

Media Release

Private equity shows resilience in the first quarter of 2024, with green shoots emerging



April 22, 2024: Global private equity and venture capital deal value grew in the first quarter, climbing 5.1% to US \$130.61 billion for the first three months of 2024 from US\$124.30 billion for the same period in 2023*.

“We see this trend reflected in the Australian private equity markets as well,” Cameron Brownjohn, CEO [Federation Asset Management](#) says.

“Private equity has become a major driver of economic activity in recent years and now accounts for a significant proportion of all M&A activity. However, despite this impressive growth, private equity deal activity has not been immune to the volatility across the broader markets in recent times. Higher interest rates, coupled with fears of a global recession and geopolitical uncertainty caused a notable decline in deal activity and capital raising in 2023.

“However, as we approach the second quarter of 2024, it is becoming clear that green shoots are emerging as the economic outlook is gradually shifting. The expectation of lower inflation and declining interest rates is positive for the deployment of capital,” notes Brownjohn.

“With improved market conditions our investment focus will be on high growth sectors boasting strong ESG credentials across healthcare, technology, financials and real assets, particularly related green energy projects. At Federation we have been actively assessing multiple opportunities and are positive about the deal flow outlook for rest of 2024.

“We have investments in renewable energy generation activities, renewable energy storage activities, sustainable and social infrastructure, property investments where there is a significant economic and social outcome, and operating businesses where the products or services provide a net societal benefit,” he says.

“In the first quarter of 2024, the investment mandate for Federation Alternative Investments II (F2), our flagship fund for retail and wholesale investors, remained consistent with the Federation team’s realised track record of 23% annual returns on over \$4 billion of exits since 2011; akin to trebling our investors’ capital every five years,” adds Brownjohn.

He notes that private equity will continue to be considered a safe haven for investors because of its ability to navigate weaker operating environments for longer periods of time.

“Also, good private equity managers, like Federation, make investment decisions from a cautious, long-term viewpoint, as opposed to the next quarterly earning result,” Brownjohn adds.



“With increased confidence and renewed appetite for progressing investments, there is a real feeling that markets have turned a corner in 2024.”

***Source: S&P Global**

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About Federation

Federation invests in businesses that meet economic and social needs. It aims to become Asia-Pacific’s leading investor in renewable energy, health and education real estate and operating companies with strong growth potential. The team at Federation has a strong track record of working together over a number of years and offers unrivalled investment experience across these sectors.

The firm manages capital commitments of A\$2 billion for clients across the Asia Pacific region, including in Australia. Federation is a signatory to the United Nations Principles for Responsible Investing (UNPRI) and is certified by the Responsible Investment Association of Australasia (RIAA).

For more information please visit: <https://www.federationam.com/>

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