

Macro Roundup Article

Headline: [It's Mostly a Paper Moon: Alternative Investments Review](#)

Article Link: <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/eye-on-the-market/paper-moon-alts-review-amv.pdf>

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Tweet: Michael Cembalest @jpmorgan notes that reported returns by US venture capital are likely benefitting from stale valuations.

Summary: The venture capital landscape is shifting. There is a rising median time between venture rounds. An increased number of startups terminated due to bankruptcy. There has been a large jump in “down rounds” between 2022 and 2023, and post-money valuations have declined (i.e., the company’s value after a new capital injection), particularly for Series C rounds. For example, from 2022 to 2023, the incidence of down rounds rose from 8% to almost 20%, and when down rounds occurred, in 2023 they entailed post-money valuation declines of more than 50%. All of this is consistent with tightening financial conditions and a hangover from easy conditions prevailing in 2020 and 2021.

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