



BUSINESS INTELLIGENCE REPORT

As we move toward the end of 2024, key financial sectors such as cybersecurity, private equity, venture capital, and family offices are experiencing dynamic shifts in response to the evolving global economy and technological innovation. This report dives into the most significant deals and trends from Q3 to the present, offering insights into the strategic decisions shaping these industries.

KEY TAKEAWAYS

- There's been a shift in equity markets from growth to value stocks, including small caps, reflecting investor caution and adding complexity to strategies amid economic uncertainty.
 - AI is used both defensively and offensively in cybersecurity, enhancing threat detection while also empowering attackers through advanced phishing and deepfake techniques
 - Private equity firms are increasingly focusing on operational improvements in portfolio companies to drive returns, a strategic shift as traditional approaches face challenges.
 - As unicorn companies remain private longer, venture funds are under pressure to extend beyond the traditional 10-year term to achieve anticipated returns.
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THE BUZZ

Billionaire Ken Griffin Just Sold 9.3 Million Shares of Nvidia and Bought This Other Artificial Intelligence (AI) Stock That's Headed to the S&P 500 Instead

His strategic reallocation suggests Griffin is shifting some focus to smaller, growth-oriented AI companies with strong competitive advantages. Nvidia's stock valuation and Griffin's portfolio objectives likely influenced the decision.

Read more [HERE](#)



Westinghouse unveils nuclear-specific generative AI system

Westinghouse believes the Hive System—a generative artificial intelligence system built on more than 100 years of in-house expertise—"will drive improved cost and schedule through the entire reactor lifecycle from design, licensing, manufacturing, construction, and operations." Read more [HERE](#)



Saudi Tech Firm Ejada Taps Goldman for IPO at \$1.5 Billion Value

Ejada Systems Ltd. is considering an initial public offering in Riyadh at a valuation of as much as \$1.5 billion, marking a rare listing by a technology services firm in Saudi Arabia. Read more [HERE](#)



KKR and Energy Capital Partners forge \$50B infrastructure partnership

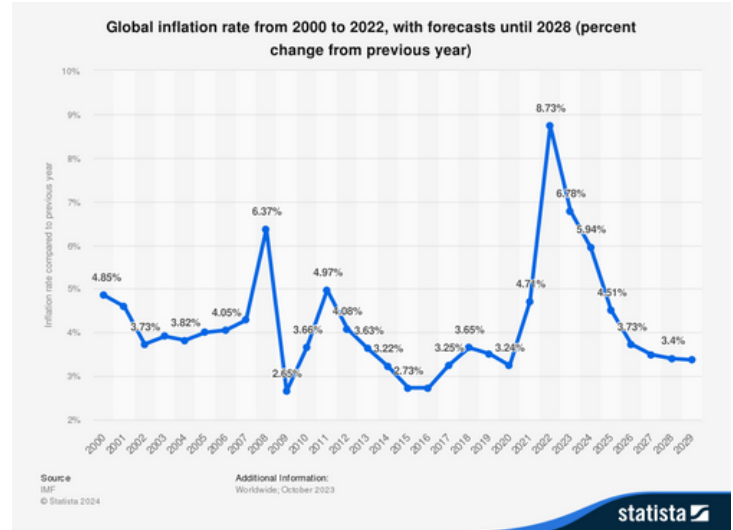
KKR has forged a \$50 billion strategic partnership with Energy Capital Partners (ECP) to address the surging global energy and data centre demands spurred by advancements in artificial intelligence and cloud computing. Read more [HERE](#)



FINANCIAL TRENDS

Big Three For October 2024

A shift in Federal Reserve Policy: Following recent rate cuts, the Federal Reserve's policy shift aims to support an economy showing signs of cooling in both labor and inflation metrics. With further rate reductions anticipated into 2025, sectors like housing and consumer durables could benefit, while bond yields stabilize, potentially lifting fixed-income returns through 2025



Market Rotation to Value and Small Cap Stocks: Equity markets have seen a leadership shift from growth to value stocks, including small caps. This trend, in combination with rising volatility, reflects investor caution amidst an uncertain economic outlook. Additionally, the ongoing presidential election and the potential for a divided government add risk and complexity to equity strategies.

Hyper-personalized financial services:

Banks and financial institutions are increasingly offering options tailored to individual consumer needs, driven by trends like Buy Now, Pay Later (BNPL) solutions and seamless omnichannel banking. BNPL services, in particular, allow consumers flexibility by spreading payments over time, catering to those seeking budget management alternatives without traditional credit.



THE CYBER PULSE

The Changing Landscape of Cyber

Growing Ransomware Attacks: In recent months, ransomware attacks have intensified, with groups like Rhysida and Qilin targeting critical infrastructures. In August, Rhysida struck the Port of Seattle, disrupting essential services and threatening to release stolen data after a ransom demand was refused. Similarly, Qilin's attack on London NHS hospitals led to the exposure of nearly one million patient records, including sensitive health information



Top data breach statistics for 2024



Corporate and Financial Sector Breaches:

Companies across various sectors have also suffered significant breaches. Avis Car Rental reported a breach that impacted 300,000 customers, while Fortinet disclosed unauthorized access to a third-party drive containing some customer data. Meanwhile, CBIZ Benefits & Insurance faced a breach that compromised sensitive client information

AI in Cybercrime: Threat actors increasingly leverage AI to enhance attack sophistication, with deepfake technology and AI-powered phishing growing more effective. However, AI also supports defence strategies, with efforts from the cybersecurity community to counter these risks through AI-enhanced detection and mitigation strategies.

For example, AI systems use machine learning to analyse data and detect patterns that indicate potential threats, such as deviations from normal user behaviour or network activity. By identifying these patterns, AI can identify and respond to anomalies in real time, bolstering defences against evolving threats, particularly in cloud environments



THE EQUITY EDGE

Private Equity Overview

The private equity (PE) sector is increasingly focused on enhancing the operational performance of portfolio companies, a shift in strategy that many general partners (GPs) are highlighting to their limited partners (LPs). As high interest rates and a sluggish exit market challenge traditional investment approaches, firms are being pushed to rethink how they drive returns.

Romain Bégramian, managing partner at the advisory firm GP-Score in Paris, noted that historically, many GPs relied on simple strategies like “buy low, sell high,” utilising effective management placement and financial leverage to boost profits. However, there’s a growing emphasis on operational value creation as firms attempt to differentiate themselves in a tougher economic landscape.

This operational focus was notably emphasized during Apollo’s recent investor day, where the firm showcased its capability to enhance returns through significant operational improvements in its portfolio. This approach marks a departure from the past decade’s predominant strategy, which largely relied on increasing valuations and achieving top-line growth for returns.



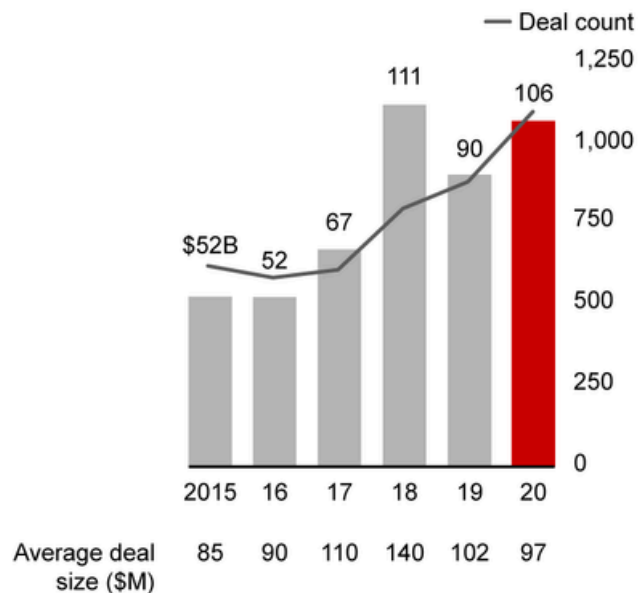
Spotlight on Asia-Pacific's Fintech Ecosystems

Rapidly expanding economies, growing middle classes and large underbanked populations seeking financial access across the Asia-Pacific region have led to the birth of several notable fintech startups.

However, companies face challenges due to geopolitical tensions, regulatory shifts and market differences. Deal count and value are both down since 2018, with just \$2.3 billion invested in 186 deals across the region in H1 2024.

Growth

Asia-Pacific private equity investment deal value (\$B)



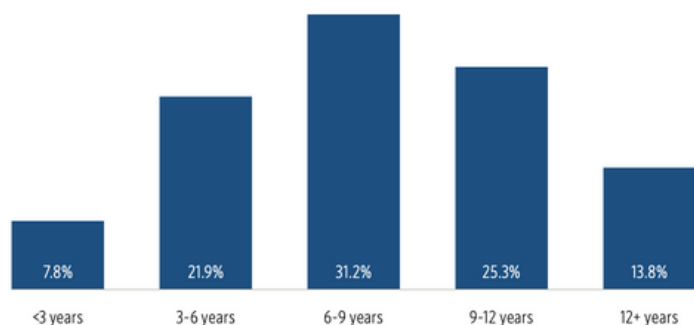
VENTURE CAPITAL SPOTLIGHT

Pressure builds on 10-year VC fund terms.

10 years has been the standard venture fund life term for decades, with little reason for change. As the market grew out of the GFC, companies in the private market remained private for longer, altering the standard return timelines for VC funds. Today, unicorns account for almost two-thirds of VC market value, and nearly 40% of US unicorn companies are nine years old or older.

Some of the industry's biggest wins come from older unicorns. Uber and Roblox, for example, both took over eight years to go public, but both returned over 50 times their initial invested capital. For many funds and their LPs, extending fund terms is necessary to reap the rewards of risk. Yet, as the data shows, fund extensions don't necessarily translate into the expected distributions.

Unicorn age distribution



Source: PitchBook • Geography: US • As of June 30, 2024
Note: Chart shows only data on unicorns with known first VC round dates.

The Future of M&A in VC Deals

Data analytics is transforming M&A due diligence by enabling more thorough, faster and insightful evaluations of target companies. Advanced data tools are helping uncover potential risks and growth opportunities, improve decision making and provide more accurate financial projections.



This evolution allows dealmakers to move beyond traditional methods of financial analysis, using real-time data and predictive modelling to assess operational efficiencies, compliance risks and customer trends. The integration of AI and machine learning in this process is helping firms better navigate complex transactions and optimize value.

Companies that master the combination of cutting-edge tools and diverse data sources will gain a distinct advantage, making quicker, more informed decisions and positioning themselves for long-term success.