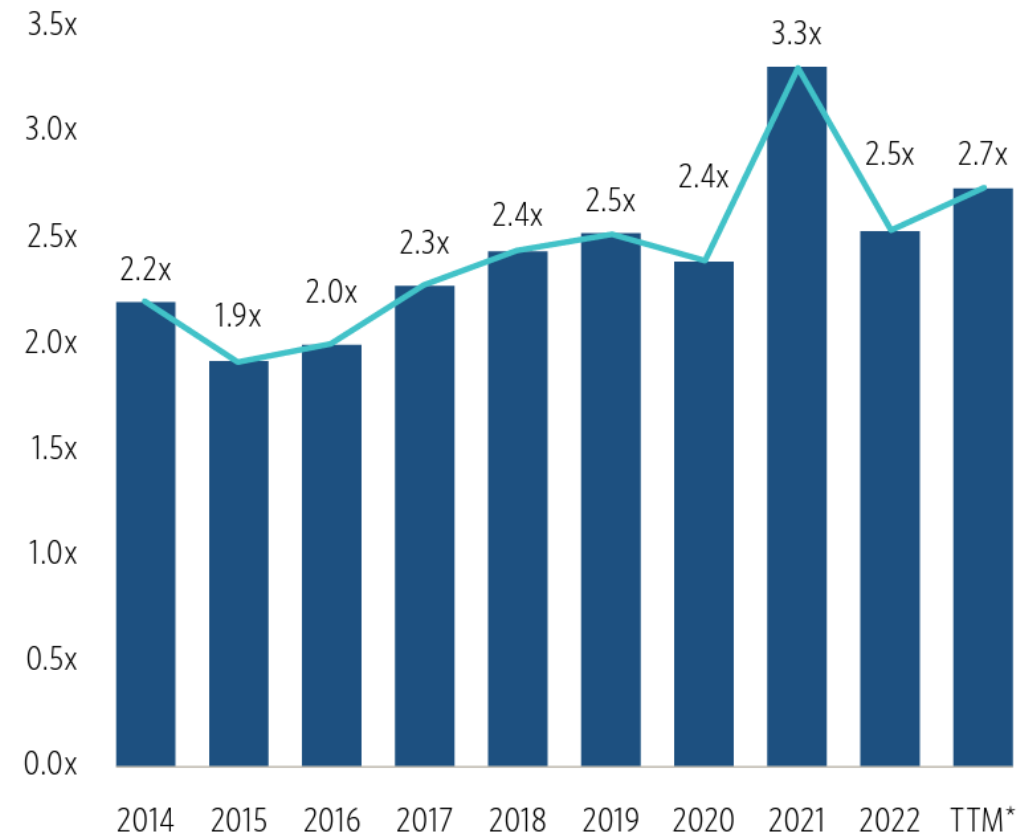
TECH M&A VALUATION MULTIPLES

IT M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023

IT M&A EV/revenue multiples

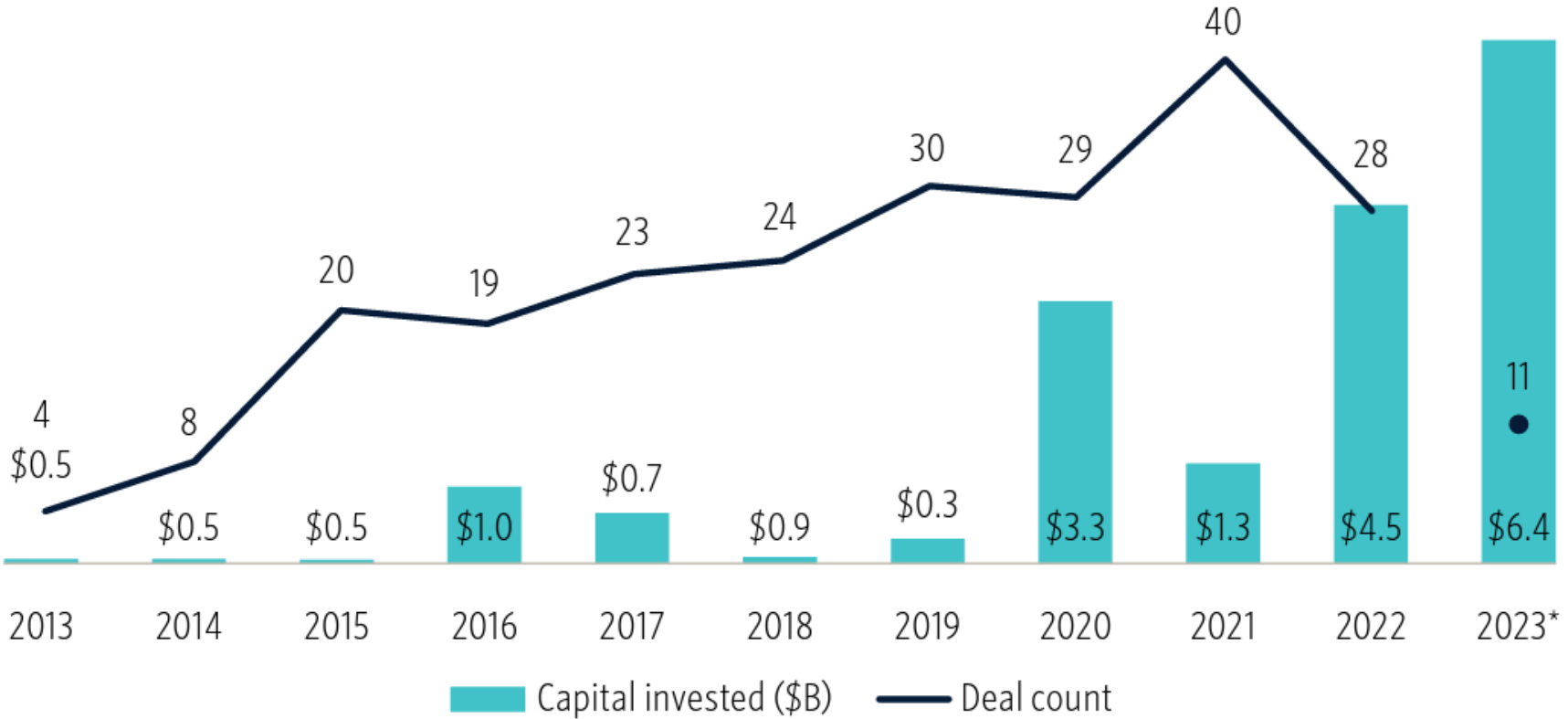


Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023



CLOUD GAMING DEAL INVESTMENT GROWING

Cloud gaming deal activity

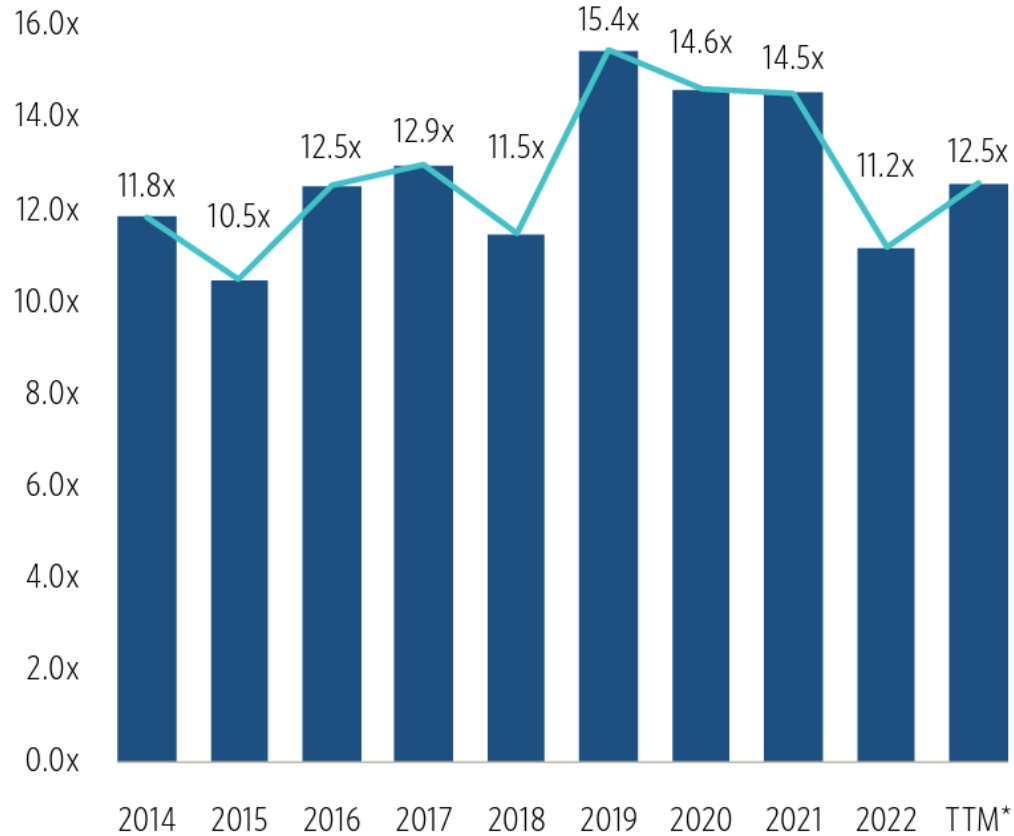


Source: PitchBook • Geography: Global
*As of October 10, 2023



HEALTHCARE M&A VALUATION MULTIPLES

Healthcare M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023

Healthcare M&A EV/revenue multiples



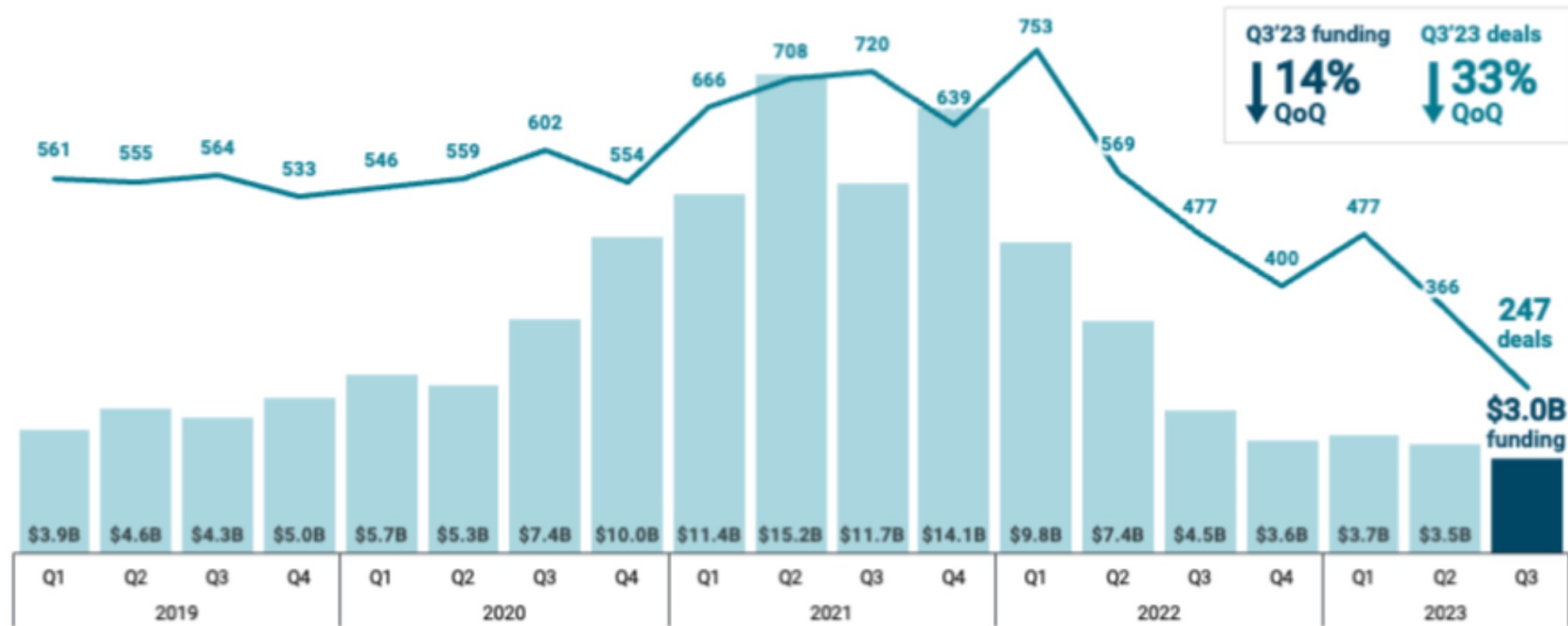
Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023



DIGITAL HEALTH FUNDING UNDER PRESSURE



Digital health funding and deals fall to lowest levels since 2016 and 2014, respectively



State of Digital Health Q3'23
Source: CB Insights

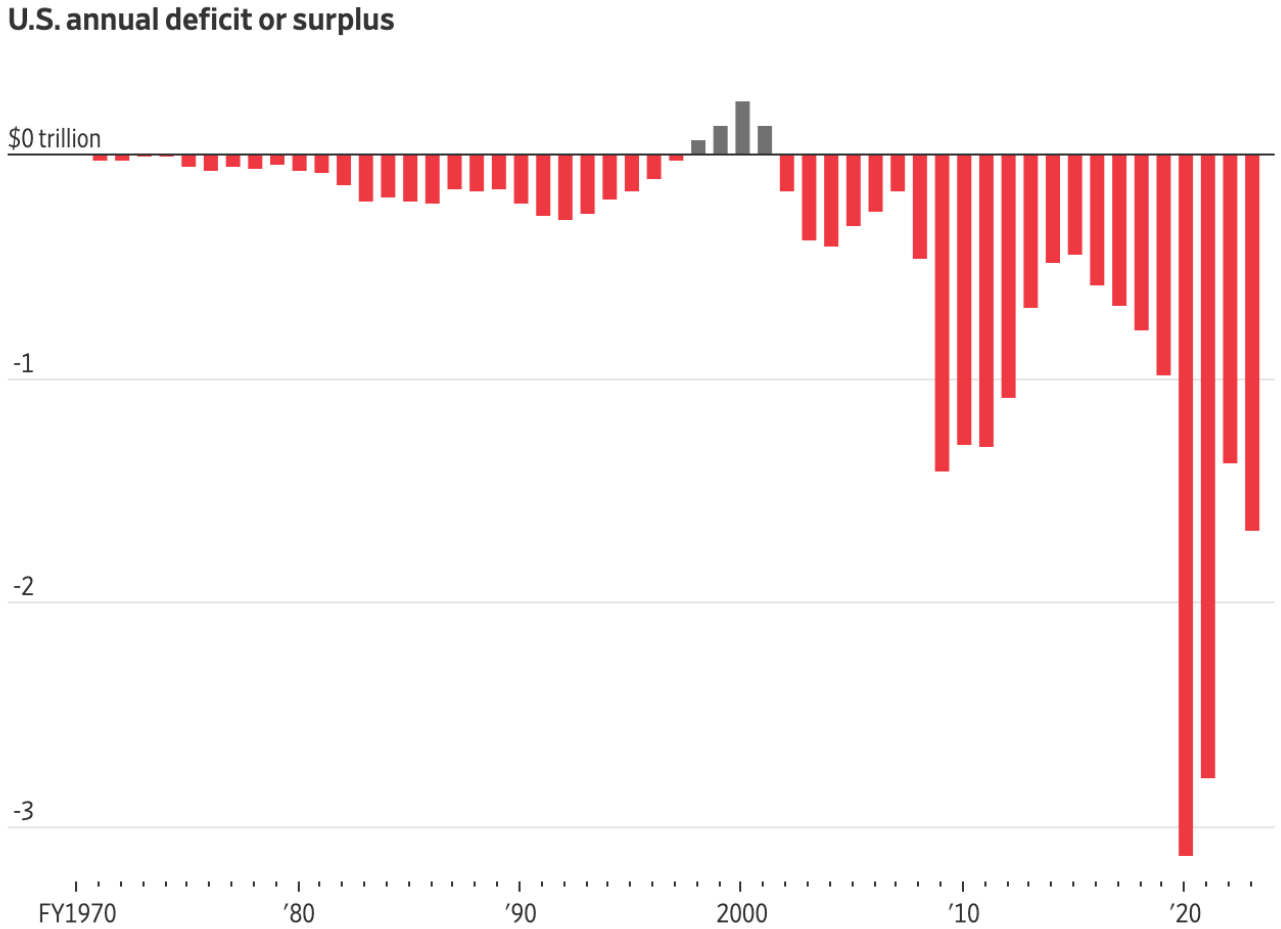


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WEEK OF 10-16



DEFICITS AND GOVERNMENT DEBT ISSUANCE INCREASING

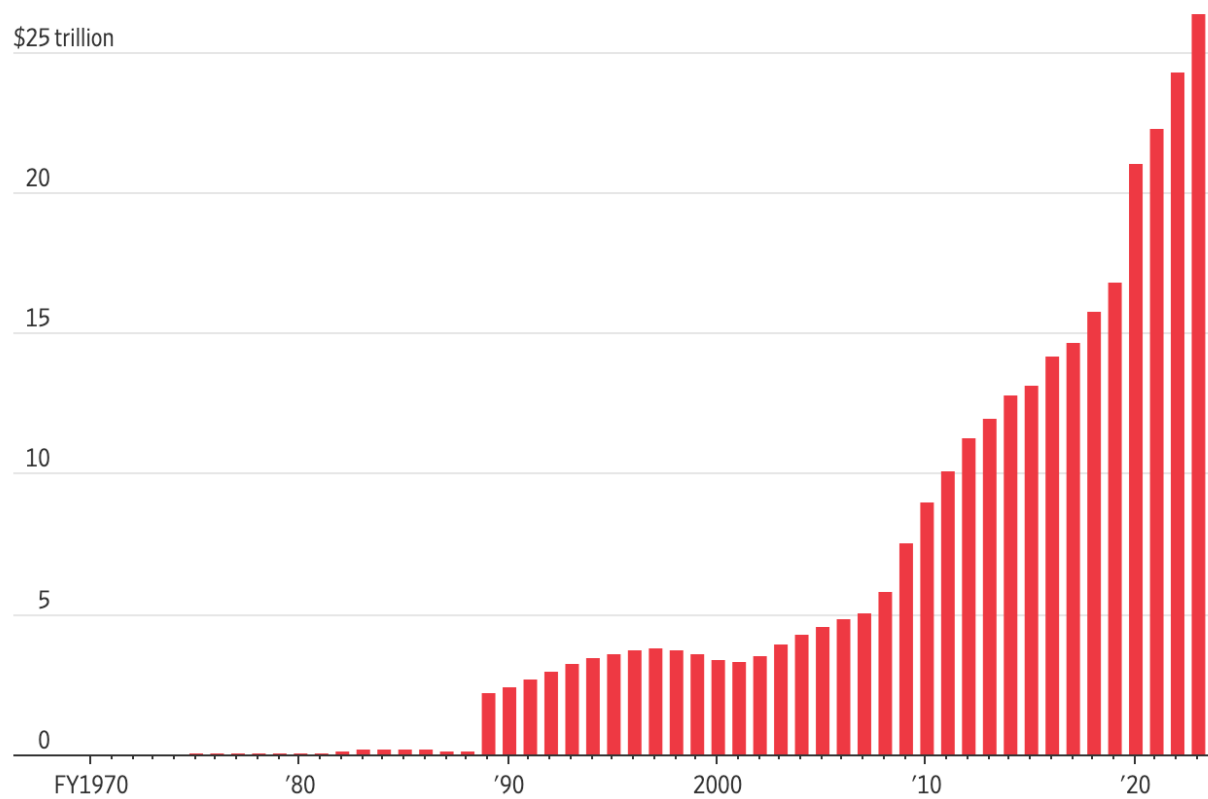


Note: Data shows fiscal years, which prior to 1977 end June 30, and since then end Sept. 30.
Source: Congressional Budget Office

Source: The Wall Street Journal

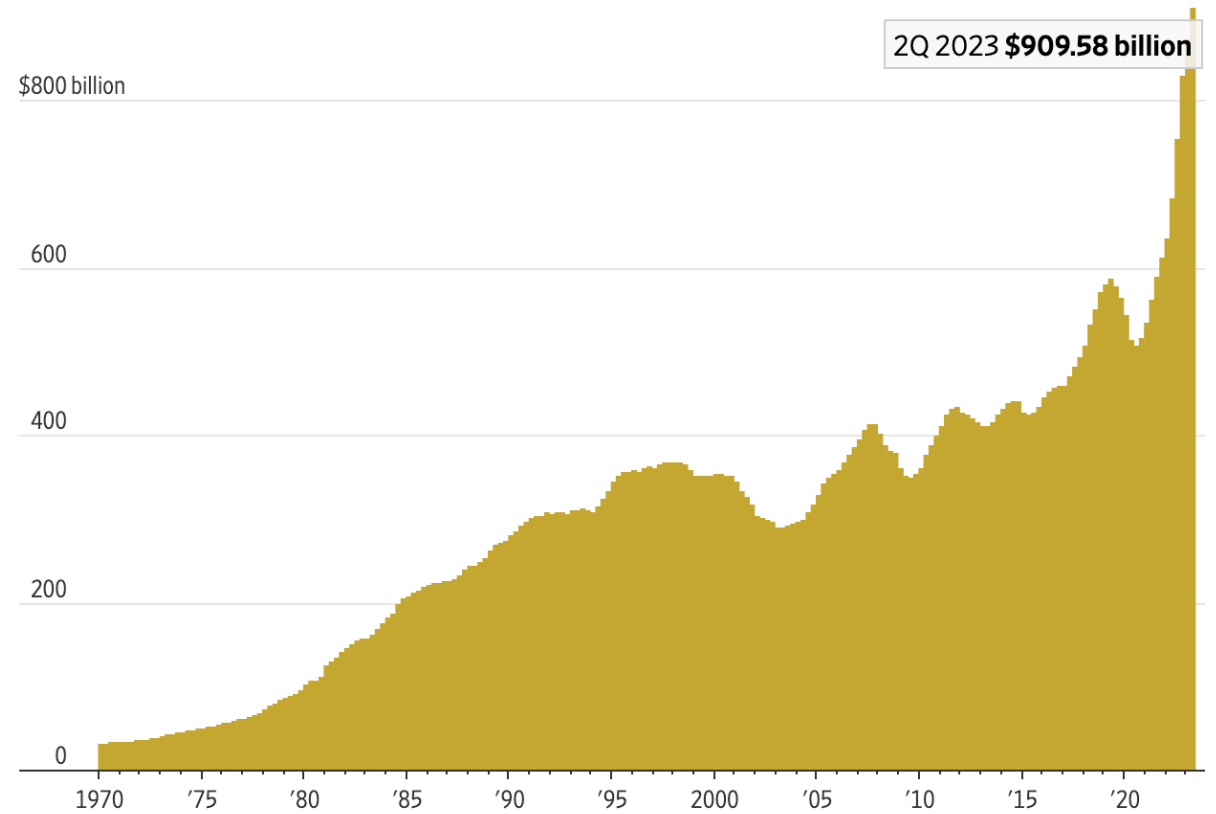
US DEBT OUTSTANDING AND INTEREST EXPENSE GOING PARABOLIC

Federal debt held by the public



Note: Fiscal years prior to 1977 end June 3. Those after 1978 end Sept. 30.
Sources: Congressional Budget Office; Treasury

Interest payments on federal debt, quarterly



Source: Federal Reserve of St. Louis via Labor Department

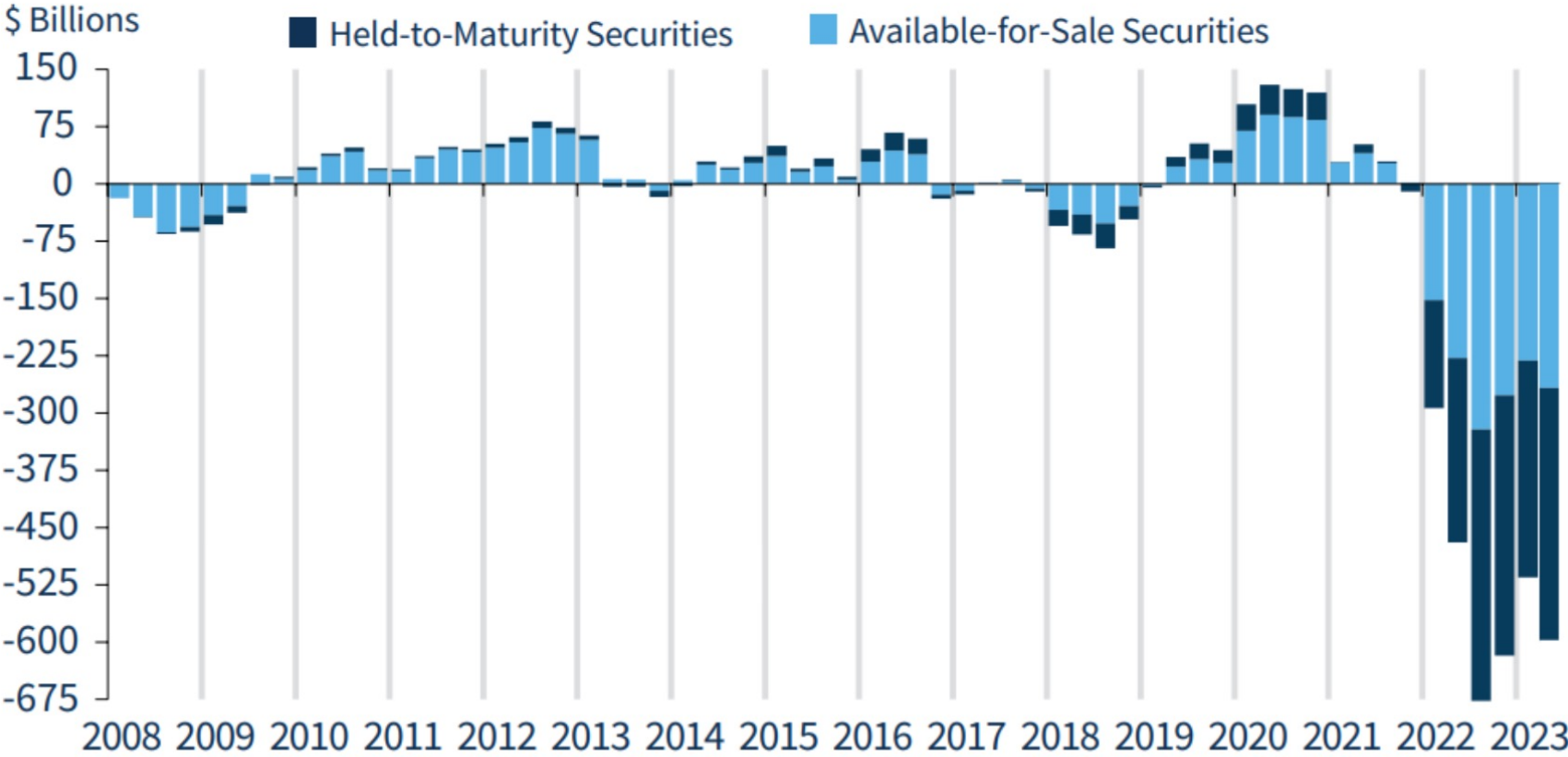
Source: The Wall Street Journal



RIISING INTEREST RATES – DEEPENING HOLE ON BANK BALANCE SHEETS

Unrealized Gains (Losses) on Investment Securities

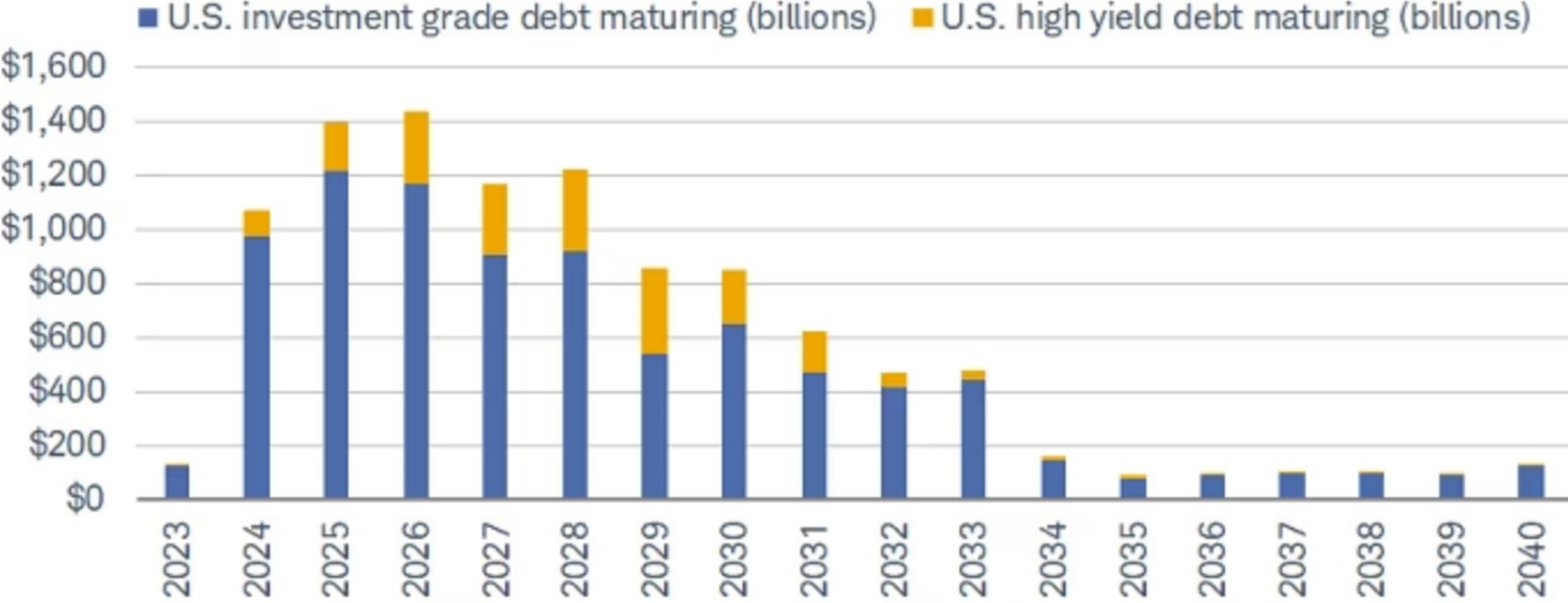
All FDIC-Insured Institutions



Source: FDIC. Second quarter 2023 unrealized losses: \$558.4 billion



CORPORATE DEBT MATURITY SCHEDULE – HIGHER COST OF REFINANCING



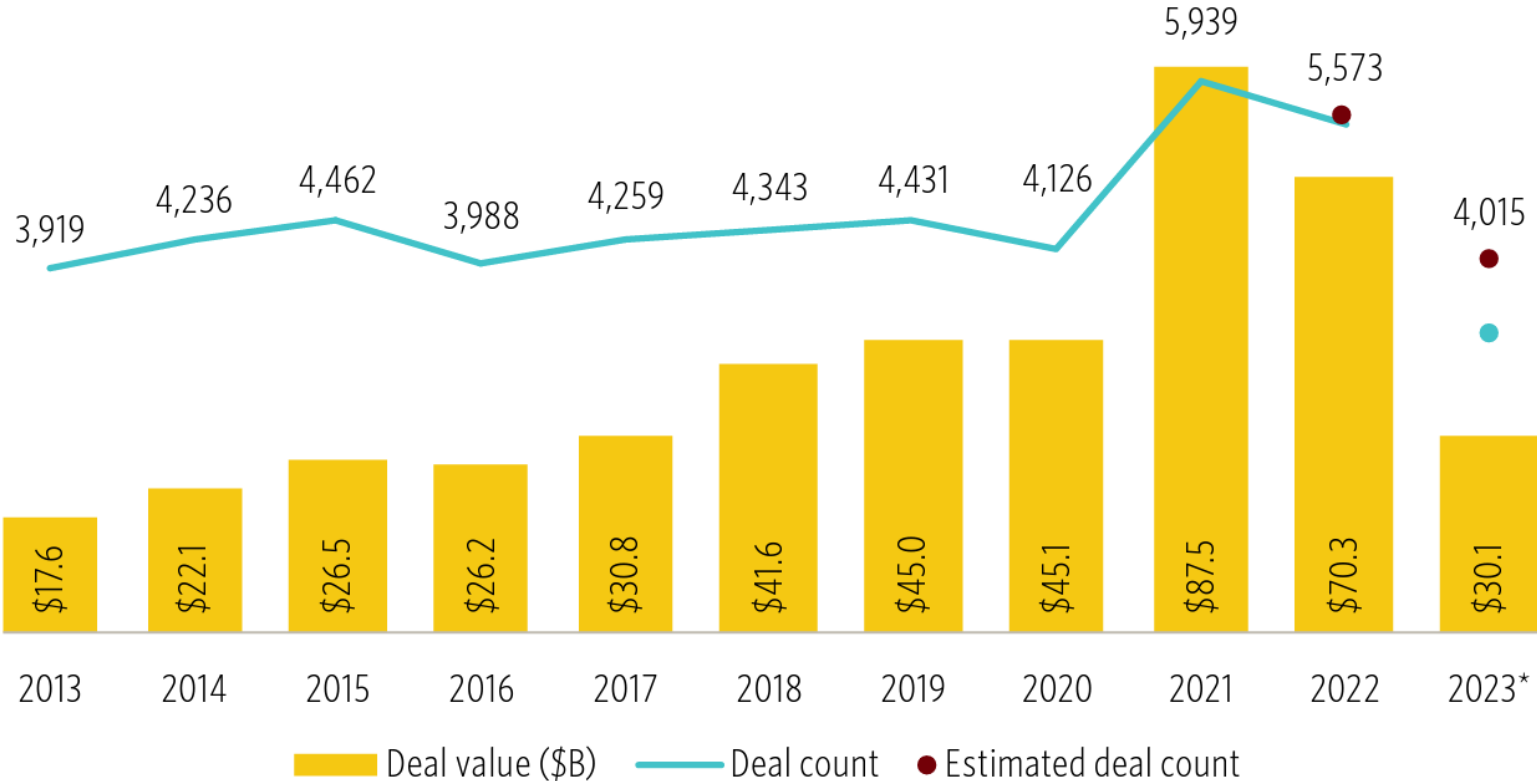
Source: Charles Schwab, Bloomberg, as of 10/13/2023.

Data for investment grade covers the amount outstanding of USD-denominated corporate bonds of \$300 million or greater. Data for high yield covers the amount outstanding of USD-denominated bonds of \$100 million or greater.



EARLY-STAGE VC DEAL VALUE AT MULTI-YEAR LOW

Early-stage deal value on pace to set a five-year low
US early-stage VC deal activity

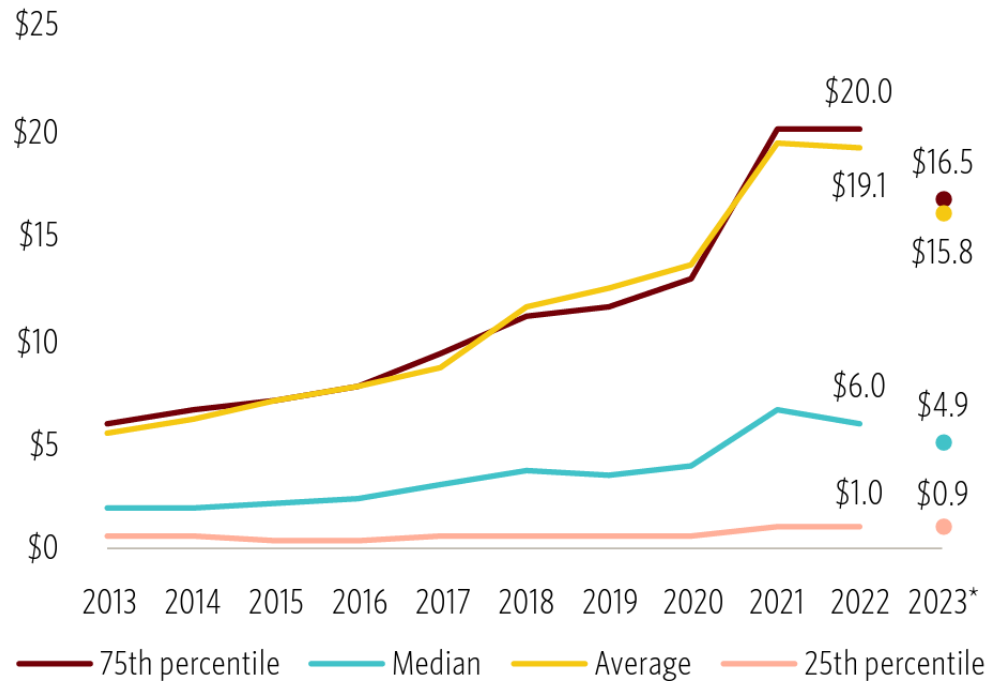


PitchBook-NVCA Venture Monitor
*As of September 30, 2023

US EARLY-STAGE VC DEAL SIZE AND VALUATIONS

Median deal size is down 26.7% from 2021 record high, but remains above pre-pandemic figures

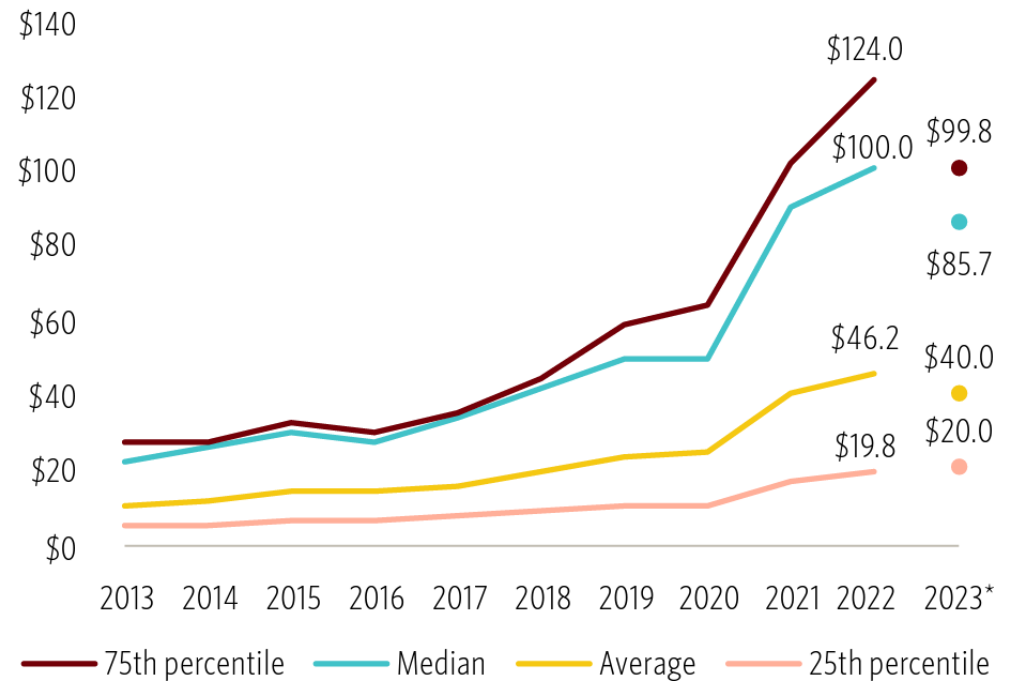
Range of US early-stage VC deal values (\$M)



PitchBook-NVCA Venture Monitor
*As of September 30, 2023

Median valuation reverts to 2021 figure

Range of US early-stage VC pre-money valuations (\$M)



PitchBook-NVCA Venture Monitor
*As of September 30, 2023



MANAGING DIRECTOR: PETER THOM – CONSUMER GROUP



Peter M. Thom
Managing Director

646.522.3441
pthom@silverwoodpartners.com

Relevant Experience

- Mr. Thom has over 25 years of investment banking experience in both the United States and Europe, specializing in mergers, acquisitions and divestitures, public and private debt and equity capital raising and strategic advisory services.
- Over the last 15 years, Mr. Thom has provided a wide range of investment banking and advisory services to both public and privately-owned corporations and private equity firms in the Consumer, Food and Retail sectors, including a core focus on food retail and distribution and in the natural/organic and wellness industry.
- Mr. Thom has been involved in merger, acquisition and divestiture transactions representing total consideration in excess of \$8 billion and debt and equity capital raising of more than \$18 billion.
- Prior to Silverwood Partners, Mr. Thom founded Kernick Advisory Group, an investment banking and financial advisory firm specializing in the consumer industry, including CPG, HBC, consumer products, food and beverage manufacturing, distribution and retail.
- Prior to Kernick Advisory, Mr. Thom was Head of Consumer, Food and Retail investment banking at Scott-Macon, and was a founding partner of Rockland Advisory Group and its affiliate Rockland Securities; he also served as a member of Salomon Smith Barney's Global Consumer/Retail Investment Banking Group, as head of Supermarket/Drug and Hardline Retail. Prior to Salomon Smith Barney, Mr. Thom served in a number of different capacities at J.P. Morgan in the United States and Europe including Head of the European Real Estate Services Group and as a member of the Global Consumer Group.

Education

- Mr. Thom earned his B.A. in Economics from Leeds University and an M.B.A. from Manchester Business School.

Selected Transaction Experience

Has been acquired by

Has been Acquired by

Has been acquired by

Sale of Assets to Various Buyers Including

Has been acquired by

Has been acquired by



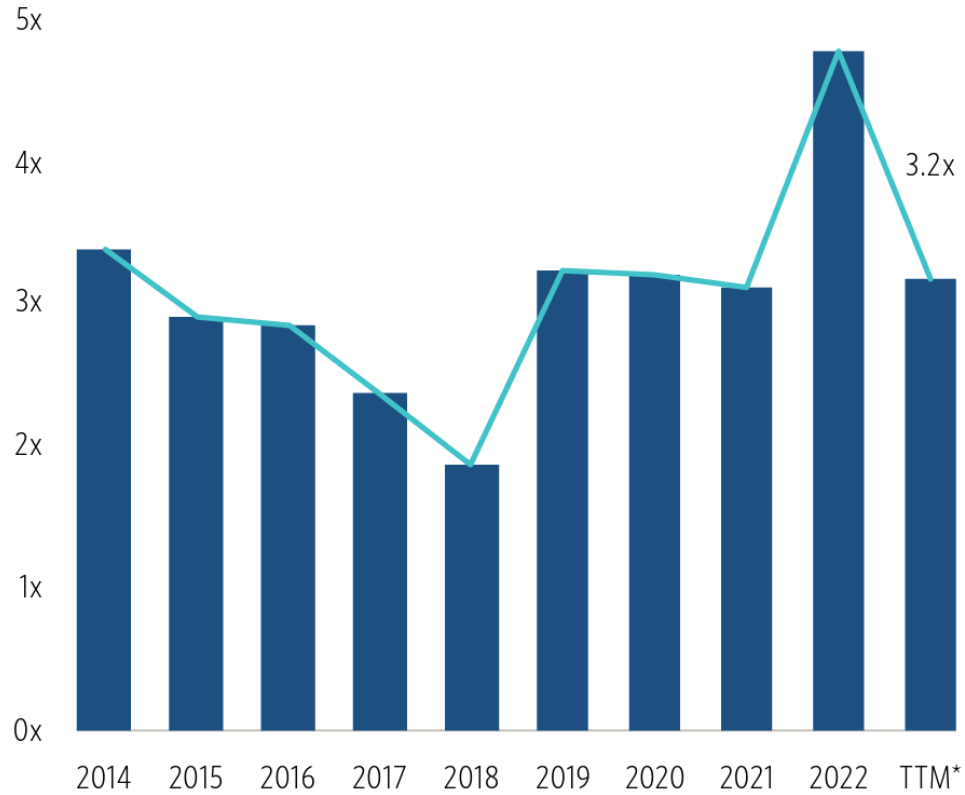
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WEEK OF 10-9



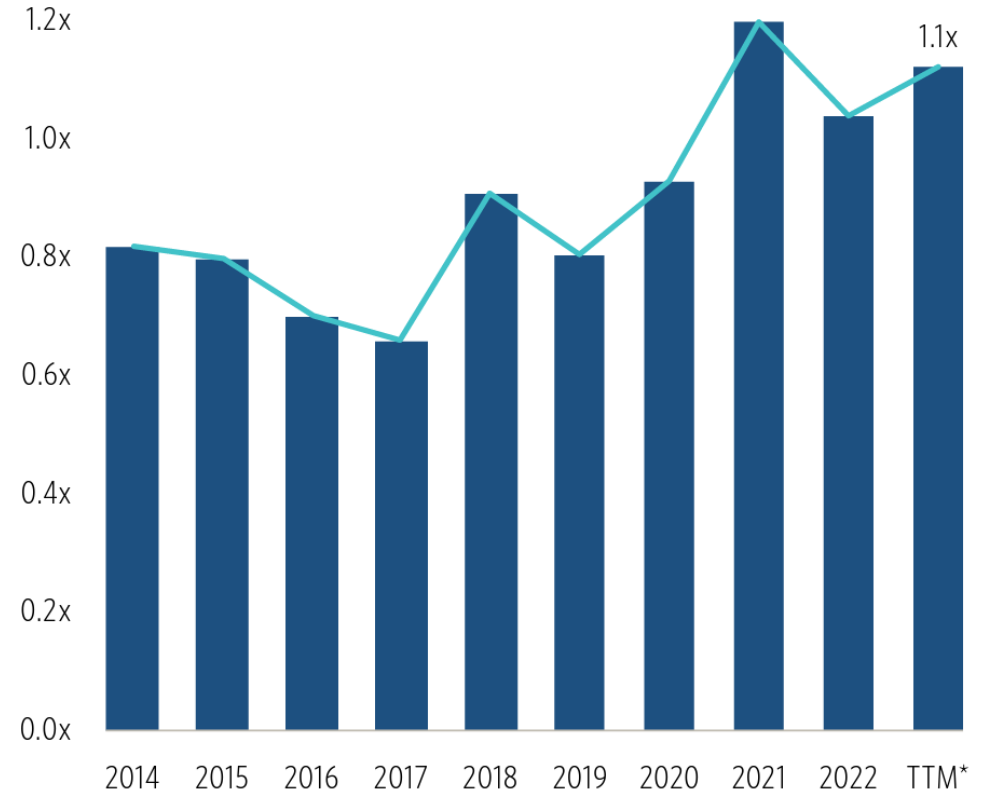
EV/REVENUE MULTIPLES FOR PE DEALS BY SIZE

Median EV/revenue multiples on deals \$2.5 billion-plus



Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023

Median EV/revenue multiples on deals below \$25 million

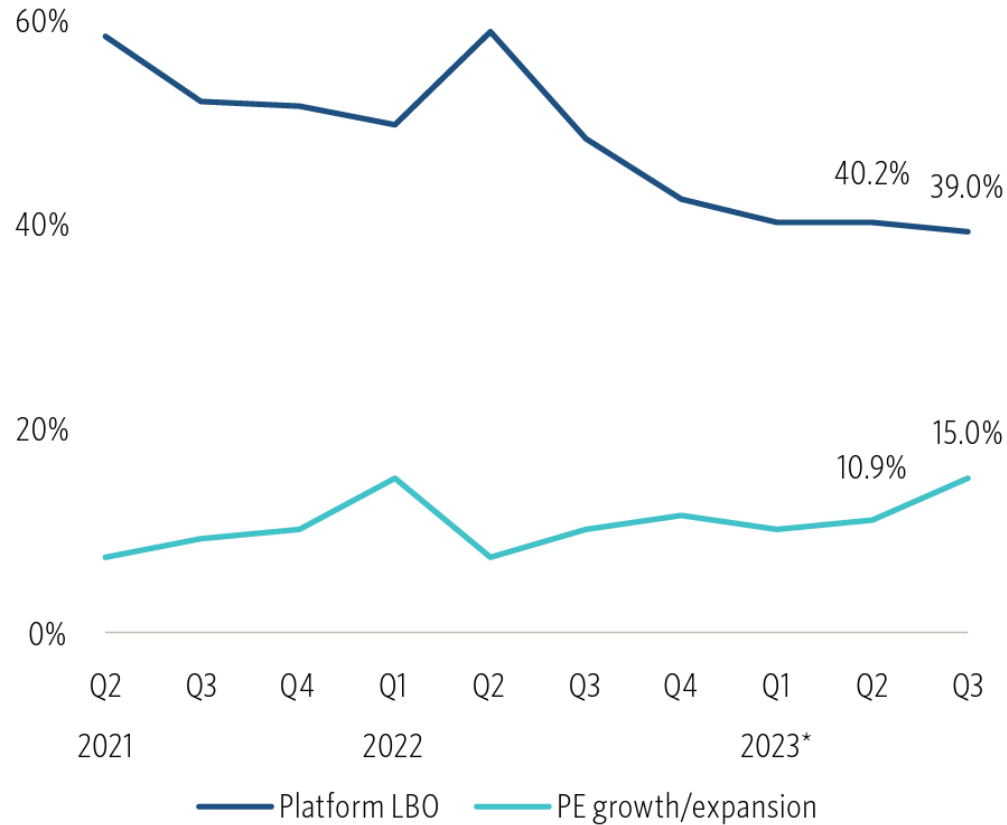


Source: PitchBook • Geography: North America and Europe
*As of September 30, 2023



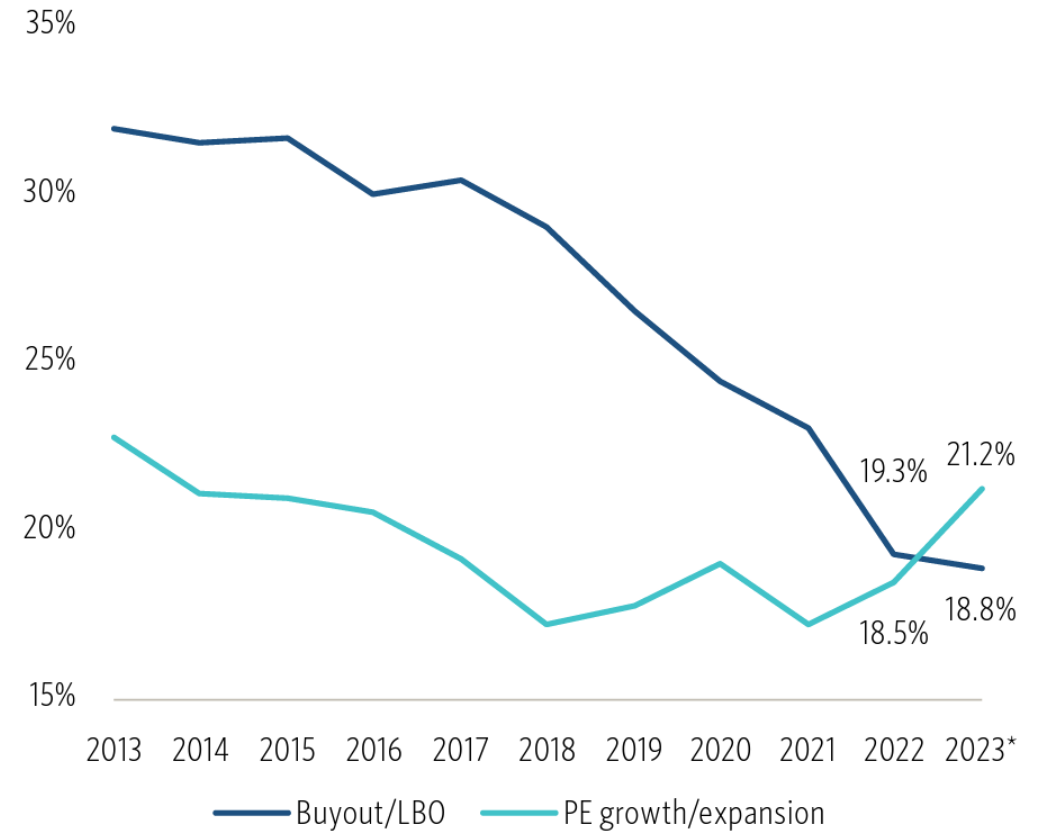
PLATFORM LBO DEALS VS. GROWTH EQUITY DEALS IN PE

Platform LBO versus growth equity share of PE deal value



Source: PitchBook • Geography: US
*As of September 30, 2023

Platform LBO versus growth equity share of PE deal count

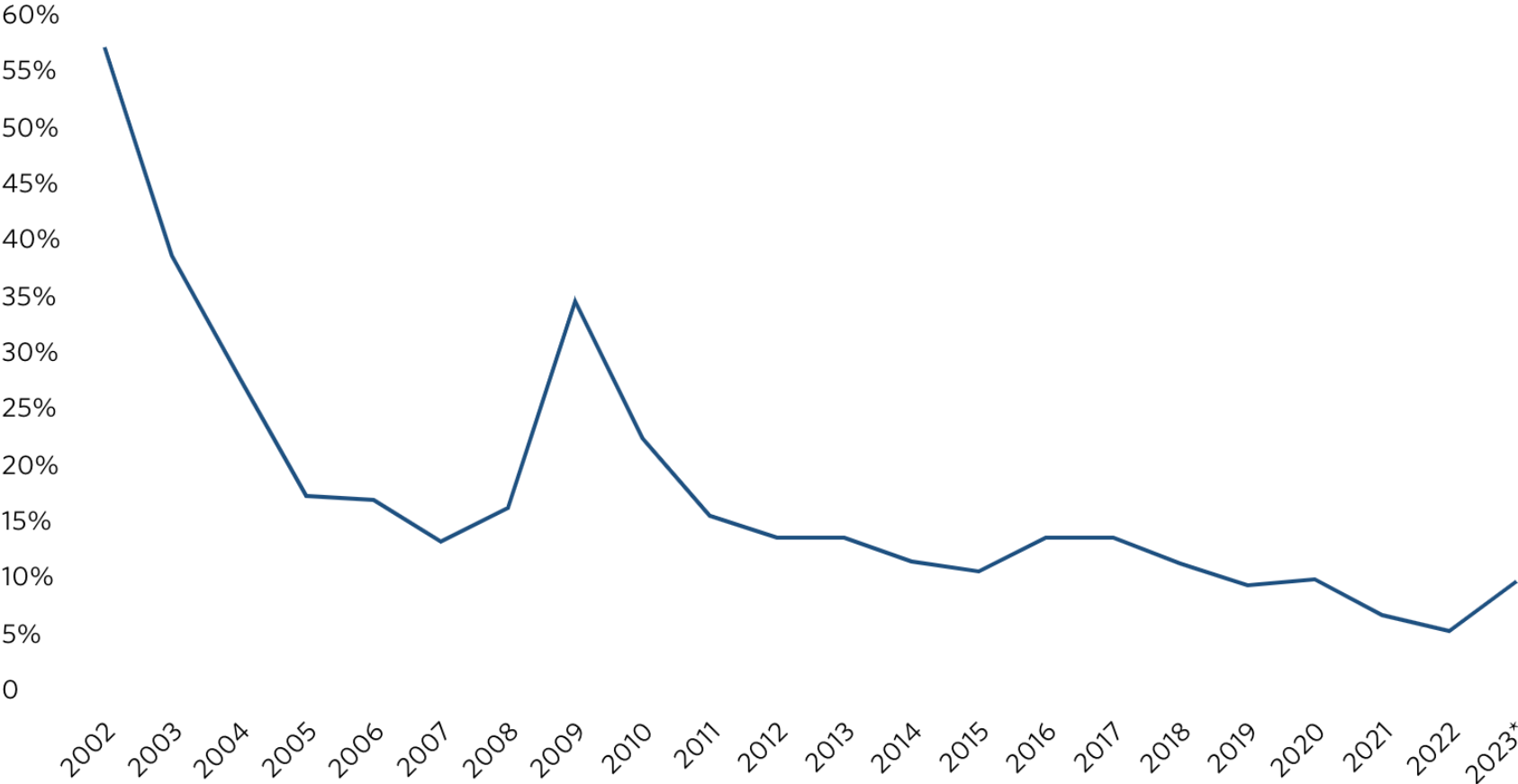


Source: PitchBook • Geography: US
*As of September 30, 2023



VC – DOWN ROUNDS UP BUT REMAIN CLOSE TO 10 YEAR LOW

Rate of down rounds still below dot-com, global financial crisis levels

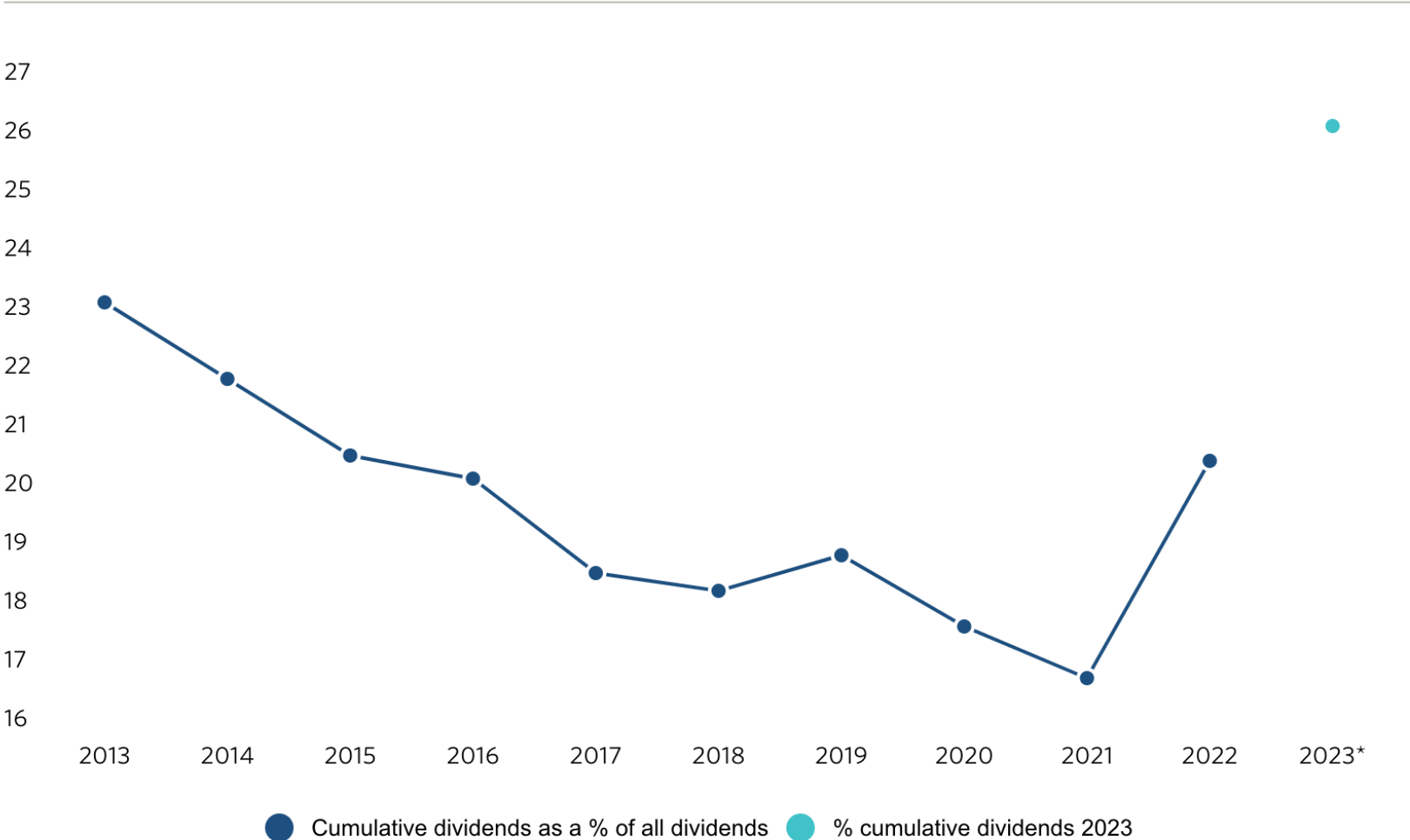


Source: PitchBook Data
Geography: US
*As of Aug. 29, 2023



VC – CUMULATIVE DIVIDEND TERMS INCREASING

Cumulative dividends bounce back



Source: PitchBook data
Geography: US
*As of March 31, 2023



TECH M&A TRANSACTION ACTIVITY REMAINS SUBDUED



The number of \$100M+ M&A targets rebounds slightly in Q2'23 but remains low

M&A transaction count by valuation (\$100M+), Q1'19 – Q2'23



Source: CB Insights global M&A transaction data categorized by disclosed or whisper valuations.

Tech M&A Report: Q2'23 | 8

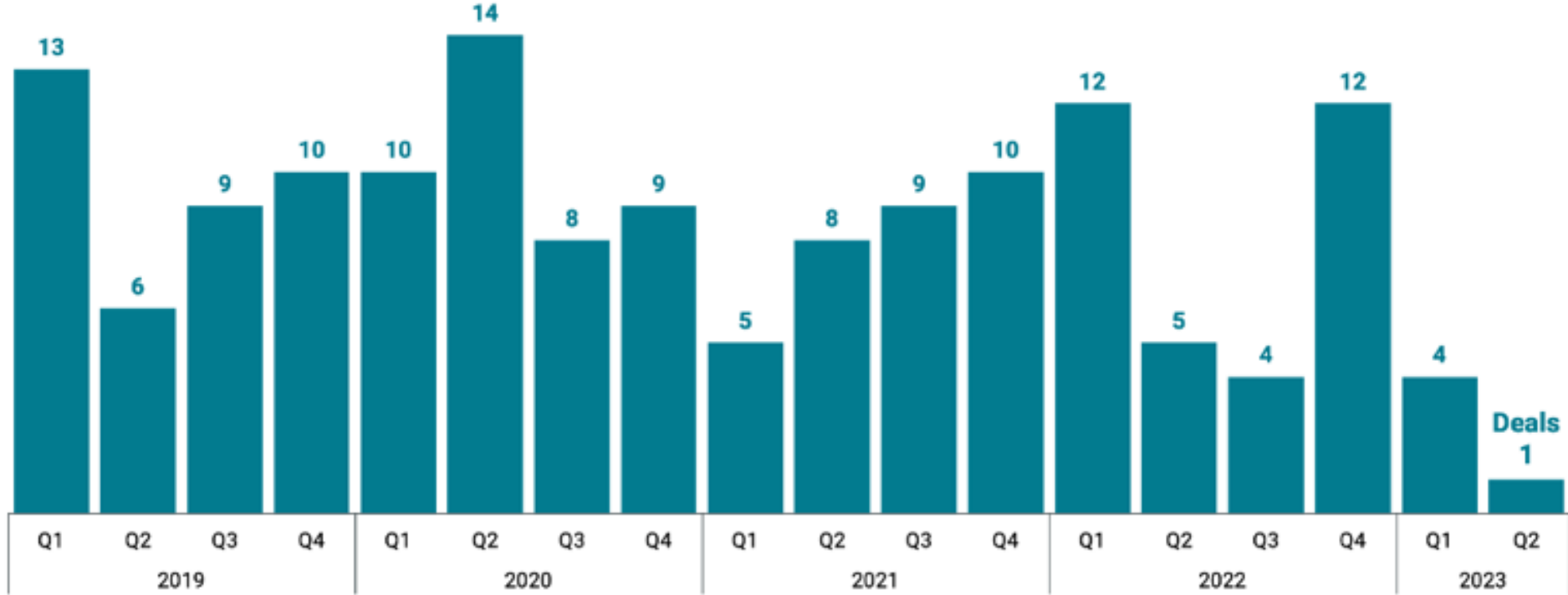


BIG TECH M&A DEAL COUNT AT MULTI-YEAR LOW



Big tech is also “risk-off” given economic and regulatory (anti-trust) climate – M&A volume hits an 18-quarter low

Number of M&A transactions by big tech, Q1'19 – Q2'23

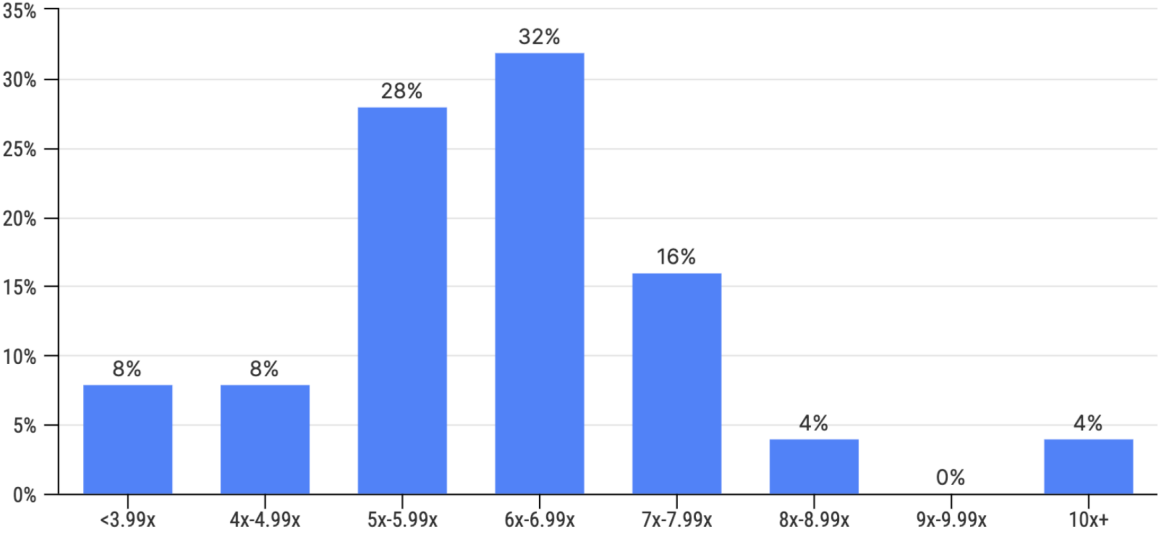


CONSUMER M&A MULTIPLES (AXIAL SURVEY)

Axial surveyed 26 consumer focused dealmakers about the current market environment. Charts below show dealmaker responses to survey questions.

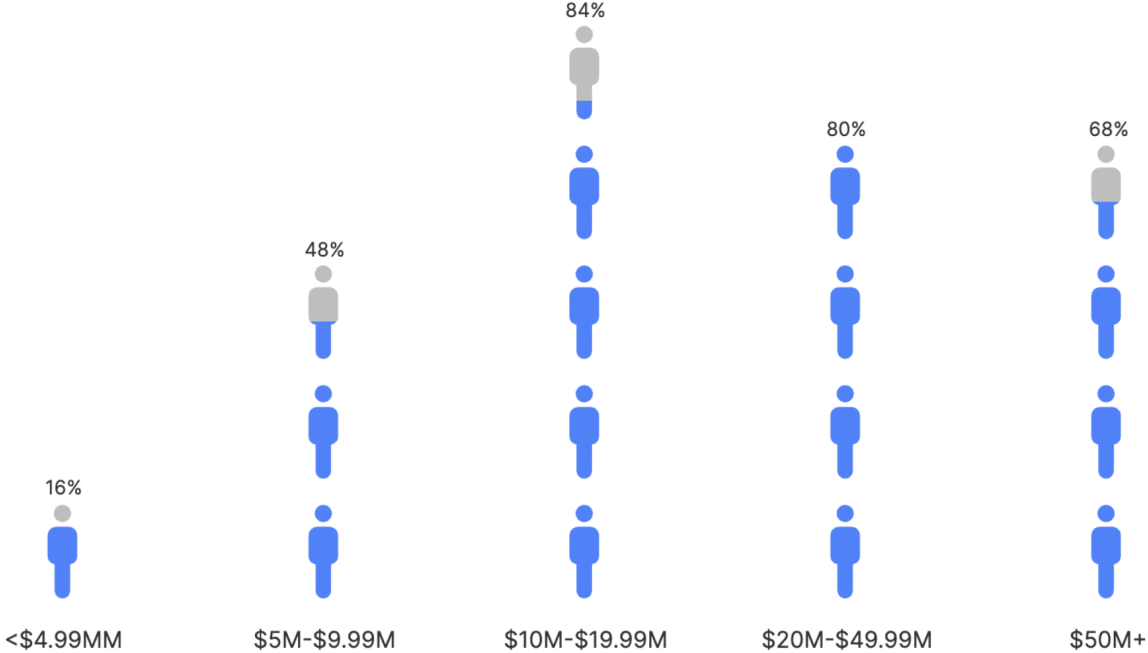
Over 76% of survey respondents indicated that they either paid or received an average multiple between 5x and 7.99x of adjusted EBITDA on consumer transactions.

Average Multiple On Adjusted EBITDA



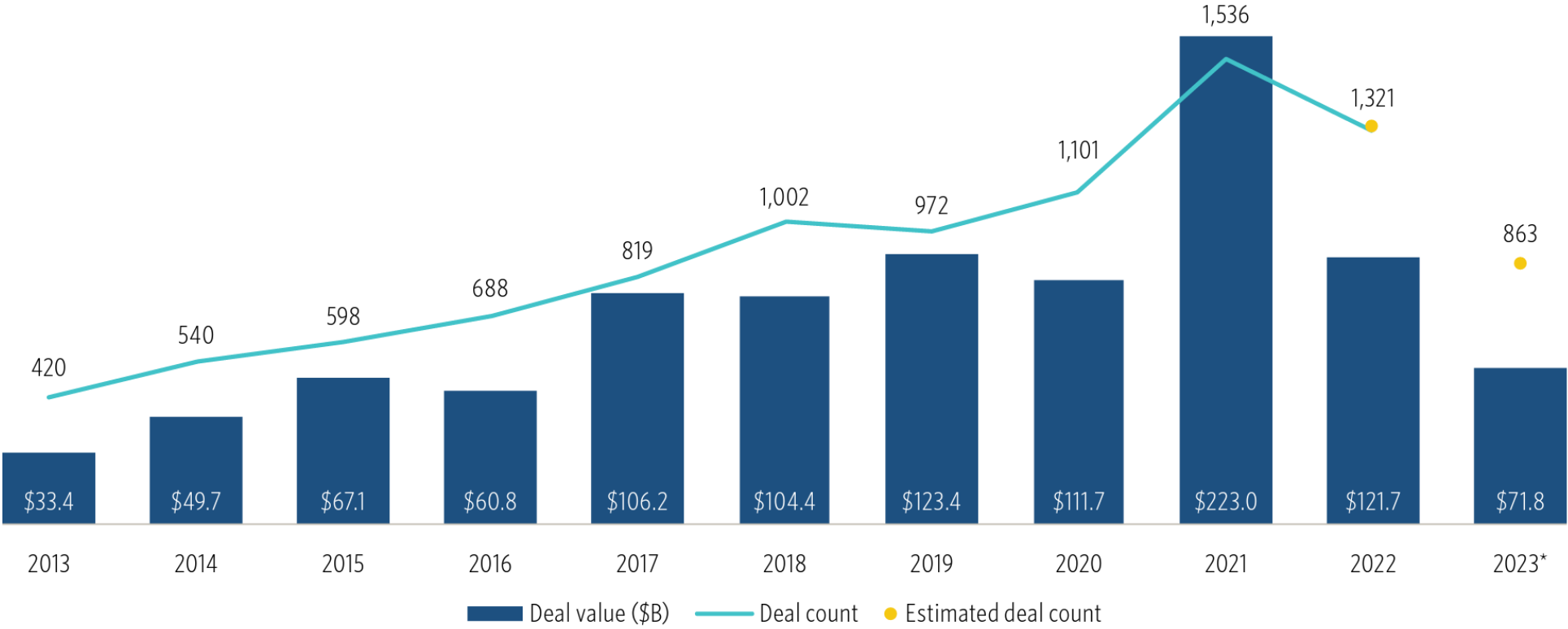
The vast majority of these surveyed dealmakers indicated that they transacted on opportunities with a Total Enterprise Value between \$10M and over \$50M.

Size Breakdown For Consumer Transactions (Total Enterprise Value)



HEALTHCARE PE DEAL ACTIVITY

Healthcare PE deal activity



Source: PitchBook • Geography: US
*As of September 30, 2023



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WEEK OF 10-2



NEW ECONOMIC ERA – INTEREST RATES INCREASING

Yield on U.S. 10-year Treasury note



Source: Tullett Prebon

S&P 500 performance



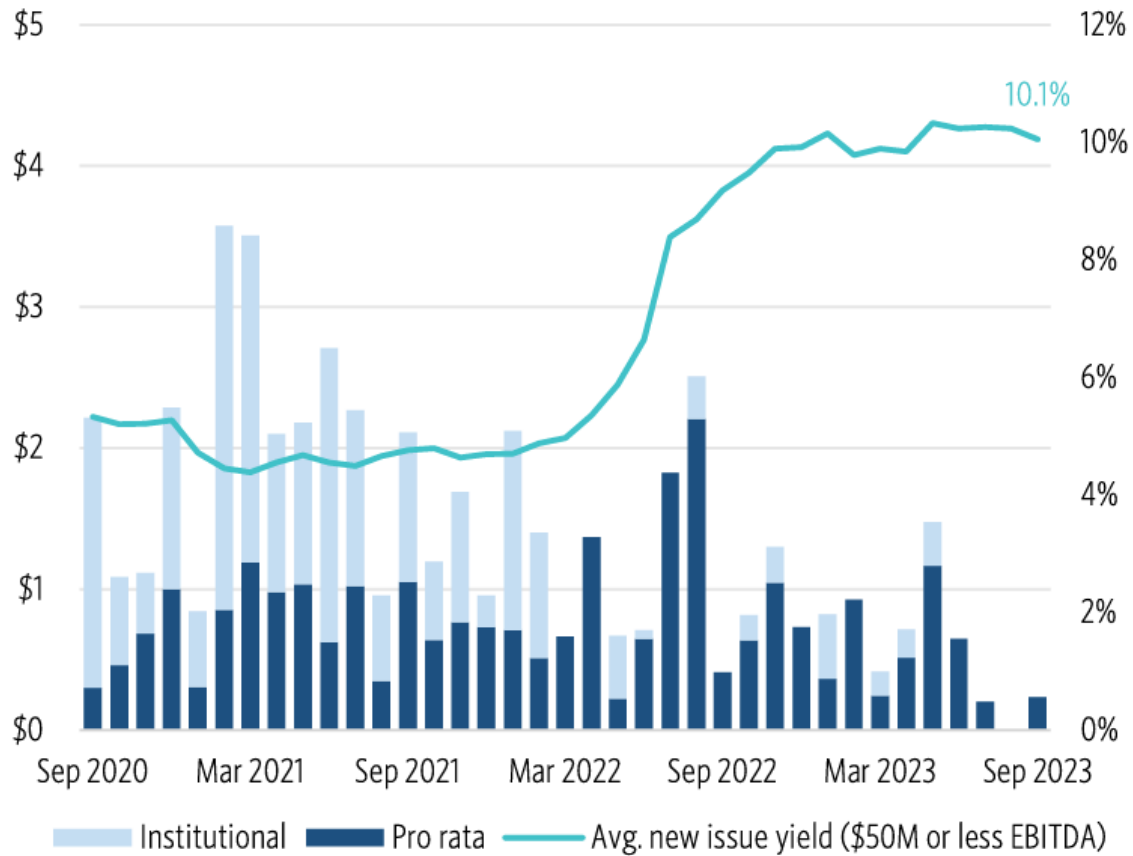
Source: FactSet

Source: The Wall Street Journal



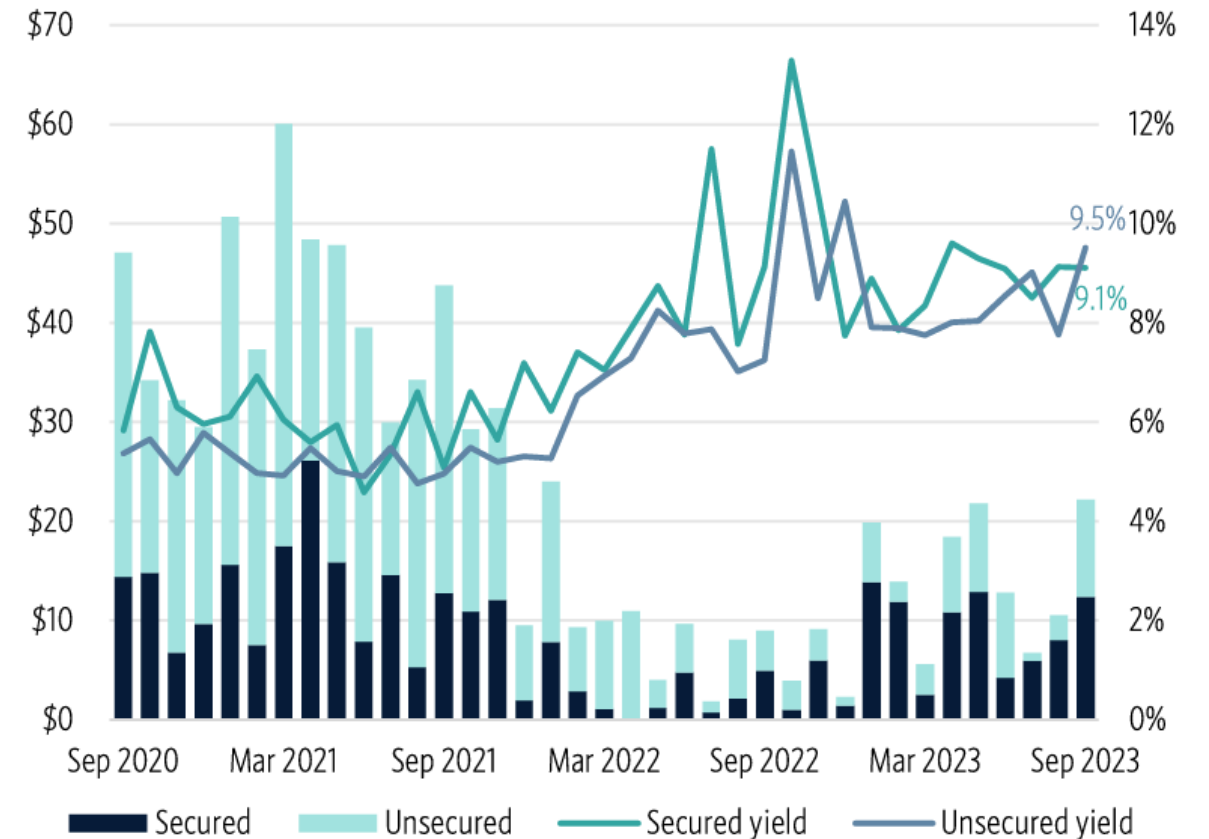
YIELDS UP; ISSUANCE DOWN

US middle-market loan value (\$B) and average new issue yield*



Source: PitchBook | LCD

US high-yield bond value (\$B) and selected yields

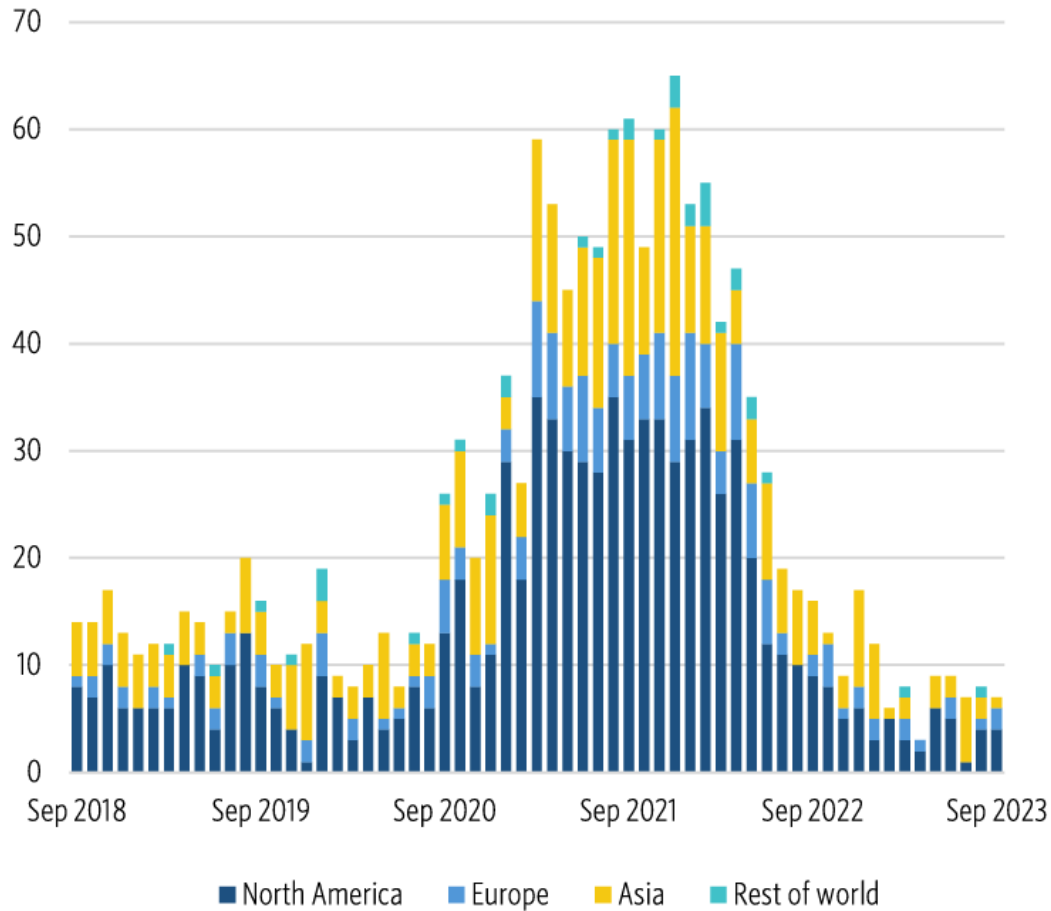


Source: PitchBook | LCD



RISK OFF – UNICORN HERD THINNING; SPACs, IPOs UNDERPERFORMING

VC-backed unicorns created monthly by HQ region



Source: PitchBook

US IPO and DeSPAC indexes versus Nasdaq three-year return*

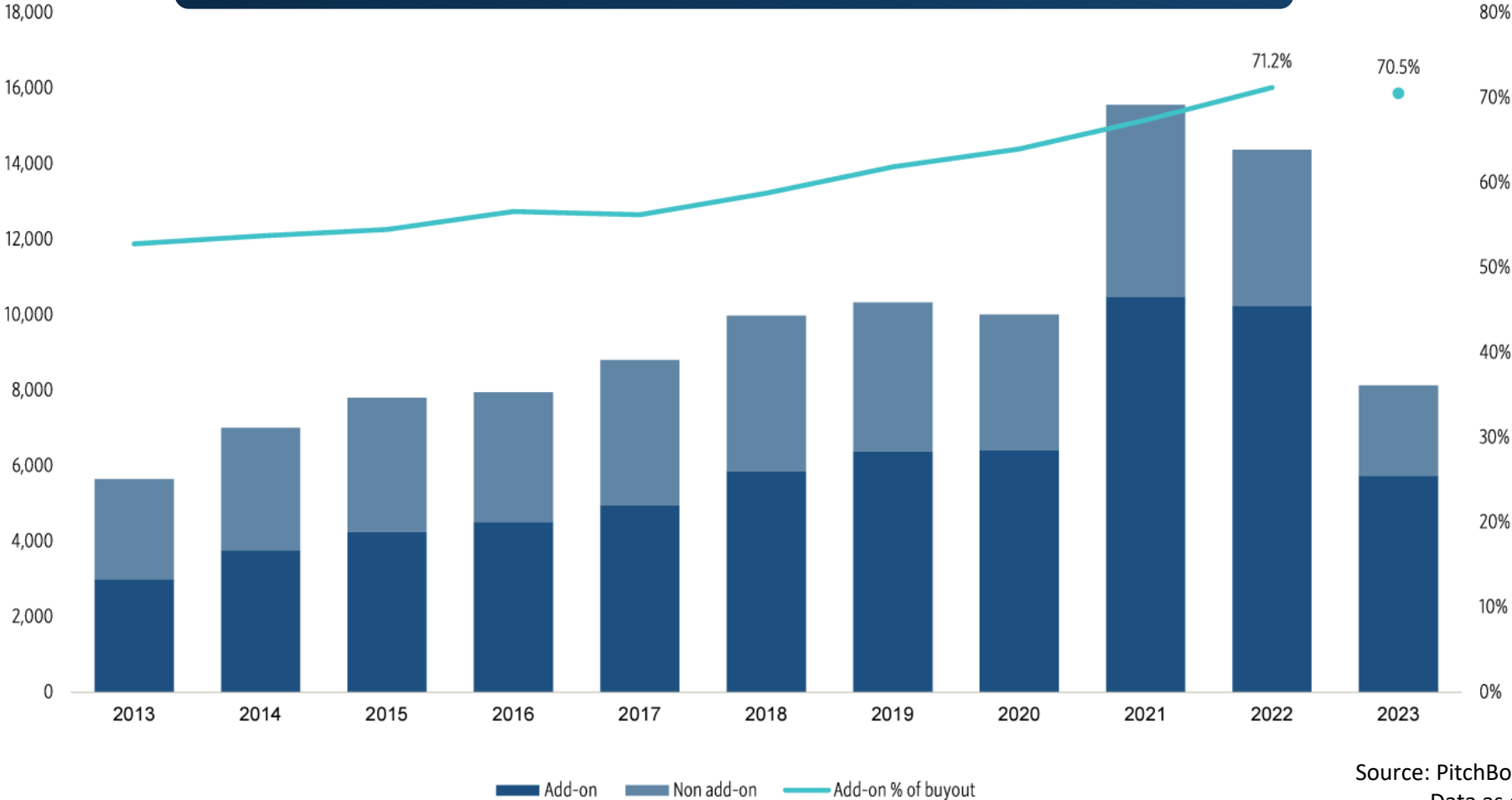


*As of September 30, 2023 | Sources: Morningstar, PitchBook



ADD-ONS AS A SHARE OF BUYOUT DEALS – OVER 70%

Add-Ons as a Share of Buyout Deals

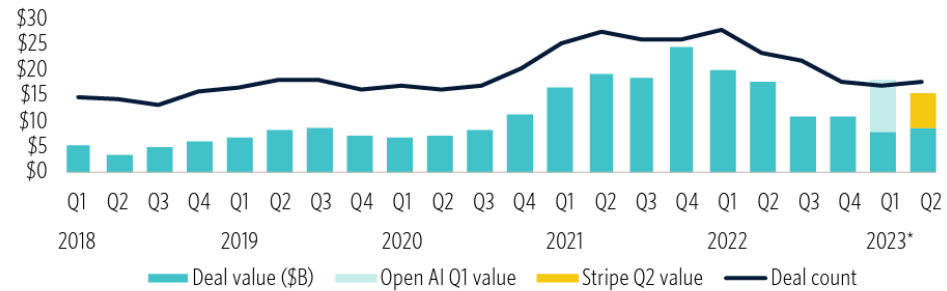


Source: PitchBook | Geography Global Data as of September 30, 2023



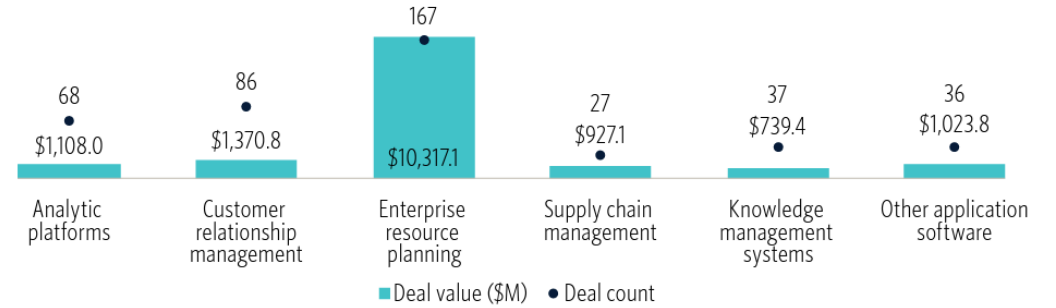
ENTERPRISE SaaS VC DEAL ACTIVITY

Enterprise SaaS VC deal activity by quarter



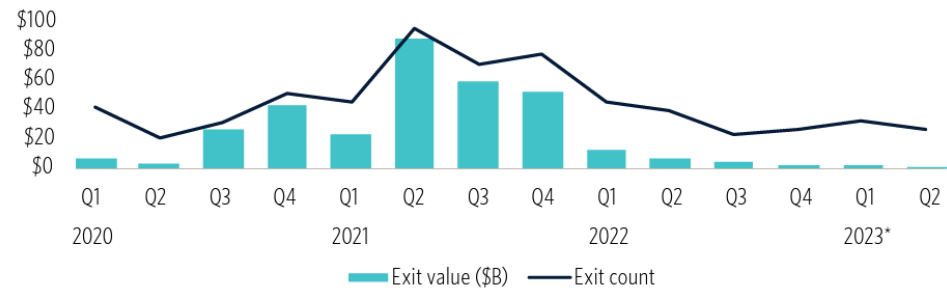
Source: PitchBook • Geography: Global • *As of June 30, 2023

Q2 2023 enterprise SaaS VC deal activity by segment*



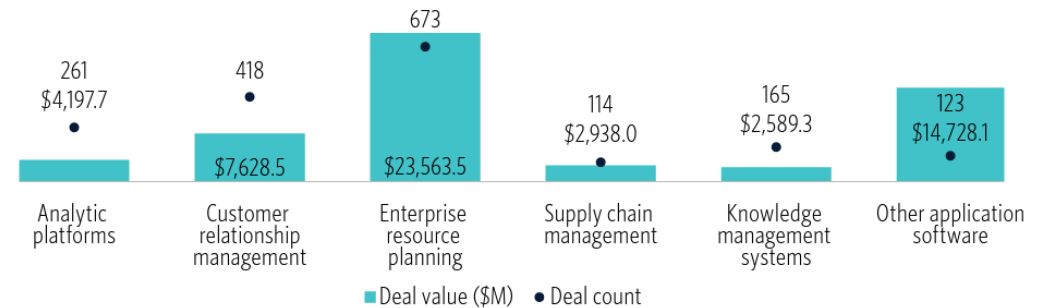
Source: PitchBook • Geography: Global • *As of June 30, 2023

Enterprise SaaS VC exit activity by quarter



Source: PitchBook • Geography: Global • *As of June 30, 2023

TTM enterprise SaaS VC deal activity by segment*

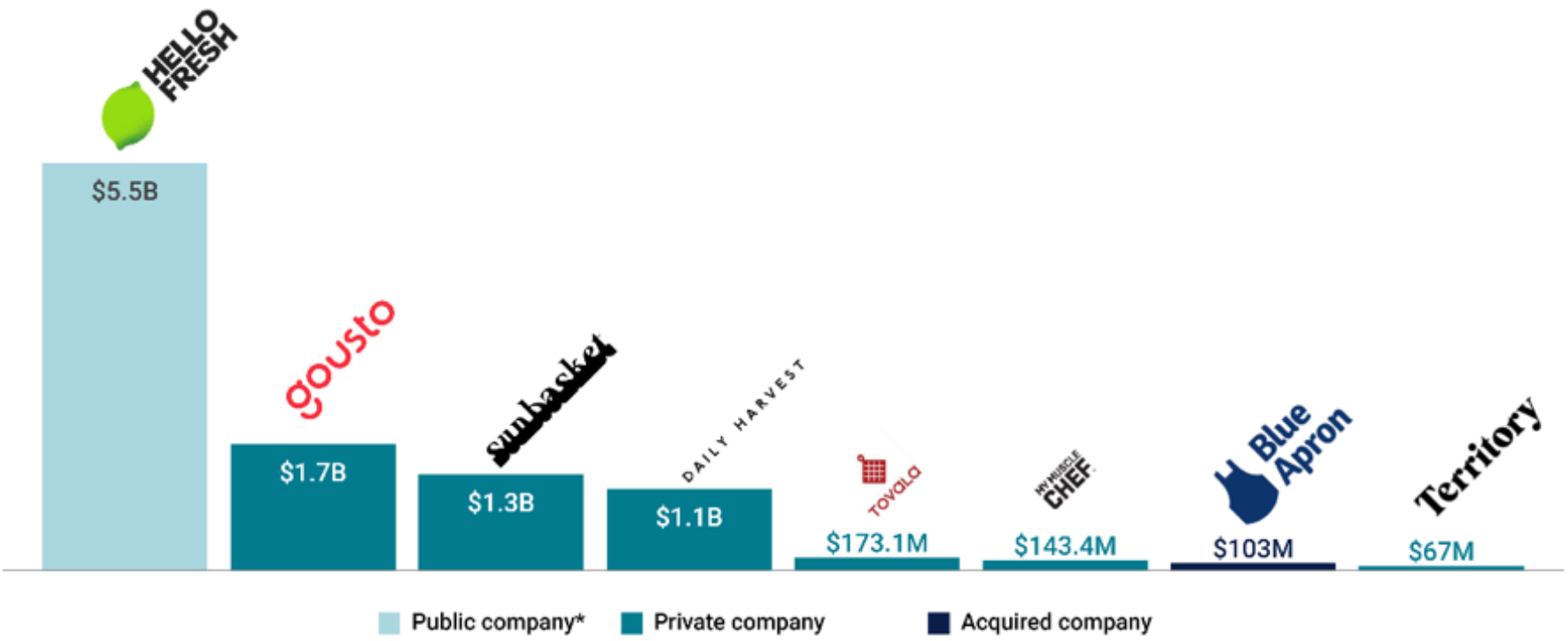


Source: PitchBook • Geography: Global • *As of June 30, 2023



MEAL KIT COMPANY VALUATIONS

Selected Meal Kit Companies by Valuation

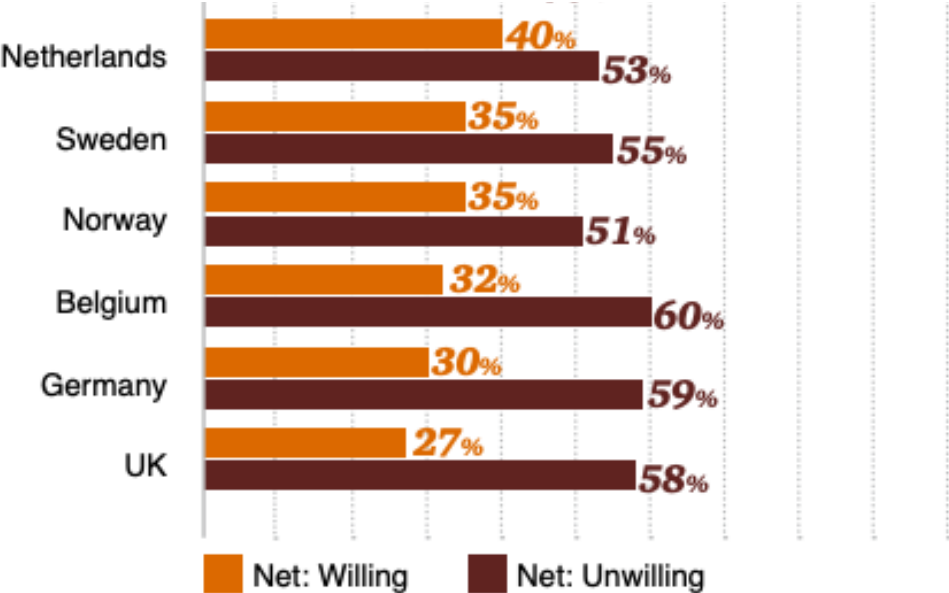


Source: CB Insights *Market Cap data as of 10/2/2023

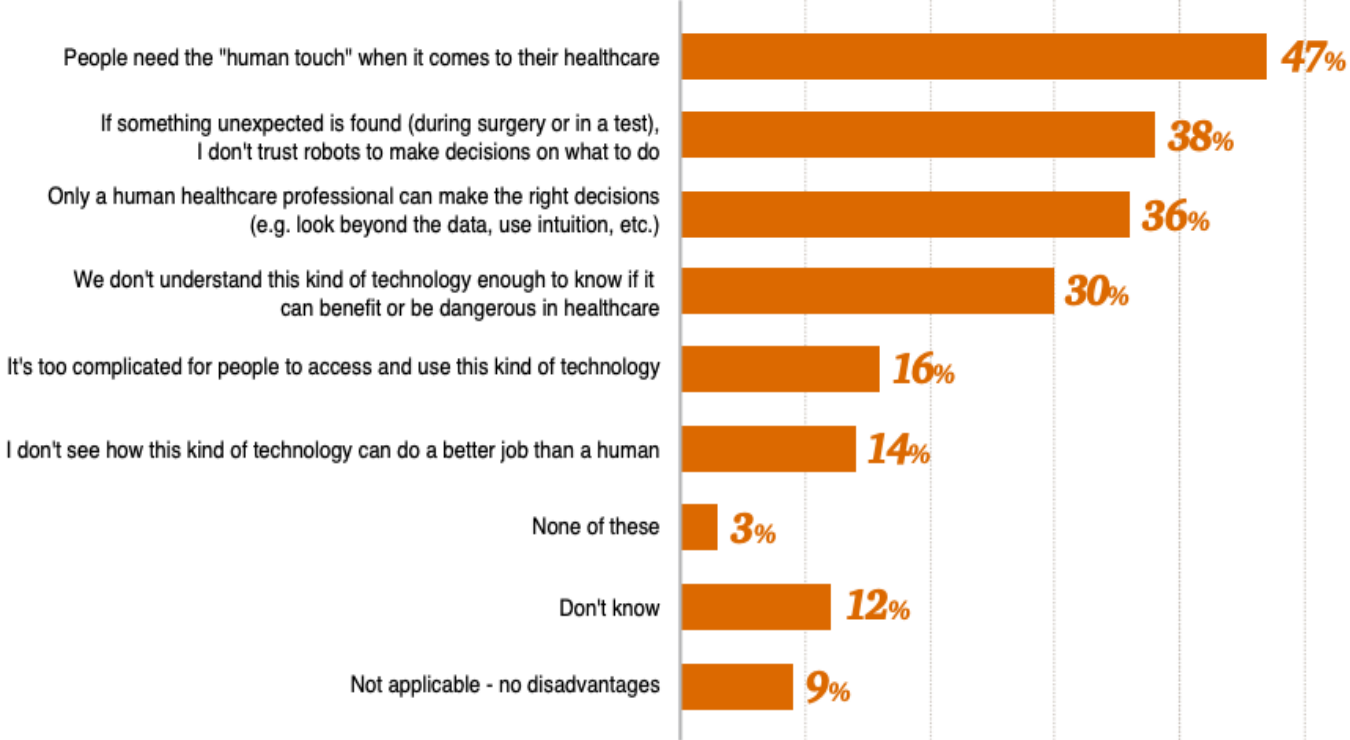


AI ROBOTS IN HEALTHCARE – THE PATIENT PERSPECTIVE

Views on Receive Major Surgery from AI/Robots



Disadvantages of Using AI/Robots for Healthcare



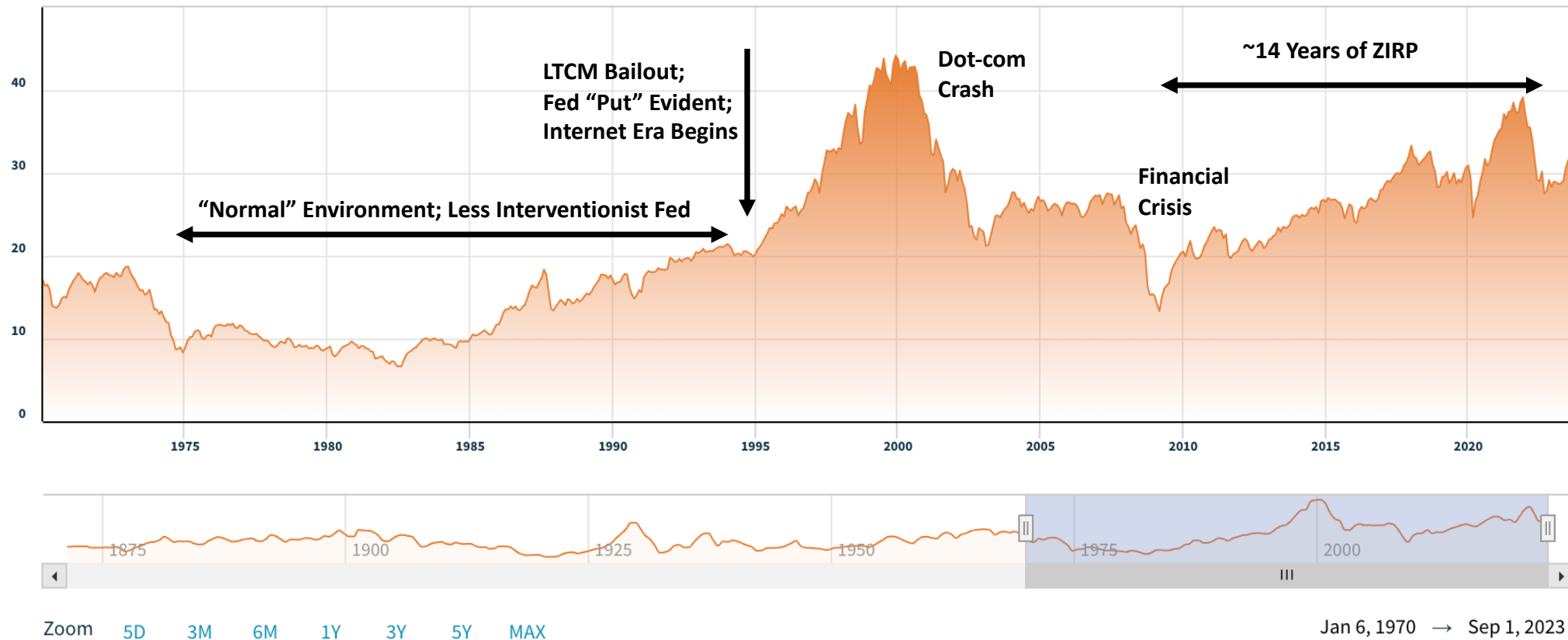
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WEEK OF 9-25



NEW ECONOMIC ERA: HIGH INTEREST RATES; VALUATION REGRESSION ...

Shiller CAPE Ratio by Month; January 1970 – September 2023



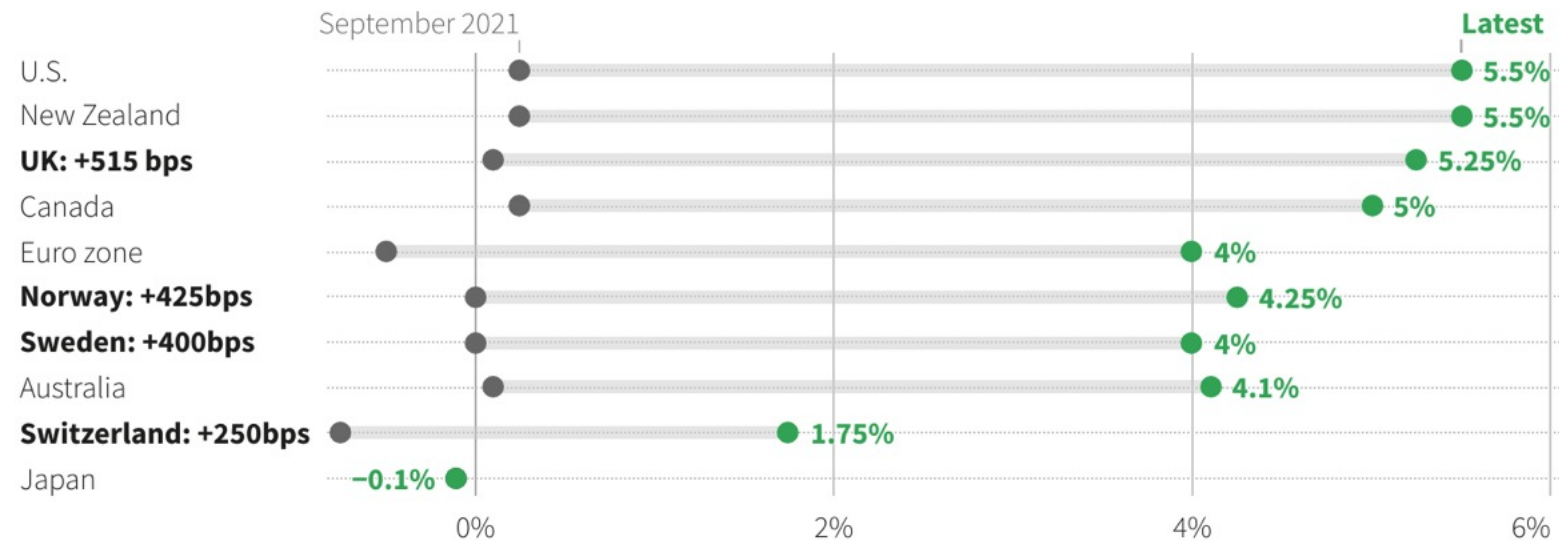
Description
Shiller PE ratio for the S&P 500. Price earnings ratio is based on average inflation-adjusted earnings from the previous 10 years, known as the Cyclically Adjusted PE Ratio (CAPE Ratio), Shiller PE Ratio, or PE 10 FAQ. Data courtesy of Robert Shiller from his book, Irrational Exuberance.



NEW ECONOMIC ERA: 5% INTEREST RATES IN CREDIT-FUELED ECONOMIES

The race to raise rates

Change in policy rates by central banks overseeing the 10 most traded currencies



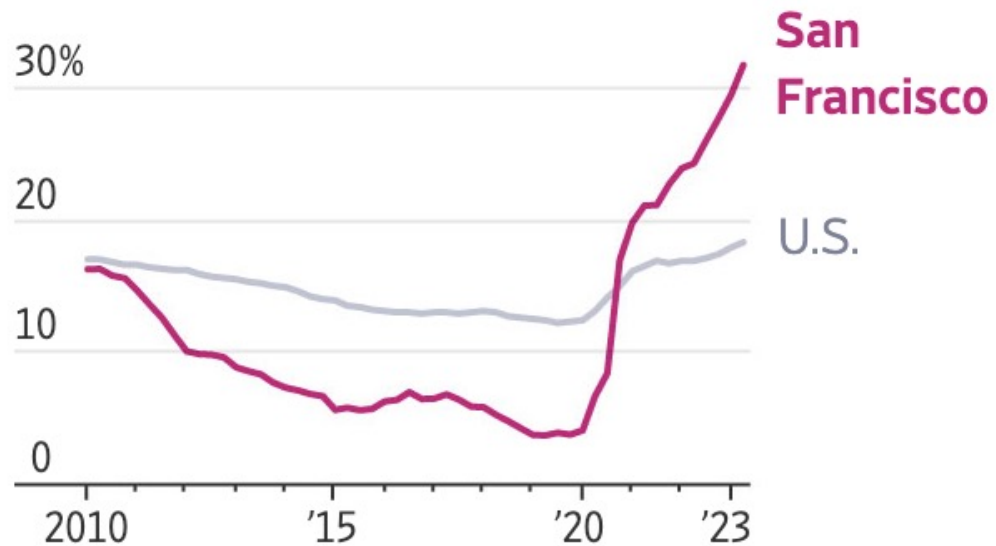
Note: As of September 21, 2023.

Source: LSEG Datastream | Reuters, September 21, 2023 | By Sumanta Sen



SHIP HAS HIT THE ICEBERG: SAN FRANCISCO OFFICE MARKET

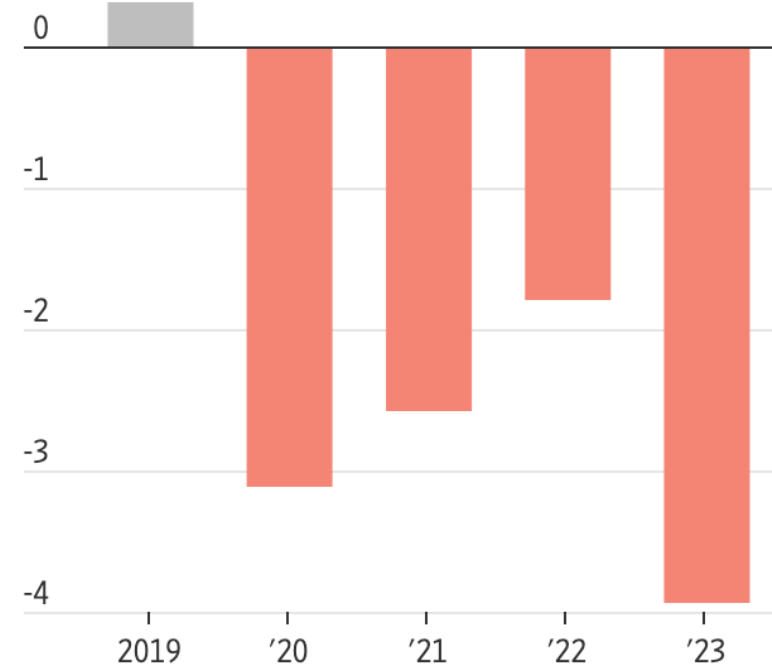
Office vacancy rates



Source: CBRE Econometric Advisors

Change in occupied-office space in San Francisco, in the first half of each year

1 million square feet



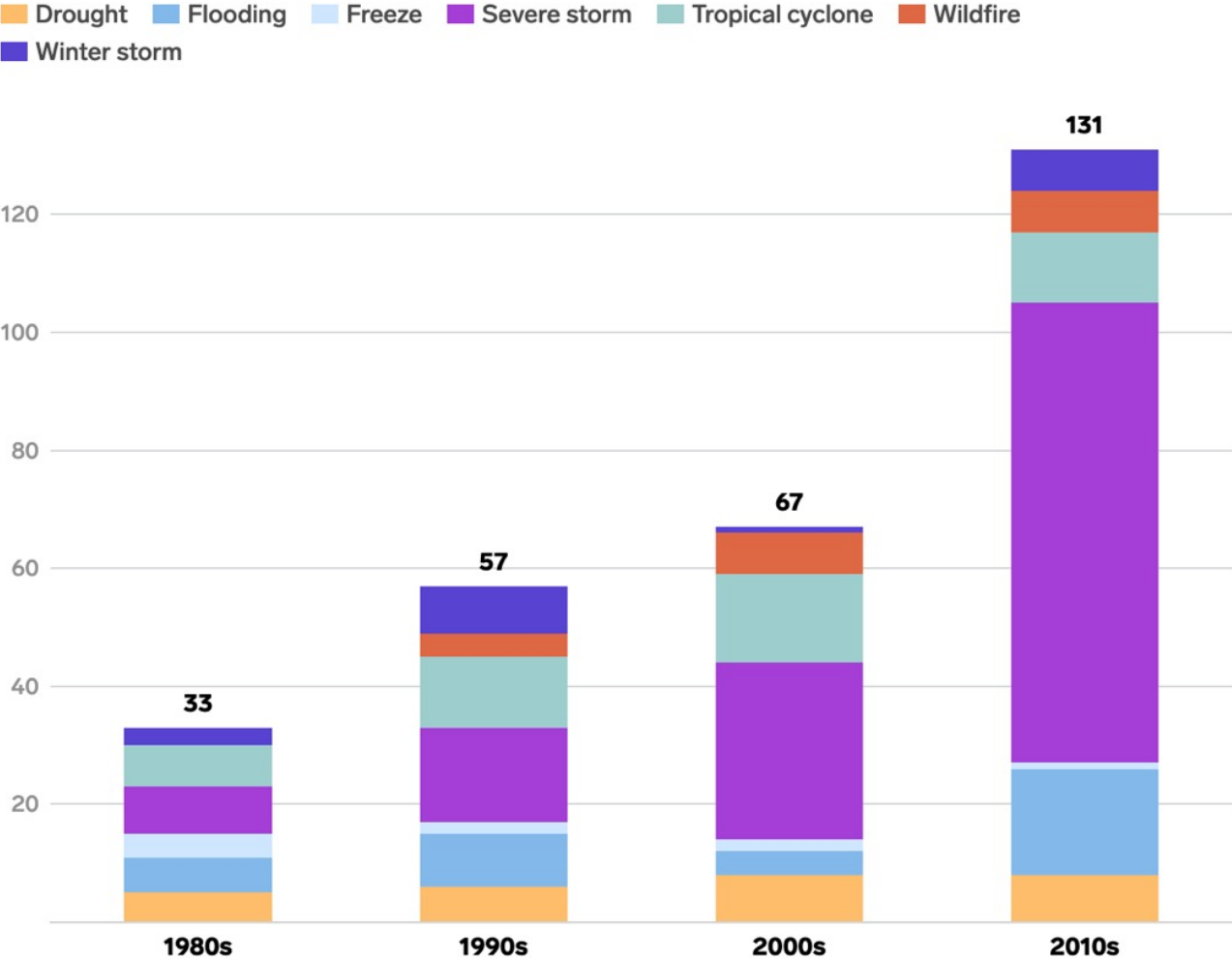
Source: CoStar Group

Source: The Wall Street Journal



EXOGENOUS “BLACK SWAN” EVENTS – WEATHER AND CLIMATE

Billion-dollar weather and climate events by decade

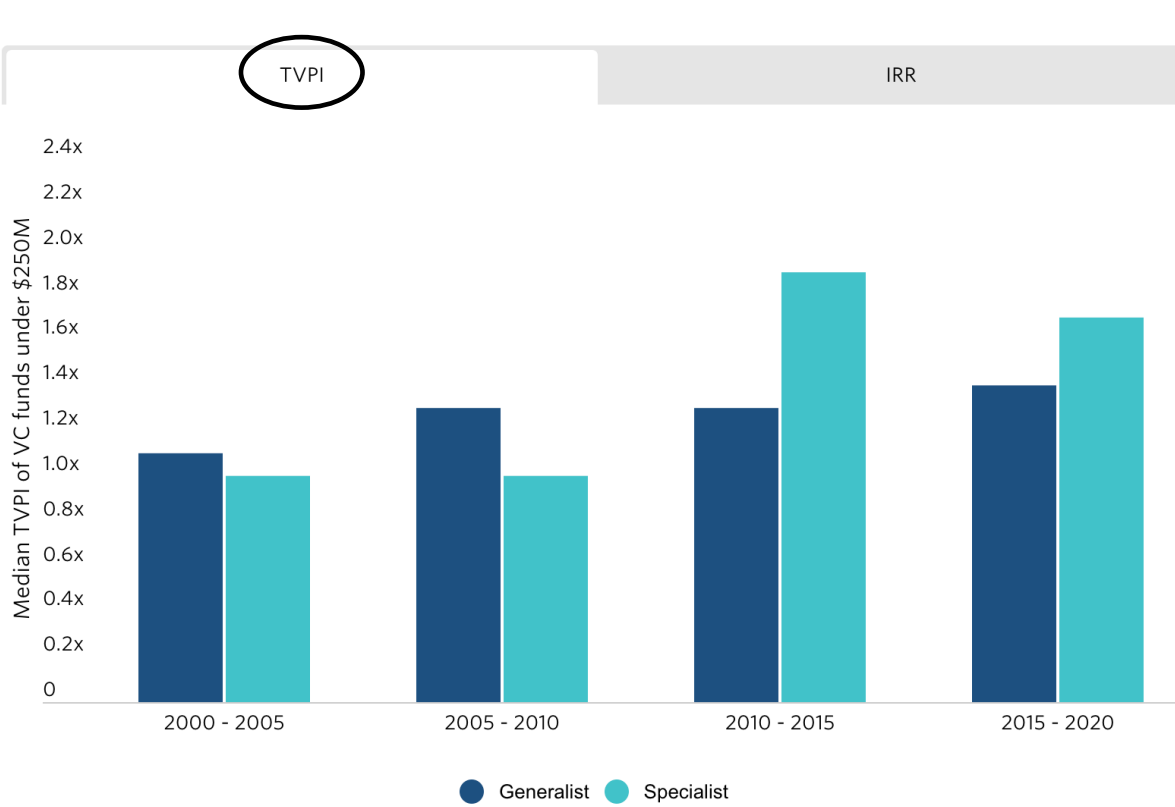


Note: All costs are CPI Adjusted



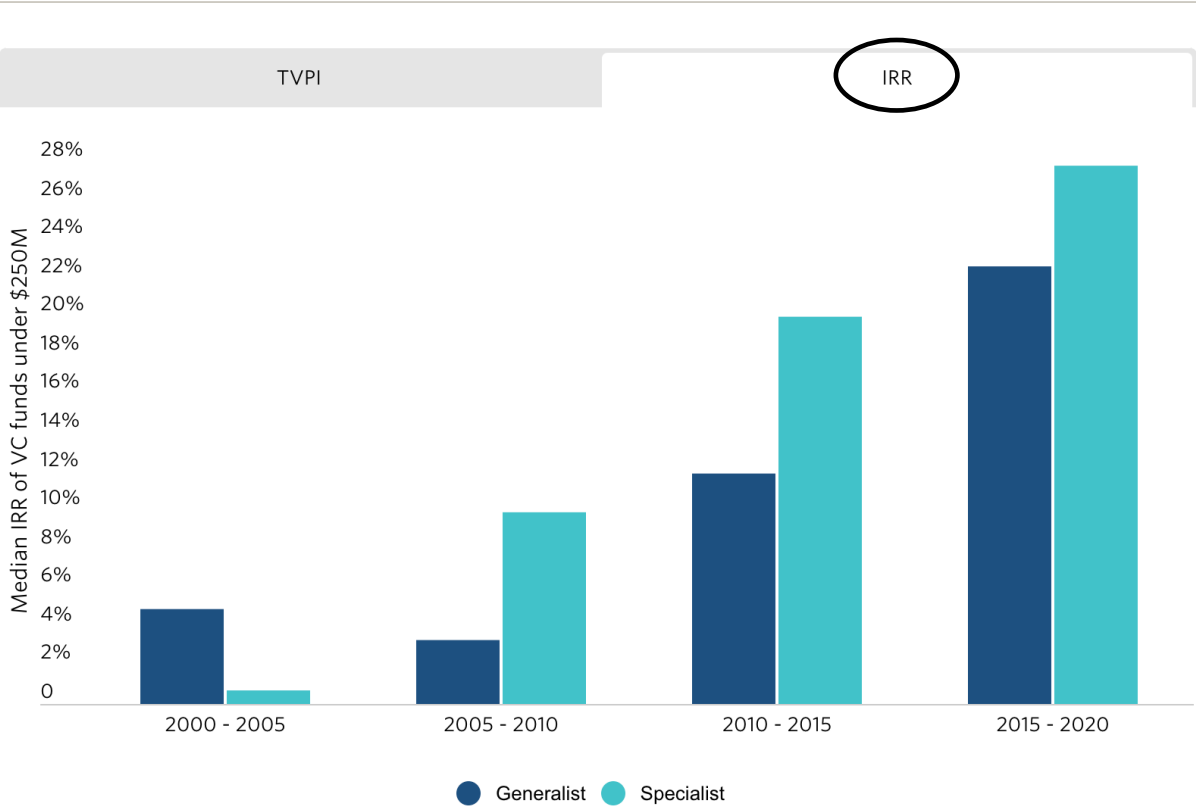
SMALLER, SPECIALIZED VC FUNDS OUTPERFORM LARGE AND GENERALIST

Performance of VC funds under \$250M by vintage cohort and style



Source: PitchBook data
*As of Dec. 31, 2022

Performance of VC funds under \$250M by vintage cohort and style

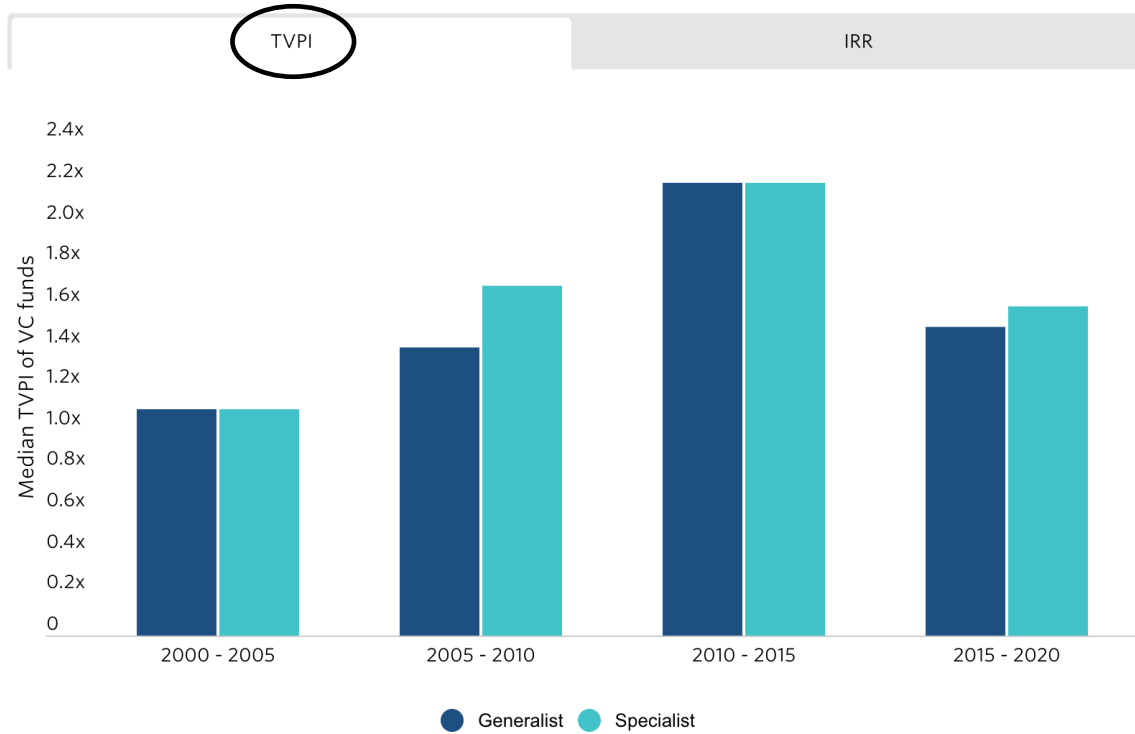


Source: PitchBook data
*As of Dec. 31, 2022



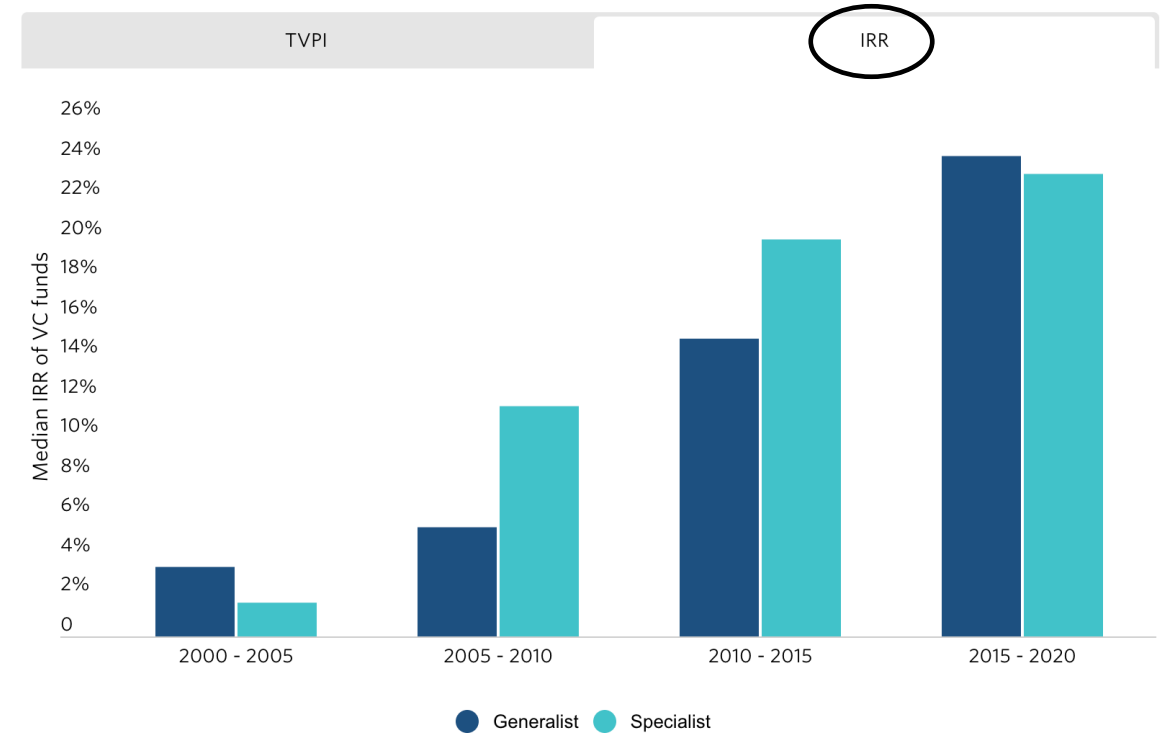
VC FUND PERFORMANCE – ALL FUNDS

Overall performance of VC funds by vintage cohort and style



Source: PitchBook data
*As of Dec. 31, 2022

Overall performance of VC funds by vintage cohort and style



Source: PitchBook data
*As of Dec. 31, 2022



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WEEK OF 9-18



NATIONAL DEBT: \$1 TRILLION INCREASE IN 3 MONTHS – UNSUSTAINABLE

National Debt: September 19, 2023

WHAT IS THE NATIONAL DEBT TODAY?

\$33,053,824,414,691

That's



\$98,815

for every single person in America.

... June 16, 2023

US NATIONAL DEBT SURPASSES \$32 TRILLION

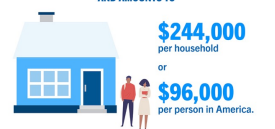


\$32 TRILLION IS MORE THAN THE VALUE OF THE ECONOMIES OF



COMBINED

AND AMOUNTS TO



SILVERWOOD PARTNERS

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Source: The Peter G. Peterson Foundation



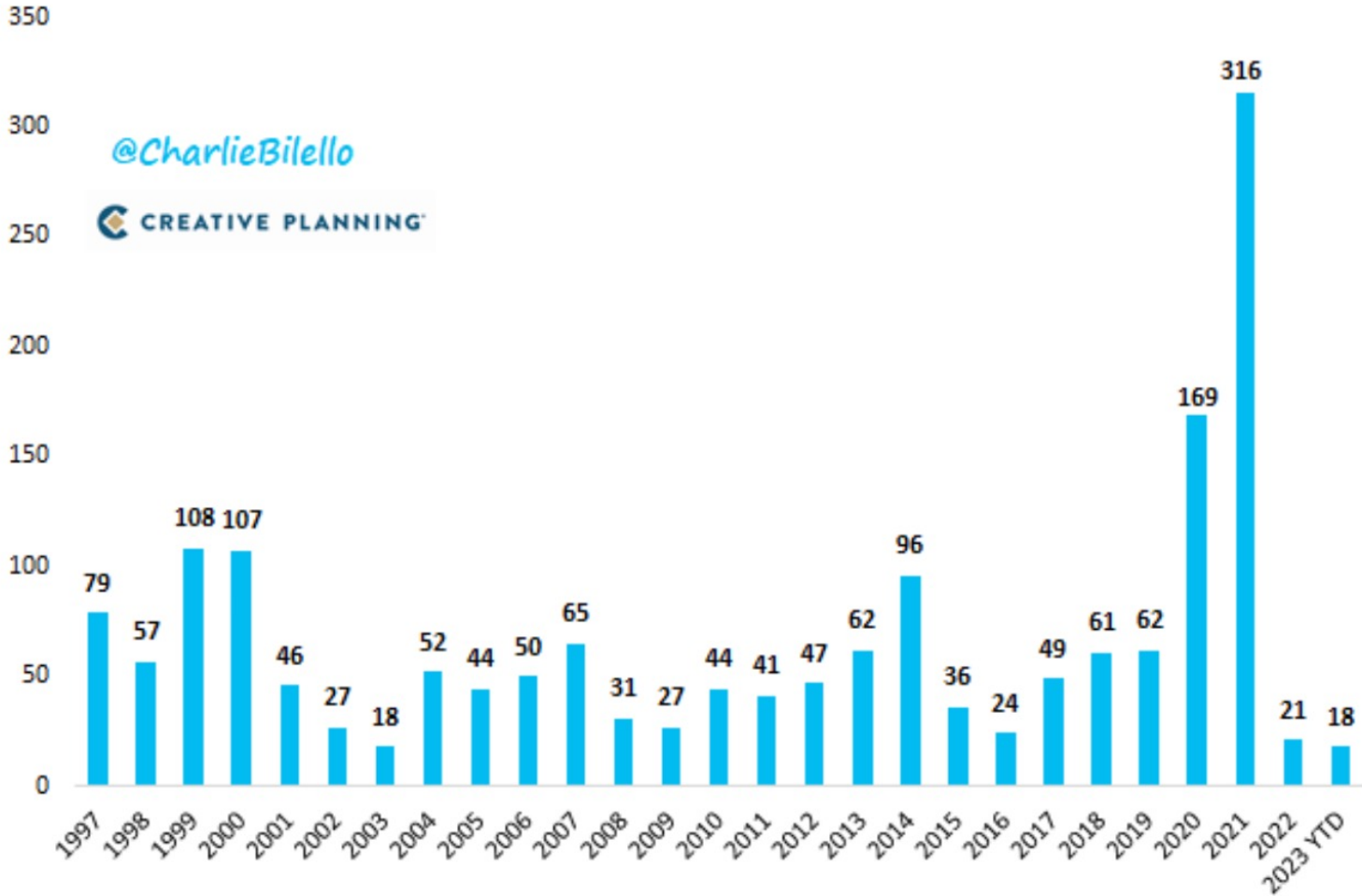
SILVERWOOD PARTNERS

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Source: Peter G. Peterson Foundation

US IPO MARKET REMAINS AT HISTORICAL LOWS

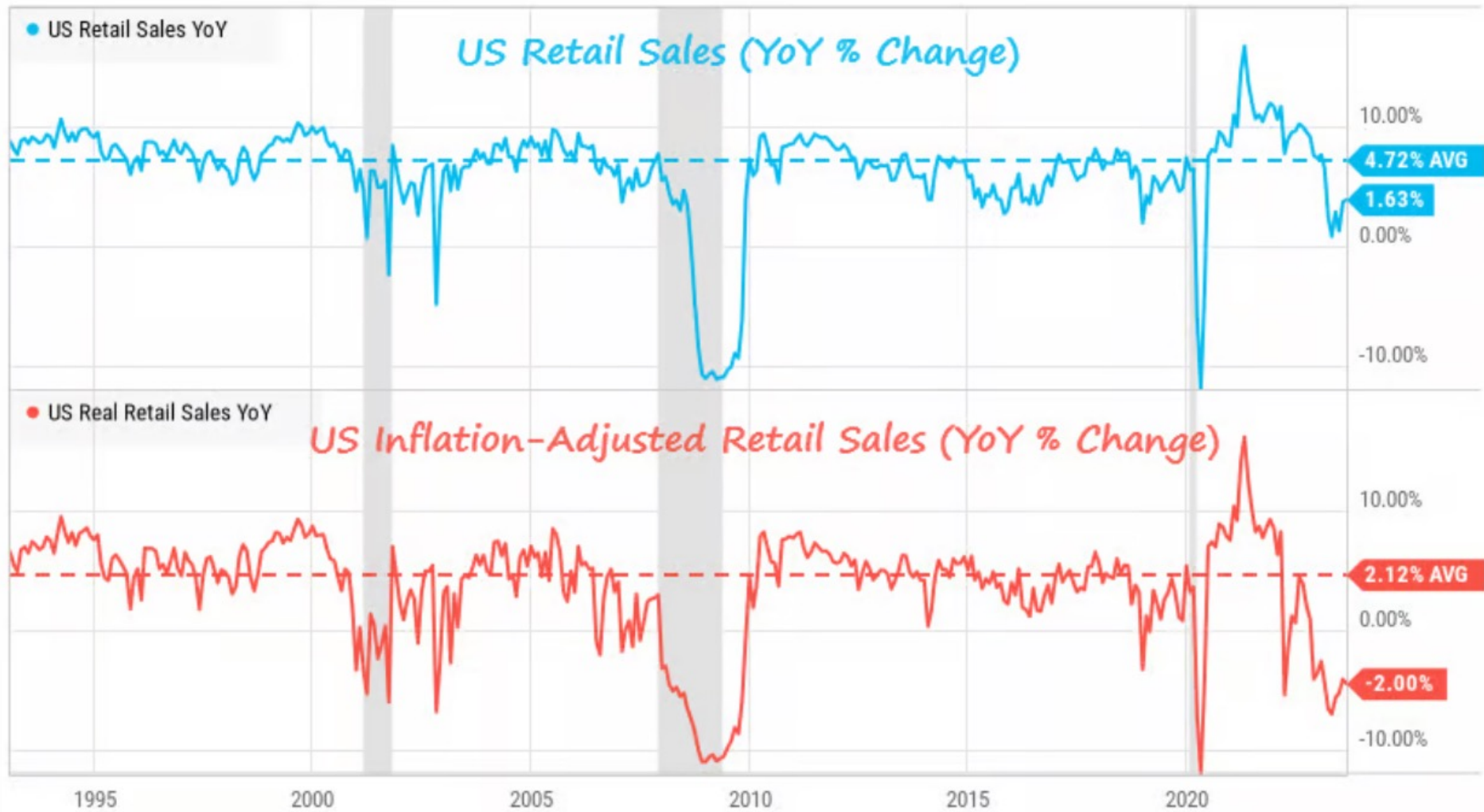
US IPO Issuance in \$Billions
(Sources: WSJ, Dealogic, SPAC Research)



@CharlieBilello



RETAIL SALES ROLLING OVER



CREATIVE PLANNING @CharlieBilello

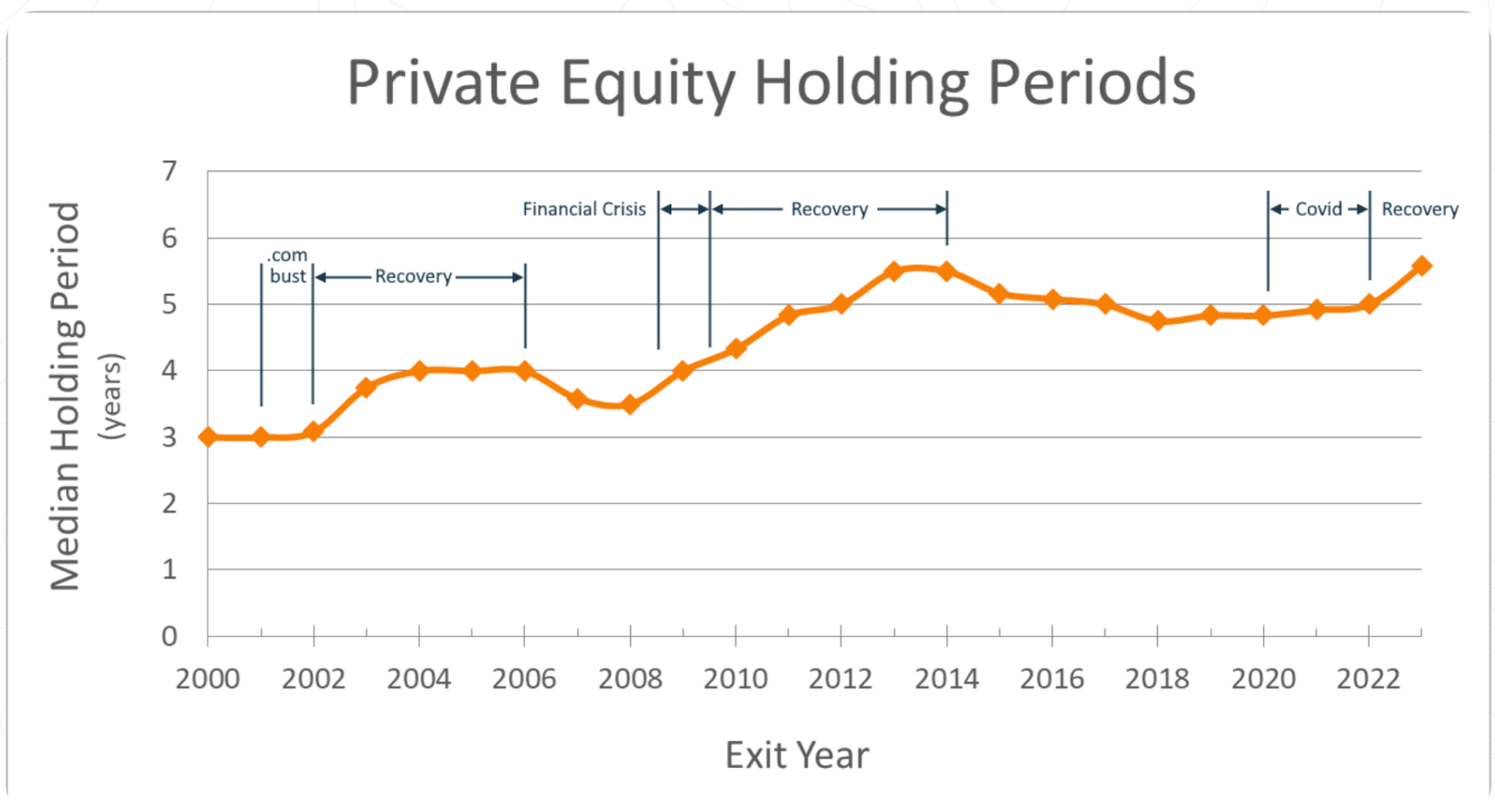
Sep 14 2023, 9:35AM EDT. Powered by YCHARTS



SILVERWOOD PARTNERS

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PRIVATE EQUITY HOLDING PERIOD AT 20-YEAR HIGH



2023 Median Holding Period = 5.6 years

Source: Private Equity Info



TECH M&A DEAL VOLUME AND VALUE



In Q2, tech M&A deal volume falls to its lowest level since 2020's Covid lockdowns. M&A valuations rebound a bit.

Global tech M&A deal volume and aggregate disclosed target company valuation, Q1'19 – Q2'23

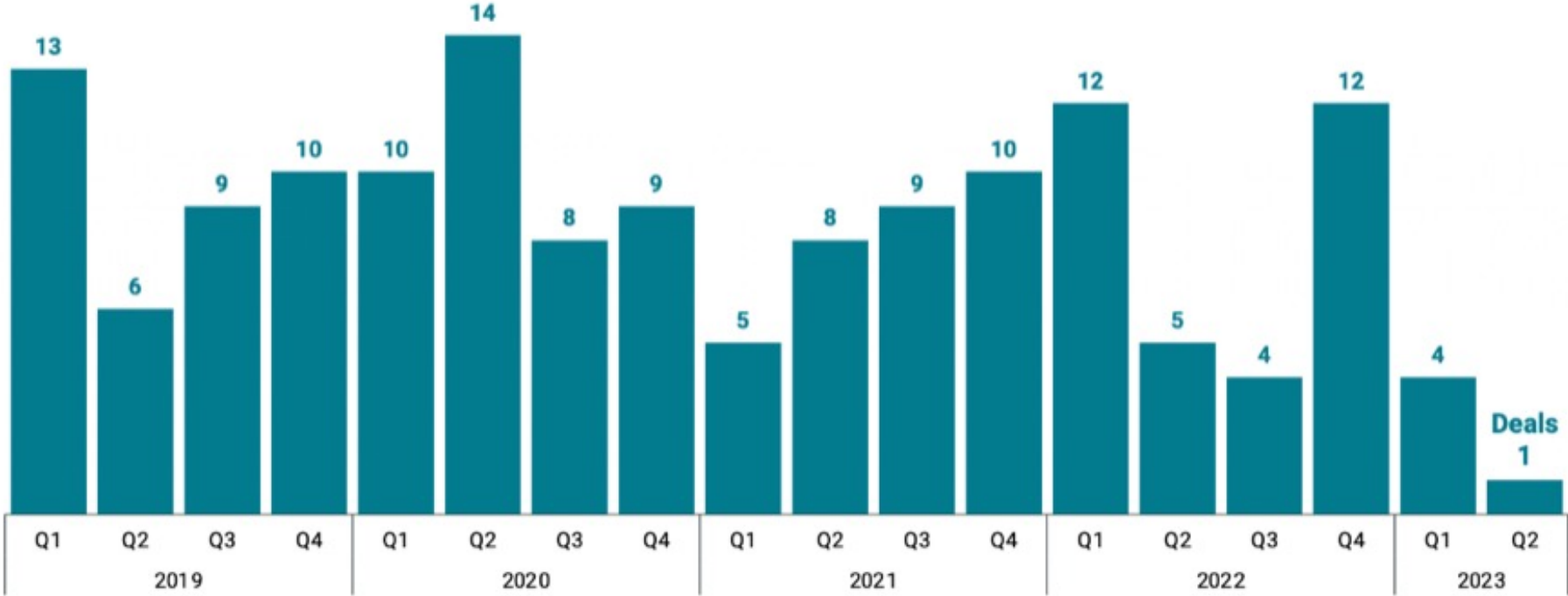


BIG TECH M&A VOLUME – MINIMAL ACTIVITY



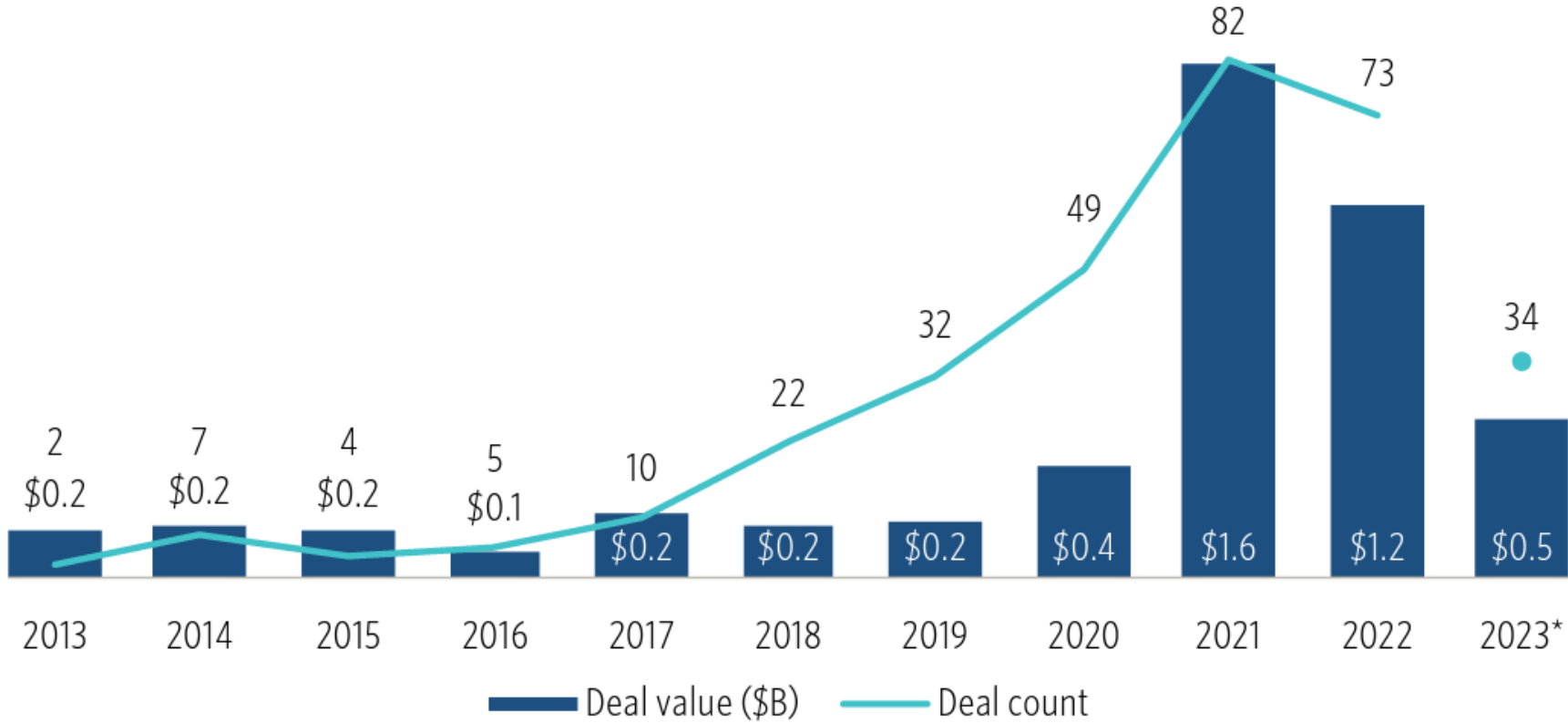
Big tech is also “risk-off” given economic and regulatory (anti-trust) climate – M&A volume hits an 18-quarter low

Number of M&A transactions by big tech, Q1'19 – Q2'23



VC INVESTMENT IN CULTIVATED PROTEIN

Cultivated protein VC deal activity

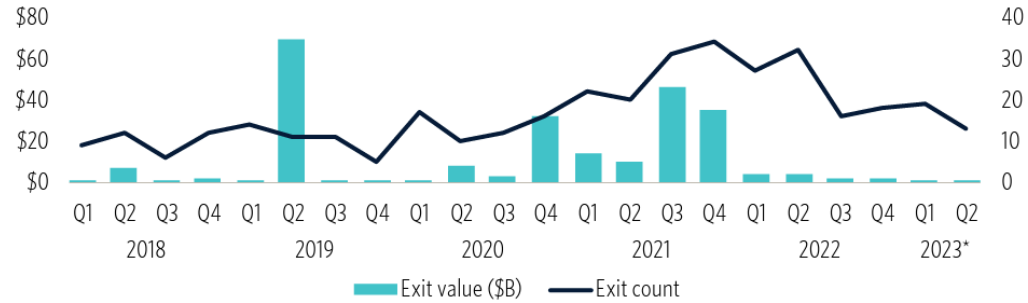


Source: PitchBook • Geography: Global
*As of August 21, 2023



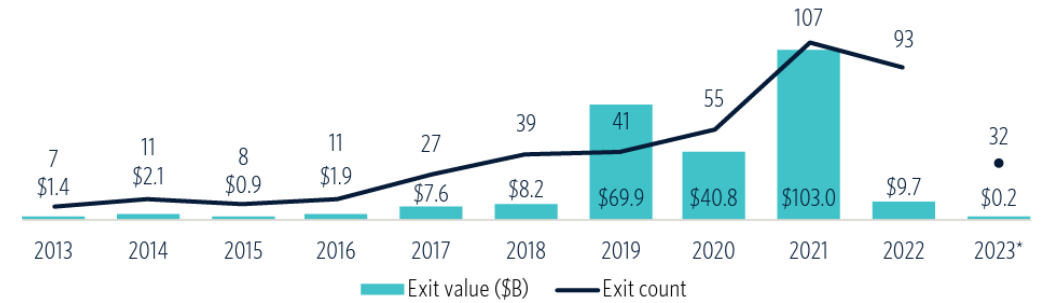
FOODTECH VC DEAL ACTIVITY

Foodtech VC exit activity by quarter



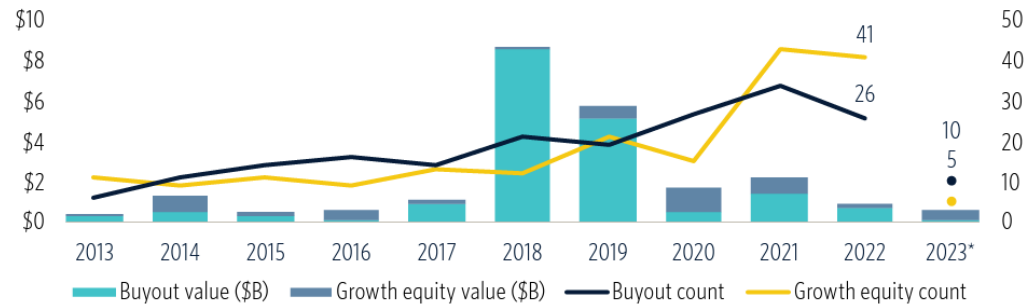
Source: PitchBook • Geography: Global • *As of June 30, 2023

Foodtech VC exit activity



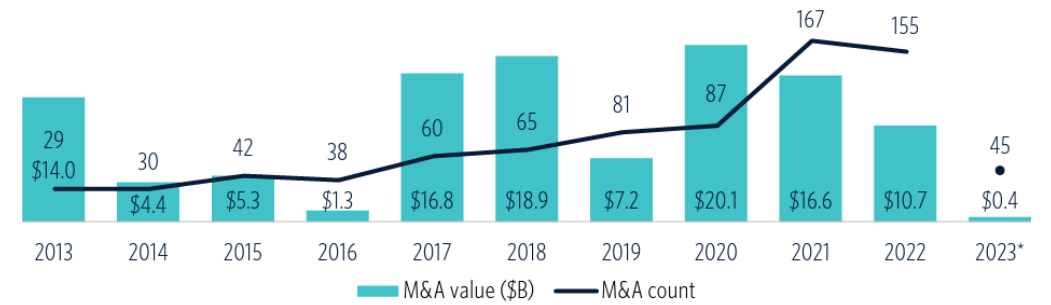
Source: PitchBook • Geography: Global • *As of June 30, 2023

Foodtech PE deal activity by type



Source: PitchBook • Geography: Global • *As of June 30, 2023

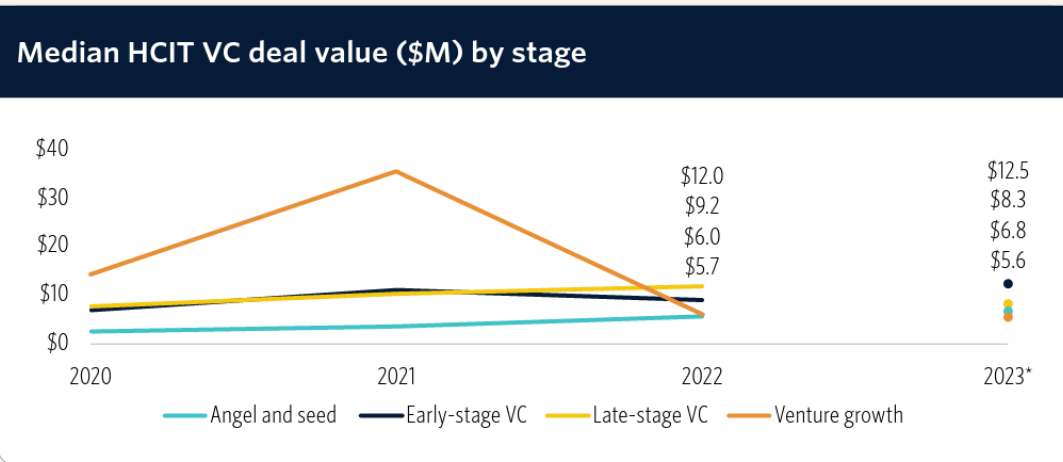
Foodtech M&A activity



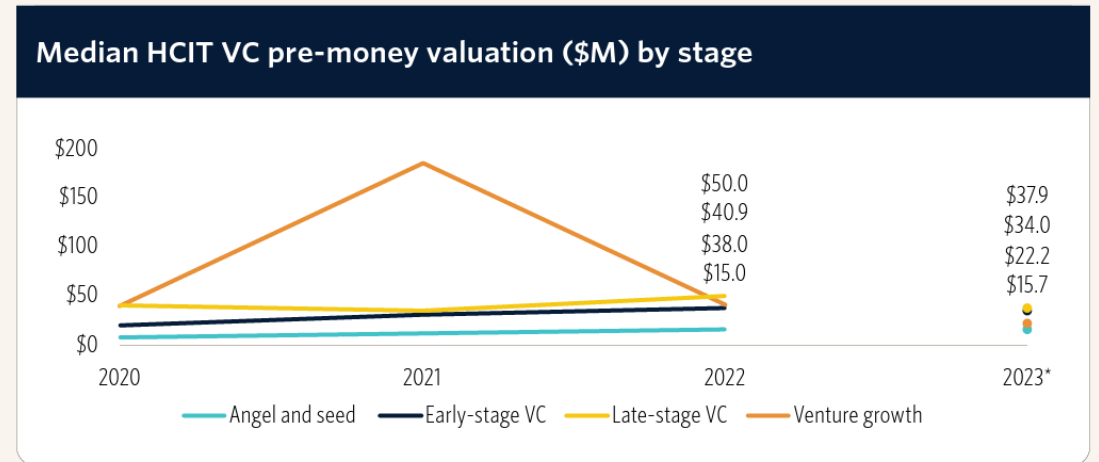
Source: PitchBook • Geography: Global • *As of June 30, 2023



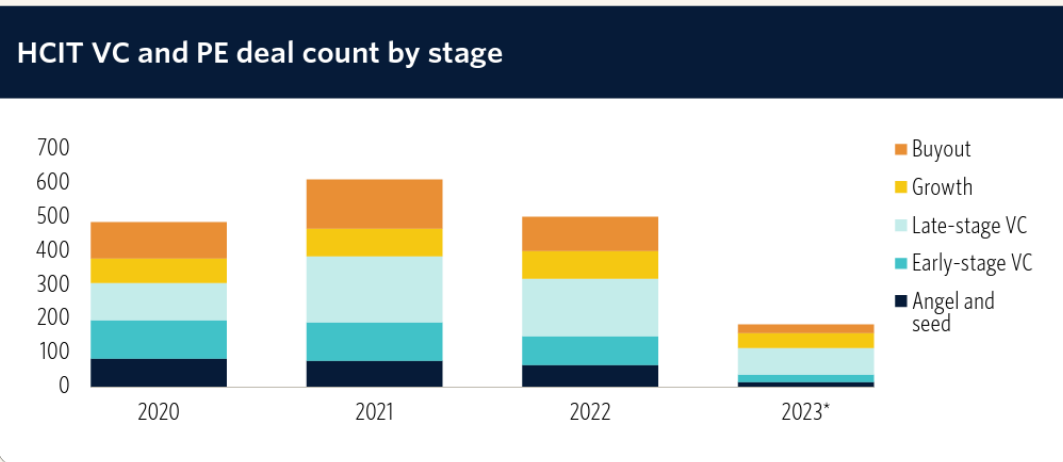
PE AND VC HEALTHCARE INFORMATION TECHNOLOGY DEAL ACTIVITY



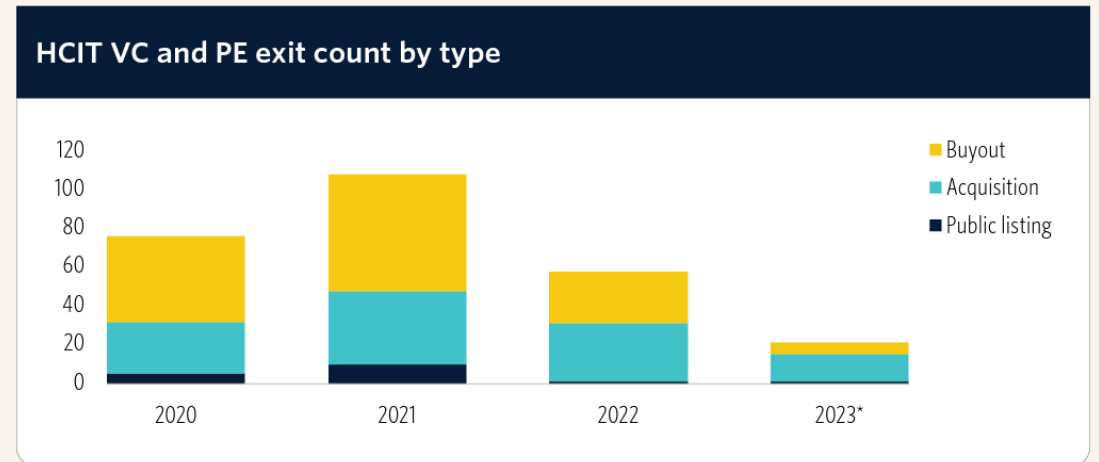
Source: PitchBook • Geography: Global • *As of June 30, 2023



Source: PitchBook • Geography: Global • *As of June 30, 2023



Source: PitchBook • Geography: Global • *As of June 30, 2023

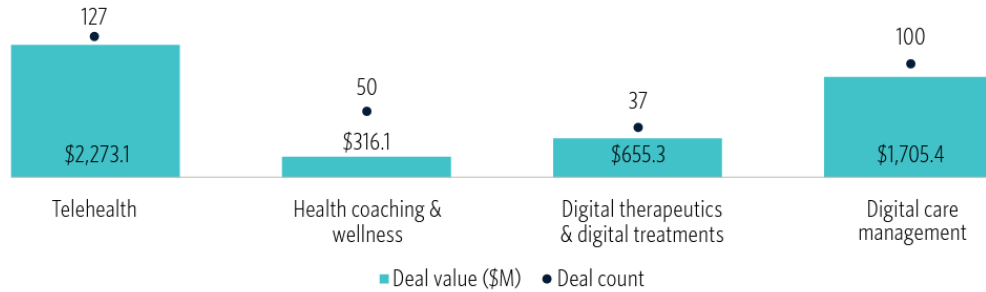


Source: PitchBook • Geography: Global • *As of June 30, 2023



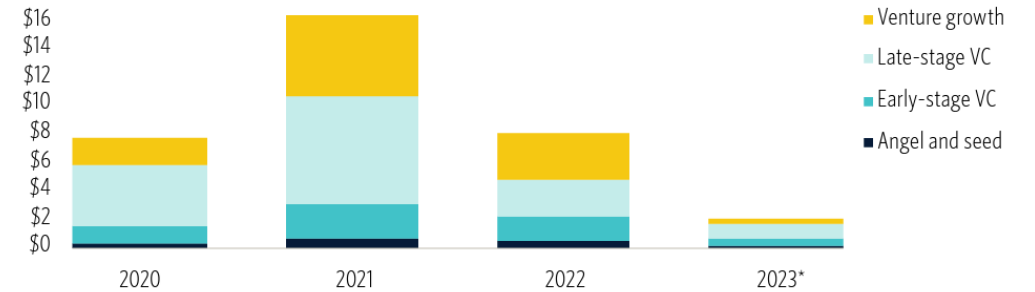
DIGITAL HEALTH VC DEAL ACTIVITY

Trailing 12-month (TTM) digital health VC deal activity by segment*



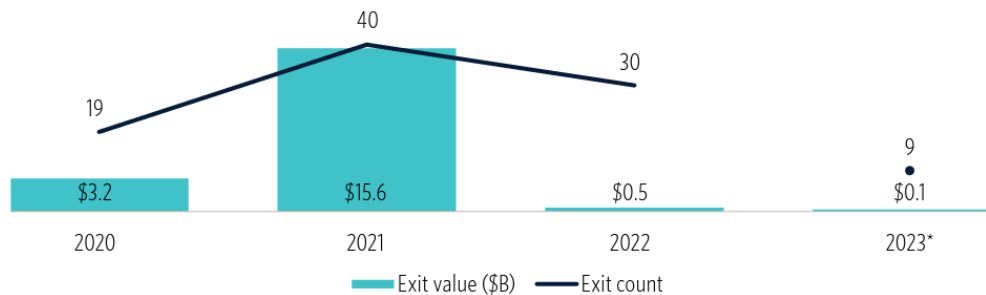
Source: PitchBook • Geography: Global • *As of June 30, 2023

Digital health VC deal value (\$B) by stage



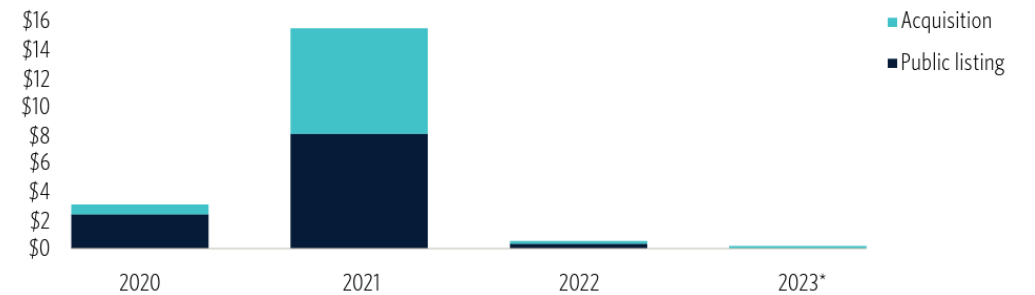
Source: PitchBook • Geography: Global • *As of June 30, 2023

Digital health VC exit activity



Source: PitchBook • Geography: Global • *As of June 30, 2023

Digital health VC exit value (\$B) by type



Source: PitchBook • Geography: Global • *As of June 30, 2023

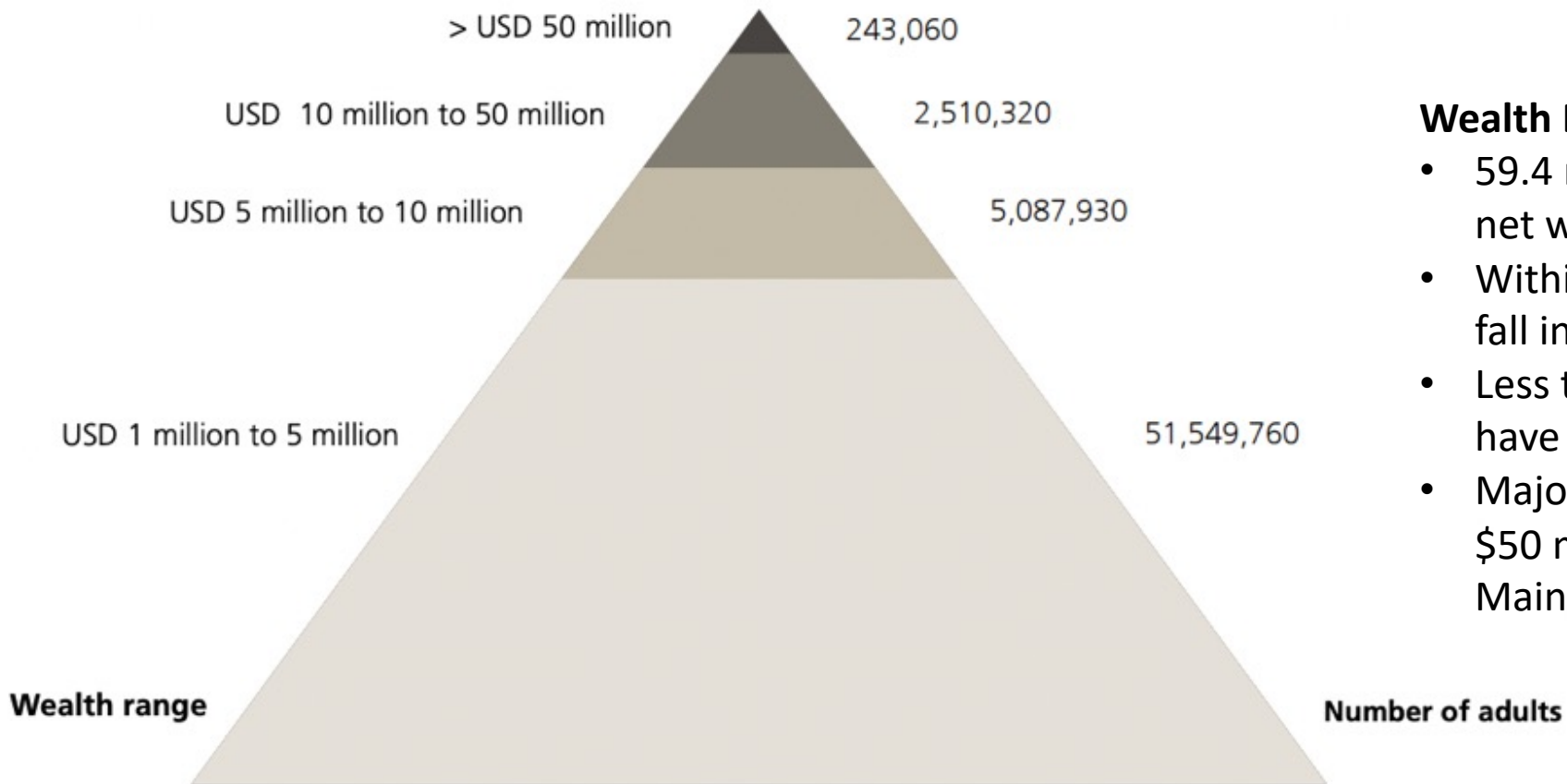


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WEEK OF 9-11



GLOBAL WEALTH PYRAMID – WHERE'S THE MONEY



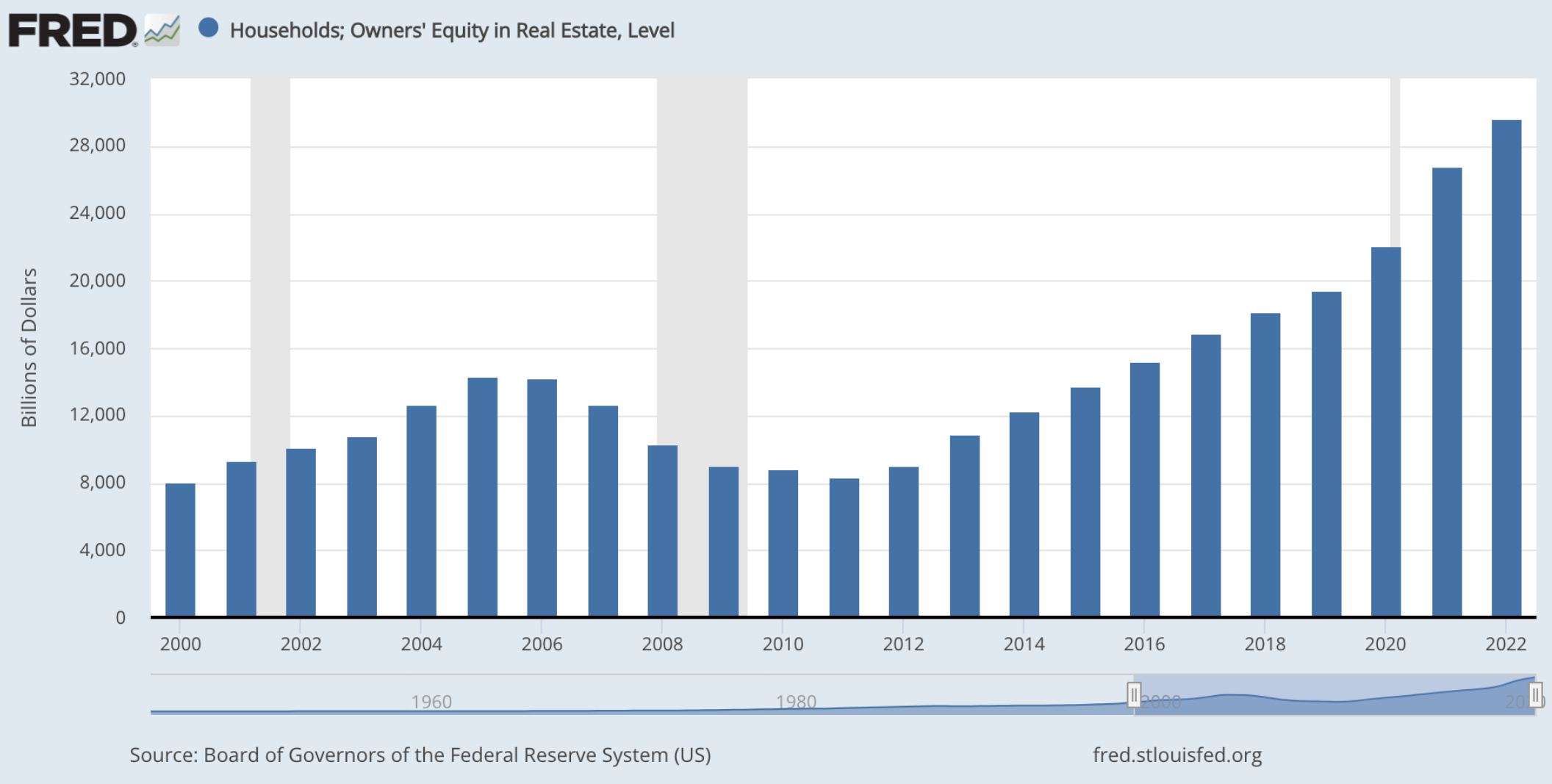
Wealth Distribution

- 59.4 million adults across the globe have a net worth of over \$1 million
- Within that cohort, 51.5 million (~87%) fall into the \$1 million to \$5 million range
- Less than 1% of the world's millionaires have a net worth of more than \$50 million
- Majority of individuals with wealth over \$50 million live in the USA, followed by Mainland China and Germany

Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Global Wealth Databook 2023



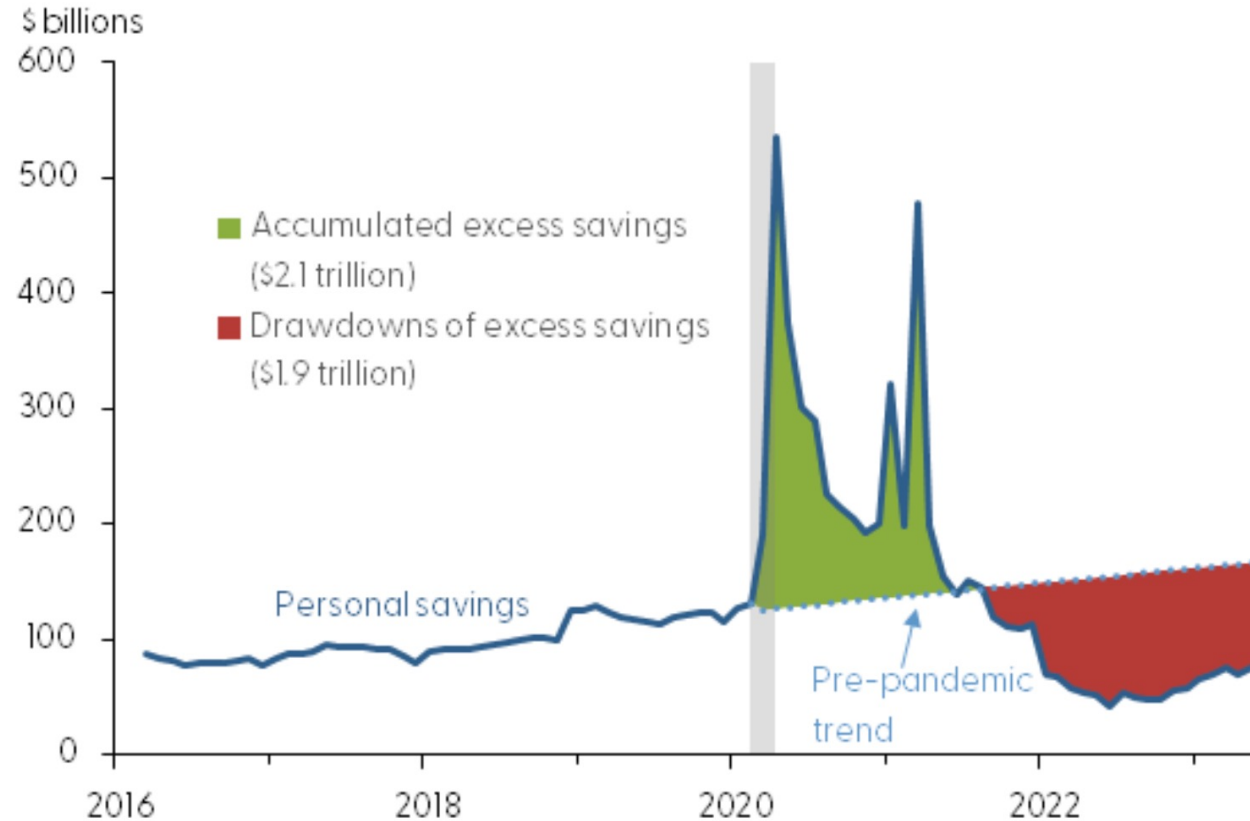
US HOUSEHOLDS OWNERS' EQUITY – \$20+ TRILLION GAIN IN 12 YEARS



EXCESS SAVINGS DEPLETION: \$2 TRILLION IN 2 YEARS

“Our estimates suggest that a relatively small amount—around \$190 billion—remains in the overall economy [in June 2023], and we expect the aggregate stock of excess savings will likely be depleted during the third quarter of 2023—that is, the current quarter—”
Federal Reserve Bank of San Francisco

Aggregate Personal Savings vs. the Pre-Pandemic Trend



Note: Excess savings calculated as the accumulated difference in actual de-annualized personal savings and the trend implied by data for the 48 months leading up to the first month of the 2020 recession as defined by the National Bureau of Economic Research.

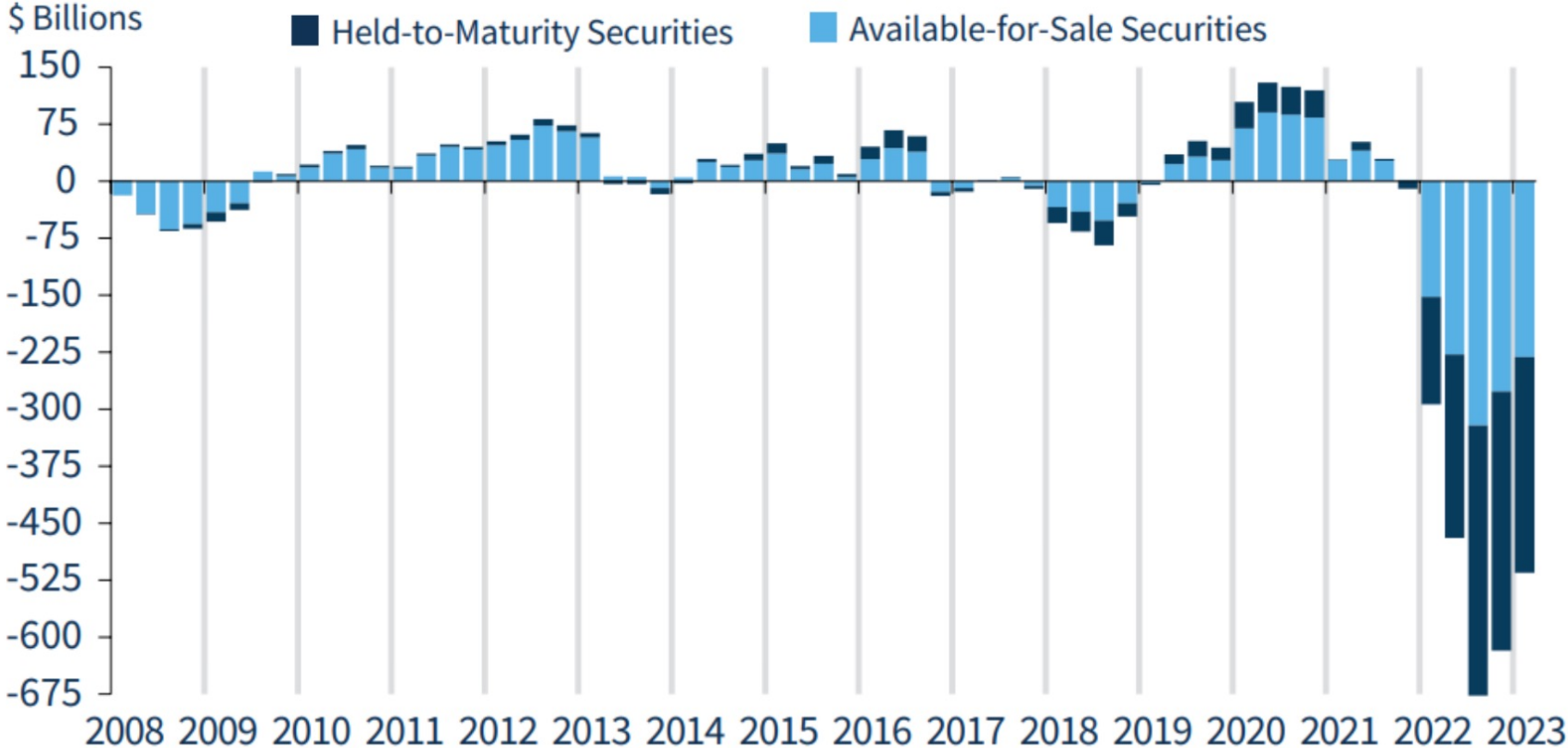
Source: Bureau of Economic Analysis,
Hamza Abdelrahman and Luiz E. Oliveira, Federal Reserve Bank of San Francisco



BANK BALANCE SHEETS STILL DEEP UNDERWATER

Unrealized Gains (Losses) on Investment Securities

All FDIC-Insured Institutions



Source: FDIC.

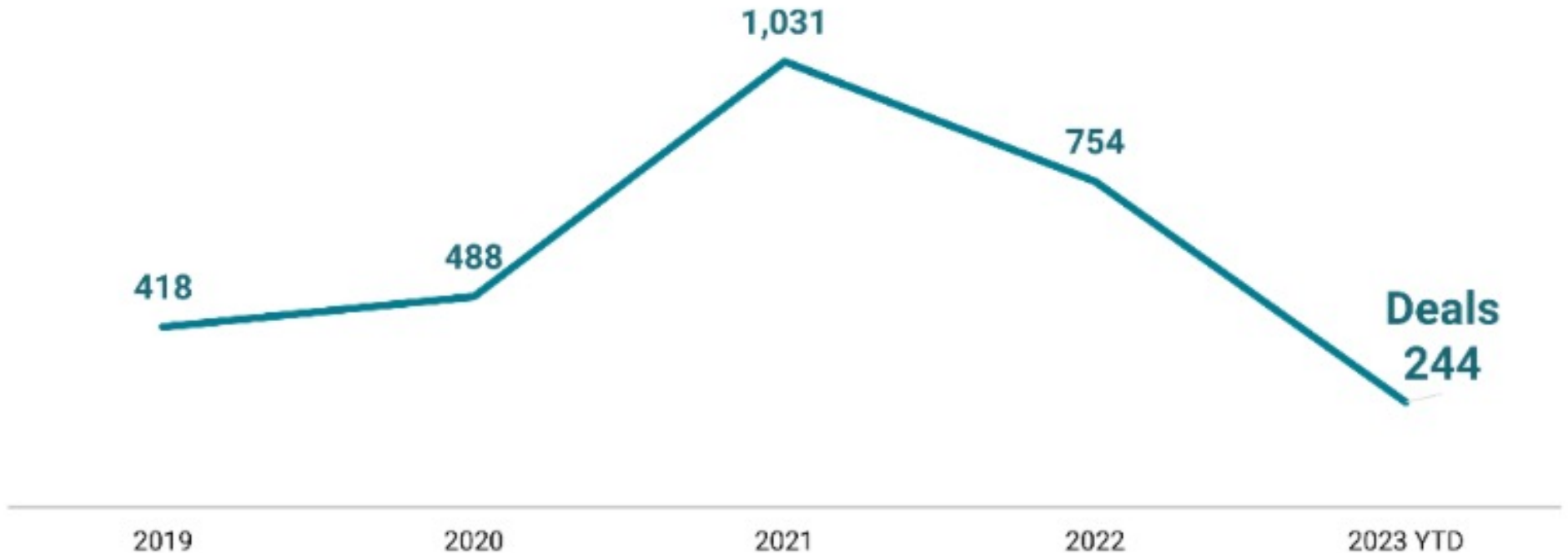


VENTURE RETRENCHMENT



Leading VCs pull back dramatically on dealmaking

Equity deals by a16z, Accel, Sequoia Capital, Insight Partners, and General Catalyst



Source: CB Insights. Data as of 9/7/2023.

Note: Deals are only counted once if backed by more than one of the named investors.



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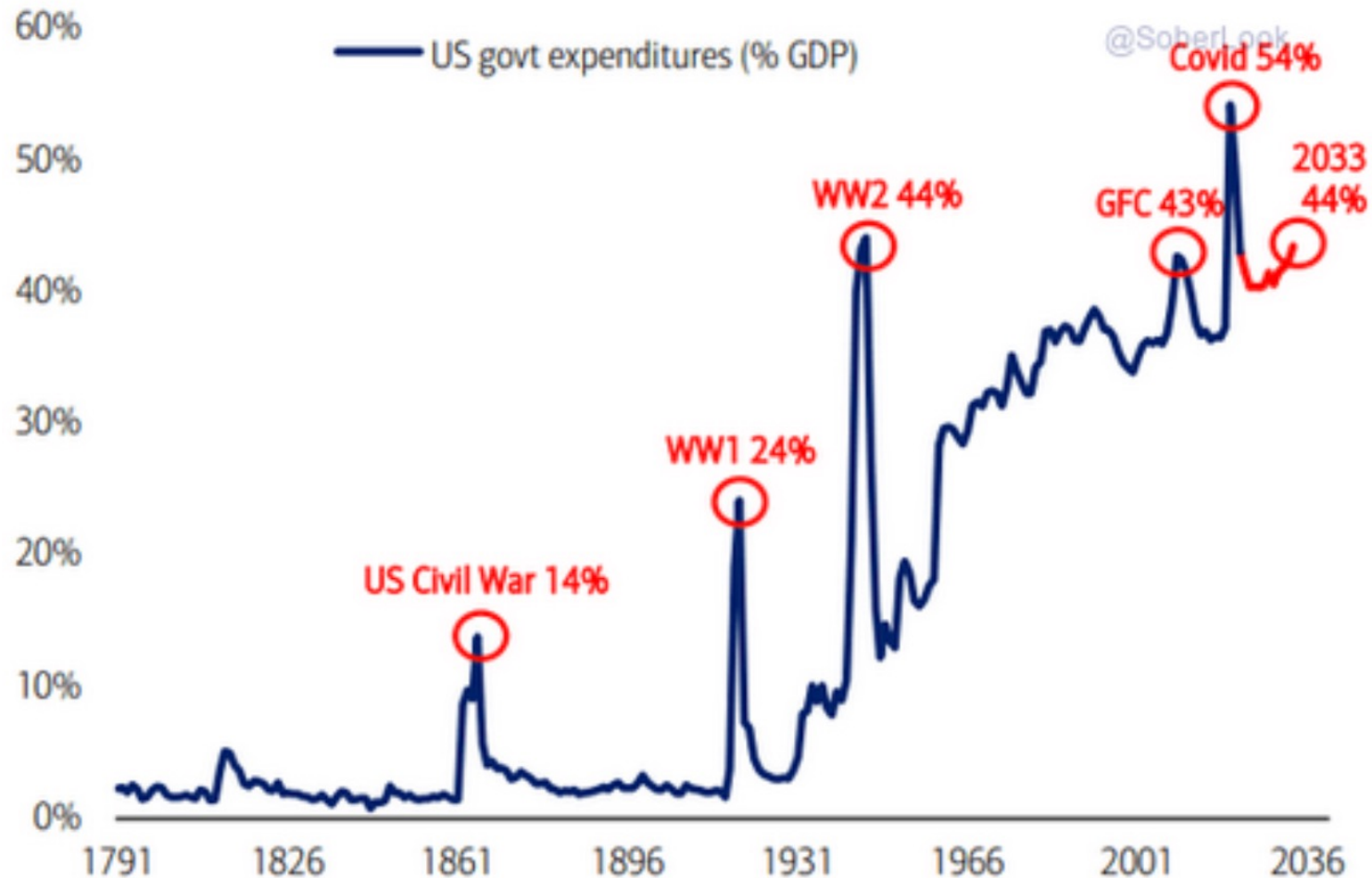
WEEK OF 9-4



UNSUSTAINABLE, UNPRECEDENTED GOVERNMENT SPENDING

US Government Spending Projected to be Maintained for Next 10 Years at WWII Levels

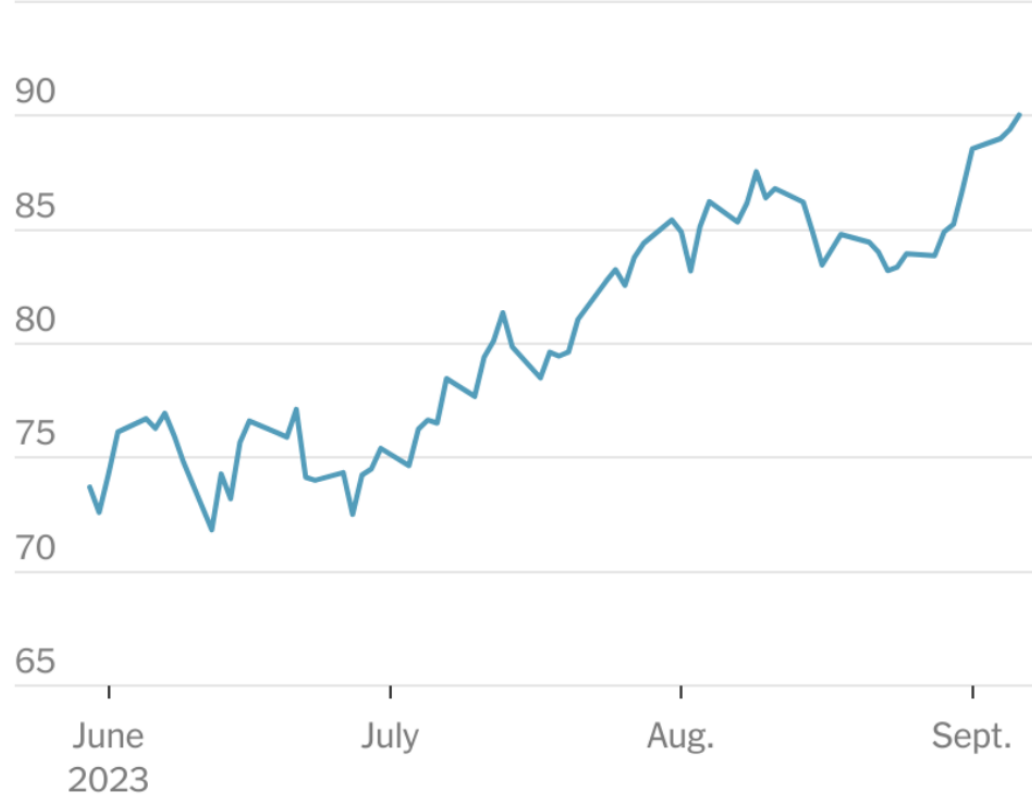
US Government Expenditures, % of GDP



INFLATIONARY PRESSURE – OIL PRICES

Brent crude oil price

\$95 per barrel



West Texas Intermediate Crude Oil Continuous Contract

\$87.75 a barrel



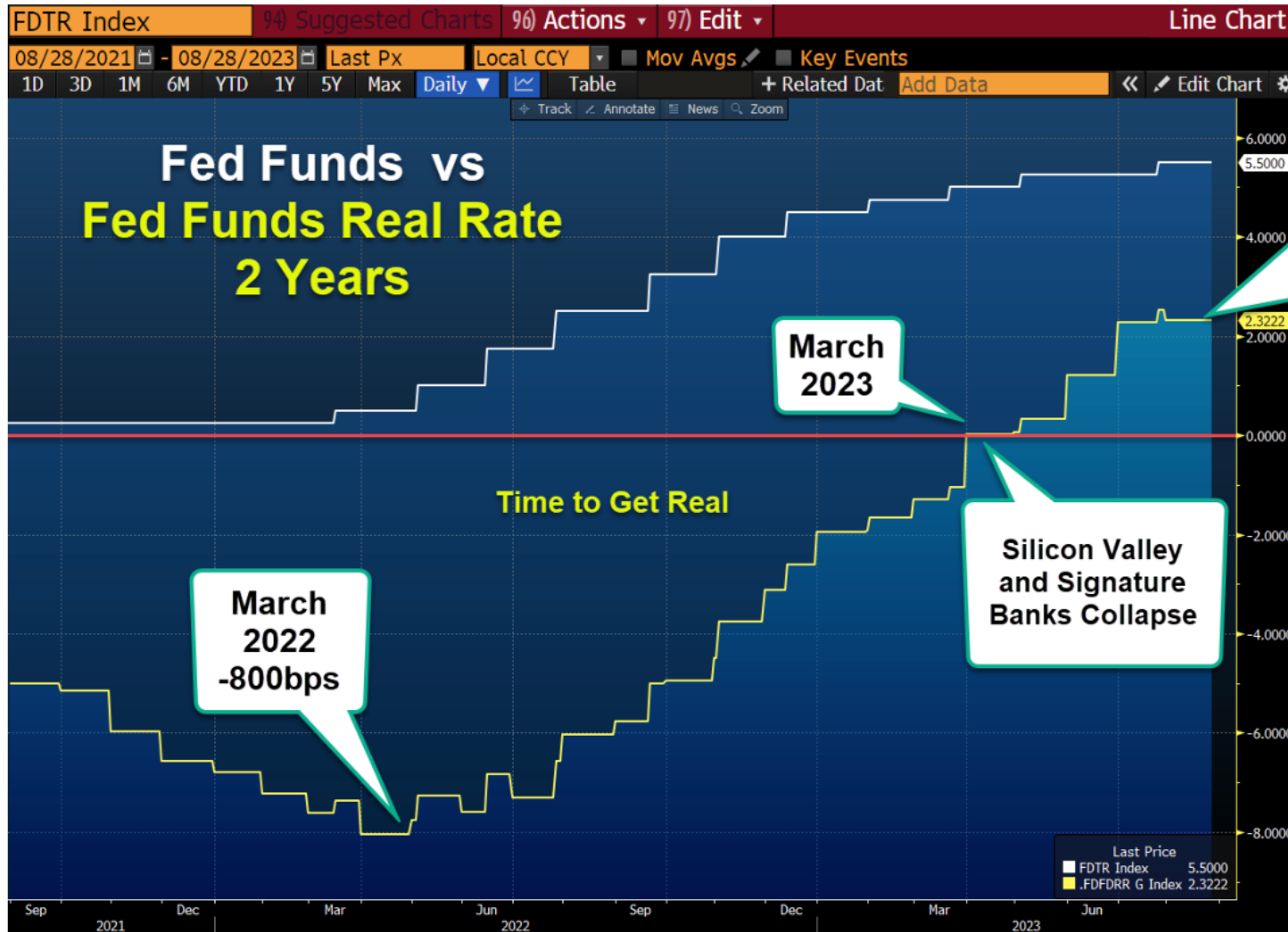
Source: FactSet, The New York Times, The Wall Street Journal



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IMPACT OF POSITIVE REAL INTEREST RATES EARLY IN EVOLUTION

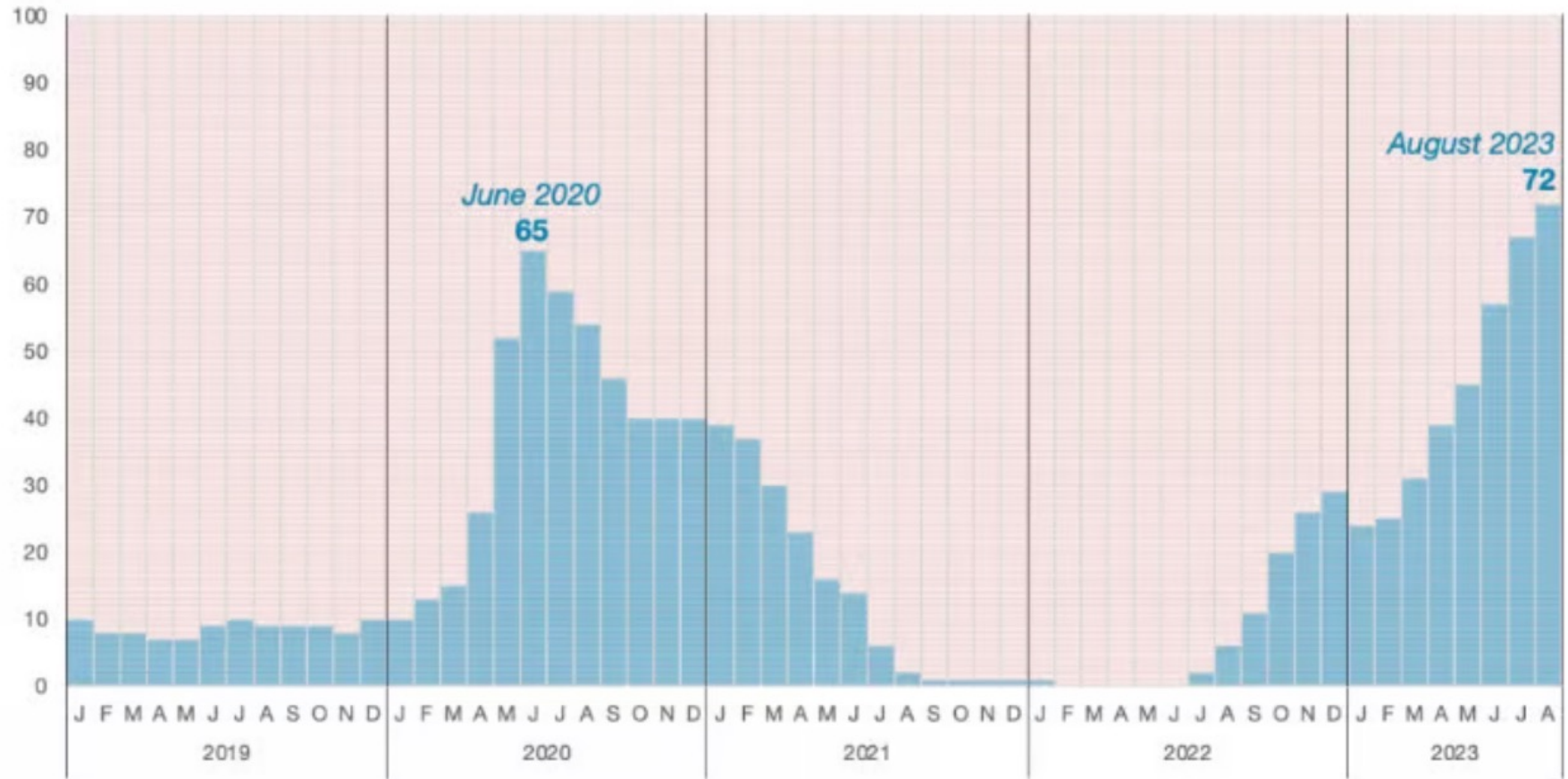


Source: Bloomberg Data, David Nelson

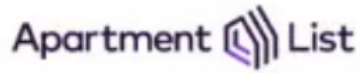


REAL ESTATE MARKET COOLING

Number of Nation's 100 Largest Cities with Negative YoY Rent Growth



Source: Apartment List Rent Estimates
 Data Available: www.apartmentlist.com/research/category/data-rent-estimates



PEOPLE DON'T FEEL LIKE BUYING HOMES

Buying Conditions for Housing as Surveyed by Consumers

Buying Conditions = Share Reporting Good Conditions - Share Reporting Bad Conditions + 100



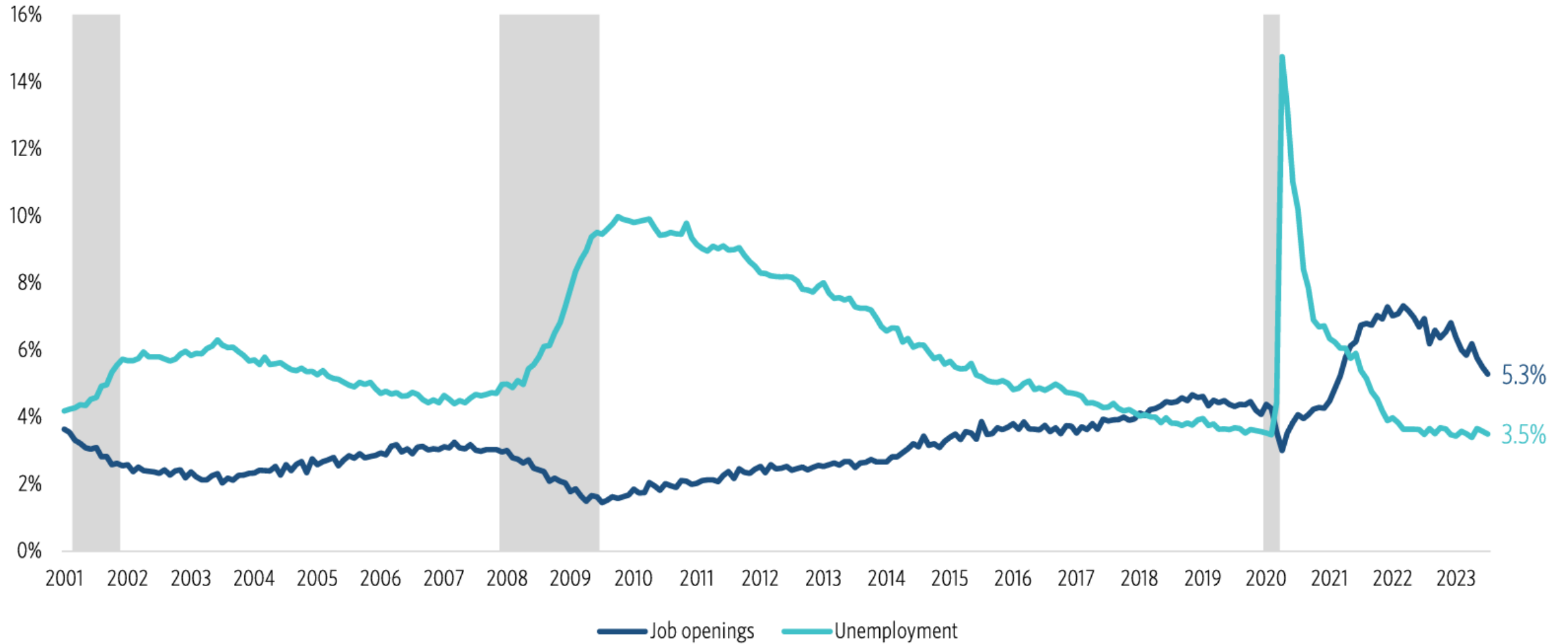
Dates: 1960 Through August 2023.

Source: University of Michigan, National Bureau of Economic Research, Federal Reserve Board, Game of Trades.



US EMPLOYMENT – JOB OPENINGS DECREASING

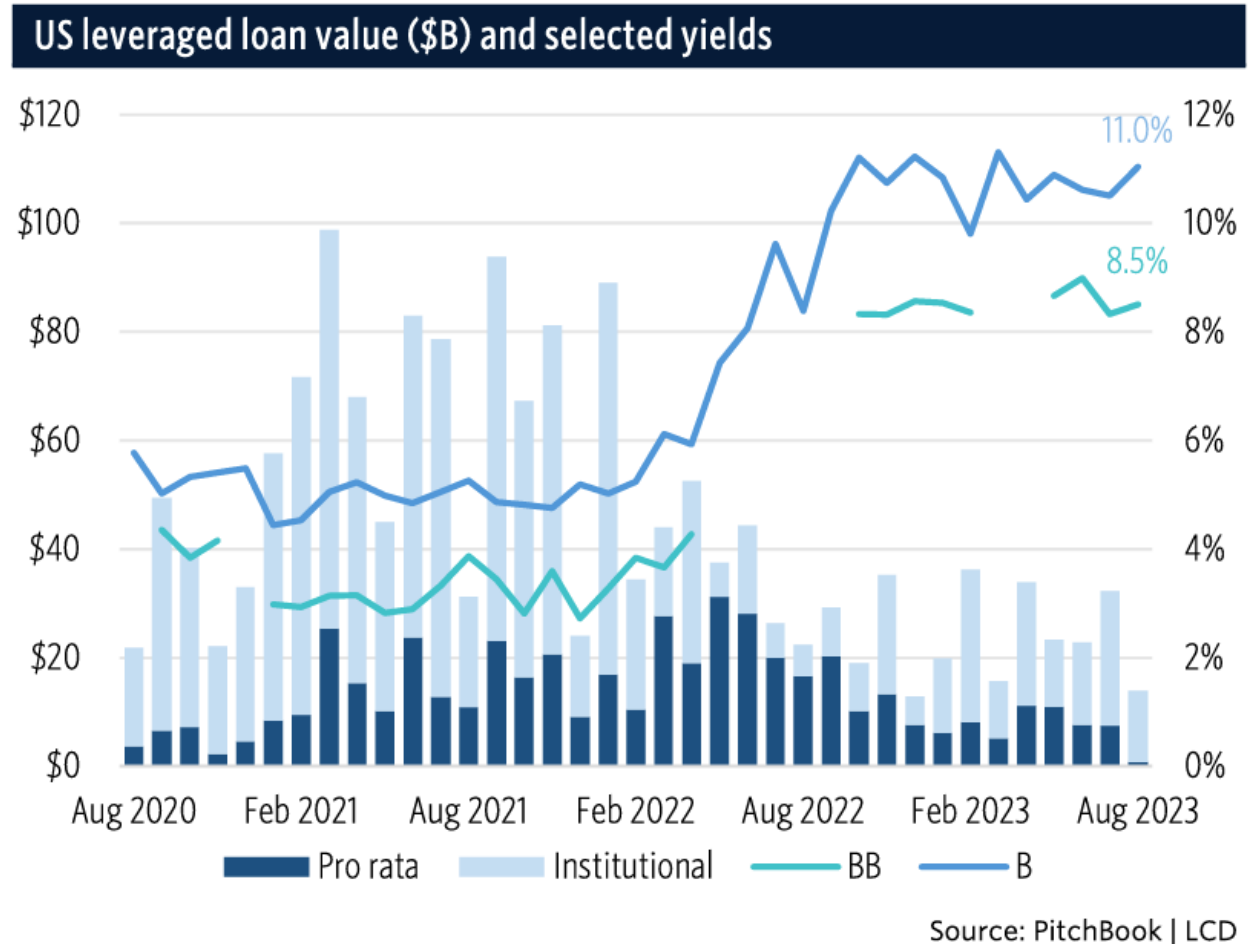
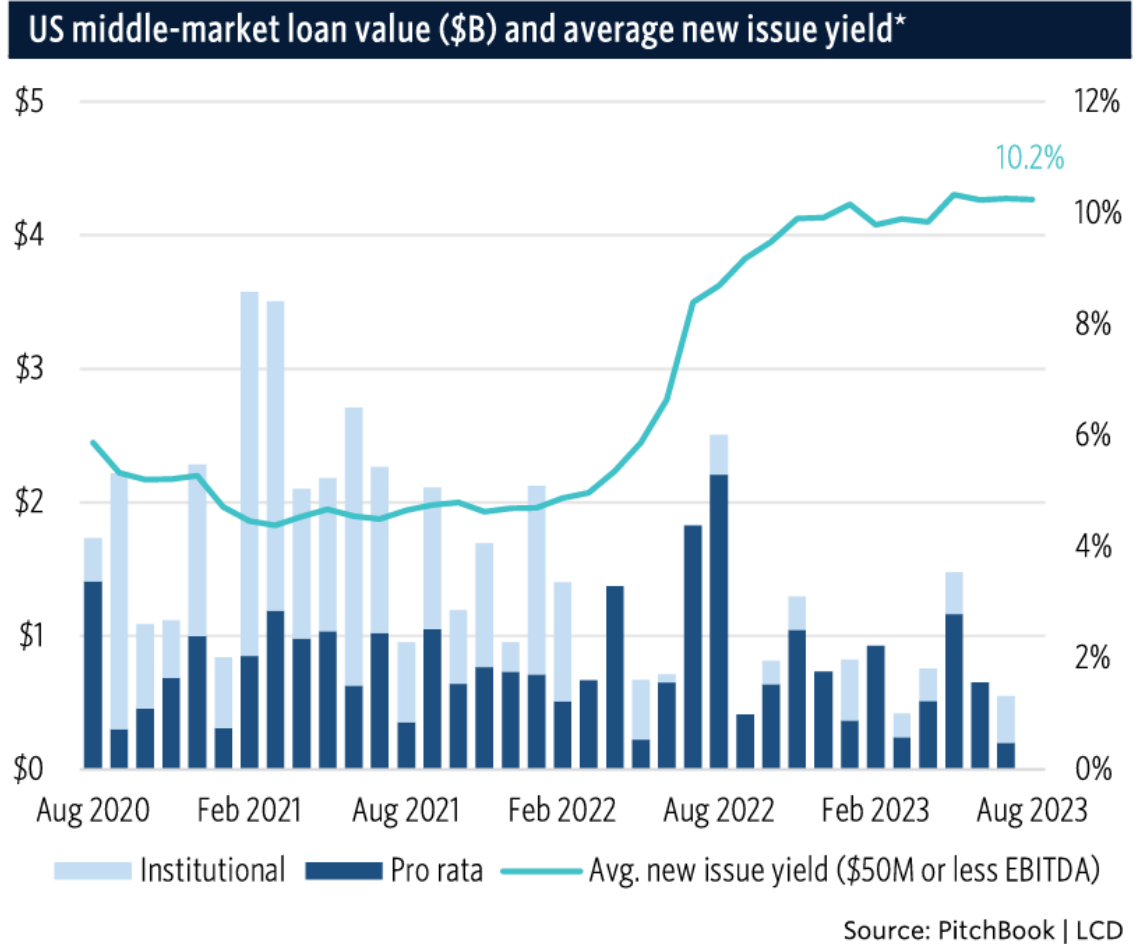
Job openings and unemployment as a share of labor force



Source: FRED; Geography: US, PitchBook





DEBT YIELDS AT +10% IN AN ECONOMY WITH ~15 YEARS OF ZIRP





THE GENERATIVE AI PERSPECTIVE ON ZIRP ... TWO POINTED CONCLUSIONS

 Generative AI is experimental. Info quality may vary.

ZIRP stands for "zero interest rate policy". It's a macroeconomic concept that describes a situation where a nation's central bank sets its short-term interest rate to 0%. The goal of ZIRP is to encourage low-cost borrowing and greater access to cheap credit for individuals and businesses. 

ZIRP was first used by Japan in the 1990s. The global financial crisis that began in 2007 prompted major central banks to take unconventional policy measures. The United States used ZIRP from December 2008 through December 2015. 

ZIRP can cause the price of money to plummet, allowing startups to run at a loss for years. It can also give investors a massive appetite for risky bets. 

The Fed's ZIRP and quantitative easing (QE) policies failed to restore growth to the US economy as expected. 

Source: Google Search

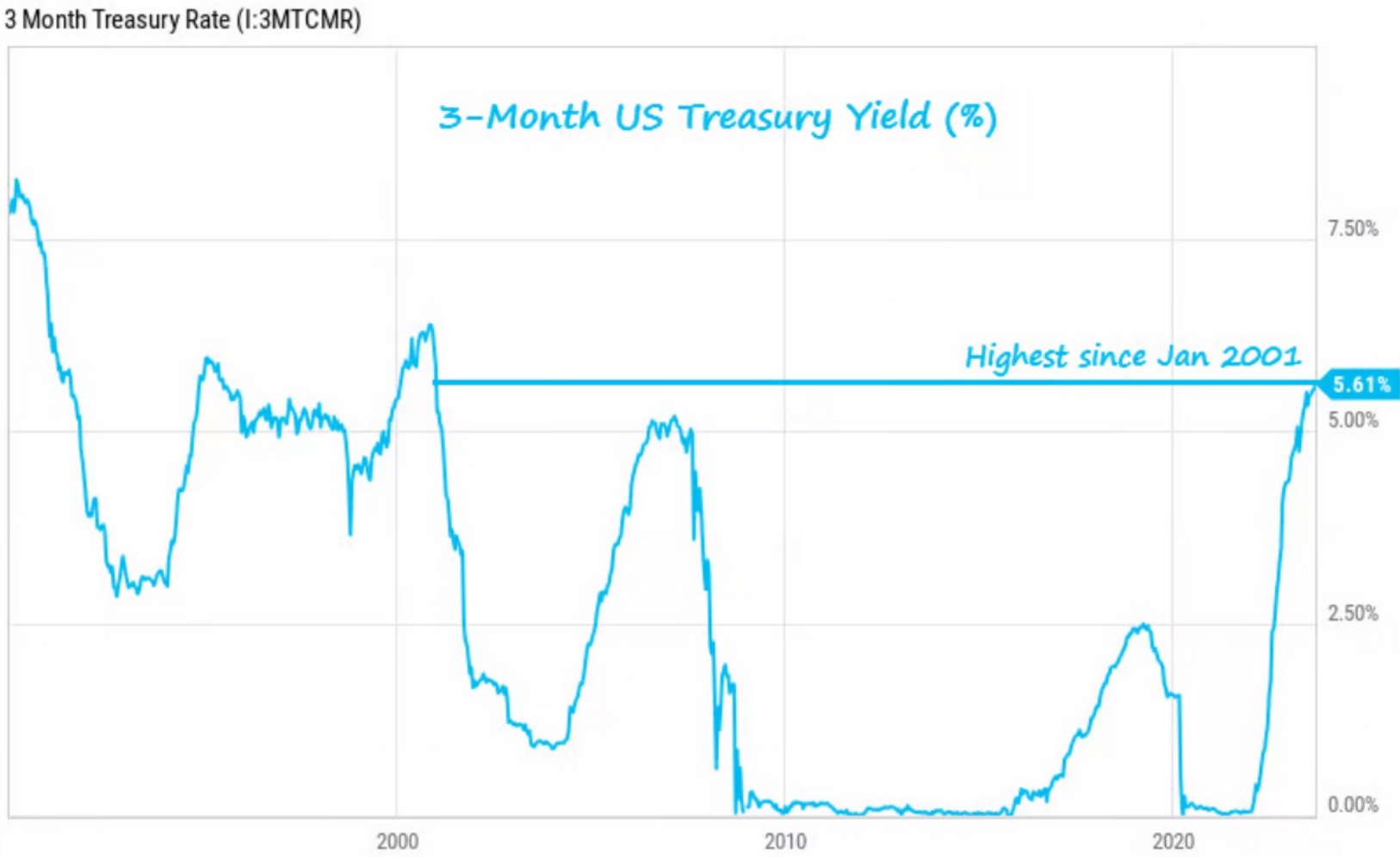


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WEEK OF 8-28



NEW ECONOMIC ERA ... 3-MONTH TREASURY YIELD AT 22+ YEAR HIGH



CREATIVE PLANNING @CharlieBilello

Aug 28 2023, 11:03AM EDT. Powered by YCHARTS

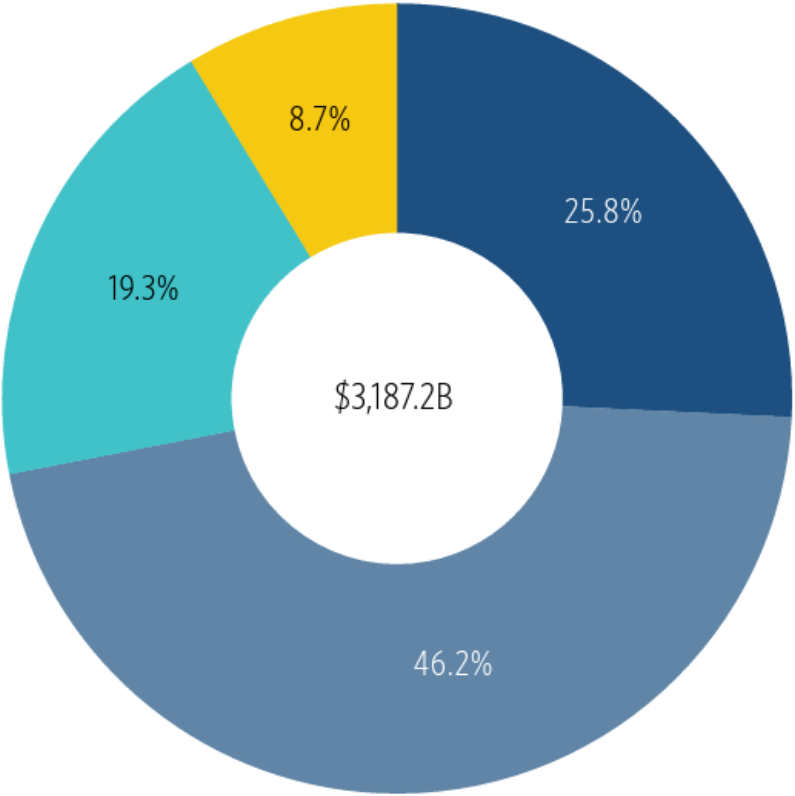


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INCREASING DOMINANCE OF CREDIT FUNDS

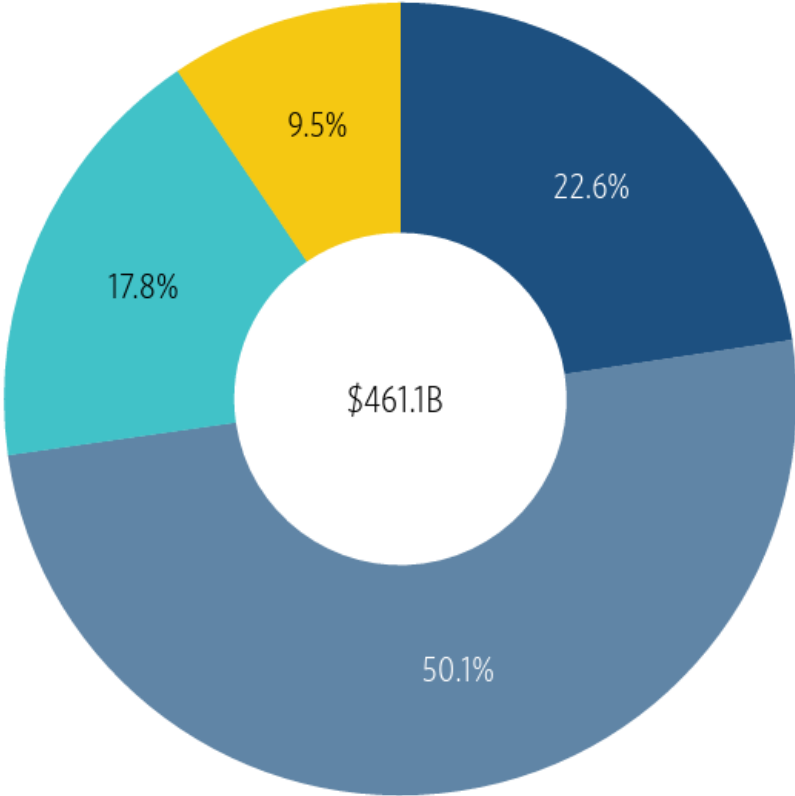
Share of AUM by strategy*



■ Private equity ■ Credit ■ Real estate ■ Other

Source: Company reports • Geography: Global
*As of June 30, 2023

Share of TTM fundraising by strategy*



■ Private equity ■ Credit ■ Real estate ■ Other

Source: Company reports • Geography: Global
*As of June 30, 2023



RETURNS ... PRIVATE EQUITY AND VENTURE CAPITAL OUTPERFORMANCE

Industry-wide IRRs by strategy*

	1-year	10-year	5-year	3-year
Real assets	8.1%	7.0%	7.5%	13.0%
Private debt	2.6%	8.5%	7.3%	9.1%
Secondaries	2.0%	13.0%	15.0%	21.0%
Private equity	1.3%	15.0%	17.0%	23.6%
Real estate	1.3%	10.9%	9.7%	11.5%
Venture capital	-10.4%	15.7%	19.4%	24.6%
Private capital	-1.6%	13.2%	14.6%	19.5%
S&P 500	-7.7%	12.2%	11.2%	18.6%

Source: PitchBook • Geography: Global

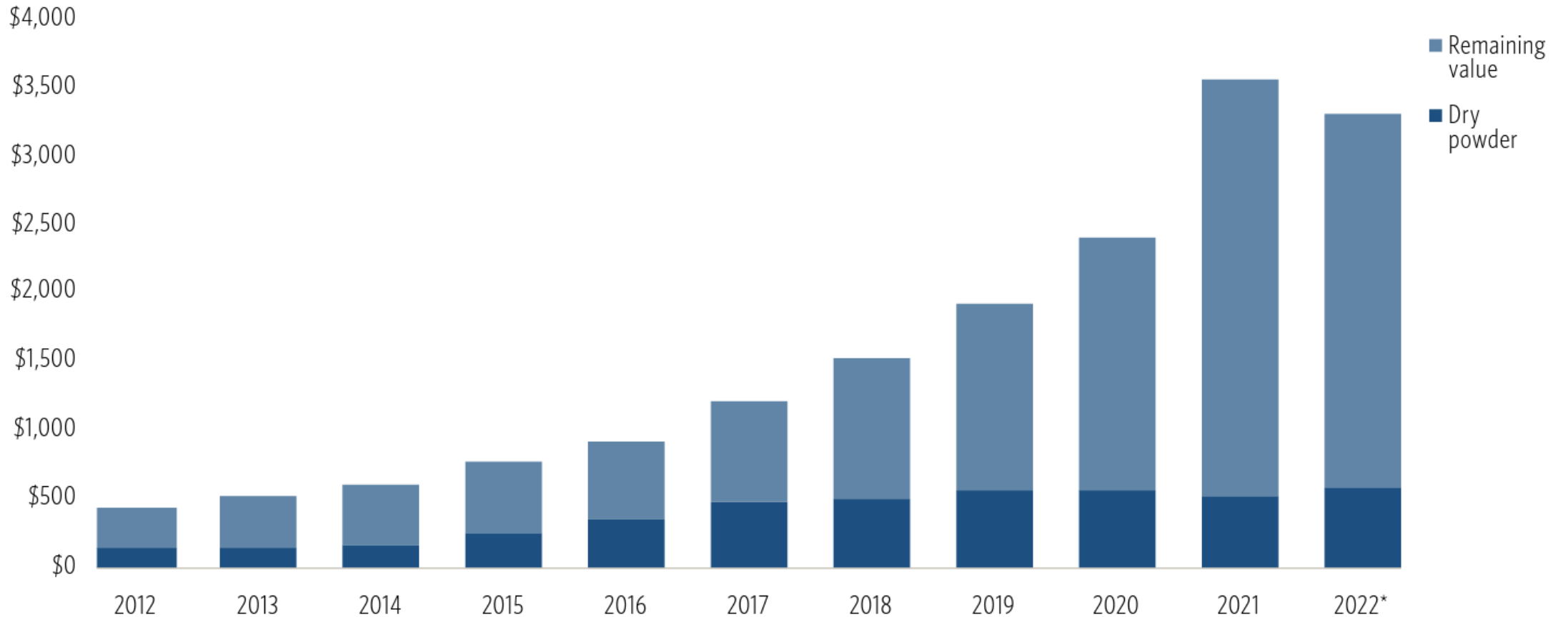
*Preliminary as of March 31, 2023

Note: Returns are equal weighted and net of fees.



THE GROWTH IN VC ... FROM \$400 BILLION TO \$3.5 TRILLION

VC AUM (\$B)



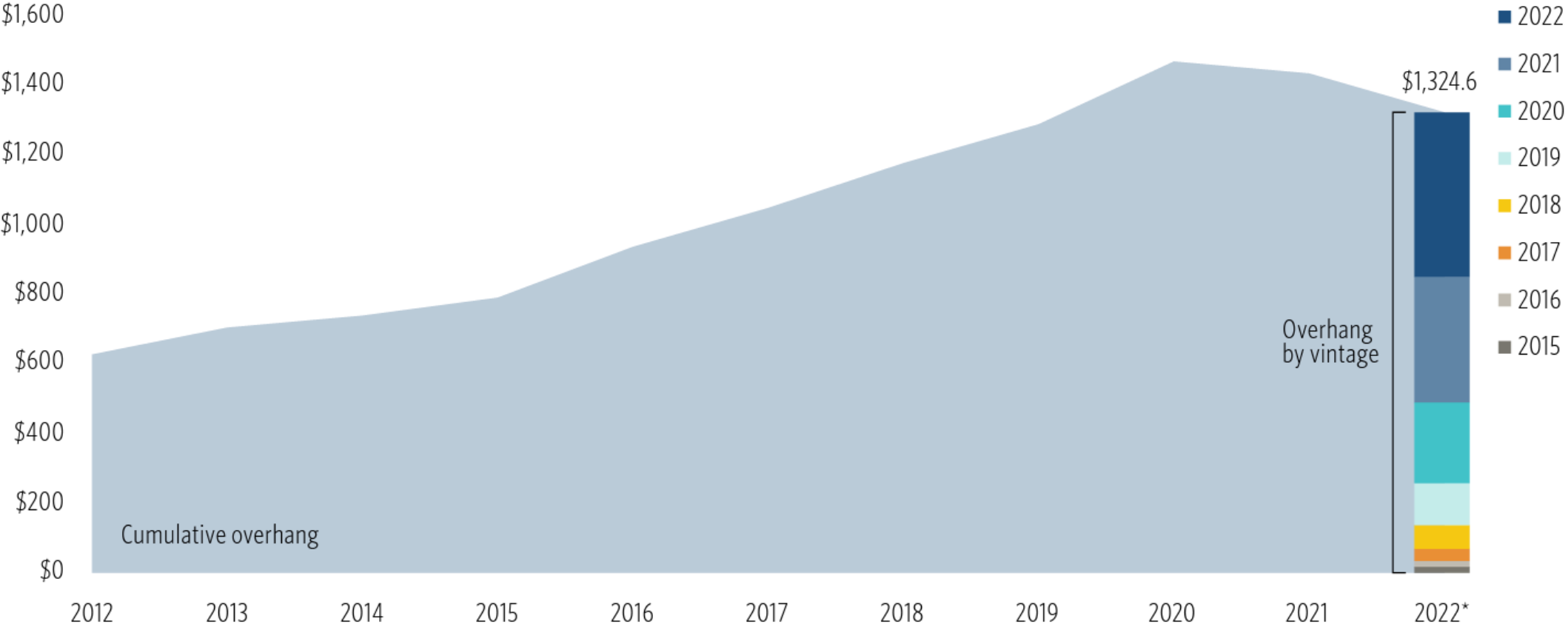
Source: PitchBook • Geography: Global

*As of December 31, 2022



US PE DRY POWDER OVERHANG BY VINTAGE

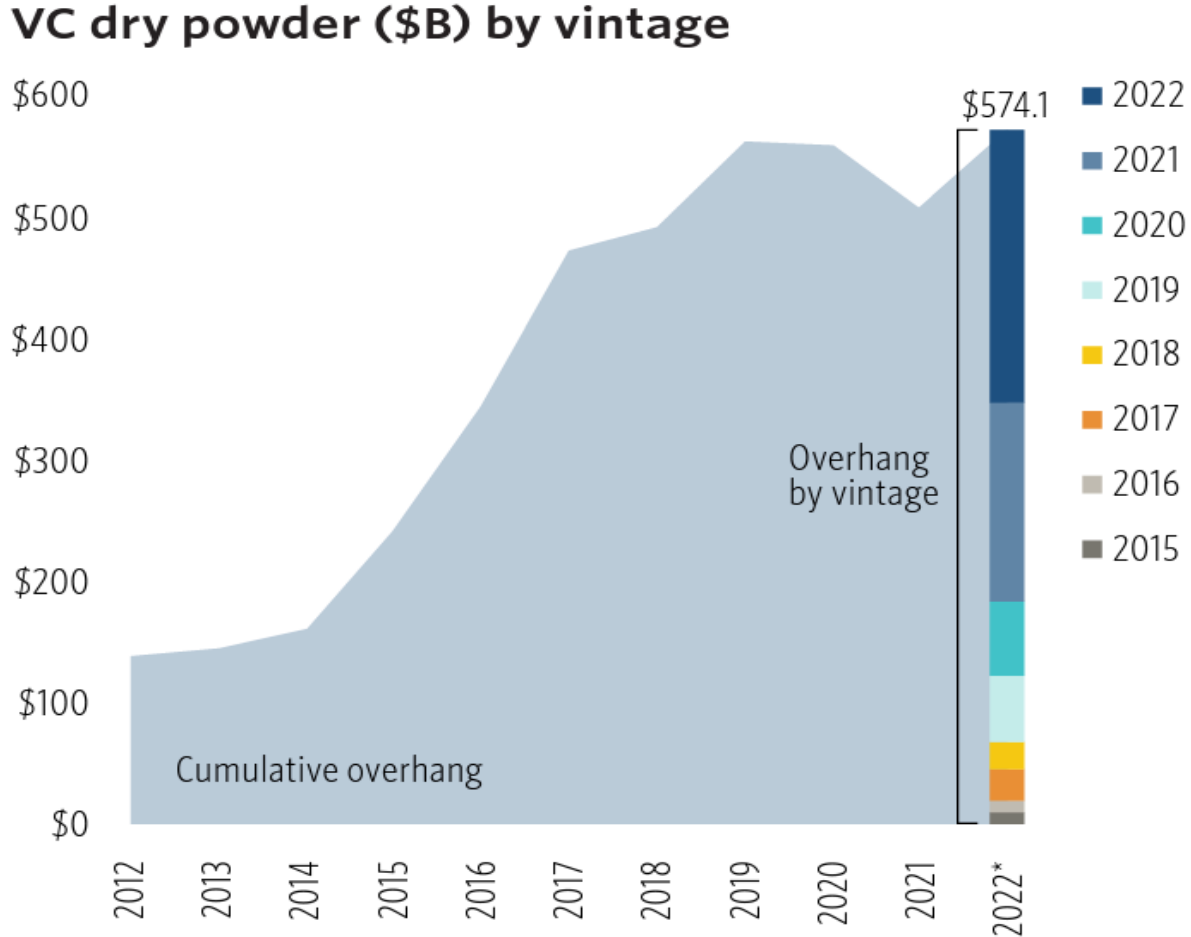
PE dry powder (\$B) by vintage



Source: PitchBook • Geography: US
*As of December 31, 2022



GLOBAL VC DRY POWDER OVERHANG BY VINTAGE

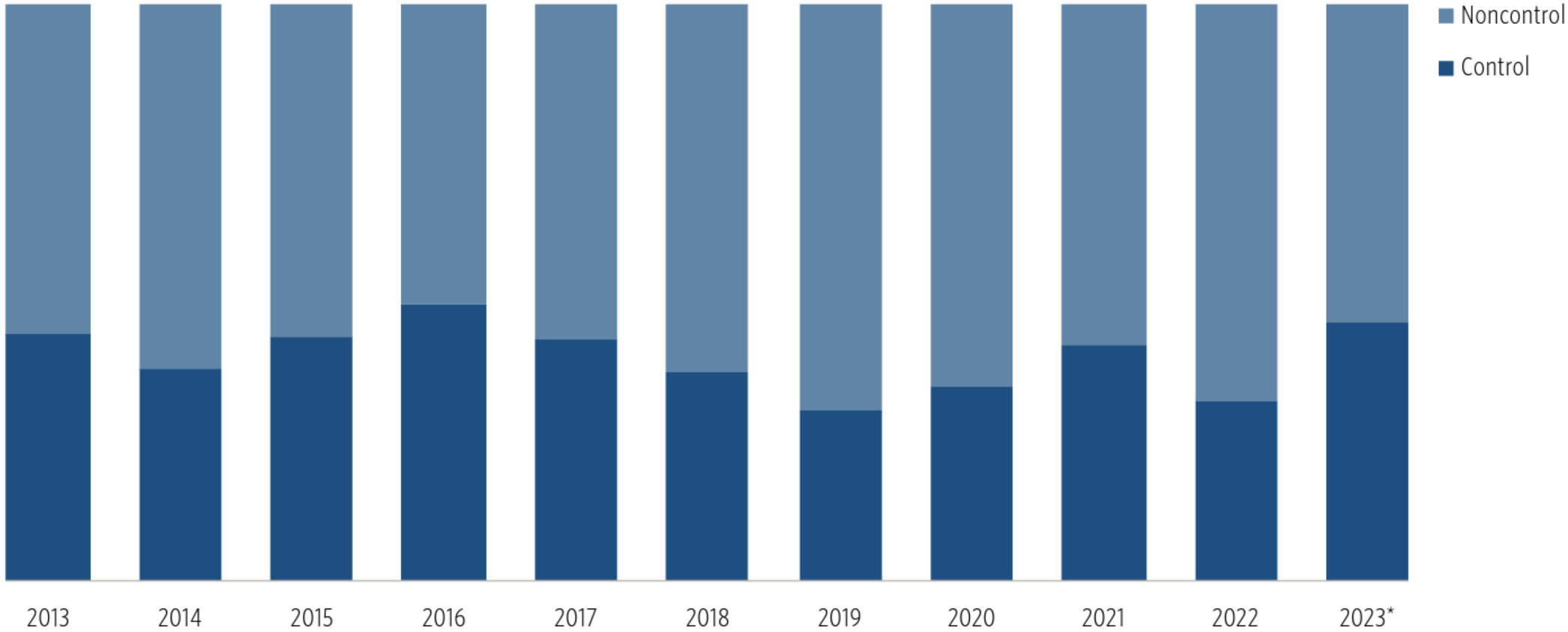


Source: PitchBook • Geography: Global
 *As of December 31, 2022



CONTROL DEALS GROWING

Share of alternative asset manager deal count by type



Source: PitchBook • Geography: Global
*As of August 1, 2023



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WEEK OF 8-14,21



MORTGAGE COSTS AT 20+ YEAR HIGHS

U.S. average 30-year fixed-rate mortgage

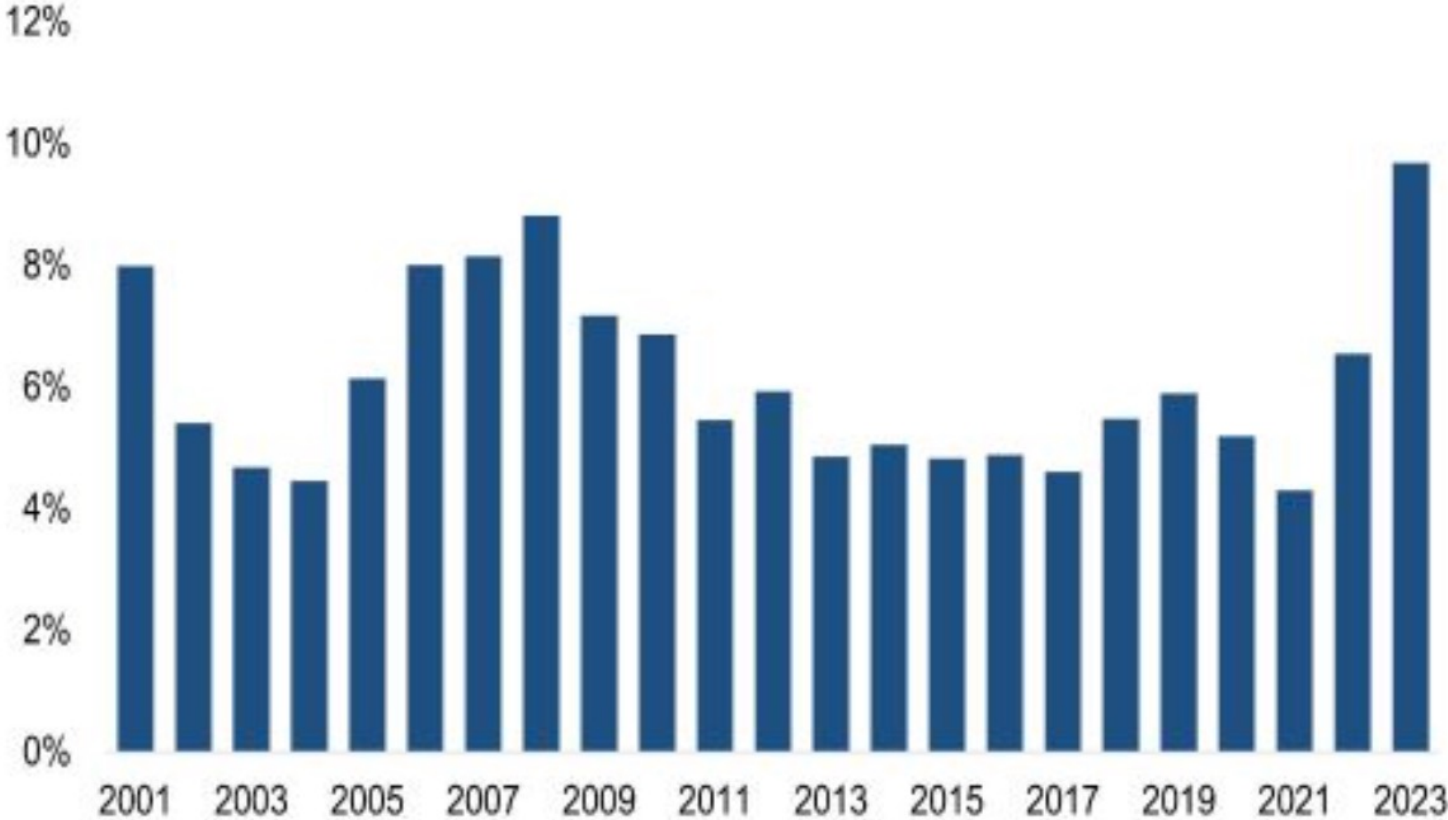


Source: Freddie Mac • By The New York Times



NEW ISSUE YIELDS AT 20+ YEAR HIGHS

New-issue yields: US loan refinancings



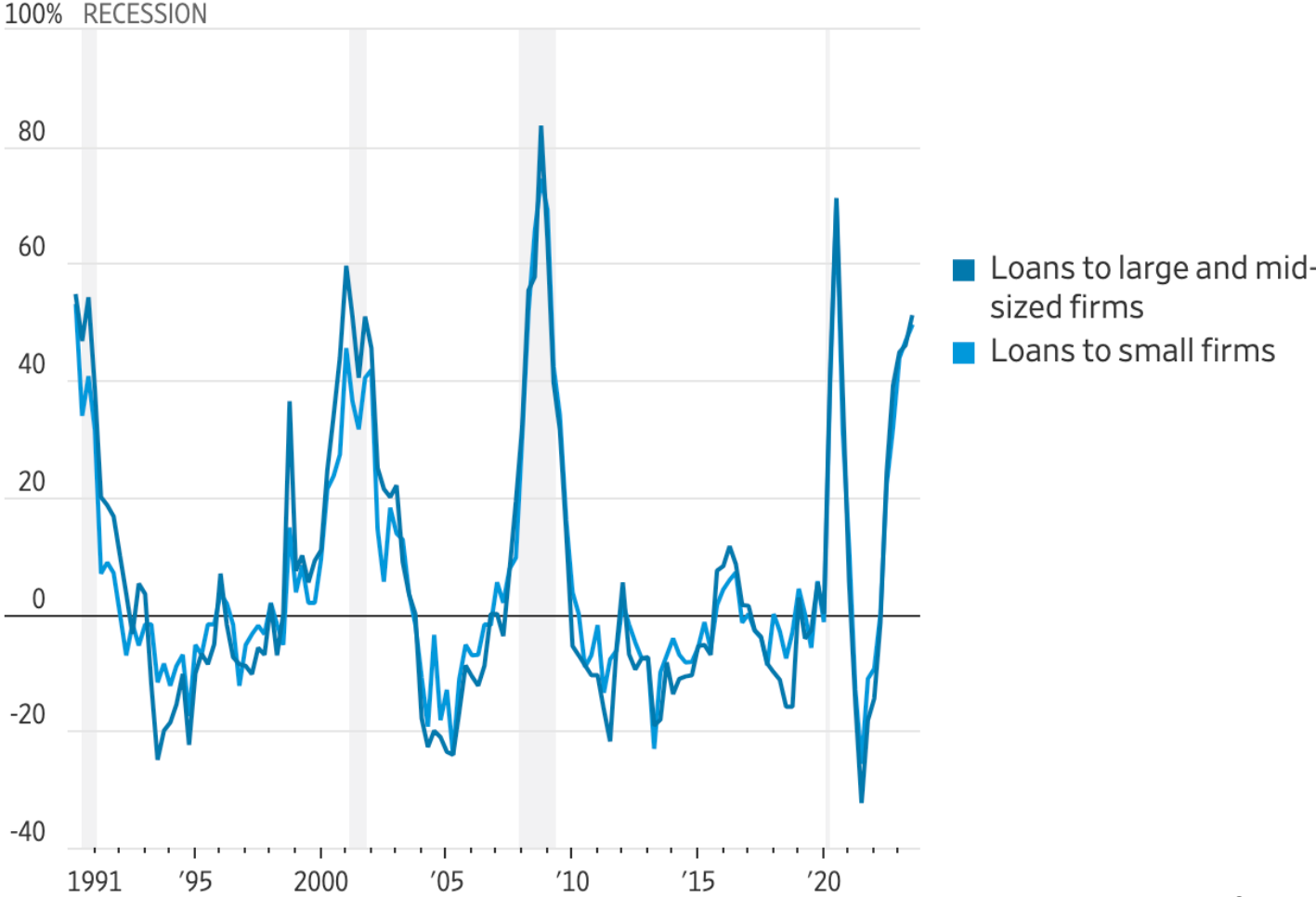
Data through June 1, 2023
Source: PitchBook | LCD

Source: PitchBook



CREDIT CONDITIONS TIGHTENING

Net percentage of domestic banks tightening standards for commercial and industrial loans

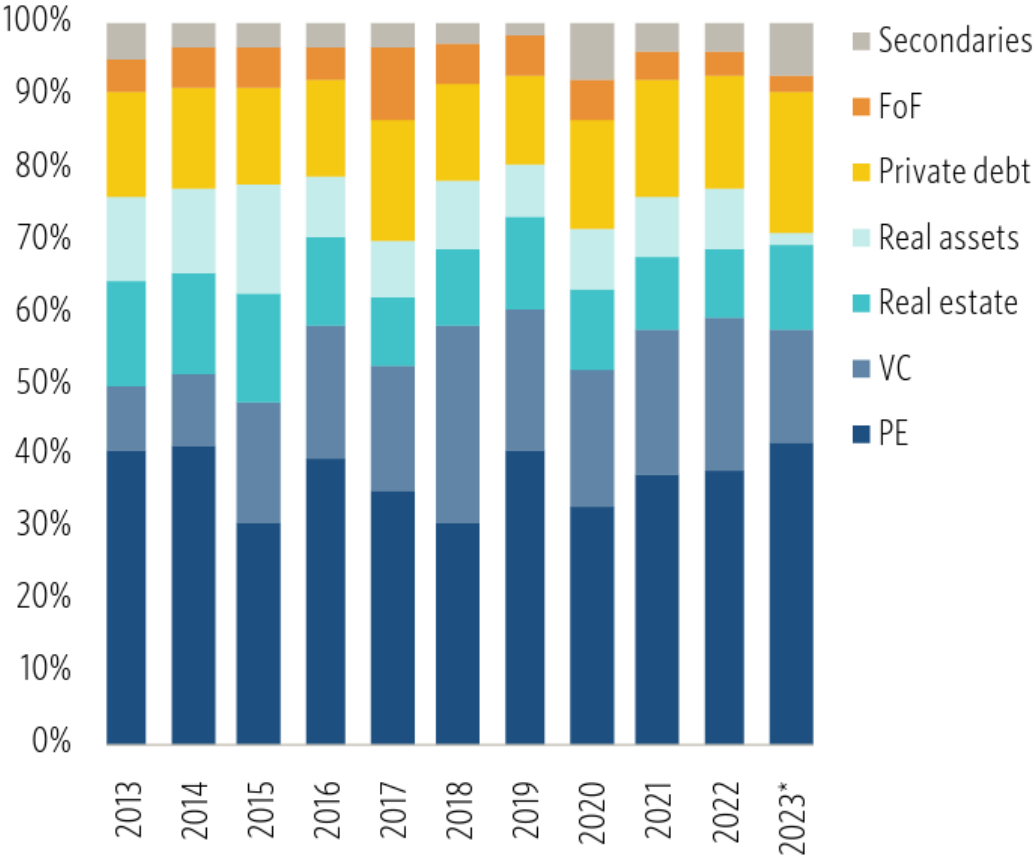


Source: Federal Reserve Bank of St. Louis



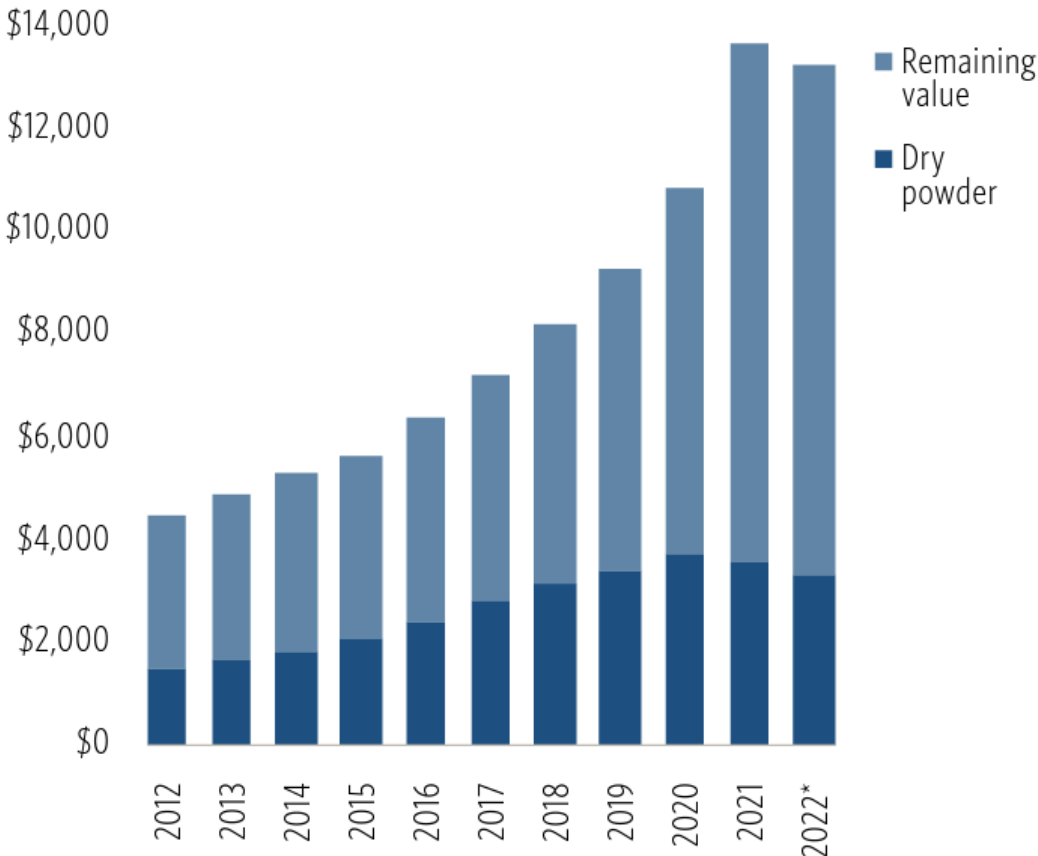
GROWTH OF PRIVATE MARKETS ~ \$10 TRILLION INCREASE IN 10 YEARS

Share of private capital raised (\$B) by strategy



Source: PitchBook • Geography: Global
*As of June 30, 2023

Private capital AUM (\$B)

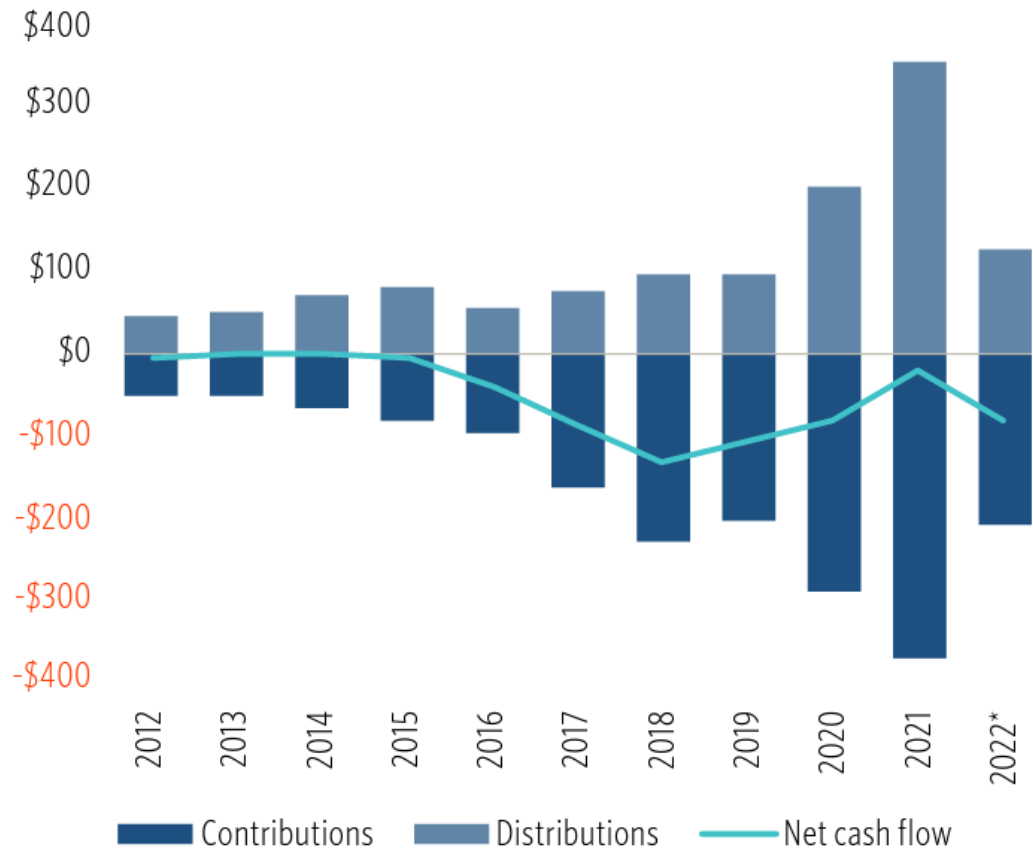


Source: PitchBook • Geography: Global
*As of December 31, 2022



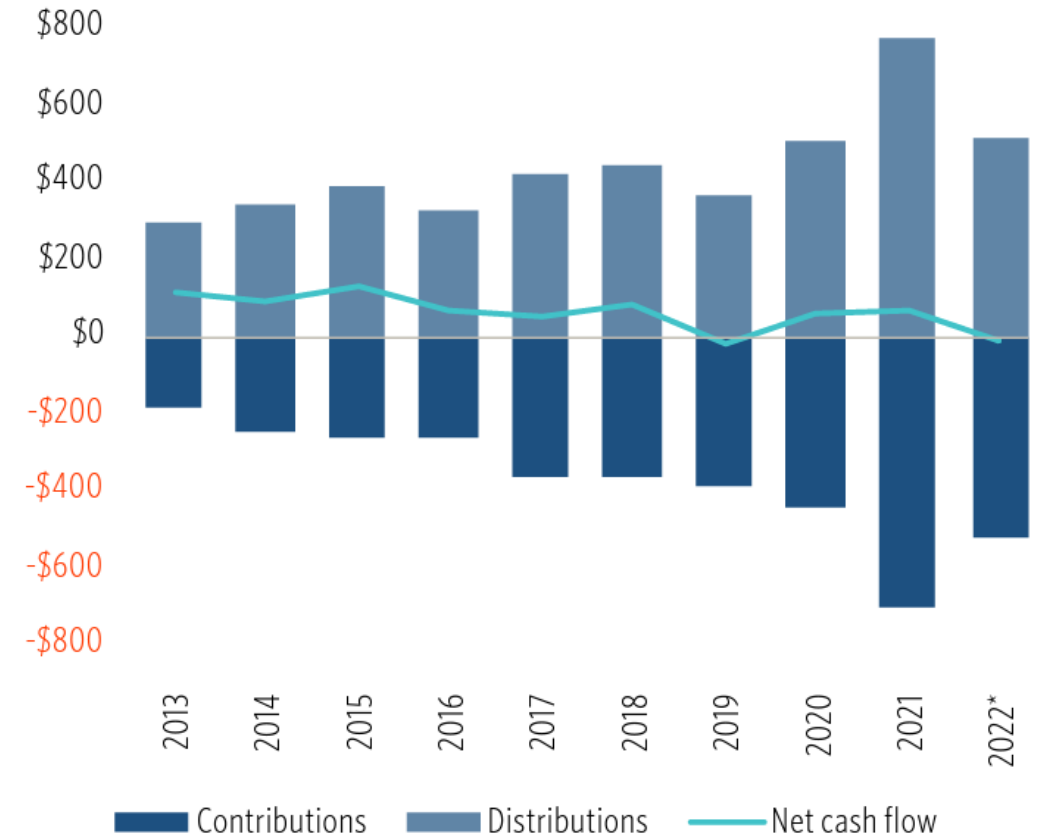
VC DISTRIBUTIONS LAG CONTRIBUTIONS; PE NEUTRAL NET CASH FLOW

VC cash flows (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

PE cash flows (\$B)



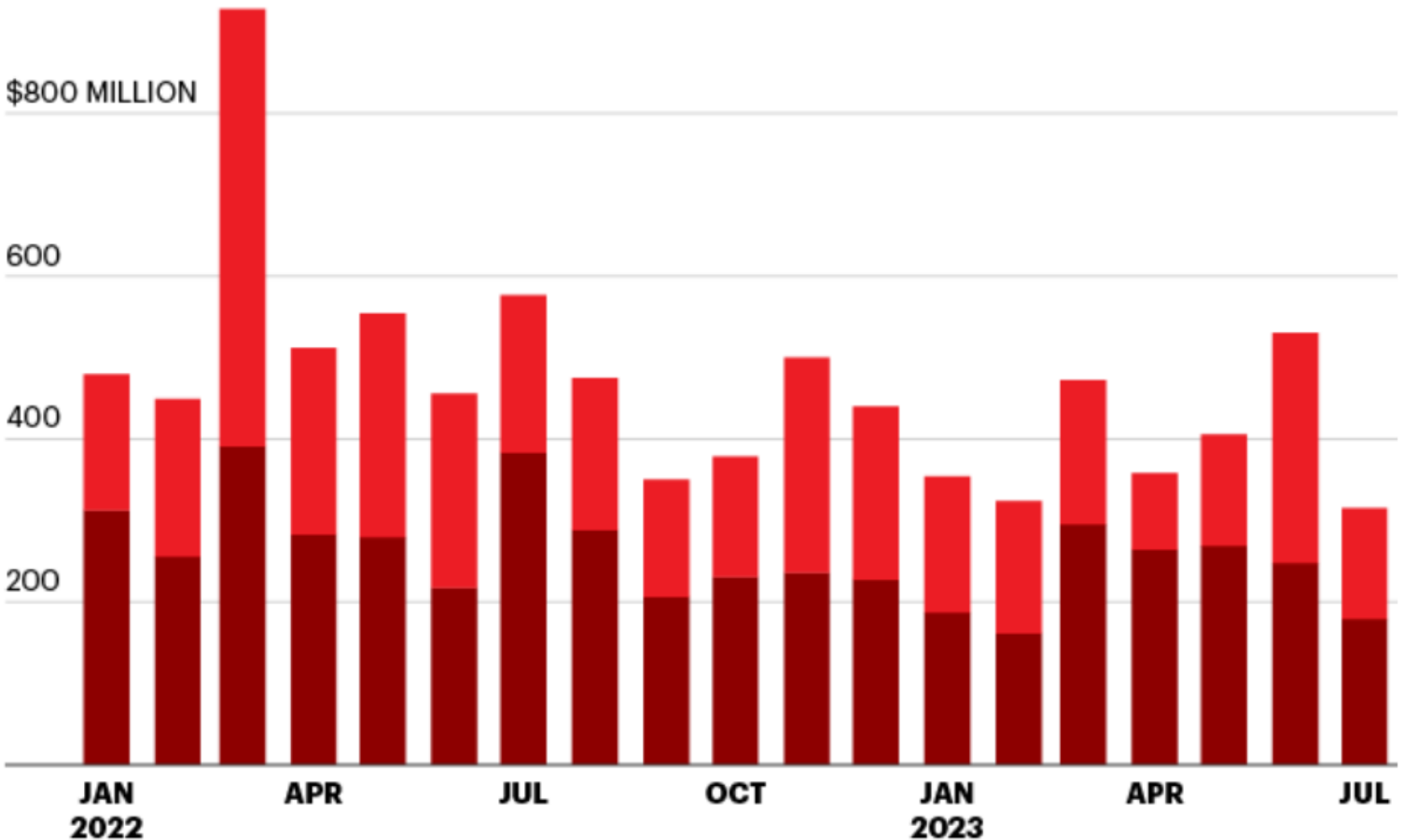
Source: PitchBook • Geography: Global
*As of December 31, 2022



GLOBAL AI AND MACHINE LEARNING SEED FINANCING VALUE BY MONTH

Global A.I. and machine learning seed deal value

■ U.S. ■ REST OF THE WORLD



Source: PitchBook, Fortune



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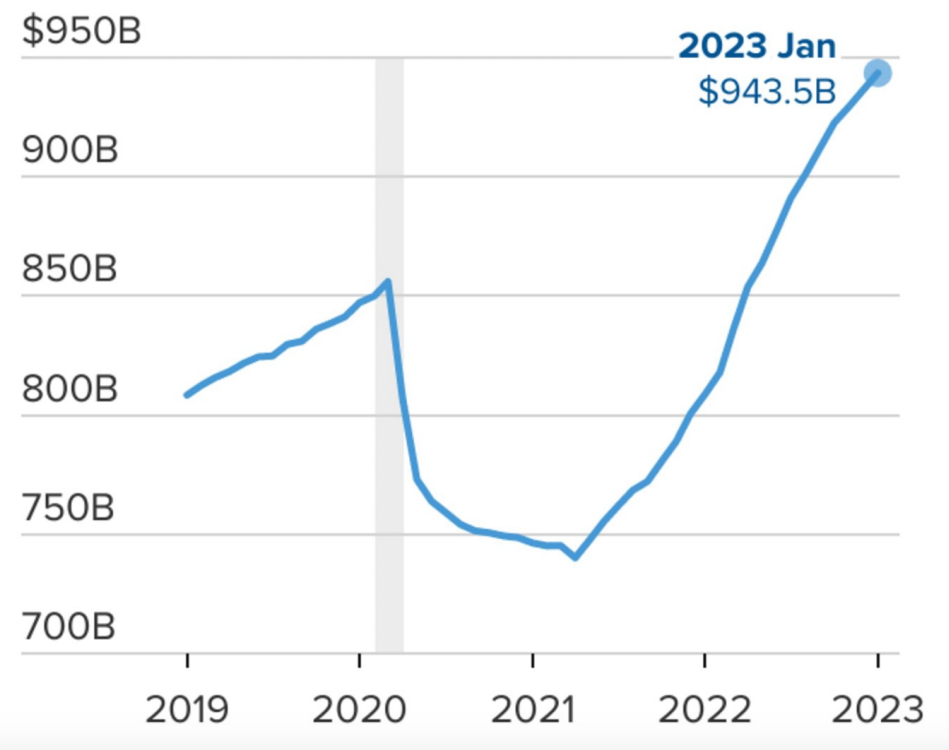
WEEK OF 8-7



CREDIT FUELED ECONOMY – US CREDIT CARD DEBT ~\$1 TRILLION

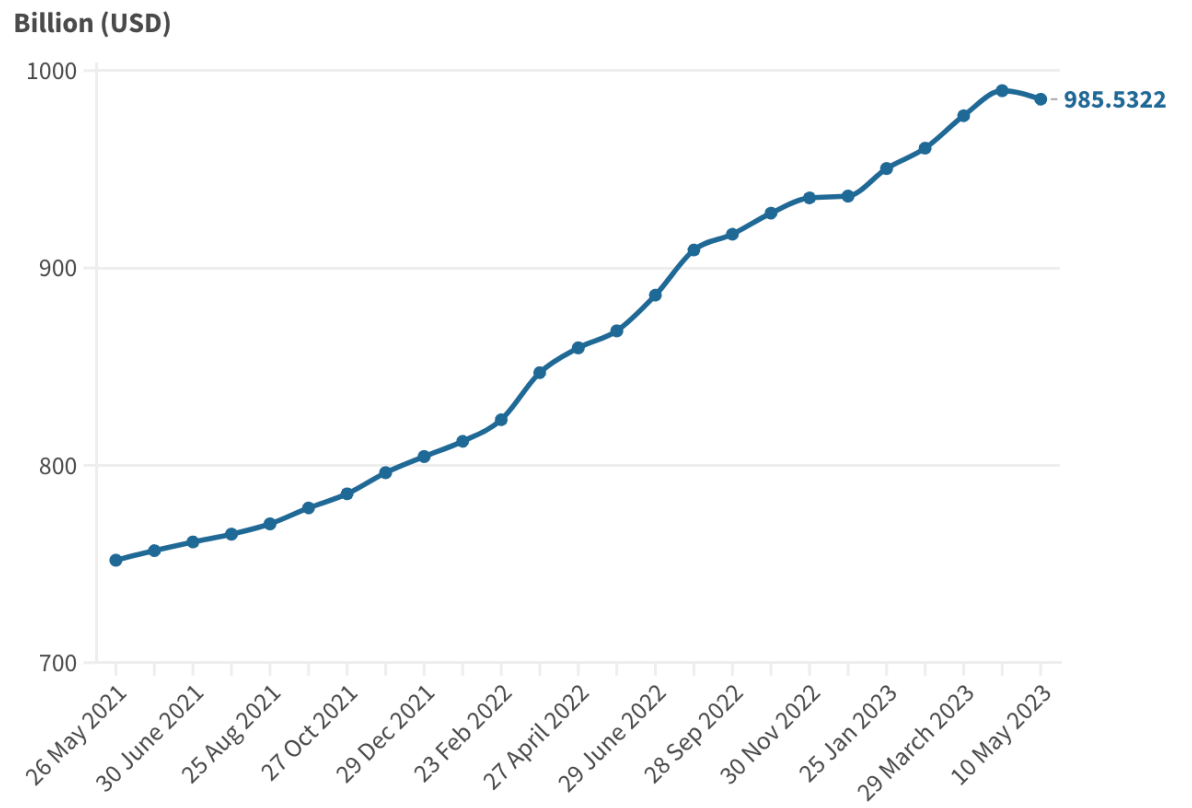
Credit card balances in the U.S. are well above pre-pandemic levels

Monthly totals of all credit card and other revolving loans at U.S. commercial banks



Rising credit card balances

Americans' credit-card balances have risen by nearly \$250 billion in two years.



Source: Federal Reserve

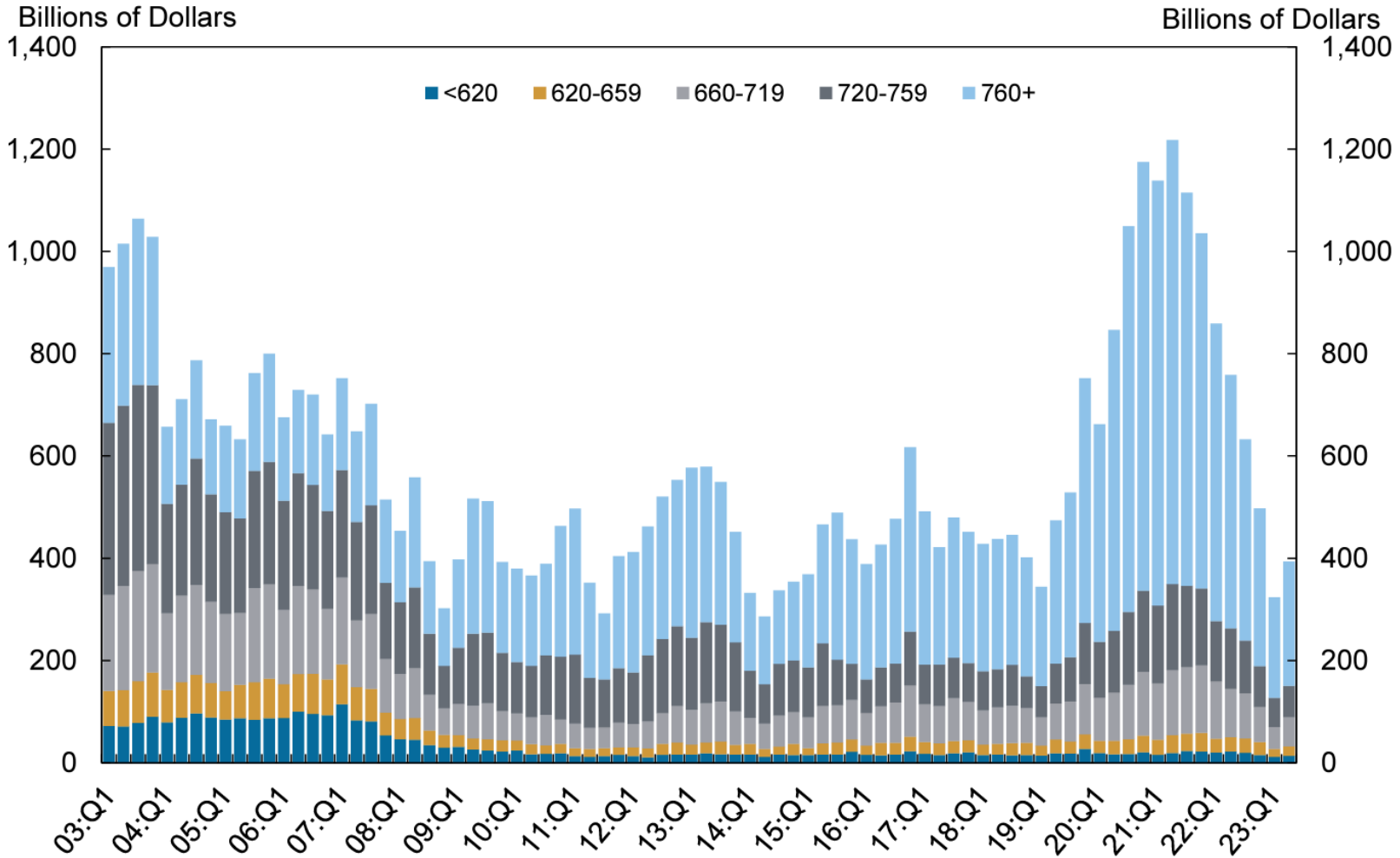


SILVERWOOD PARTNERS

Note: Seasonally adjusted
 Shaded area shows the Covid recession
 Chart: Gabriel Cortes / CNBC
 Source: Board of Governors of the Federal Reserve System via FRED
 Data last published Jan. 27, 2023

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MORTGAGE ORIGINATIONS BY CREDIT SCORE



Source: New York Fed Consumer Credit Panel/Equifax
 * Credit Score is Equifax Riskscore 3.0



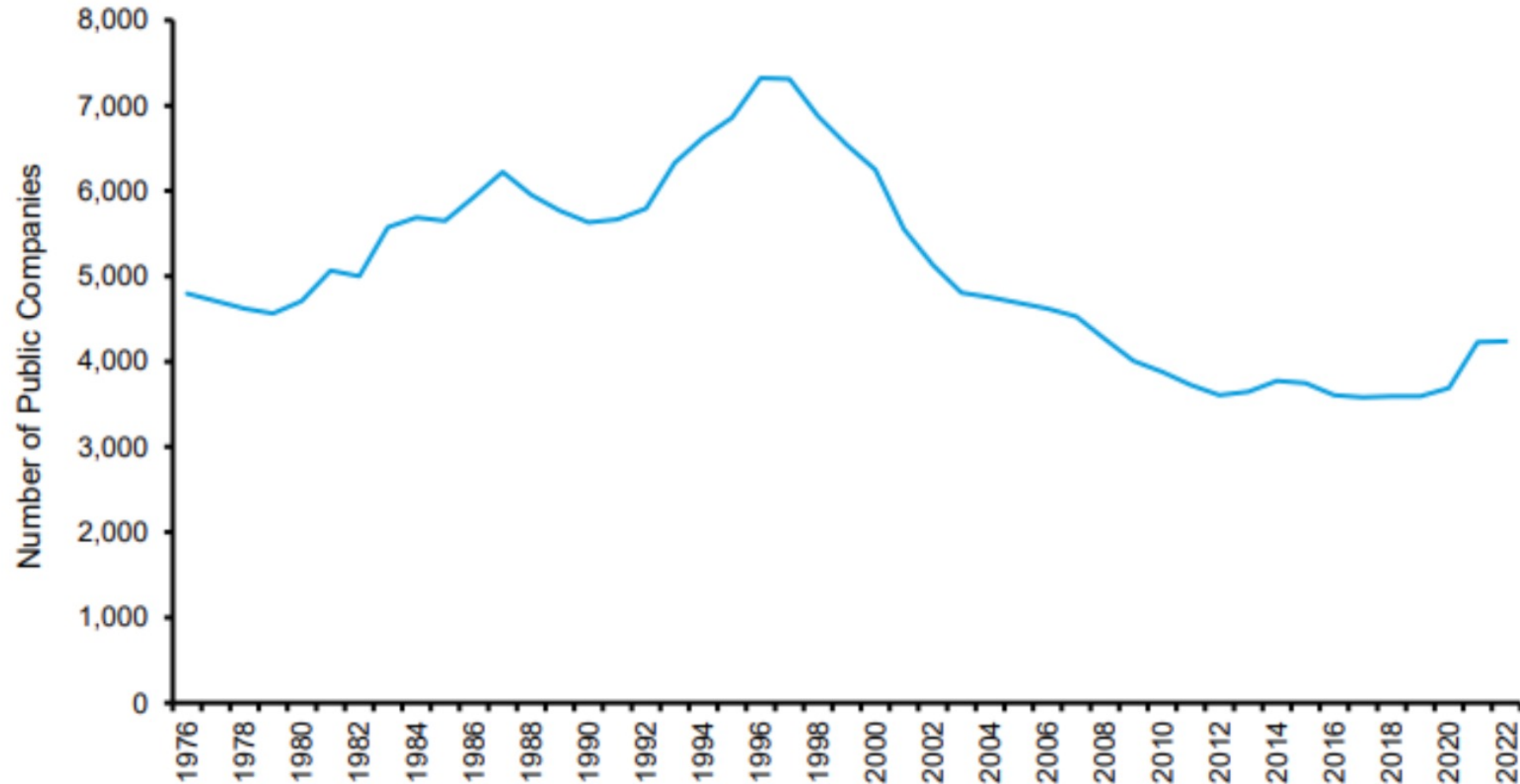
EARNINGS THRESHOLD TO BE IN TOP 1% IN EACH STATE

1. Connecticut • Top 1% income threshold: \$952,902	11. Wyoming • Top 1% income threshold: \$656,118	21. Georgia • Top 1% income threshold: \$585,397	31. Nebraska • Top 1% income threshold: \$535,651	41. Iowa • Top 1% income threshold: \$483,985
2. Massachusetts • Top 1% income threshold: \$903,401	12. Virginia • Top 1% income threshold: \$643,848	22. Oregon • Top 1% income threshold: \$571,813	32. Delaware • Top 1% income threshold: \$529,928	42. Indiana • Top 1% income threshold: \$473,685
3. California • Top 1% income threshold: \$844,266	13. Maryland • Top 1% income threshold: \$633,333	23. Arizona • Top 1% income threshold: \$564,031	33. Vermont • Top 1% income threshold: \$518,039	43. Alabama • Top 1% income threshold: \$470,341
4. New Jersey • Top 1% income threshold: \$817,346	14. Texas • Top 1% income threshold: \$631,849	24. Idaho • Top 1% income threshold: \$560,040	34. Wisconsin • Top 1% income threshold: \$517,321	44. Oklahoma • Top 1% income threshold: \$460,172
5. Washington • Top 1% income threshold: \$804,853	15. Utah • Top 1% income threshold: \$630,544	25. North Carolina • Top 1% income threshold: \$559,762	35. South Carolina • Top 1% income threshold: \$508,427	45. Louisiana • Top 1% income threshold: \$458,269
6. New York • Top 1% income threshold: \$776,662	16. Minnesota • Top 1% income threshold: \$626,451	26. Montana • Top 1% income threshold: \$559,656	36. Michigan • Top 1% income threshold: \$504,671	46. Arkansas • Top 1% income threshold: \$450,700
7. Colorado • Top 1% income threshold: \$709,092	17. Nevada • Top 1% income threshold: \$603,751	27. Kansas • Top 1% income threshold: \$554,912	37. Maine • Top 1% income threshold: \$502,605	47. Kentucky • Top 1% income threshold: \$445,294
8. Florida • Top 1% income threshold: \$694,987	18. South Dakota • Top 1% income threshold: \$590,373	28. Rhode Island • Top 1% income threshold: \$548,531	38. Missouri • Top 1% income threshold: \$500,626	48. New Mexico • Top 1% income threshold: \$411,395
9. Illinois • Top 1% income threshold: \$660,810	19. Pennsylvania • Top 1% income threshold: \$588,702	29. Tennessee • Top 1% income threshold: \$548,329	39. Ohio • Top 1% income threshold: \$500,253	49. Mississippi • Top 1% income threshold: \$381,919
10. New Hampshire • Top 1% income threshold: \$659,037	20. North Dakota • Top 1% income threshold: \$585,556	30. Alaska • Top 1% income threshold: \$542,824	40. Hawaii • Top 1% income threshold: \$495,263	50. West Virginia • Top 1% income threshold: \$367,582

Source: CNBC, Charlie Bilello



NUMBER OF PUBLIC COMPANIES IN THE US, 1976 – 2002: IN DECLINE



Source: Craig Doidge, G. Andrew Karolyi, and René Stulz, "The U.S. Listing Gap," *Journal of Financial Economics*, Vol. 123, No. 3, March 2017, 464-487; Center for Research in Security Prices; and Counterpoint Global.



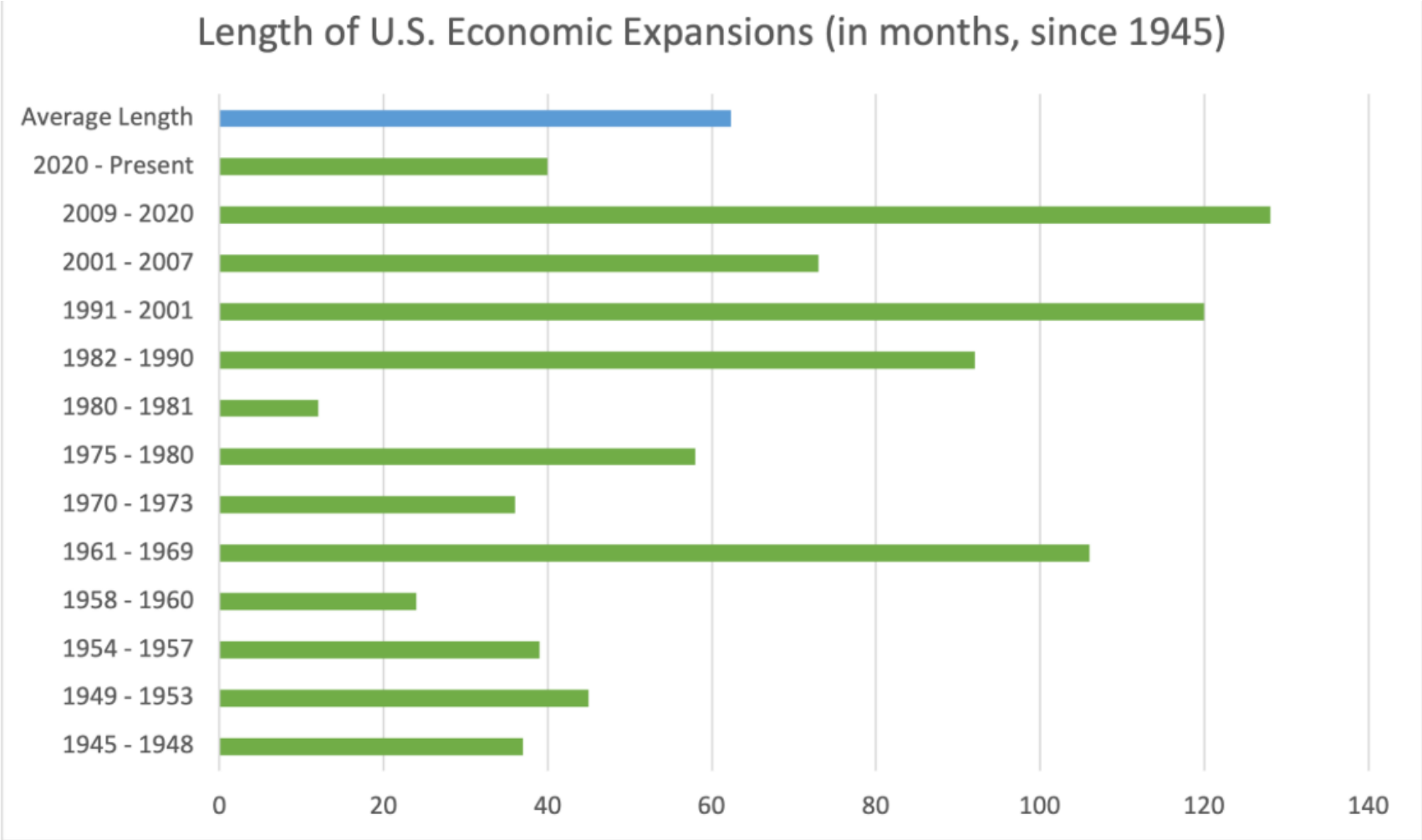
S&P 500 INDEX ... THE STOCK MARKET IS NOT THE ECONOMY



Published August 8, 2023 at 10:33 PM GMT
Sources: Refinitiv



LENGTH OF US ECONOMIC EXPANSIONS



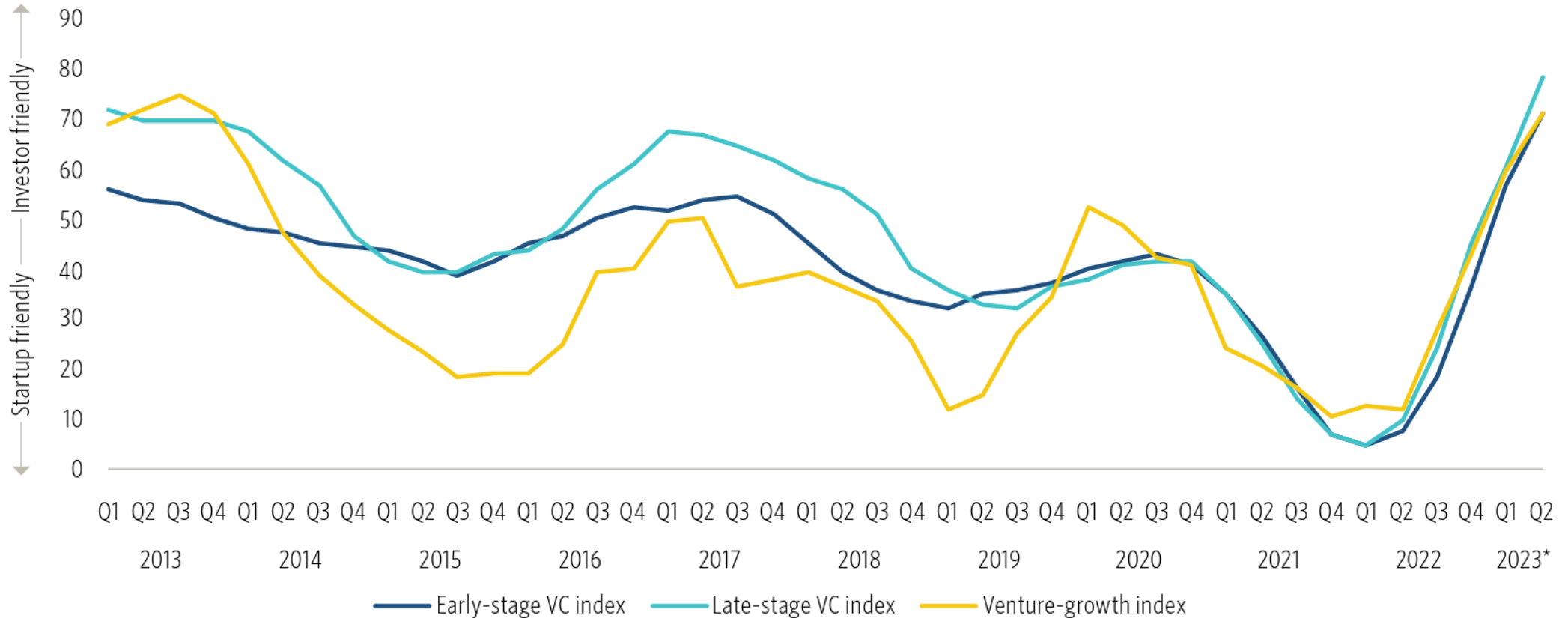
Source: National Bureau of Economic Research³



US VENTURE MARKET FAVORS INVESTORS

US venture market has turned the most investor friendly in nearly a decade

VC Dealmaking Indicator by quarter



Source: PitchBook • Geography: US

*As of June 30, 2023

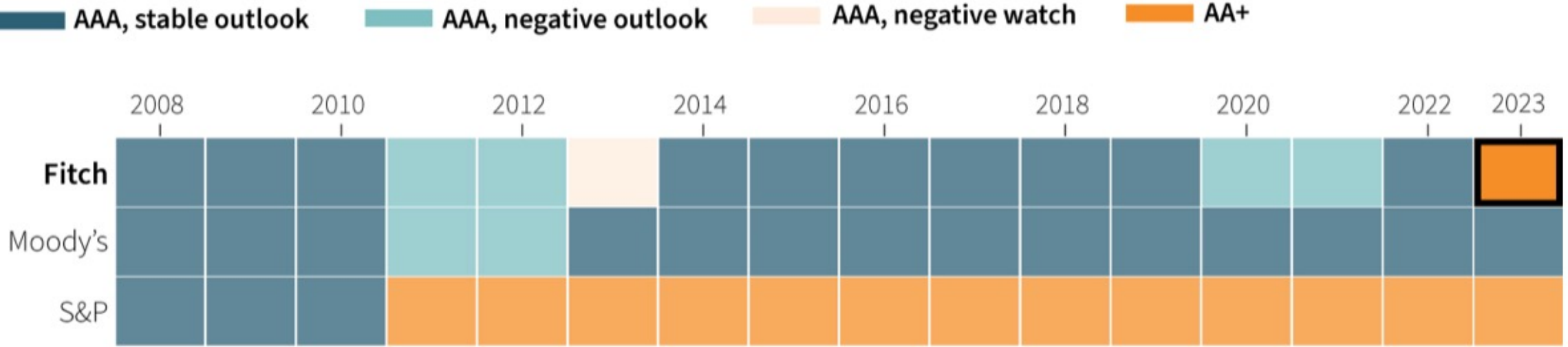


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WEEK OF 7-31



USA SOVEREIGN CREDIT DETERIORATION: AA+ AT 2 OF 3 RATING AGENCIES



Note: A negative outlook means a likelihood of downgrade over 12 months, while negative watch indicates a potential downgrade in 6 months. 2023 as of August 1.

Sources: Credit rating agencies
 Prinz Magtulis | Reuters, August 1, 2023

WHAT IS THE NATIONAL DEBT TODAY?

\$32,587,762,973,000

That's



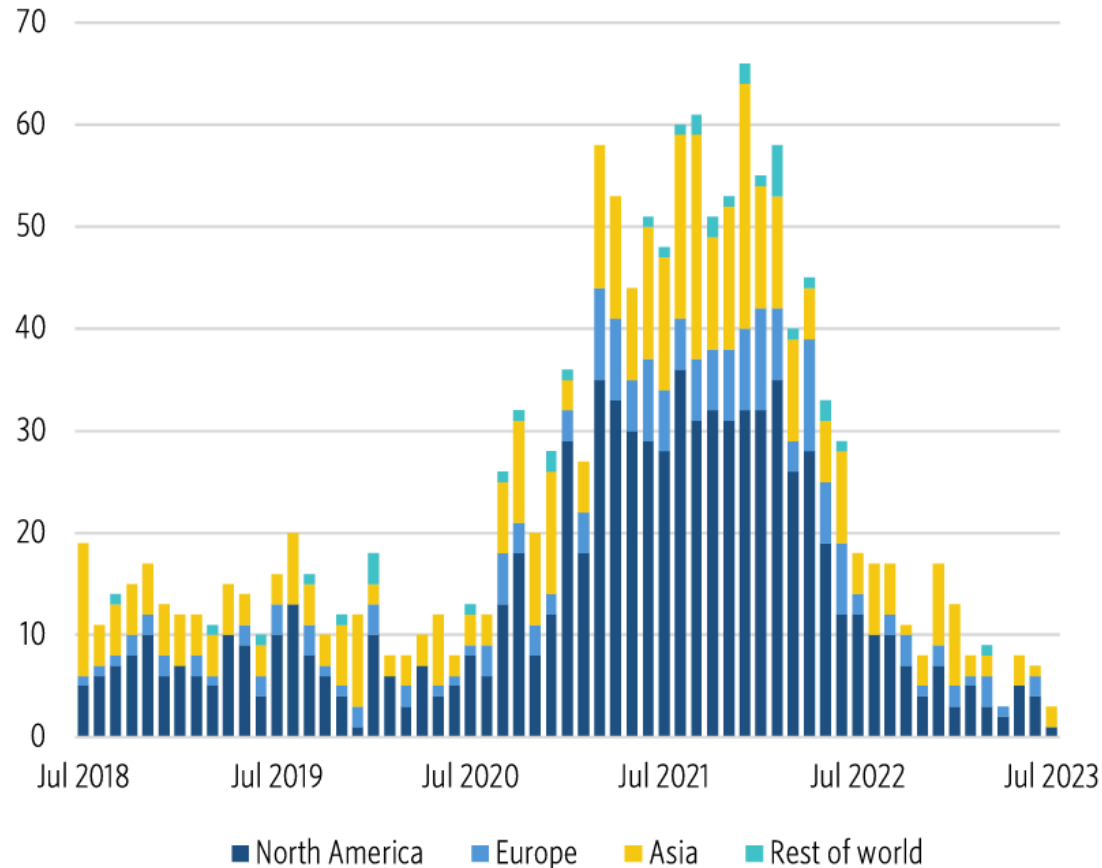
• \$97,473

for every single person in America.



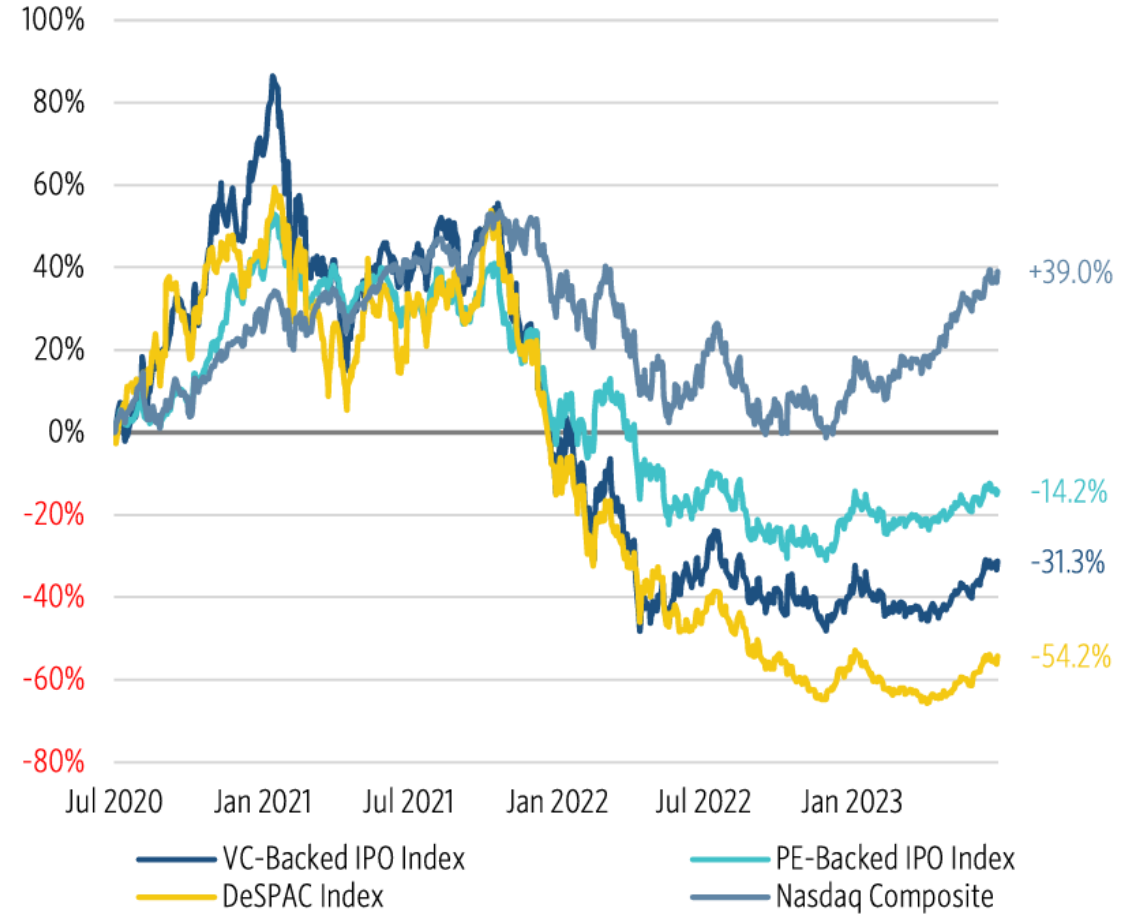
UNICORN DECLINE; VC, PE, DeSPAC UNDERPERFORMING

VC-backed unicorns created monthly by HQ region



Source: PitchBook

US IPO and DeSPAC indexes versus Nasdaq three-year return*

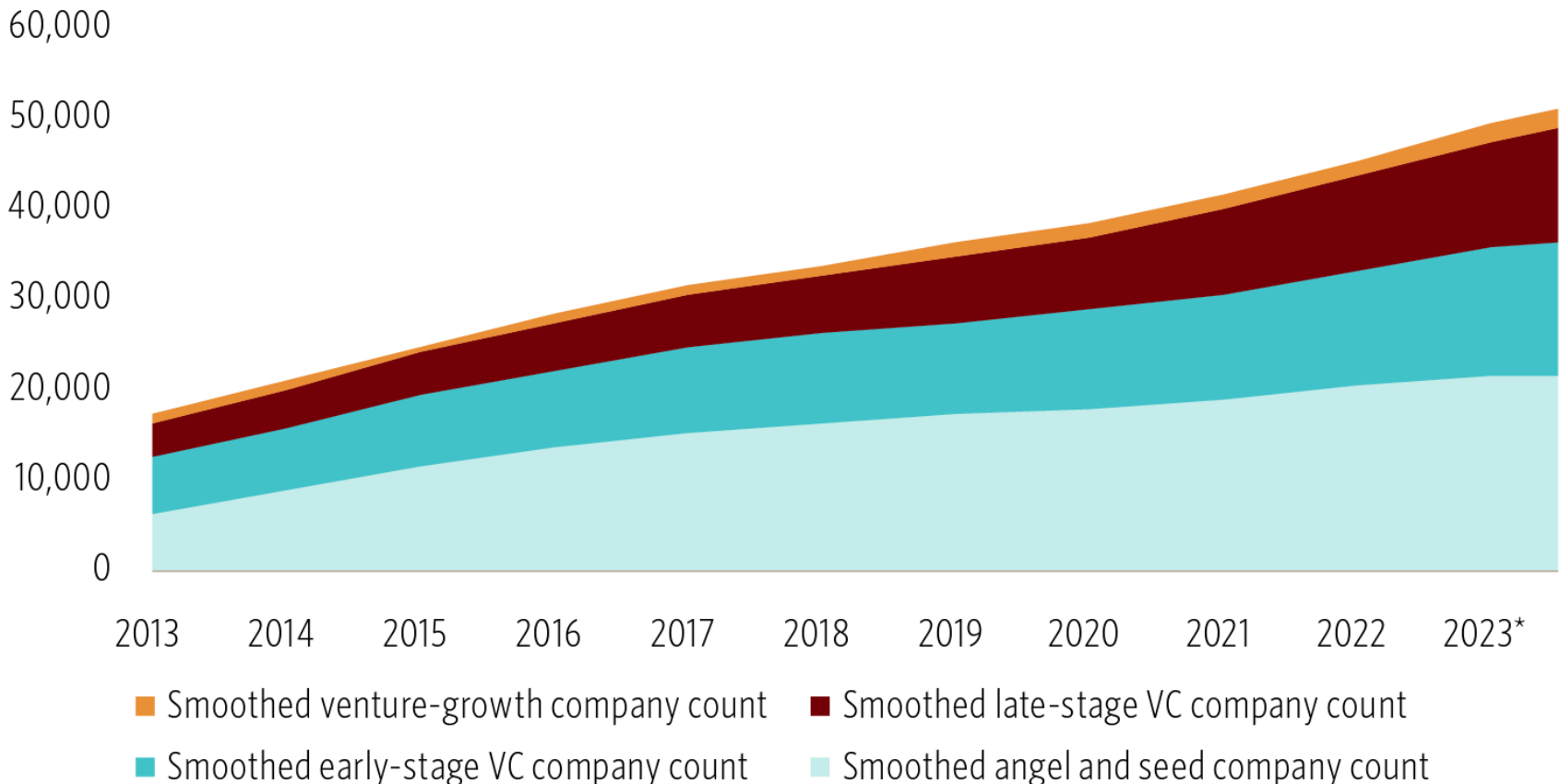


*As of July 28, 2023 | Sources: Morningstar, PitchBook



50,000 US COMPANIES NOW VC-BACKED – 3X INCREASE IN 10 YEARS

US VC-backed company inventory

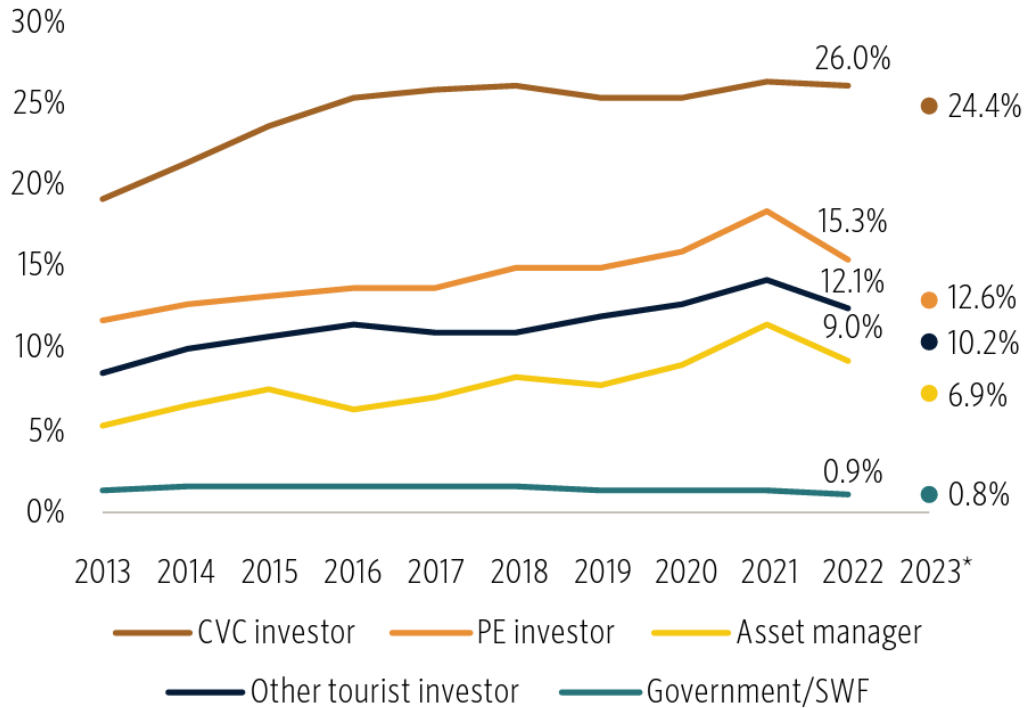


PitchBook-NVCA Venture Monitor
*As of June 30, 2023

STRATEGIC INVESTORS ACTIVELY INVESTING

CVCs investors remain actively involved on a deal count basis

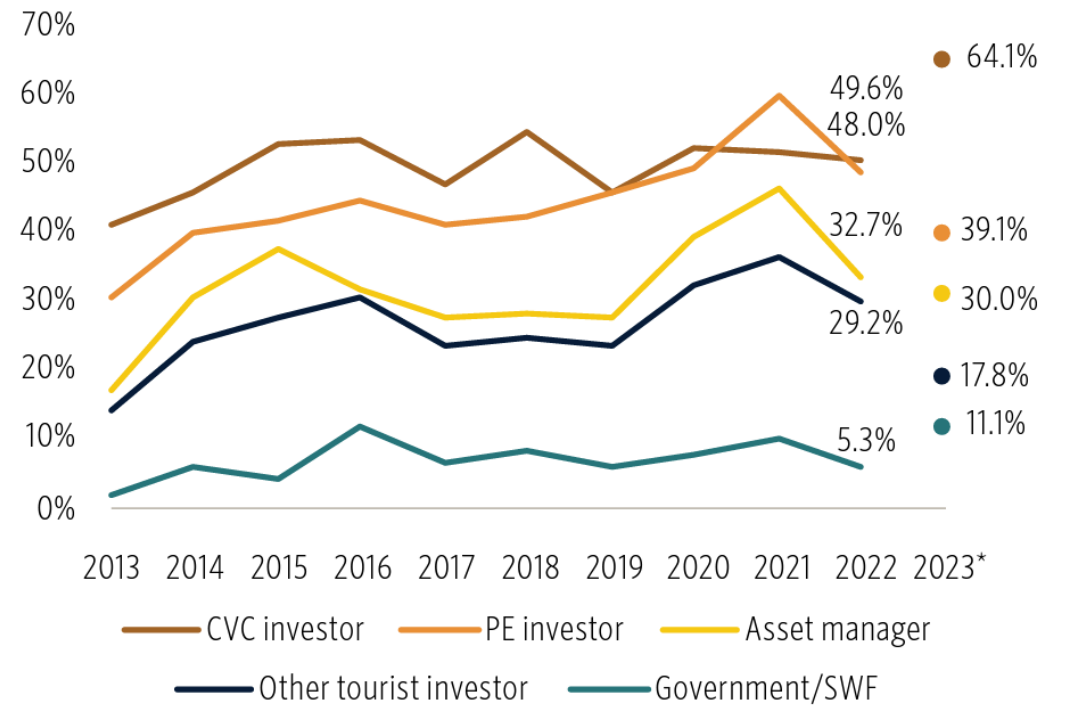
US VC deals with nontraditional investor participation as a share of all US VC deal count by investor type



PitchBook-NVCA Venture Monitor
*As of June 30, 2023

CVC deal value participation rises to highest percentage on record

US VC deal value with nontraditional investor participation as a share of all US VC deal value by investor type



PitchBook-NVCA Venture Monitor
*As of June 30, 2023



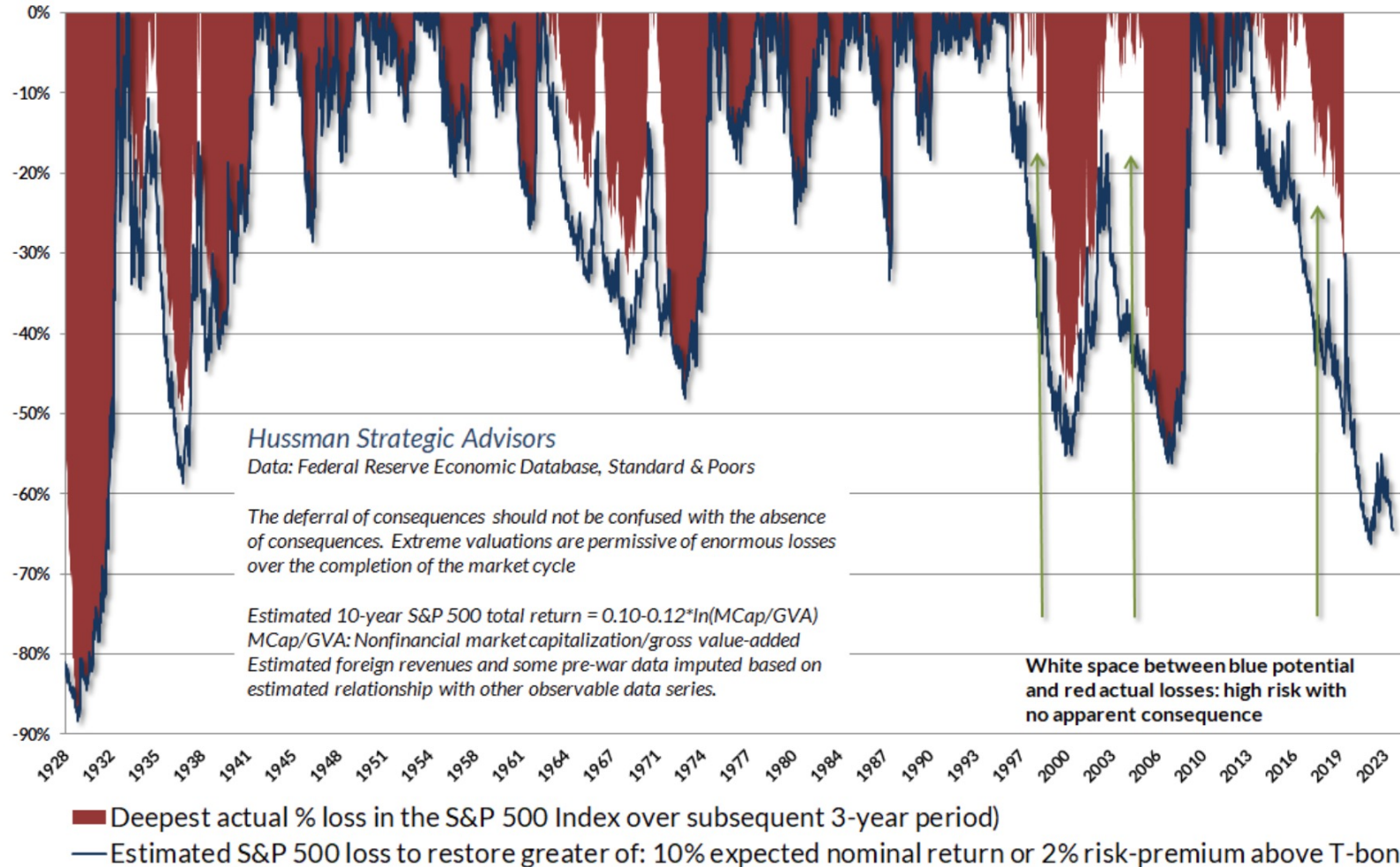
CONTENTS

WEEK OF 7-24



HUSSMAN : 64% DECLINE IN S&P 500 TO RESTORE NORMAL RETURNS

“... the valuation extremes we observe imply that a -64% loss in the S&P 500 would be required to restore run-of-the-mill long-term prospective returns.” (John Hussman of Hussman Funds, 7/26/23 via VettaFi Advisor Perspectives)



CORE CPI REMAINS AT LEVELS LAST SEEN IN 1980s, EARLY 1990s



Source: Labor Department



GLOBAL M&A CONTINUES DOWNWARD TREND

M&A activity by quarter



Source: PitchBook • Geography: Global
 *As of June 30, 2023



VALUATION DIVERGENCE – MEGADEALS VS. DEALS BELOW \$100 MILLION

M&A megadeal EV/revenue multiples

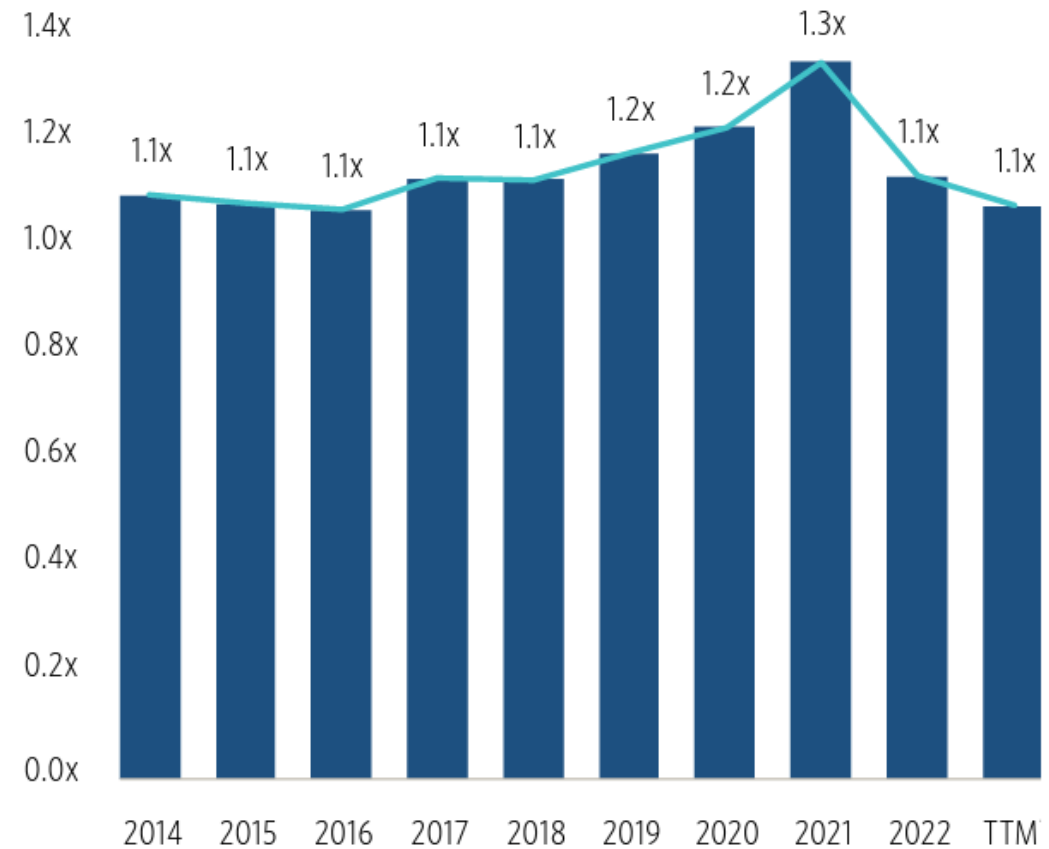


Source: PitchBook • Geography: North America and Europe

*As of June 30, 2023

Note: Megadeals are deals that are \$5 billion or larger.

M&A EV/revenue multiples on deals below \$100M



Source: PitchBook • Geography: North America and Europe

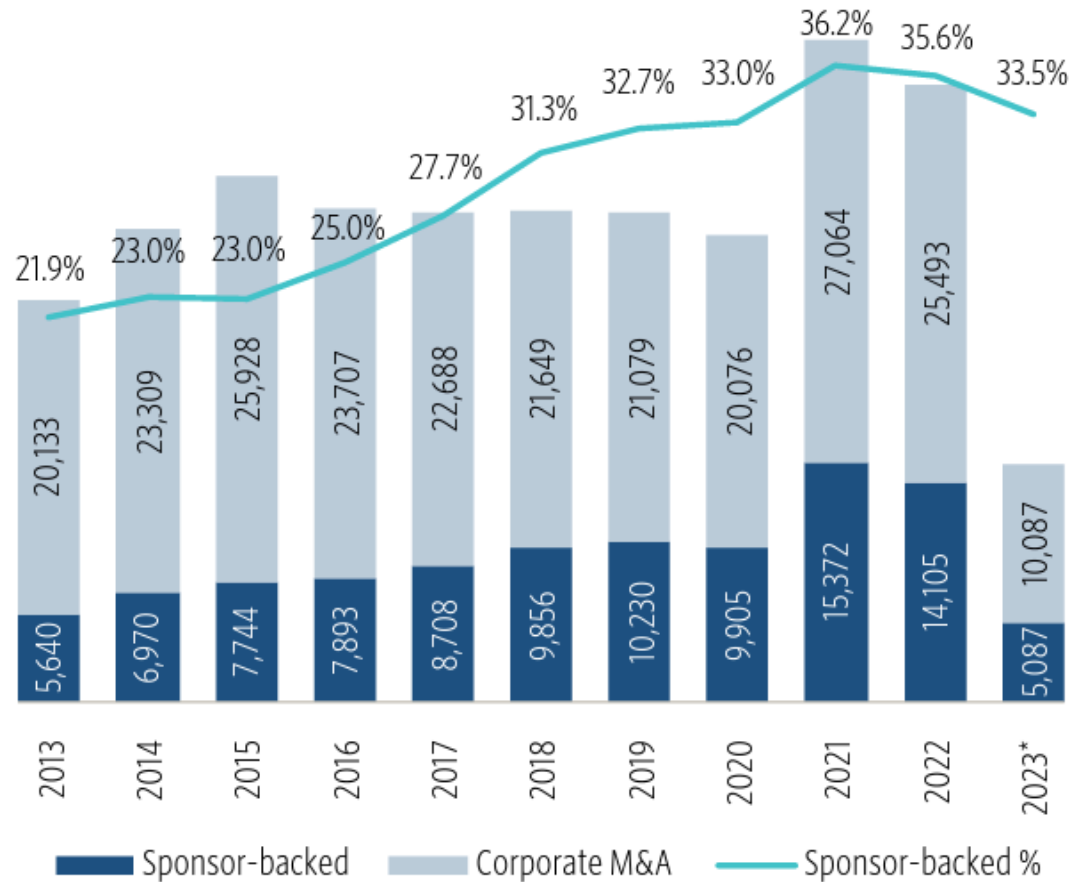
*As of June 30, 2023

Note: Multiples are rounded to the nearest tenth place.



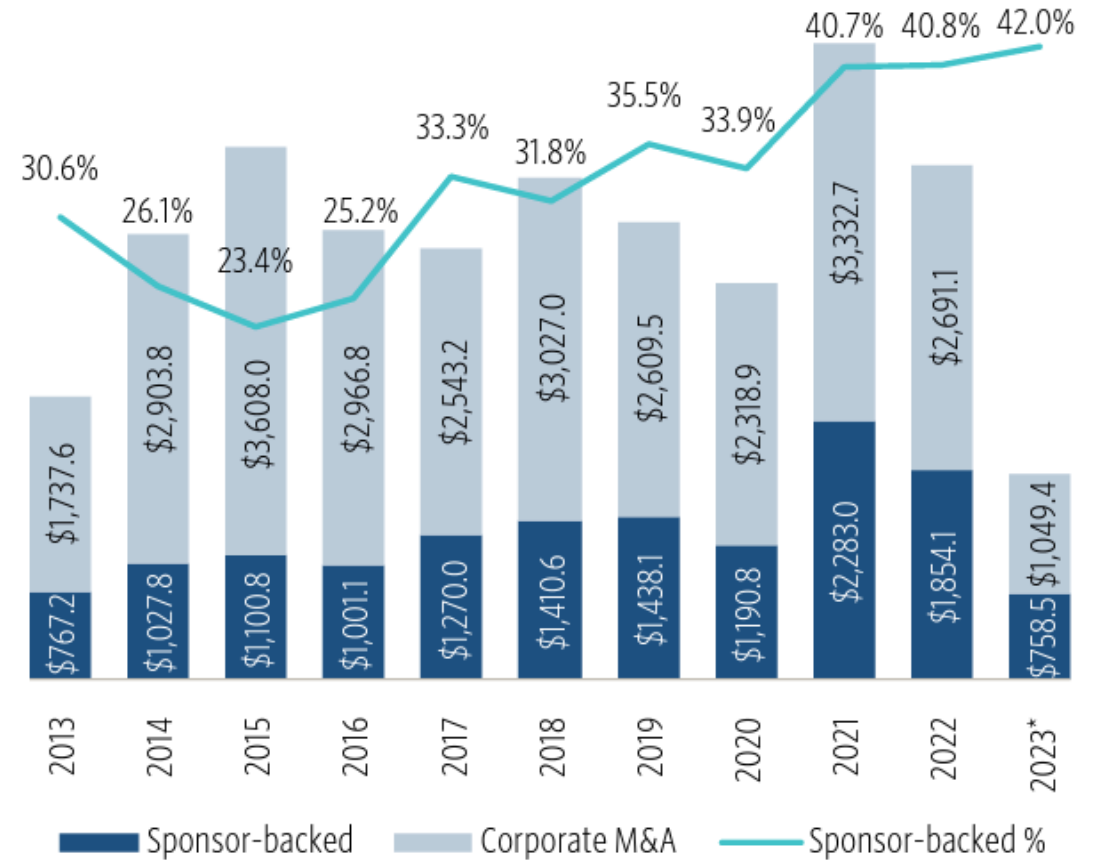
SPONSOR-BACKED M&A GROWING SHARE OF M&A VALUE

M&A count by acquirer type



Source: PitchBook • Geography: Global
*As of June 30, 2023

M&A value (\$B) by acquirer type



Source: PitchBook • Geography: Global
*As of June 30, 2023

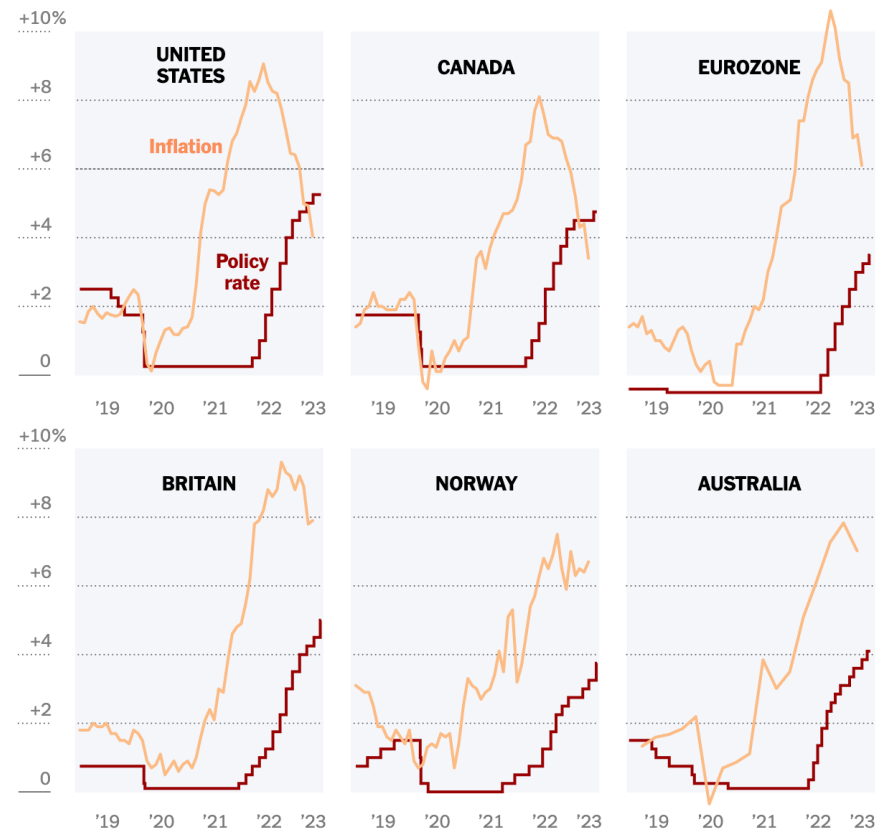
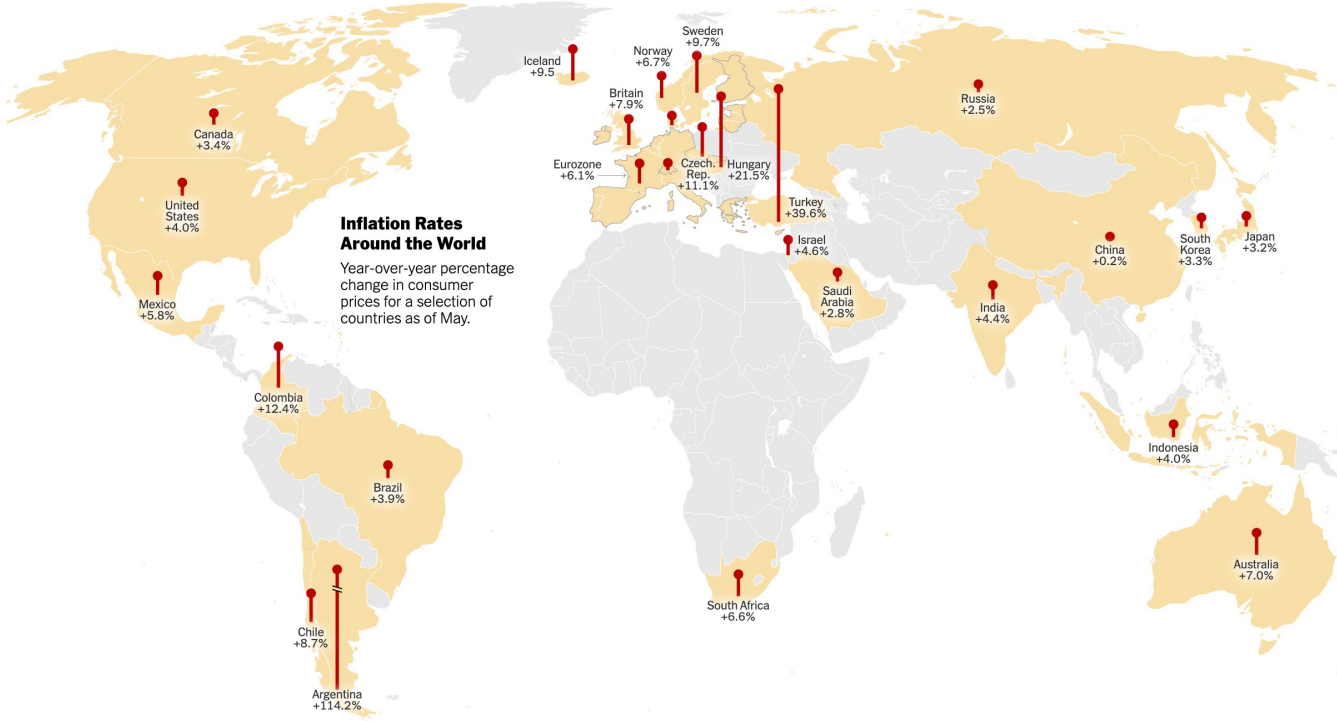


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WEEK OF 7-10



GLOBALY SYNCHRONIZED INFLATION AND MONETARY TIGHTENING



Source: The New York Times

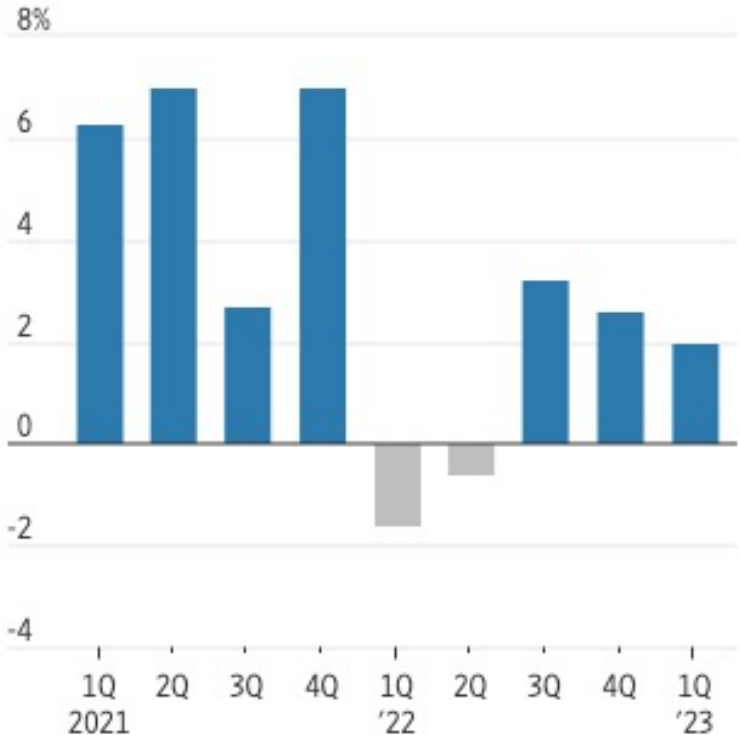
JOBLESS CLAIMS STEADY; GDP GROWTH SLOWING

Initial jobless claims



Note: Seasonally adjusted.
 Source: U.S. Employment and Training Administration via St. Louis Fed

GDP, change from previous quarter



Note: Seasonally and inflation adjusted at annual rates
 Source: Commerce Department via St. Louis Fed

Source: The Wall Street Journal



RESURGENCE IN U.S. MANUFACTURING

Monthly construction spending on manufacturing



Note: Seasonally adjusted, at an annual rate
Source: Commerce Department

Source: *The Wall Street Journal*

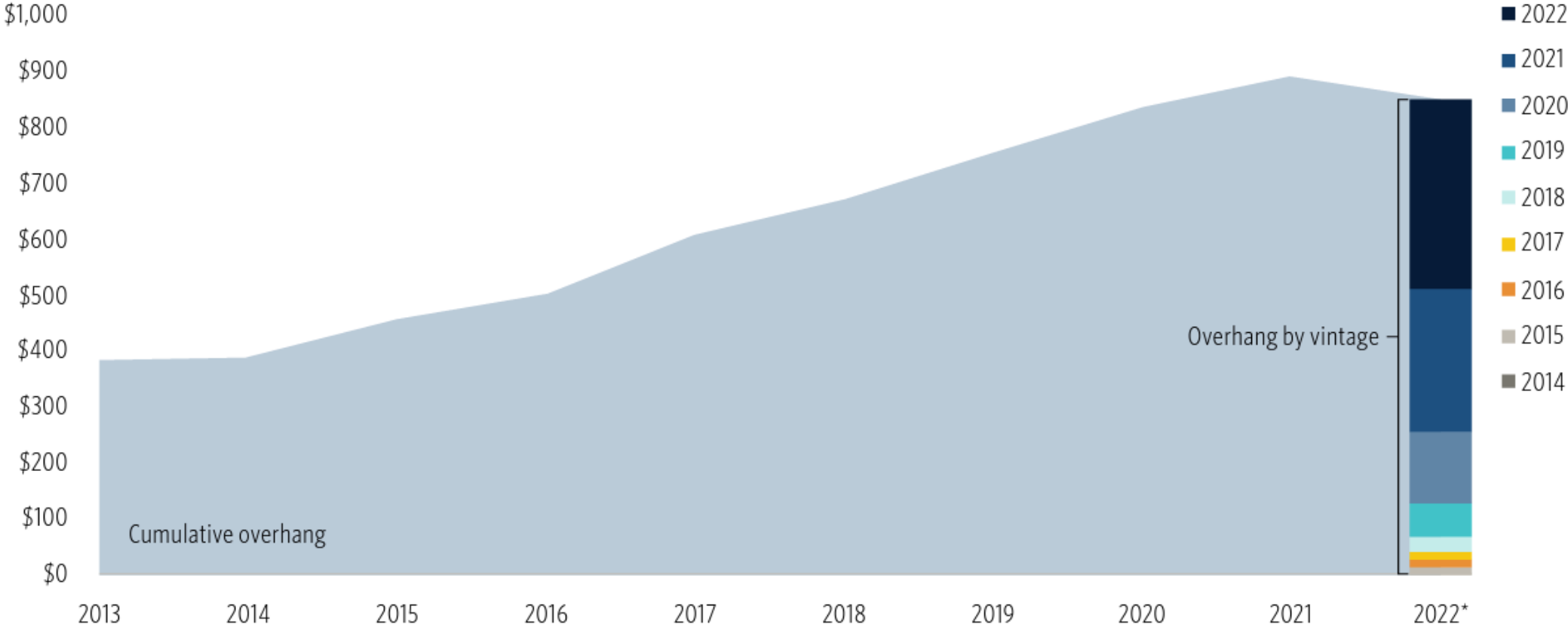


Source: FRED



\$850 BILLION IN DRY POWDER IN US PRIVATE EQUITY

US PE dry powder (\$B) by vintage



Source: PitchBook • Geography: US
*As of December 31, 2022



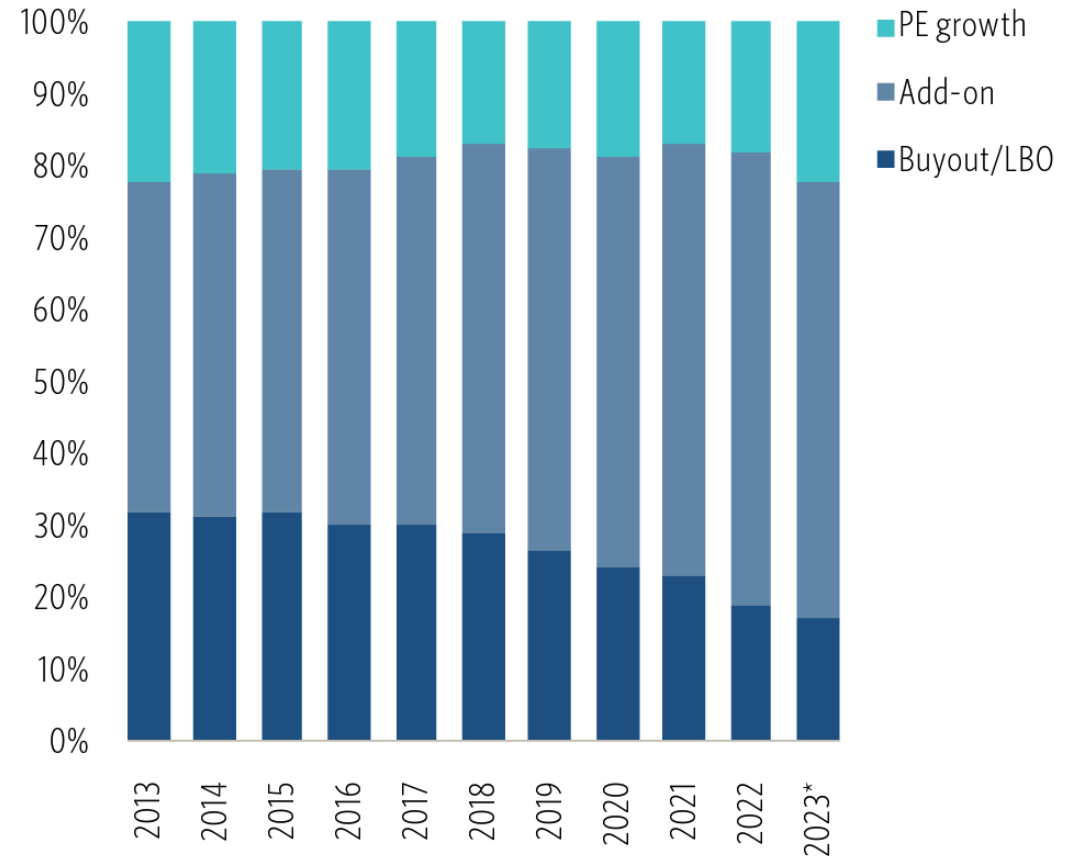
PE DEAL ACTIVITY AT 2018, 2019 LEVELS; ADD-ONS 60% OF DEAL TYPE

PE deal activity by quarter



Source: PitchBook • Geography: US
*As of June 30, 2023

Share of PE deal count by type

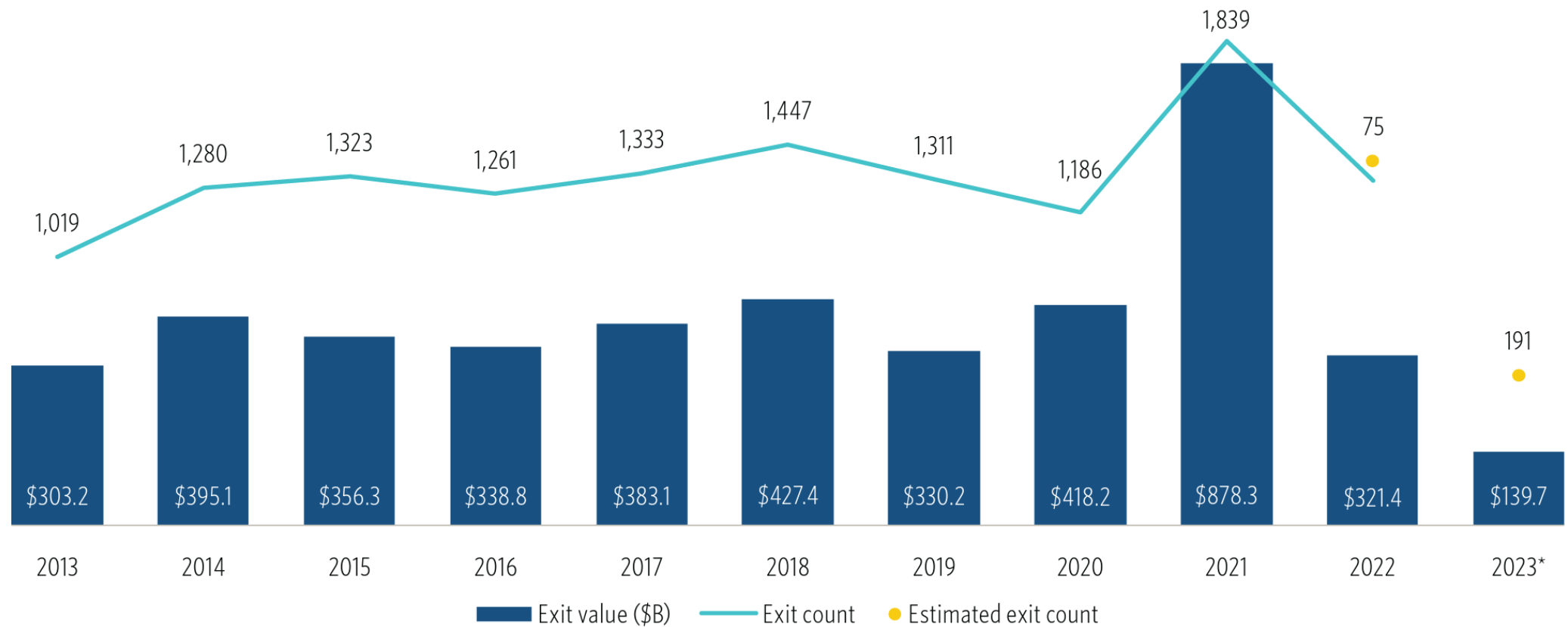


Source: PitchBook • Geography: US
*As of June 30, 2023



US PRIVATE EQUITY H1 ANNUALIZED EXIT ACTIVITY AT 10 YEAR LOW

US PE exit activity



Source: PitchBook • Geography: US
 *As of June 30, 2023

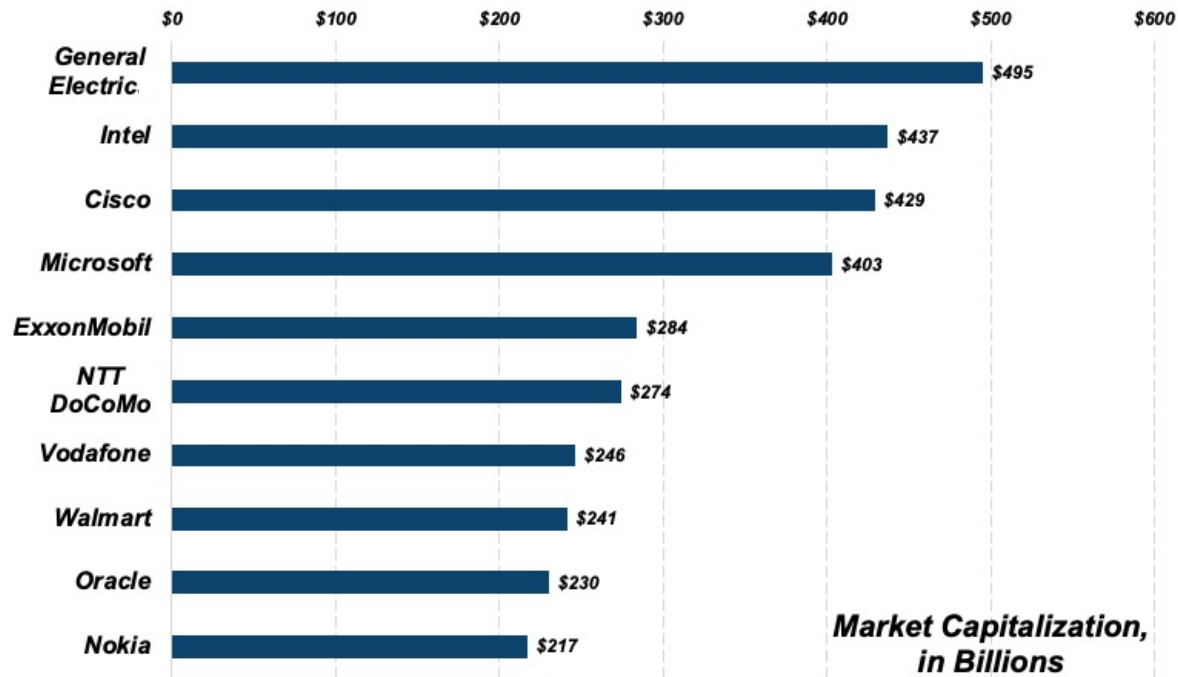
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WEEK OF 7-3

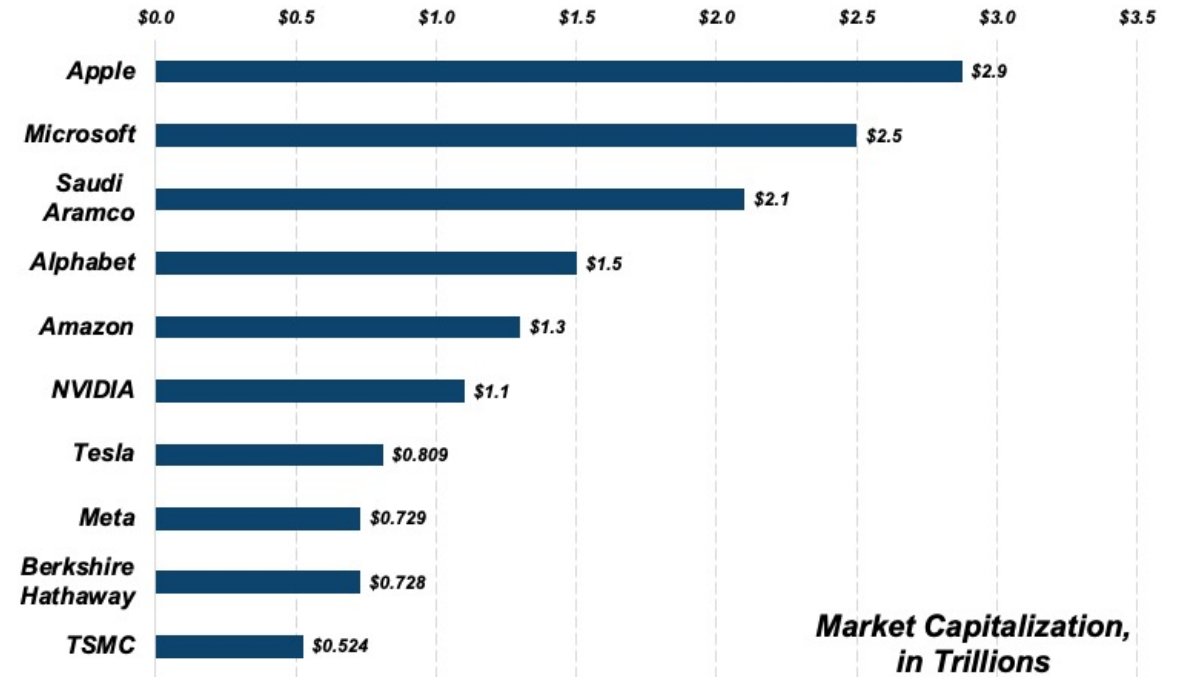


TWO-PLUS DECADES OF MEGACAP CHANGE – BILLIONS TO TRILLIONS

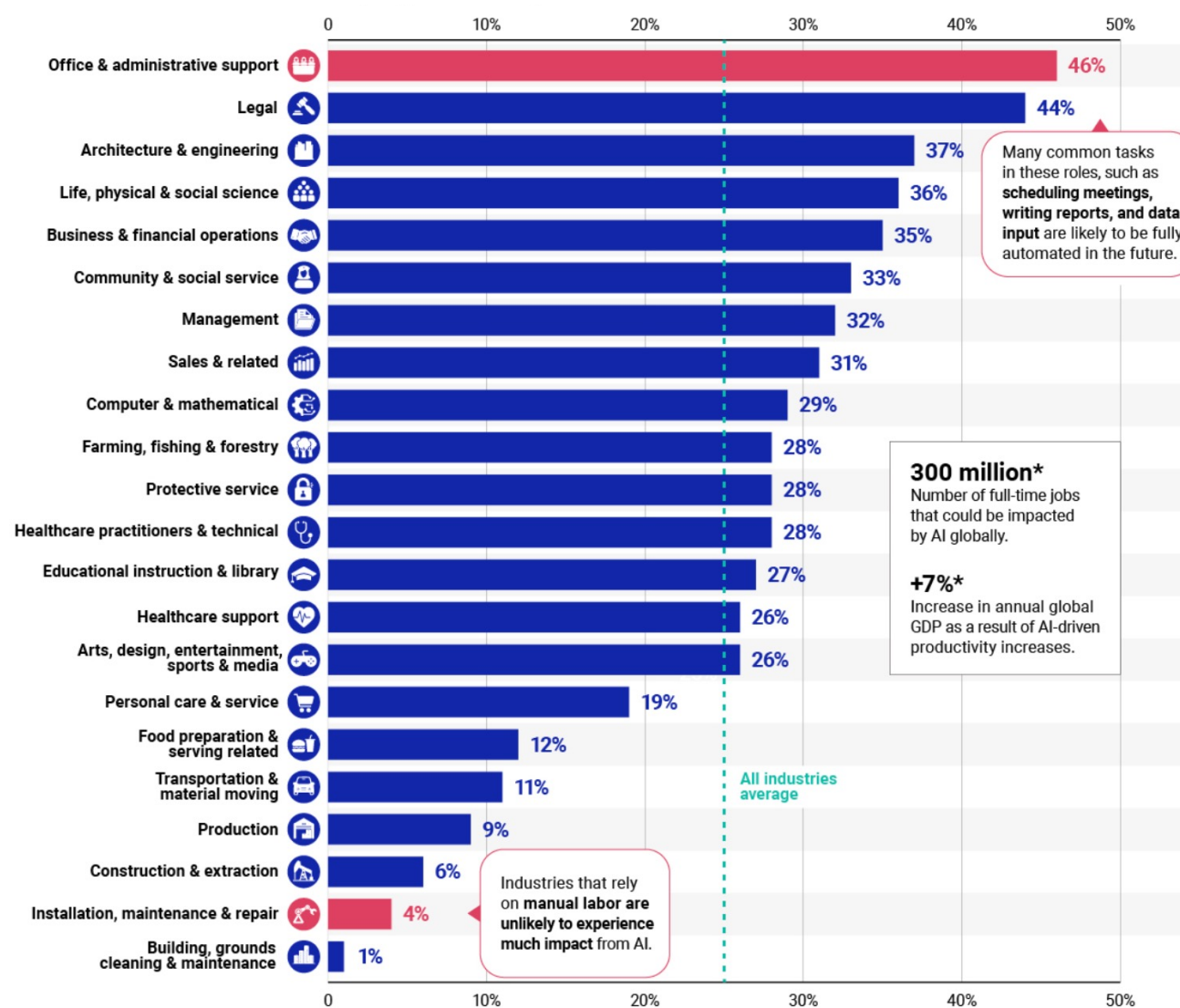
Top 10 Biggest Market Cap Companies - July 2000



Top 10 Biggest Market Cap Companies - July 2023



ESTIMATED SHARE OF EMPLOYMENT EXPOSED TO AUTOMATION



U.S. Industries with the Highest Potential for Automation

Many common tasks in these roles, such as scheduling meetings, writing reports, and data input are likely to be fully automated in the future.

300 million*
Number of full-time jobs that could be impacted by AI globally.

+7%*
Increase in annual global GDP as a result of AI-driven productivity increases.

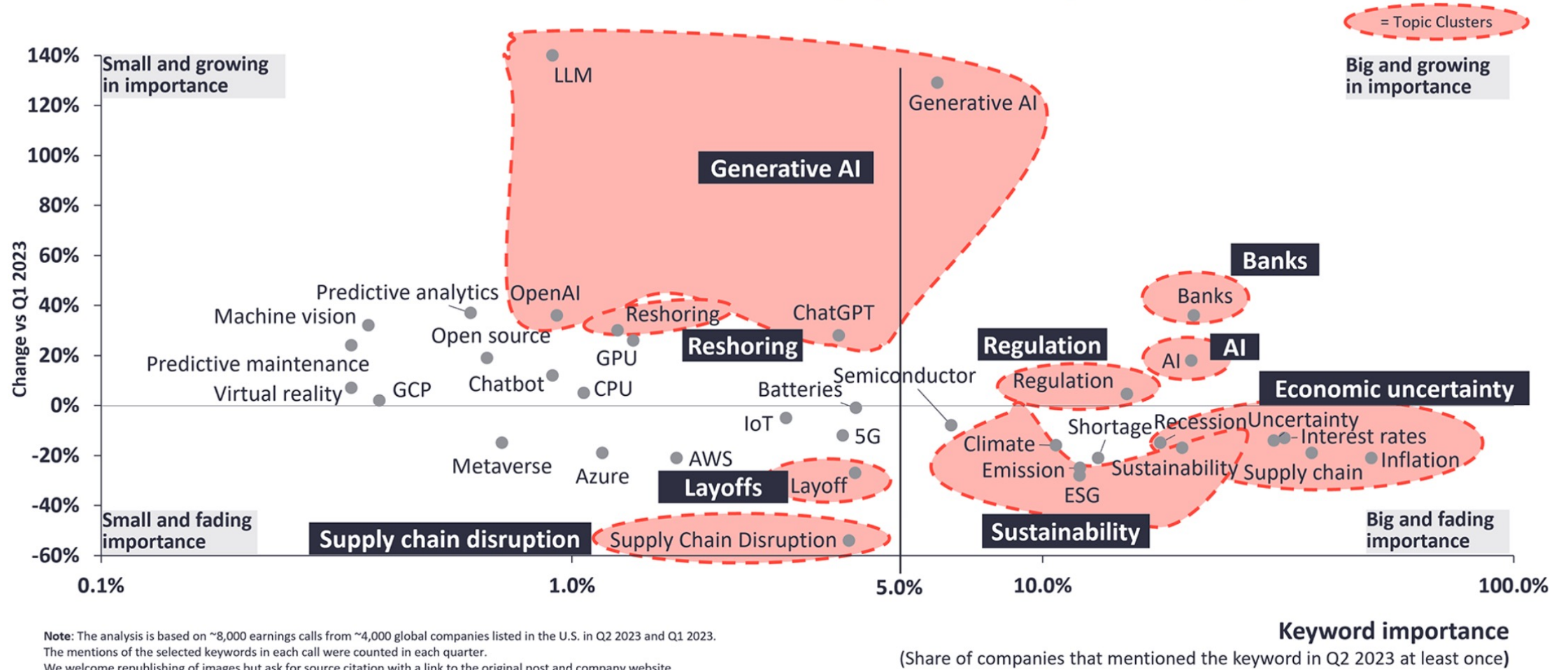
i Automation exposure was estimated for 900+ U.S. jobs using the O*NET occupational database. Exposure estimates were weighted by the employment share of each occupation, and aggregated to the industry level.

Source: Visual Capitalist



THE CEO ZEITGEIST ... GENERATIVE AI

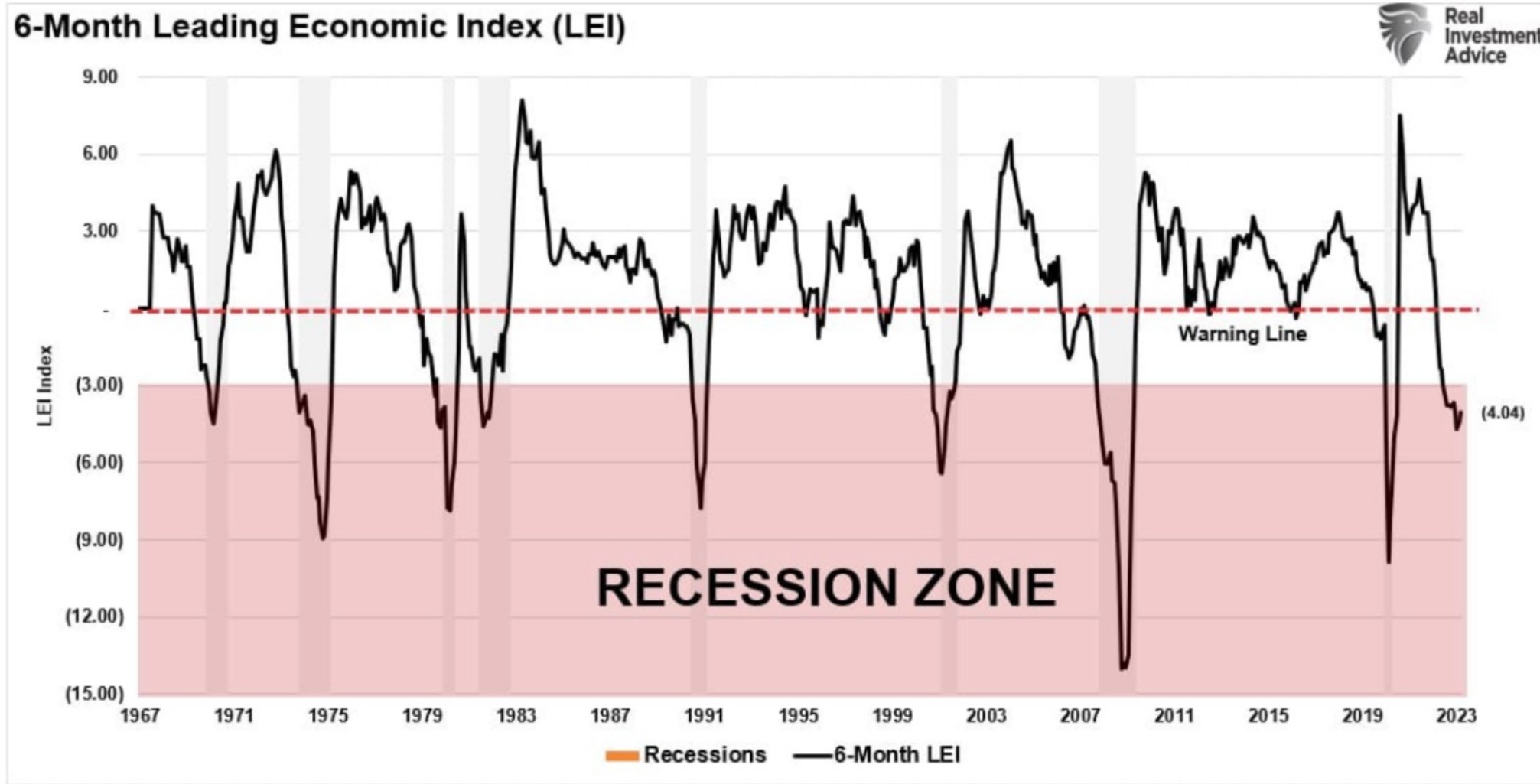
What CEOs talked about in Q2/2023 (vs. Q1/2023)



Note: The analysis is based on ~8,000 earnings calls from ~4,000 global companies listed in the U.S. in Q2 2023 and Q1 2023. The mentions of the selected keywords in each call were counted in each quarter. We welcome republishing of images but ask for source citation with a link to the original post and company website.



RECESSION INDICATOR – 6-MONTH LEADING ECONOMIC INDEX



The 6-month rate of change (ROC) in the Conference Board's Leading Economic Index (LEI) indicates recession warning. Since 1967, a recession has occurred when the 6-month ROC fell below -3%. Highly correlated indicator.



THE SHIP HAS HIT THE ICEBERG – \$1.5 TRILLION OF DEBT REFINANCING

U.S. speculative grade debt due for refinancing (\$ billion)



Note:

Source: S&P Global Ratings



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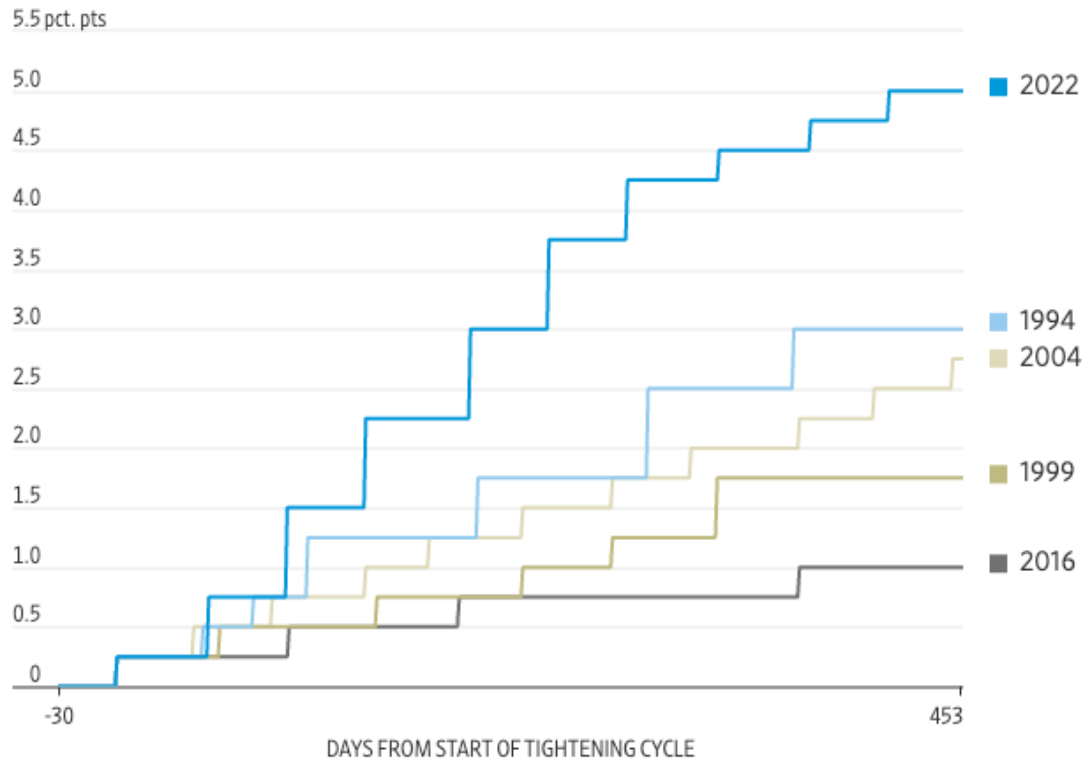
WEEK OF 6-26



DESPITE RAPID FED FUNDS RATE INCREASE, REAL INTEREST RATE IS LOW

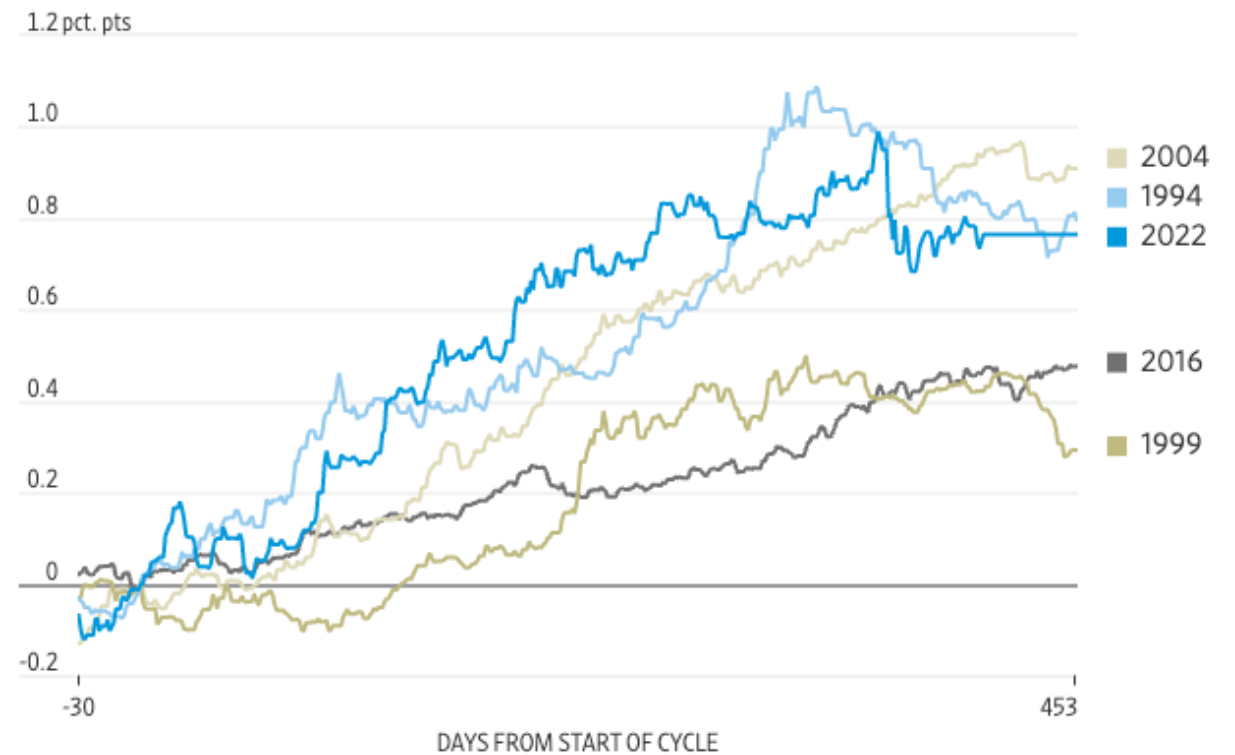
An Extremely Steep Interest-Rate Cycle, in Nominal Terms ...

Change in the federal-funds rate target, from start of tightening cycle

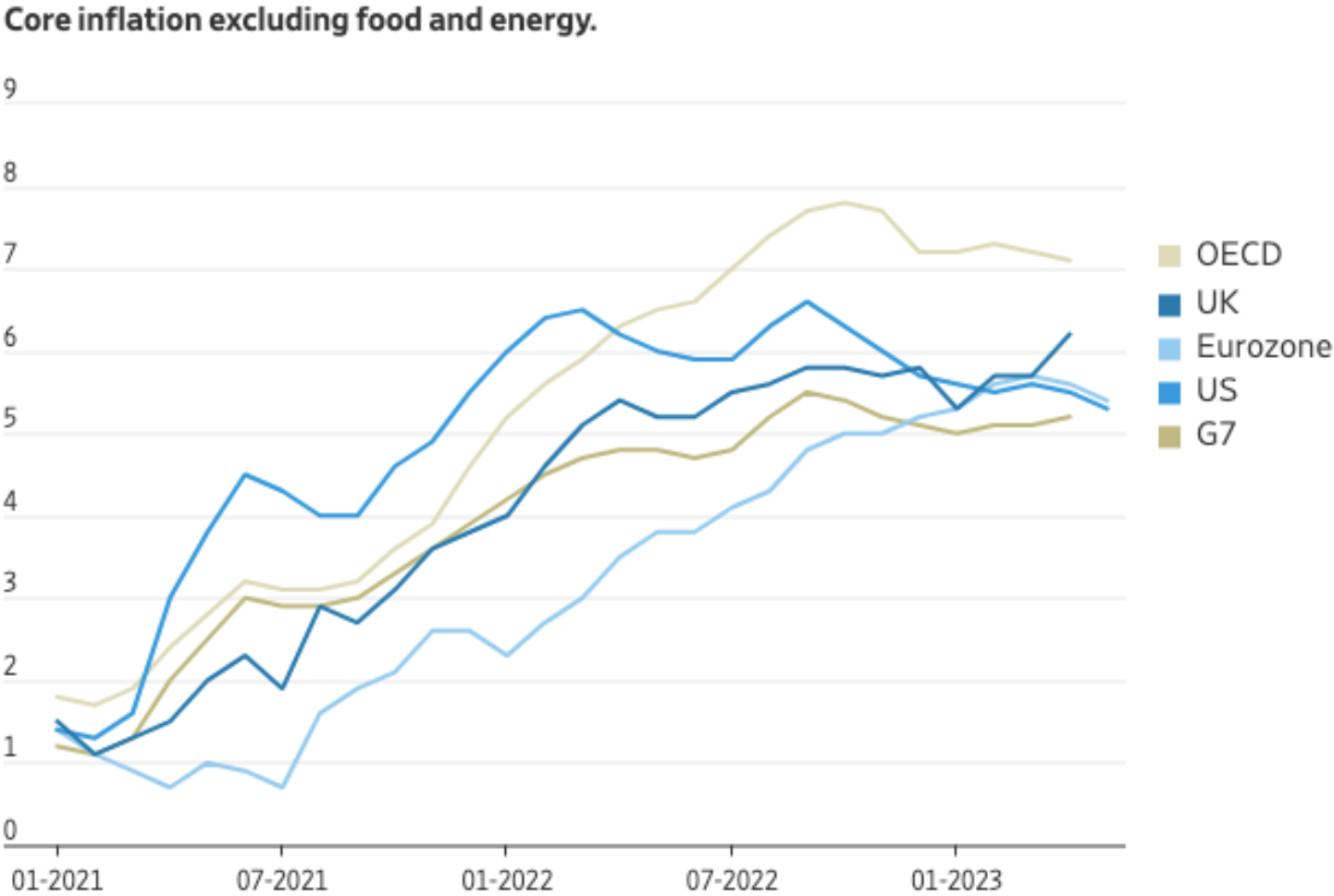


... A Not So Steep Increase in Real Rates

Change in real interest rate from start of rate-increase cycle, relative to neutral*



CORE INFLATION PERSISTENT – AT HISTORICALLY HIGH LEVEL



Source: OECD

Date: June 19, 2023



INFLATION IN FINANCIAL ASSET VALUATIONS – BUFFET INDICATOR

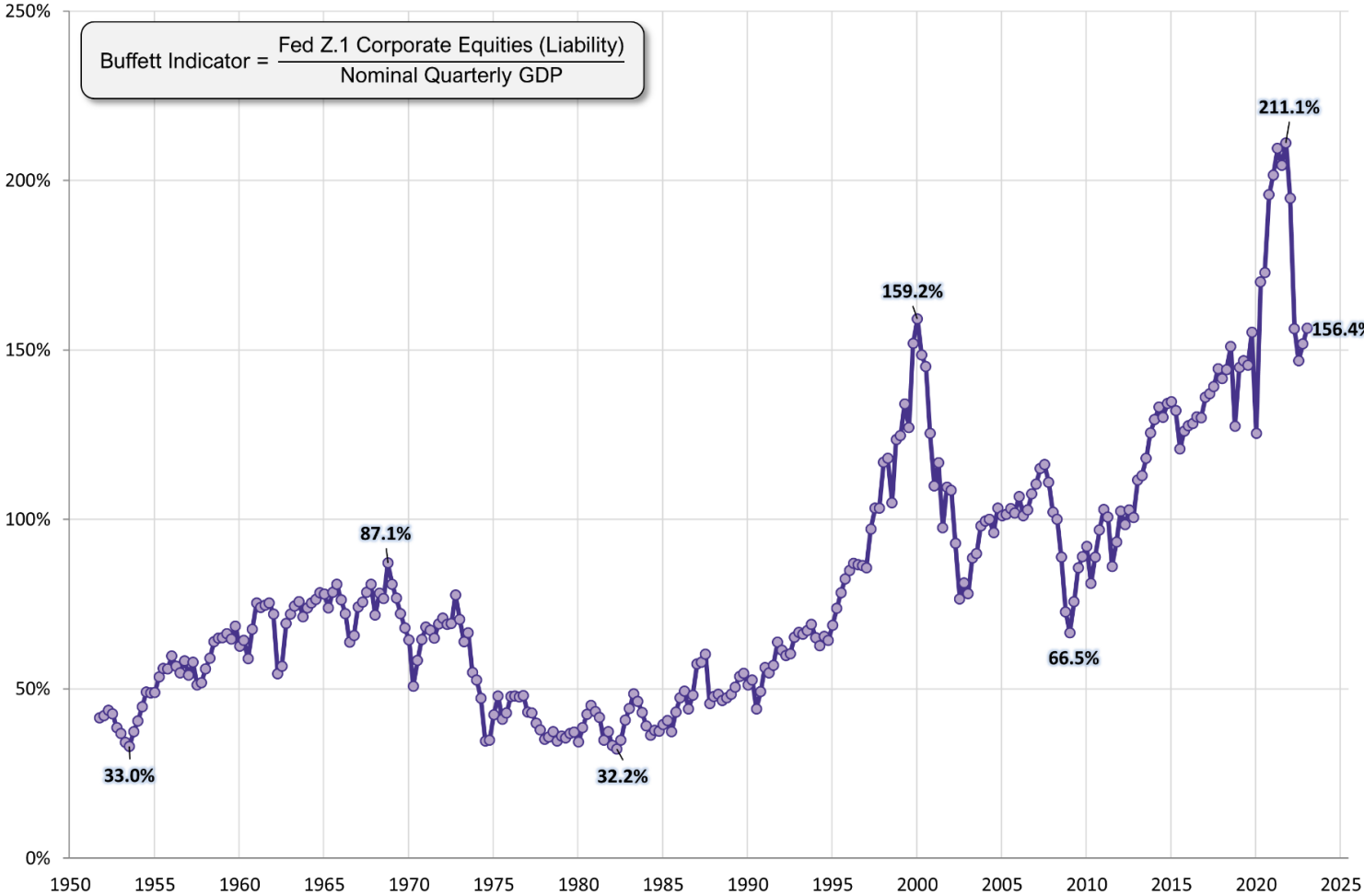
VettaFi Advisor Perspectives

advisorperspectives.com

The Buffett Indicator: Corporate Equities to GDP

May 2023

Q1 Second Estimate



MARKET CAP OF “MAGNIFICENT 7” VS. GDP OF SELECTED COUNTRIES

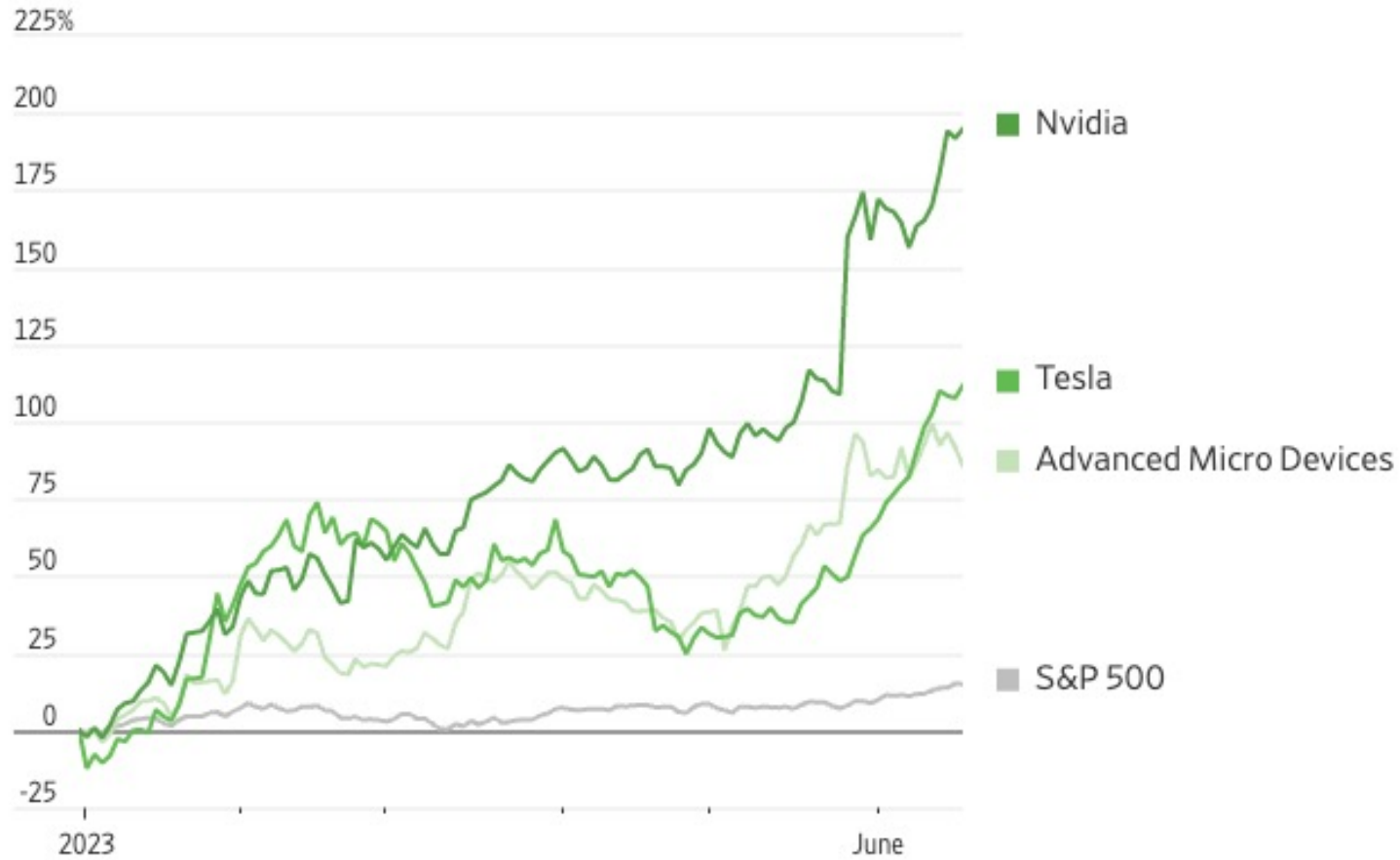
1. **United States – \$26.8 Trillion** 
2. **China – \$19.4 Trillion** 
3. **Japan – \$4.4 Trillion** 
4. **Germany – \$4.3 Trillion** 
5. **India – \$3.7 Trillion** 
6. **United Kingdom – \$3.2 Trillion** 
7. **France – \$2.92 Trillion** 
8. **Apple – \$2.90 Trillion** 
9. **Microsoft – \$2.5 Trillion**  Microsoft
10. **Italy – \$2.16 Trillion** 
11. **Canada – \$2.08 Trillion** 
12. **Brazil – \$2.08 Trillion** 
13. **Russia – \$2.06 Trillion** 
14. **South Korea – \$1.7 Trillion** 
15. **Australia – \$1.7 Trillion** 

16. **Mexico – \$1.6 Trillion** 
17. **Alphabet – \$1.5 Trillion** 
18. **Spain – \$1.4 Trillion** 
19. **Indonesia – \$1.39 Trillion** 
20. **Amazon – \$1.3 Trillion** 
21. **NVIDIA – \$1.1 Trillion** 
22. **Netherlands – \$1.08 Trillion** 
23. **Saudi Arabia – \$1.06 Trillion** 
24. **Turkey – \$1.03 Trillion** 
25. **Switzerland – \$869 Billion** 
26. **Tesla – \$830 Billion** 
27. **Taiwan – \$790 Billion** 
28. **Poland – \$748 Billion** 
29. **Meta – \$715 Billion** 
30. **Argentina – \$641 Billion** 

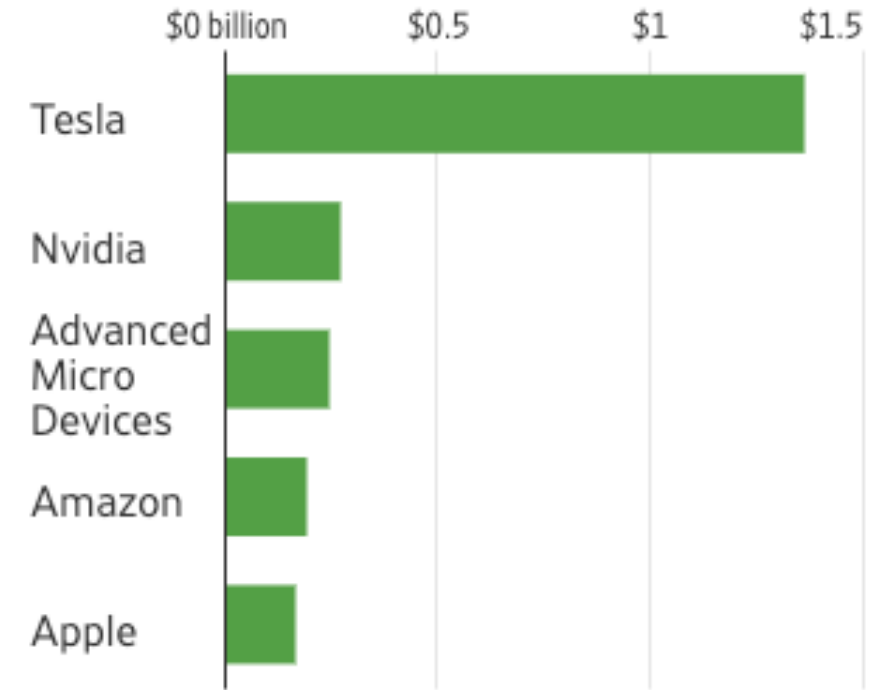


AI TECH STOCK BUBBLE IN 2023

Performance, year to date

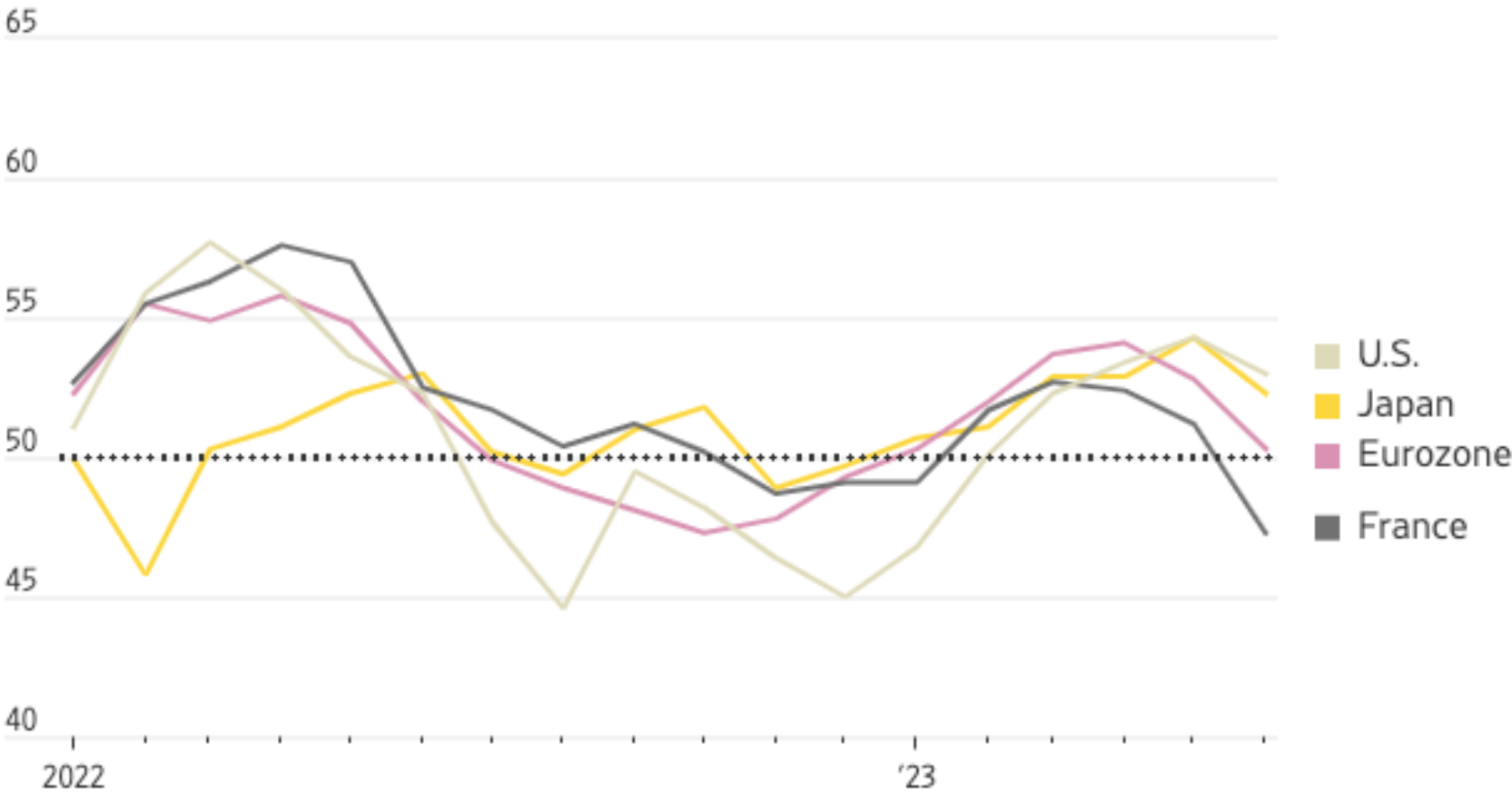


Net purchases by individual investors, five recent trading sessions



ECONOMIC IMPACT OF INTEREST RATE INCREASES BECOMING EVIDENT

Composite purchasing managers index



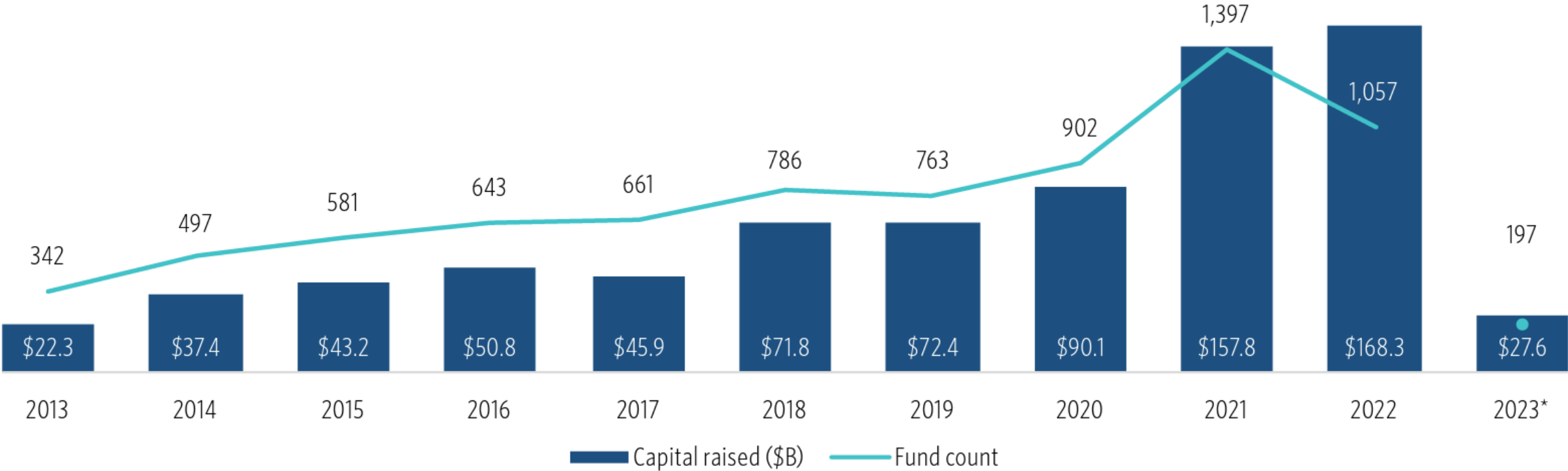
Sources: S&P Global; au Jibun Bank (Japan); Hamburg Commercial Bank (eurozone, France)

Date: June 23, 2023



FEWER VC EXITS ... LESS LP CAPITAL AVAILABLE TO RE-INVEST IN FUNDS

VC fundraising activity



Source: PitchBook • Geography: US
*As of June 13, 2023



CONTENTS

WEEK OF 6-19



US NATIONAL DEBT SURPASSES \$32 TRILLION

WHAT IS THE NATIONAL DEBT TODAY?

\$32,039,260,606,870

That's



\$95,630

for every single person in America.

Debt value as of June 16, 2023

\$32 TRILLION IS MORE THAN THE VALUE OF THE ECONOMIES OF



COMBINED

AND AMOUNTS TO



\$244,000
per household

or

\$96,000
per person in America.

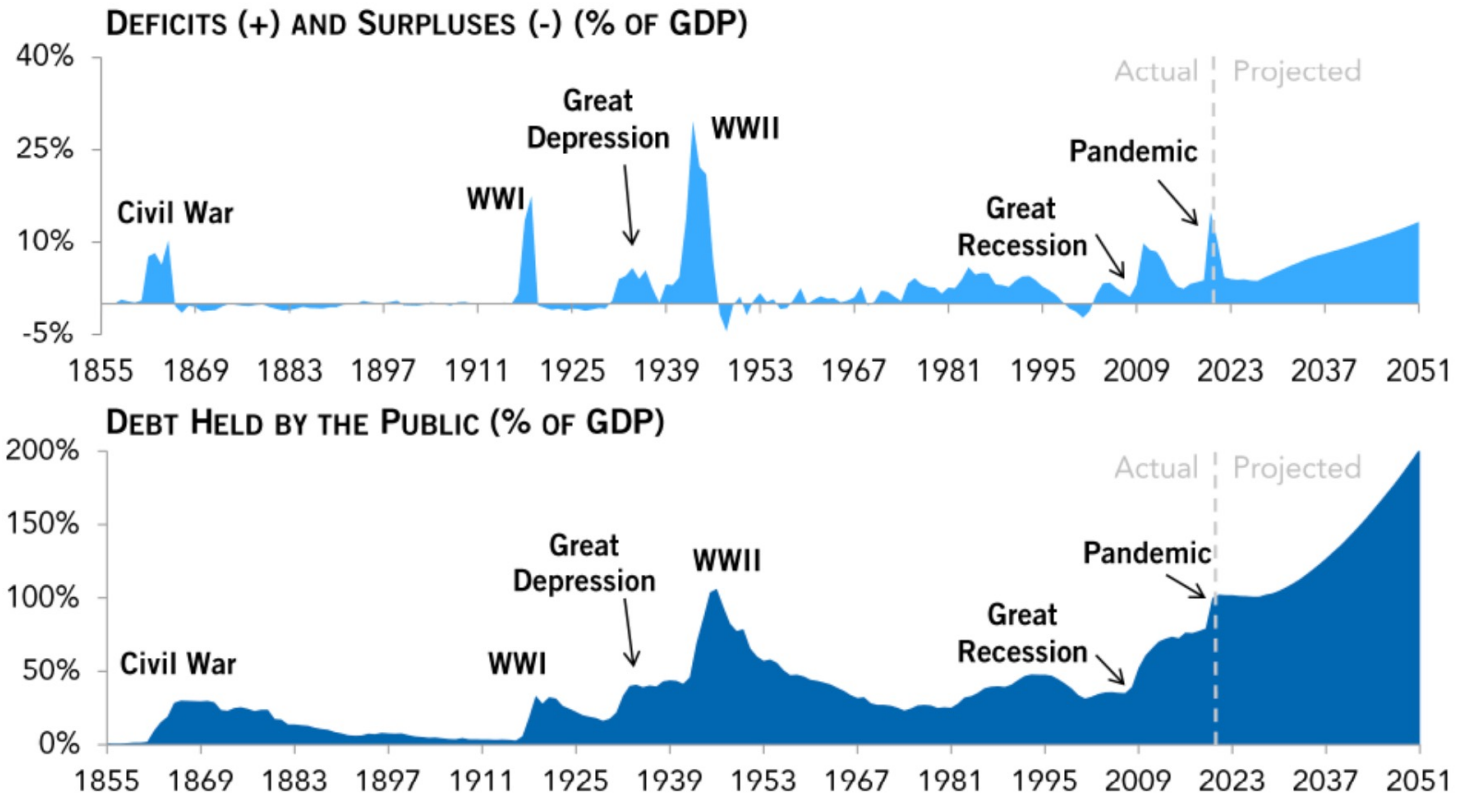


FEDERAL DEBT EXPECTED TO INCREASE; UNLIKELY TO BE REPAID



PETER G.
PETERSON
FOUNDATION

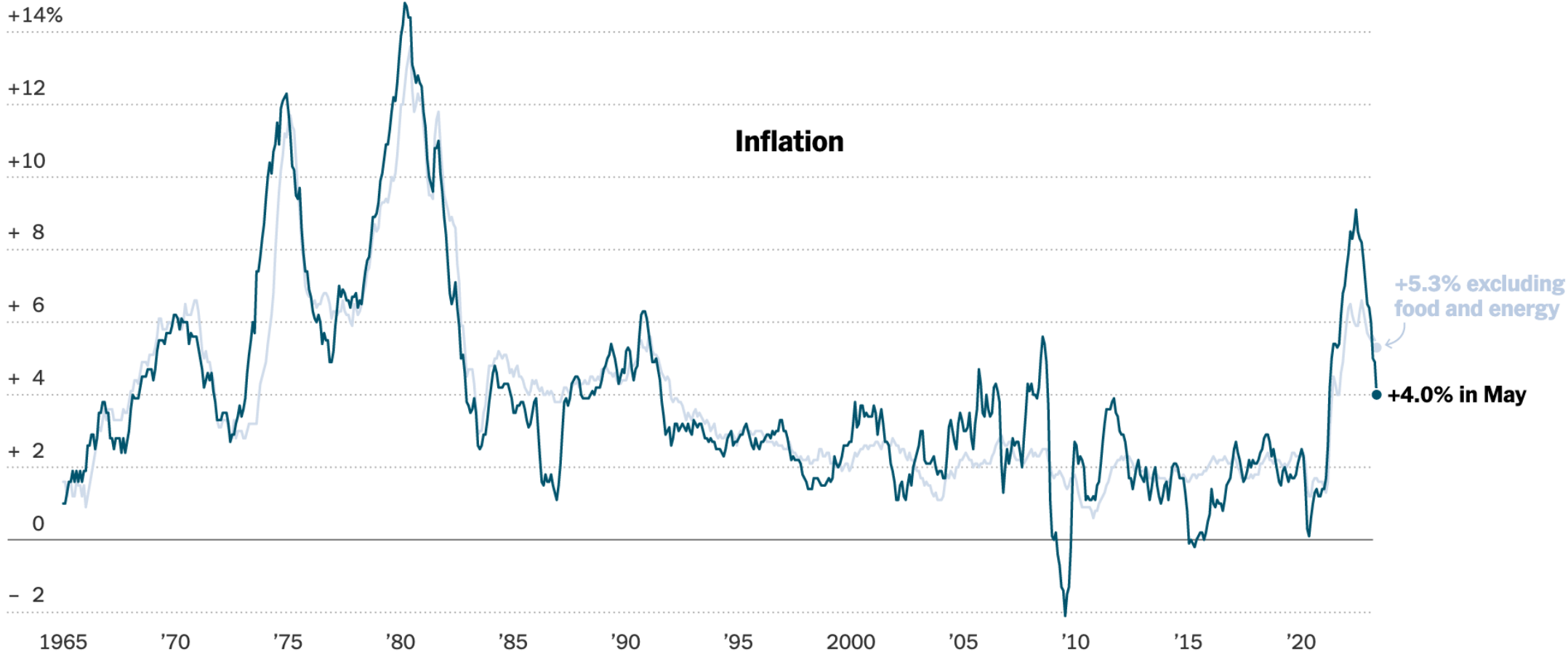
Historically, debt and deficits rose with wars and economic downturns. Today, they rise from factors such as growing healthcare costs and an aging population



SOURCES: Congressional Budget Office, *The 2021 Long-Term Budget Outlook*, March 2021; Office of Management and Budget, *Historical Tables, Budget of the United States Government: Fiscal Year 2022*, May 2021; and Cambridge University Press, *Historical Statistics of the United States, Millennial Edition Online*, 2006.



INFLATION: 60 YEAR PERSPECTIVE – 10+ YEARS TO CONTROL IN '70s, '80s

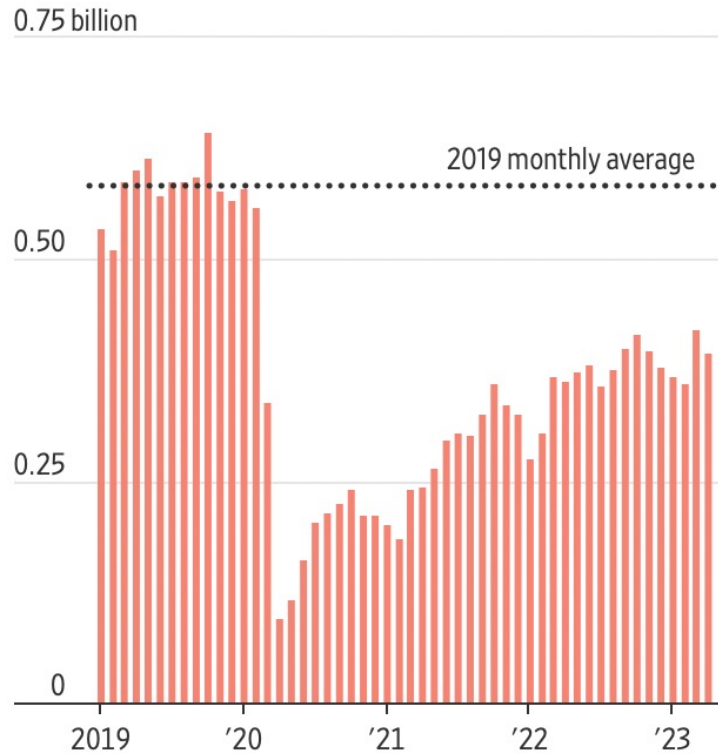


Year-over-year change in the Consumer Price Index • Source: Bureau of Labor Statistics • By Karl Russell



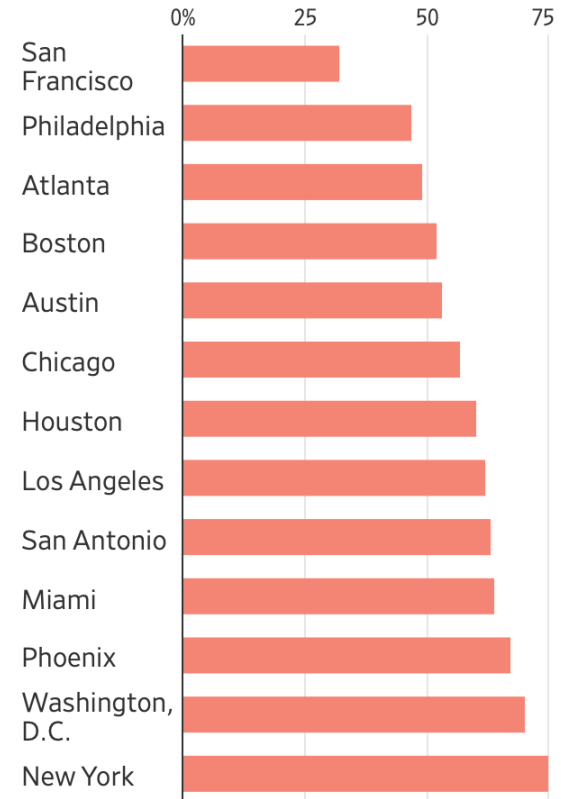
RESET: PERMANENT CHANGES TO URBAN ECONOMIES

Passenger trips on public transit, monthly



Note: In major metropolitan areas
Source: Federal Transit Administration

Downtown cell-phone activity, as a percentage of pre-Covid levels

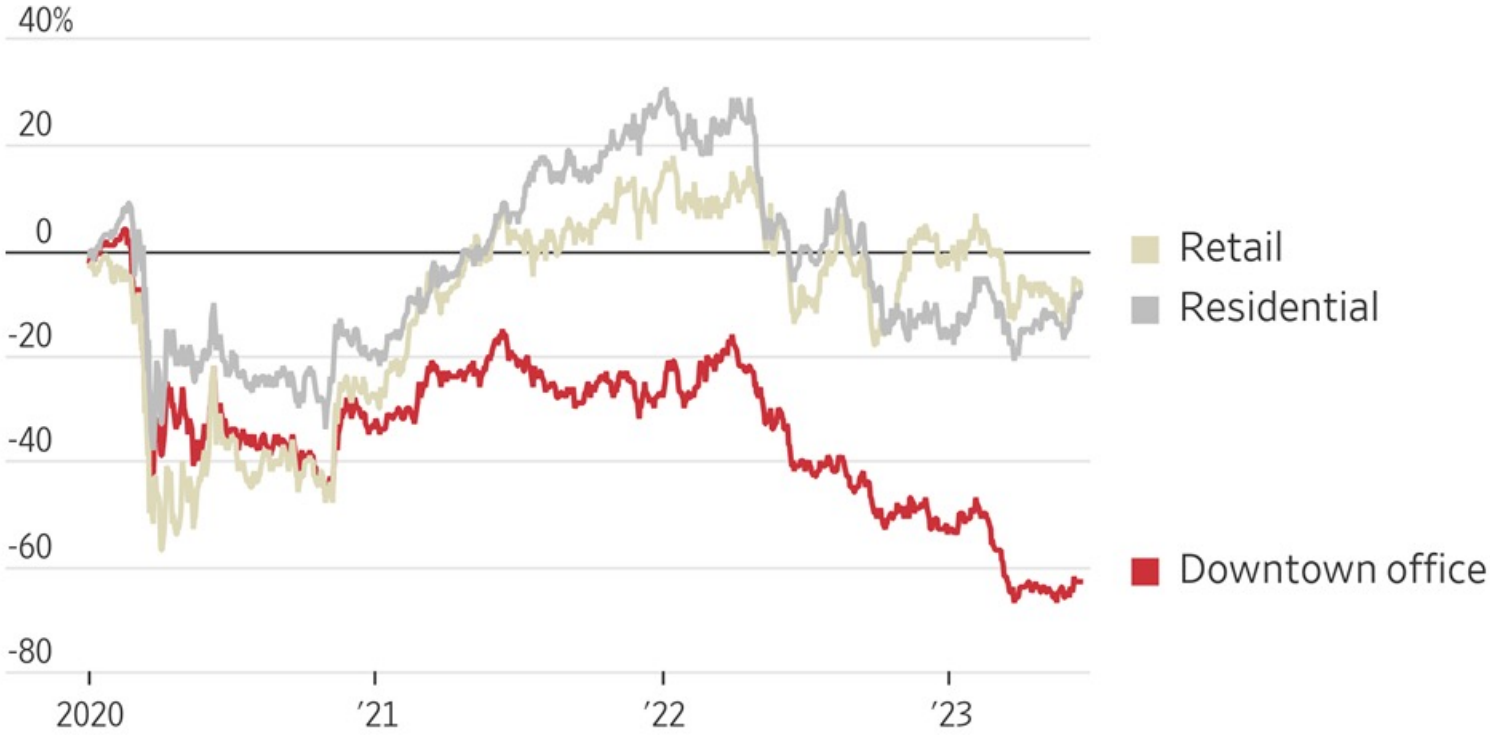


Source: University of Toronto School of Cities



RESET: DOWNTOWN OFFICE REVALUATION

Average change in share price of five largest real-estate investment trusts, by sector



Note: Change since the end of 2019
Source: FactSet

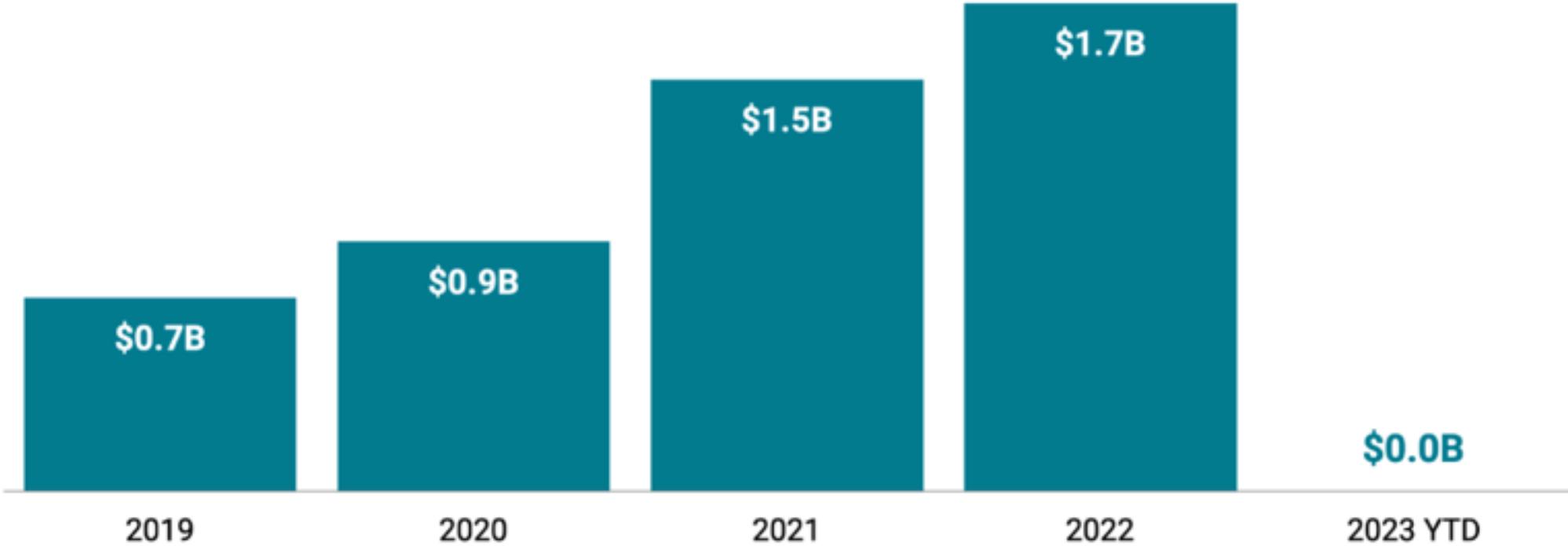


RESET: MARKET SENTIMENT CAN CHANGE RAPIDLY



Ghost kitchen funding vanishes into thin air

As of 05/31/2023



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WEEK OF 6-12



S&P 500 OFFICIALLY IN BULL MARKET

⊕ S&P 500 Price

■ SMA 200

S&P 500 Index



CREATIVE PLANNING® @CharlieBilello

Jun 10 2023, 11:20AM EDT. Powered by YCHARTS

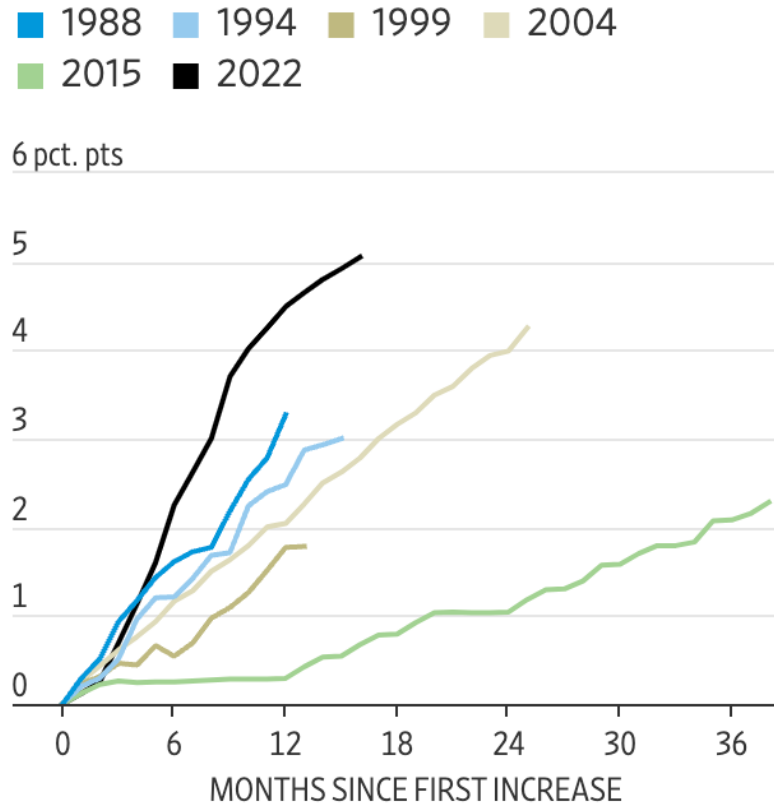


SILVERWOOD PARTNERS

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THE STOCK MARKET IS NOT THE ECONOMY

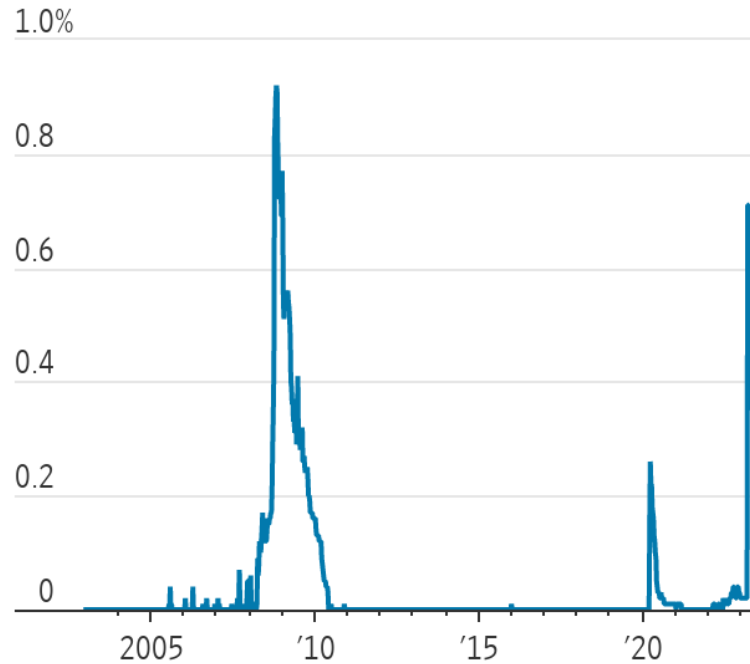
Cumulative change in federal-funds rate since start of initial rate increase



Source: Federal Reserve

Lending to banks remains elevated

Bank borrowing from the Federal Reserve as a share of U.S. commercial bank assets

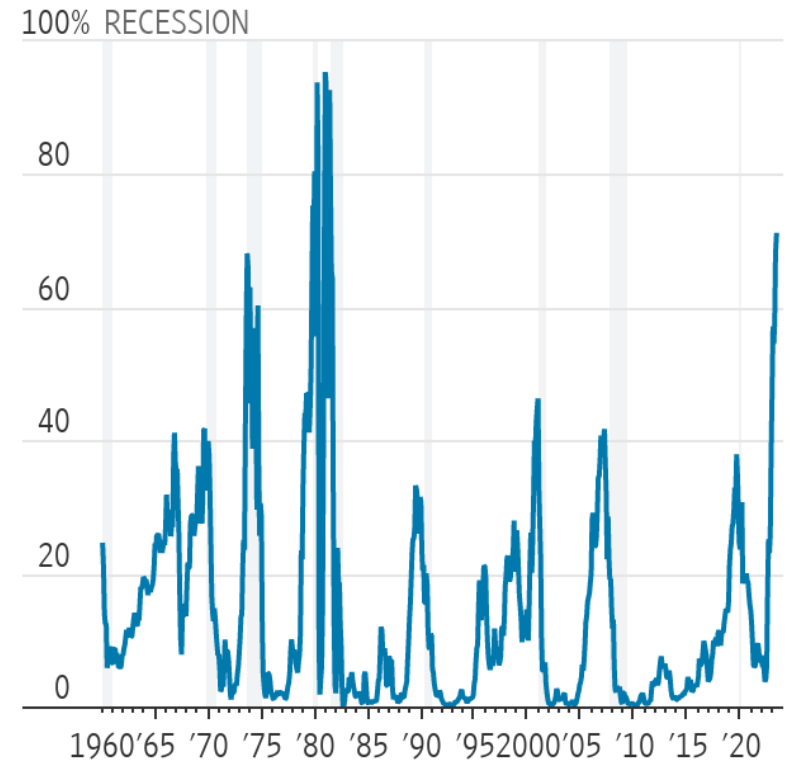


Note: Includes lending through the Bank Term Funding Program beginning March 12, 2023

Source: Federal Reserve

Recession Probability

Yield-curve-derived forecast of the chances the U.S. will be in a recession in 12 months

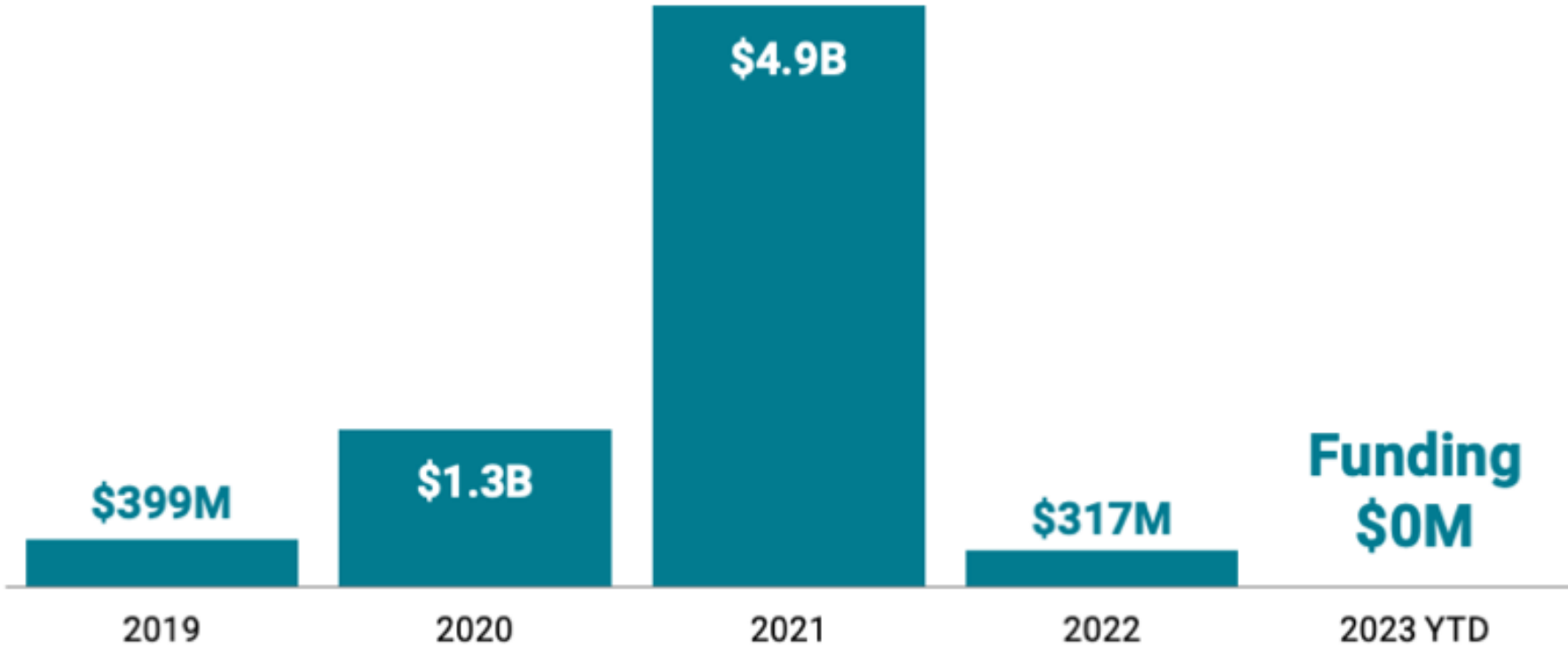


Source: Federal Reserve Bank of New York



MARKET SENTIMENT CAN CHANGE RAPIDLY

Total Centralized Crypto Exchange Equity Funding



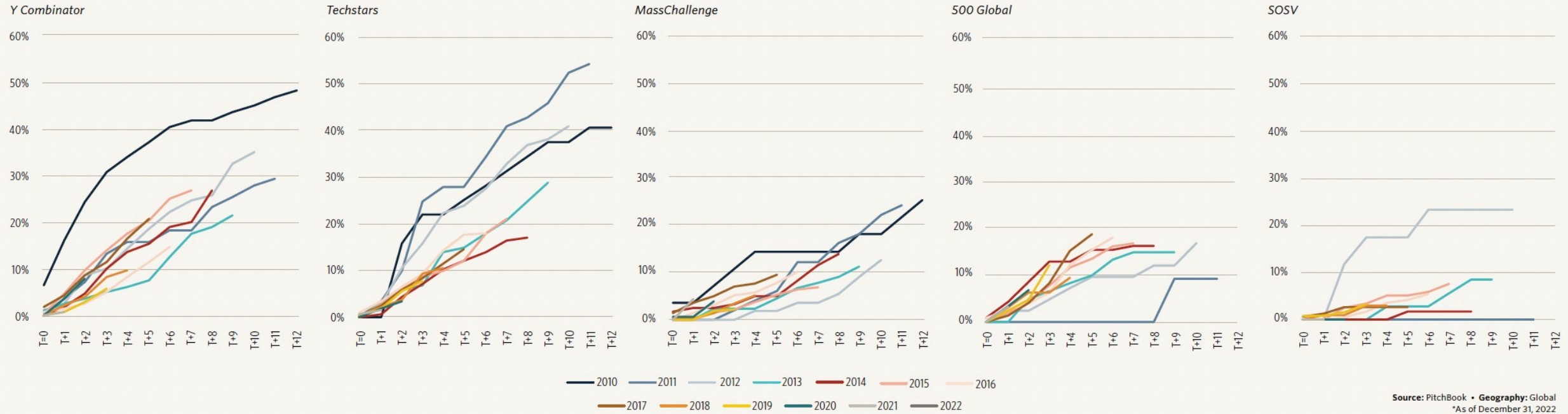
Source: CB Insights platform. Data as of 06/12/2023.



VENTURE ACCELERATOR EXITS – “ESCAPE VELOCITY” VARIES ...

Venture Accelerator Cumulative Exits by Cohort

Cumulative percent of companies that exited after going through the accelerator*

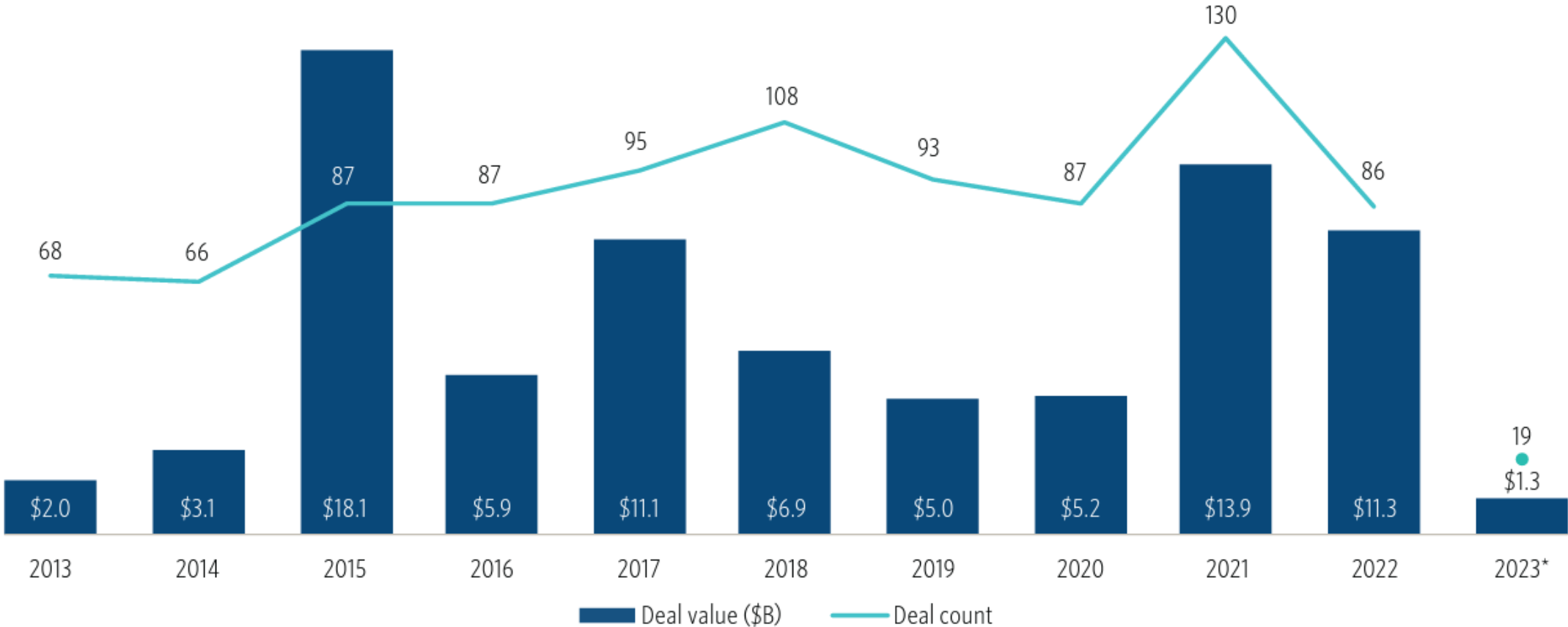


Source: PitchBook • Geography: Global
*As of December 31, 2022



ACQUIRERS GETTING ACQUIRED (BUT NOT IN 2023)

Alternative asset manager deal activity



Source: PitchBook • Geography: Global
*As of May 8, 2023

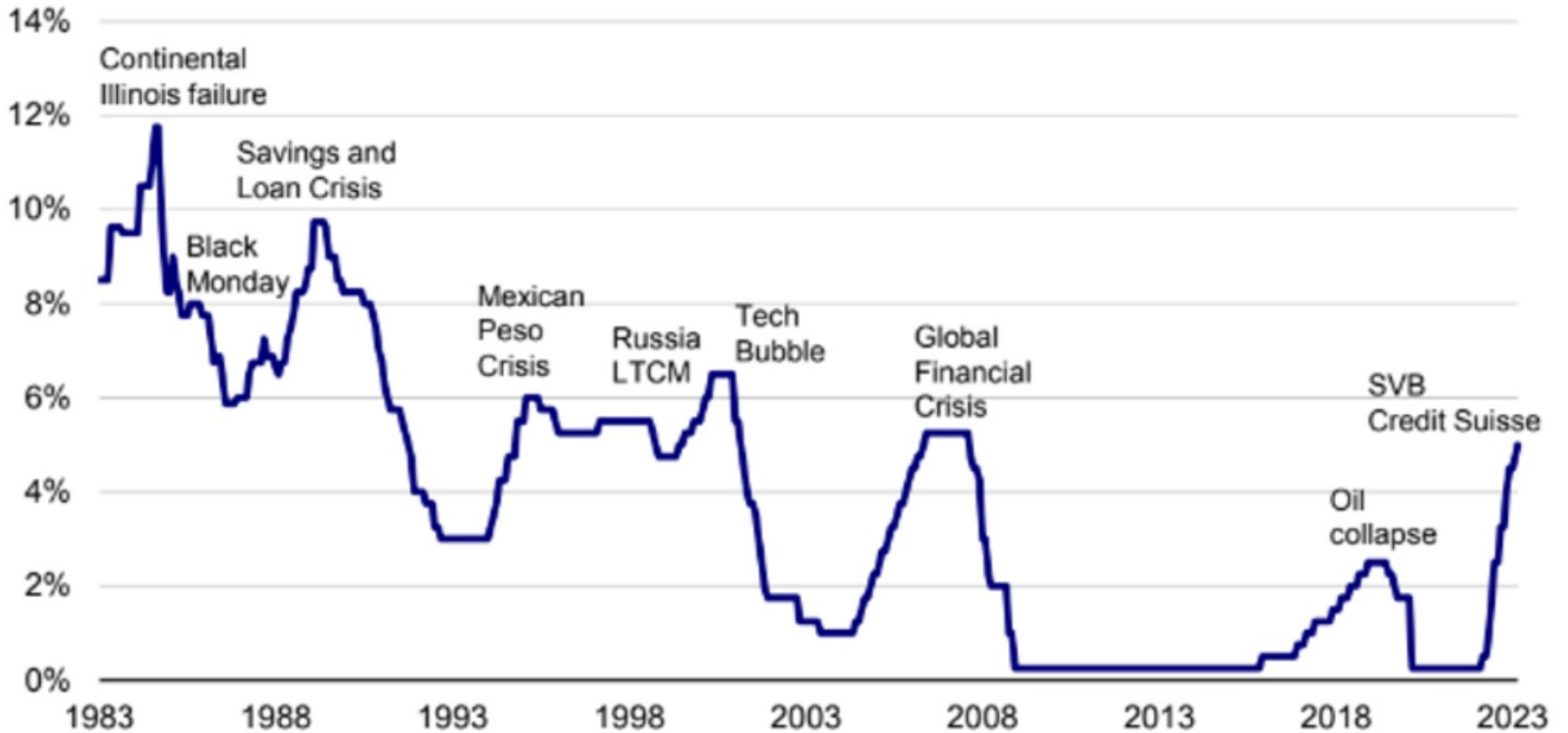


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WEEK OF 6-5



U.S. FEDERAL FUNDS RATE – A 40 YEAR PERSPECTIVE

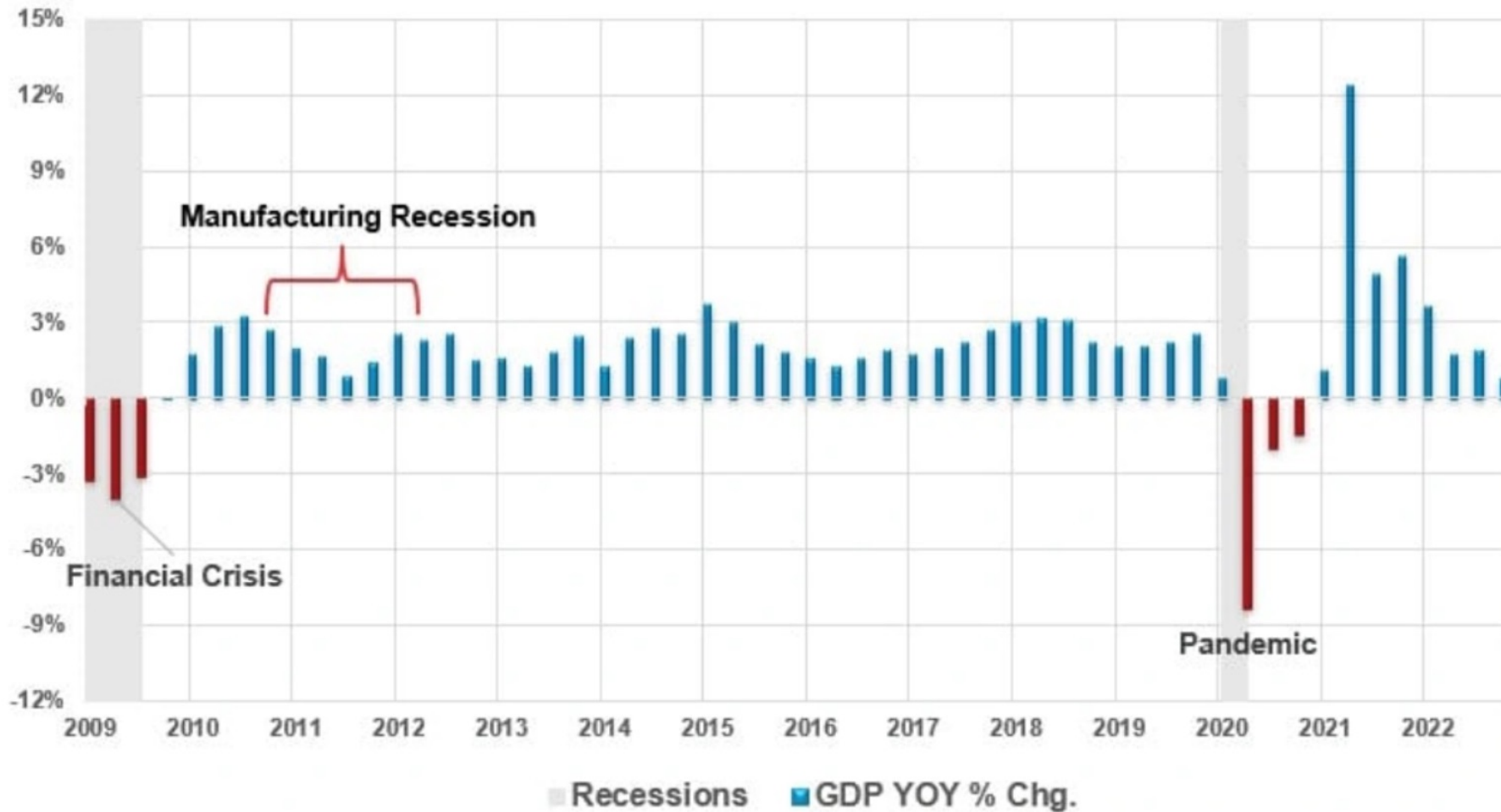


Sources: (Chart) Invesco, US Federal Reserve. Data as of 03/31/2023.



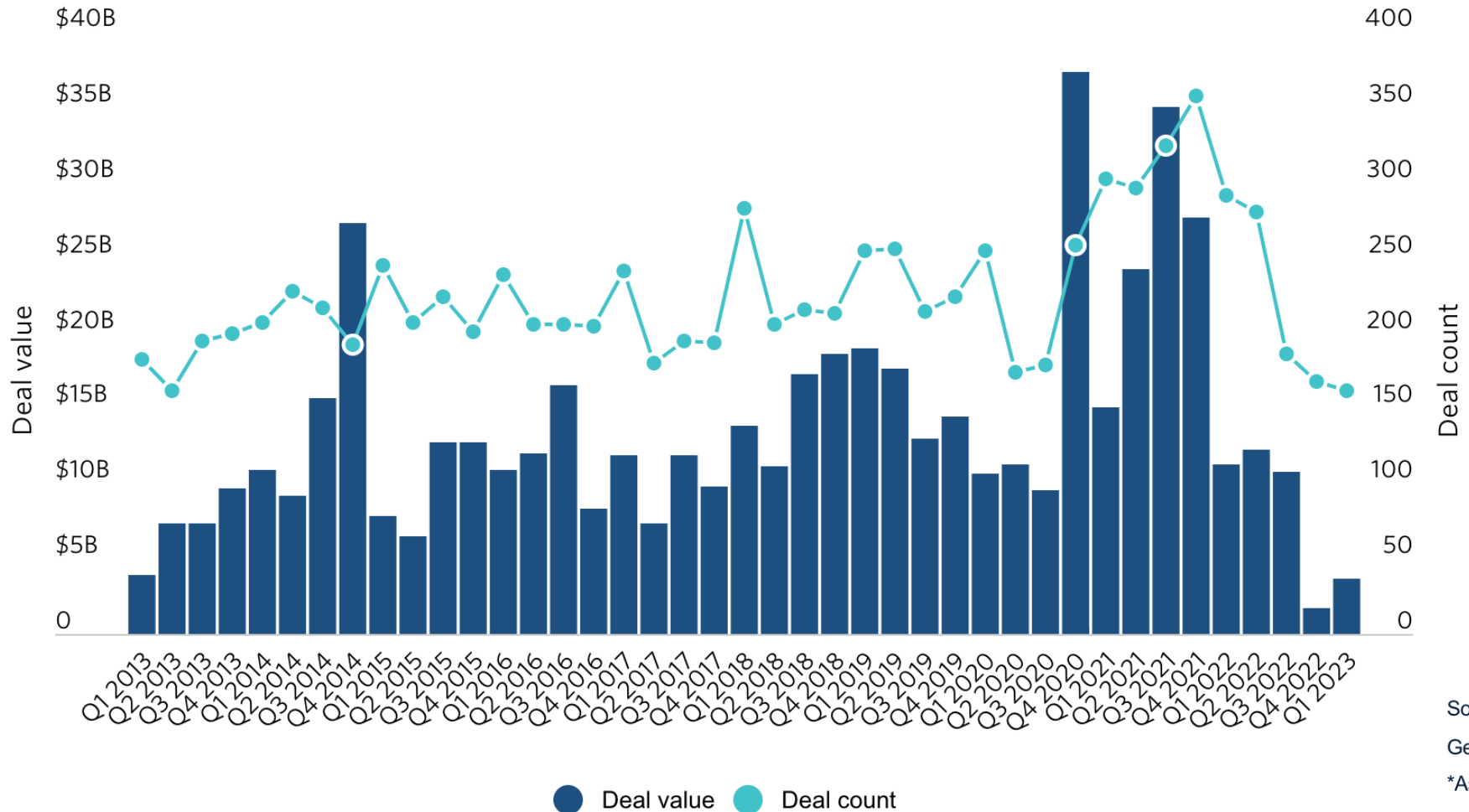
US GDP: 10 YEARS OF STABILITY; 2 YEARS OF VOLATILITY; NEXT?

GDP Quarterly Change At Annual Rate (Real)



DEAD POOL IN THE DEAL BUSINESS – ACTIVITY AT 10-YEAR LOW POINT

Acquisitions of VC-backed companies



Source: PitchBook data

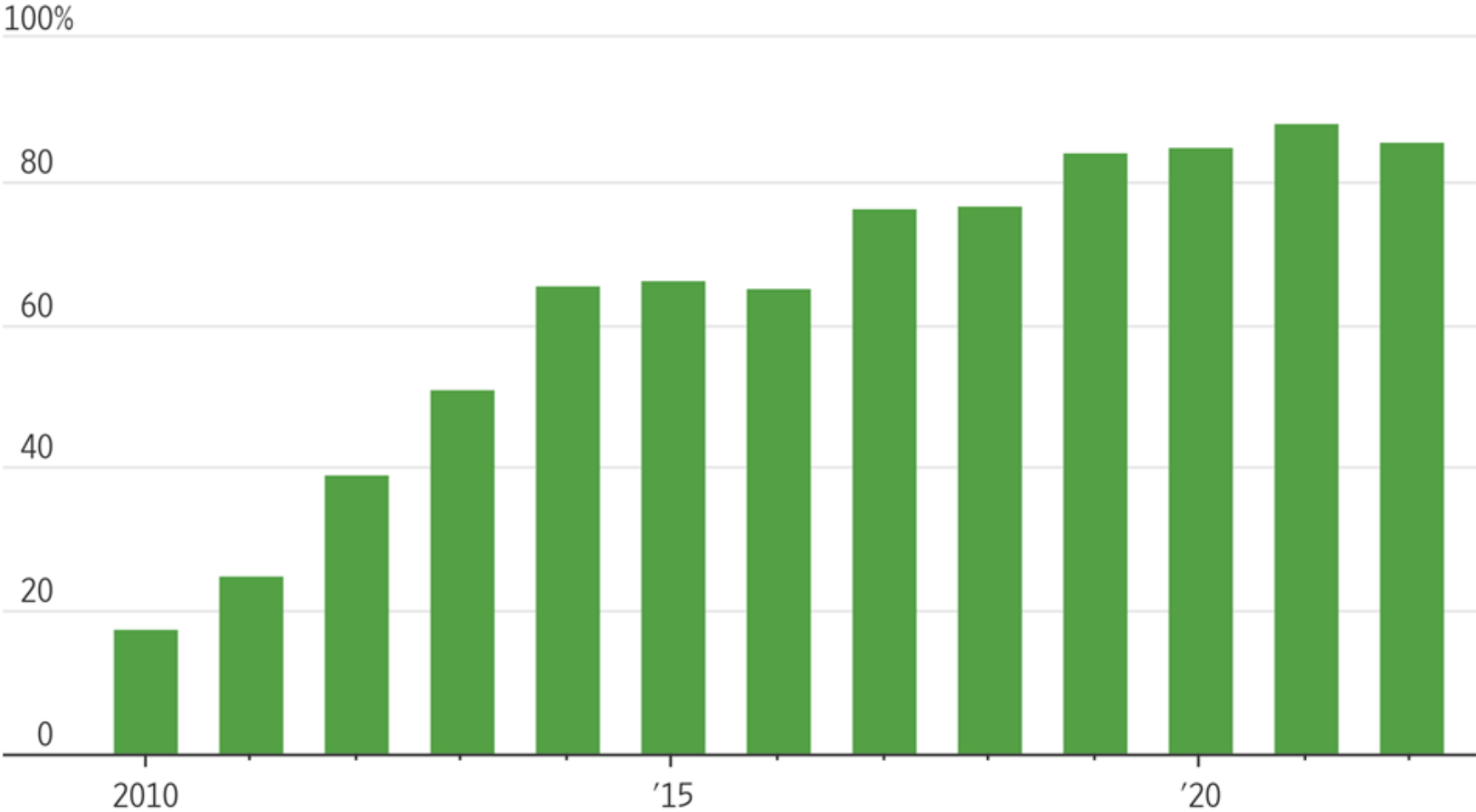
Geography: US

*As of March 31, 2023



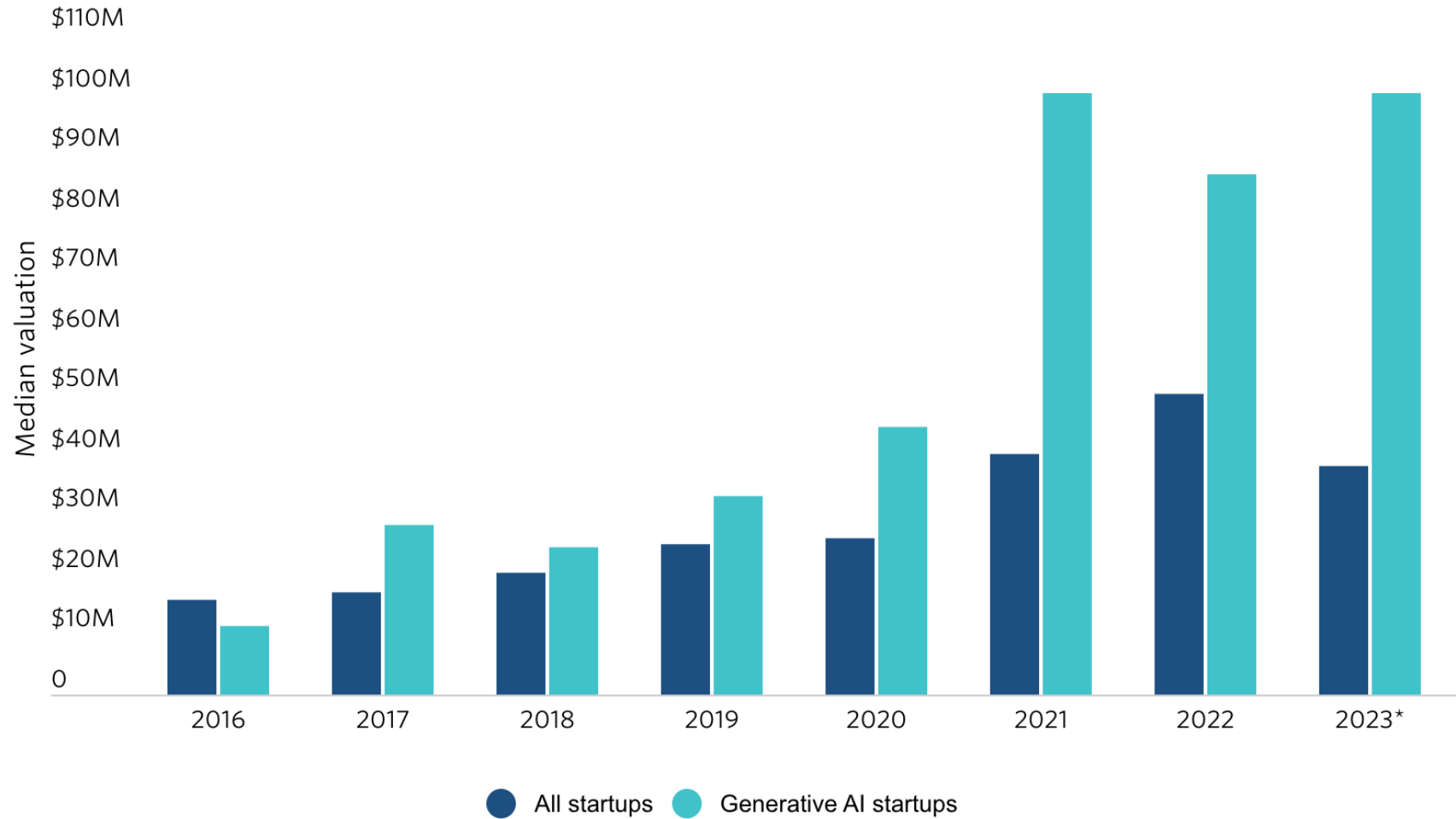
BULLET MATURITY CMBS LOANS: FROM <20% TO >80% IN 10 YEARS

Share of CMBS loans that are interest-only, by year of issuance



GENERATIVE AI GENERATING VALUE

Median early-stage pre-money valuations of generative AI compared to all startups

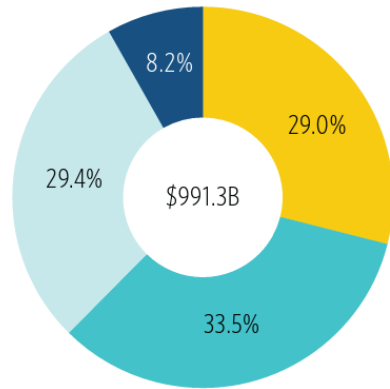


Source: PitchBook data
Geography: US
*As of May 18, 2023



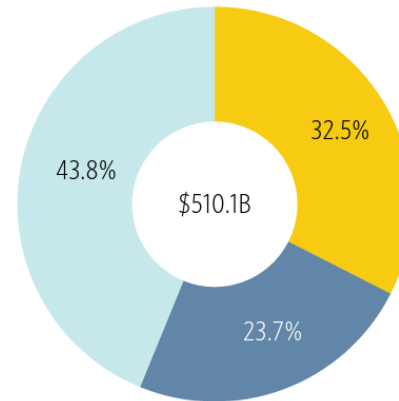
CREDIT STRATEGIES DOMINATE AT LARGE ALTERNATIVE ASSET MANAGERS

Blackstone



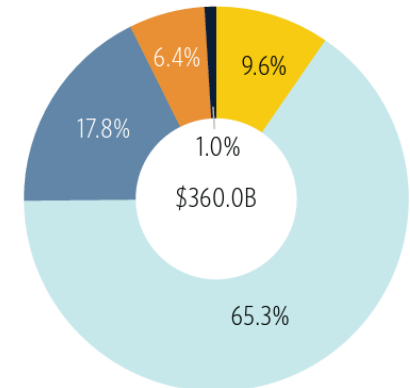
■ PE ■ Real estate ■ Credit & insurance ■ Hedge fund solutions

KKR



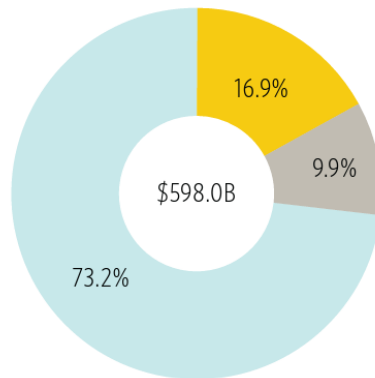
■ PE ■ Real assets ■ Credit & liquid strategies

Ares



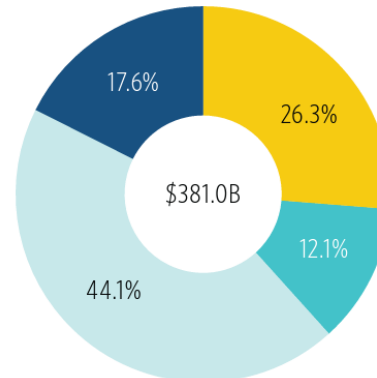
■ PE ■ Credit ■ Real assets ■ Secondaries ■ Strategic initiatives

Apollo



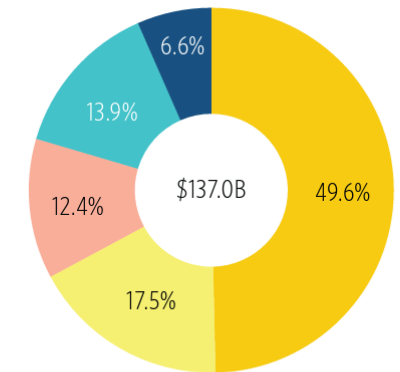
■ Equity ■ Hybrid ■ Yield

Carlyle



■ Corporate PE ■ Real estate/real assets ■ Global credit ■ Global solutions

TPG



■ Capital ■ Growth ■ Impact ■ Real estate ■ Market solutions

Source: Company reports • Geography: Global
*As of March 31, 2023



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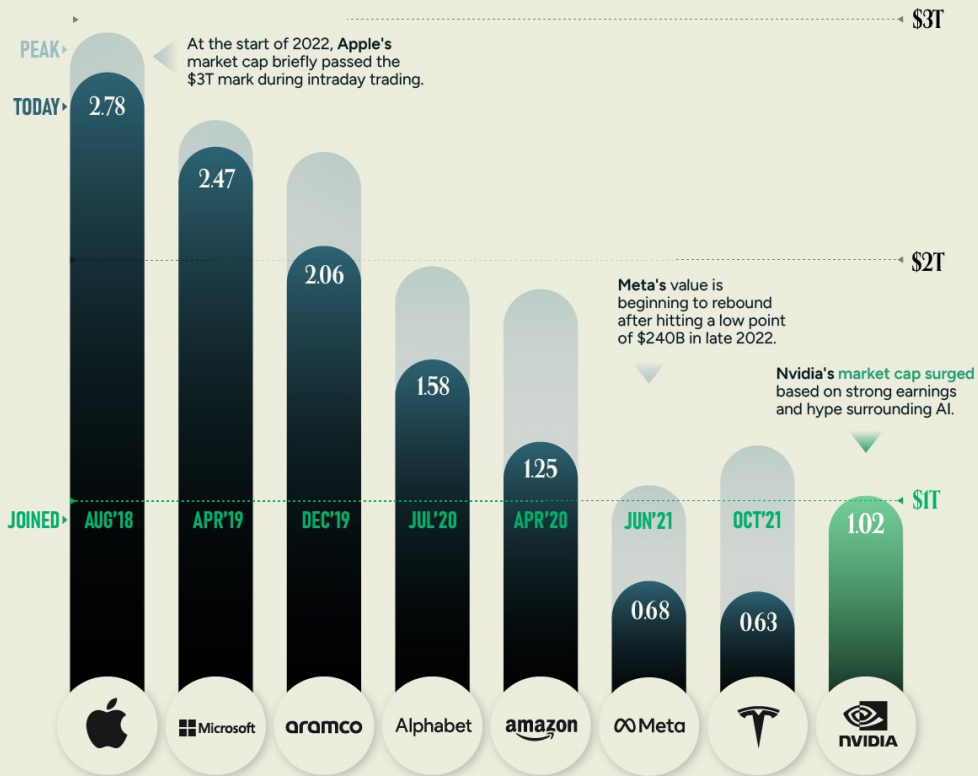
WEEK OF 5-29



THE "NIFTY 50" OF THE 2020s – TRILLION DOLLAR MARKET CAP CLUB

\$1 TRILLION MARKET CAP CLUB

Every company to have hit \$1 trillion in market capitalization in one chart

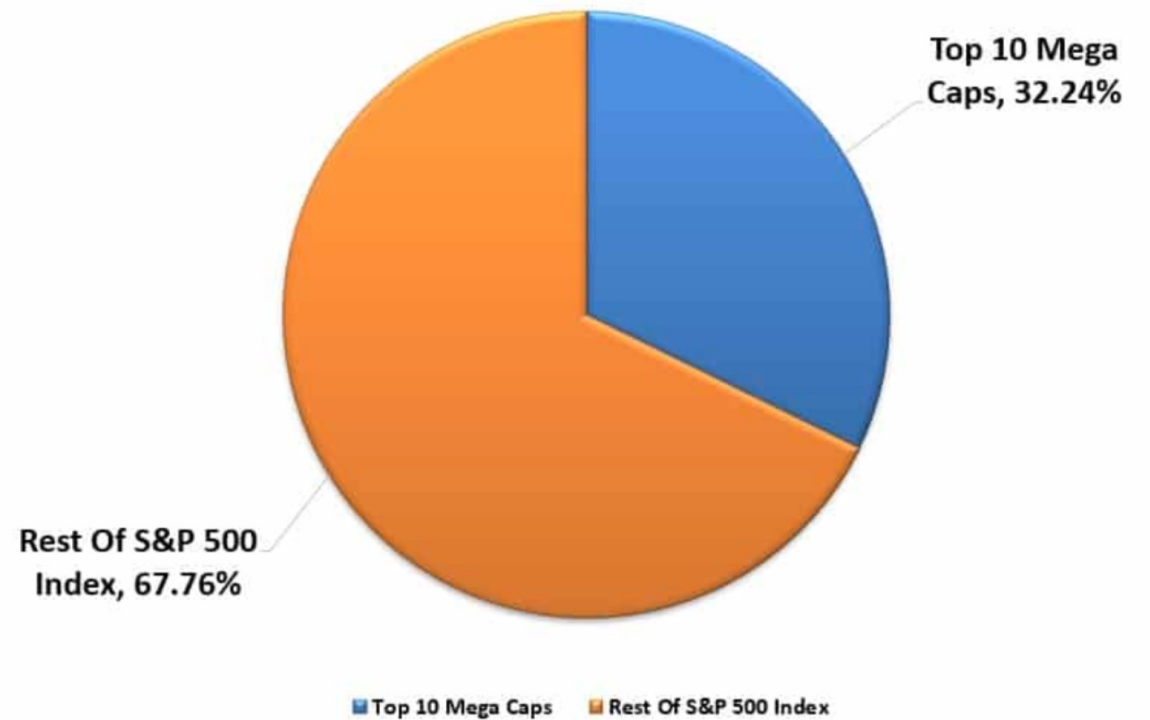


Market Cap data as of May 30, 2023 | Source: Ycharts, companiesmarketcap.com

visualcapitalist.com

2% of S&P 500 Stocks Represent 32% of S&P 500 Market Cap

Top 10-MegaCaps As % Of S&P 500

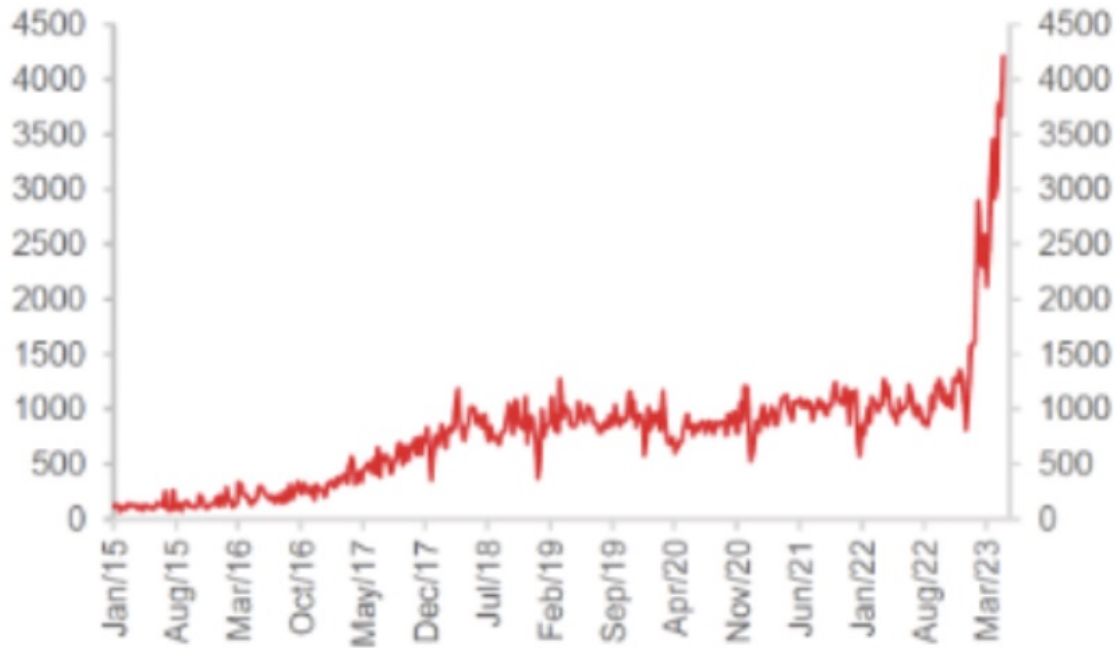


Source: VettaFi Advisor Perspectives



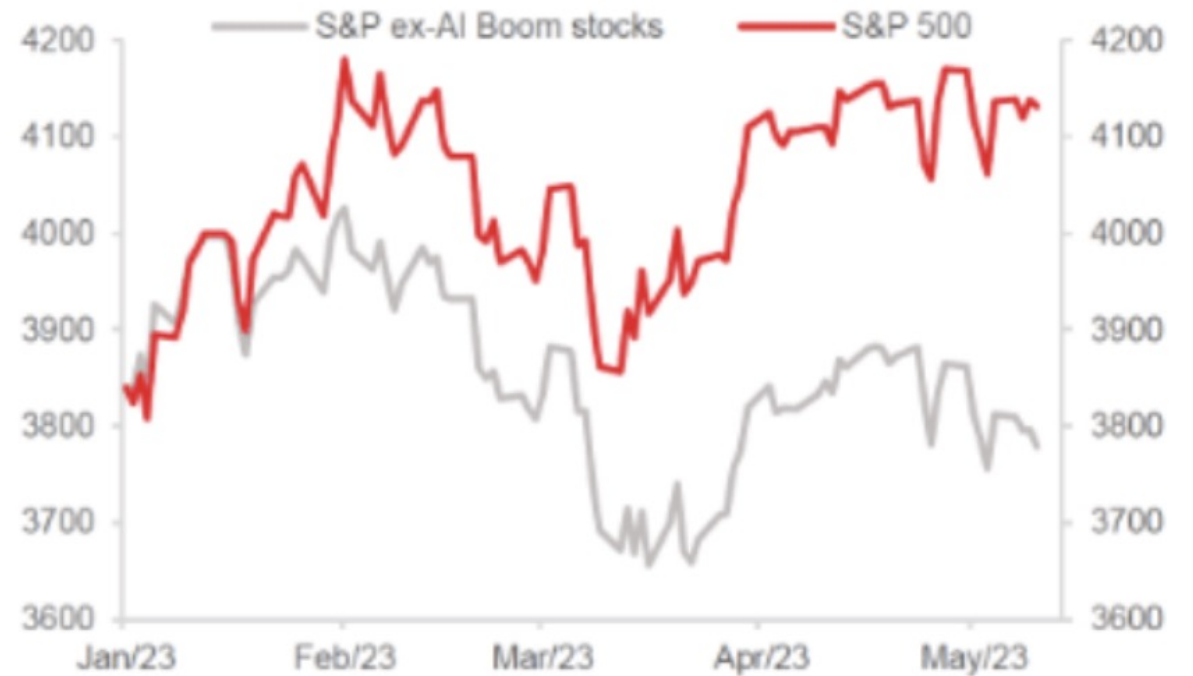
AI HYPE ... AI STOCKS PROPPING UP THE MARKET

SG AI newsflow indicator continue to surge



Data as of 08/05/2023. Source: Factiva, SG Cross Asset Research/Equity Strategy

AI-related stocks drove virtually all the returns of the S&P 500 this year



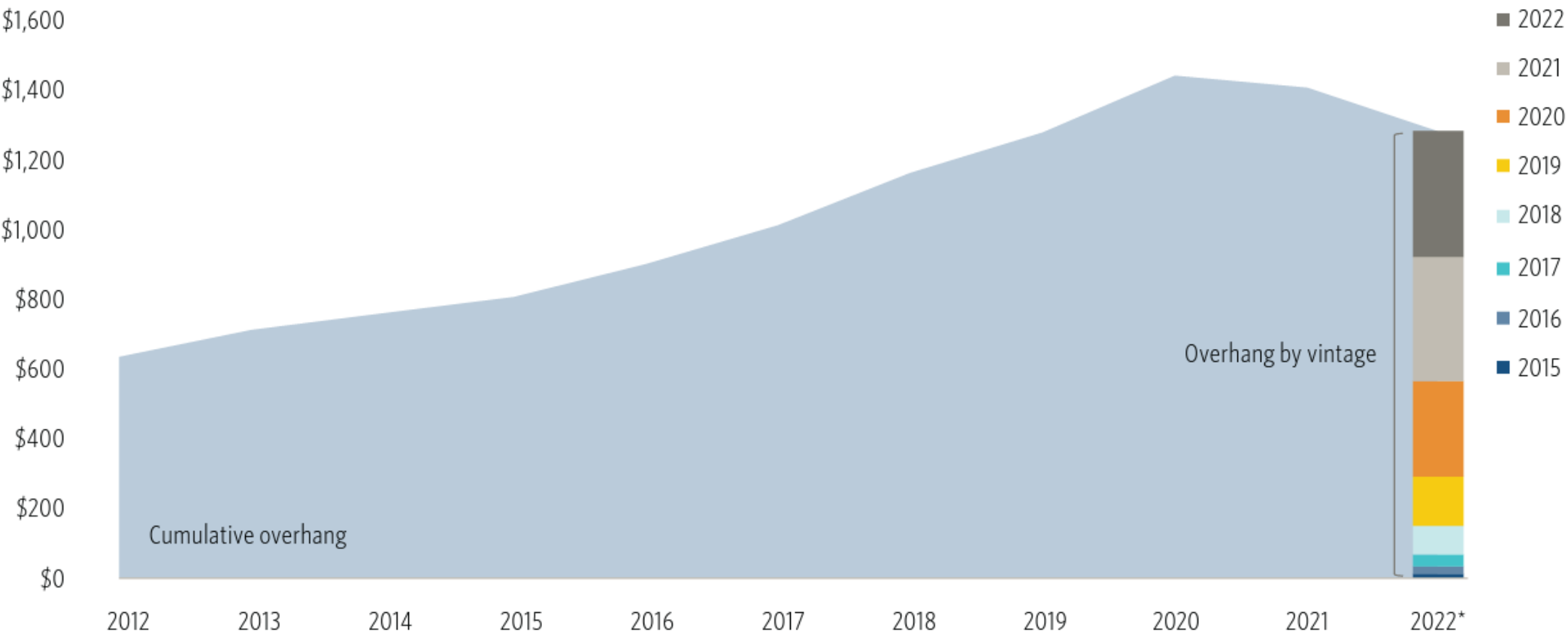
Data as of 11/05/2023. Source: Datastream, SG Cross Asset Research/Equity Strategy

Source: VettaFi Advisor Perspectives; SocGen



PE – \$1.2 TRILLION OF DRY POWDER AVAILABLE ... 2X IN 10 YEARS

PE dry powder (\$B) by vintage

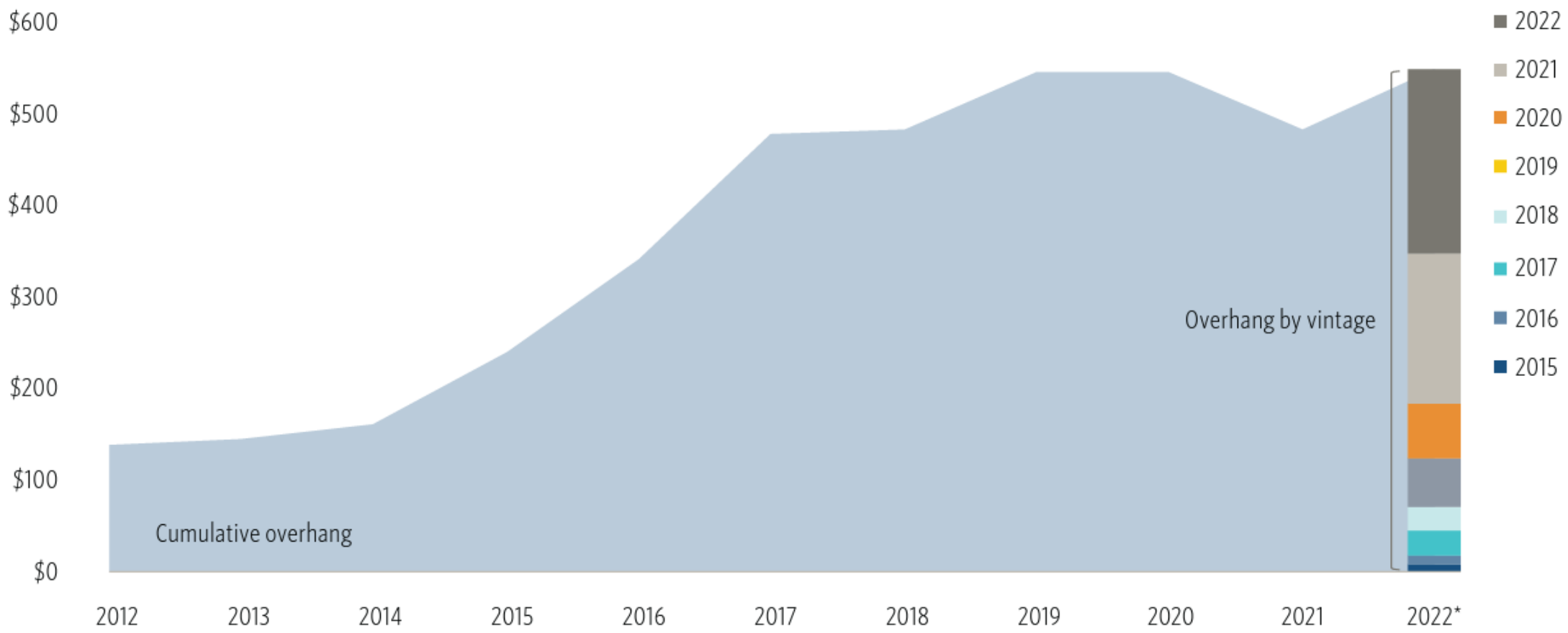


Source: PitchBook • Geography: Global
*As of September 30, 2022



VENTURE CAPITAL – \$500+ BILLION OF DRY POWDER ... 4X IN 10 YEARS

VC dry powder (\$B)

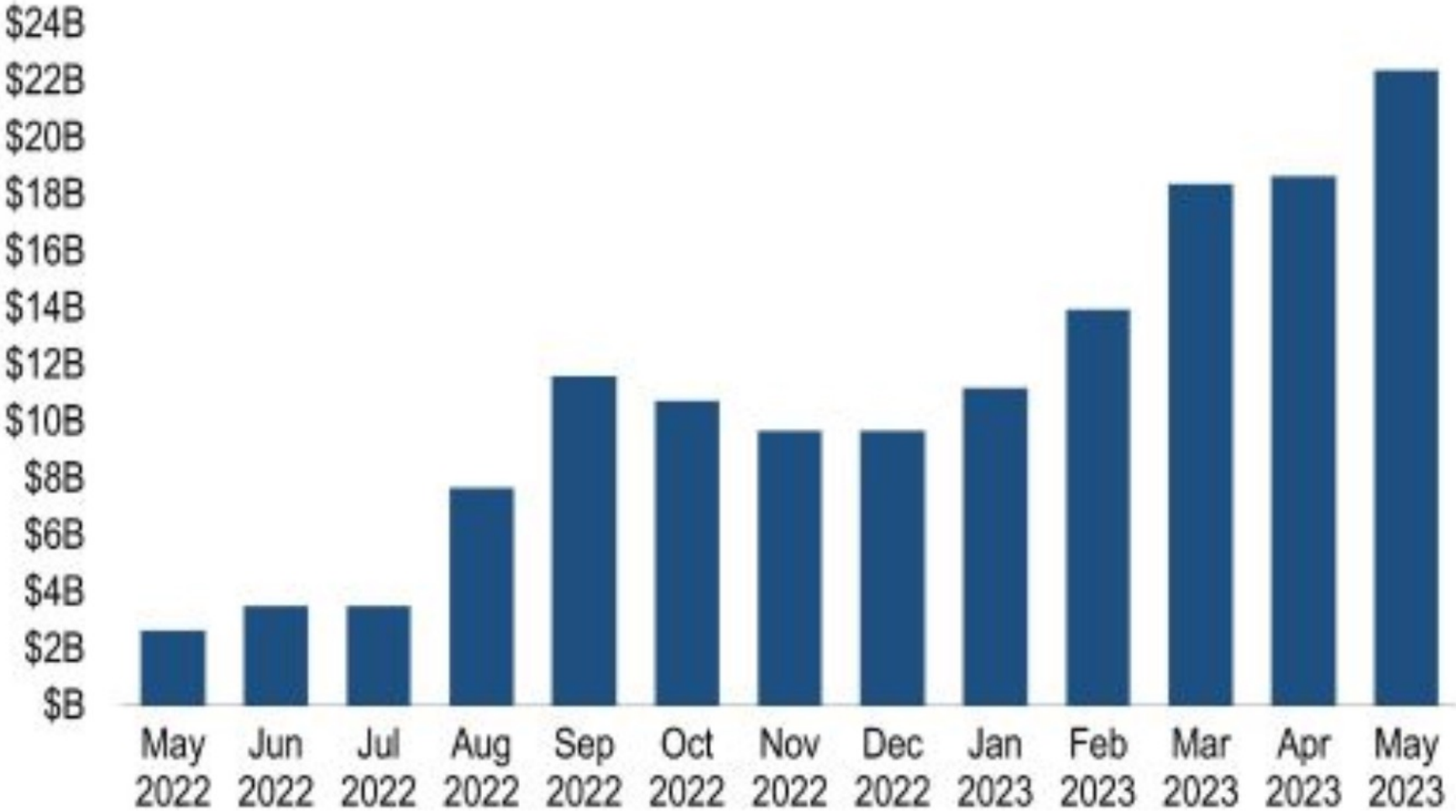


Source: PitchBook • Geography: Global
 *As of September 30, 2022



SHIP HAS HIT THE ICEBERG – LEVERAGED LOAN DEFAULTS INCREASING

Lagging 12-month US leveraged loan default volume



Data through May 15, 2023
Sources: PitchBook; LCD;
Morningstar LSTA Leveraged
Loan Index



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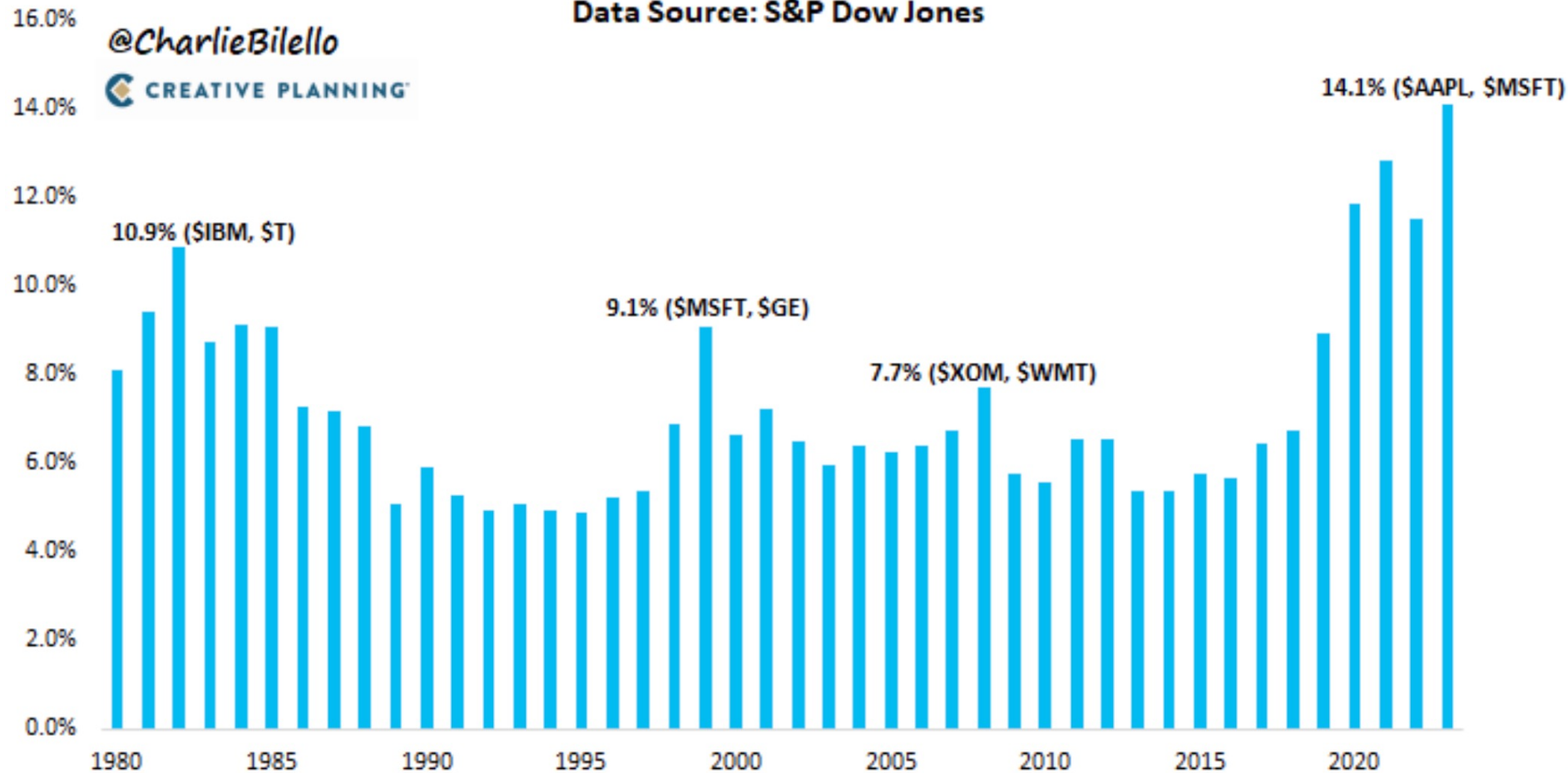
WEEK OF 5-22



“TOP-HEAVY” MARKET; RETURNS DRIVEN BY HANDFUL OF TECH STOCKS

S&P 500: Weighting of Top 2 Holdings (Annual, 1980 - 2023)

Data Source: S&P Dow Jones



At \$2.75 trillion, Apple's market cap ended last week at a higher level than all of the stocks in the Russell 2000 combined.

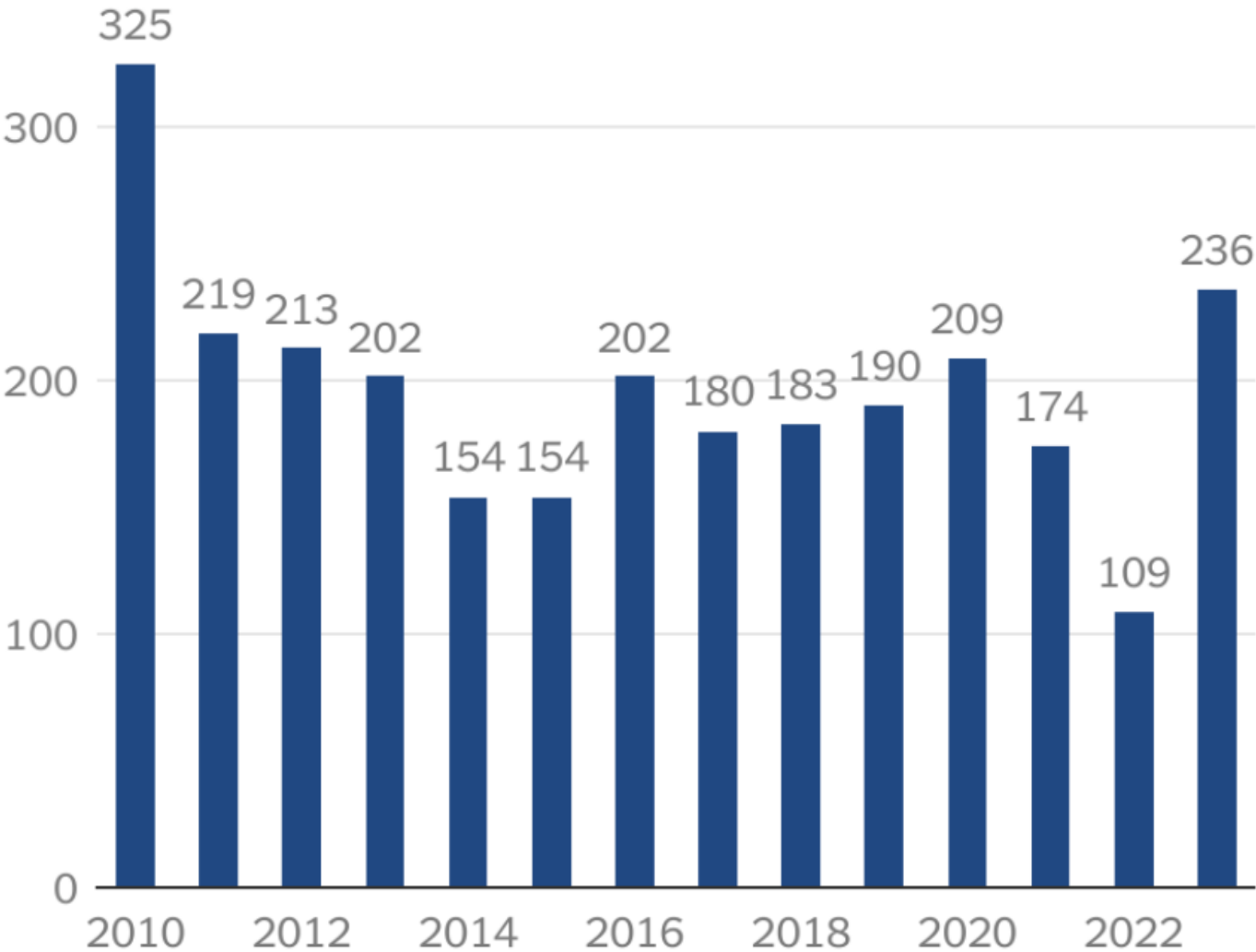
Apple's Revenues: \$385 billion
Russell 2000 Revenues: \$2.48 trillion

Apple's Net Income: \$94 billion
Russell 2000 Net Income: \$52 billion

Source: Charlie Bilello



U.S. CORPORATE BANKRUPTCIES AT 12 YEAR HIGH YTD

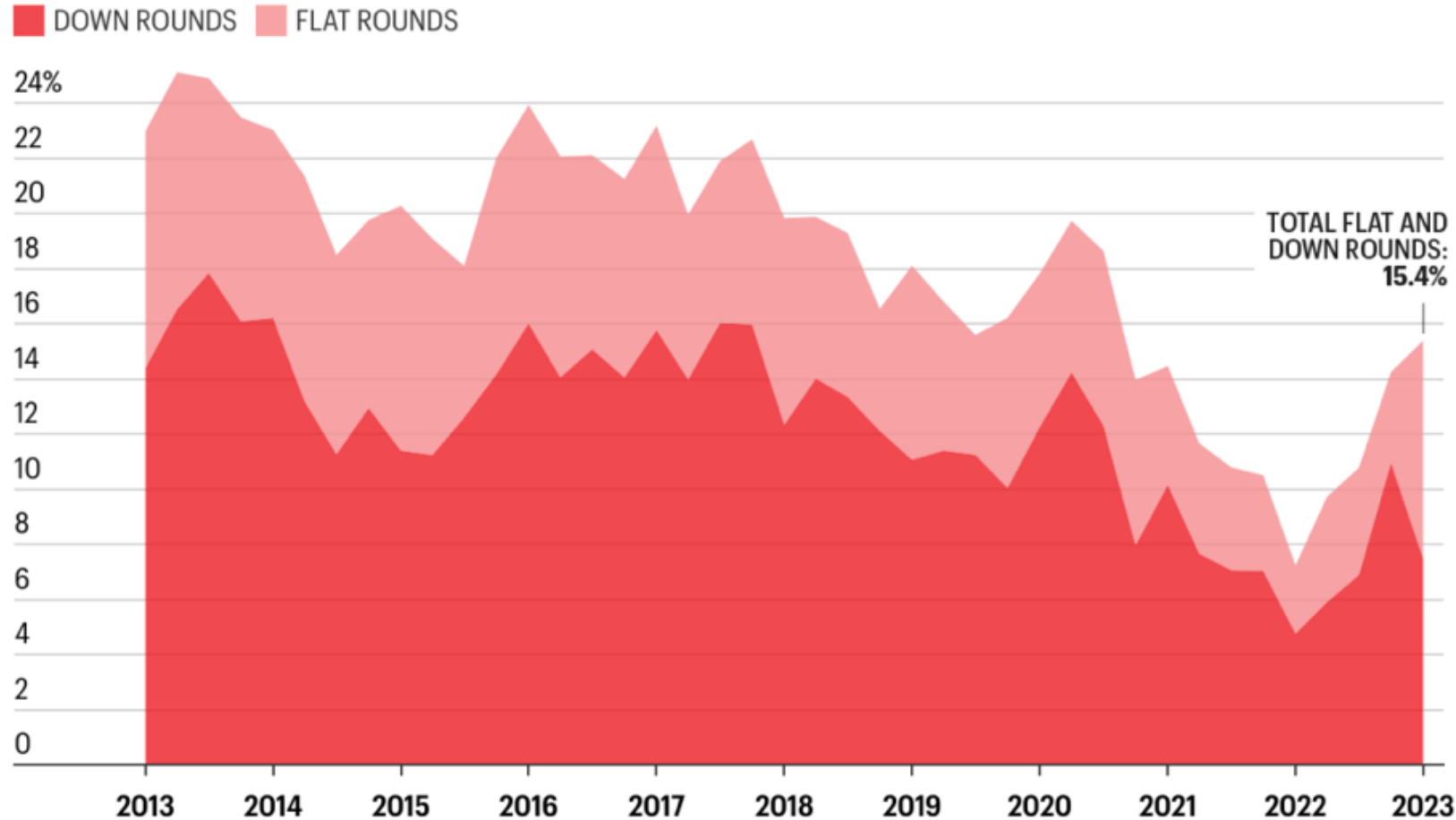


Number of bankruptcies from Jan 1 through April 30
Source: S&P Global, The New York Times



FLAT AND DOWN VC ROUNDS ARE INCREASING

The proportion of flat and down rounds as part of all completed rounds rose for the fourth consecutive quarter in Q1.



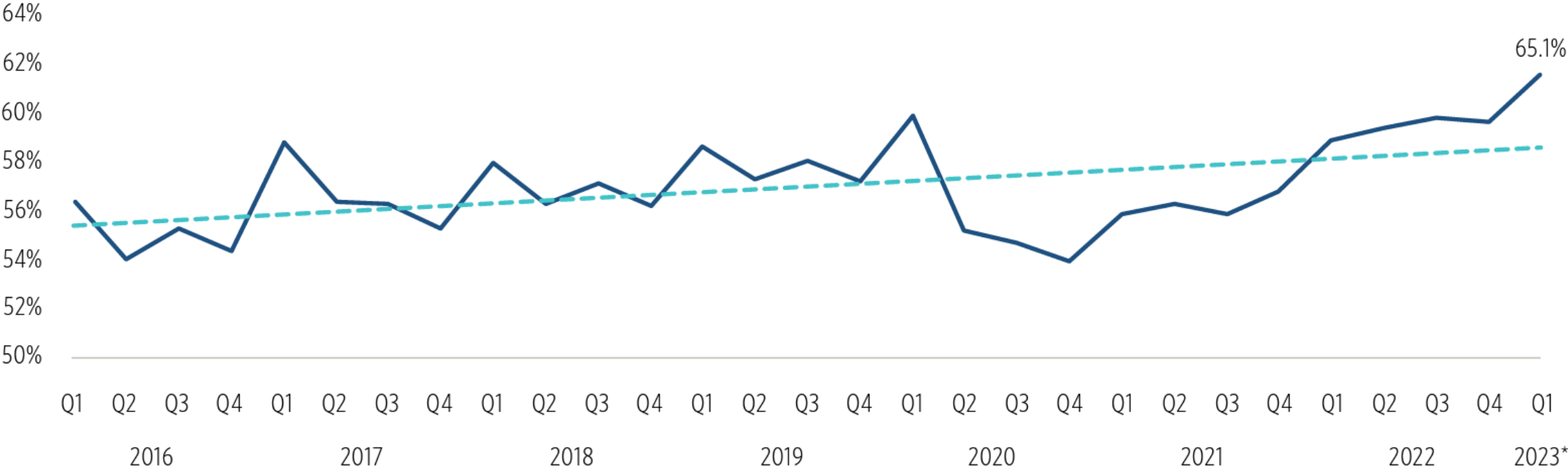
Note: Chart shows the cumulative value of flat and down rounds.

Source: Pitchbook, Fortune



FOUNDER-OWNED COMPANIES FILLING THE M&A PIPELINE

Deals with nonbacked sellers as a share of all M&A deal count (2016 to 2023)

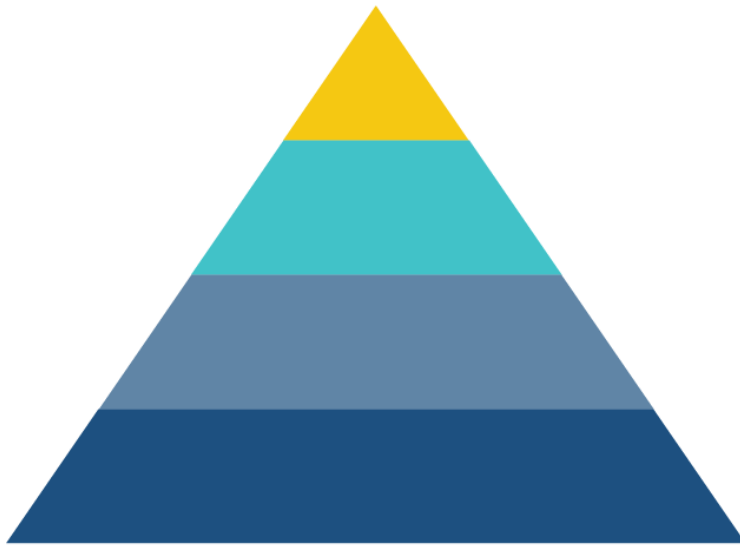


Source: PitchBook • Geography: Global
*As of March 31, 2023



U.S AND EUROPEAN COMPANIES BY BACKING TYPE

US companies by backing type*



Publicly held companies
2,928

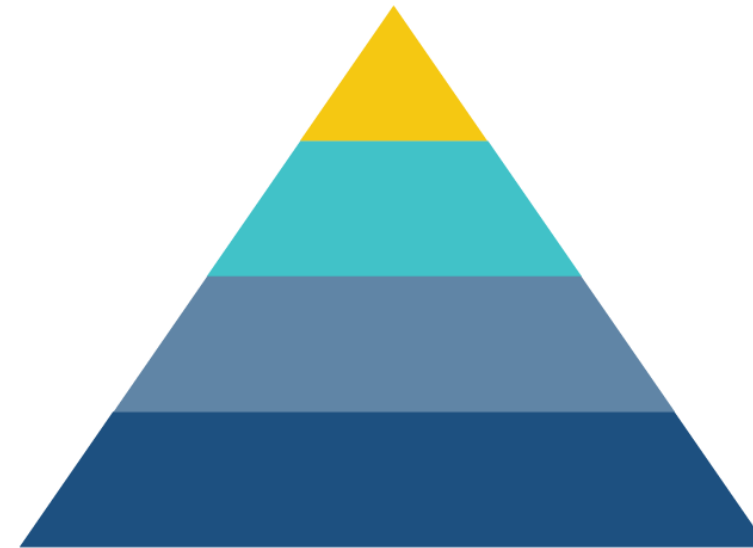
PE-backed companies
9,736

VC-backed companies
39,929

Small and medium-size businesses
32.5 million

Sources: PitchBook, Small Business Administration • Geography: US
*As of March 31, 2023

European companies by backing type*



Publicly held companies
6,063

PE-backed companies
1,910

VC-backed companies
12,233

Small and medium-size businesses
23.1 million

Sources: PitchBook, Statista • Geography: Europe
*As of March 31, 2023



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WEEK OF 5-15



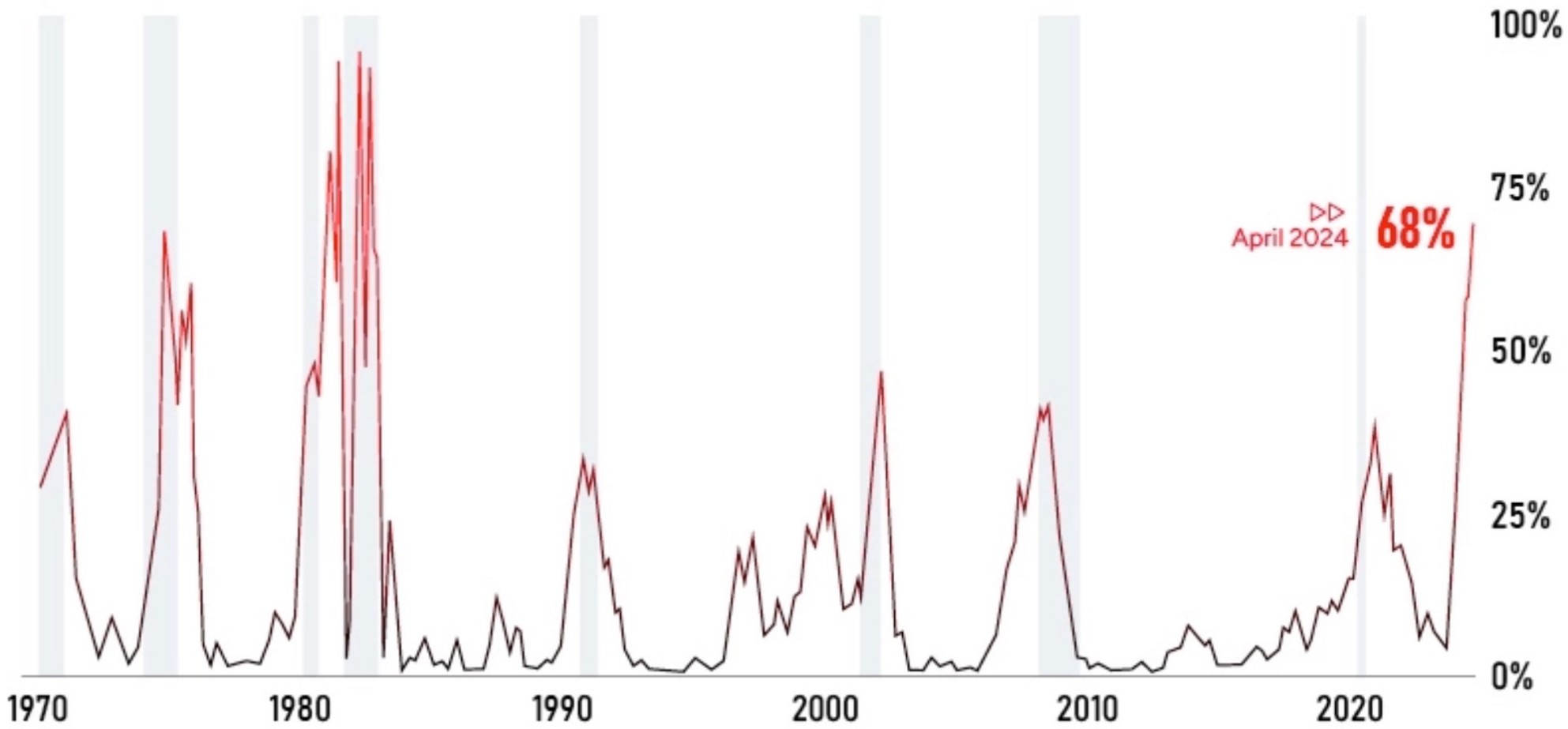
TURBULENCE AHEAD



Probability of a U.S. Recession

As predicted by Treasury spreads, looking 12 months ahead

Source: NY Fed, U.S. Global Investors



\$50 TRILLION OF DEBT – \$175,000 PER US RESIDENT AND GROWING

THE RISE OF THE AMERICAN DEBT CEILING

If the U.S. does not renegotiate a new debt ceiling soon, it could have serious negative consequences for the U.S. economy and the global financial system. Some potential consequences include:

- ⚡ Credit downgrade and higher interest rates, which could further rattle the banking sector
- ⚡ Global financial stability could be threatened, adding fuel to de-dollarization trend
- ⚡ A decline in stock markets, causing a loss of investor confidence
- ⚡ Cuts in social programs and government services

◀ The U.S. debt ceiling was first introduced in 1917

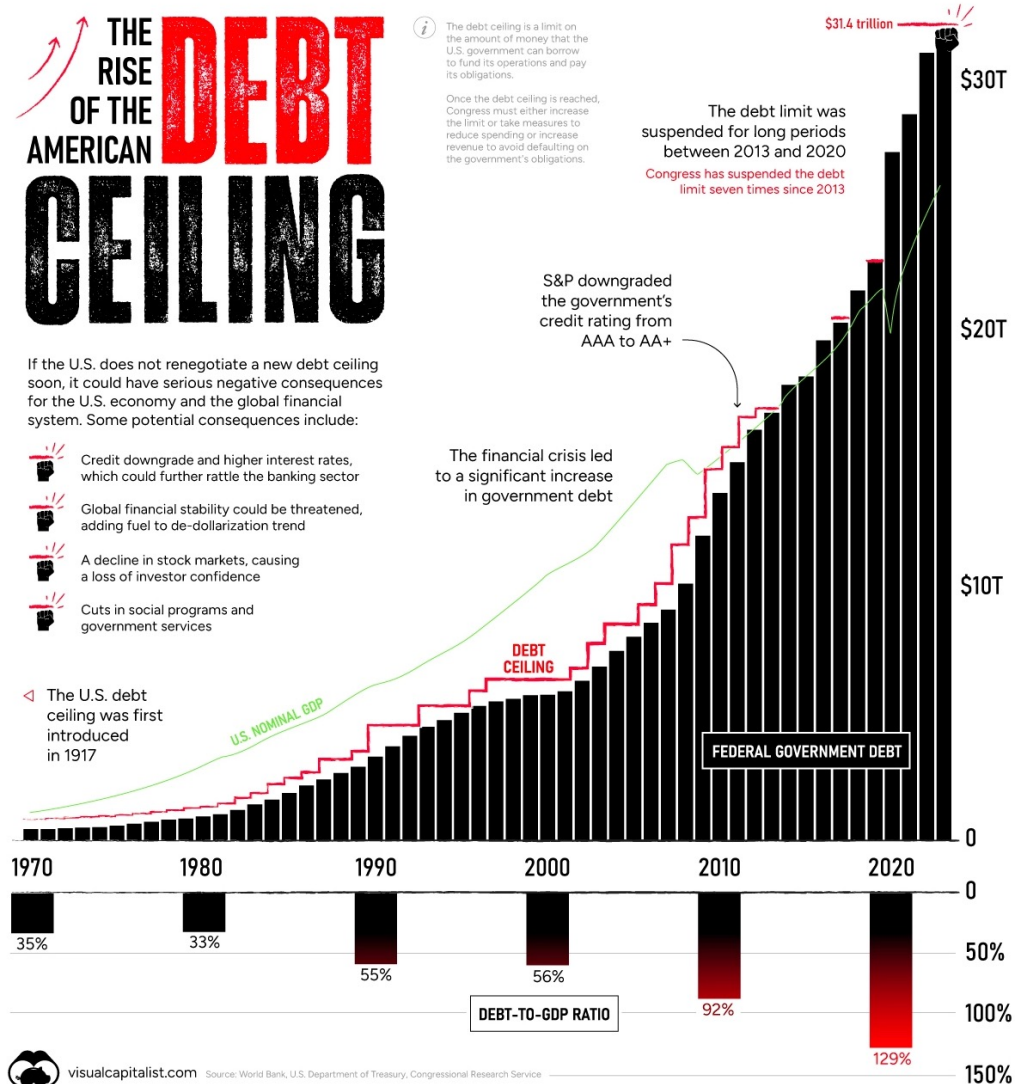
i The debt ceiling is a limit on the amount of money that the U.S. government can borrow to fund its operations and pay its obligations. Once the debt ceiling is reached, Congress must either increase the limit or take measures to reduce spending or increase revenue to avoid defaulting on the government's obligations.

The debt limit was suspended for long periods between 2013 and 2020

Congress has suspended the debt limit seven times since 2013

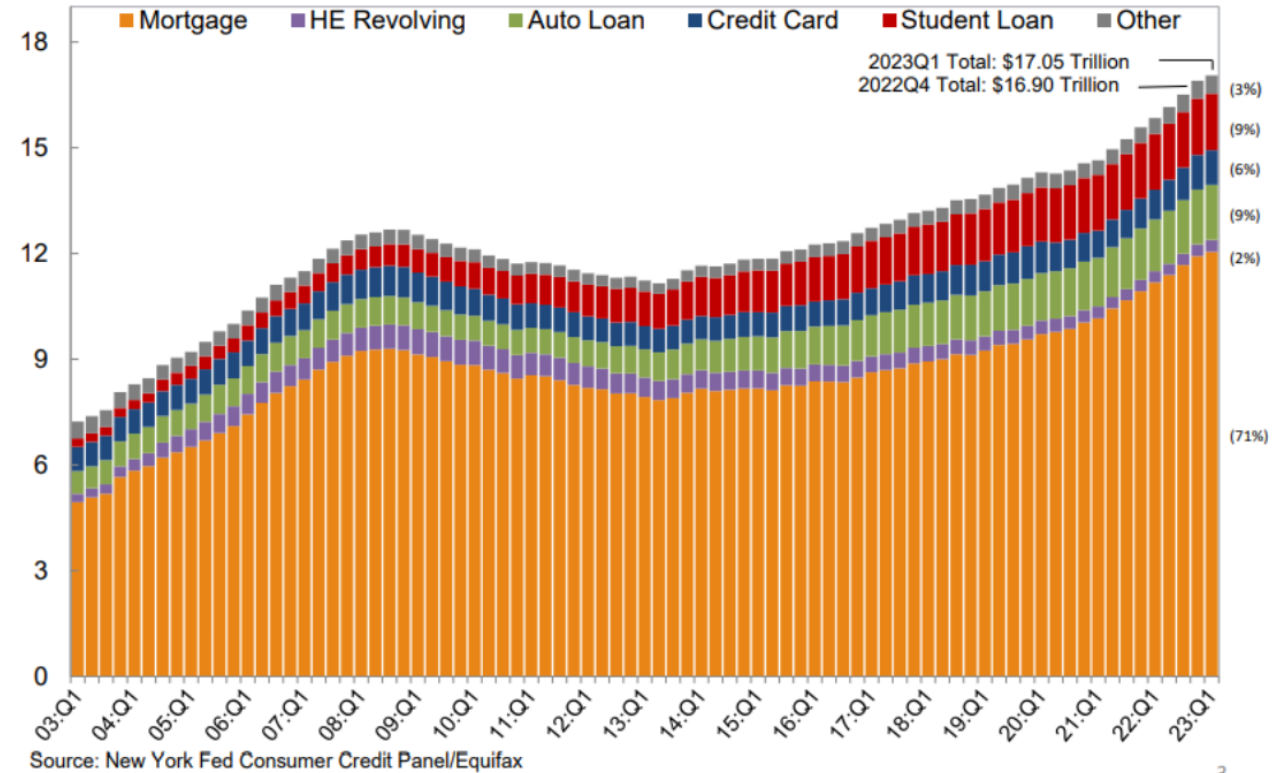
S&P downgraded the government's credit rating from AAA to AA+

The financial crisis led to a significant increase in government debt



Total Debt Balance and its Composition

Trillions of Dollars



(Source: New York Fed Consumer Credit Panel/Equifax.)

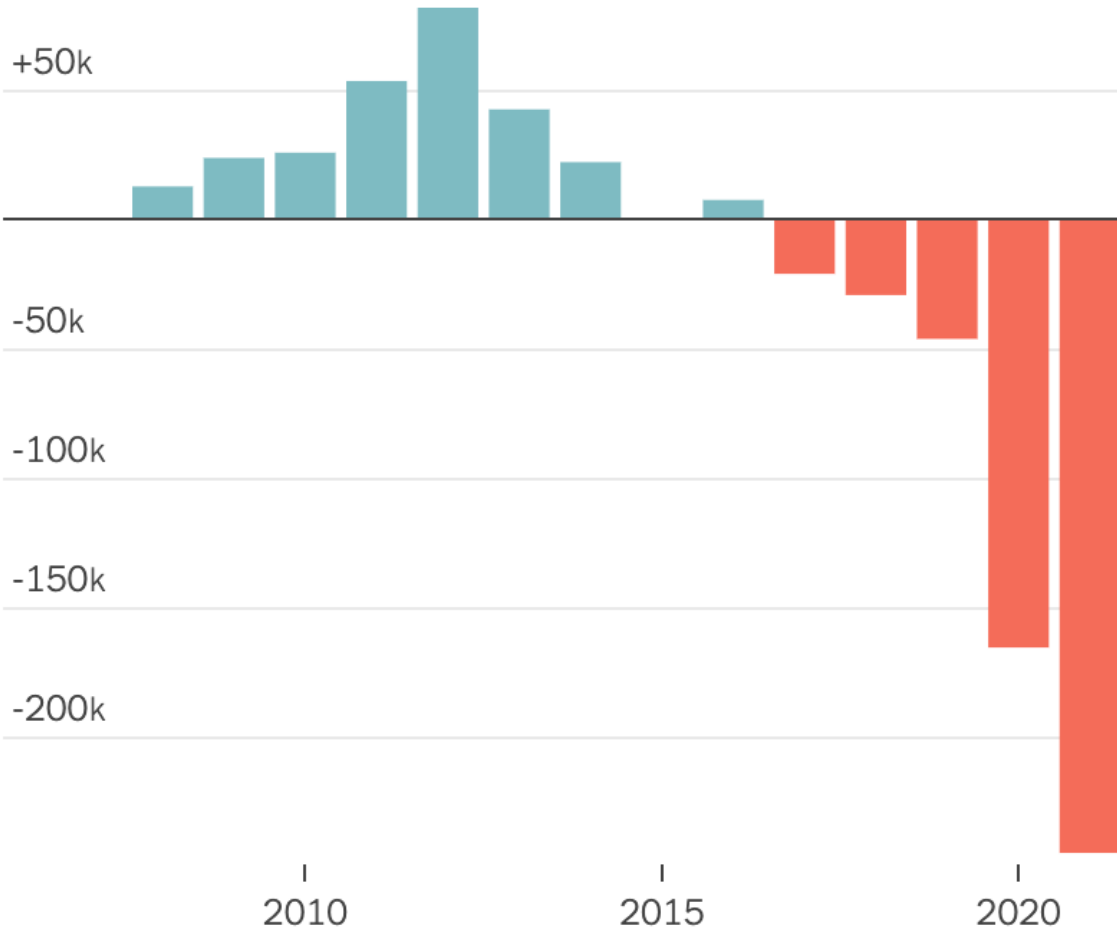


CAPITOL FLIGHT

Net Domestic Migration of Working-Age College Graduates

In the 12 most expensive large metro areas

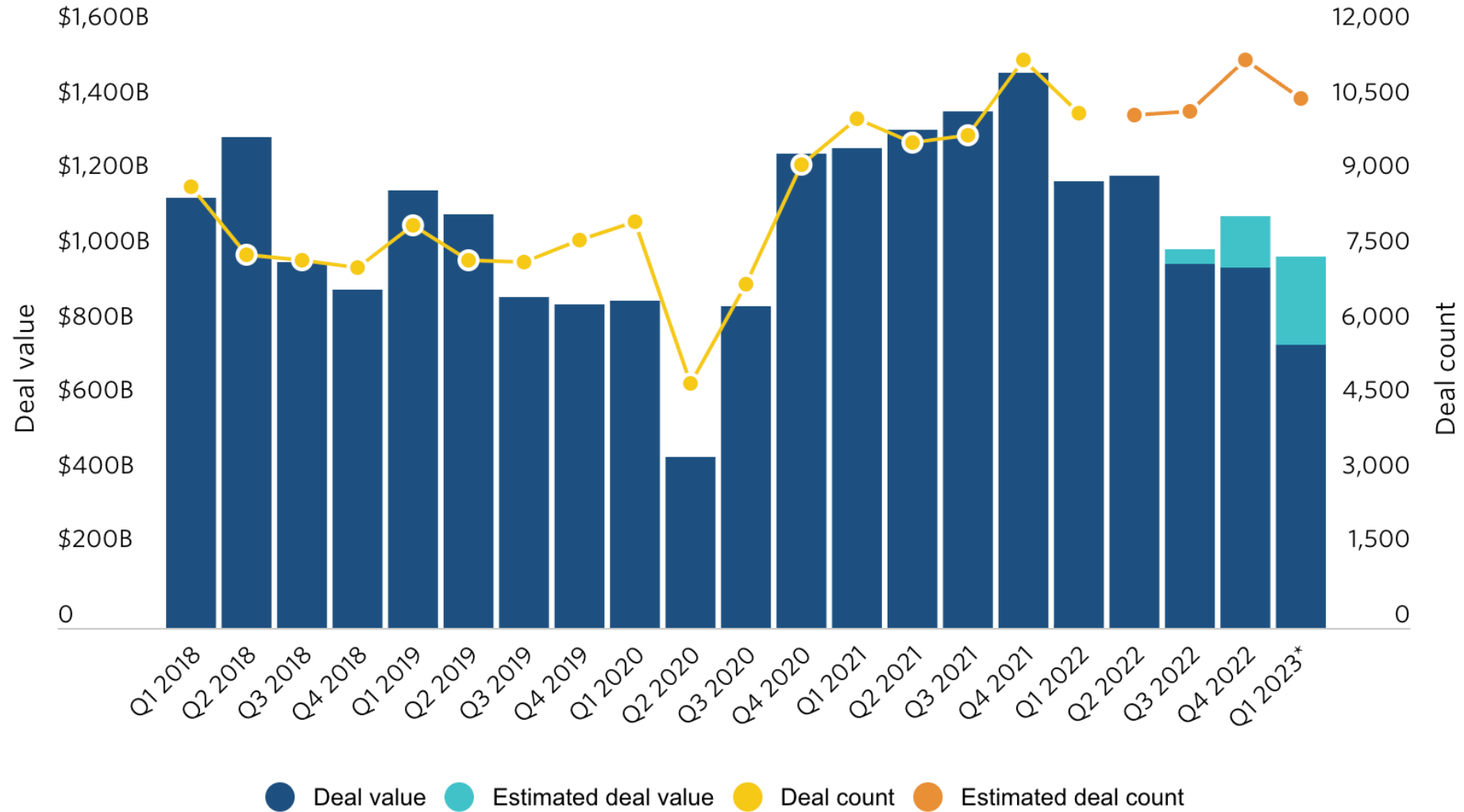
Includes cities like New York, Los Angeles and Chicago.



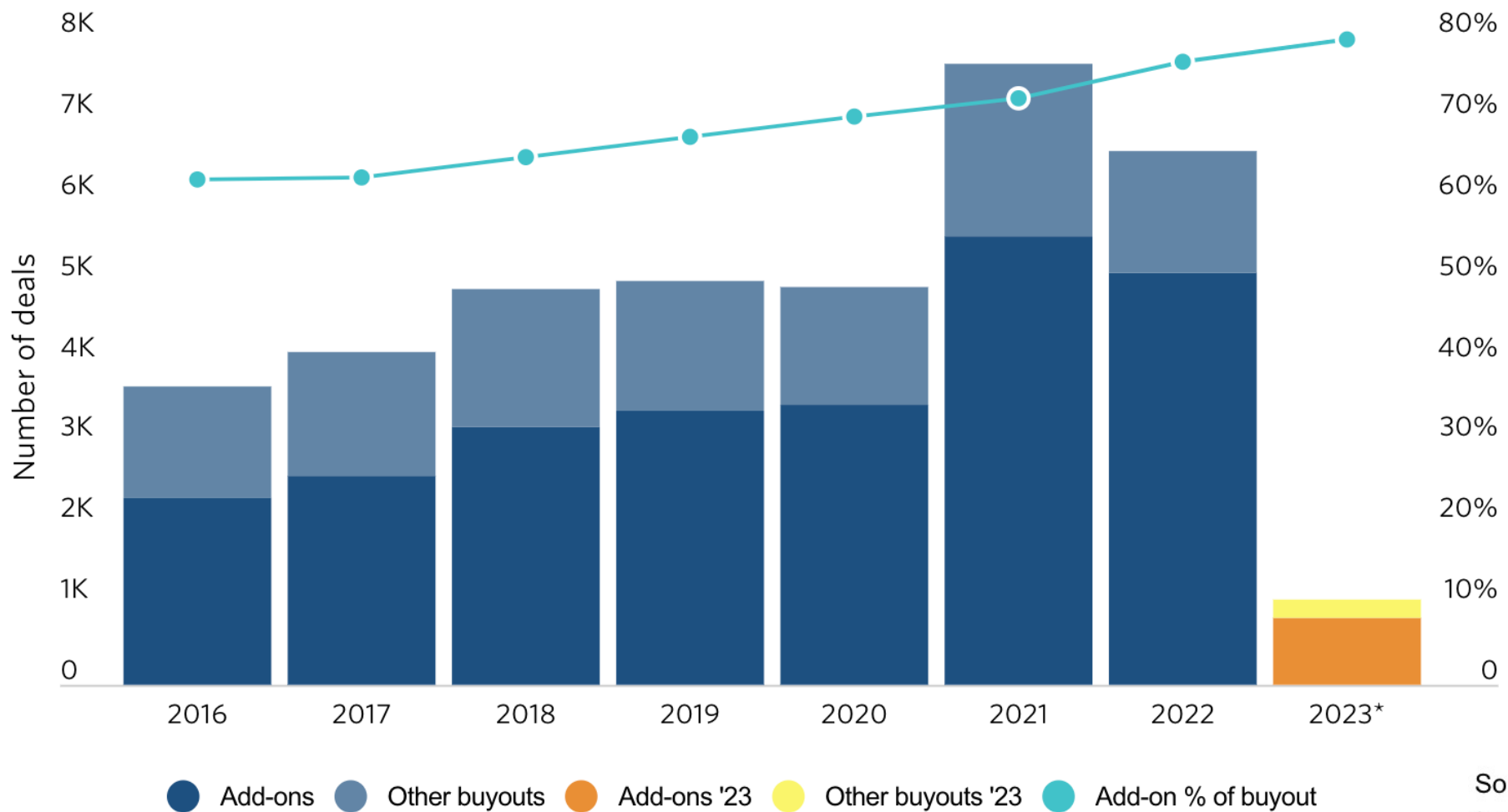
Source: The New York Times



GLOBAL M&A BY QUARTER SINCE 2018 – DEAL COUNT HOLDING STEADY



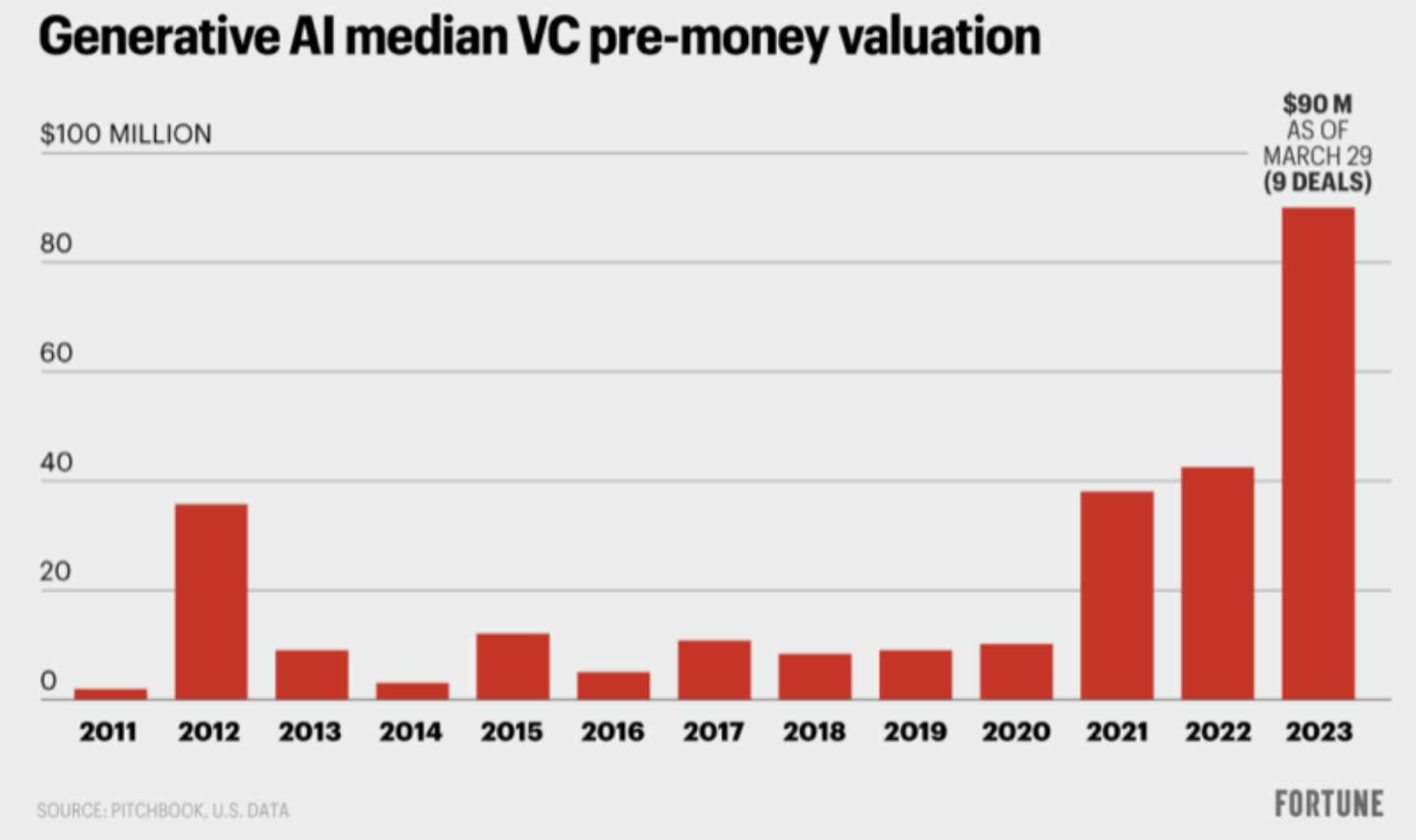
ADD-ONS AS A SHARE OF US BUYOUTS – APPROACHING 80%



Source: PitchBook data
*As of March 31, 2023



GENERATIVE AI VC VALUATIONS



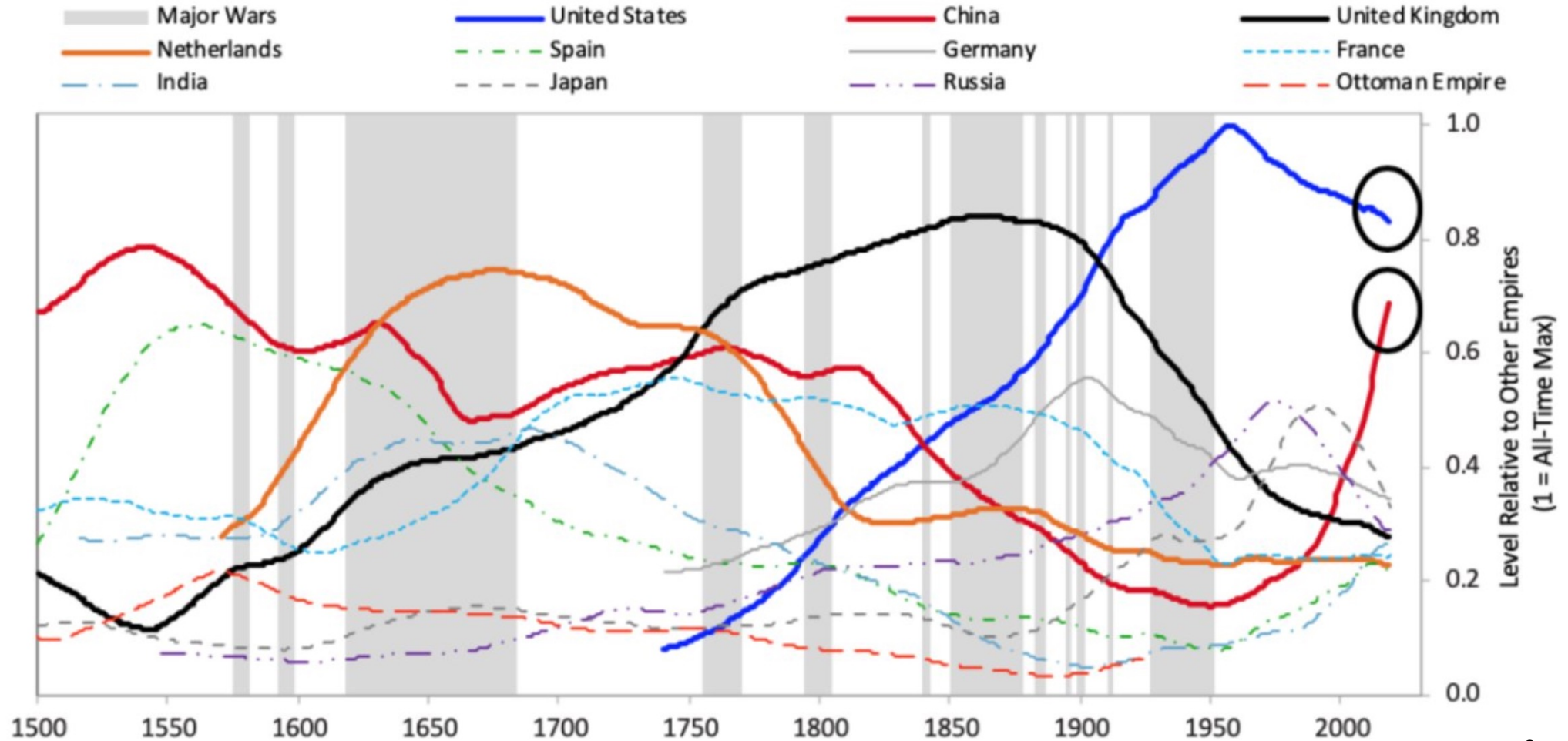
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THE BIG PICTURE ... LONG CYCLE

Rough Estimates of Relative Standing of Great Empires



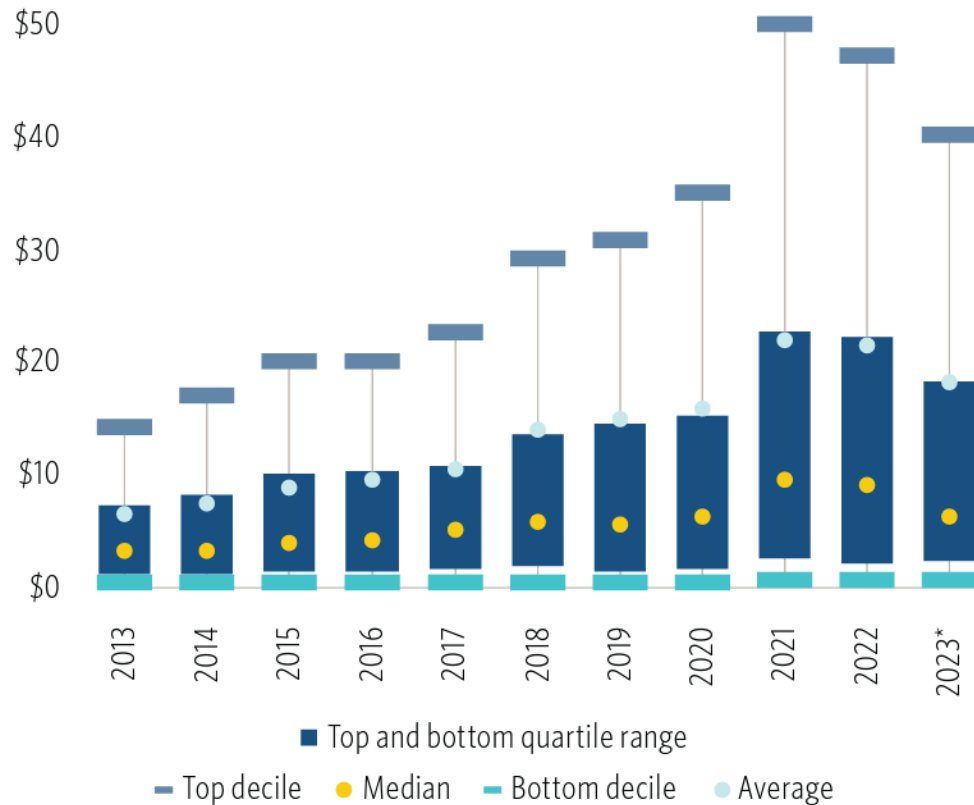
Source: Ray Dalio



EARLY STAGE VENTURE FUNDING UNDER PRESSURE

Early-stage deal sizes continue to dip

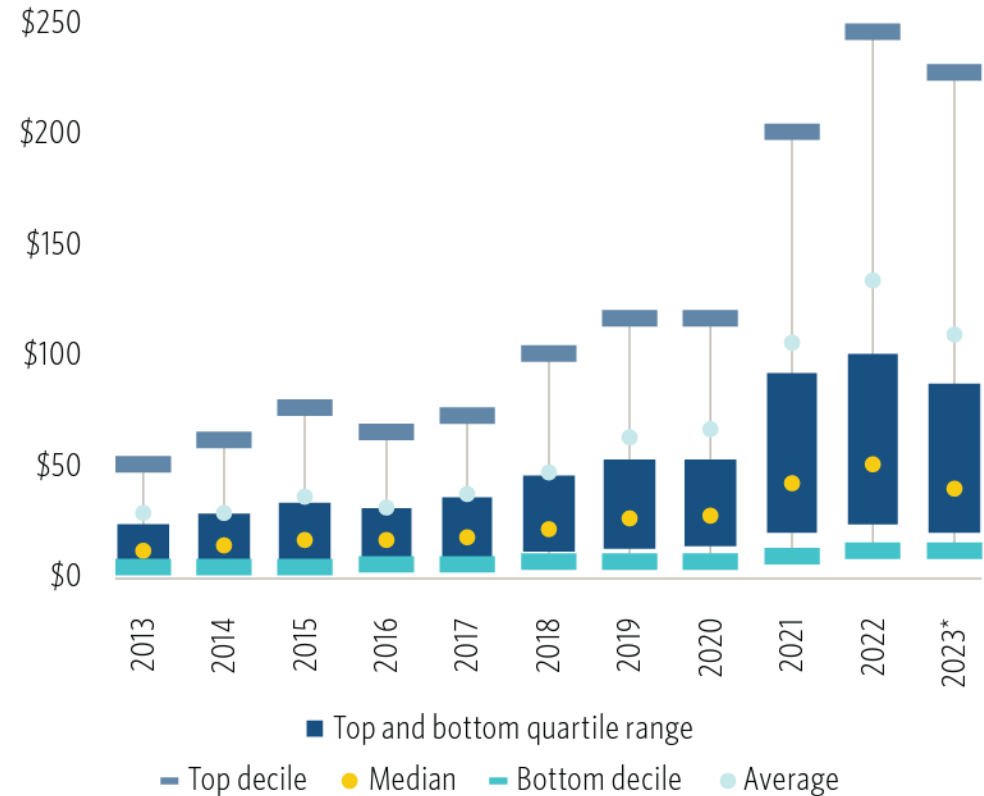
Early-stage VC deal value (\$M) dispersion



Source: PitchBook • Geography: US
*As of March 31, 2023

Median early-stage VC valuation falls to eight-quarter low

Early-stage VC pre-money valuation (\$M) dispersion



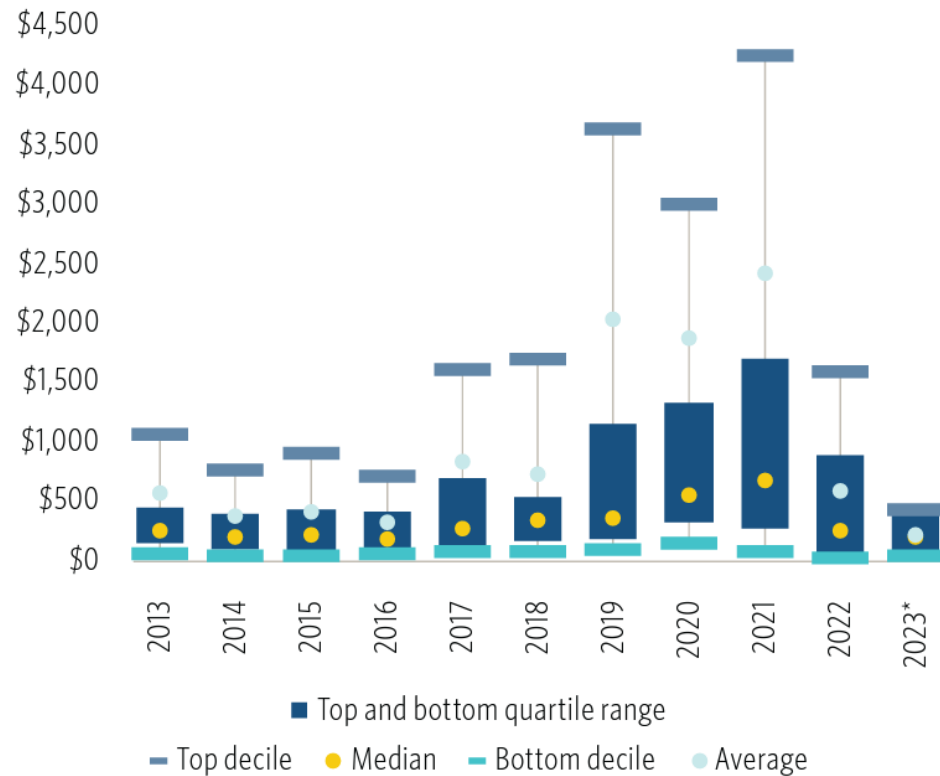
Source: PitchBook • Geography: US
*As of March 31, 2023



IPOs DOWN; M&A ASCENDANT

Average public listing just \$215 million initial valuation

Valuation (\$M) at exit via public listing dispersion



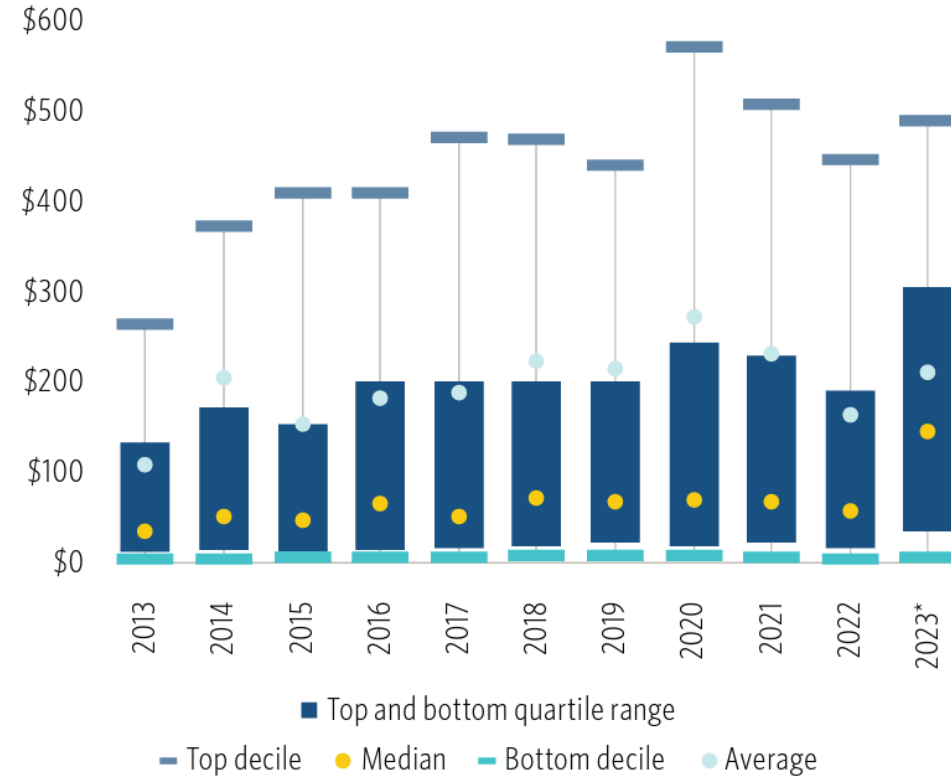
Source: PitchBook • Geography: US

*As of March 31, 2023

Notes: "Valuation at exit" for IPO represents pre-money valuation. "Public listing" indicates that a company exited via an IPO, direct listing, or reverse merger.

Average acquisition rises, but data counts low

Valuation (\$M) at exit via acquisition dispersion

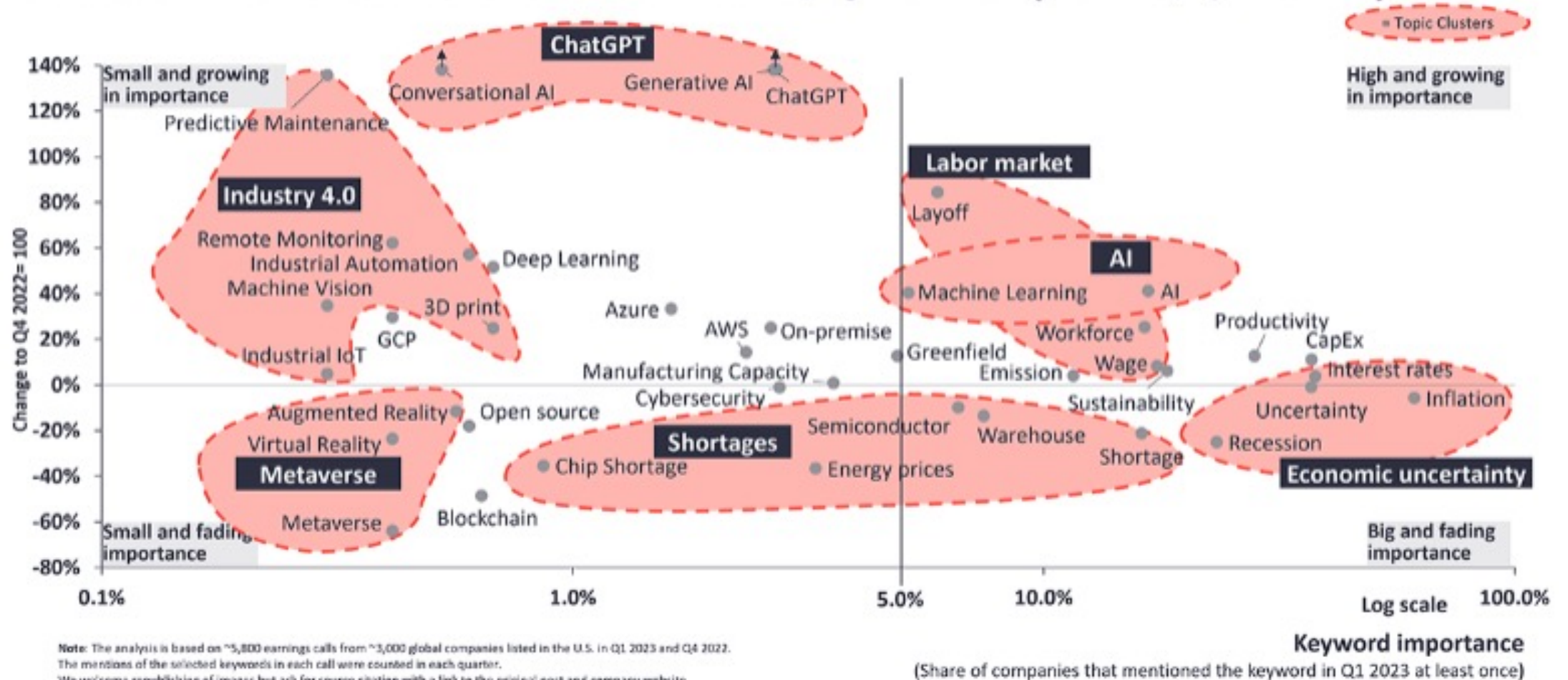


Source: PitchBook • Geography: US

*As of March 31, 2023



What CEOs talked about in Q1/2023 (vs. Q4/2022)



Note: The analysis is based on ~5,800 earnings calls from ~3,000 global companies listed in the U.S. in Q1 2023 and Q4 2022. The mentions of the selected keywords in each call were counted in each quarter. We welcome republishing of images but ask for source citation with a link to the original post and company website. Source: IoT Analytics Research 2023

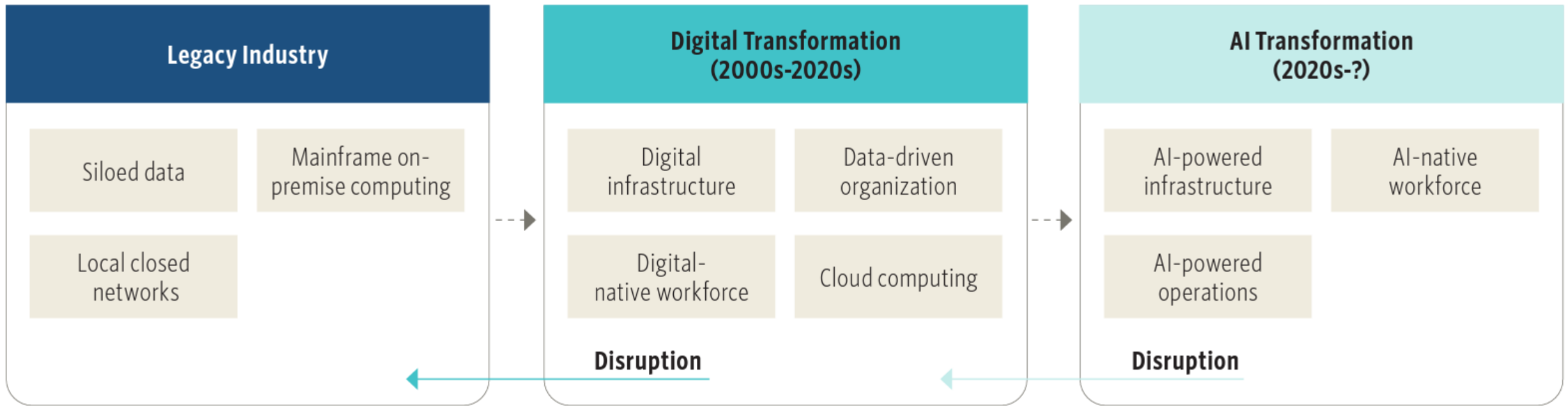
(Share of companies that mentioned the keyword in Q1 2023 at least once)

Source: IoT Analytics



[GENERATIVE] AI DOMINATING TECHNOLOGY DEVELOPMENT AND DIRECTION

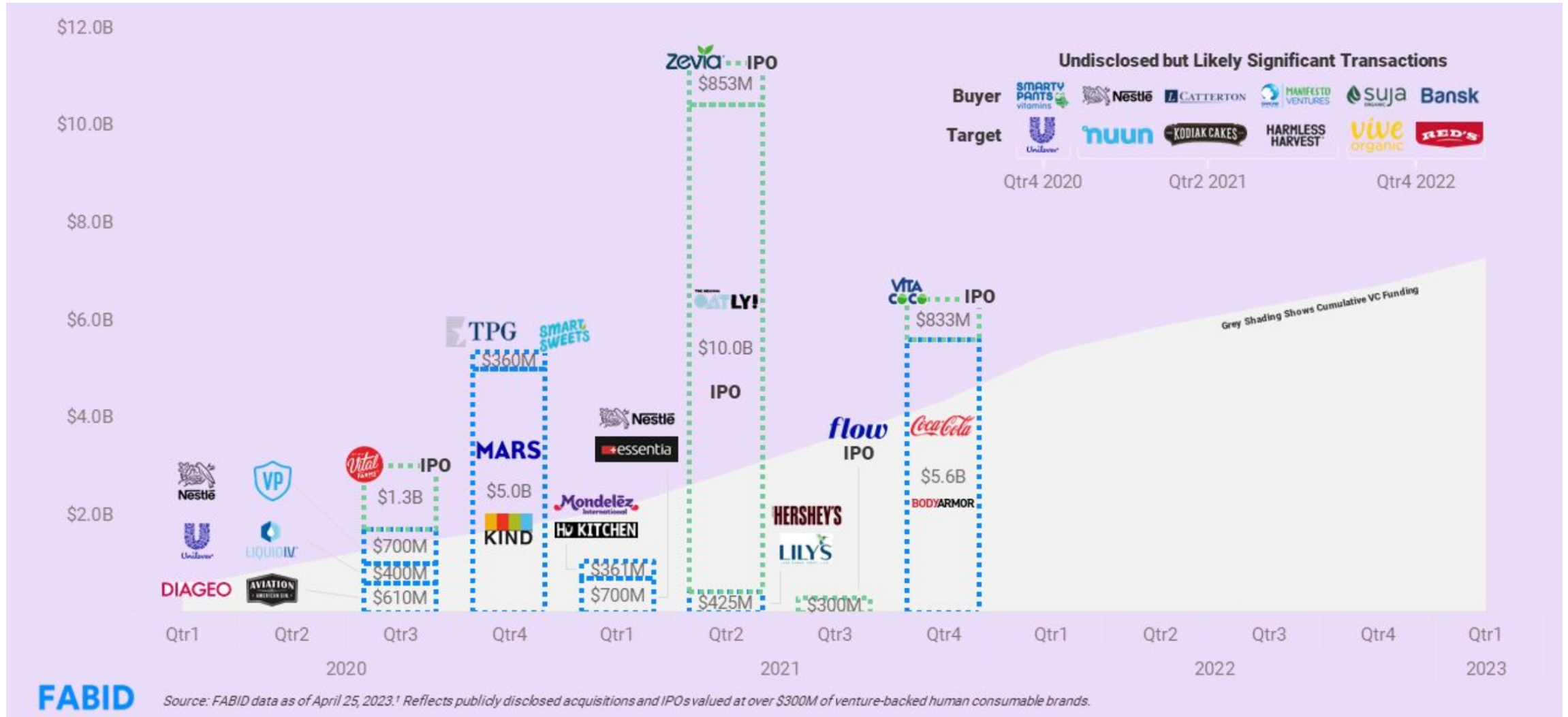
A new disruption cycle emerges



Source: PitchBook



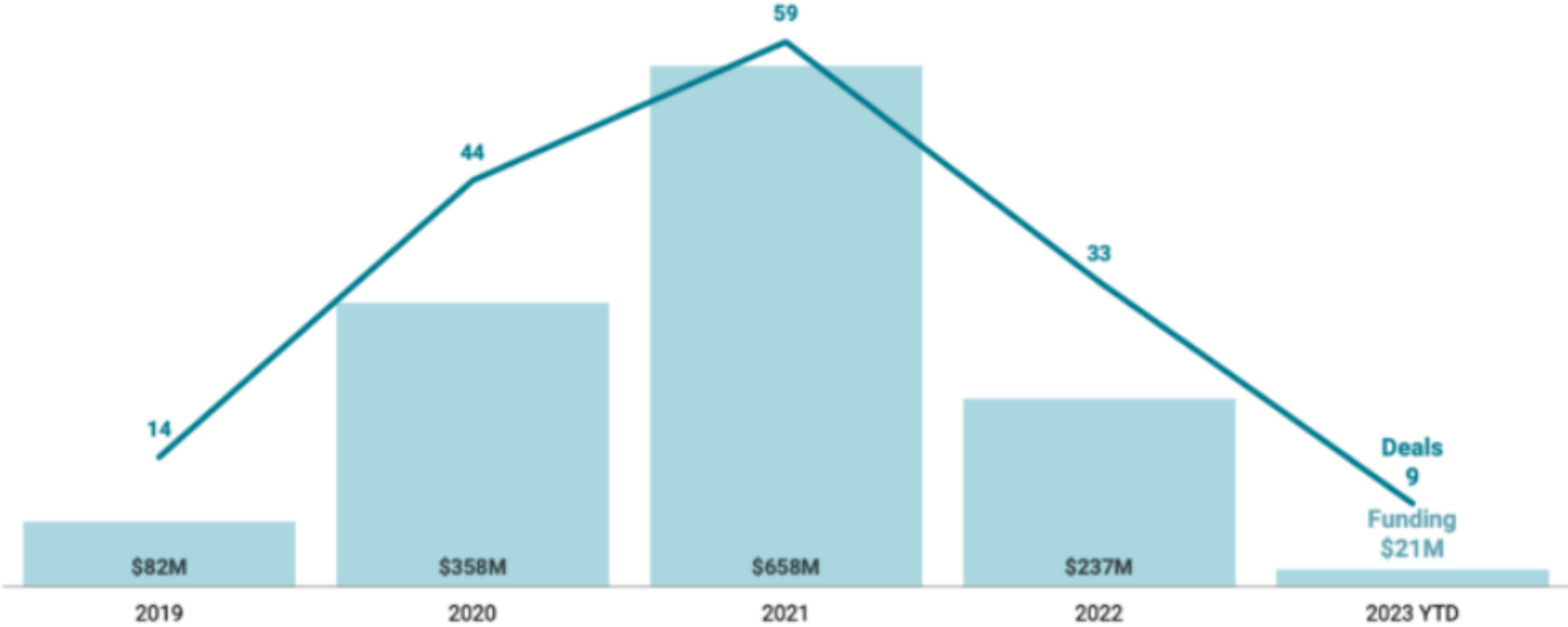
STRATEGIC EXITS FOR CONSUMER BRANDS DIMINISHING



STRANGE TRIP FOR PSYCHEDELICS VC INVESTMENT



Funding to psychedelics companies drops



Source: CB Insights;
Data as of 5/2/2023



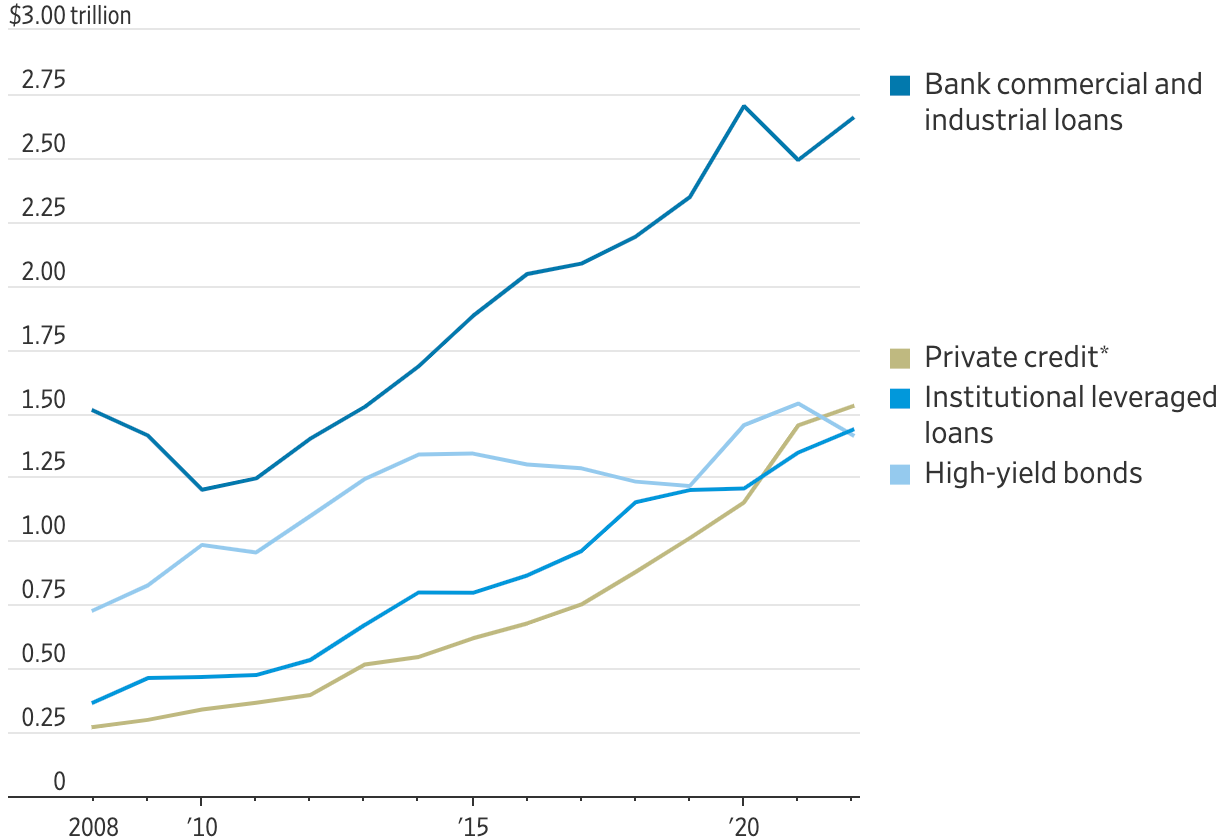
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WEEK OF 5-1



~\$7 TRILLION OF DEBT; DEEP UNDERWATER

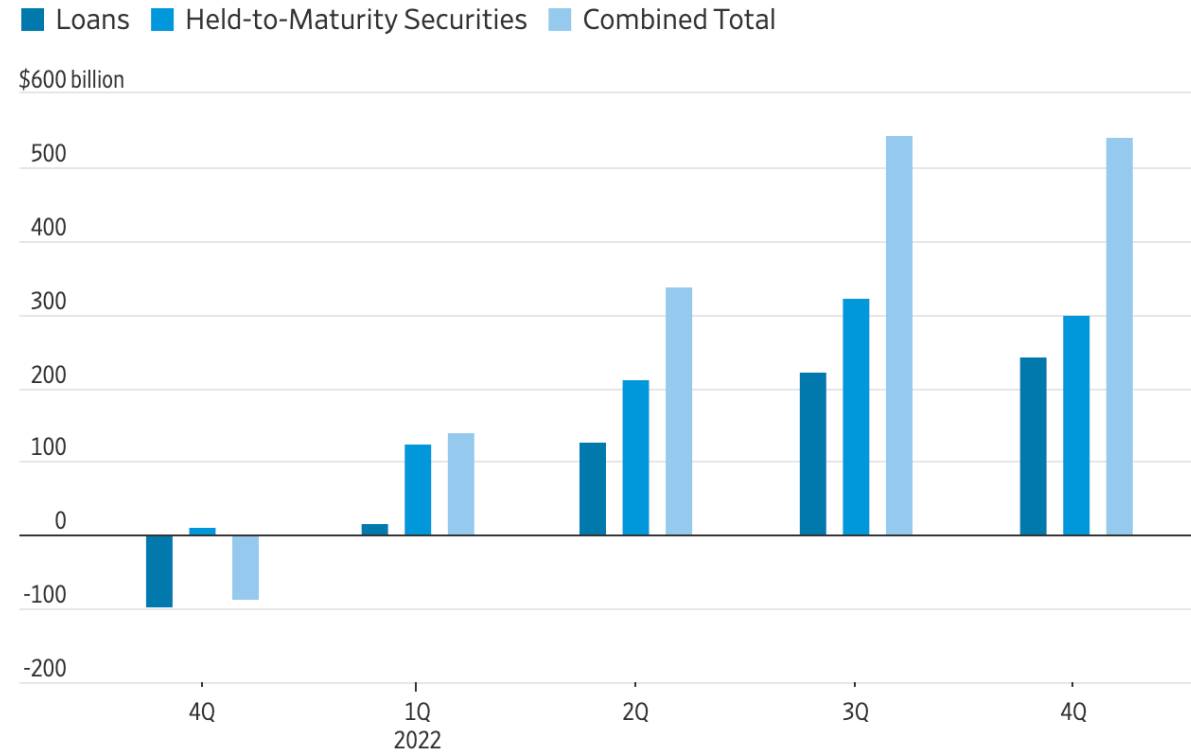
Banks vs. Shadow Banks



*Includes business development companies and middle-market collateralized loan obligations
 Source: Federal Reserve (bank loans); IMF (leveraged loans, high-yield bonds, private credit)

Marking to Market

Fair-value losses on banks' loans and securities grew as interest rates rose



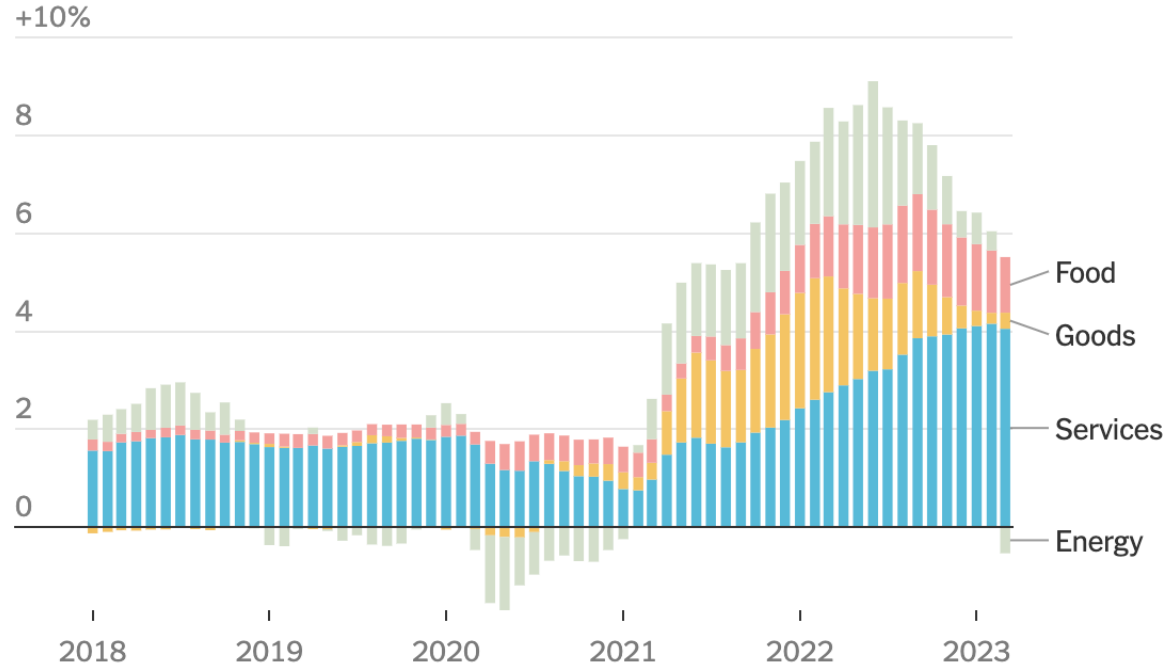
Note: Data includes publicly traded banks only
 Source: S&P Global Market Intelligence



PERSISTENT AND GROWING INFLATION IN SERVICES COSTS

Higher Prices for Services Are Now Driving Inflation

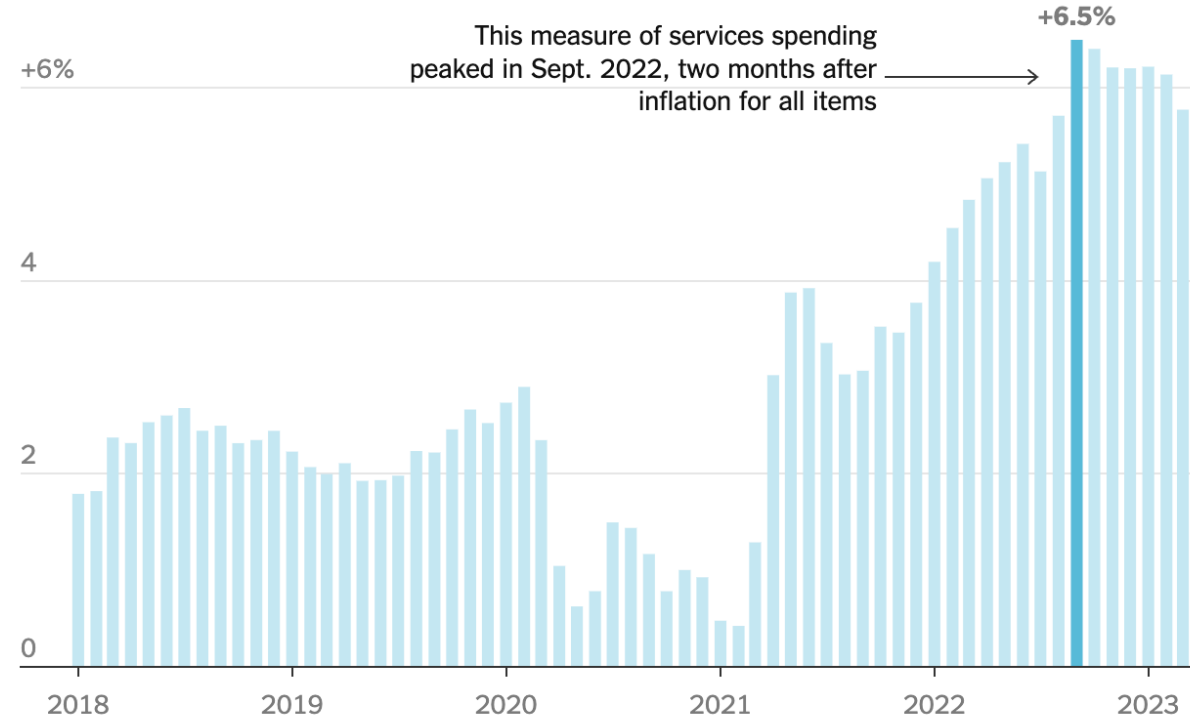
Breakdown of the inflation rate, by category



Note: The services category excludes energy services, and the goods category excludes food and energy goods. • Sources: Bureau of Labor Statistics; New York Times analysis • By The New York Times

Excluding Housing Costs, Prices of Core Services Are Rising

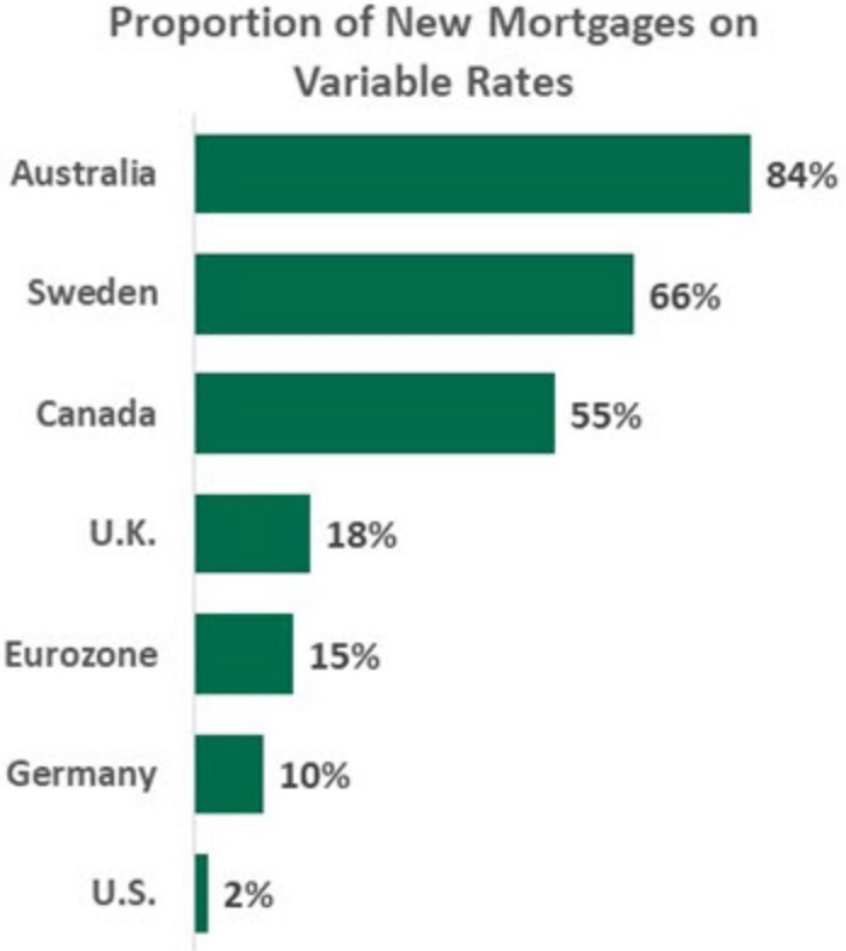
Year-over-year percentage change in the Consumer Price Index for services, stripping out housing and energy costs



Sources: Bureau of Labor Statistics; New York Times analysis • By The New York Times



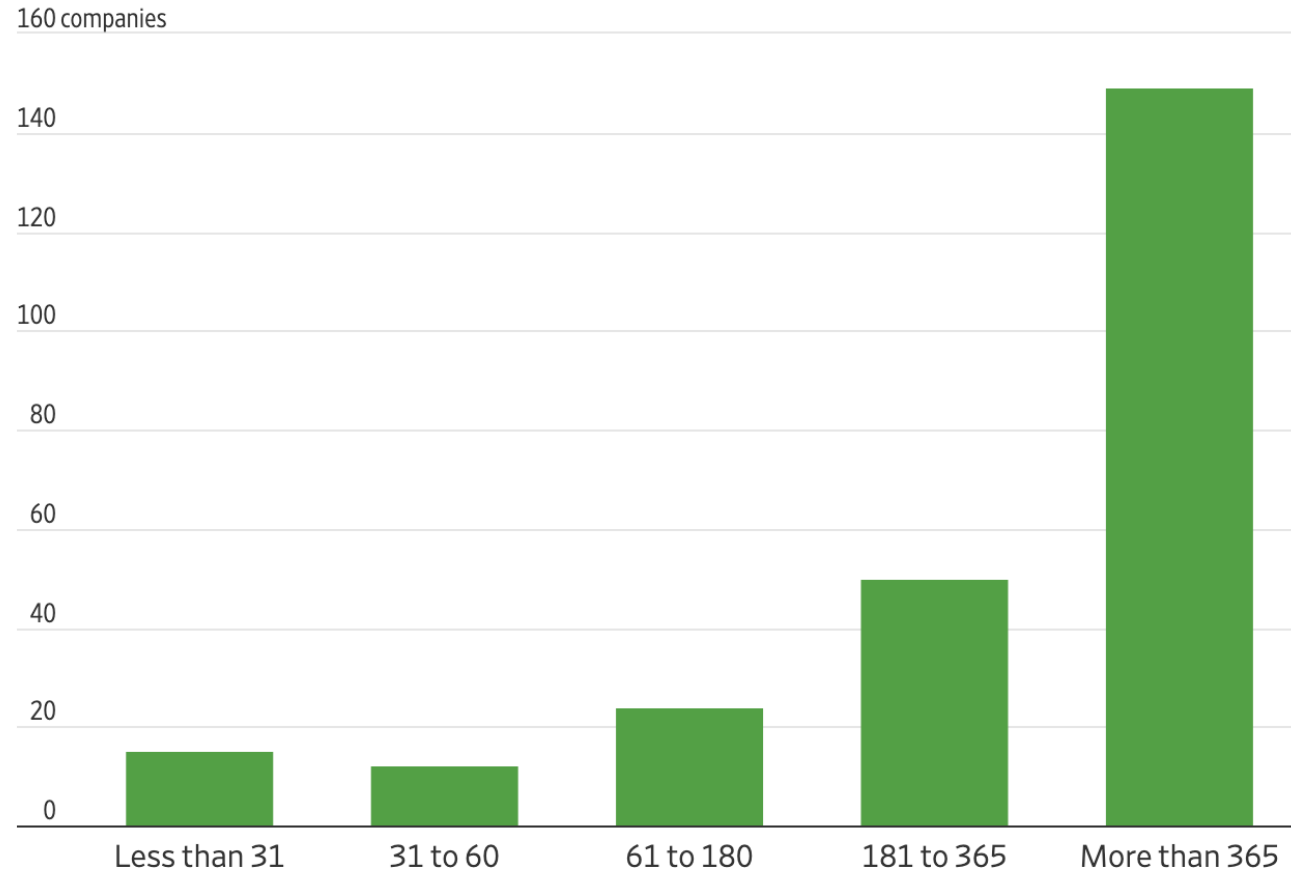
LATENT CHALLENGES IN AN INCREASING INTEREST RATE ENVIRONMENT



Sources: OECD, News.com.au

SPAC BLOWBACK

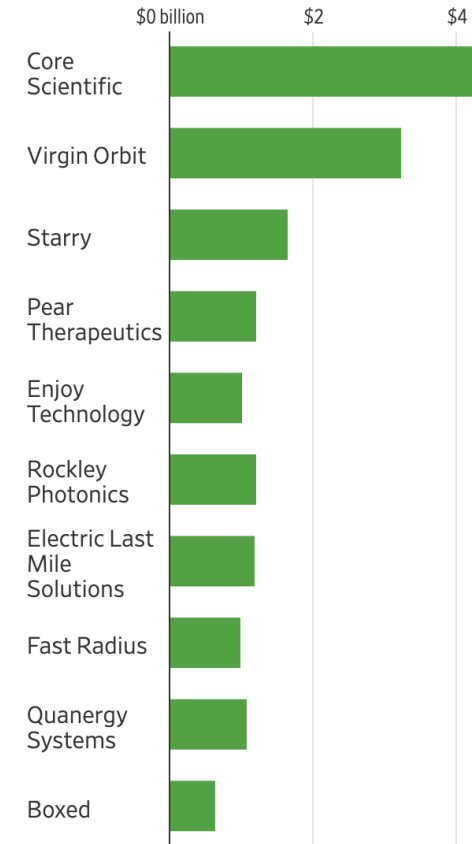
Estimated number of days before companies under pressure after SPAC deals run out of cash



Note: Features companies with negative cash flows; Many companies are cutting expenses and fundraising.

Source: Wall Street Journal analysis of FactSet data

Approximate valuations of now-bankrupt companies at time of SPAC merger



Note: Valuations are based on total enterprise value, which includes debt but excludes cash holdings.

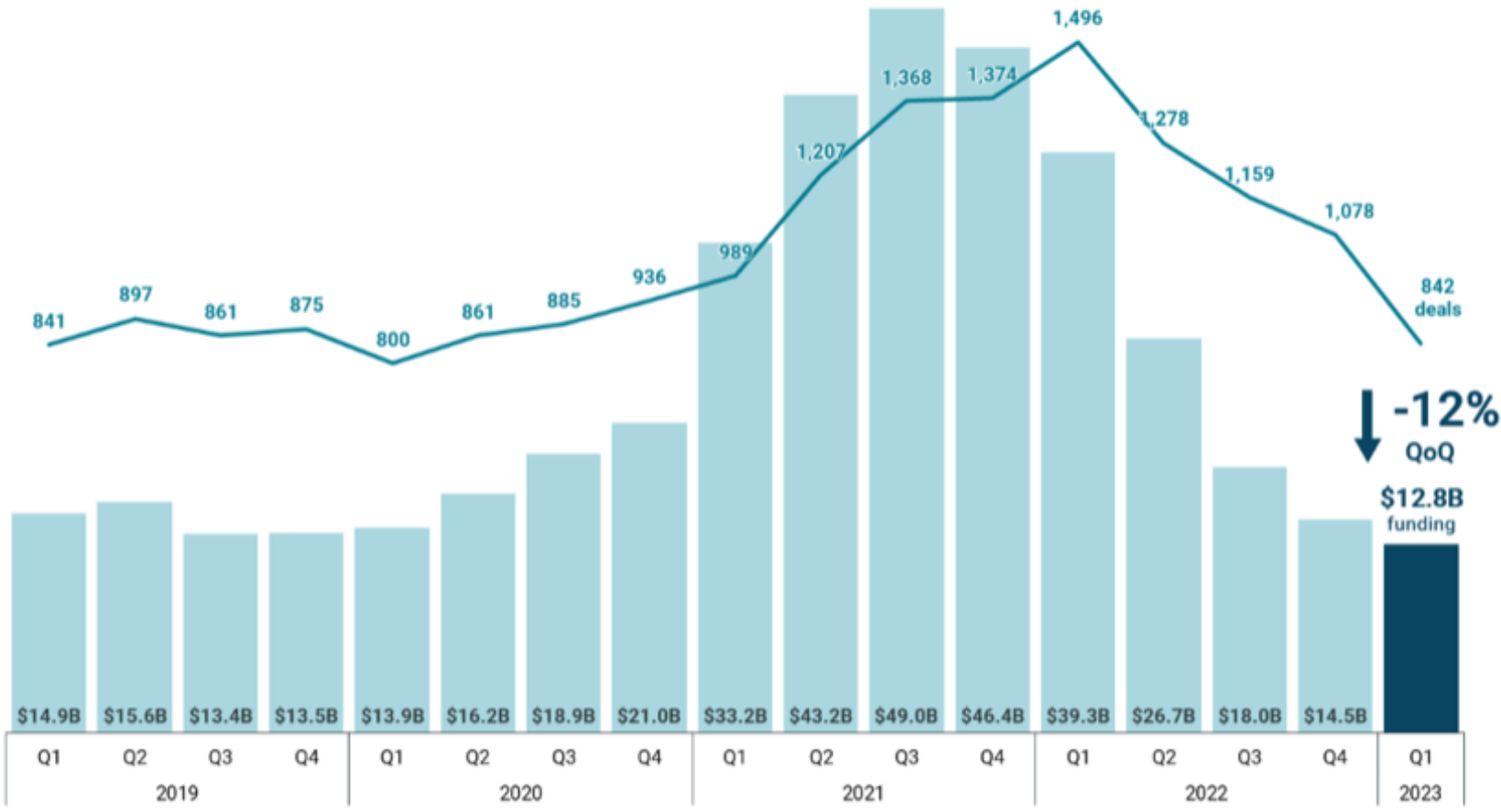
Source: SPAC Research



CORPORATE VENTURE CAPITAL SCALED BACK TO 2019 LEVELS



CVC-backed funding reaches a 5-year low, deals fall 44% YoY from record high



**-12%
QoQ**

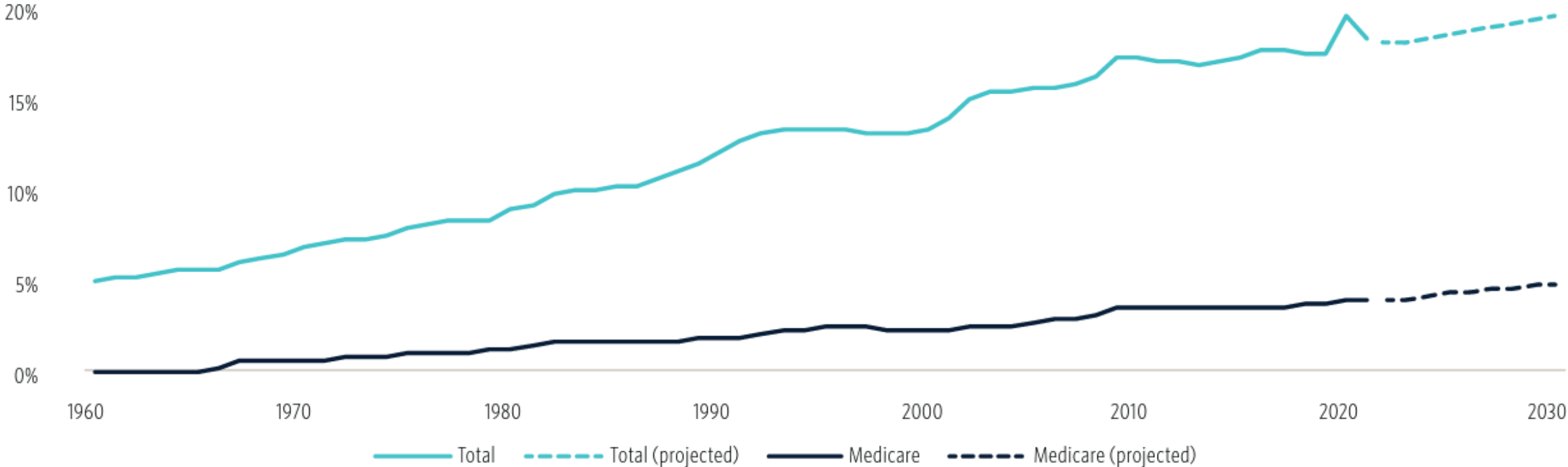
**\$12.8B
funding**

Source: CB Insights



US NATIONAL HEALTH EXPENDITURES HEADING TO 20% OF GDP

US national health expenditures as a share of GDP*



Sources: [CMS](#) | [FRED](#)
*As of December 31, 2022

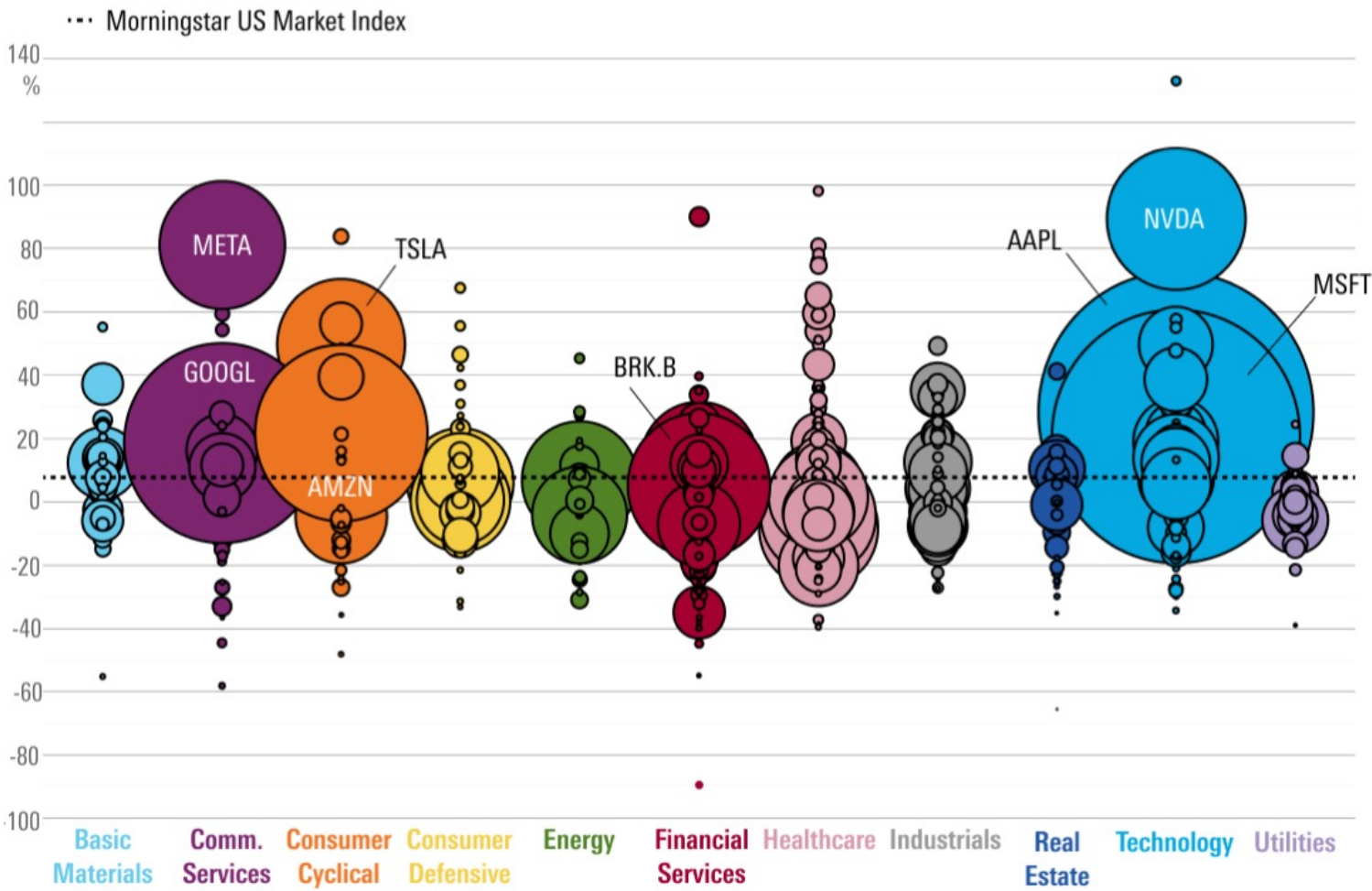
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WEEK OF 4-24



2023 U.S. STOCK RETURNS – DOMINANCE OF TECH SECTOR

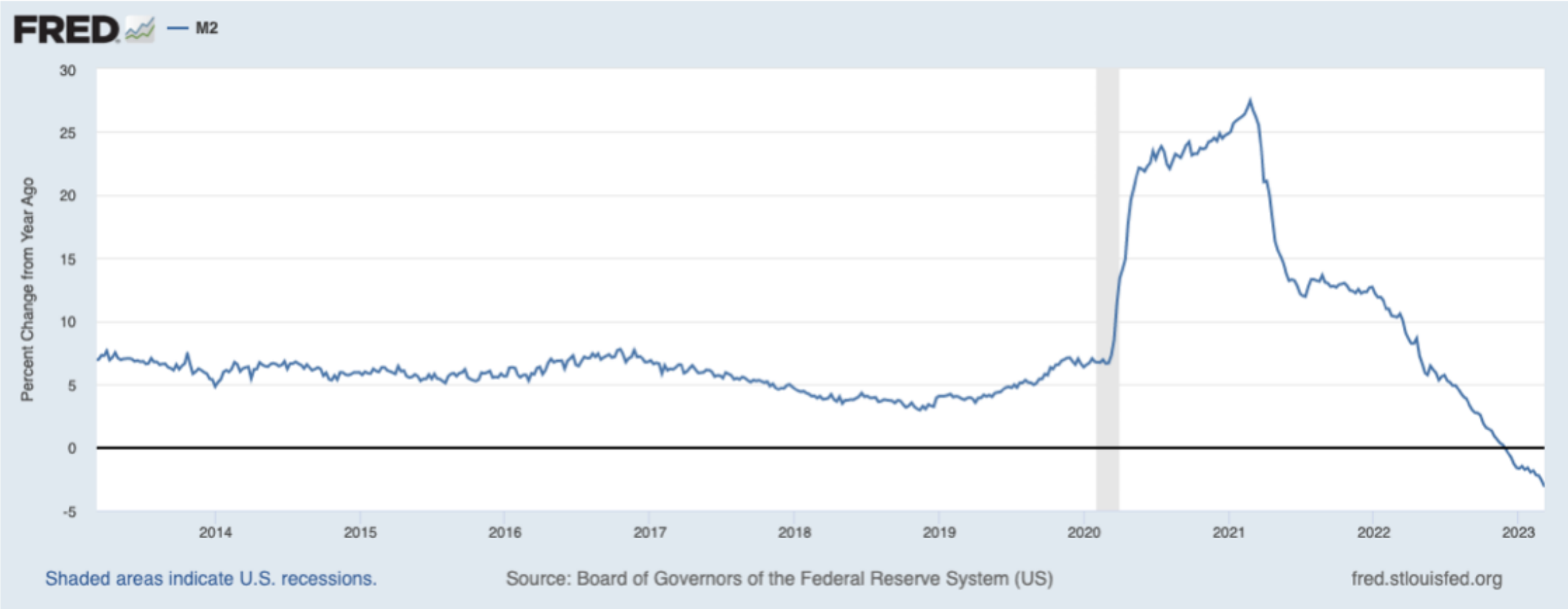
Market capitalization represented by bubble size.



Source: Morningstar;
Data as of April 19, 2023

M2 DRAINING OUT

M2 Money Supply – Percent Change from a Year Ago



QUARTERLY VC EXIT VALUE AT 10-YEAR LOW

Quarterly VC exit value (\$B) by type

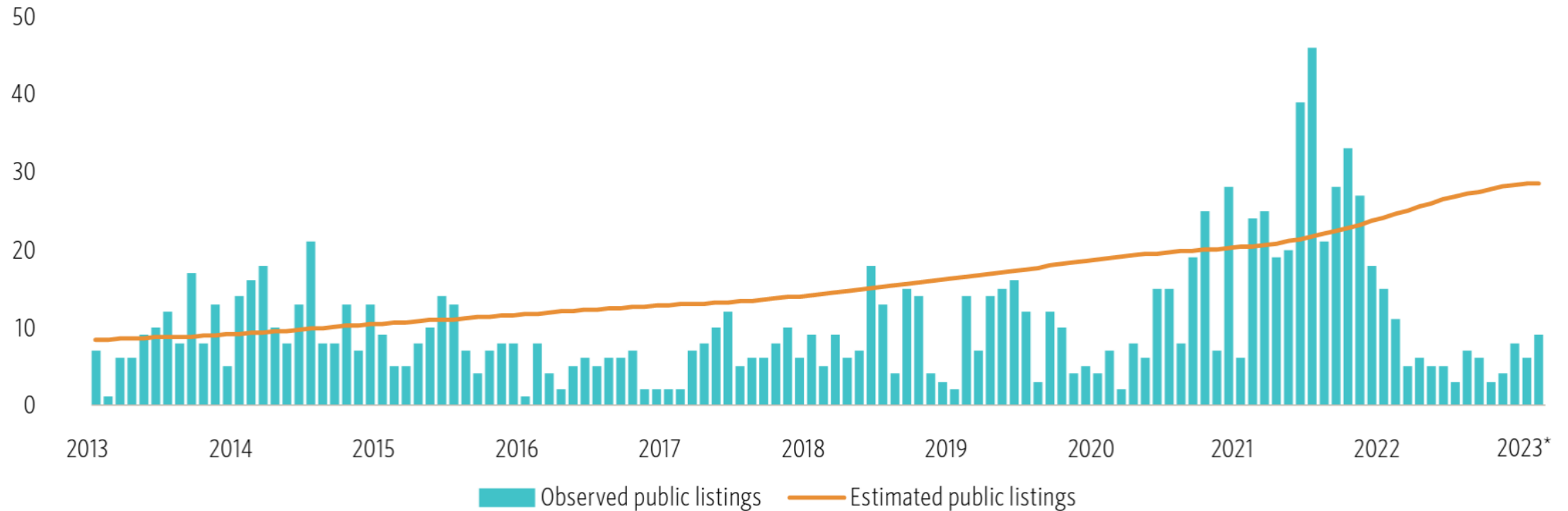


Source: PitchBook • Geography: US
*As of March 9, 2023

IPO MARKET BACKLOG BUILDING

Backlog of companies waiting to IPO reaches new high

Monthly VC-backed public listing count versus estimated IPO backlog

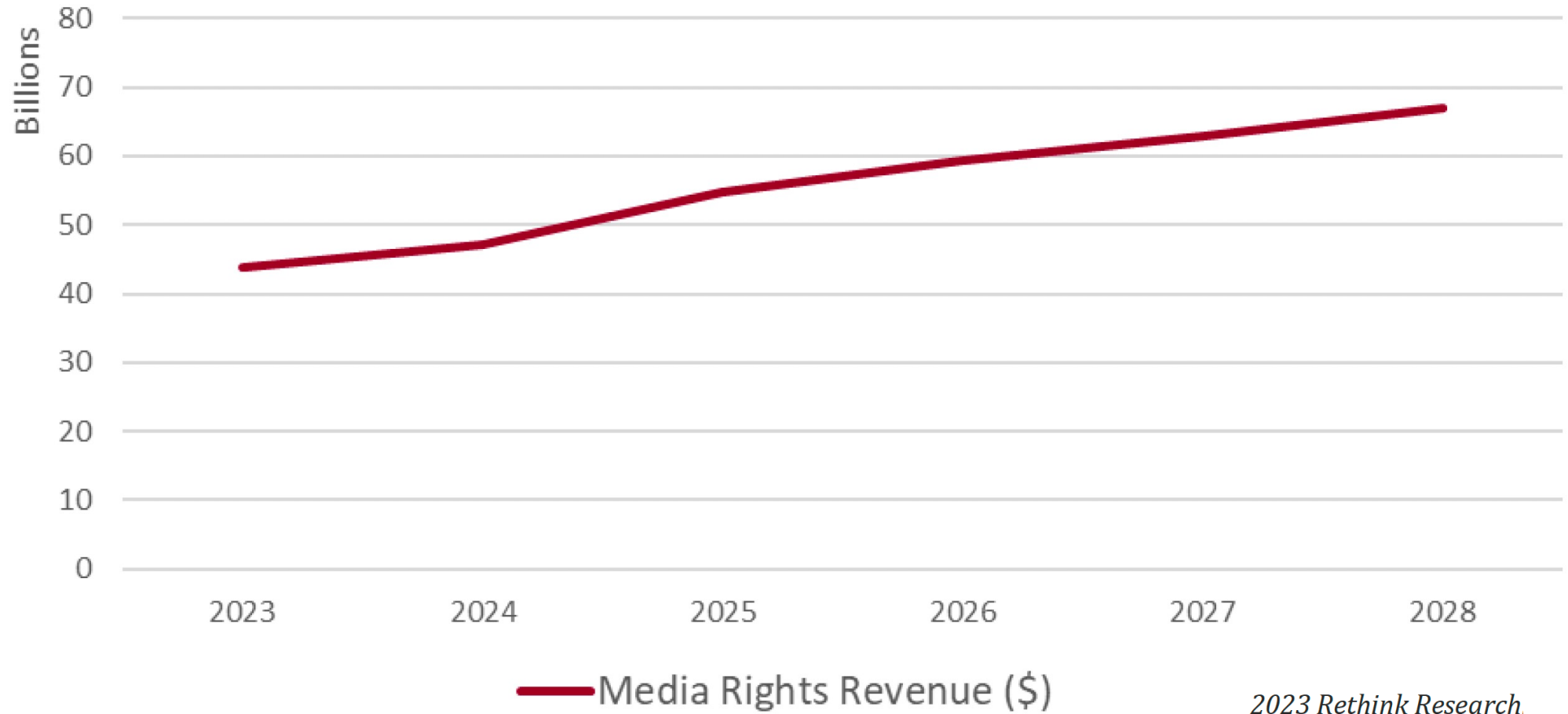


PitchBook-NVCA Venture Monitor
*As of March 31, 2023



MEDIA RIGHTS REVENUE: EXPECTED 50% INCREASE IN 5 YEARS

Top 15 Leagues - Media Rights Revenue (\$)



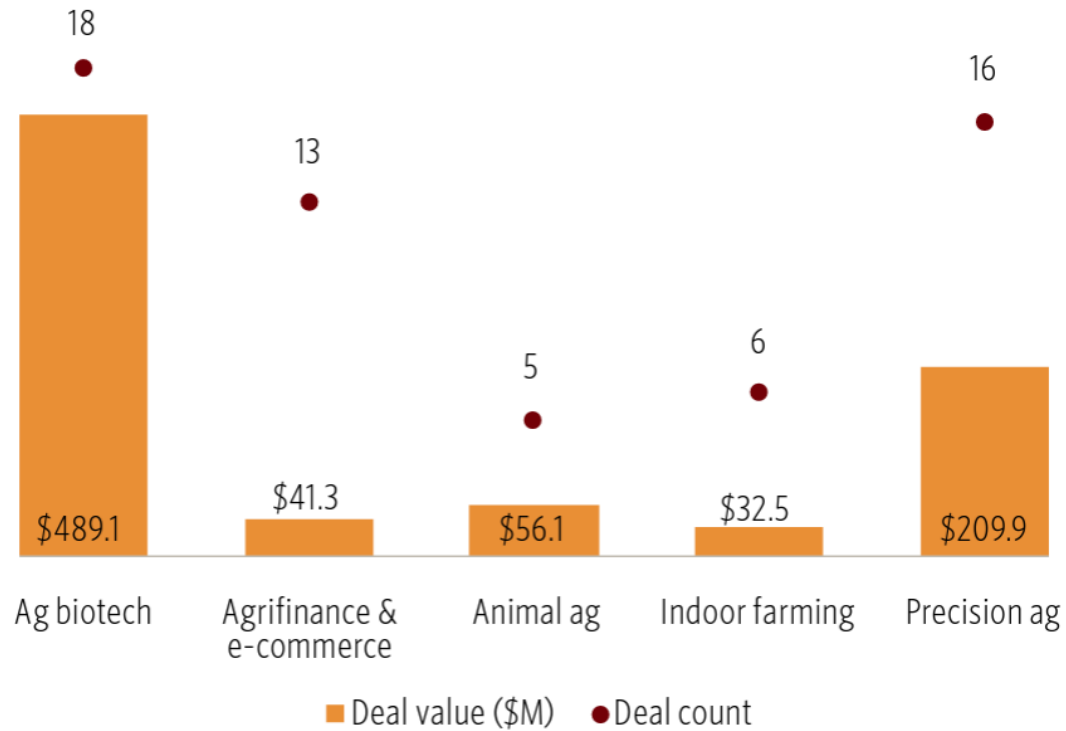
2023 Rethink Research,



INDOOR FARMING DEAL ACTIVITY DOWN IN Q1 2023

Indoor farming loses steam

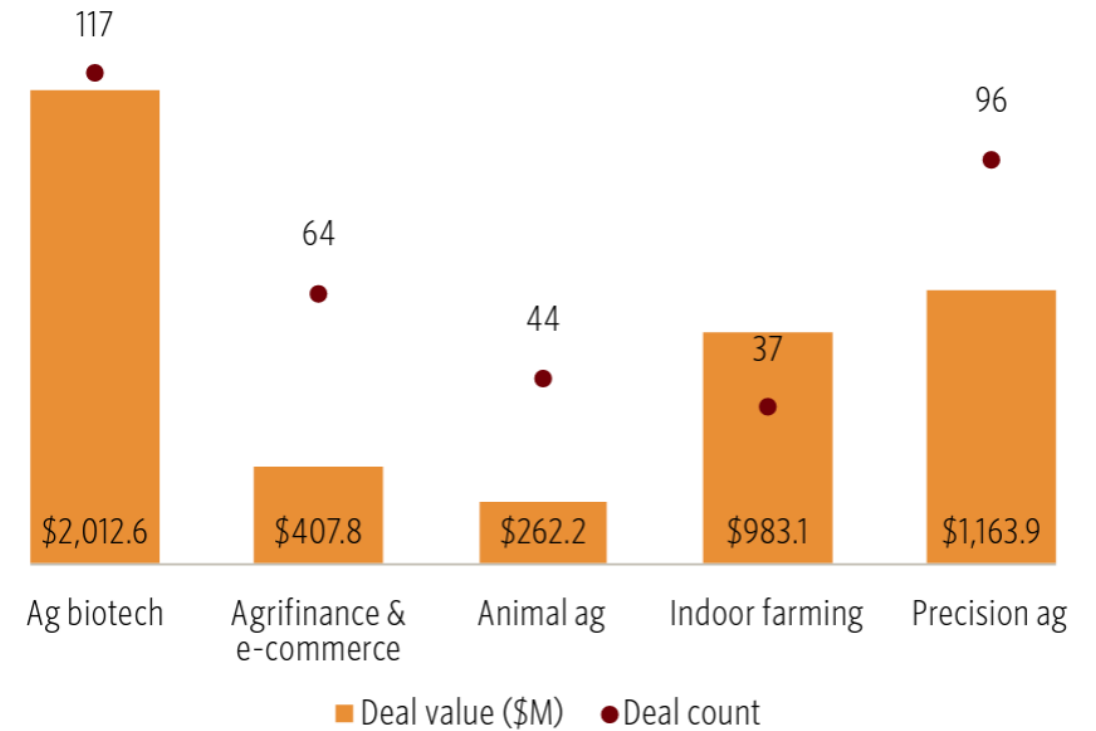
Q1 2023 US agtech VC deal activity by segment*



PitchBook-NVCA Venture Monitor
*As of March 31, 2023

Ag biotech captures preponderance of funding

TTM US agtech VC deal activity by segment*



PitchBook-NVCA Venture Monitor
*As of March 31, 2023

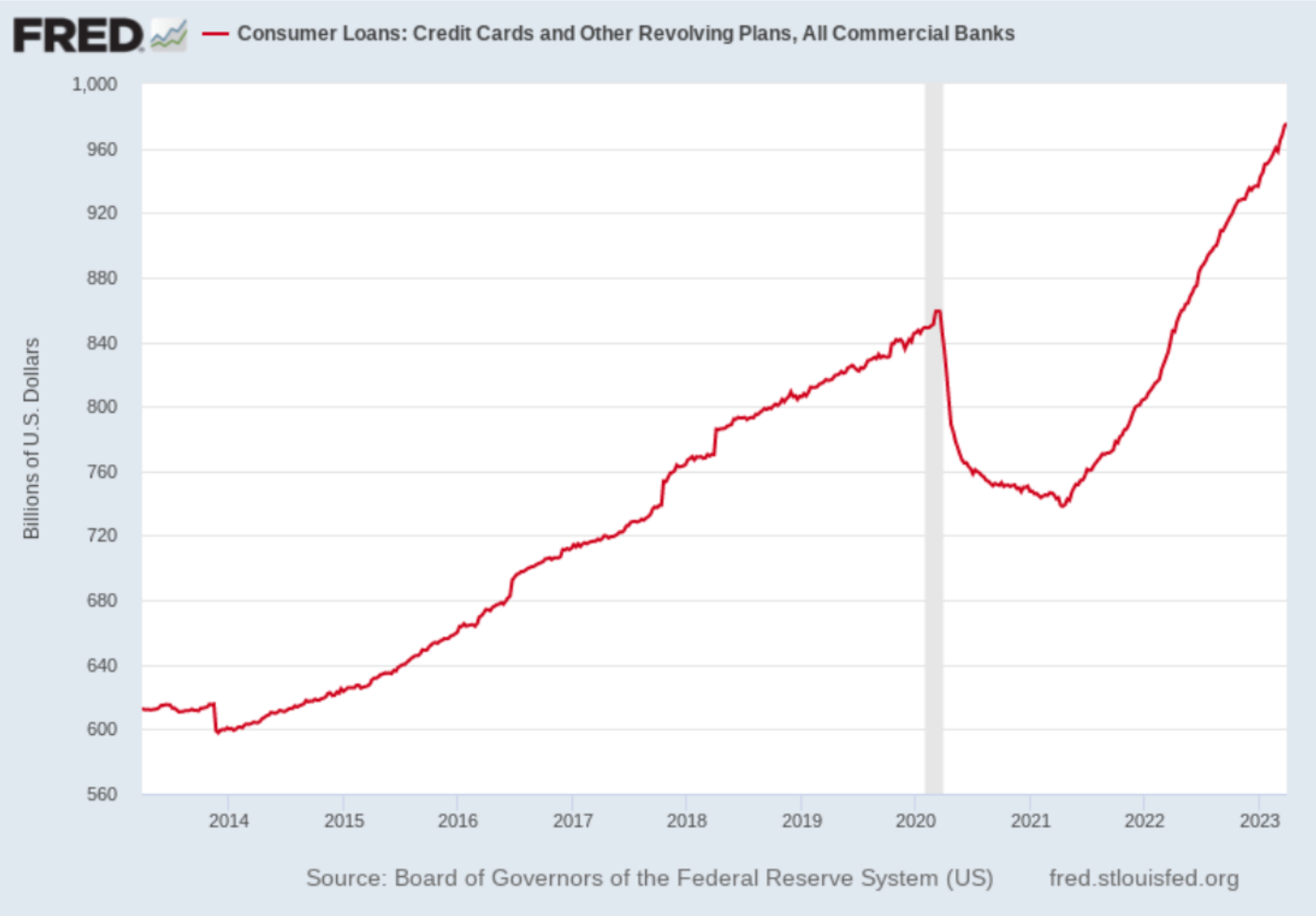


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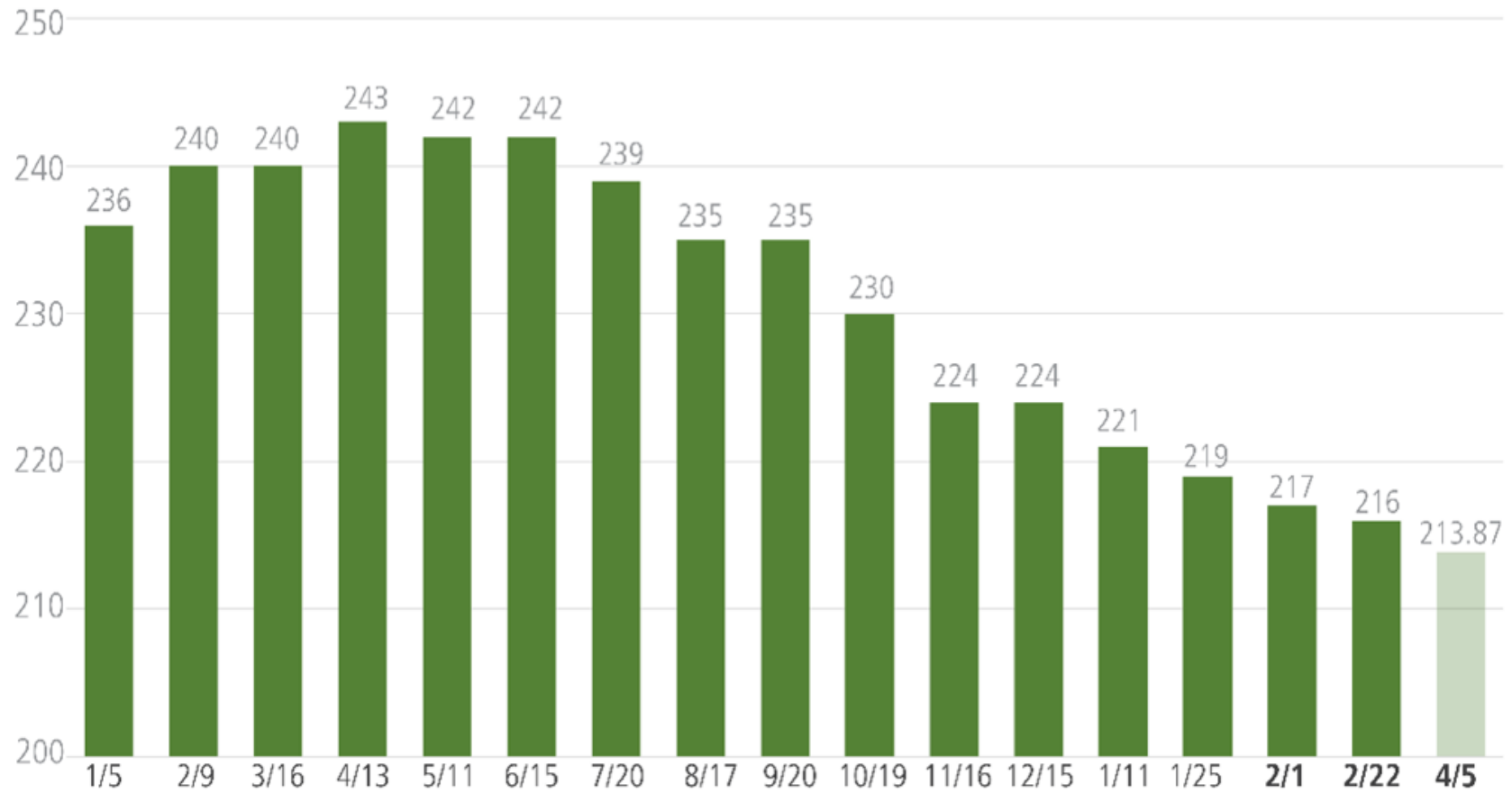


CREDIT CARD DEBT ... CHARGING UP



EARNINGS EXPECTATIONS DECREASING

Evolution of S&P 500 'EPS' Estimate for 2023



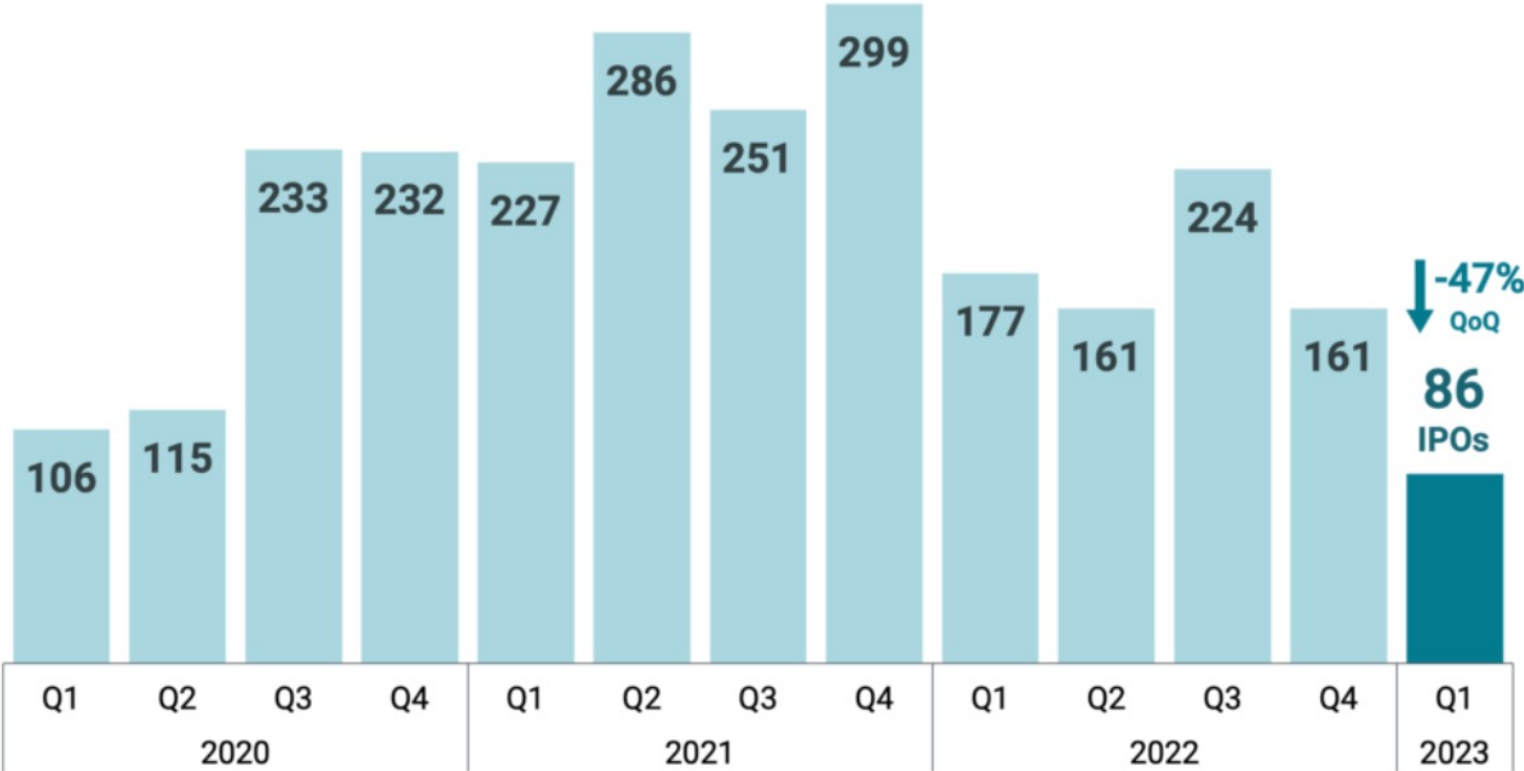
Source: Zacks Investment Research, Inc.



IPO MARKET VOLUME AT DECADE LOW IN Q1 2023



Quarterly IPOs fall by 47%, hitting their lowest level in almost a decade



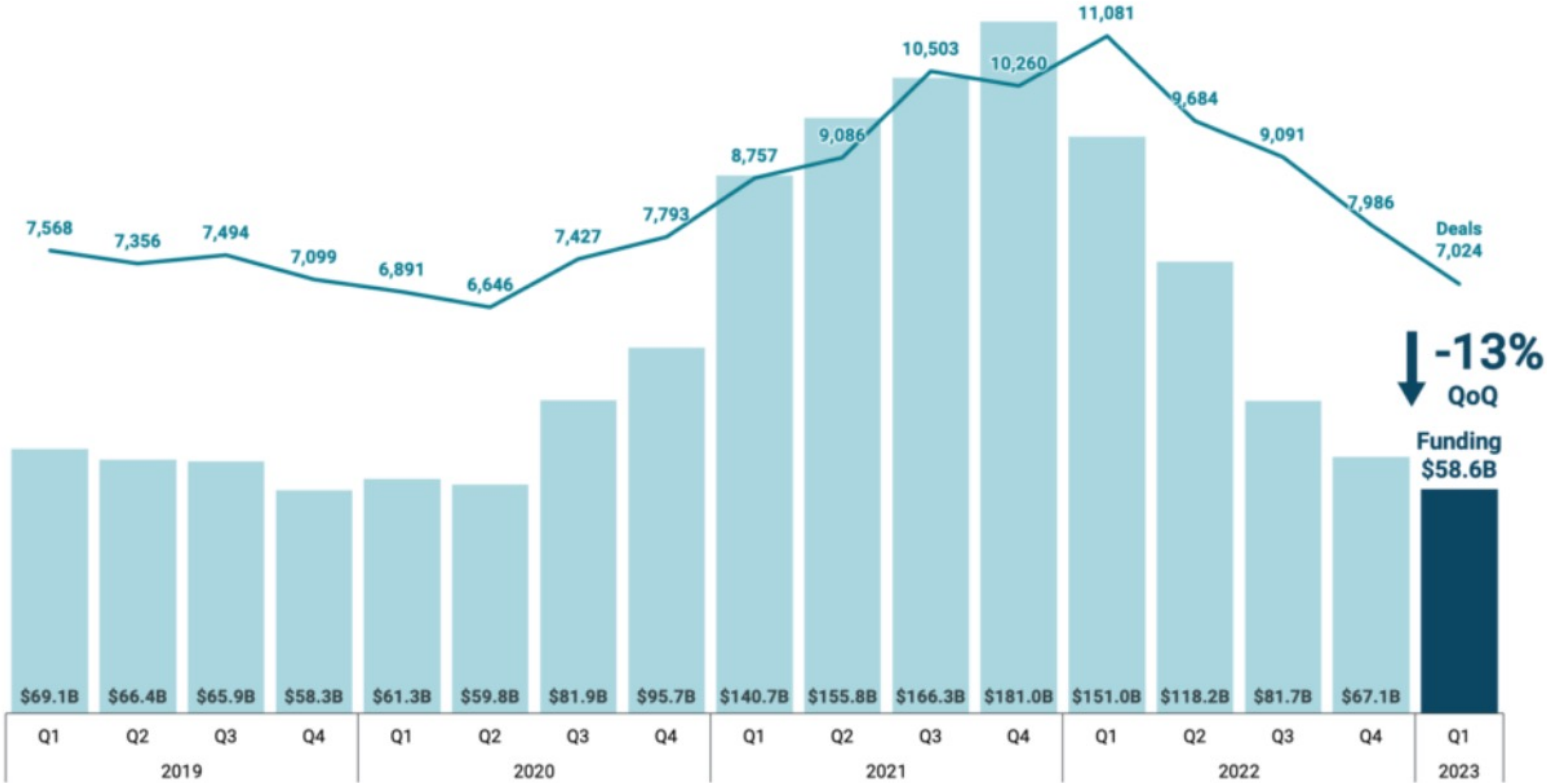
Source: CB Insights



GLOBAL VENTURE FUNDING AT MULTI-YEAR LOW IN Q1 2023



Global venture funding continues to slide in Q1'23, despite Stripe's \$6.5B deal



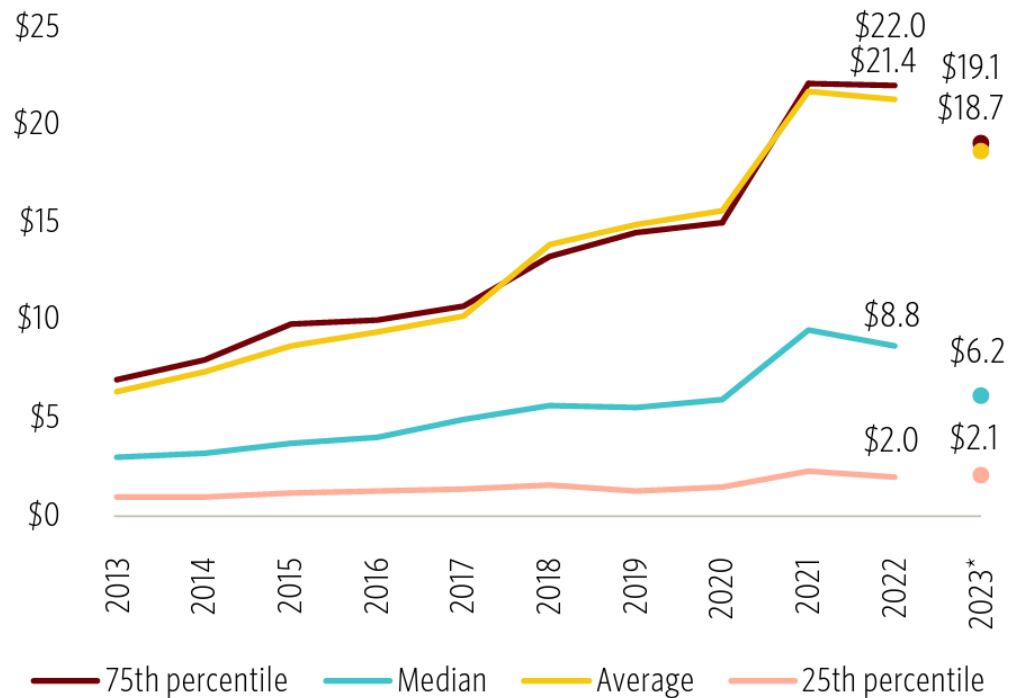
Source: CB Insights



EARLY STAGE VC: DEAL SIZE AND VALUATION MARKET UPDATE

Median early-stage deal size declines nearly 30%

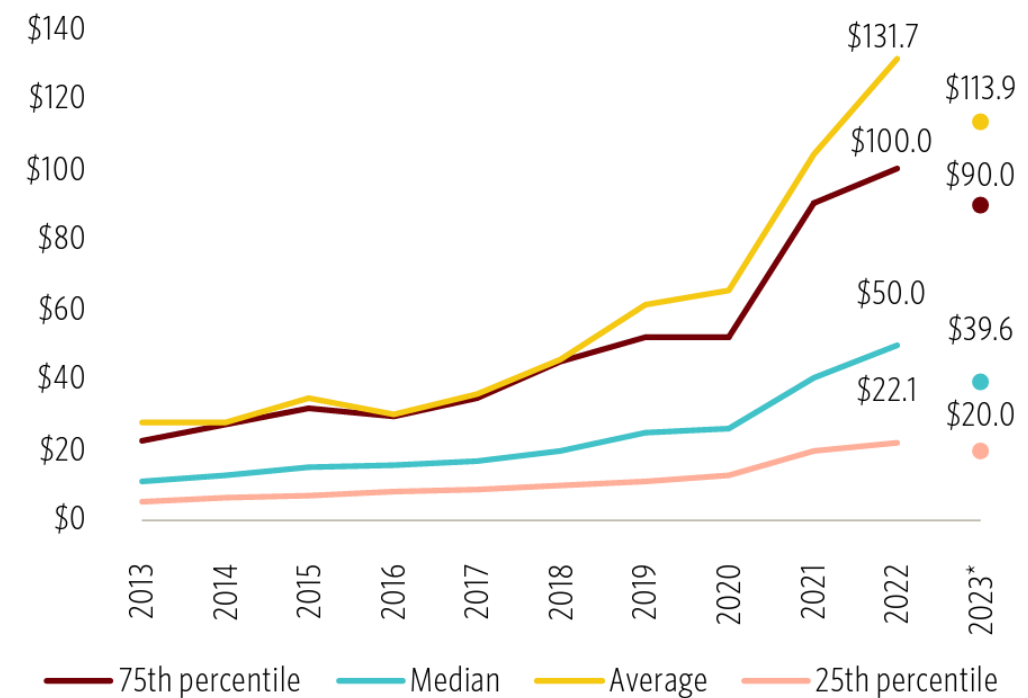
Range of US early-stage VC deal values (\$M)



PitchBook-NVCA Venture Monitor
*As of March 31, 2023

Early-stage valuations exhibit a severe decline

Range of US early-stage VC pre-money valuations (\$M)

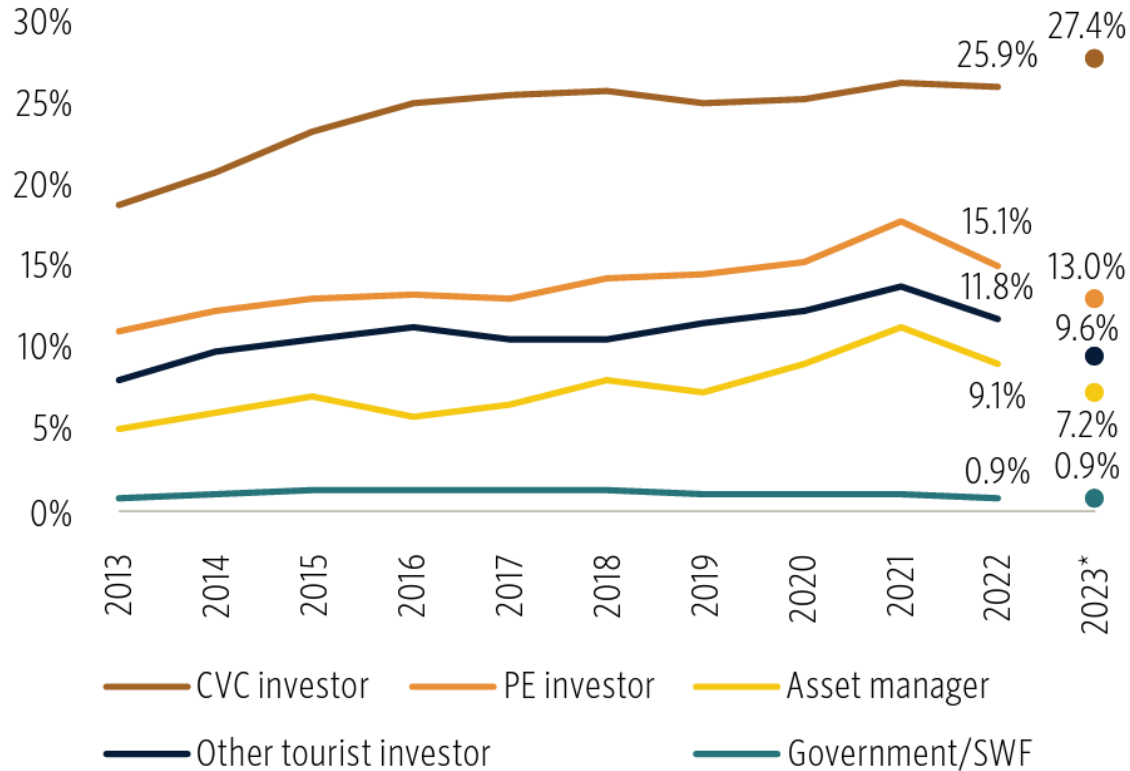


PitchBook-NVCA Venture Monitor
*As of March 31, 2023



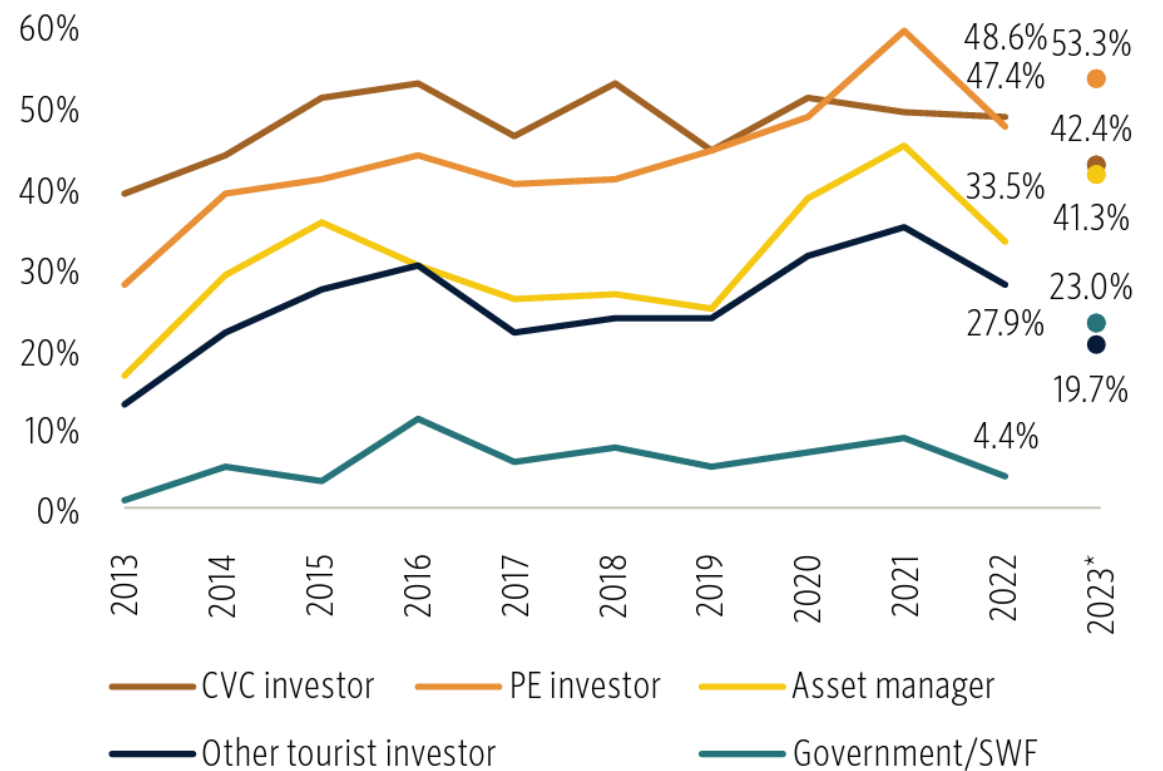
CORPORATE VENTURE INVESTMENT REMAINS ACTIVE

Share of US VC deal count by nontraditional investor type



PitchBook-NVCA Venture Monitor
*As of March 31, 2023

Share of US VC deal value by nontraditional investor type



PitchBook-NVCA Venture Monitor
*As of March 31, 2023

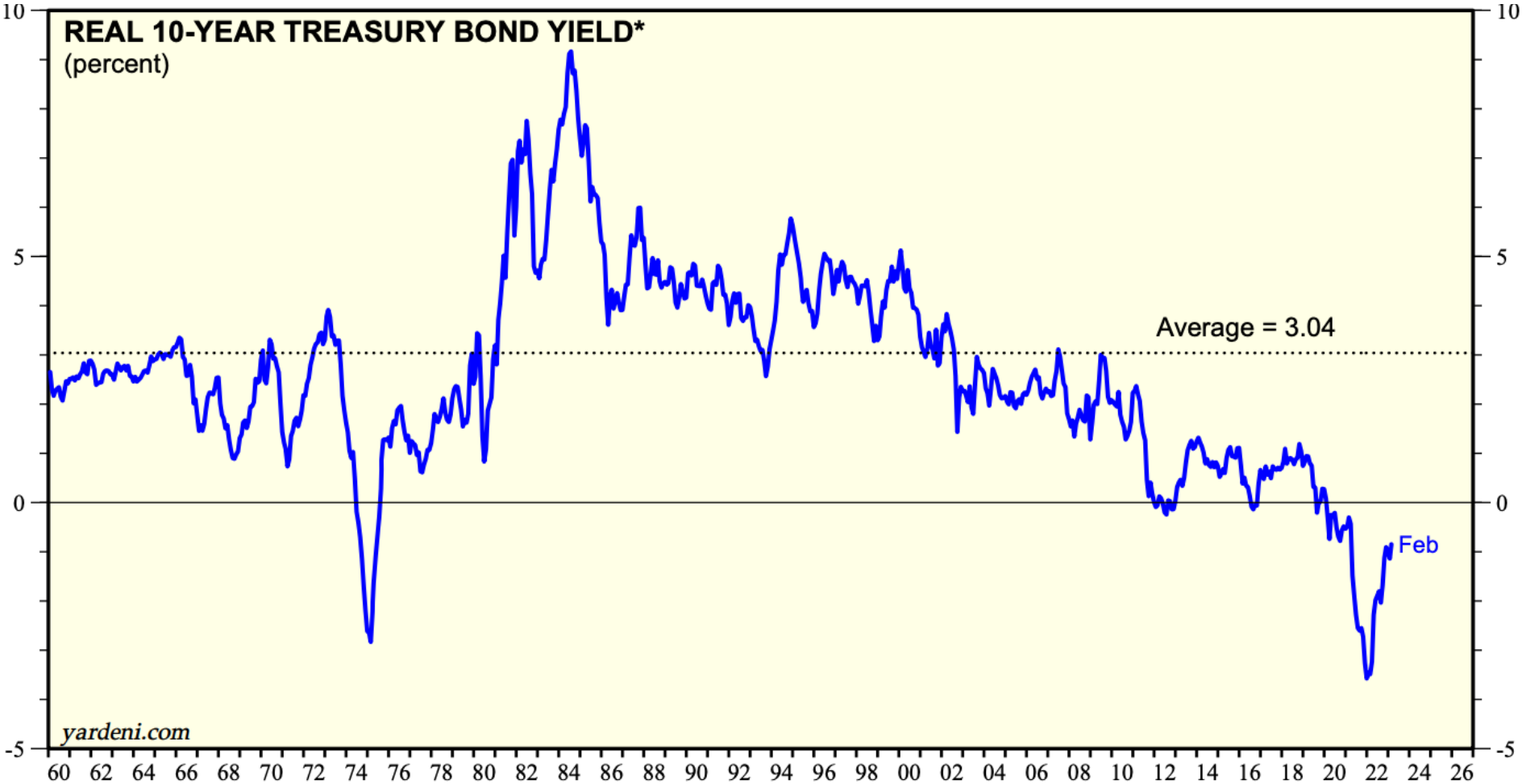


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WEEK OF 4-10



A RERUN OF THAT '70s SHOW? ...

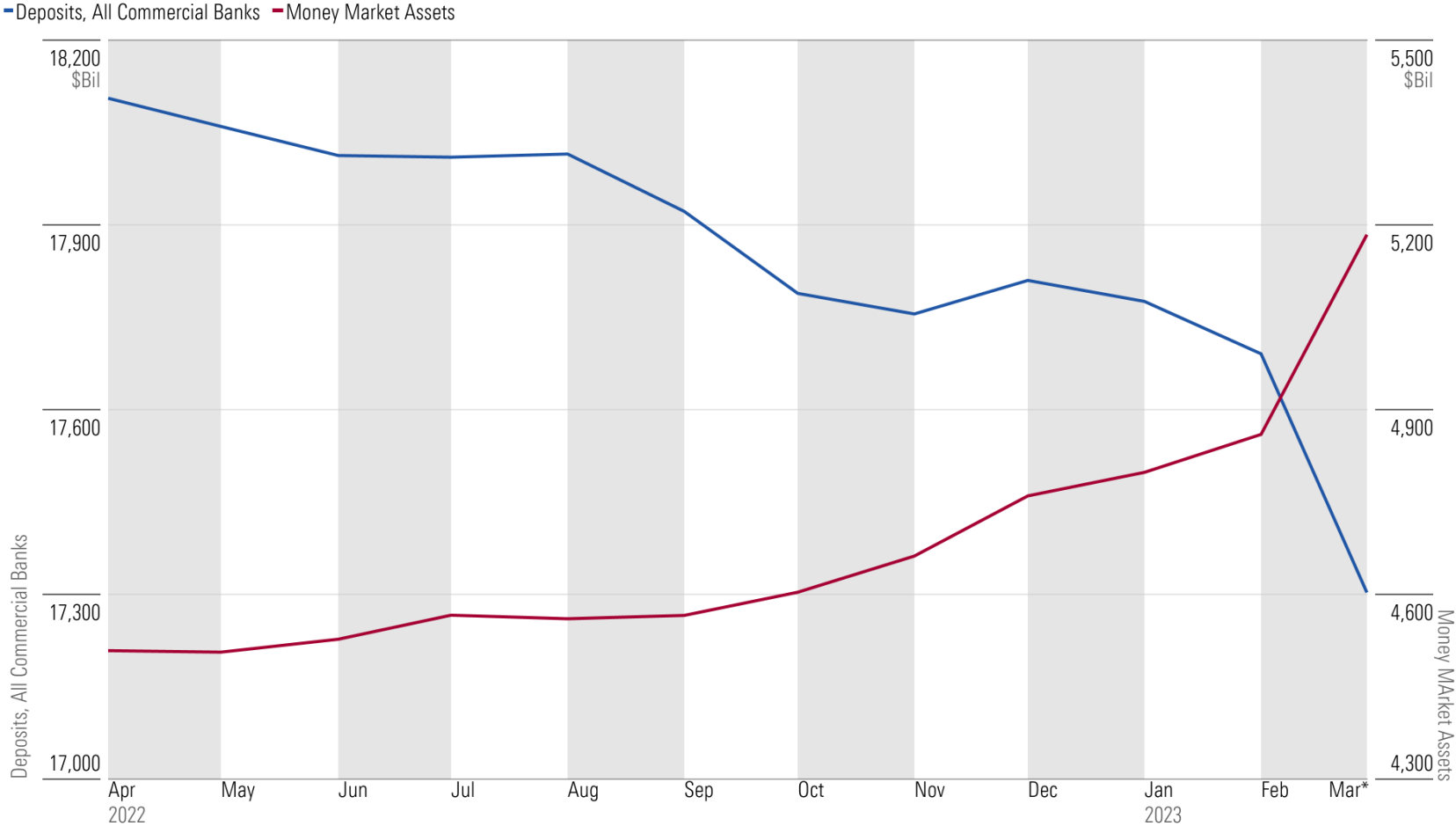


* 10-year Treasury yield less yearly percent change in core PCED.
Source: Federal Reserve Board and Bureau of Economic Analysis.



BANK DEPOSITS DRAINING OUT TO MONEY MARKET FUNDS

Bank Deposits Vs. Money Market Fund Assets

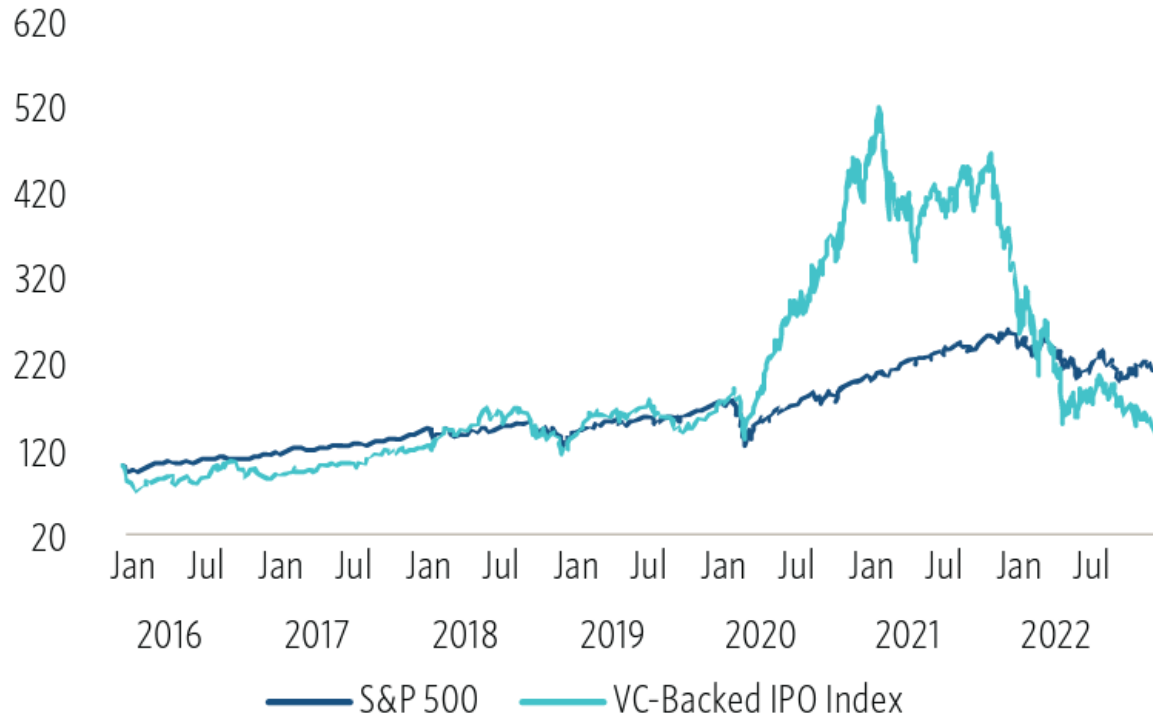


Source: Morningstar Direct, Federal Reserve Bank of St. Louis. Money market assets through March 31, 2023. Deposit data through March 22, 2023.



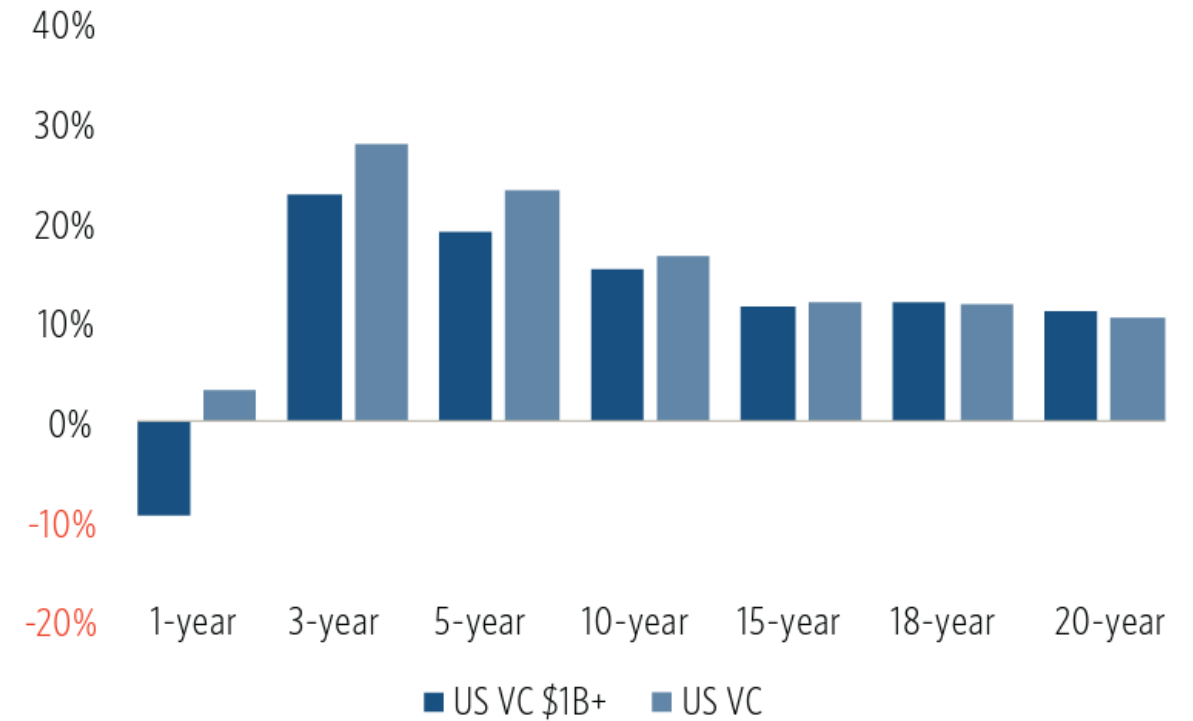
DISLOCATION AND DISTORTION IN VENTURE CAPITAL

US VC-backed IPO Index & S&P Index values rebased to 100



Source: PitchBook • Geography: US
*As of December 31, 2022

VC fund-weighted horizon IRRs by size bucket

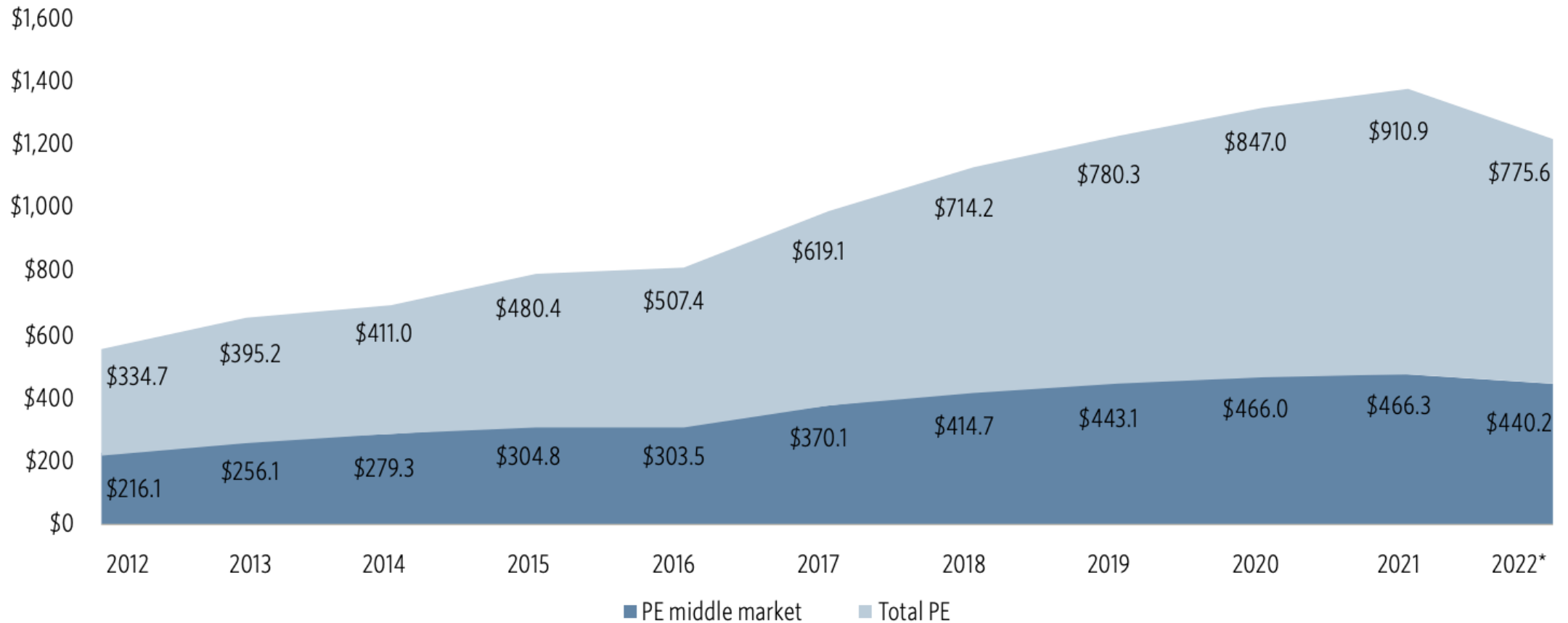


Source: PitchBook • Geography: US
*As of March 27, 2023



DEAL FUEL: \$1.2 TRILLION OF DRY POWDER IN US PRIVATE EQUITY

PE middle-market and overall PE dry powder (\$B)



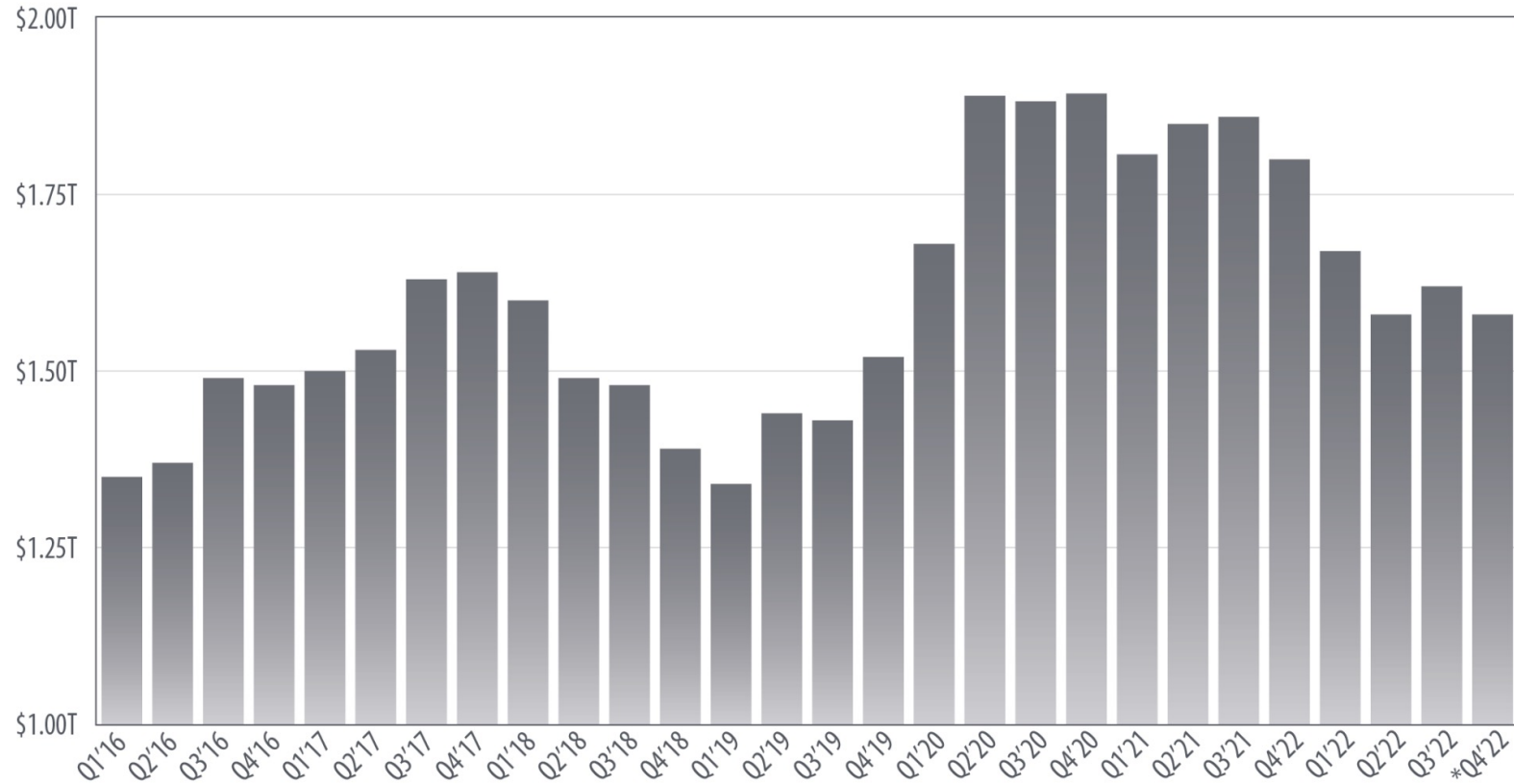
Source: PitchBook | Geography: US

*As of December 31, 2022



DEAL FUEL: \$1.5 TRILLION OF CASH IN THE S&P 500 INDUSTRIALS

S&P 500 Industrials (Old) Cash & Equivalents



Source: S&P Dow Jones Indices. S&P 500 Industrials (Old) is defined as the S&P 500 minus Financials, Utilities and Transportation companies. *Q4'22 data is preliminary.

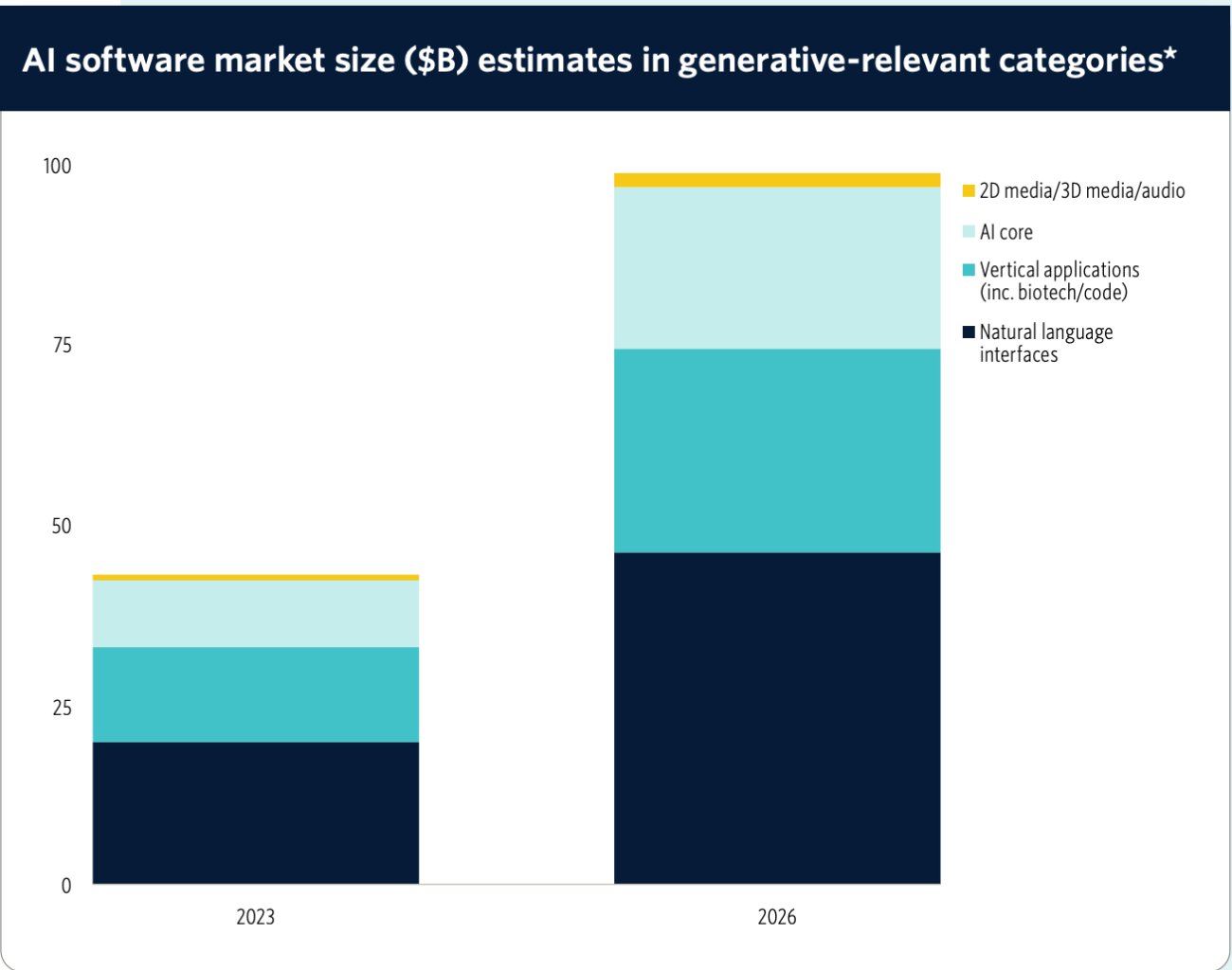


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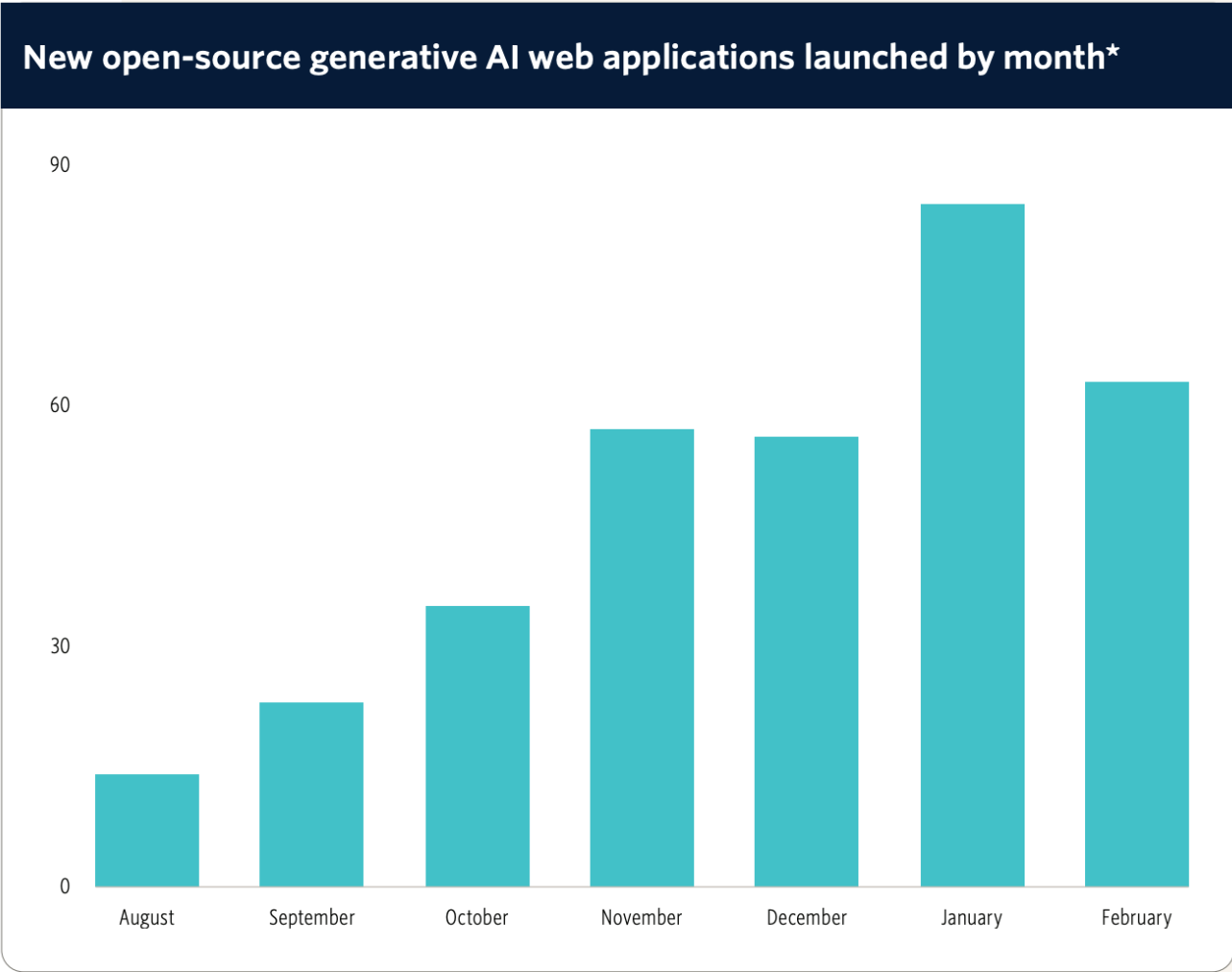
GENERATIVE AI SOFTWARE – THE NEXT \$100 BILLION MARKET



Source: PitchBook Emerging Tech Research | Geography: Global | *As of August 26, 2022



GENERATIVE AI GENERATING GROWTH



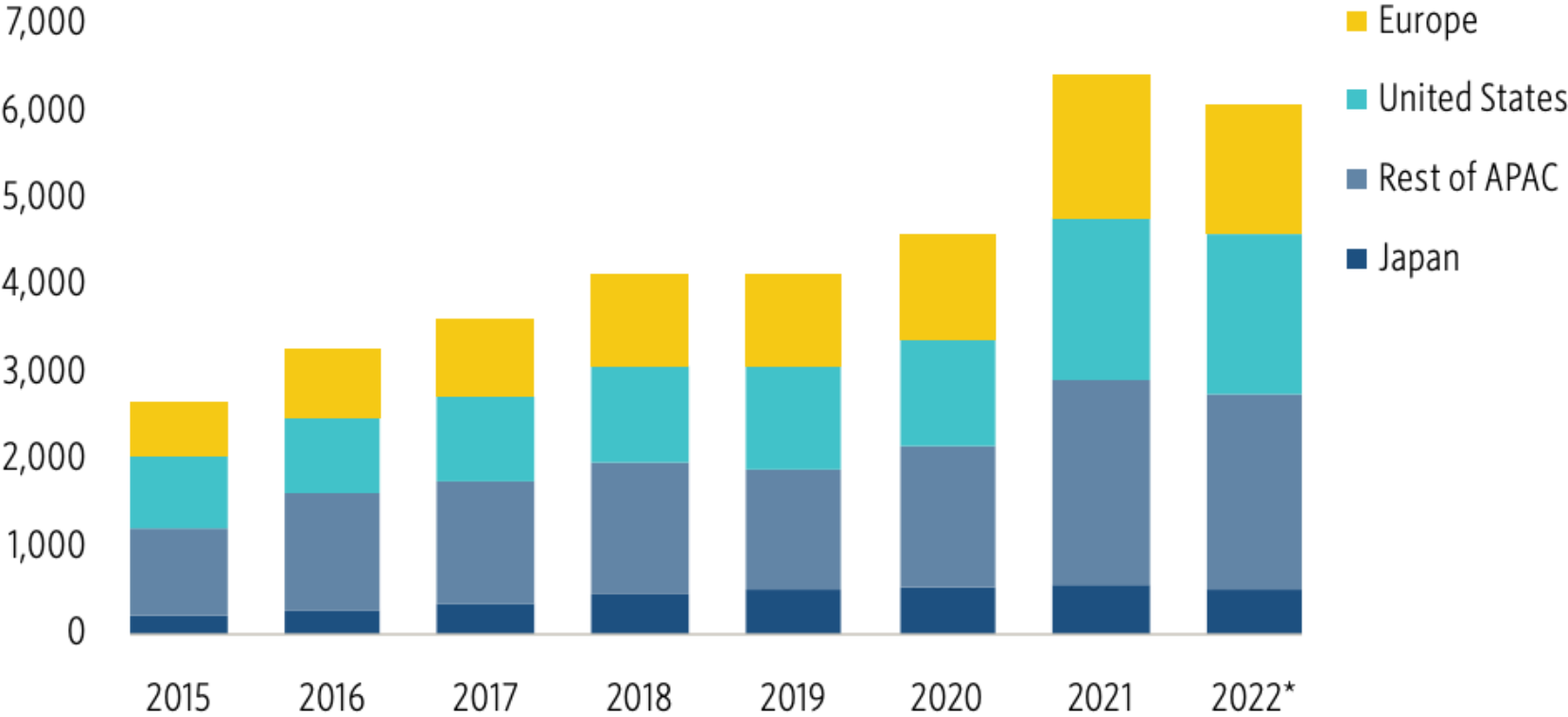
Source: [There's an AI for That](#) | Geography: Global | *As of March 10, 2023

Source: PitchBook



GLOBAL CVC INVESTOR DISPERSION

Active CVC investor count by region



Source: PitchBook | Geography: Global

*As of December 31, 2022

Note: "Active" is defined as having made a deal over the period.

"Rest of APAC" includes APAC countries without Japan.

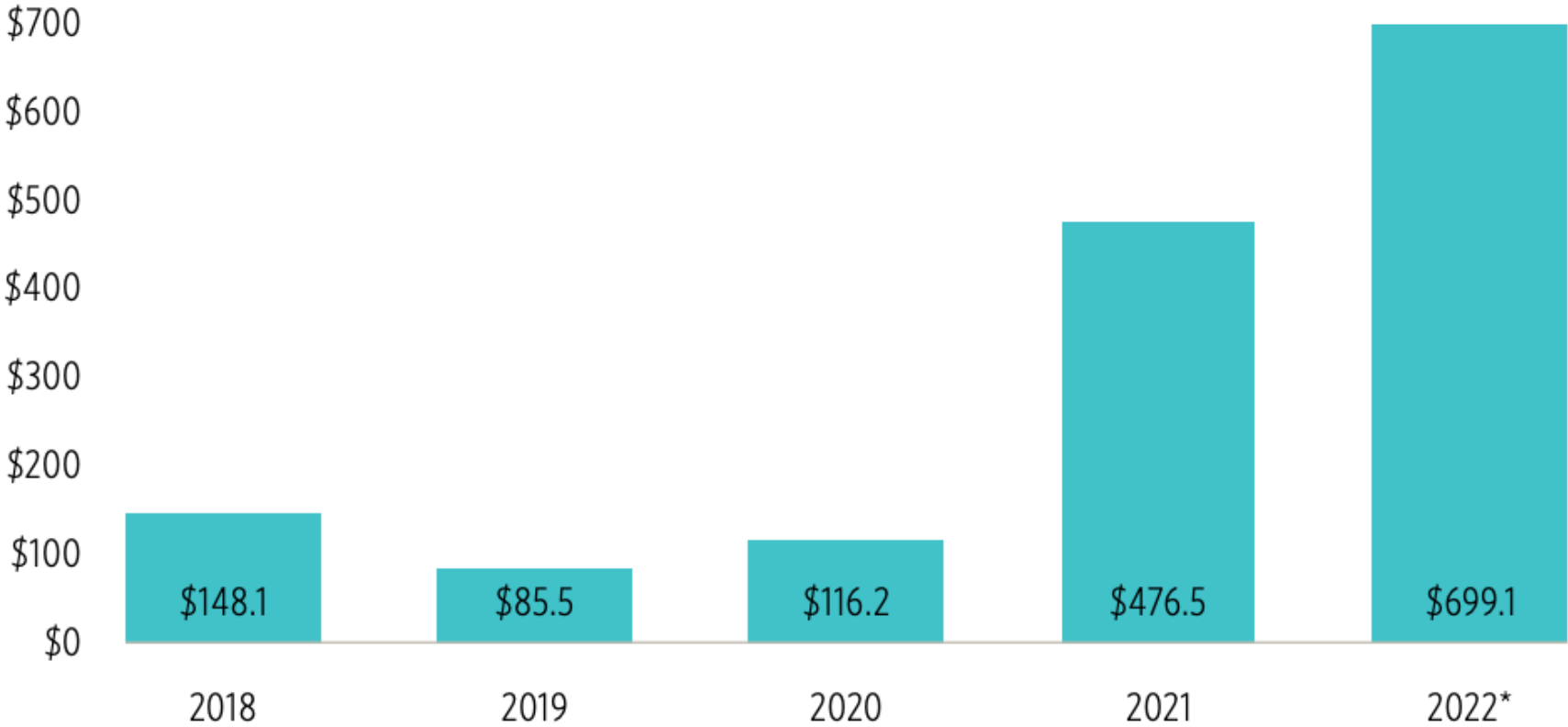


FAST TO GROW, DOUBLE BY 2027



CARBON UTILIZATION MARKET GROWING RAPIDLY

VC investment in carbon utilization (\$M)



Source: PitchBook | Geography: Global
*As of December 31, 2022



AMAZON WEB SERVICES HEALTHCARE ACCELERATOR INVESTMENTS

Select AWS healthcare accelerator-backed startups

Company	HQ location	Category	Raised to date (\$M)
Visionable	London, UK	Video conference and video monitoring	\$58.8
PathologyWatch	Murray, US	Dermatopathology biopsy processing and digitization	\$57.2
Mytonomy	Bethesda, US	Healthcare customer relationship management software	\$34.3
Kare	Houston, US	Senior care workforce management	\$7.9
MoonHub	London, UK	Virtual reality training for dementia care and other industries	\$6.0

Source: PitchBook • Geography: Global
*As of March 31, 2023

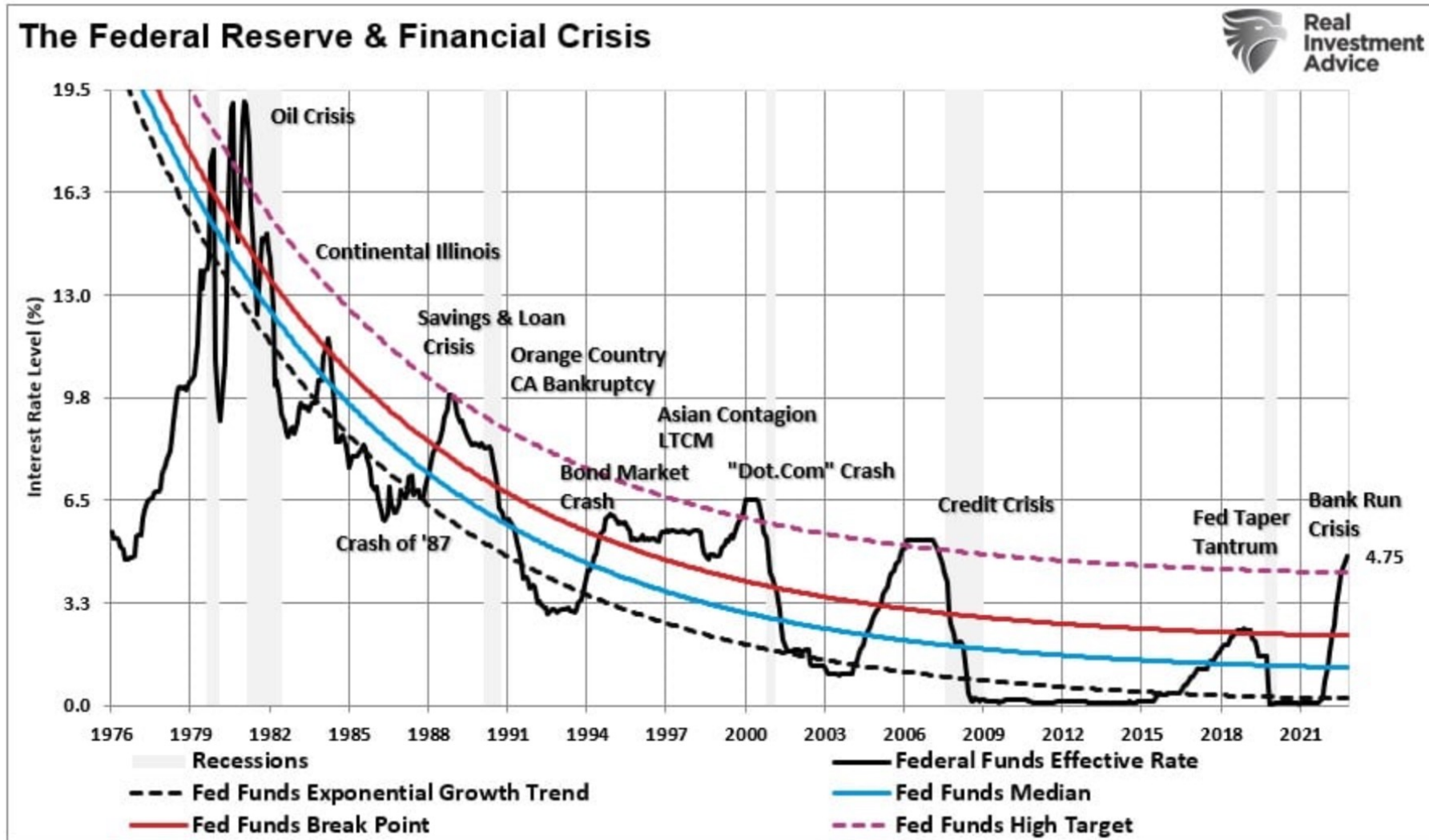


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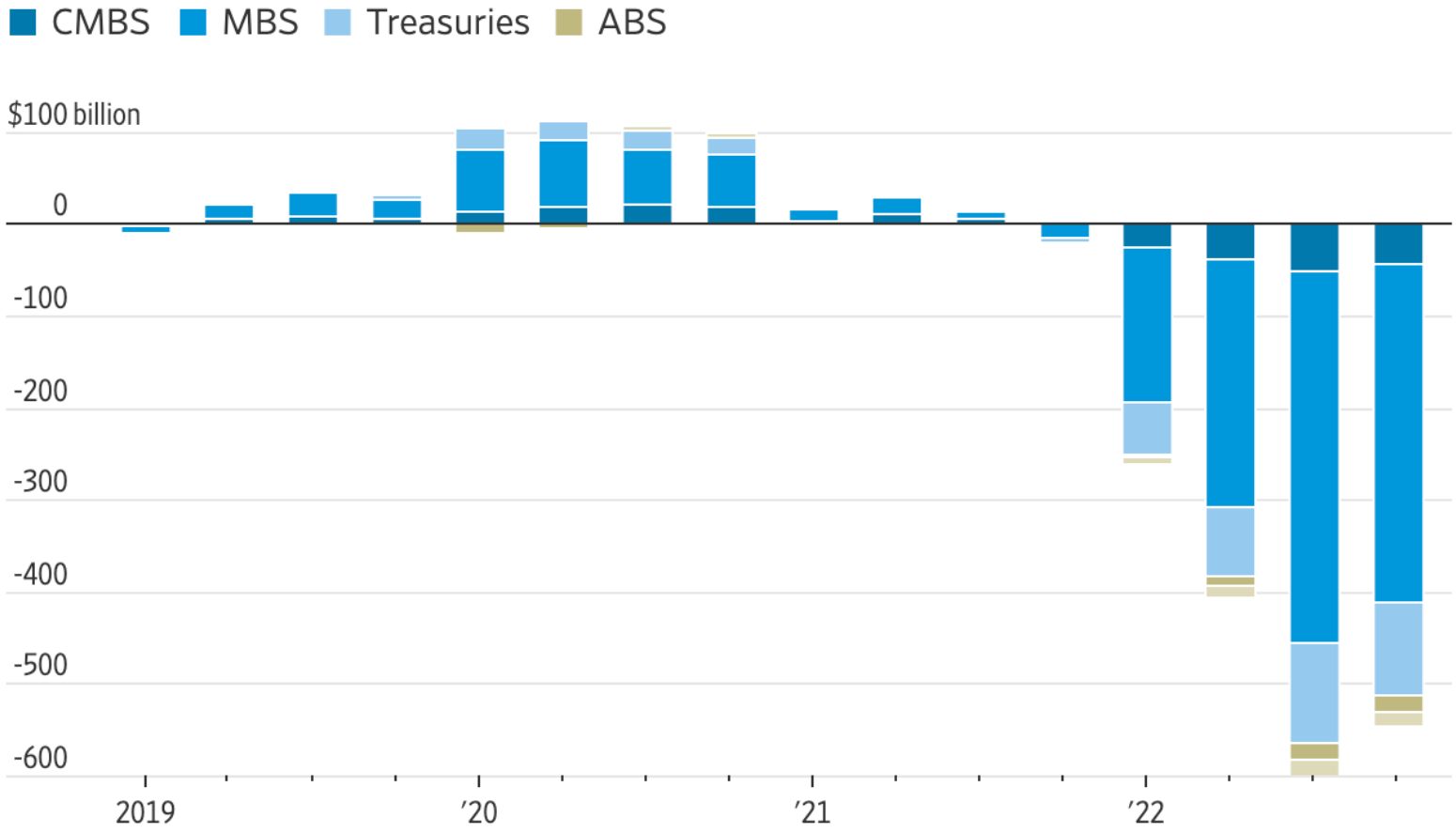


THE END OF A 50 YEAR TREND



COMMERCIAL BANKS' REVERSAL OF FORTUNE

Commercial banks' unrealized gains and losses on select securities

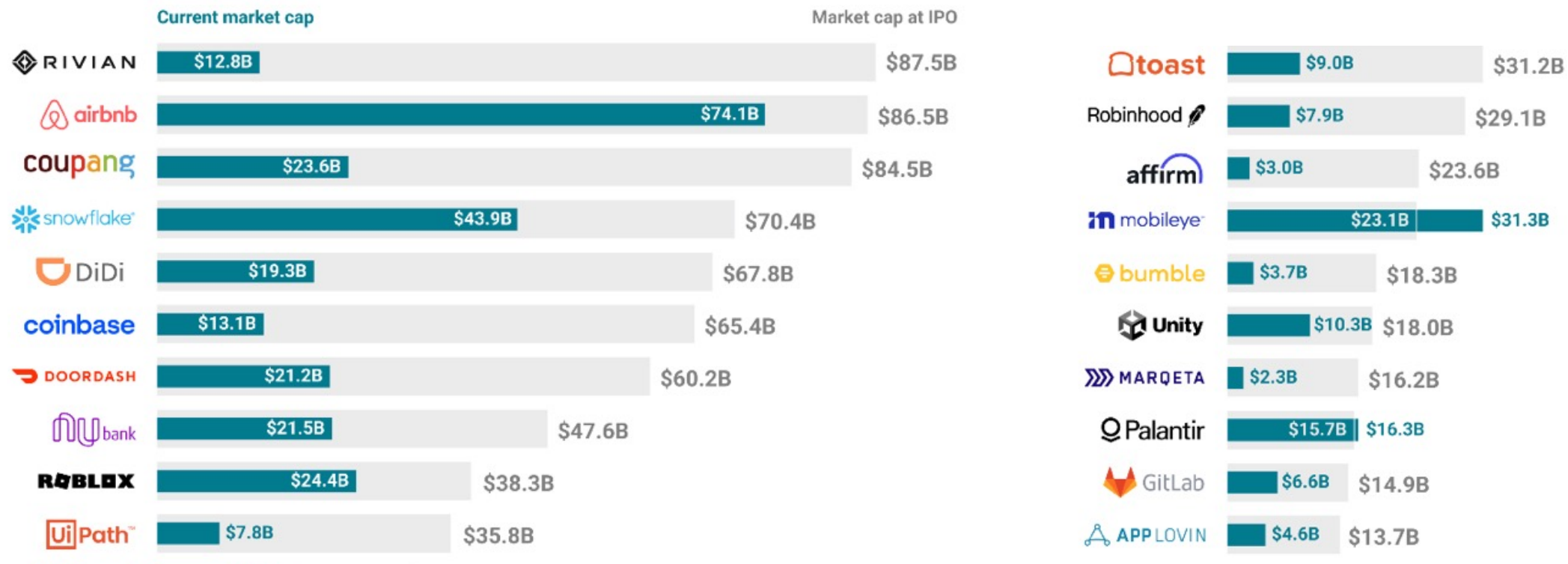


Source: FDIC Consolidated Reports of Income and Condition

MOST IPOs DEEP UNDERWATER



Market cap at IPO vs. current market cap



Source: CB Insights tech IPO and valuation data. IPO valuations based on EOD market cap on day of IPO; current valuations based on EOD market cap as of 3/13/2023.



SPAC FALLBACK

Chart 16: SPAC Transactions by Year



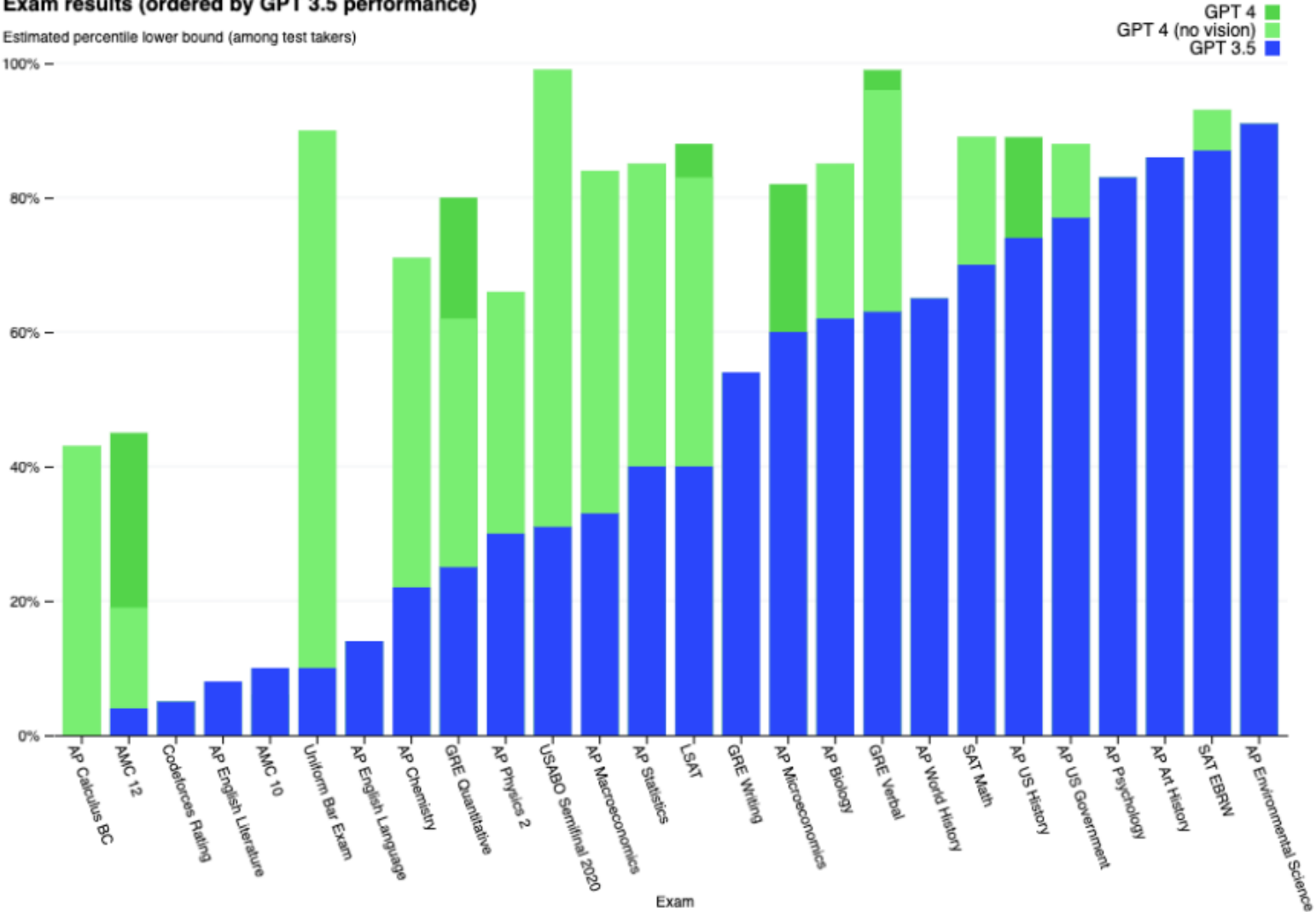
Source: Intro-act, Boardroom Alpha



AI IS GETTING MUCH SMARTER

Exam results (ordered by GPT 3.5 performance)

Estimated percentile lower bound (among test takers)



Source: Open AI



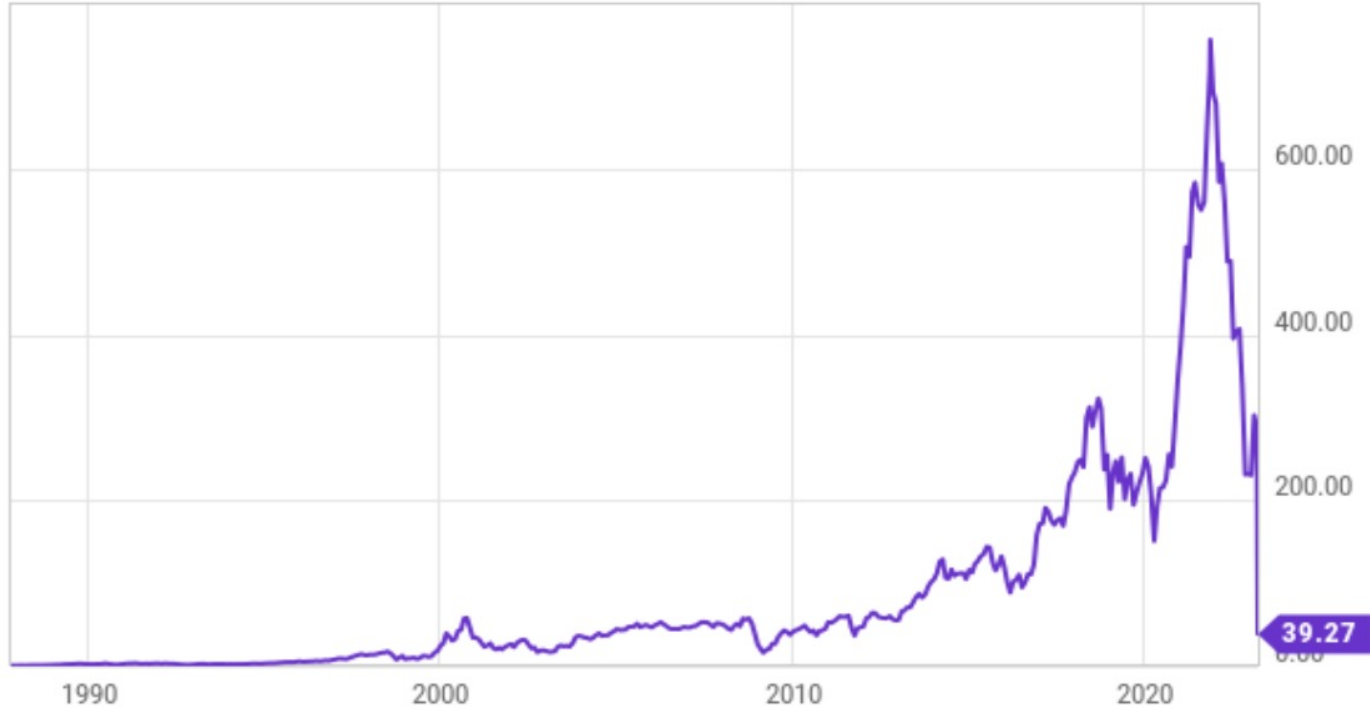
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WEEK OF 3-20



BANK TANK

SVB Financial Group (SIVB) Price



Credit Suisse

80 Swiss francs



Seeking Alpha α

Mar 10 2023, 11:59AM EST. Powered by YCHARTS

Source: Sentieo/Alphasense • By The New York Times

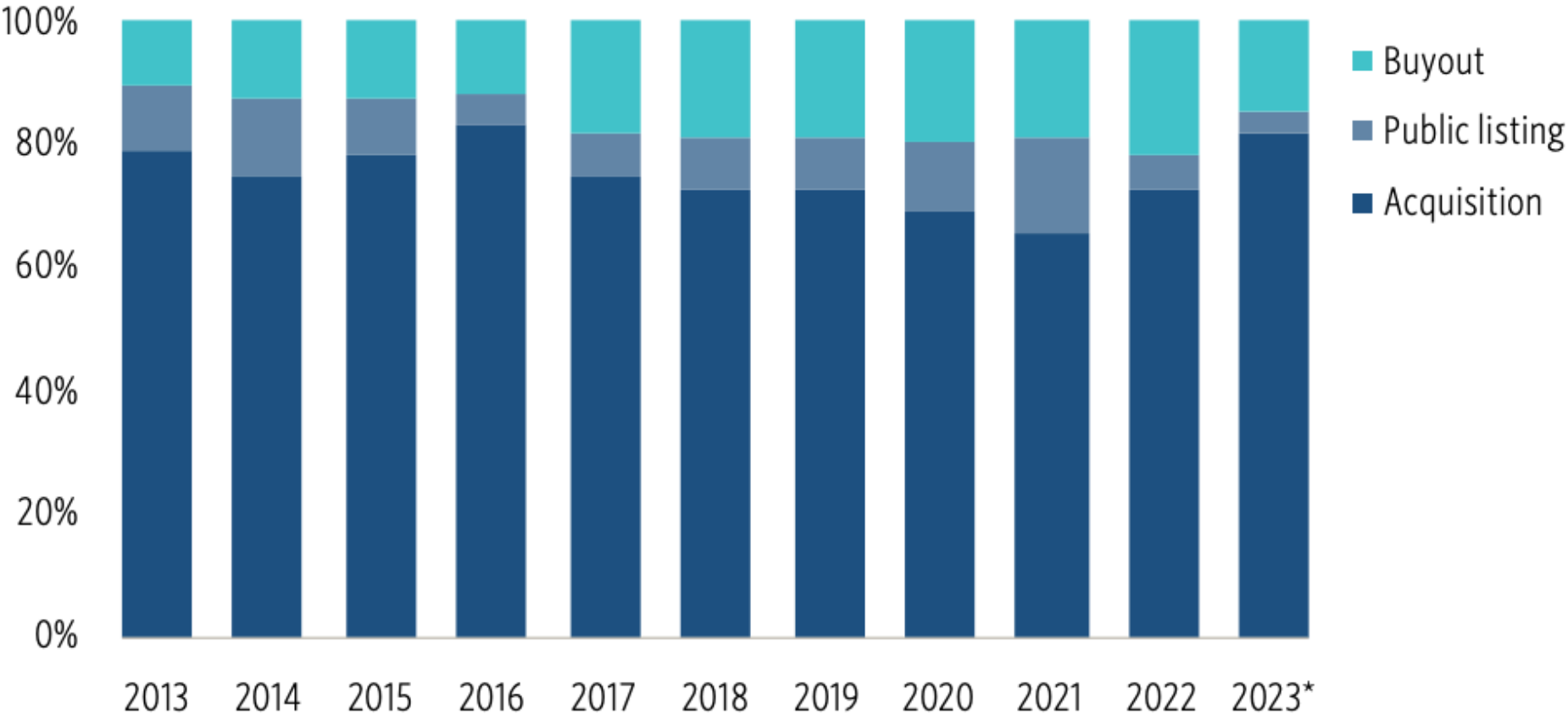


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VC EXIT COUNT DOMINATED BY ACQUISITIONS AND BUYOUTS

VC exit count by type

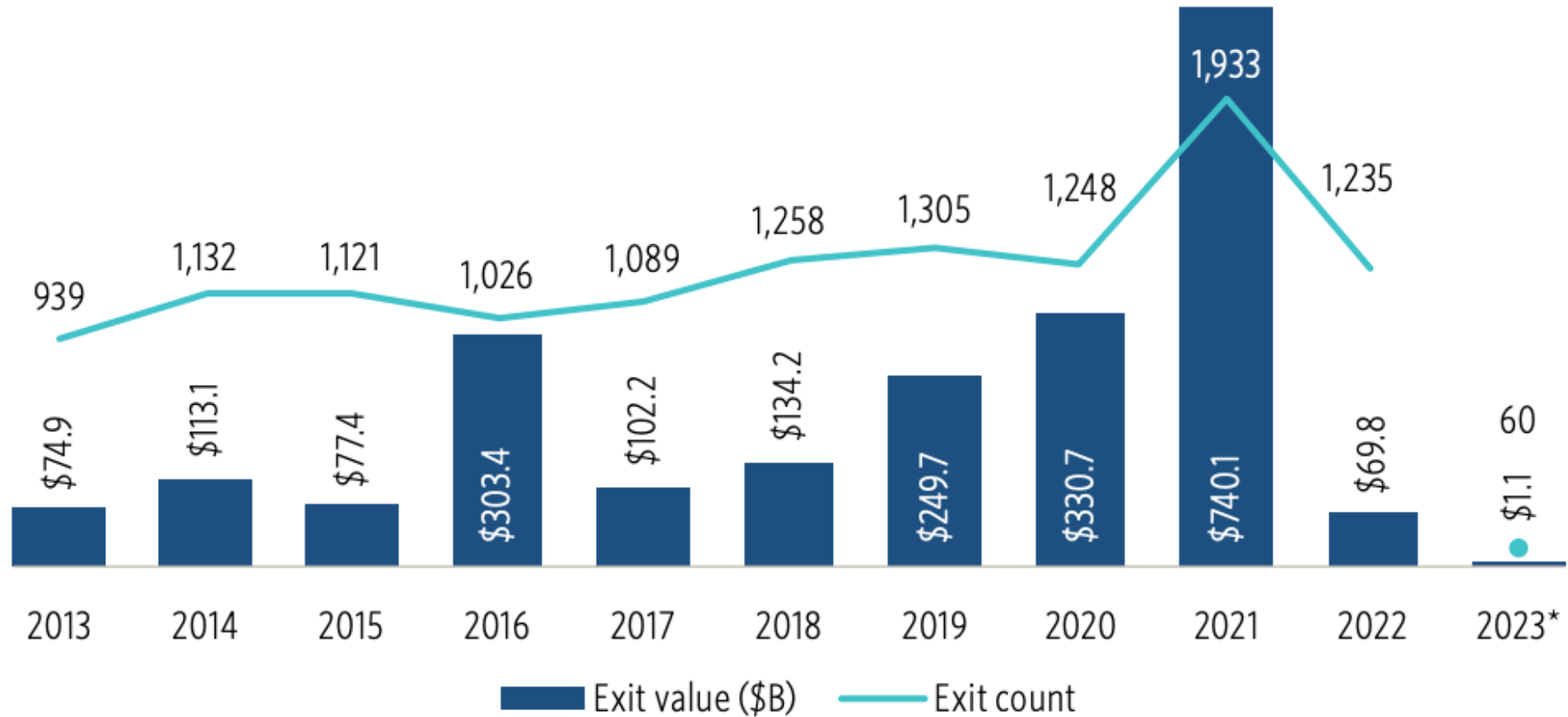


Source: PitchBook | Geography: US
*As of January 19, 2023



VC EXIT ACTIVITY – 10 YEAR PERSPECTIVE

VC exit activity



Source: PitchBook | Geography: US

*As of January 19, 2023

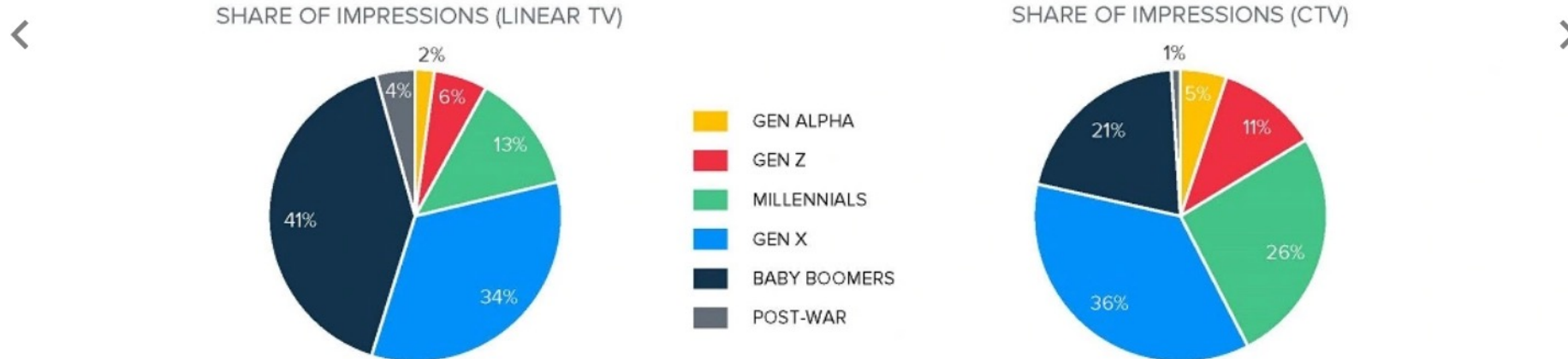


YOUNGER VIEWERS WATCH CONNECTED TV ... AND LINEAR

MYTH or TRUTH?
“Young people only watch CTV.”

MYTH

Younger viewers are more likely to tune in to CTV,
but also tune into linear.



Cr: TVision
TVISION

Source: TVision Panel, 1/1/2022 – 6/30/2022, P2+



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BIG TECH NOW AN MVP IN SPORTS RIGHTS

Subscription OTT Spend on Sports Rights, \$bn



Source: Ampere Sports – Media Rights



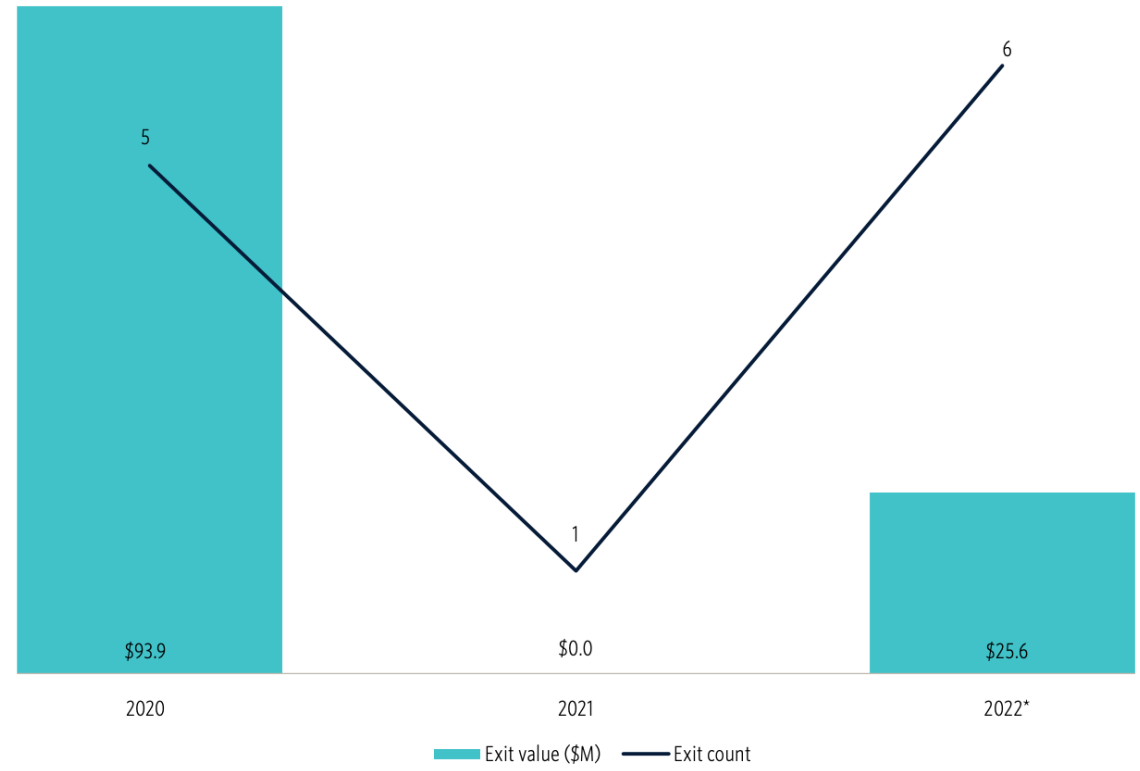
HEALTH COACHING AND WELLNESS VC ACTIVITY

Health coaching & wellness VC deal activity by quarter



Source: PitchBook | Geography: Global | *As of December 31, 2022

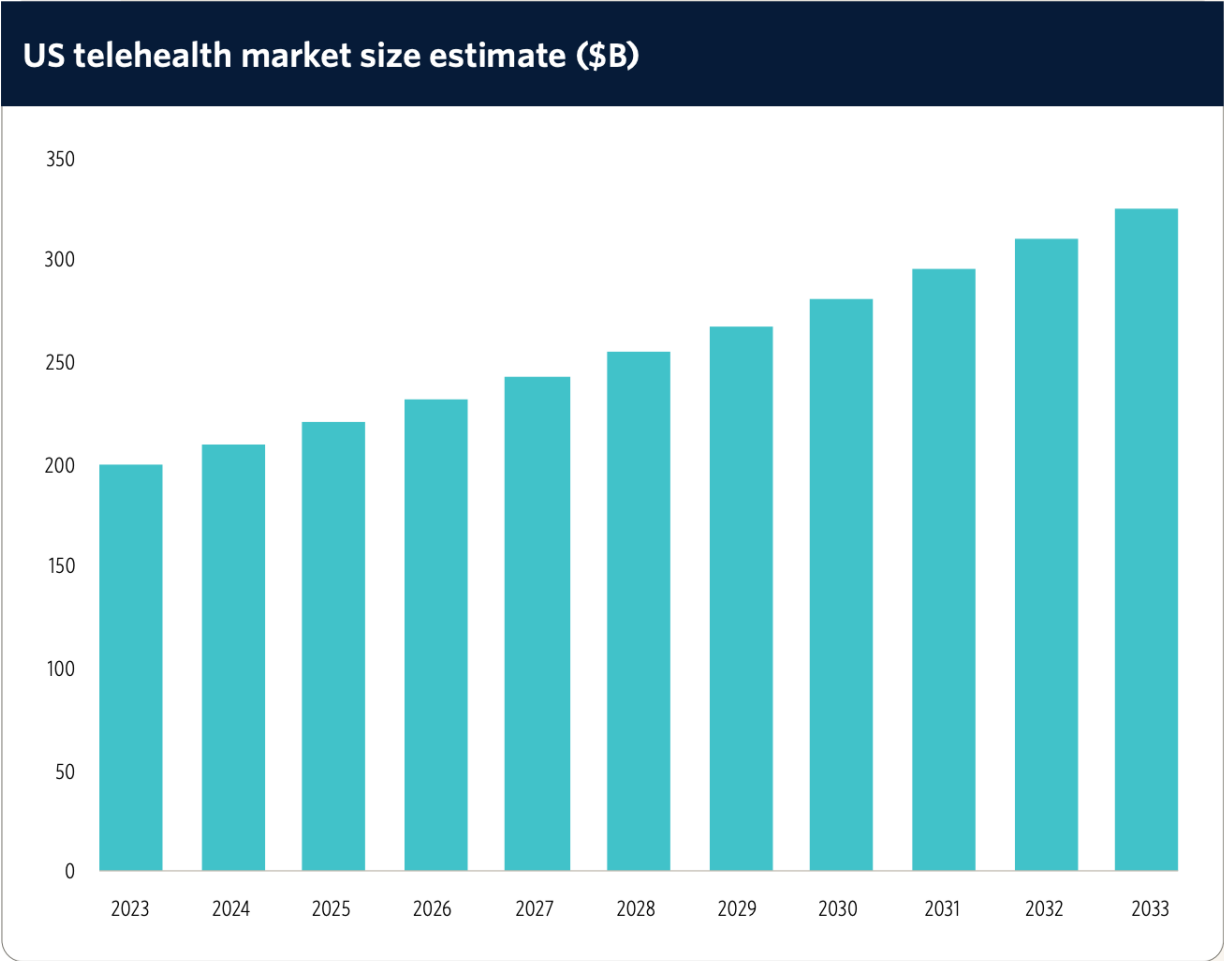
Health coaching & wellness VC exit activity



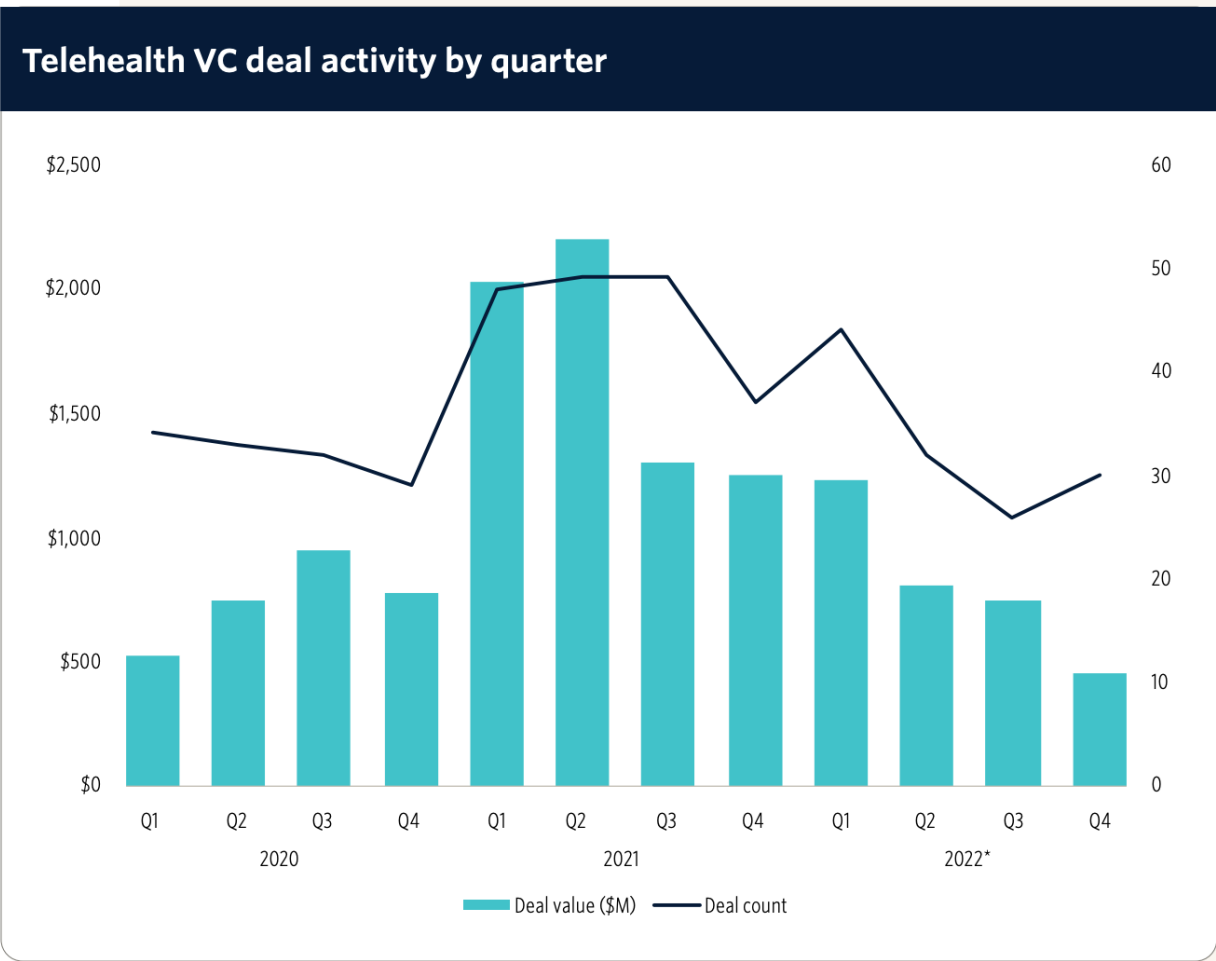
Source: PitchBook | Geography: Global | *As of December 31, 2022



US TELEHEALTH MARKET AND VC ACTIVITY



Source: PitchBook Emerging Tech Research | Geography: US



Source: PitchBook | Geography: Global | *As of December 31, 2022



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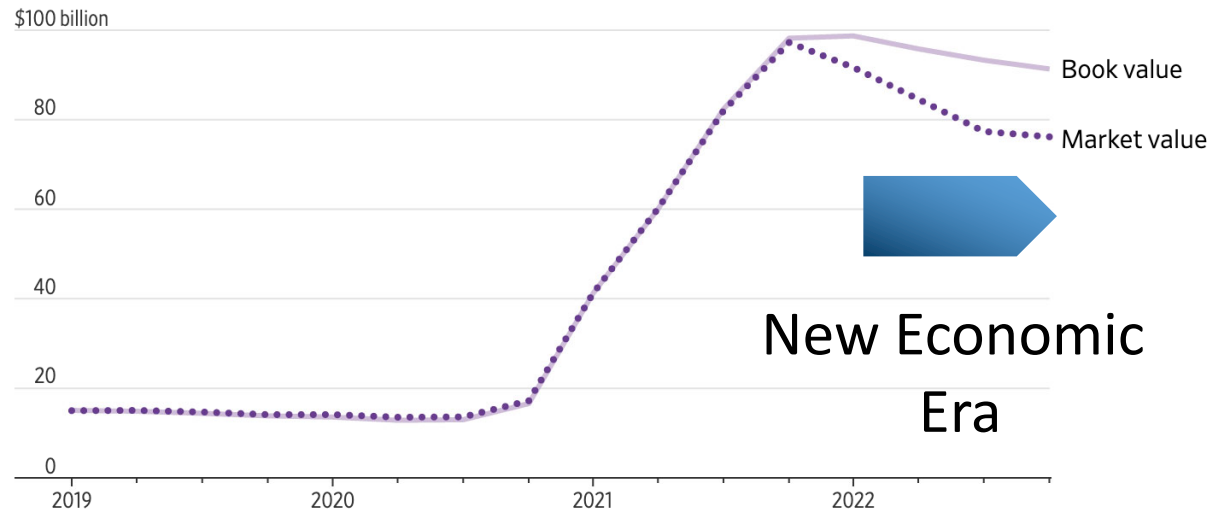
WEEK OF 3-13



SVB: CASUALTY OF THE NEW ECONOMIC ERA

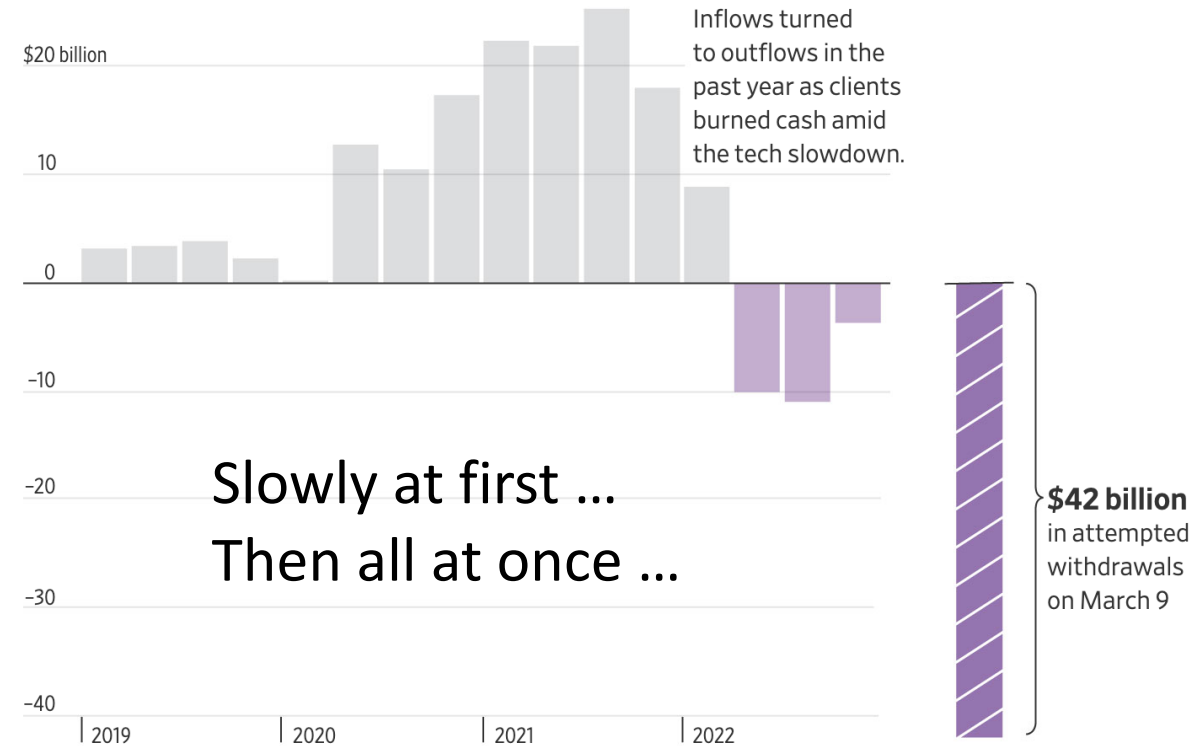
Expect the Unexpected – More “Surprises” Inevitable

Bonds Silicon Valley Bank said it would hold until they matured



Source: Federal Financial Institutions Examination Council

SVB Financial deposits, quarterly net change



Sources: company filings (quarterly); California regulators (March 9)

- *Following Slides are from November 2022 – 4 Months Before SVB Failure*

Source: The Wall Street Journal

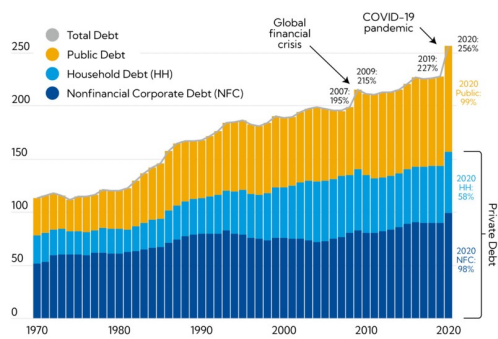


2022: WORLD ENTERED INTO AN UNPRECEDENTED, NEW ECONOMIC ERA

Tectonic Changes in Underlying Economic Conditions Signal the Beginnings of a Fundamental New Market

Debt: End of a Credit Fueled Supercycle (1)

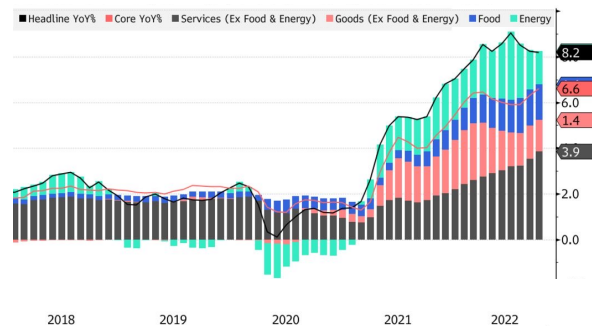
Historic highs
In 2020, global debt experienced the largest surge in 50 years. (debt as a percent of GDP)



- U.S. Federal Debt Surpasses \$31 Trillion – Highest Ever
- Debt Burden for Each Tax-Paying, U.S. Person at ~\$1.25M (2)
- Borrowing has Effectively Financed Majority of Growth in Recent Time

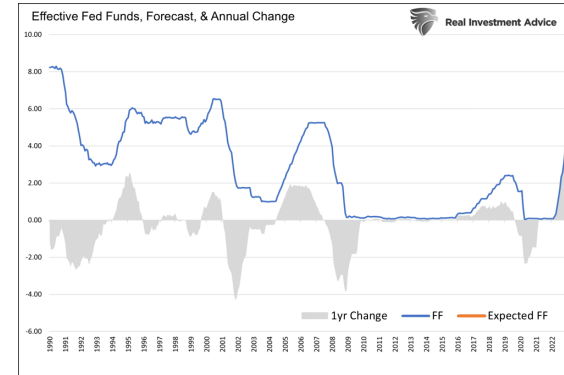
Inflation: 40-Year High (3)

Broad-Based Inflation
Core CPI accelerates to a 40-year high, underpinned by services inflation



- Cumulative After-Effects of:
- Government Stimulus
 - COVID-19 Lockdowns
 - Economic Constraints from Over Regulation

Interest Rates: "Winter is Coming" (4)



- Government Choice: Let Inflation Escalate or Increase Rates to Bring Inflation Down (Recession)
- Hidden, Unforeseen Impacts of Rapid Increases in Rates (e.g., UK Pension / Derivatives Crisis)

Geopolitical Uncertainty: Compounding Risk (5)



- "Special Military Action" Ukraine
- China Becoming More Assertive
- Energy Crises across Europe
- Increasing Social Unrest and Political Divisiveness Globally

Silverwood Expects a Generational Change in the Economic Cycle to Influence M&A and Capital Raising Activities

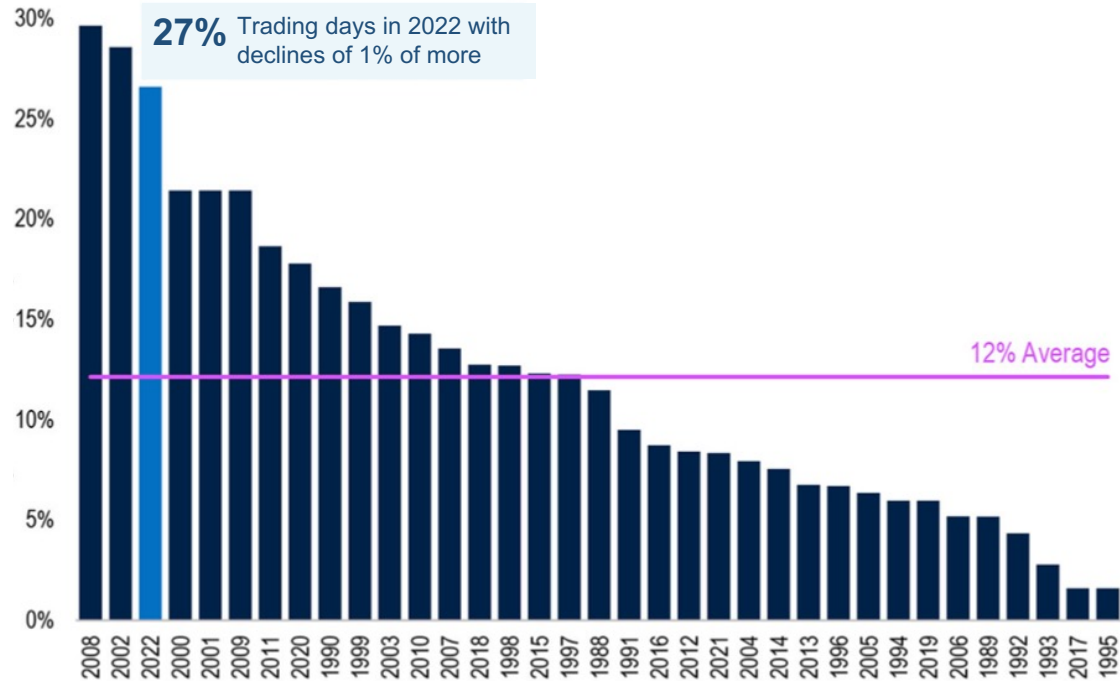
(1) IMF; (2) SWP Approximation of ~\$90T Public + Private Debt Divided by 143.8M Tax Returns, But Only ~50% Pay Taxes Per the IRS; (3) Bloomberg; (4) Real Investment Advice; (5) Blackrock.

LEADING TO ABRUPT CHANGES IN THE FINANCIAL MARKETS...

...Analogous to Titanic: Ship Has Hit the Iceberg, Passengers Currently Exiting in Orderly Manner – Panic Yet to Come

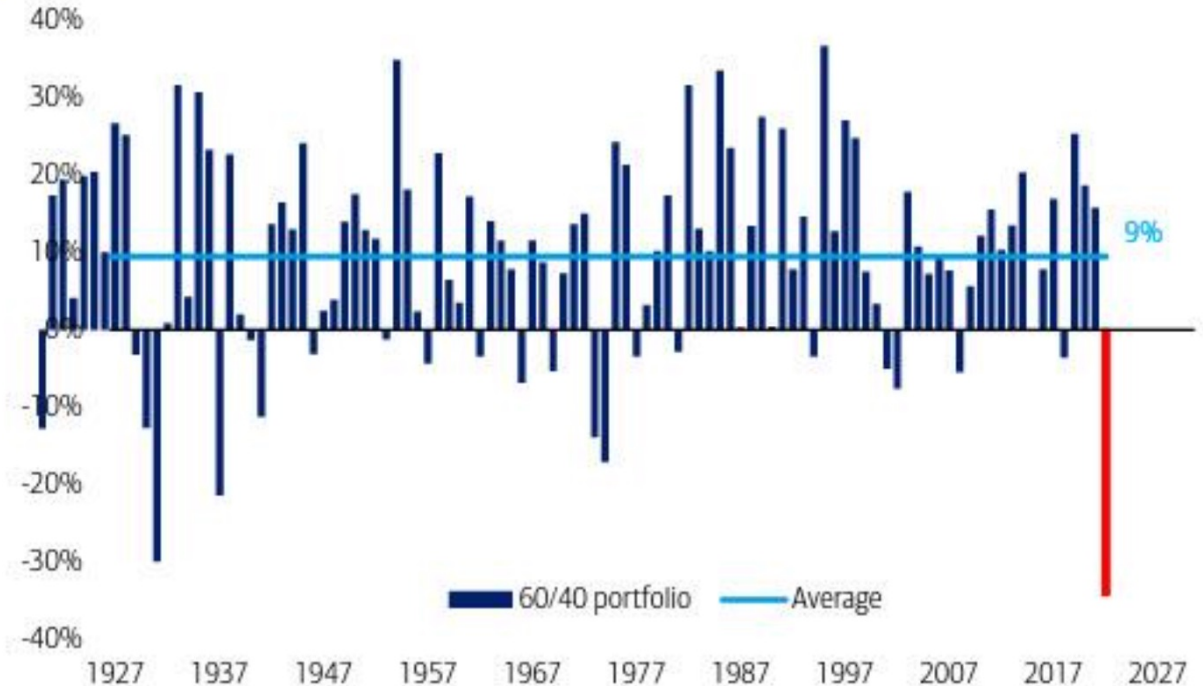
Daily Declines in the S&P 500 Approach Historic Highs

Percentage of Total Trading Days S&P 500 Fell +1% ⁽¹⁾



“60/40” Portfolio Has Yielded Worst YTD Return in Past 100 Years

BoA Global Investment Strategy “60/40” Portfolio Annual Performance ⁽²⁾



Markets in Period of Relative “Calm” While Impact of Interest Rate Increases Transmitted through the “Ship” (Economy)

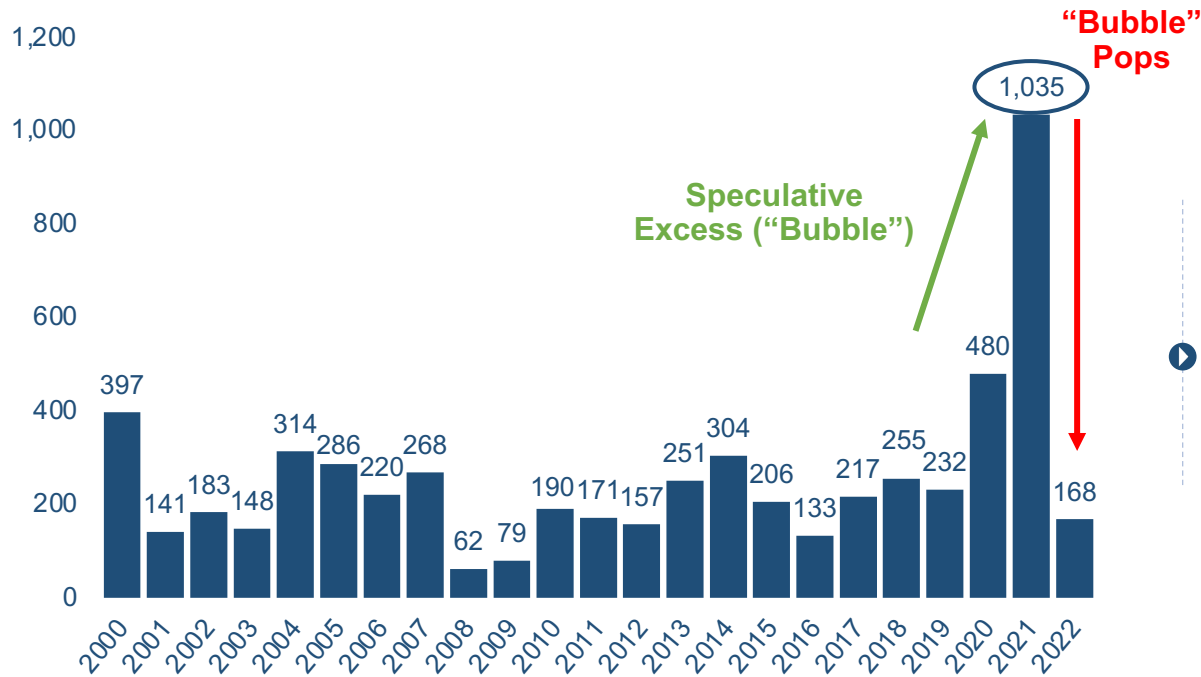
⁽¹⁾ Bloomberg and S&P Data as of 9/30/2022; ⁽²⁾ “60/40” Stocks / Bonds, Sourced from Bank of America (BoA) Global Investment Strategy, BoA Global Research.

...CAUSING HISTORIC DECLINE IN DEAL VOLUMES...

The Same Excess Liquidity that Fueled a Historic Bubble in FY21, Continues to Drain – Leading to a Decline in Deals

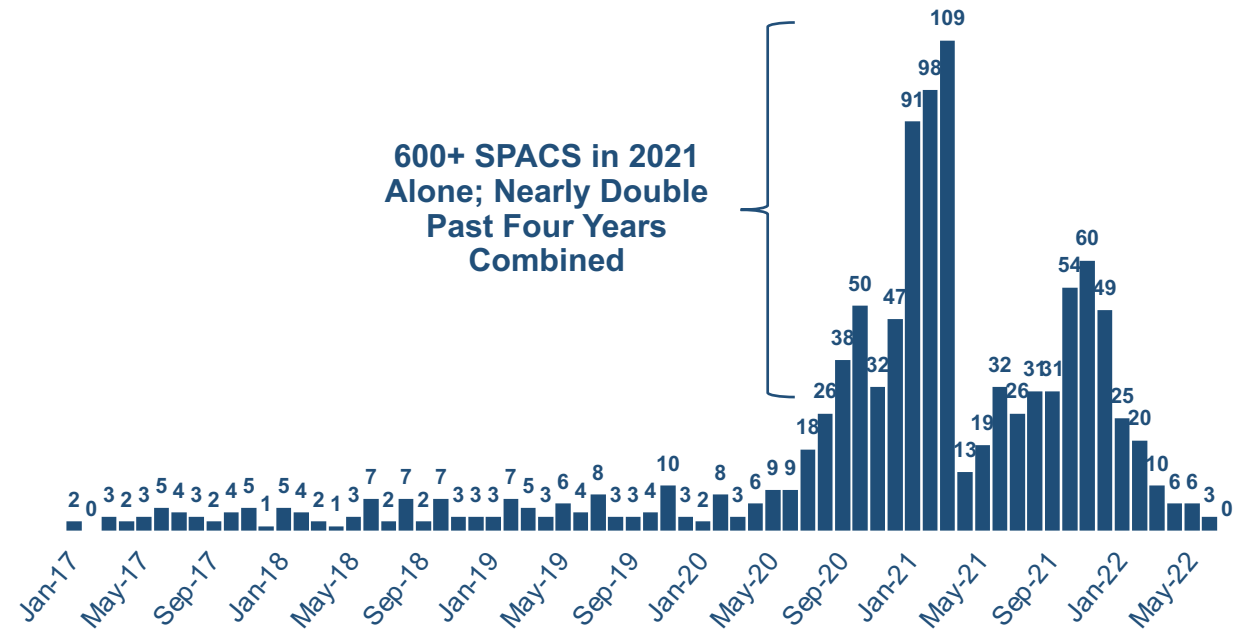
IPO Issuance Down +80% from ~1,000 in FY21 to 168 in FY22

Annual IPO Issuance, 2002-2022



Monthly SPAC Issuance Grinds to a Complete Halt

Monthly SPAC Issuance Past Five Years



Deal Business in a Fundamental Reset; Stalled Until Convergence of Valuation Understanding by Buyers and Sellers

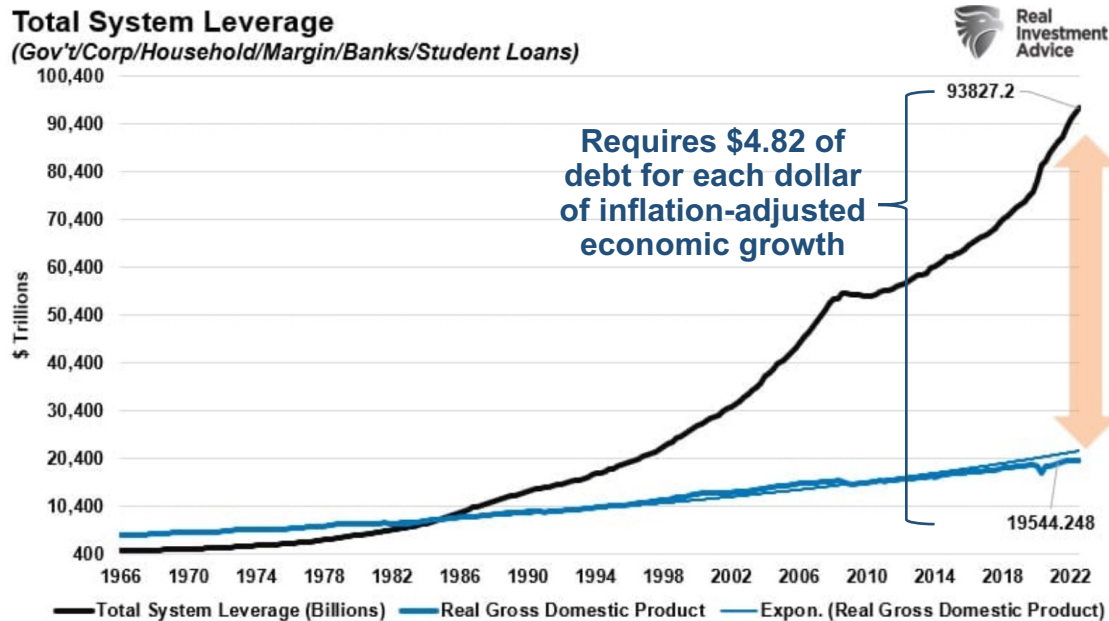


(1) StockAnalysis.com, through 10/31/2022; (2) Intro-act, Seeking Alpha.

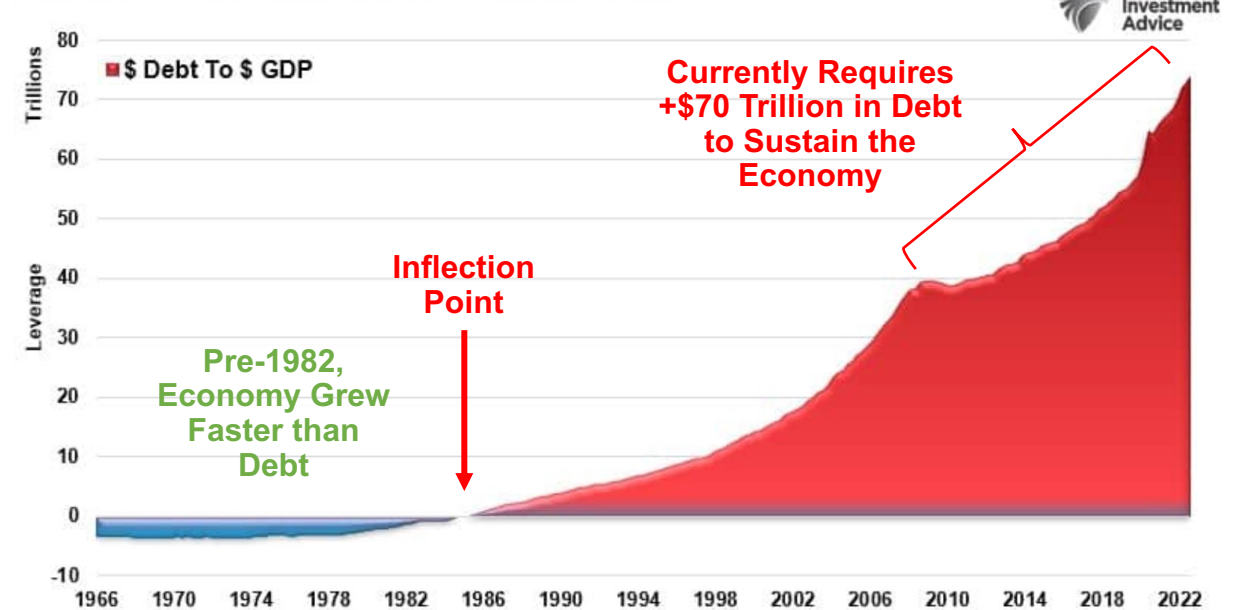
BUT UNPRECEDENTED OVERLEVERAGE WILL CONSTRAIN POLICY

The Federal Reserve Will Be Unable to “Bailout” the Market Given Massive Debt Overextension and Rampant Inflation

- Fed faces a battle on many fronts: slowing economic growth and rising inflation; while unsustainable debt load continues to grow beneath the leveraged economy.
- For more than a decade, the Fed’s intervention, maintenance of low rates, and government stimulus has effectively financed the majority of economic growth via debt.
- Low interest rates and loose monetary policy have fostered inflation, speculation and a financialized, economy; historically, inflation very difficult to bring down.
- Expect sustained period of higher interest rates than levels in last 20 years with prolonged recession and debt crisis as servicing requirements increase, defaults rise.



Dollars Of Total Debt In Excess Of Dollars Of GDP



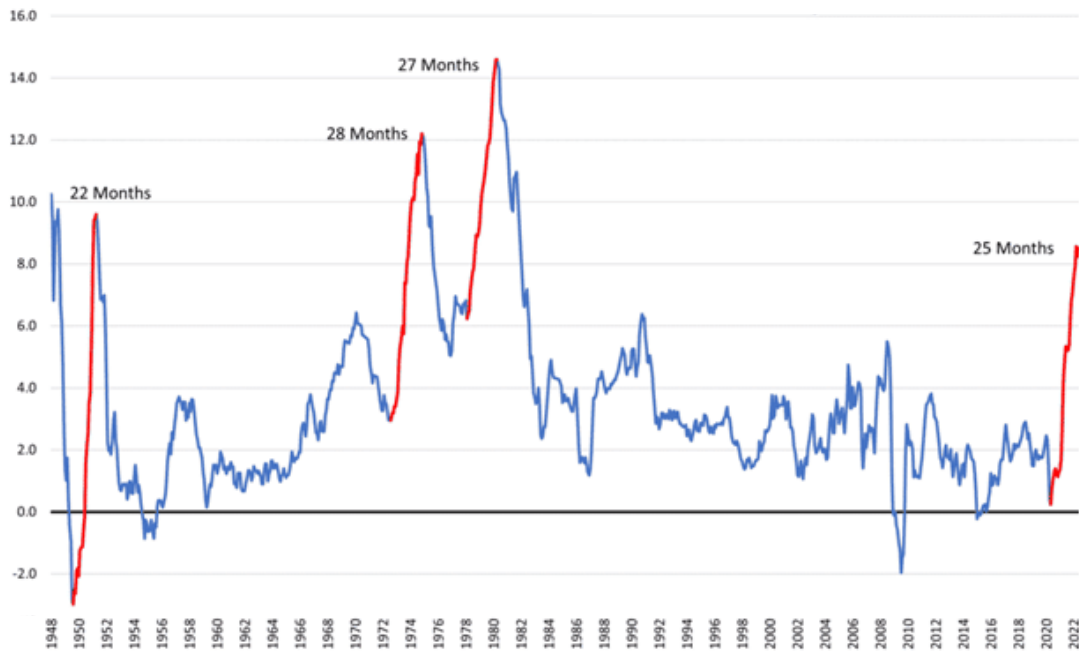
Debt Unsustainable and Destabilizing; Either Repay, Devalue via Restructuring, or Devalue via Inflation

CIRCUMSTANCES NOT GOING TO IMPROVE IN SHORT TERM (EVEN BEST CASE)

Drawing Parallels to Hyperinflation (1970-1980), Assuming a “Correct” Response, Takes 24-40 Months to Normalize

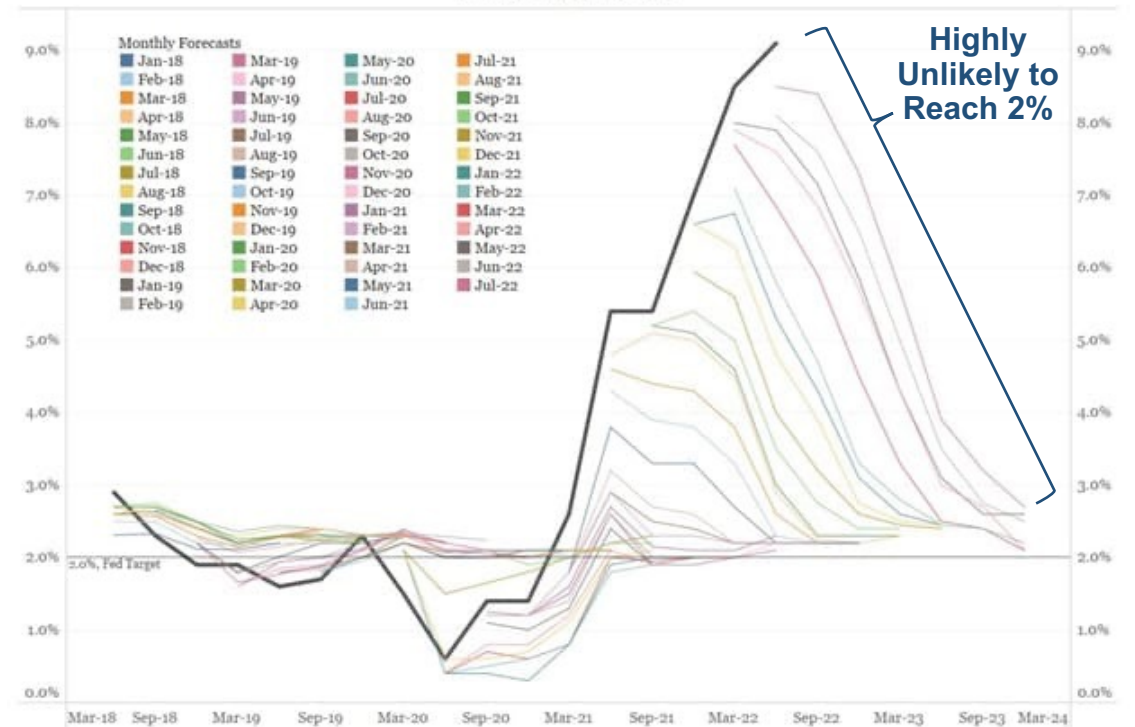
Historical Precedent Instructive...

Consumer Price Index (%)



...Except the Fed Consistently Gets Inflation Wrong

Monthly Forecast for Inflation (%)



Inflationary Cycle to be Similar to 1970s - 1980s – Longer and More Persistent than Expected

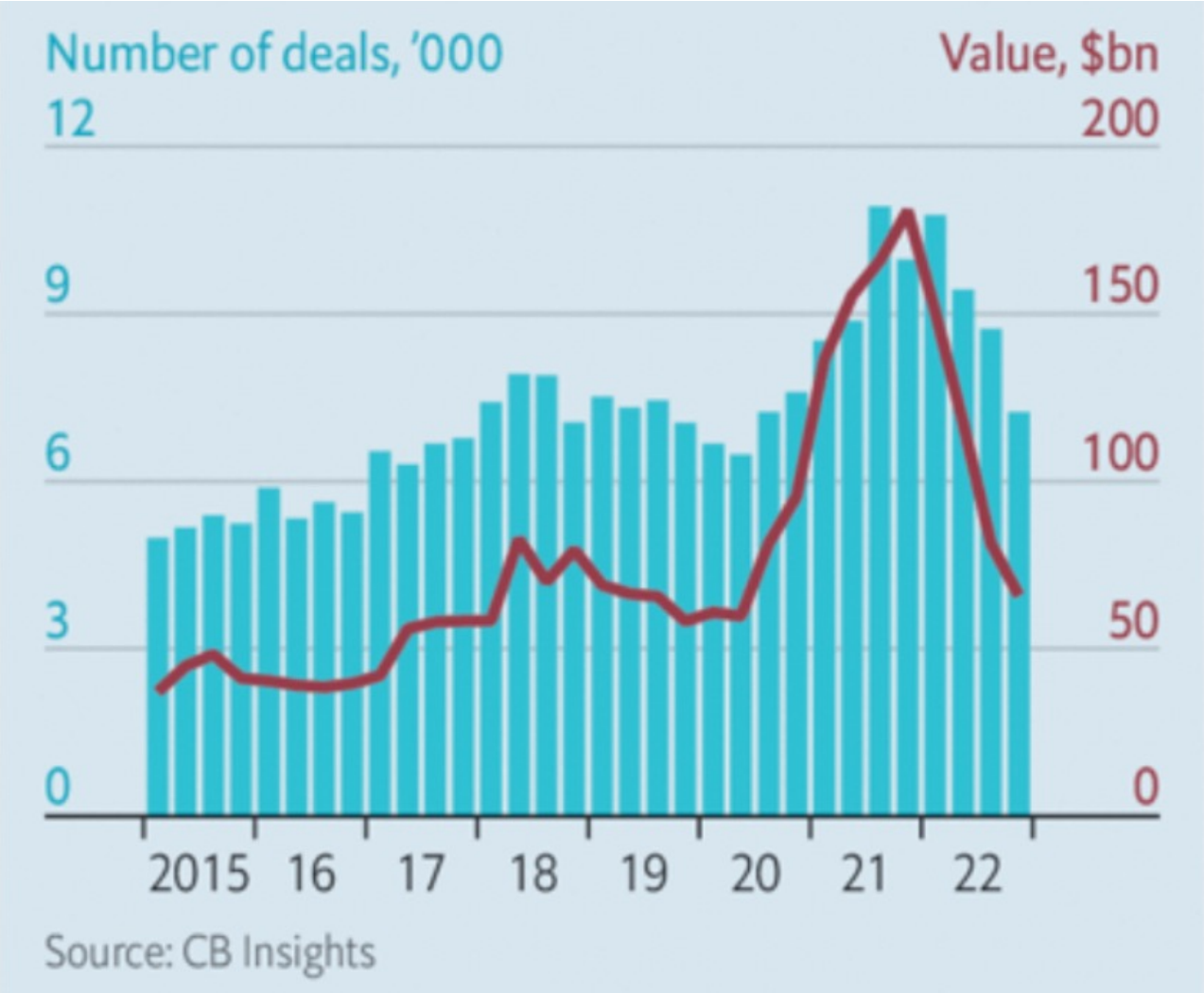
(1) Real Investment Advice; (2) Bloomberg, Bureau of Labor Statistics, Bianco Research.

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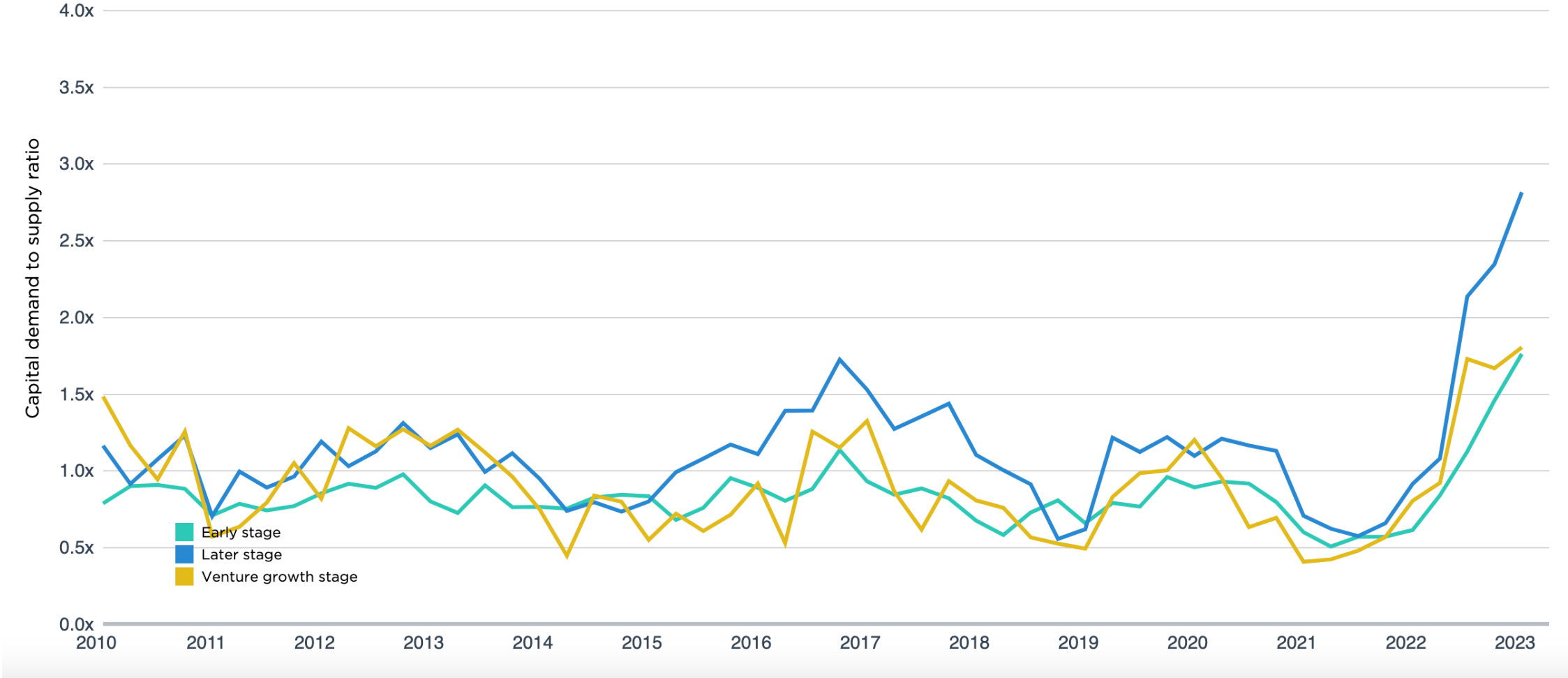
WEEK OF 3-6



WORLD VENTURE CAPITAL INVESTMENT

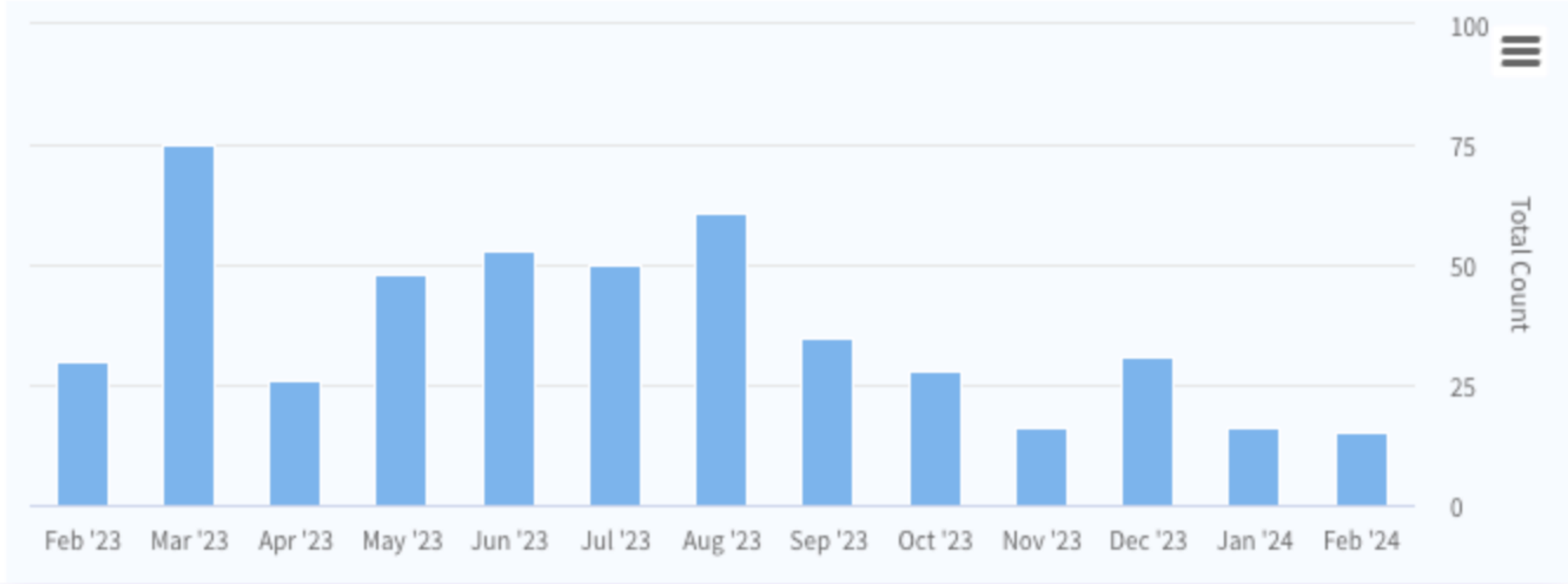


VENTURE CAPITAL DEMAND TO SUPPLY RATIO SINCE 2010



SPAC GIVE-BACK: 300 SPACs MATURING IN NEXT SIX MONTHS

SPACS BY MATURITY MONTH

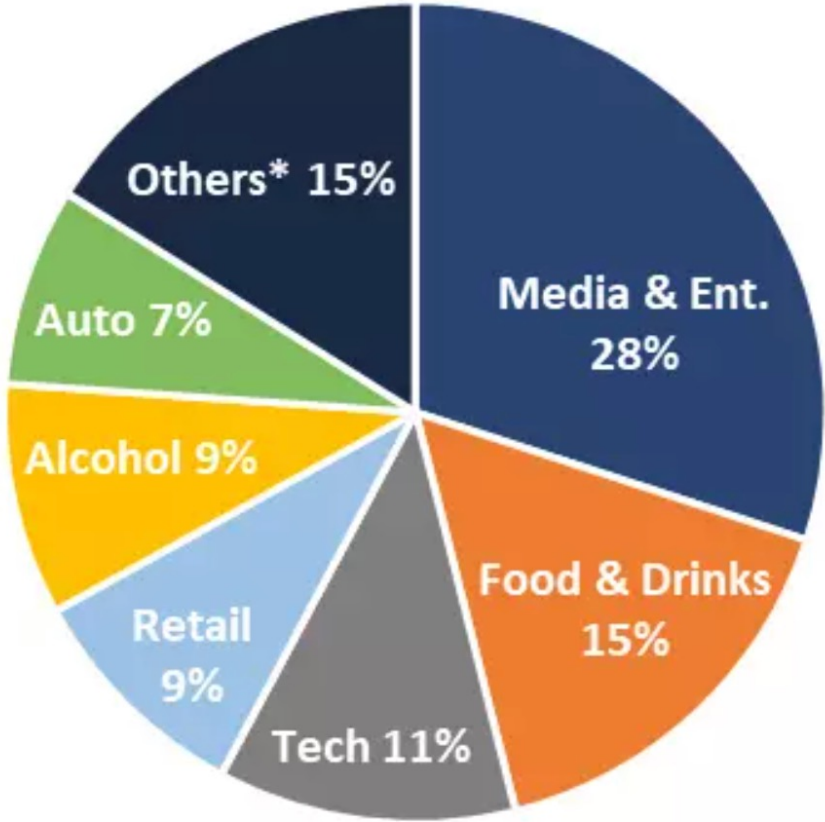


Source: Boardroom Alpha



MEDIA & ENTERTAINMENT LEADS SUPERBOWL AD CATEGORIES

Super Bowl LVII Category Breakdown
By the Number of Ads

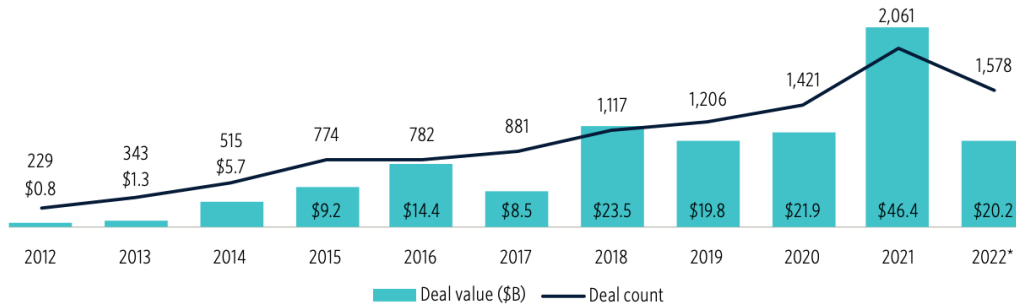


*Includes Apparel, Finance, Home Furnishings, Pets, Pharma, Restaurants, Services, and Travel. Source: **MEDIA**Radar



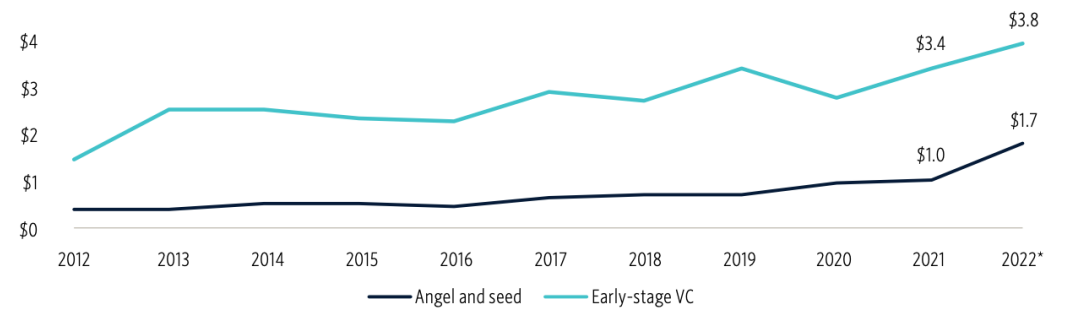
FOODTECH VC – INVESTMENT, EXIT ACTIVITY AND DEAL VALUE

Foodtech VC deal activity



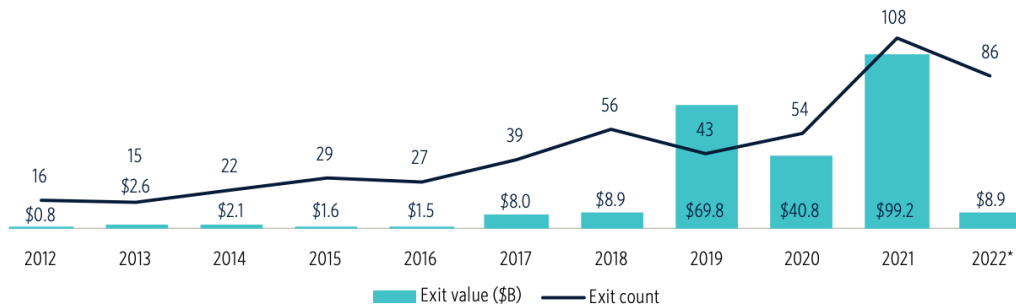
Source: PitchBook | Geography: Global | *As of December 31, 2022

Median foodtech angel and seed and early-stage VC deal value (\$M)



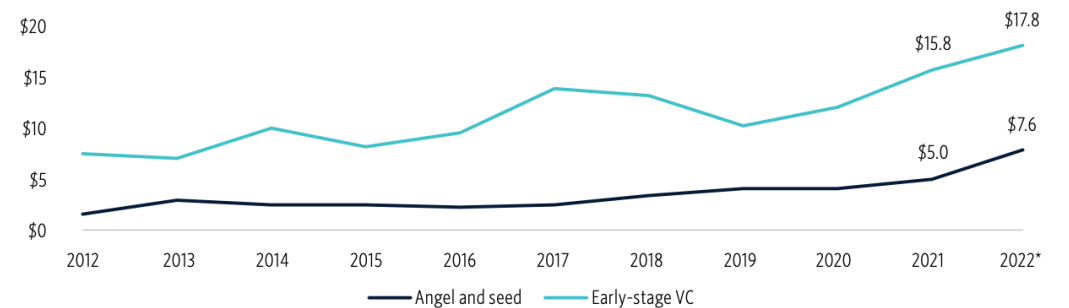
Source: PitchBook | Geography: Global | *As of December 31, 2022

Foodtech VC exit activity



Source: PitchBook | Geography: Global | *As of December 31, 2022

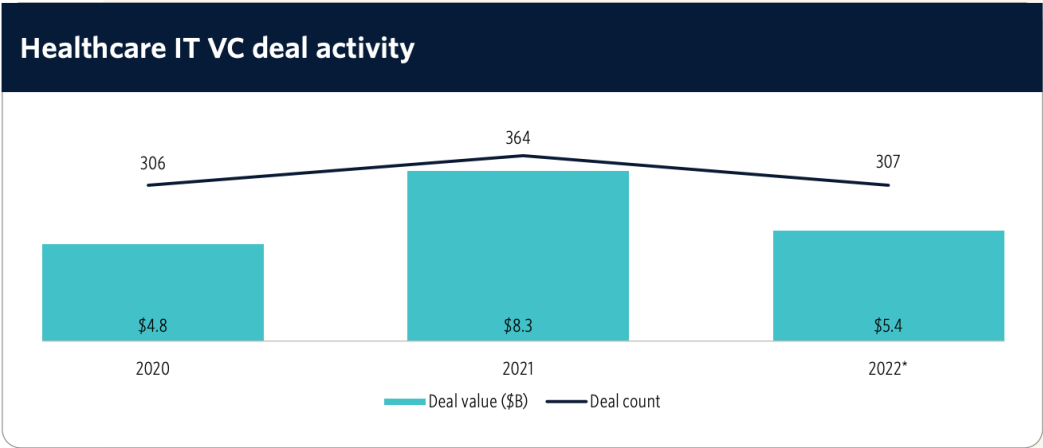
Median foodtech angel and seed and early-stage VC pre-money valuation (\$M)



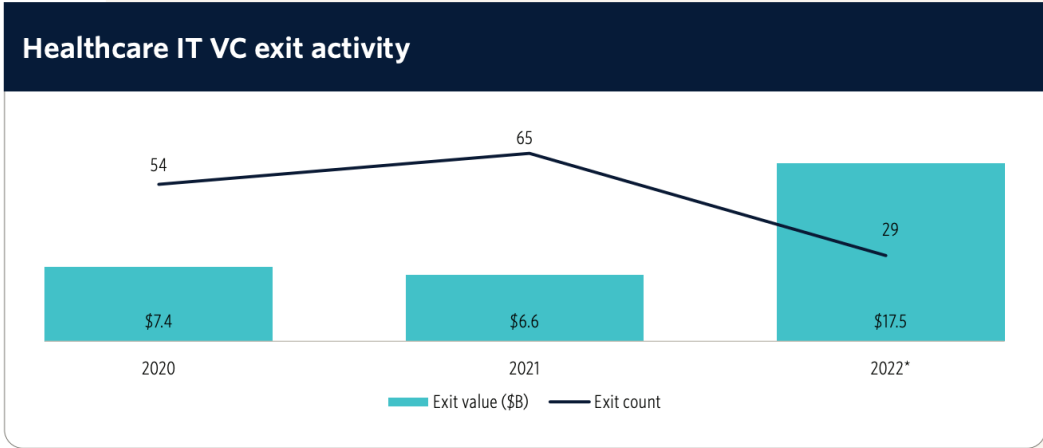
Source: PitchBook | Geography: Global | *As of December 31, 2022



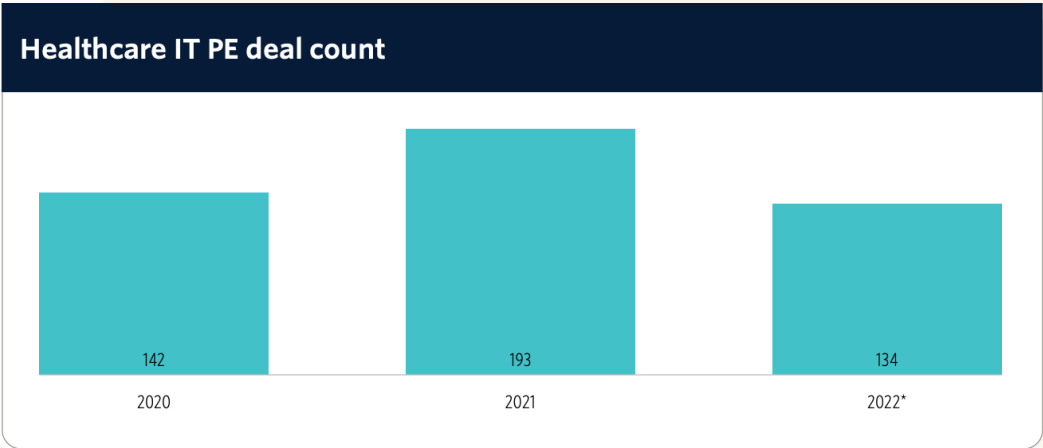
HEALTHCARE IT VC, PE INVESTMENT AND EXIT ACTIVITY



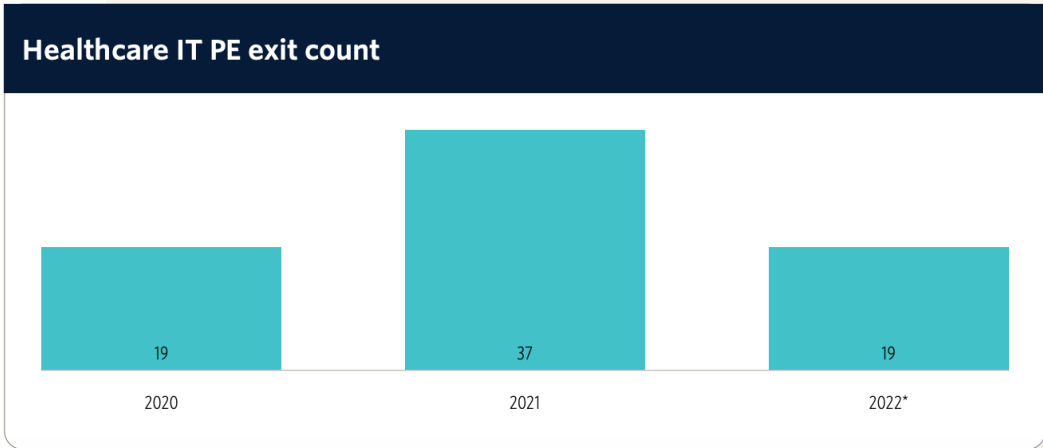
Source: PitchBook | Geography: Global | *As of December 31, 2022



Source: PitchBook | Geography: Global | *As of December 31, 2022



Source: PitchBook | Geography: Global | *As of December 31, 2022



Source: PitchBook | Geography: Global | *As of December 31, 2022



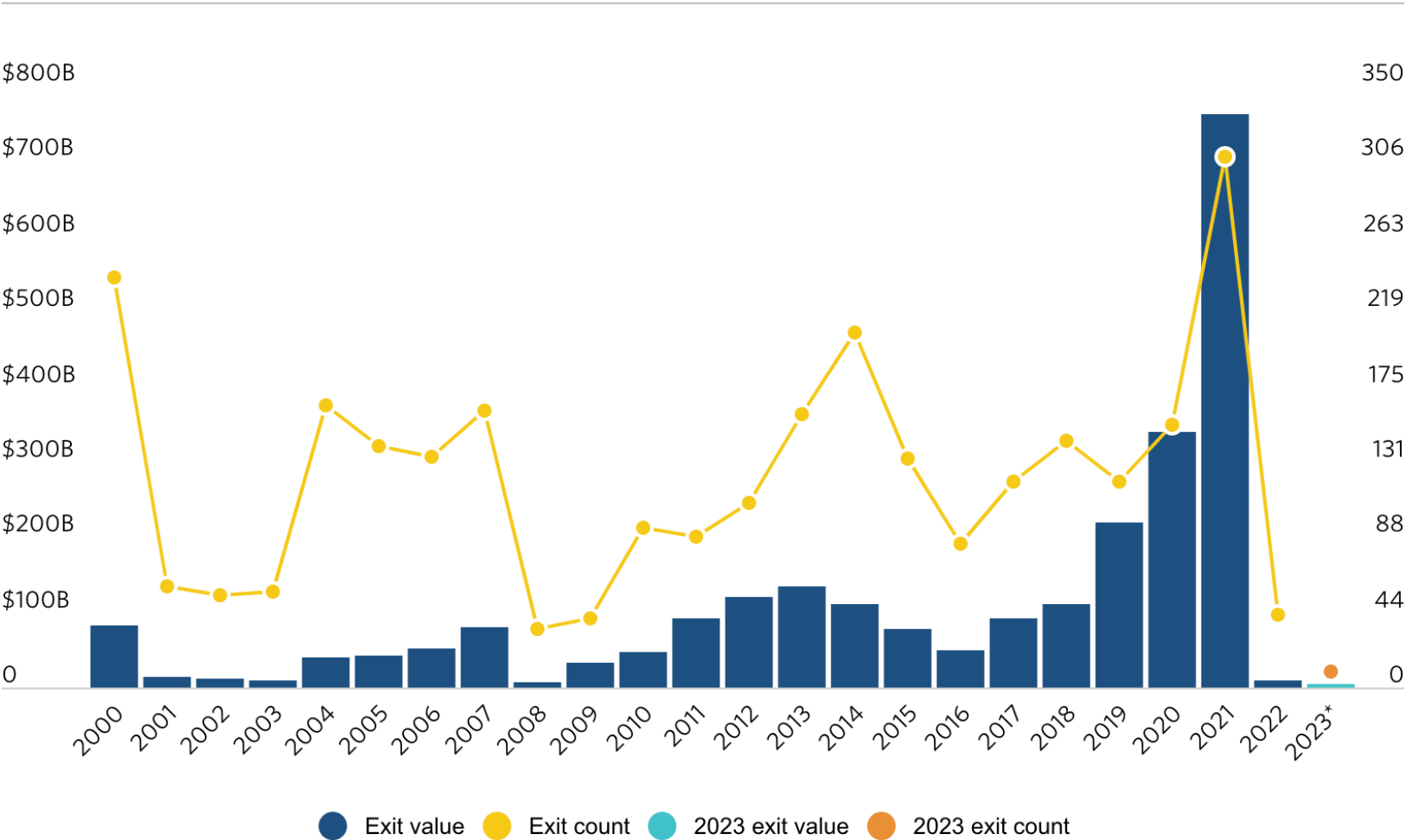
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WEEK OF 2-27



IPO MARKET OUTAGE – BAROMETER FOR M&A AND PRIVATE PLACEMENTS

Annual US PE & VC IPO activity

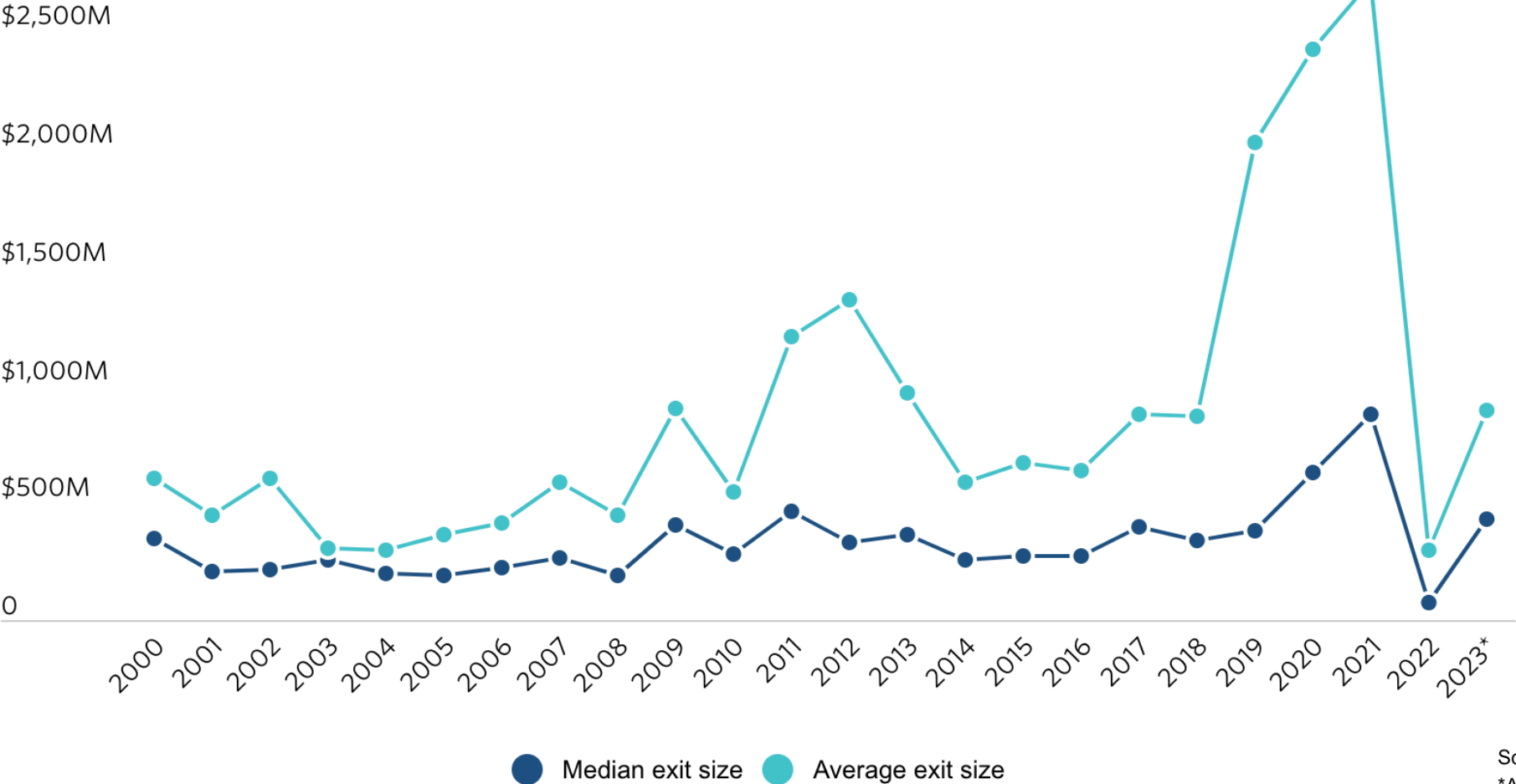


Source: PitchBook data
*As of Feb. 21, 2023



IPO MARKET NORMALIZATION UNDERWAY

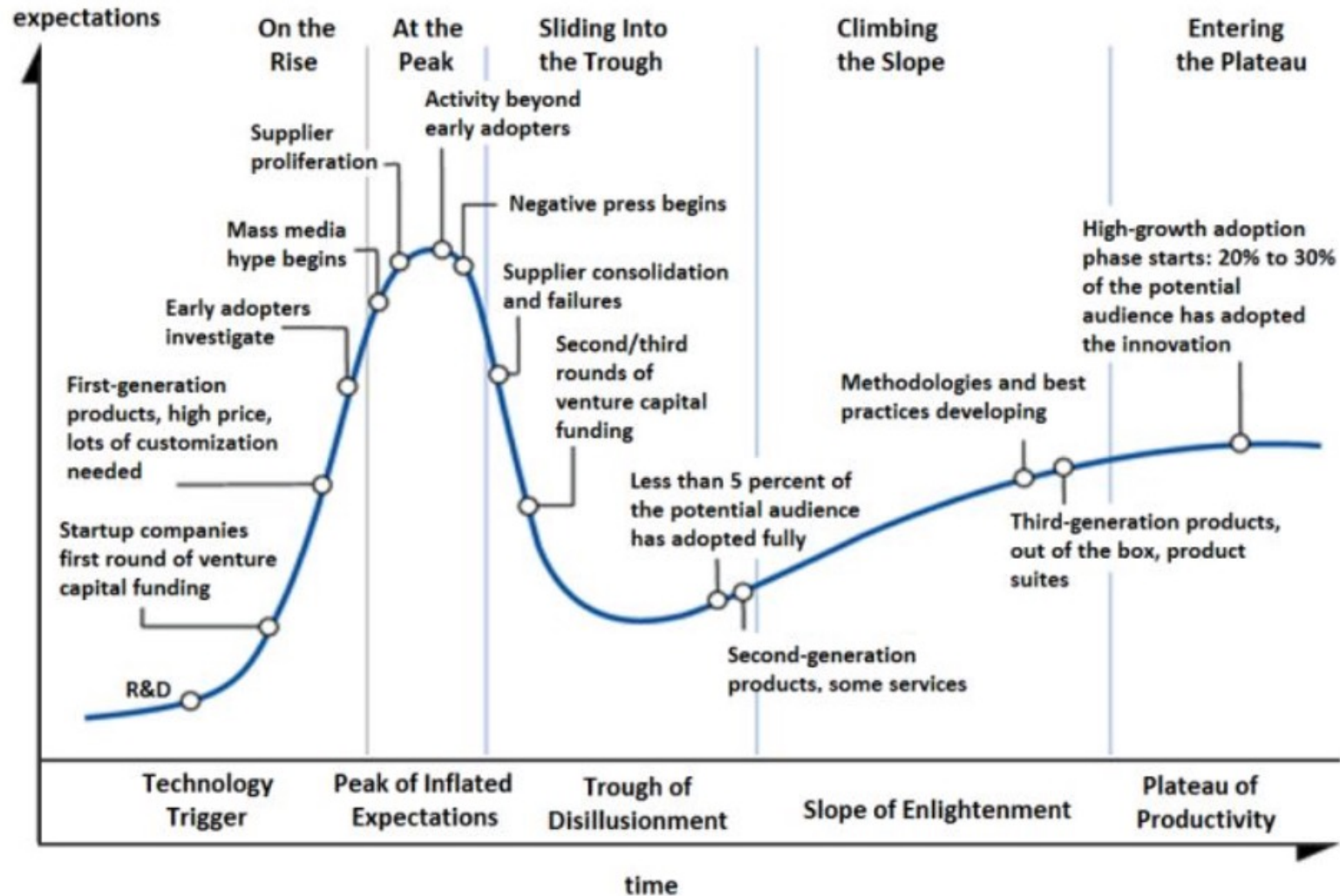
US PE & VC-backed IPOs get smaller



Source: PitchBook data
*As of Feb. 21, 2023



THE GARTNER HYPE CYCLE – TIMELY CONTEXT

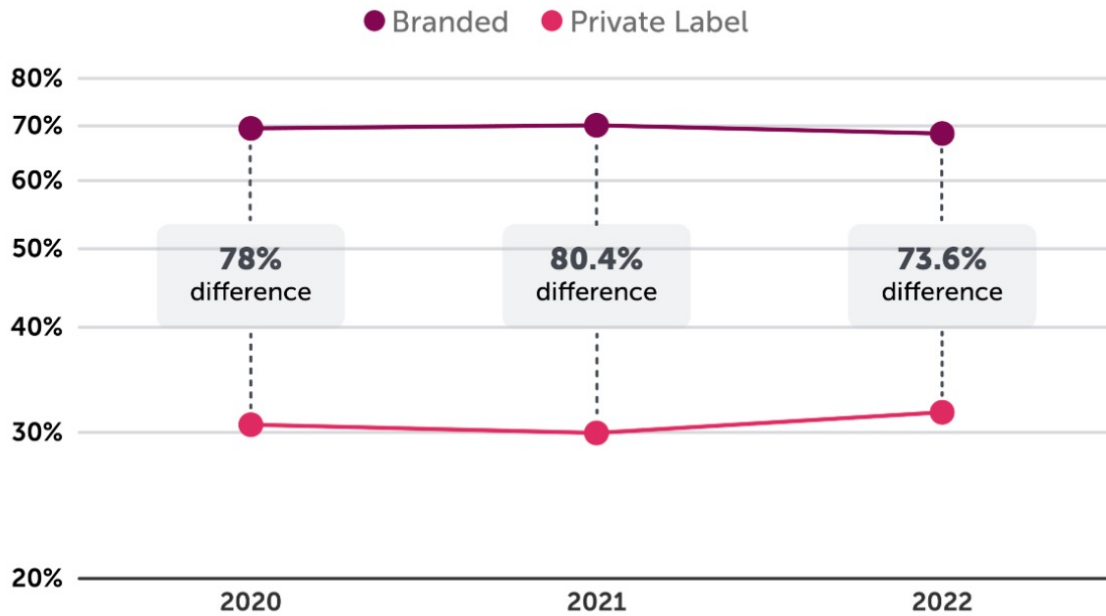


Source: Gartner



PRIVATE LABEL GAINING MARKET SHARE

Products making up Total Average Basket



Market share lost to Private Label (2022)

Bath decor	-6.1 pts	Pie filling	-5.5 pts
Frozen juice	-5.4 pts	Family planning	-4.9 pts
Frozen desserts & bakery	-4.8 pts	Food storage	-4.6 pts
Frozen pasta & noodles	-4.5 pts	Lamb	-4.4 pts
Chutneys & relishes	-4.1 pts	Stocks & broth	-3.8 pts
Diapers	-3.8 pts	Vinegar	-3.5 pts
Baking needs	-3.4 pts	Frozen vegetables	-3.4 pts
Baby wipes	-3.4 pts	Breakfast	-3.3 pts
Frozen potatoes	-3.3 pts	Pudding & gelatin	-3.0 pts
Canned milk	-3.0 pts	Drink enhancers	-2.8 pts
Desserts	-2.7 pts	Cheese	-2.7 pts
Pasta	-2.6 pts	Condiments	-2.5 pts

Notable categories, based on IPN data

The Ibotta Performance Network



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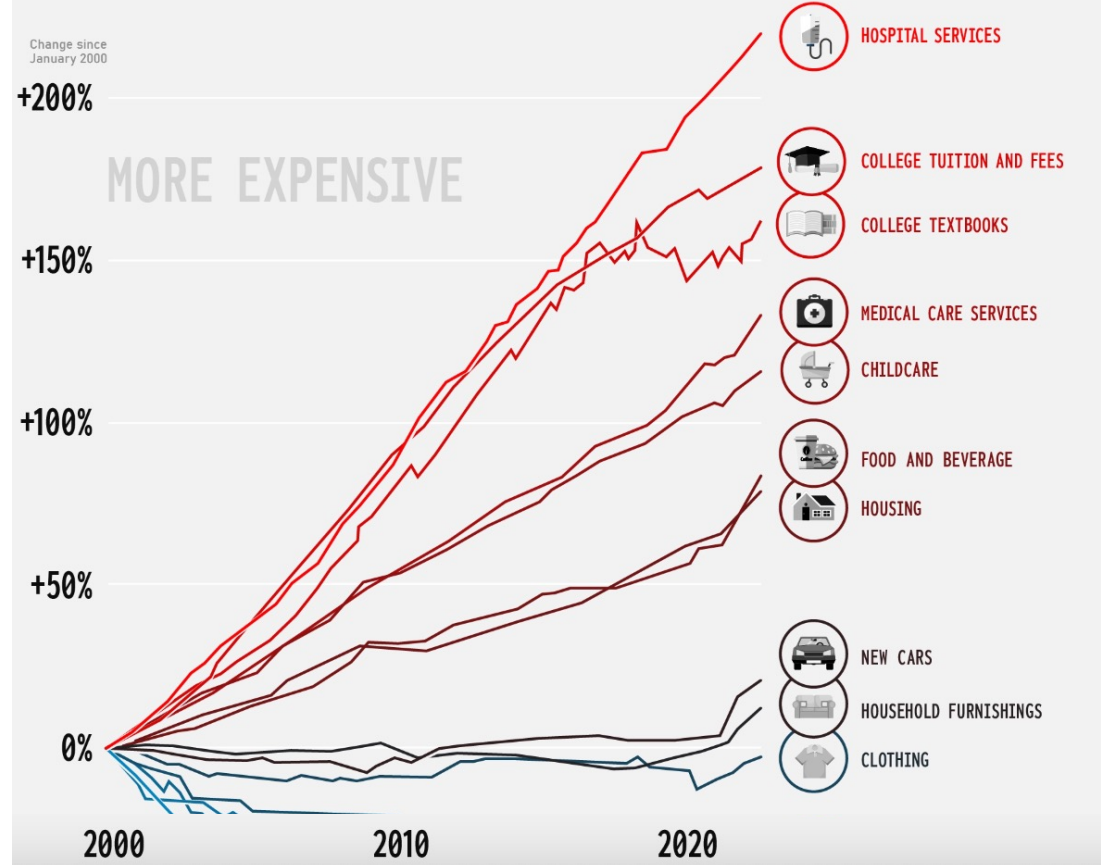
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The Ibotta Performance Network

HEALTHCARE COSTS – 200% INCREASE IN 20 YEARS

Price Changes OF CONSUMER GOODS AND SERVICES

Broadly speaking, price levels have increased by 74% since 2000. That said, the actual numbers vary wildly depending on the type of good or service. Many consumer goods like toys and TVs have gotten cheaper, while critical categories like healthcare and education have skyrocketed.



Source: Visual Capitalist

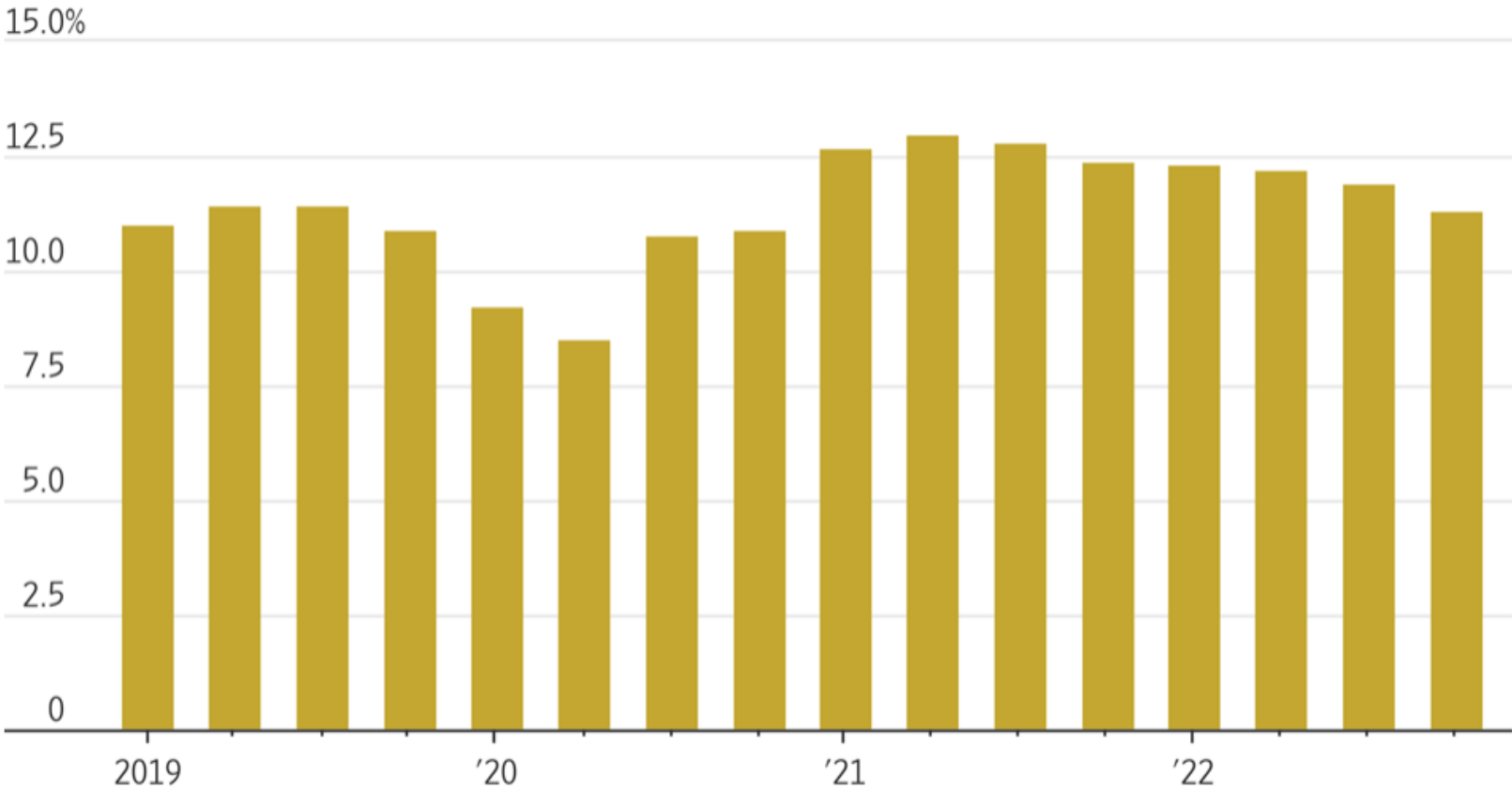
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WEEK OF 2-20



CORPORATE PROFIT MARGINS UNDER PRESSURE

S&P 500 net profit margin



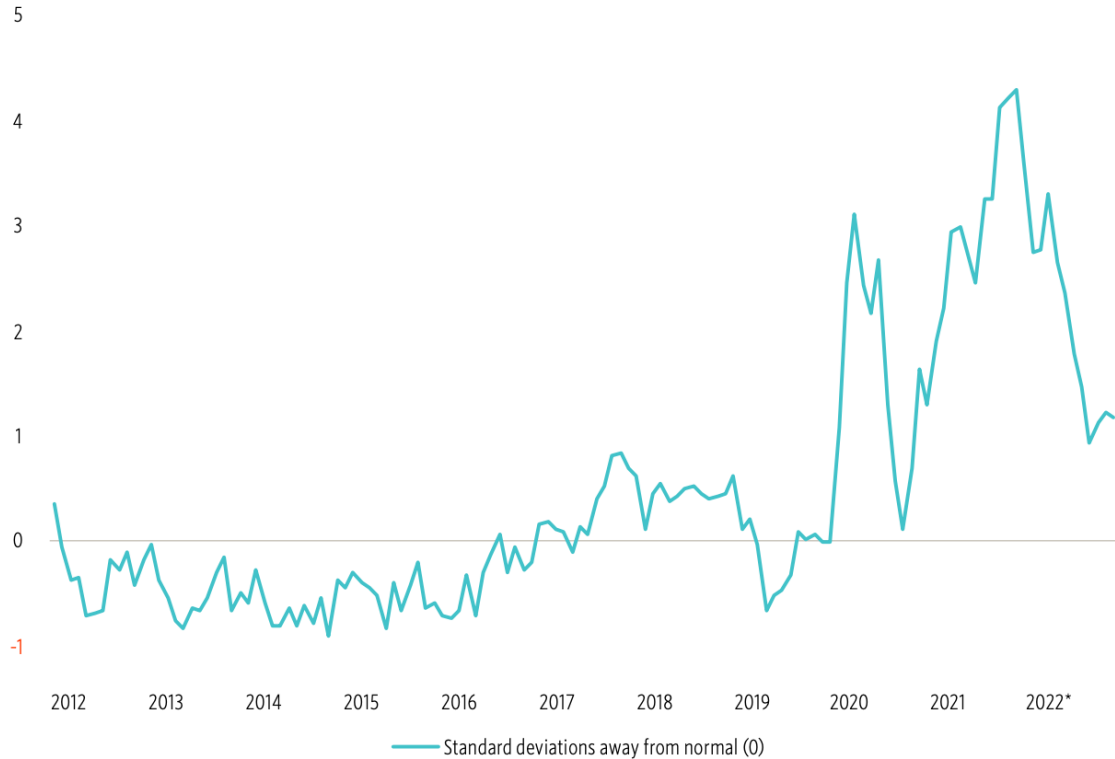
Note: Q4 2022 is a blend of reported results and analyst forecasts

Source: FactSet



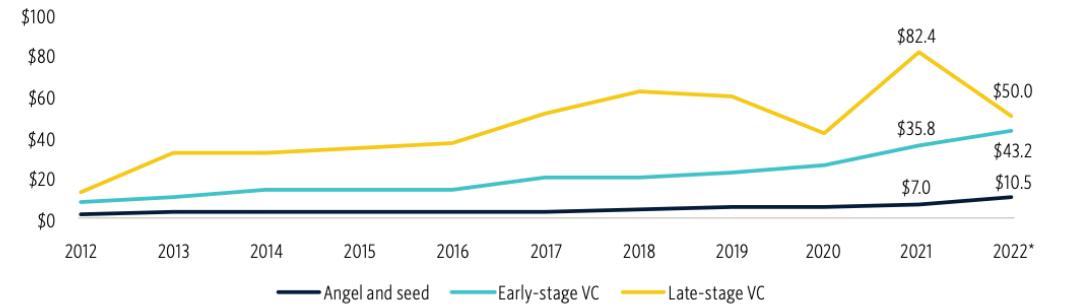
SUPPLY CHAIN SNAPSHOT

Global supply chain pressure index



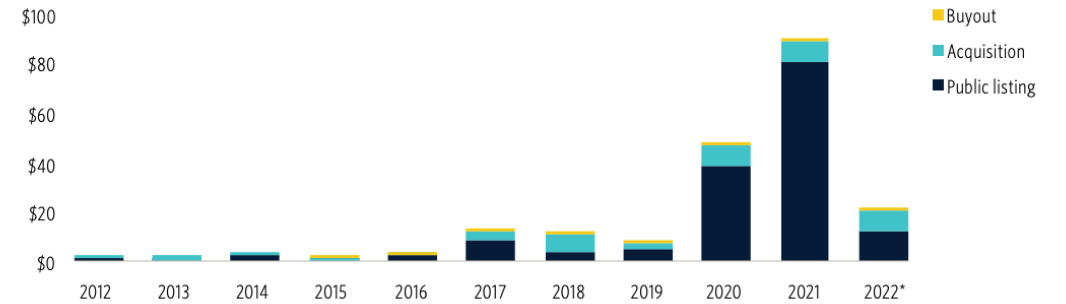
Sources: Bureau of Labor Statistics; Harper Petersen Holding GmbH; Baltic Exchange; IHS Markit; Institute for Supply Management; Haver Analytics; Refinitiv; authors' calculations via the [New York Fed](#) | Geography: Global | *As of December 31, 2022

Median supply chain tech VC deal value (\$M) by stage



Source: PitchBook | Geography: Global | *As of December 31, 2022

Supply chain tech VC exit value (\$B) by type

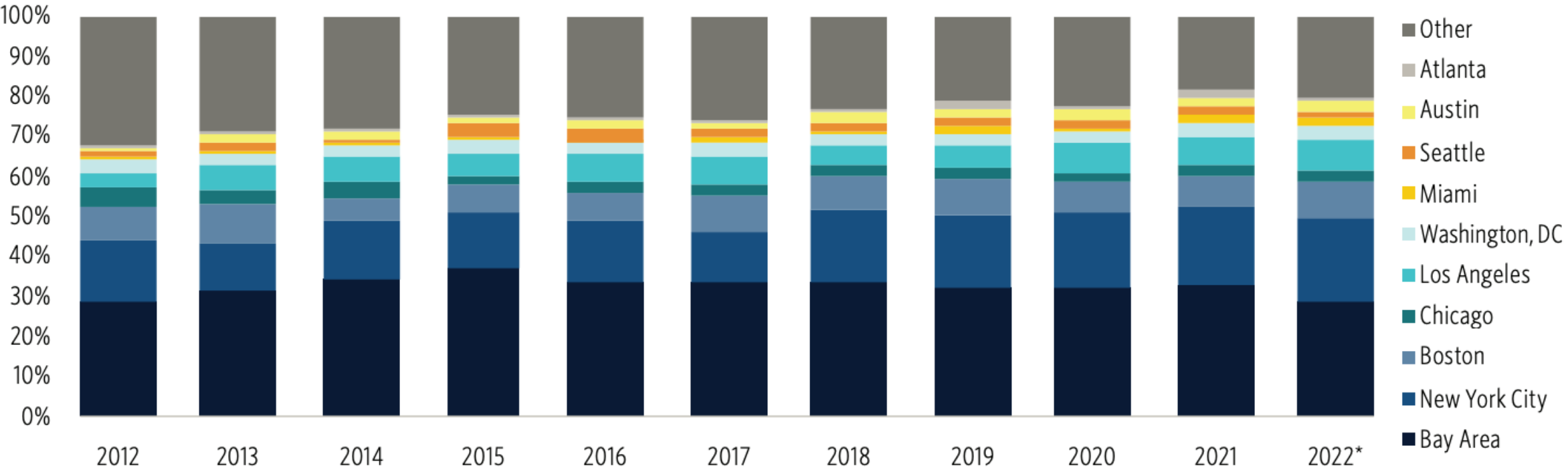


Source: PitchBook | Geography: Global | *As of December 31, 2022



OVER 60% OF VC FUNDS LOCATED IN BAY AREA, NEW YORK CITY, BOSTON

Share of VC funds closed by CSA



Source: PitchBook | Geography: US

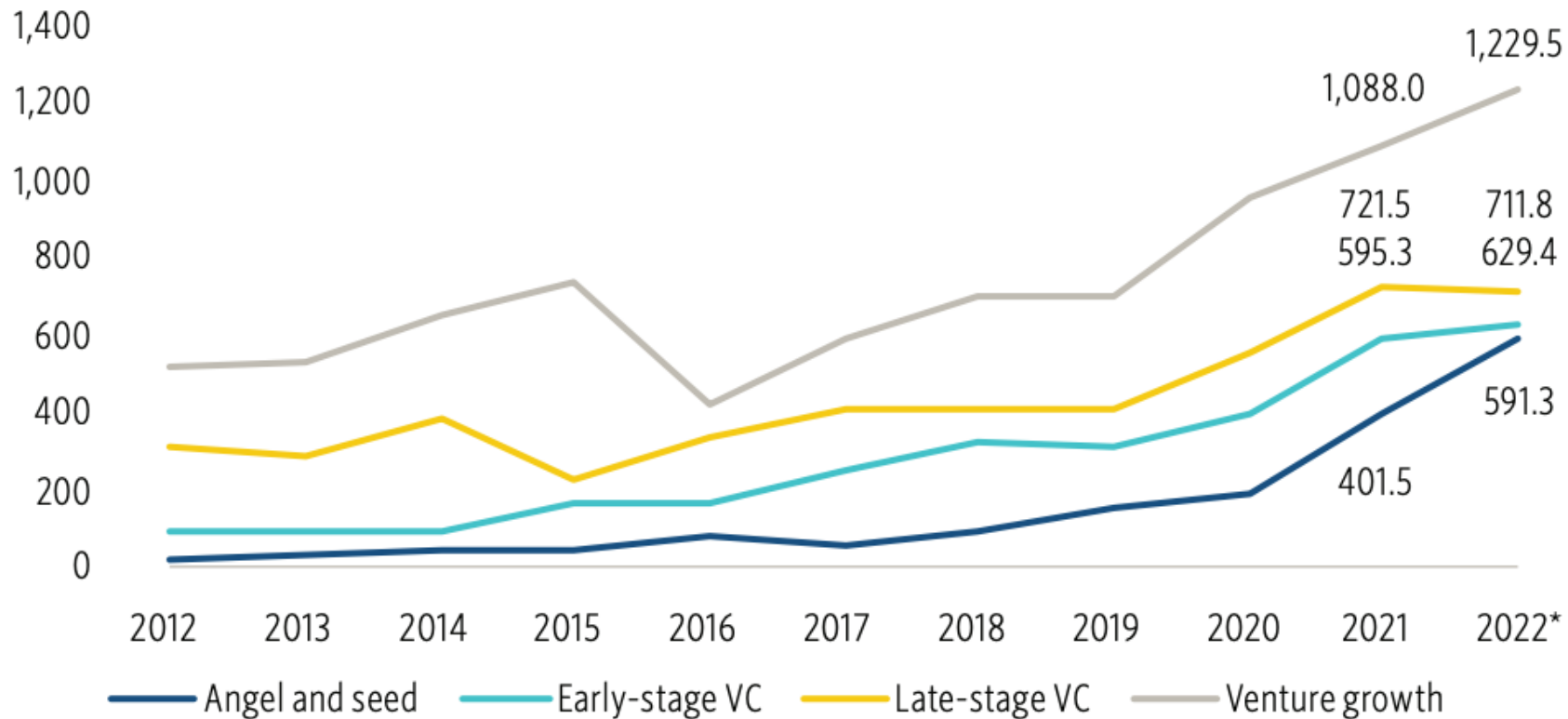
*As of December 31, 2022

Note: Austin MSA is included in rankings alongside CSAs.



VCS INVESTING FARTHER AFIELD

Median distance (miles) between lead/sole US investor and US target company by stage



Source: PitchBook | Geography: US

*As of December 31, 2022



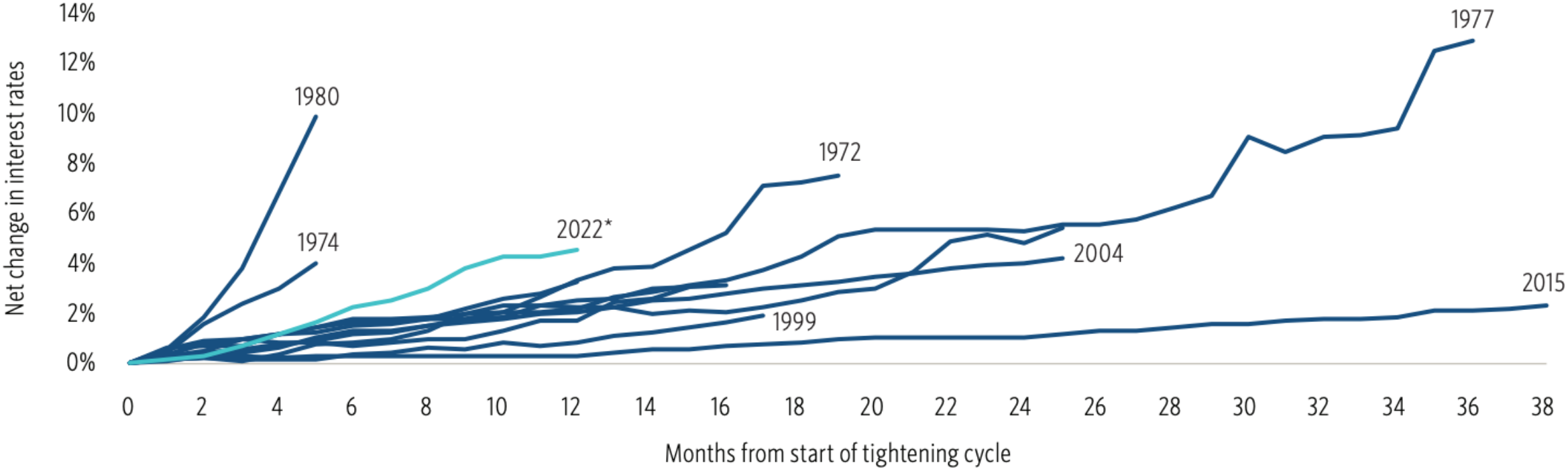
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WEEK OF 2-13



FED FUNDS RATE LEVELS REQUIRED TO CONTROL INFLATION IN 1970s ...

Fed funds rate indexed to the start of previous rate hikes

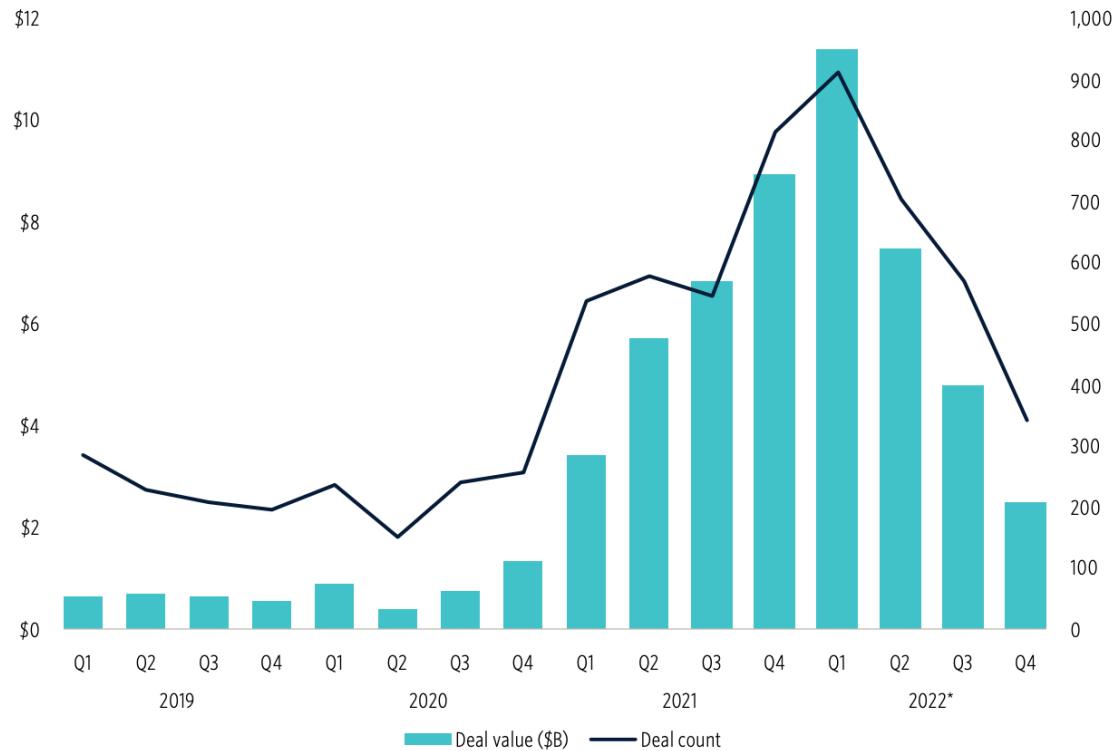


Sources: Federal Reserve, PitchBook | Geography: US
*As of February 1, 2023



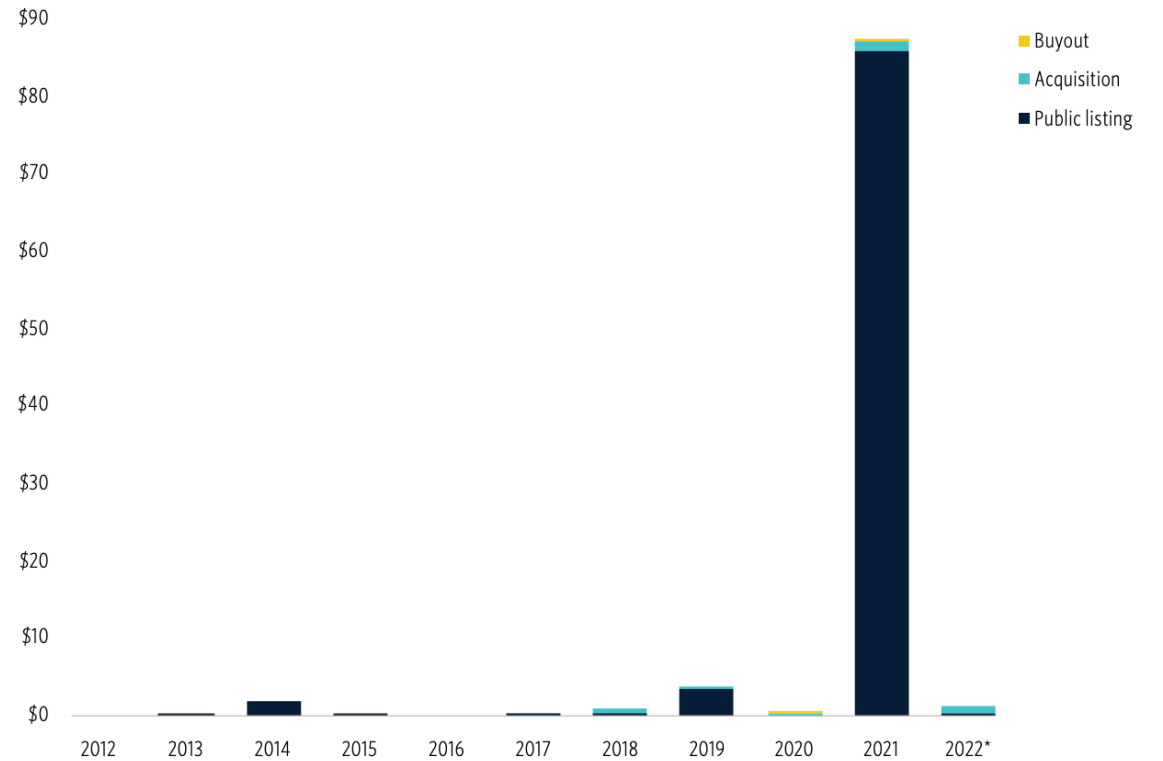
CRYPTO CONTRAST

Crypto VC deal activity by quarter



Source: PitchBook | Geography: Global | *As of December 31, 2022

Crypto VC exit value (\$M) by type

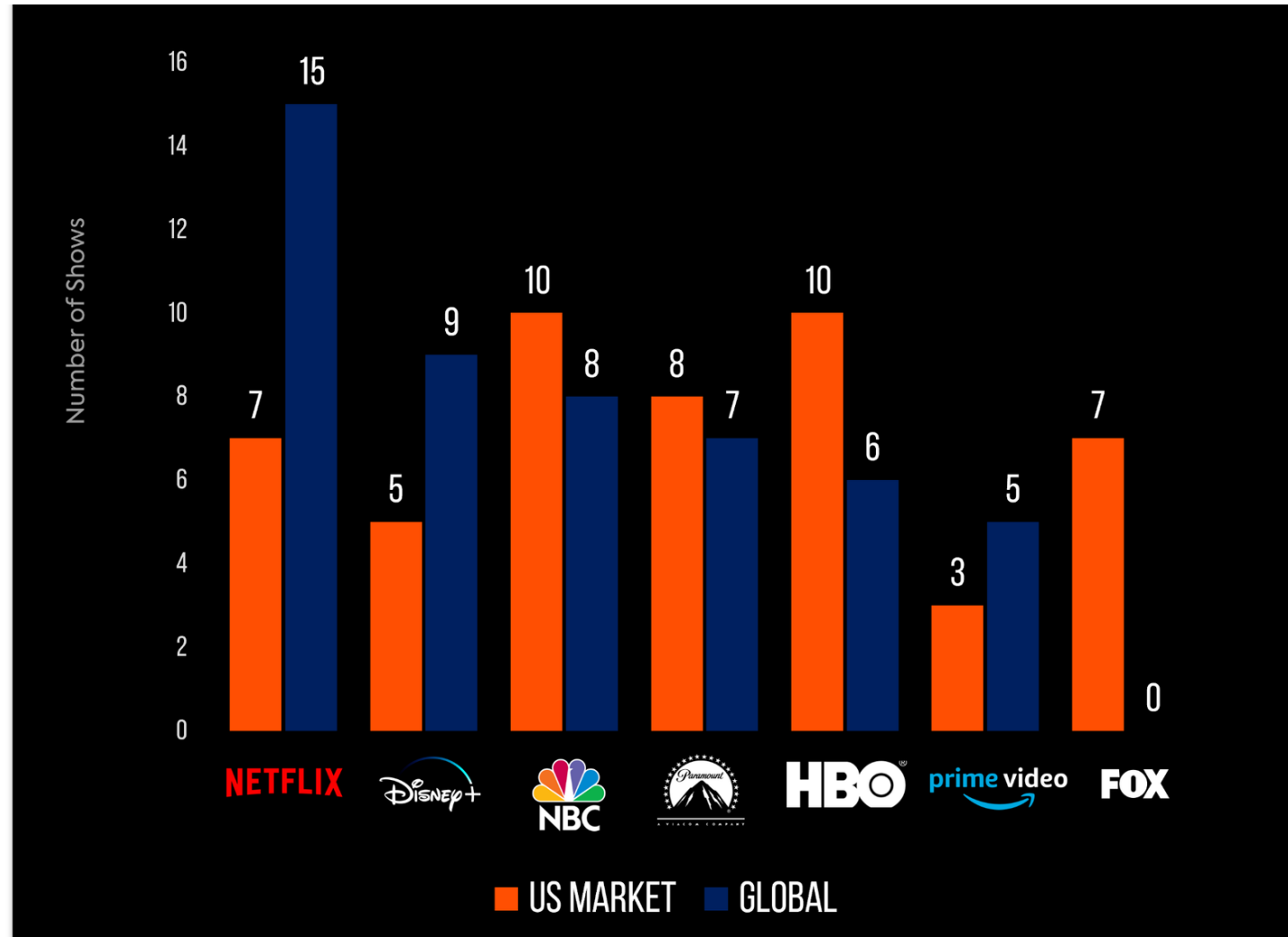


Source: PitchBook | Geography: Global | *As of December 31, 2022



MEDIA AND CONTENT IS A GLOBAL BUSINESS REQUIRING GLOBAL REACH

Networks with the Most Shows in the Top 100 (United States and Global, 2022 Q4)

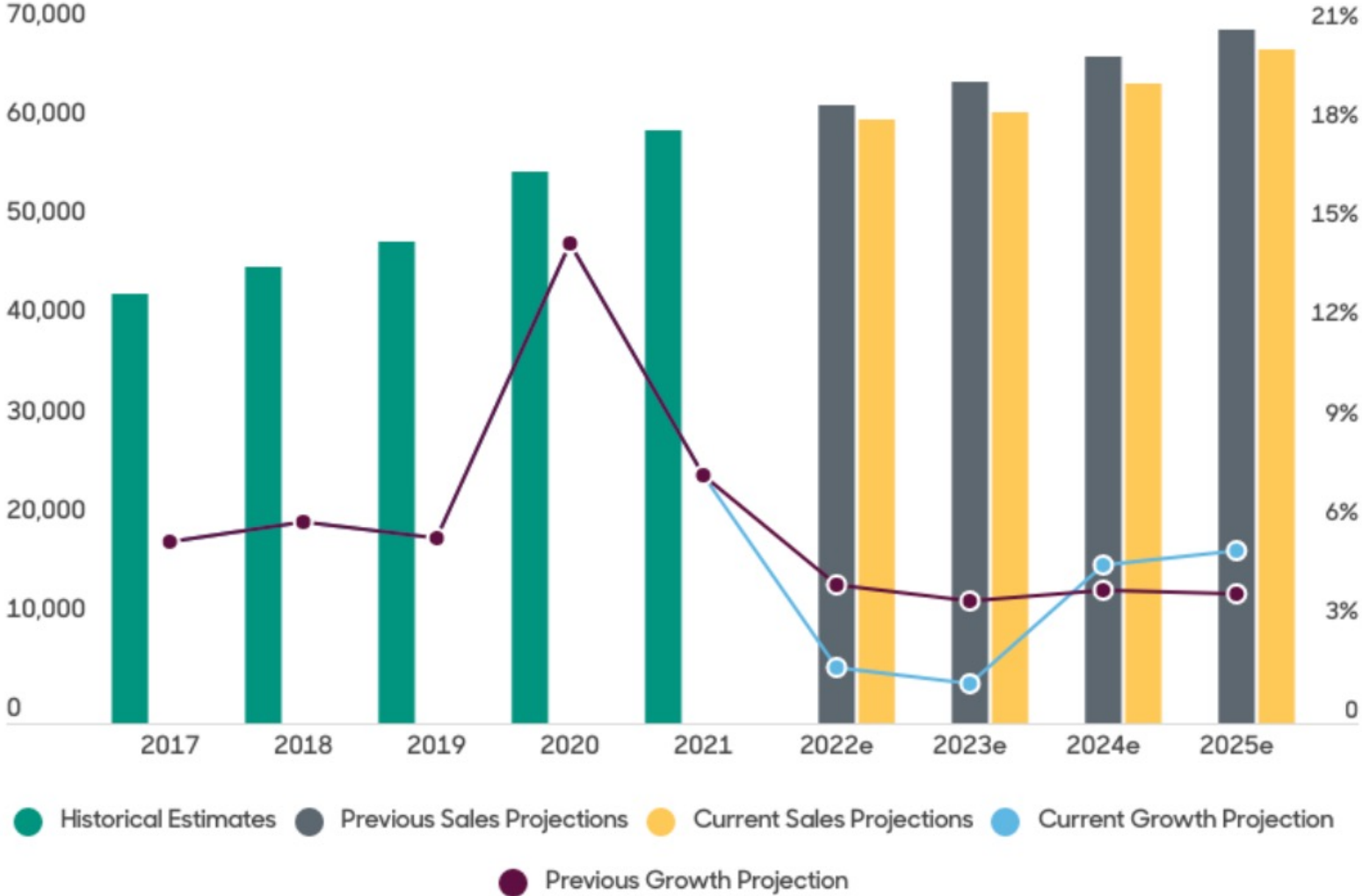


Methodology note: HBO includes shows from HBO Max, and Paramount includes shows from CBS as well as from Paramount+ and Paramount Network.



SUPPLEMENT INDUSTRY SALES AND GROWTH REVISED DOWN BY NBJ

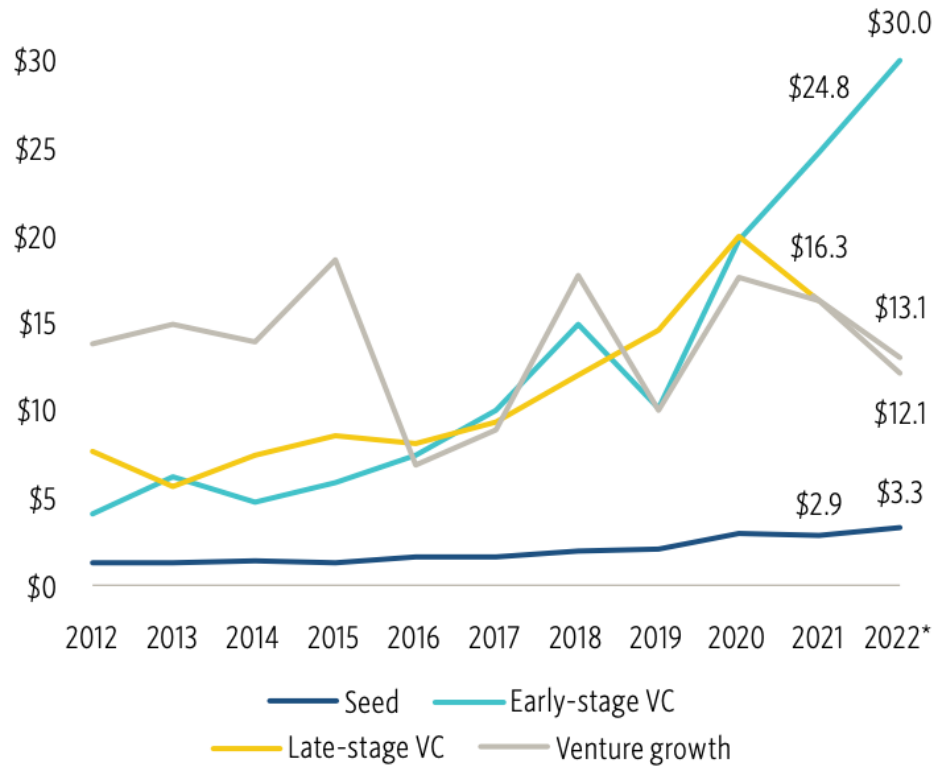
**Supplement Industry
Sales and Growth
Current vs. Previous
Predictions
2017 – 2025E**



BIOTECH AND PHARMA VC VALUATIONS

Seed- and early-stages witnessed growth in deal value

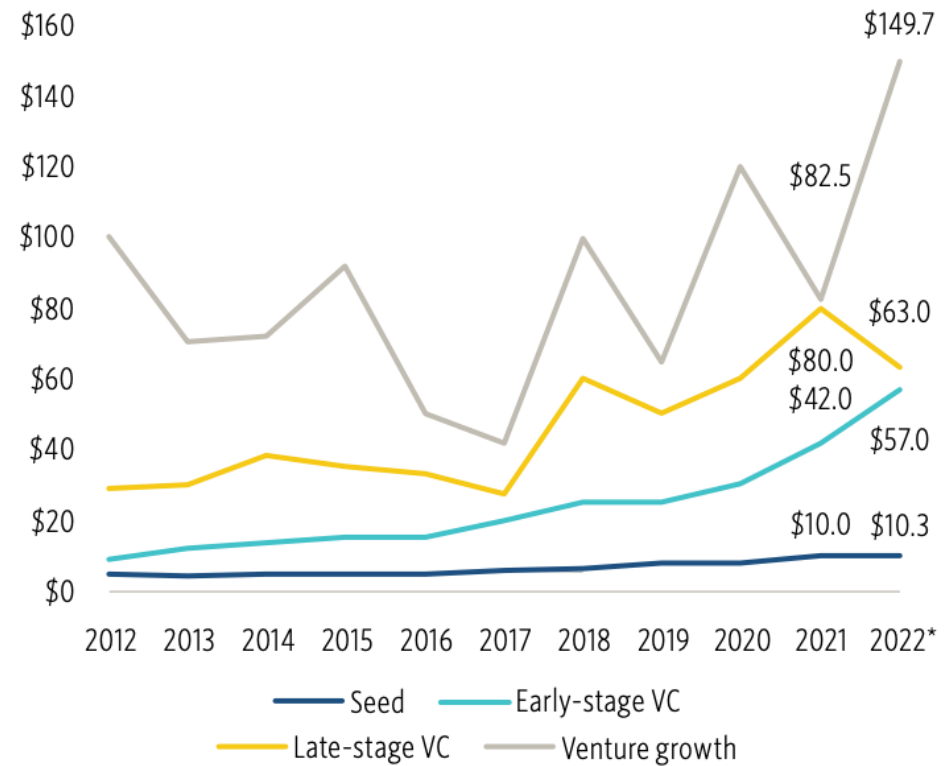
Median biotech & pharma VC deal value (\$M) by stage



Source: PitchBook | Geography: US
*As of December 31, 2022

All stages trended upward except for late stage, where pre-money valuation took a hit

Median biotech & pharma VC pre-money valuation (\$M) by stage



Source: PitchBook | Geography: US
*As of December 31, 2022



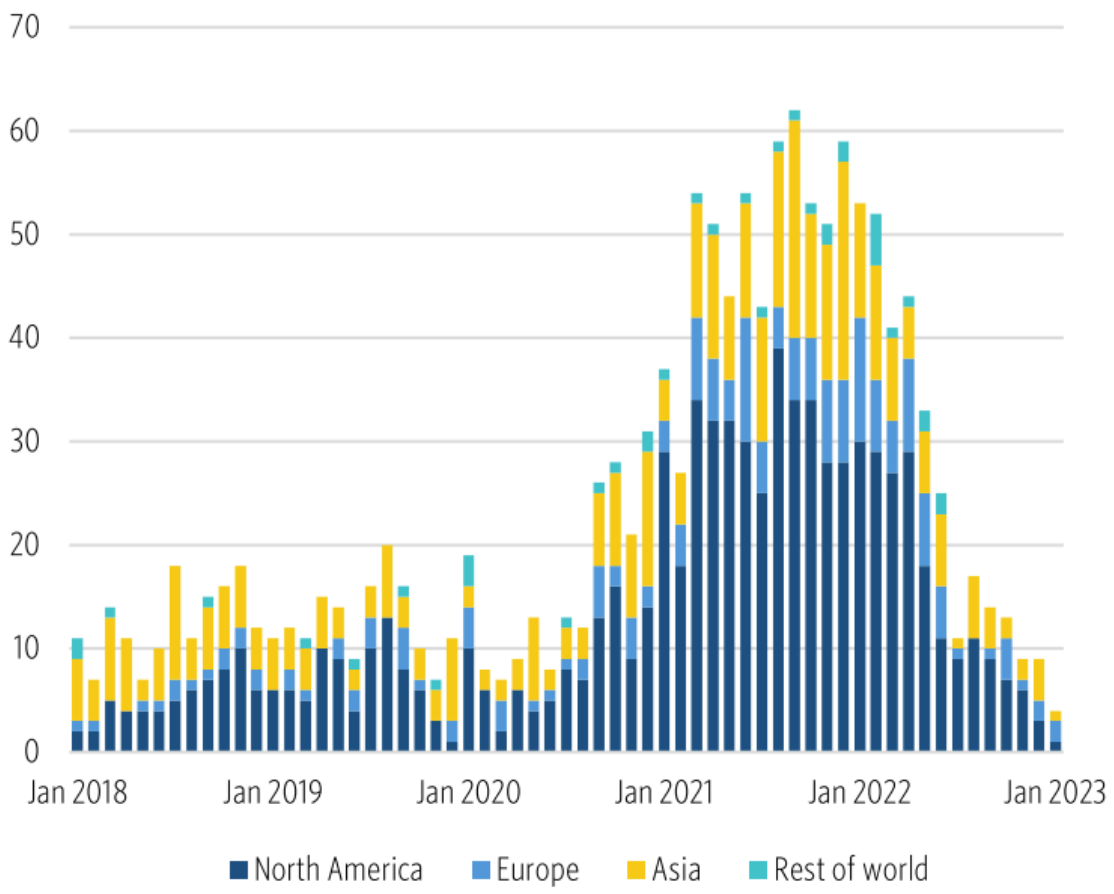
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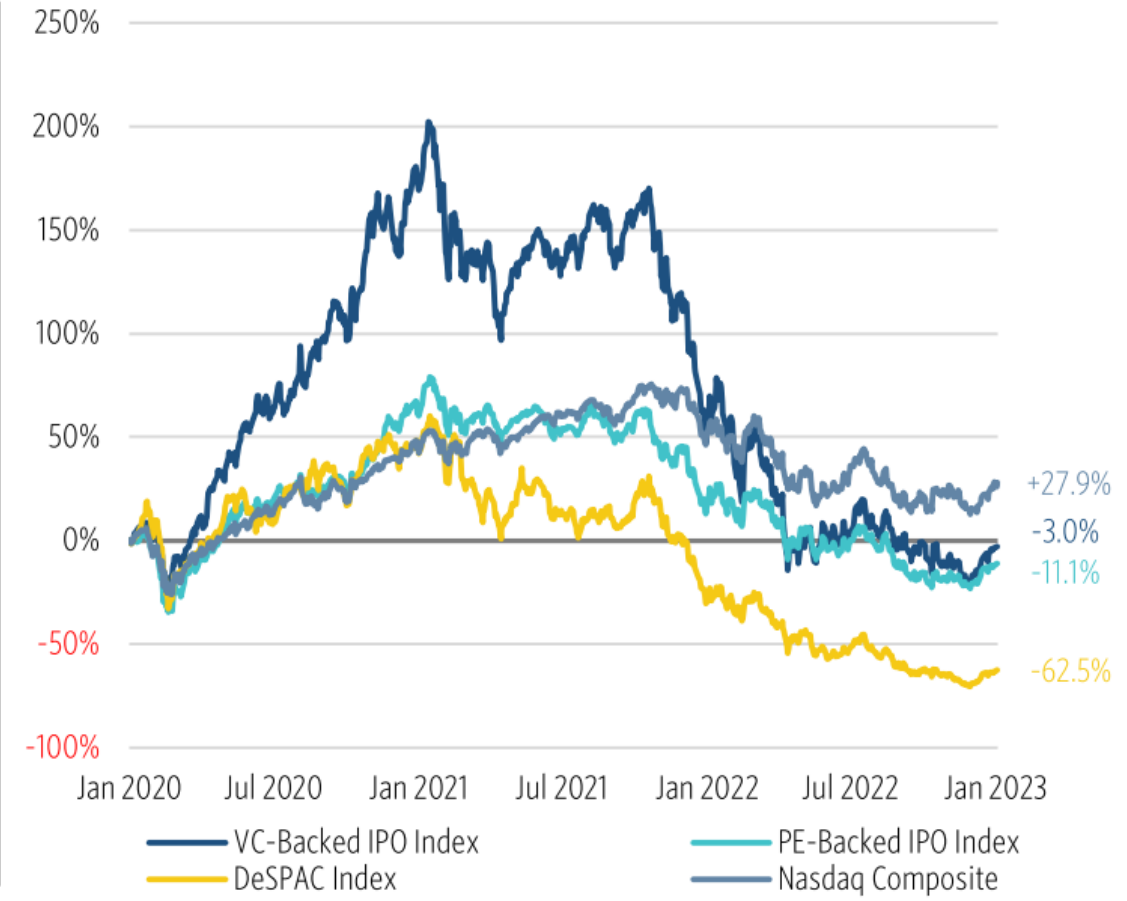
FINANCIAL MARKETS CORRECTING – UNICORNS, IPOs, SPACs

VC-backed unicorns created monthly by HQ region



Source: PitchBook

US IPO and DeSPAC indexes versus Nasdaq three-year return

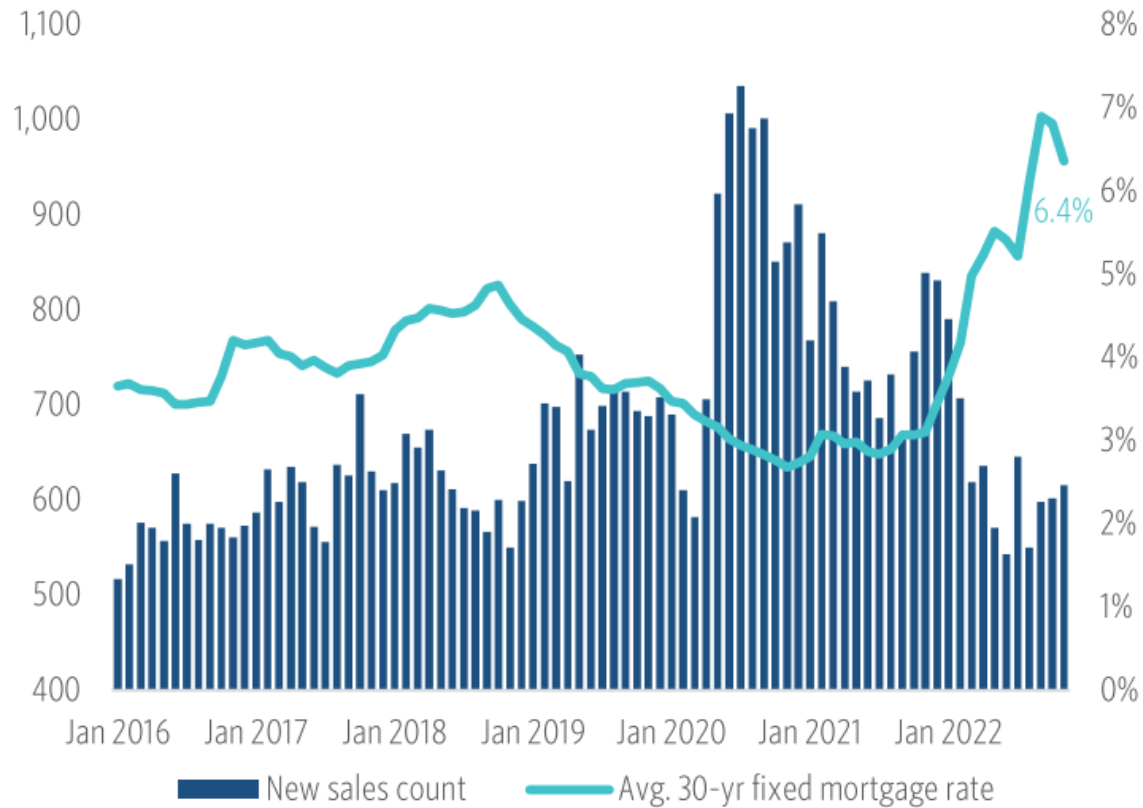


Sources: Morningstar, PitchBook



HOUSING MARKET CORRECTING

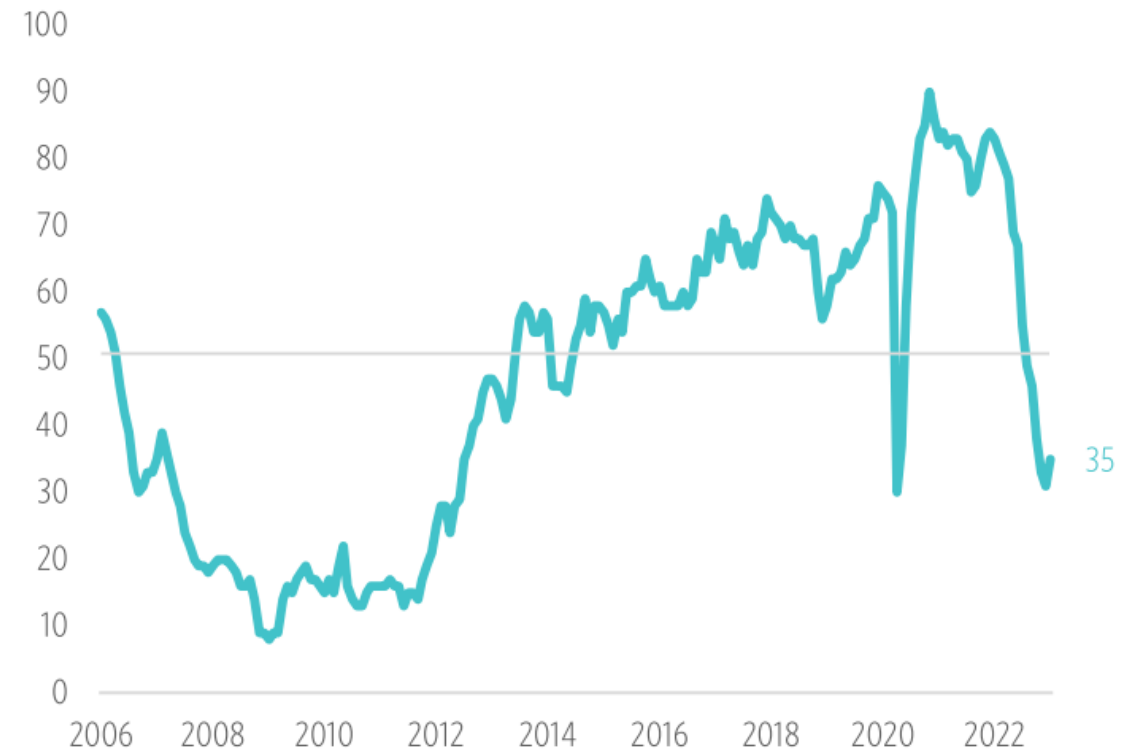
Monthly US new single family home sales (000s) and 30-year mortgage rate*



*As of November 30, 2022

Source: FRED

NAHB/Wells Fargo Housing Market Index



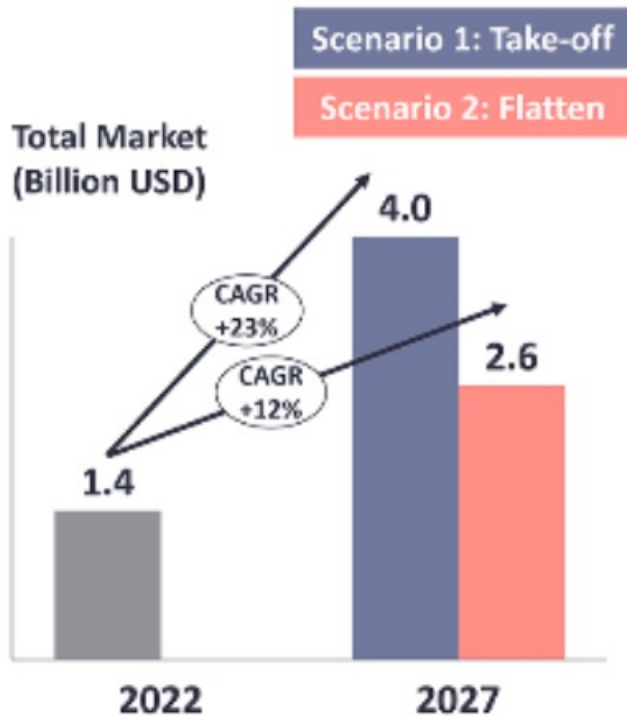
Source: NAHB



AR/MR – GAINING TRACTION IN ENTERPRISE

Market Snapshot: Enterprise AR/MR Market 2023

Market Size



Leading vendors (selection)



Generations of Hardware

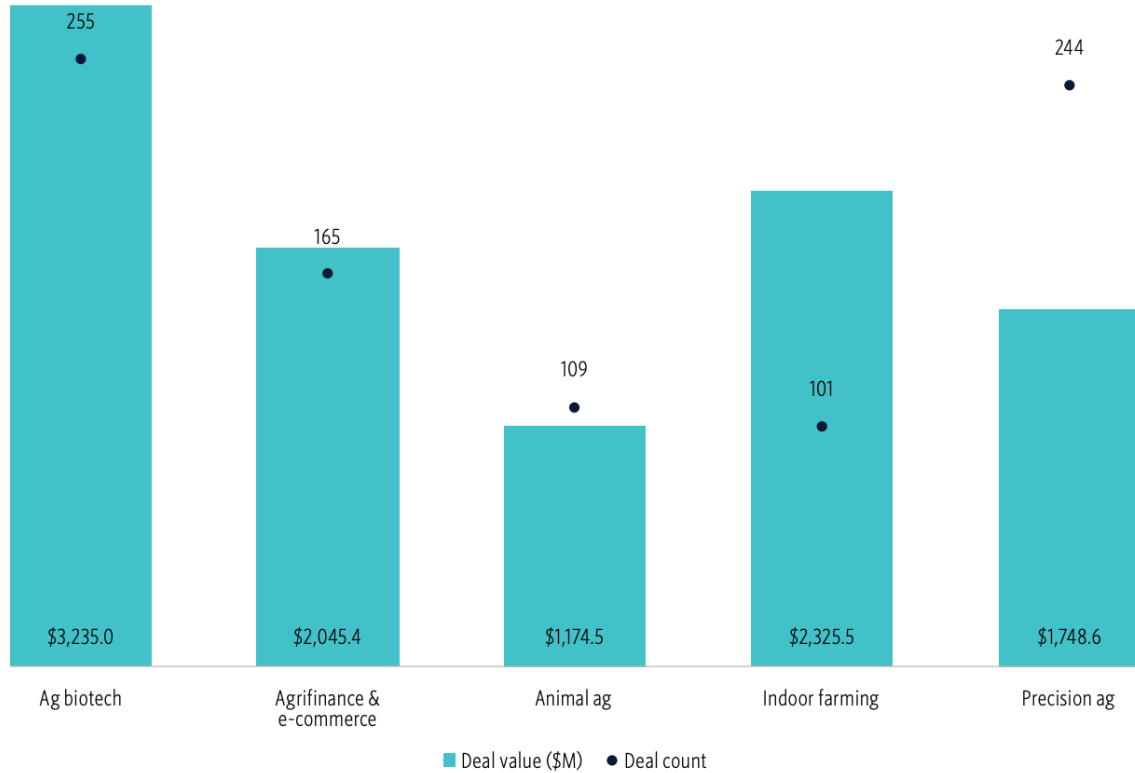
1st generation	2013 – 2018	
2nd generation	2019 – 2022	
3rd generation	2023 – ?	<ul style="list-style-type: none"> HoloLens 3? Meta Quest Pro 2? Apple?

Source: IoT Analytics Research, Enterprise Augmented/Mixed reality Market Report 2022-2027. We welcome republishing of images but ask for source citation with a link to the original post and company website.



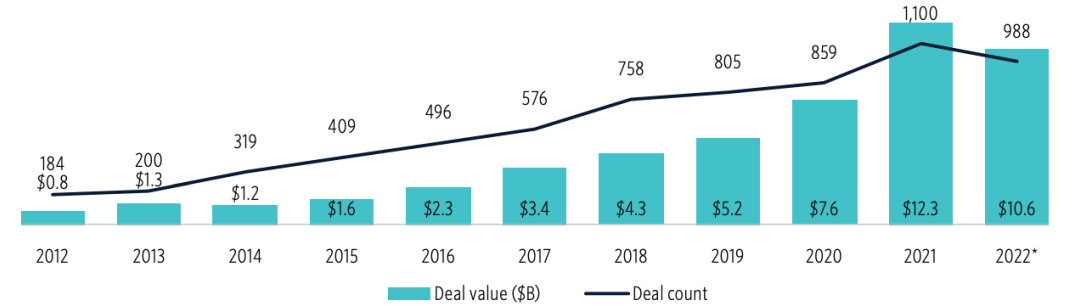
AGTECH VC DEAL ACTIVITY

Trailing 12-month (TTM) agtech VC deal activity by segment*



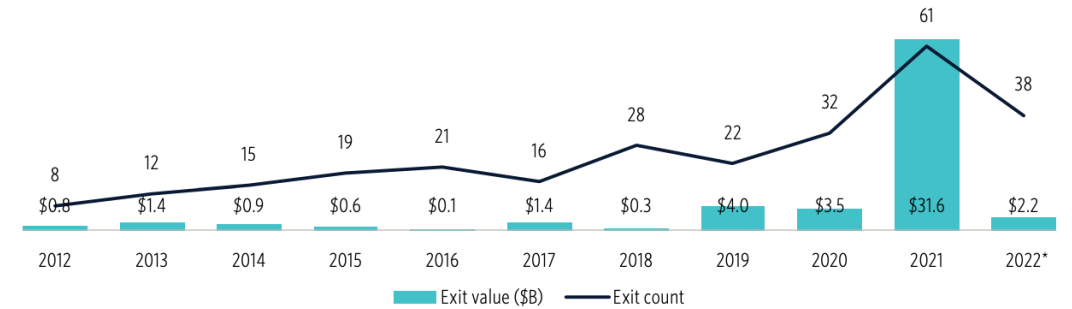
Source: PitchBook | Geography: Global | *As of December 31, 2022

Agtech VC deal activity



Source: PitchBook | Geography: Global | *As of December 31, 2022

Agtech VC exit activity

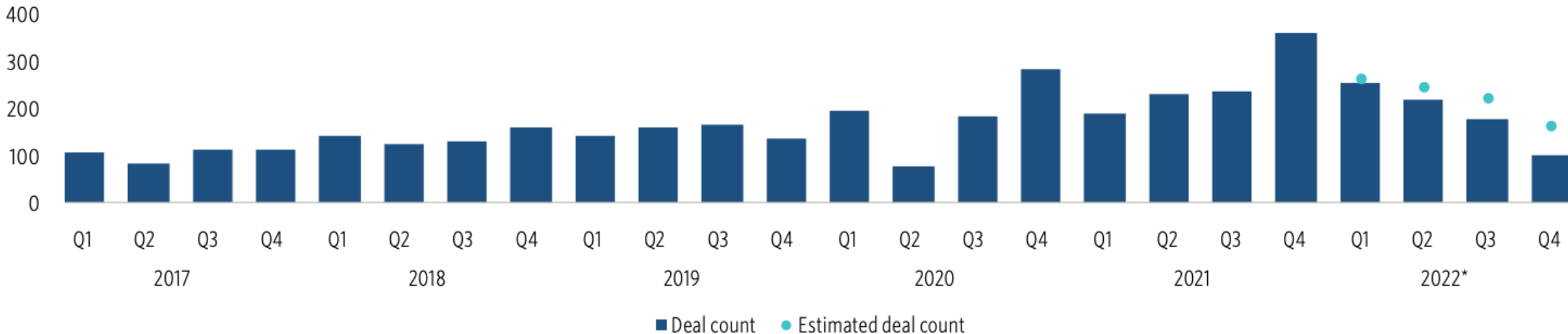


Source: PitchBook | Geography: Global | *As of December 31, 2022



HEALTHCARE SERVICES - DEAL COUNT DECLINING

Healthcare services PE deal count by quarter



Source: PitchBook | Geography: US and Canada | *As of December 31, 2022



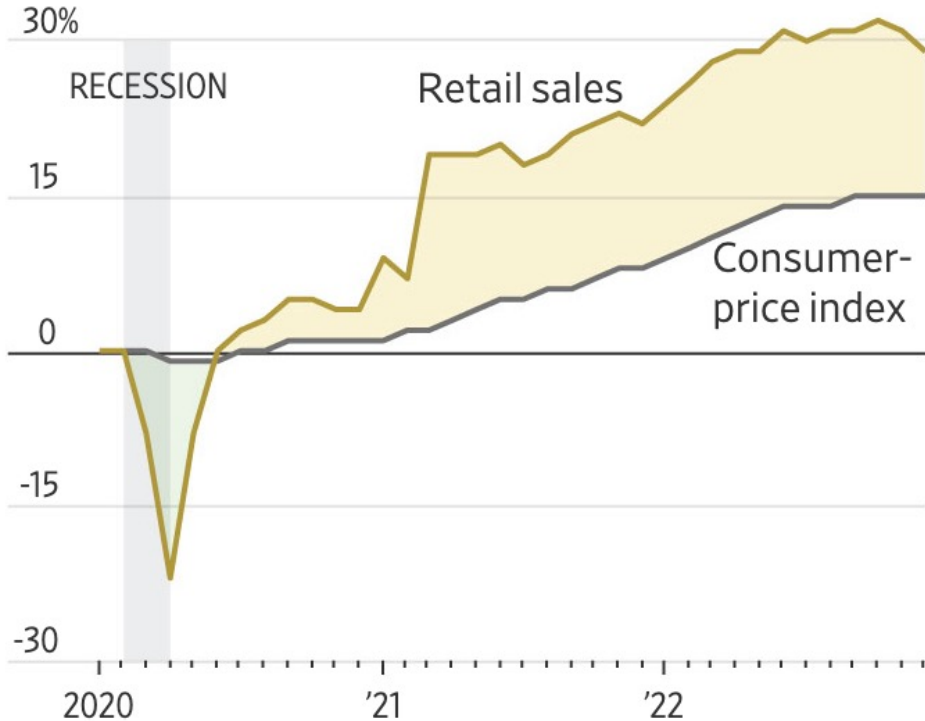
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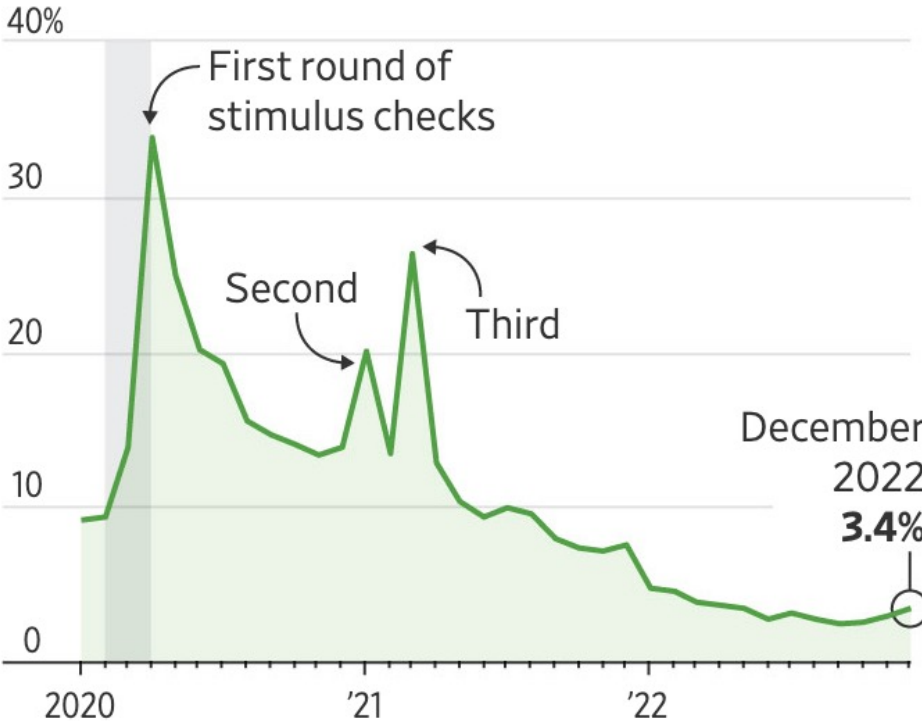


CONSUMER PRICES INCREASING ... PERSONAL SAVINGS DEPLETING

Change from January 2020
Seasonally adjusted

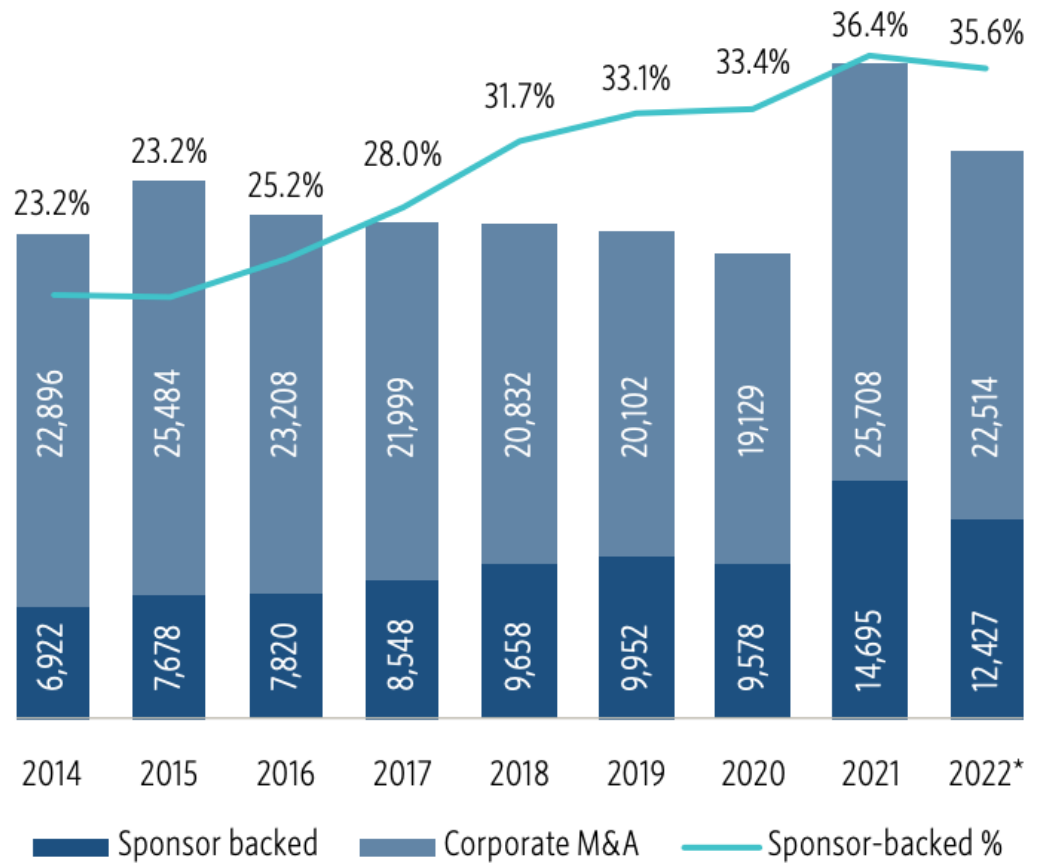


Personal saving rate
Seasonally adjusted annual rate



PRIVATE EQUITY – 35% OF GLOBAL DEAL VALUE; SHARE INCREASING

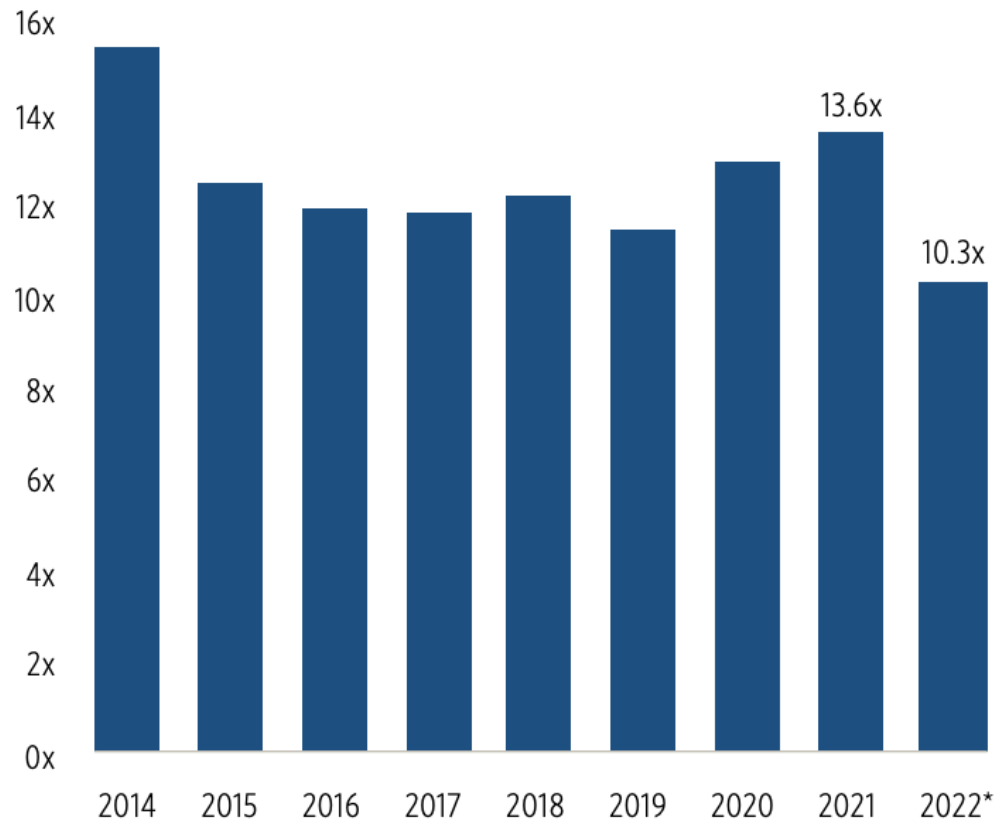
M&A count by acquirer type



Source: PitchBook | Geography: Global
 *As of December 31, 2022

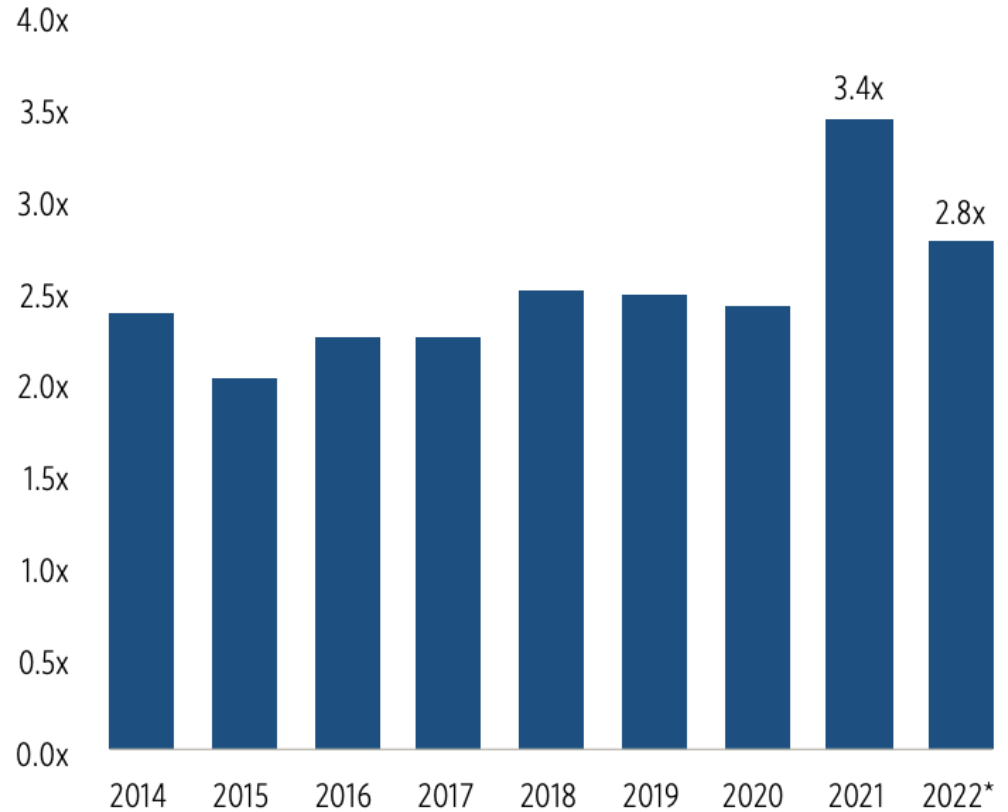
TECHNOLOGY M&A VALUATION MULTIPLES

IT M&A EV/EBITDA multiples



Source: PitchBook | Geography: Global
*As of December 31, 2022

IT M&A EV/revenue multiples

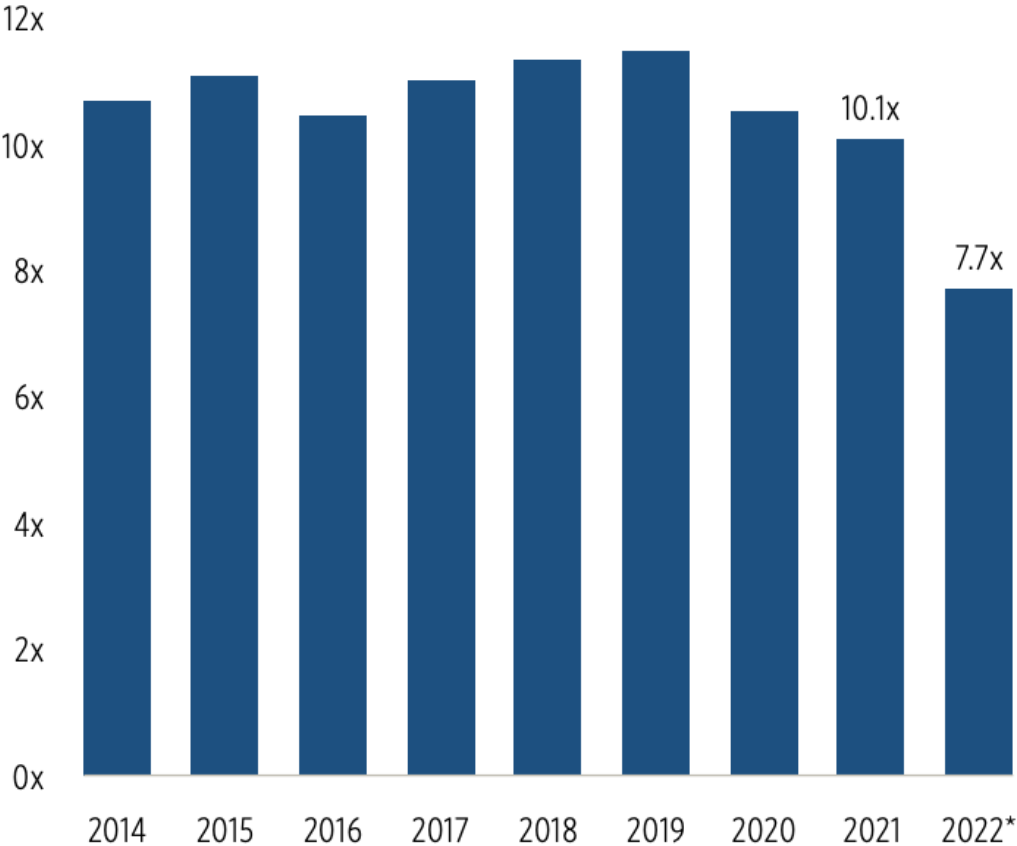


Source: PitchBook | Geography: Global
*As of December 31, 2022



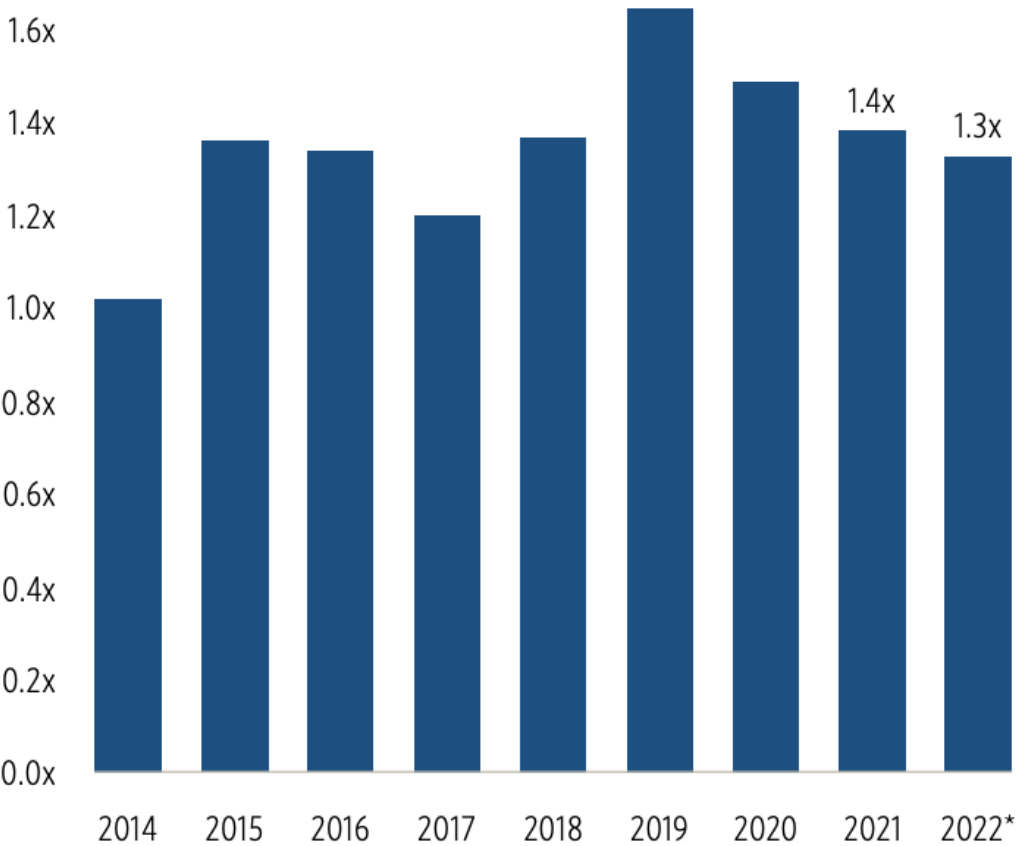
CONSUMER M&A VALUATION MULTIPLES

B2C M&A EV/EBITDA multiples



Source: PitchBook | Geography: Global
*As of December 31, 2022

B2C M&A EV/revenue multiples

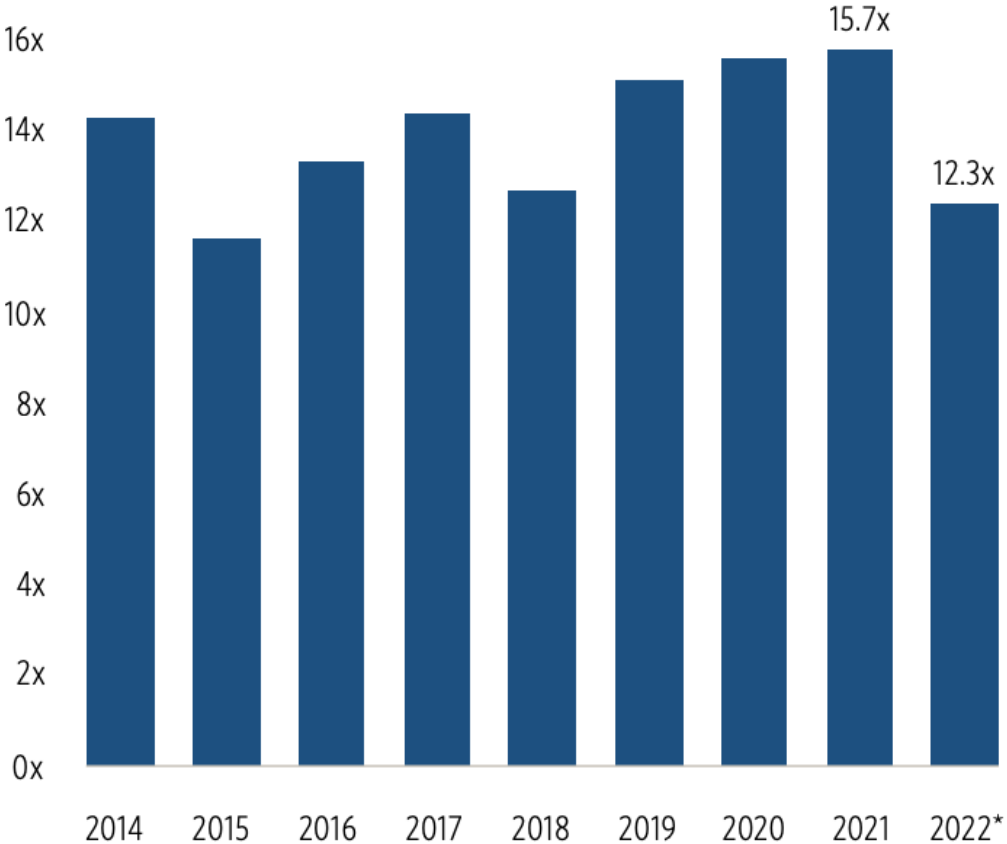


Source: PitchBook | Geography: Global
*As of December 31, 2022



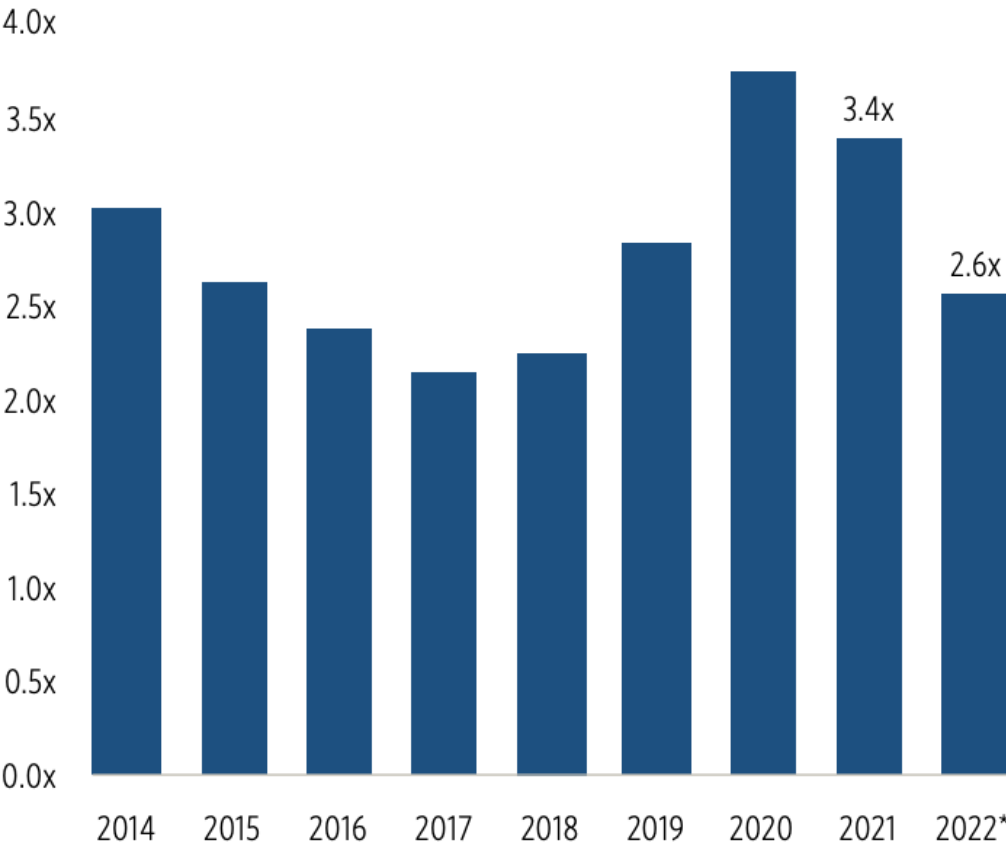
HEALTHCARE M&A VALUATION MULTIPLES

Healthcare M&A EV/EBITDA multiples



Source: PitchBook | Geography: Global
*As of December 31, 2022

Healthcare M&A EV/revenue multiples

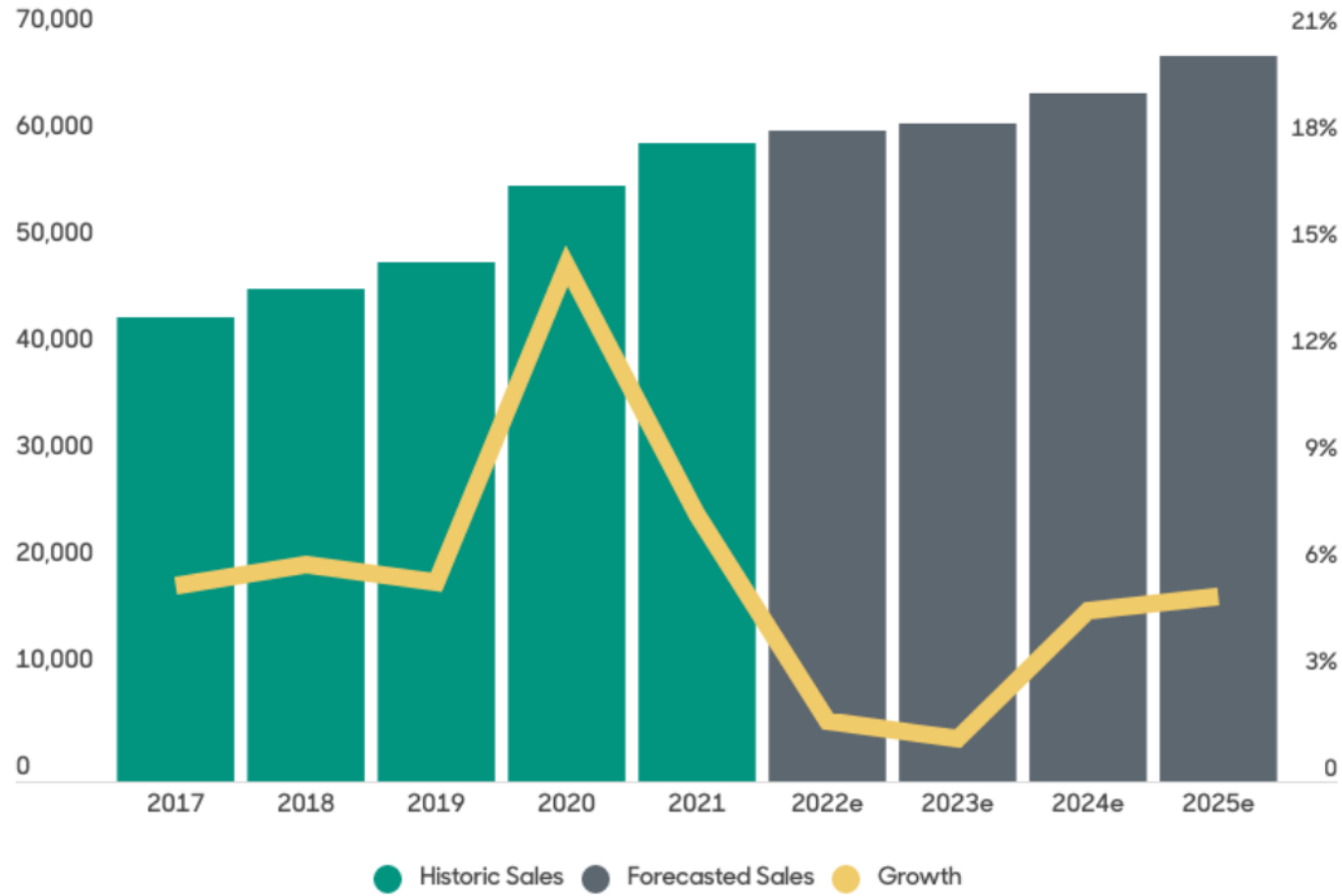


Source: PitchBook | Geography: Global
*As of December 31, 2022



SUPPLEMENT INDUSTRY GROWTH EXPECTED TO STABILIZE

Supplement industry sales and growth, 2017-2025e



Source: Nutrition Business Journal (\$mil, consumer sales)

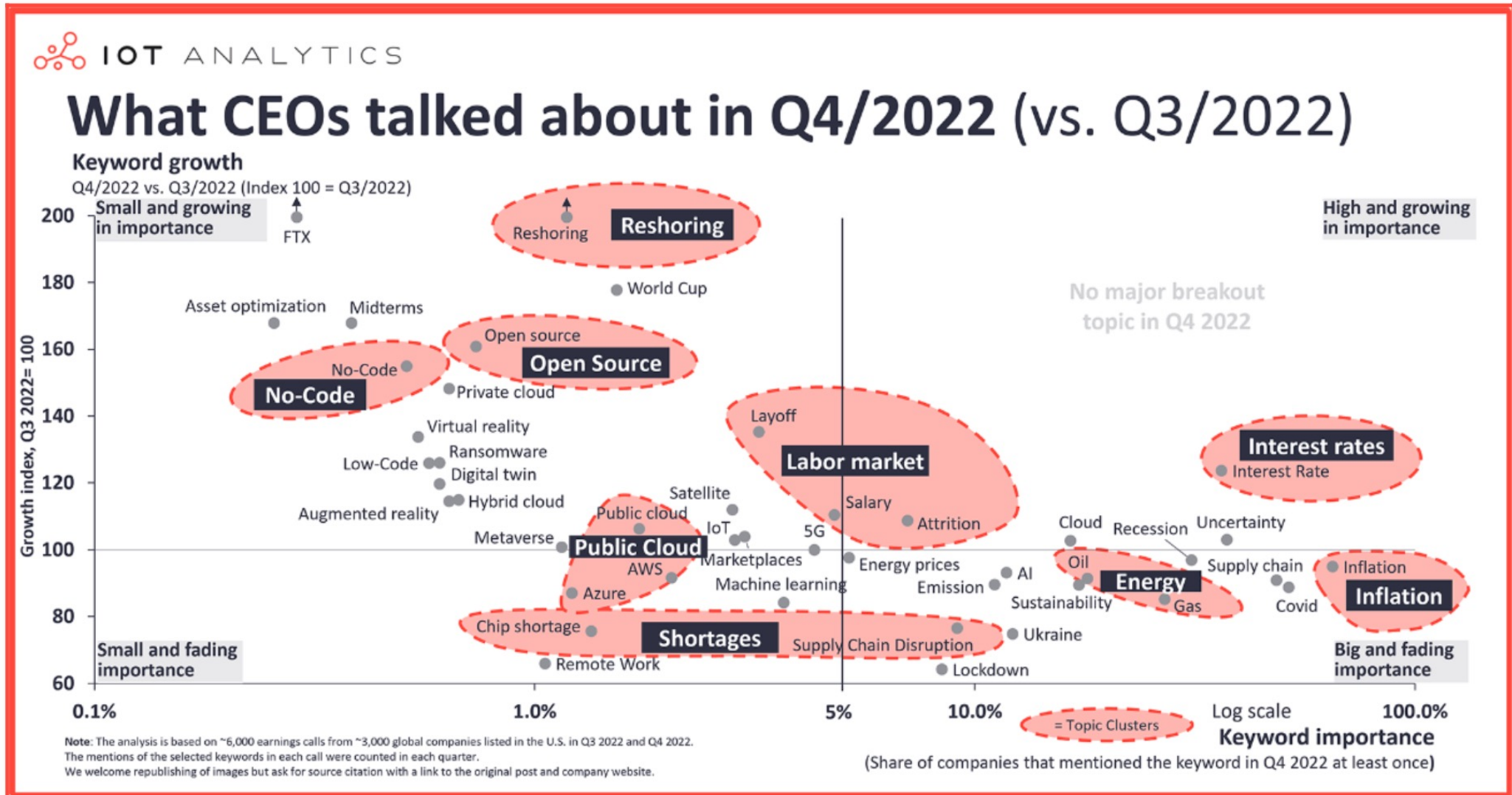


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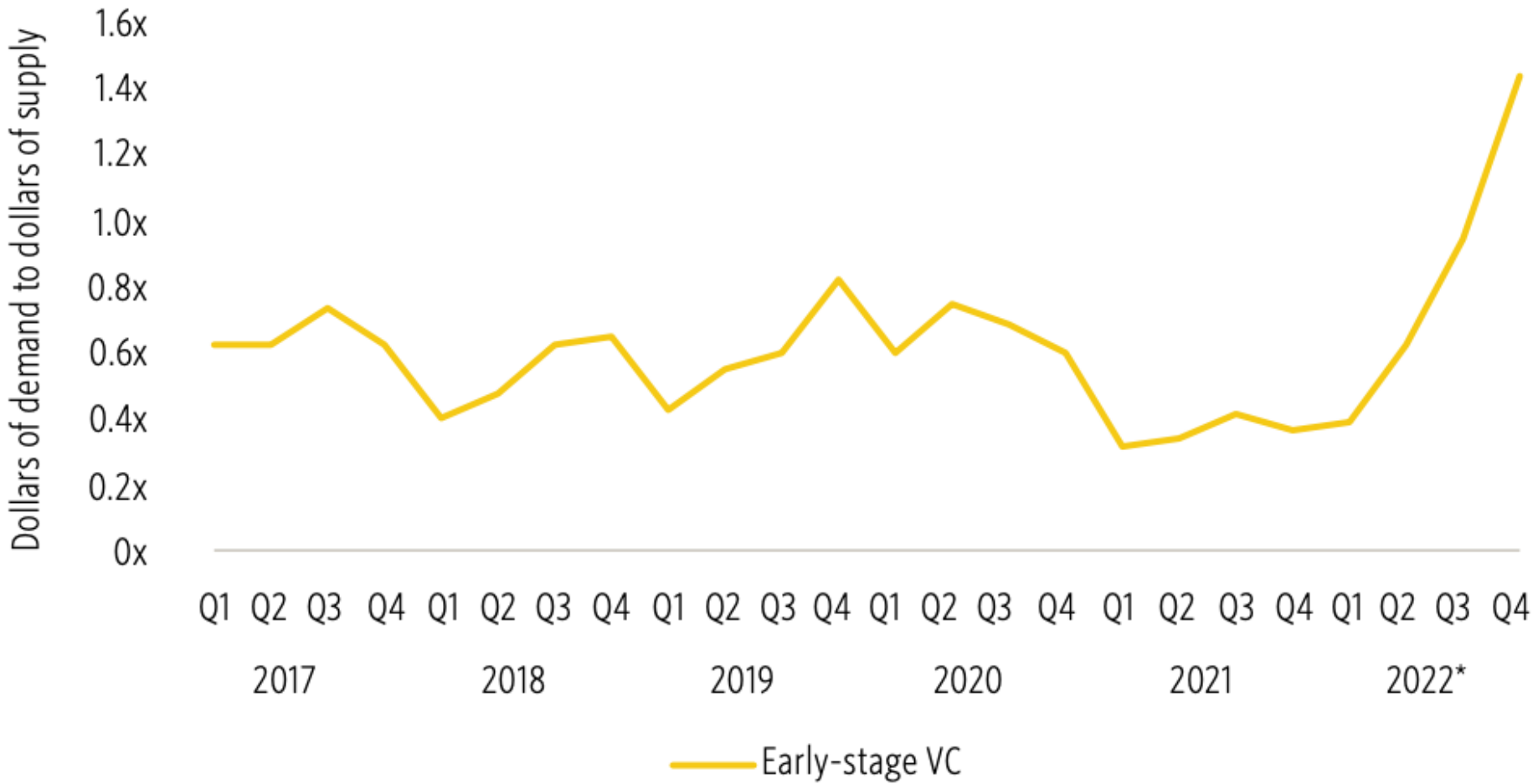


CEO MINDSHARE IN Q4 2022



EARLY-STAGE CAPITAL AVAILABILITY DECREASING

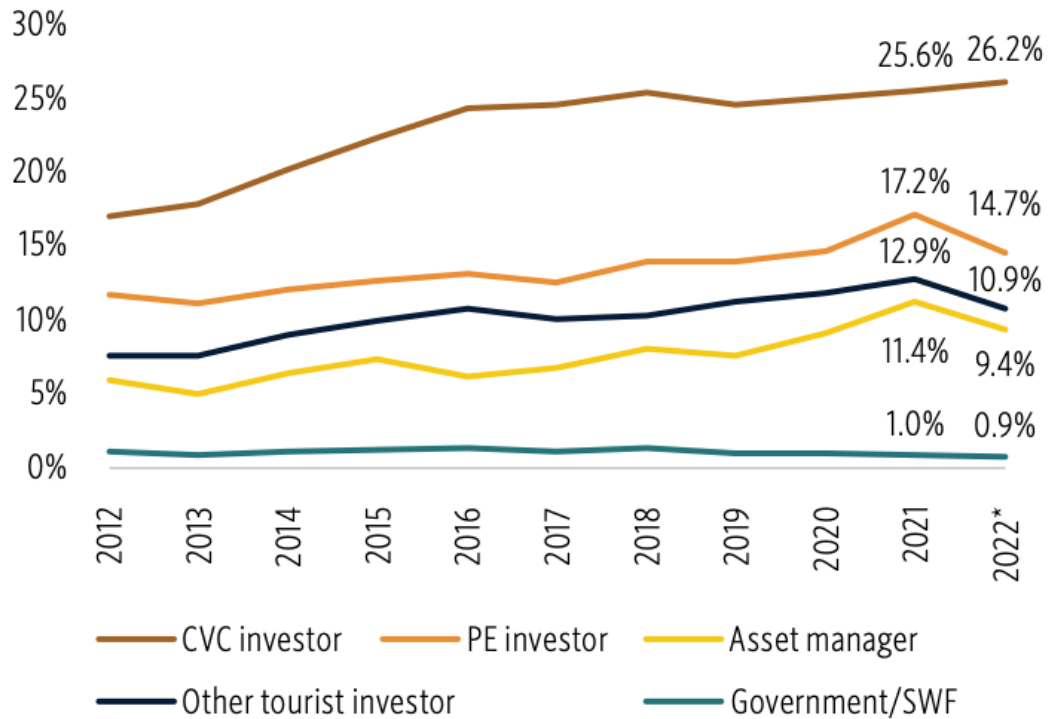
Capital demand-supply ratio in the early-stage VC marketplace



CORPORATE VENTURE INVESTORS REMAIN ACTIVE

CVC investors remain active deal participants

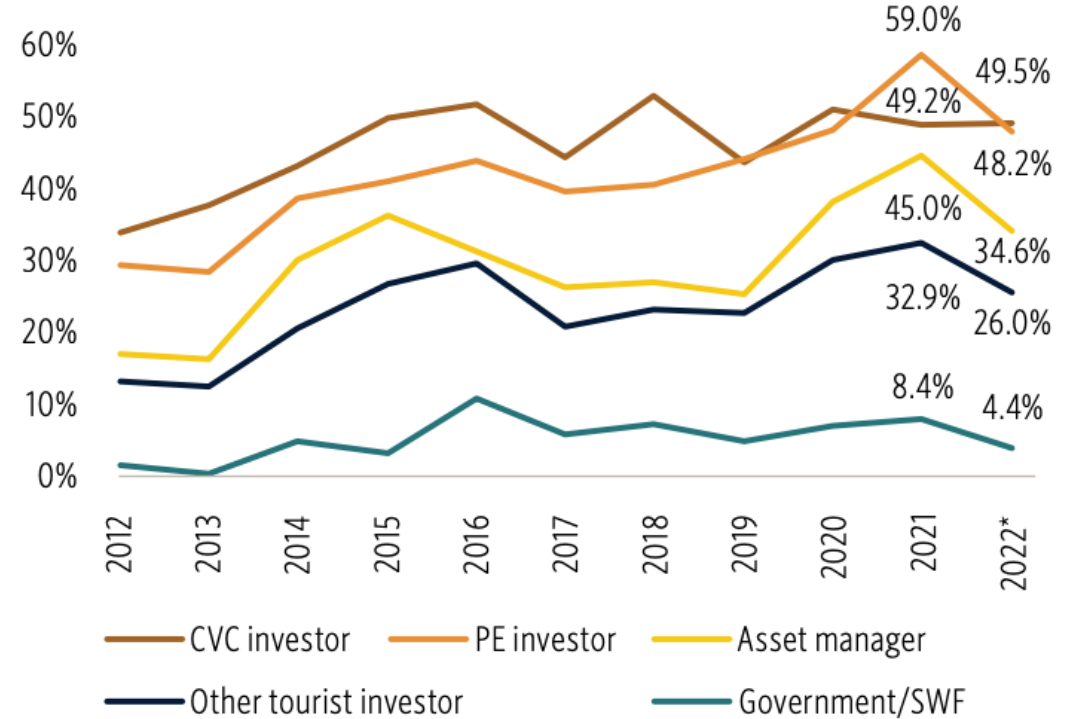
Share of US VC deal count by nontraditional investor type



PitchBook-NVCA Venture Monitor
*As of December 31, 2022

Deal value participation falls for almost all investor types

Share of US VC deal value by nontraditional investor type



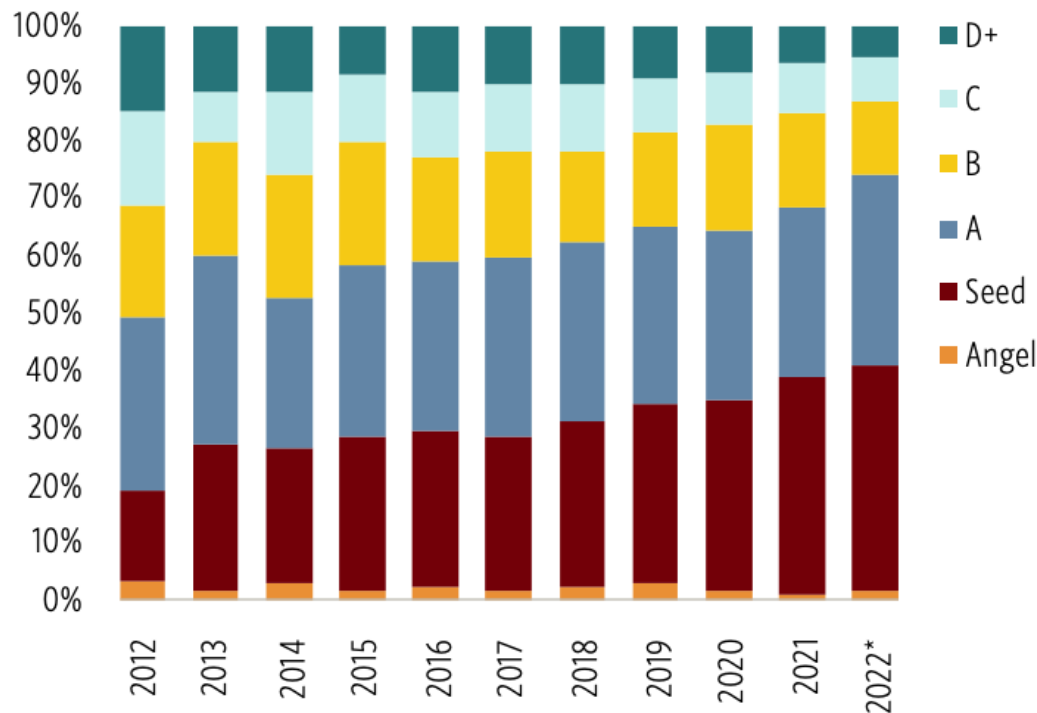
PitchBook-NVCA Venture Monitor
*As of December 31, 2022



VC EXIT TRENDS THROUGH 2022

Seed stage sees majority of US VC acquisitions in 2022

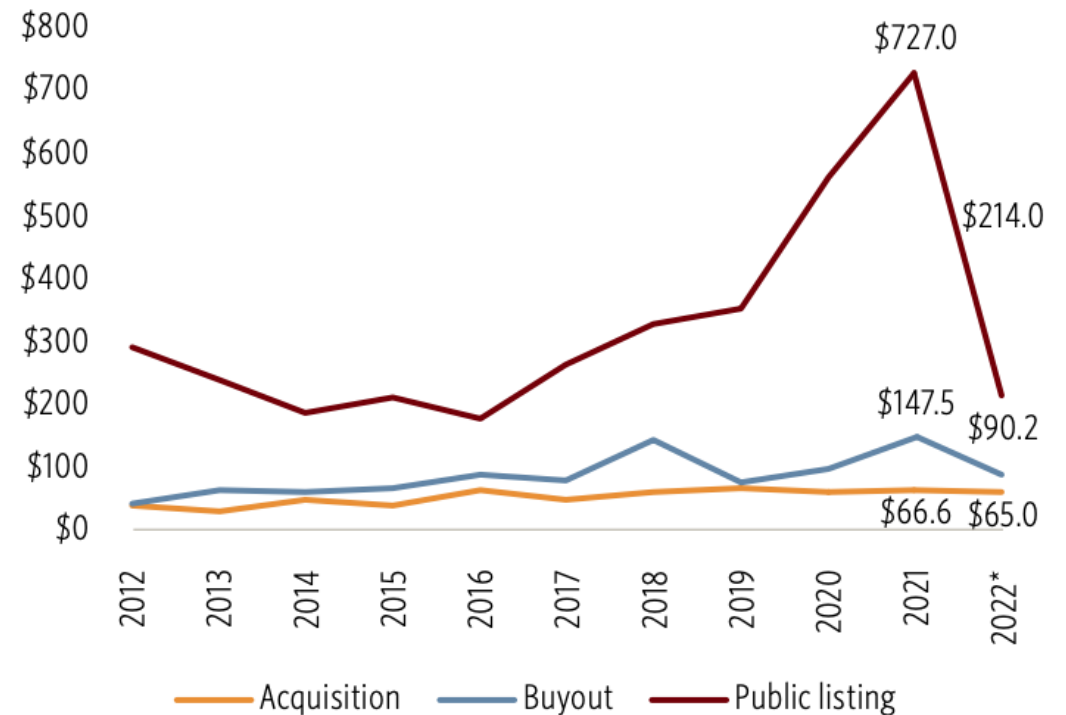
Share of US VC round count by round series where next round is an exit via acquisition



PitchBook-NVCA Venture Monitor
*As of December 31, 2022

Median public listing exit value falls by more than 70%

Median US VC exit value (\$M) by type



PitchBook-NVCA Venture Monitor
*As of December 31, 2022



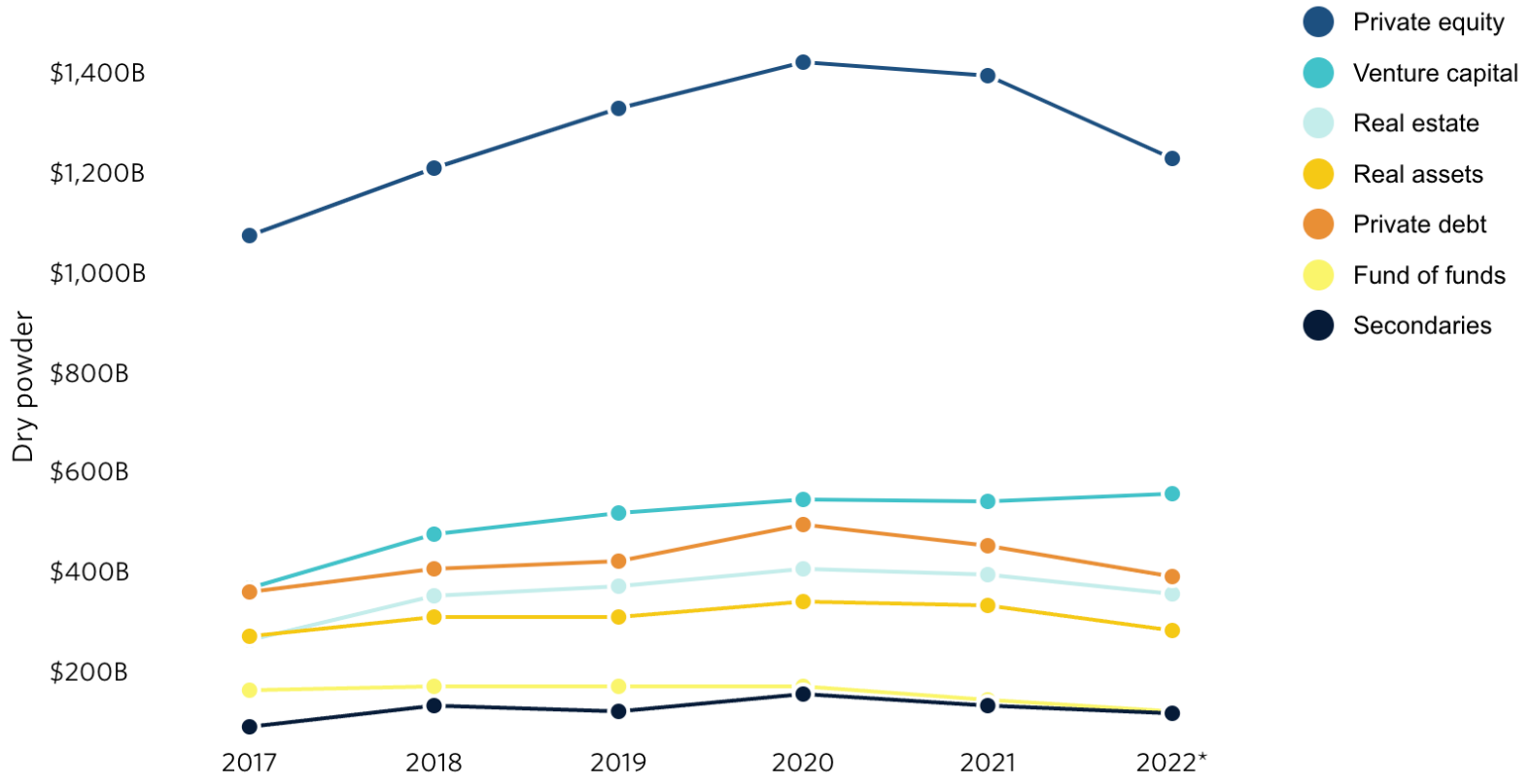
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**WEEK OF
1-16**



GLOBAL DRY POWDER: VC INCREASING; PE DECREASING

Global Dry Powder for Selected Private Capital Fund Types

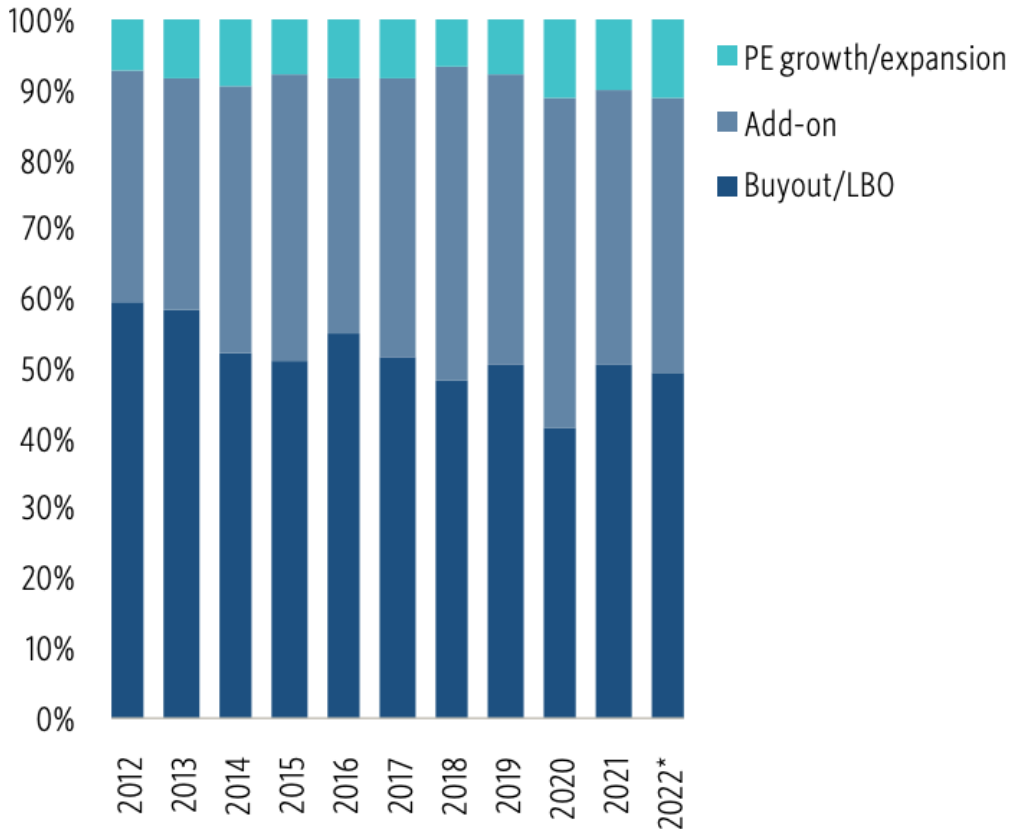


Source: PitchBook data
Geography: Global
*As of September 30, 2022



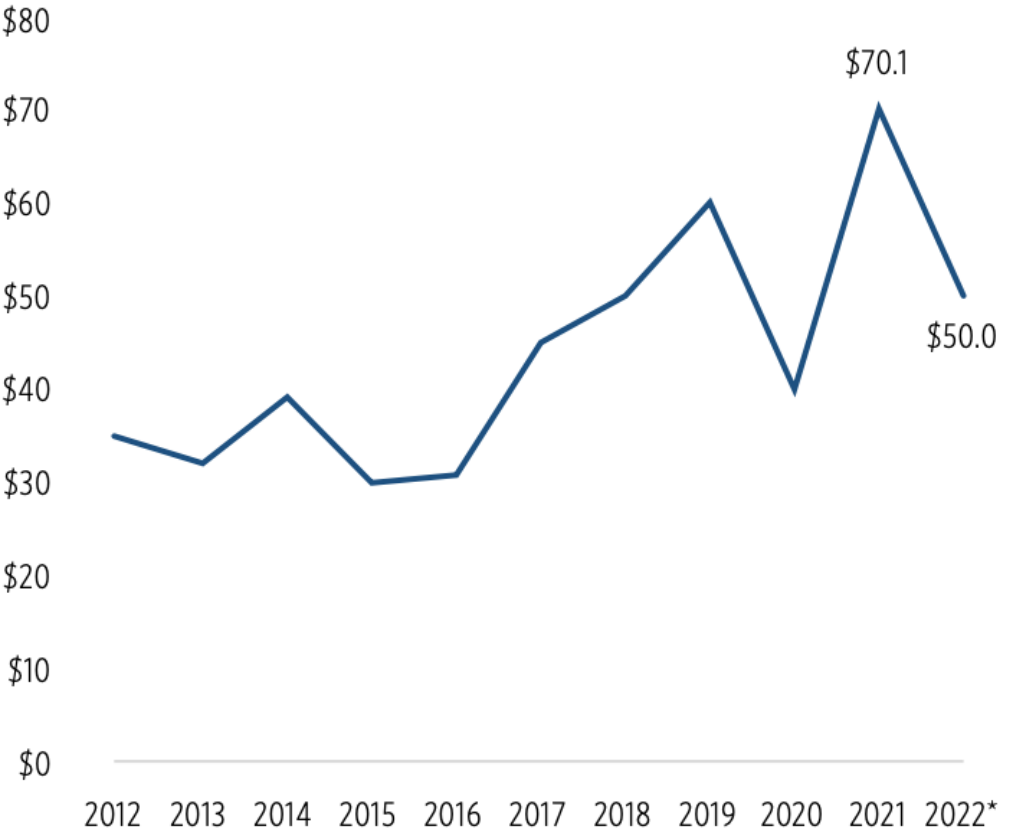
PE MARKET: ADD-ONS, PE GROWTH GAINING; DEAL VALUES COMPRESSING

Share of PE deal value by type



Source: PitchBook | Geography: US
*As of December 31, 2022

Median PE deal value (\$M)



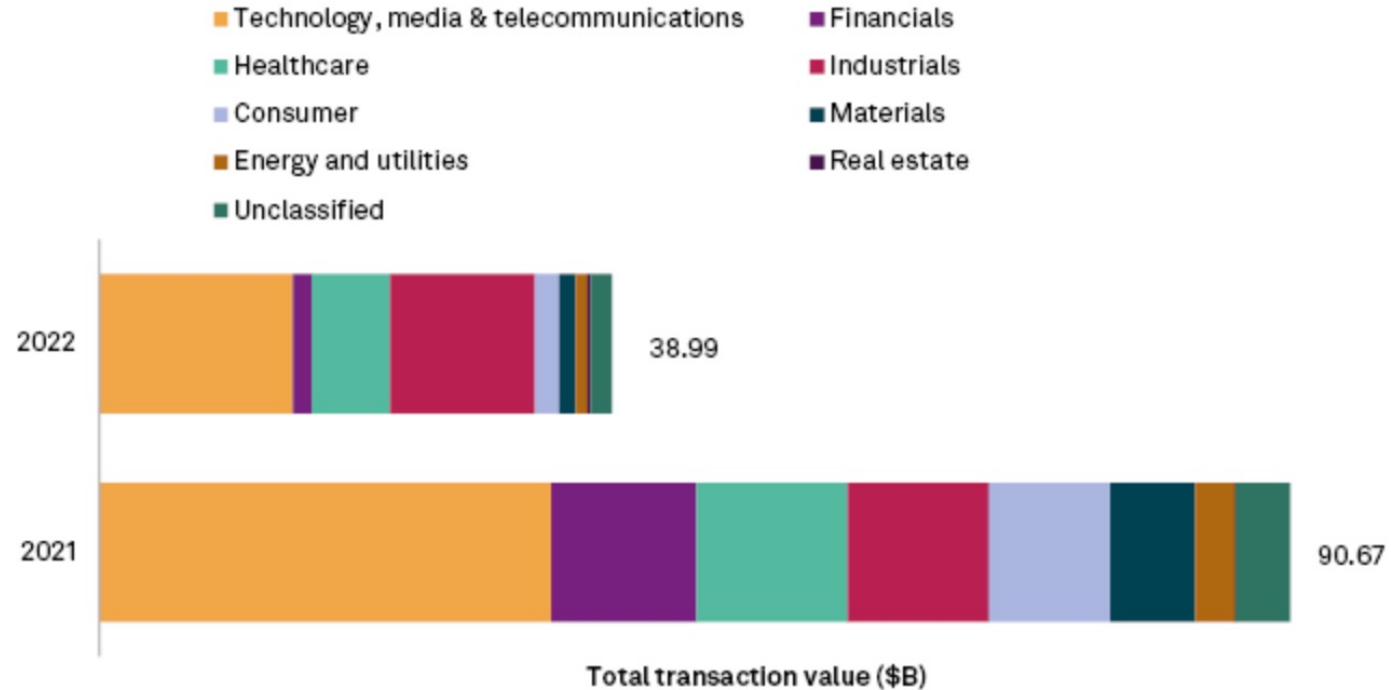
Source: PitchBook | Geography: US
*As of December 31, 2022



GLOBAL DEALS BY SECTOR: 2022 vs. 2021 – DOWN OVER 50%

Global deals by sector December YOY comparison (\$B)

Sector breakdown



Data compiled Jan. 6, 2023.

Analysis includes global whole-company acquisitions, minority stake acquisitions and rounds of funding announced between Dec. 1 and Dec. 31 of the respective years, where the buyer/investor is or includes a private equity or venture capital firm.

Excludes terminated deals, asset deals, debt and early stage funding rounds.

Out of 3,210 deals analyzed, 128 had an unclassified transaction sector, and 1,373 deals did not have disclosed values.

Source: S&P Global Market Intelligence.

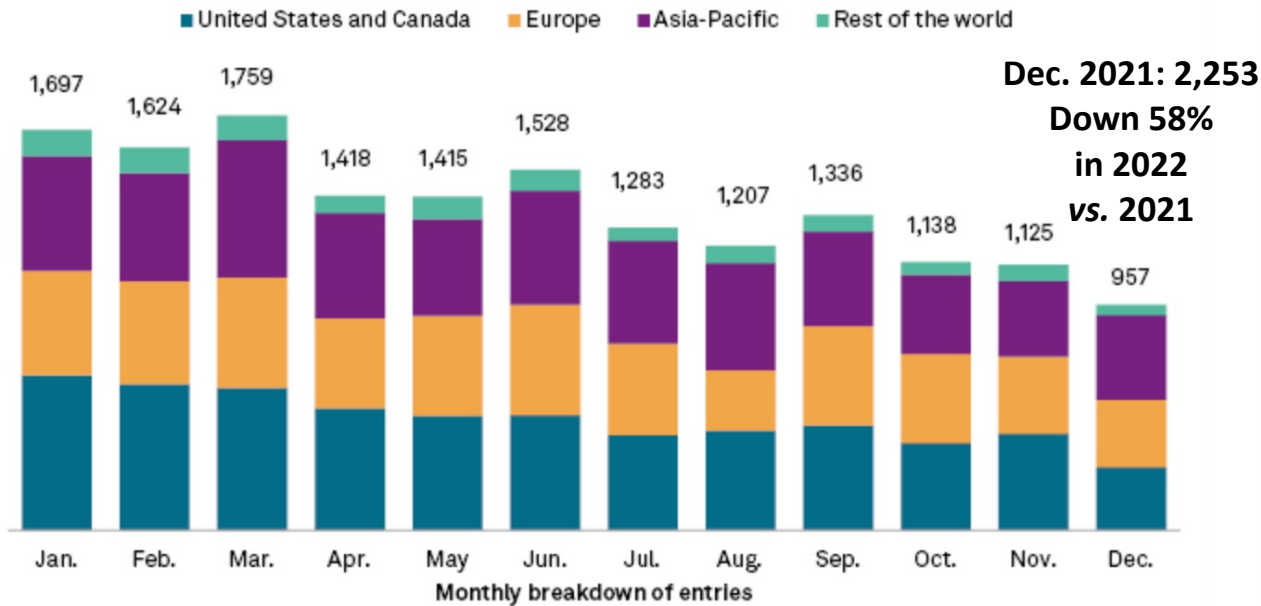
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VOLUME, VALUE OF PE AND VC DEALS STEADILY DECLINED THROUGH 2022

Volume of private equity, venture capital entries worldwide by region in 2022

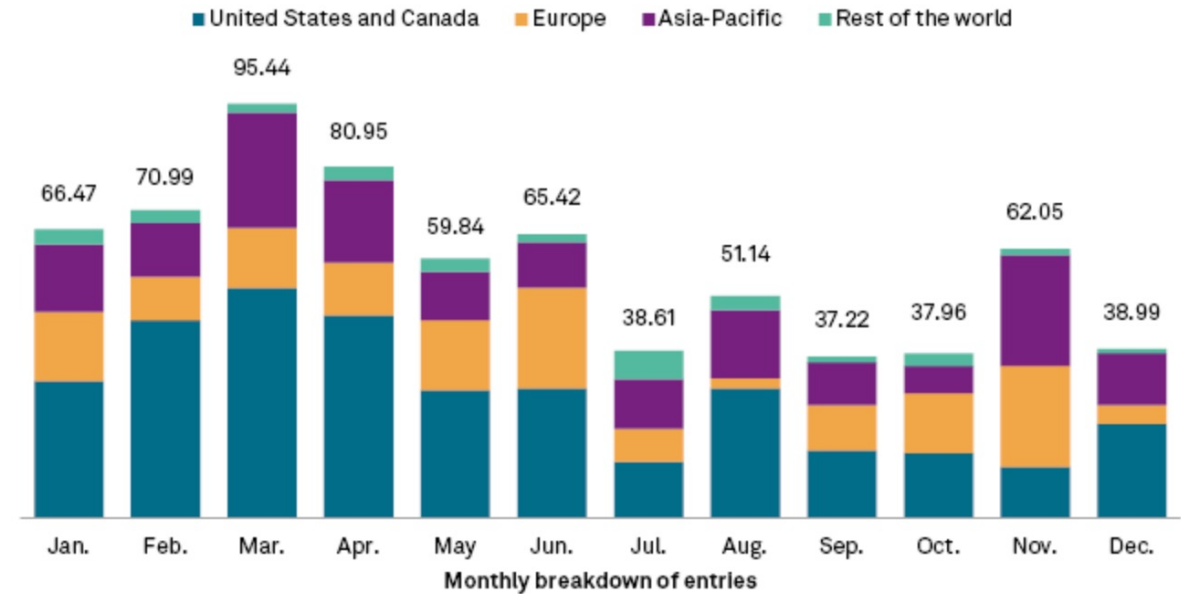
Monthly deal volume



Data compiled Jan. 6, 2023.
Analysis includes global whole-company acquisitions, minority stake acquisitions and rounds of funding announced between Jan. 1, 2022, and Dec. 31, 2022, where the buyer/investor is or includes a private equity or venture capital firm. Excludes terminated deals, asset deals, debt and early stage funding rounds. Out of 16,487 deals analyzed, 5,716 deals did not have values disclosed.
Source: S&P Global Market Intelligence.
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Value of private equity, venture capital entries worldwide by region in 2022

Monthly aggregate value (\$B)



Data compiled Jan. 6, 2023.
Analysis includes global whole-company acquisitions, minority stake acquisitions and rounds of funding announced between Jan. 1, 2022, and Dec. 31, 2022, where the buyer/investor is or includes a private equity or venture capital firm. Excludes terminated deals, asset deals, debt and early stage funding rounds. Out of 16,487 deals analyzed, 5,716 deals did not have values disclosed.
Source: S&P Global Market Intelligence.
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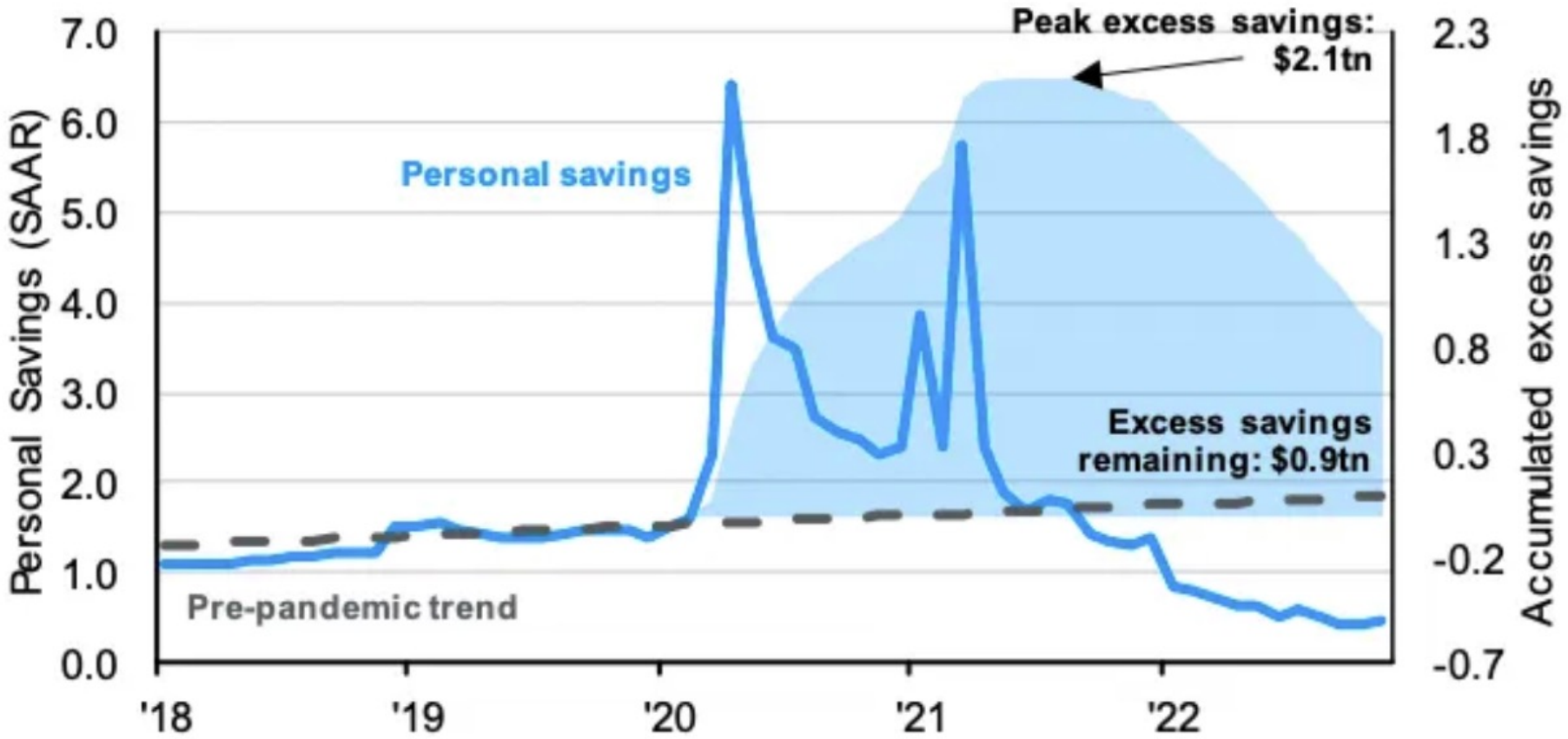
**WEEK OF
1-9**



THE CONSUMER IS SPENDING DOWN EXCESS SAVINGS

Household excess savings

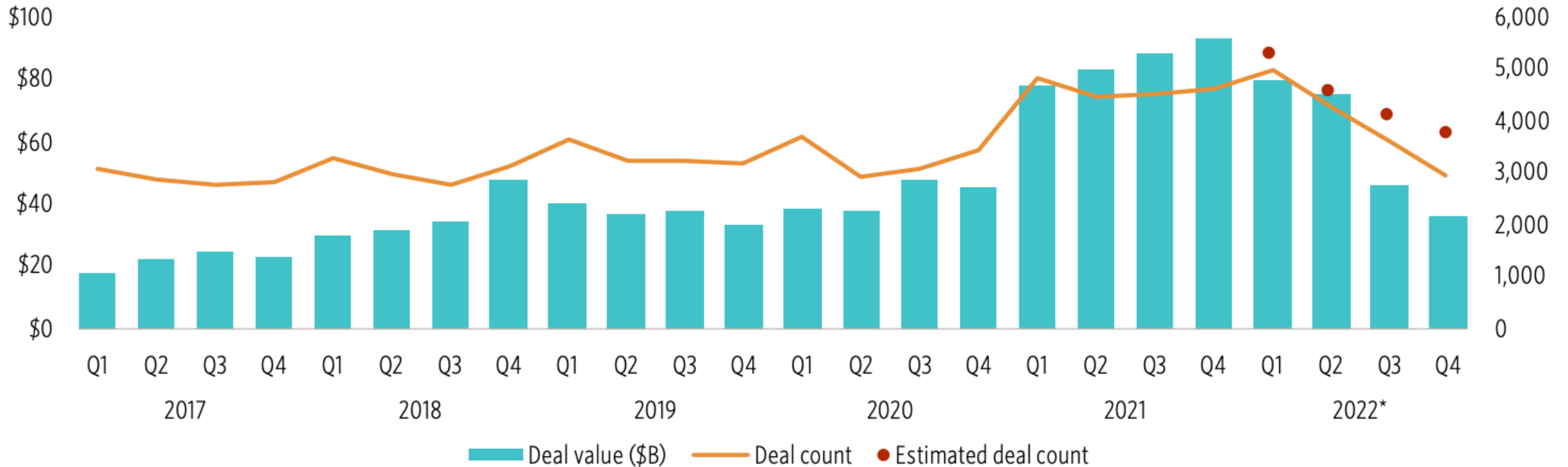
Trillions of USD



US VC DEAL ACTIVITY BY QUARTER

Deal activity continues decline, though drop-off lessens QoQ

US VC deal activity by quarter



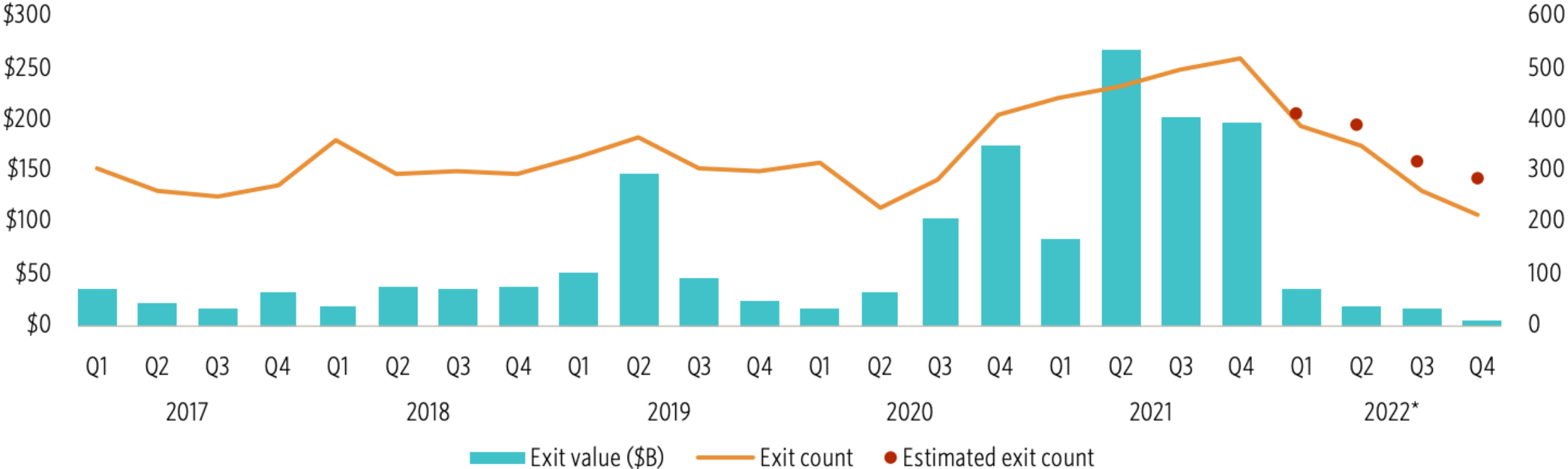
PitchBook-NVCA Venture Monitor
*As of December 31, 2022



US VC QUARTERLY EXIT VALUE AT 10 YEAR LOW

Less than \$10 billion in exit value generated in Q4 for first time since Q1 2013

US VC exit activity by quarter



PitchBook-NVCA Venture Monitor
*As of December 31, 2022



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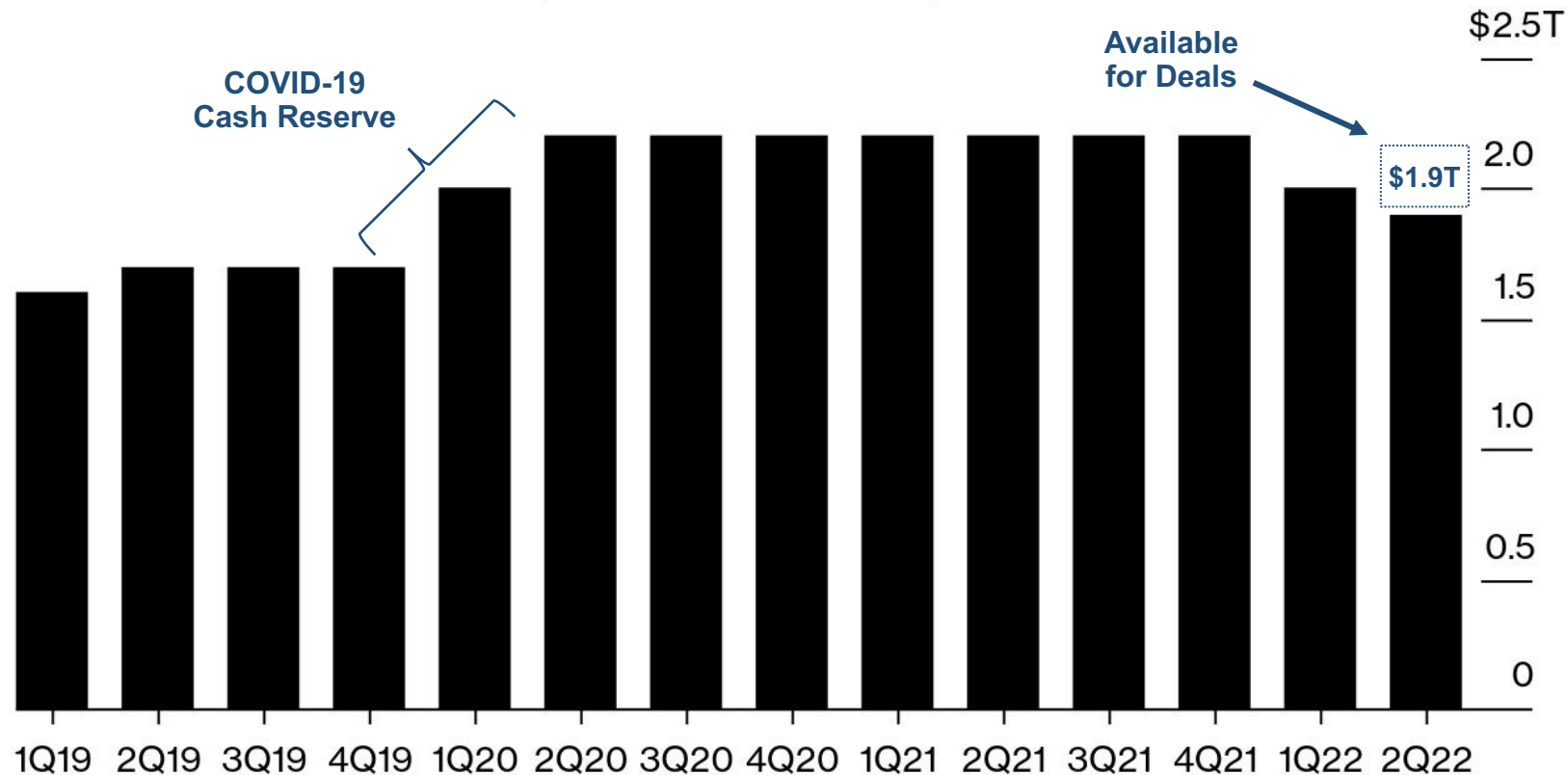
**WEEK OF
1-2**



EXPECTATION FOR 2023 – RECORD CORPORATE CASH BUFFER AVAILABLE

Strategic Investors Still Have a Record Amount of Cash – Providing the Ingredients for Dealmaking in 2023

■ Total cash balances at end of period for S&P 500 companies



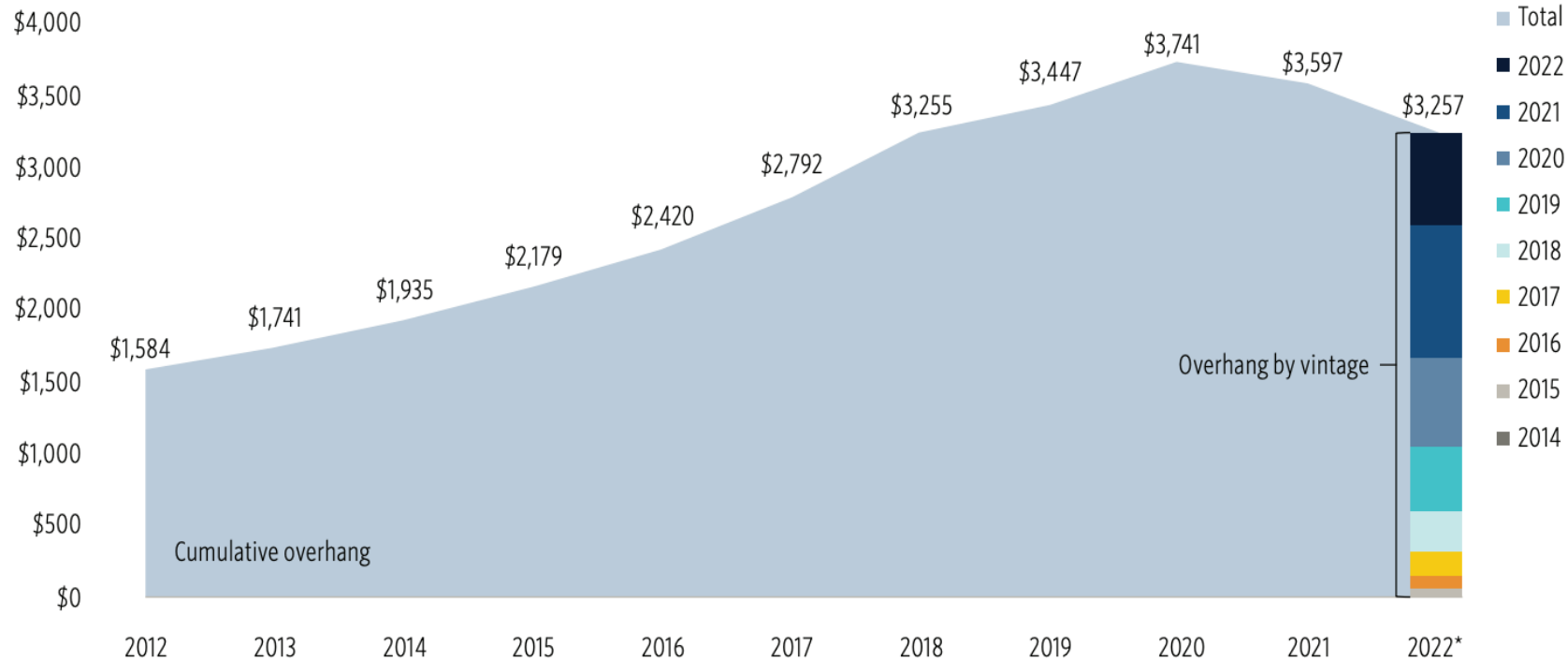
- Strategic Companies Built Record Cash Reserves During the Uncertainty of the COVID-19 Pandemic
- Cash Generated by Large Corporations in Strong Commercial Environment of 2021 Partially Returned to Investors Through Stock Buybacks or Otherwise Drawn Down in 2022
- Close to \$2 Trillion of Cash Remains on the Balance Sheets of Companies in the S&P 500 – With Historically High Valuations Coming Down, Strategics May Have More of an Appetite for Dealmaking

Strategics Sitting on Record Cash Can Use M&A and Investments to Accelerate and Deliver Growth in a Difficult Market

EXPECTATION FOR 2023 – DRY POWDER TO BE DEPLOYED

Over \$3 Trillion of Private Dry Powder Exists in the Market – LPs Will Expect Funds to Deploy Capital

Private capital overhang (\$B)



- Private Capital Business Model Typically Involves Charging “2 and 20” Fee Structure – 2% Management Fee and a 20% Performance Fee (Based on Profits of the Fund)
- Limited Partners Do Not Pay 2% Management Fee for Capital to Sit on the Sidelines for an Extended Time
- Narrowing Bid-Ask Spread Between Seller / Issuer Valuation Expectations and Buyer / Investor Offers Will Act as the Impetus for Dry Powder Deployment in 2023 and Lead to Increased Deal Volumes

Source: PitchBook | Geography: Global
*As of September 30, 2022

As Bid-Ask Spread Converges, Dry Powder Will Be Deployed as Opportunities Become Actionable



EVALUATING M&A STRATEGY; RAISING CAPITAL: CONNECT WITH SILVERWOOD



SILVERWOOD PARTNERS

- Sell Side M&A
- Buy Side M&A
- Cross Border M&A
- Strategic Alternatives Analysis
- Financial Advisor to PE, VC
- Fairness Opinions
- Strategic Investments
- Growth Stage Private Placements (Series A, B, C)
- Financial Advisor to Family Offices
- Financial Advisor to Ultra-High Net Worth Individuals



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Senior Vice President

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Senior-Level Commitment

- Senior team members present at pitch work directly on transaction to ensure successful result
- Dedicated staff with industry knowledge and experience support senior team members

Immediately Responsive

- Firm is highly selective in accepting new engagements
- Small number of transactions enables team to immediately dedicate necessary focus and resources to new engagement

Industry Knowledge

- Highly active investment bank in focus industries
- Ongoing dialogue with industry executives and investors
- Unmatched industry access