



SHARESPOST

For Immediate Release

SharesPost Index: Private Tech Growth Companies Rise 4.7% In Third Quarter of 2018

SAN FRANCISCO – Jan. 17, 2019 – The performance of late-stage, venture-backed tech companies trailed the S&P 500 and Dow Jones Technology Index in the third quarter of 2018, but the asset class is outperforming both benchmarks through the first three quarters of 2018, according to the [SharesPost U.S. Private Growth Index](#).

Preliminary data for the fourth quarter of 2018 also indicate that the SharesPost Index, which tracks valuations of more than 100 private tech growth companies, outperformed both equity benchmarks.

“Growth moderated in the third quarter of 2018 after very strong performance in the second quarter, which was the best in the three-year history of the Index,” said Managing Director [Rohit Kulkarni](#), Head of Research for SharesPost, Inc.

Third quarter performance benefitted from robust primary funding rounds, including DoorDash (Series E), Slack (Series H and H-1), OfferUp (Series D), 23andMe (Series F-1), Actifio (Series G), Unity Technologies (Series D-1), One Medical Group (Series I) and Compass (Series F). On average, the valuation of the companies that completed a primary funding round during the third quarter increased by 150%.

During the quarter, three companies exited the SharesPost Index. AppNexus and GitHub were acquired at a premium to respective private valuations, and Bloom Energy executed a down-round Initial Public Offering.

“While the overall quarterly performance of the asset class was modest, primary funding rounds were consistent with the triple-digit growth rates we’ve seen from private tech growth companies in years past,” Kulkarni said.

Q3 Performance - Quarterly, Year-To-Date, Cumulative

In the third quarter of 2018, the Index rose 4.7% to 152.47 from 145.62 from the second quarter. By comparison, the S&P 500 was up 7.2%, while the Dow Jones U.S. Technology Index increased 8.8% during the same period.

Year-to-date through the third quarter of 2018, the Index has gained 28.7%, while the S&P 500 was up 9%. The Dow Jones U.S. Technology Index rose 19.3% during the period.

Since its launch on Jan. 1, 2017, the Index has increased 52.4% through Sept 30, 2018. By comparison, the S&P 500 has increased 30.1%, and the Dow Jones U.S. Technology Index is up 61.5% during the same period. On a cumulative basis, including back-testing

results for 2015 and 2016, the SharesPost index increased approximately 161.2% from Jan. 1, 2015 to Sep 30, 2018; the S&P 500 rose 41.6% and the Dow Jones index increased 86.5%.

About the SharesPost U.S. Private Growth Index

Each quarter, the Index states the percentage gain or loss in valuation for the companies included in the Index. The Index is currently composed of U.S.-based private growth companies in multiple tech sectors, including Consumer Internet, Enterprise Software, Energy, Healthcare and Financial Services. There are 106 companies in the Index as of September 30, 2018, compared to 87 companies as of Jan 1, 2017. The cumulative market capitalization of the companies in the index has increased from \$317 billion at the beginning of 2018 to \$374 billion at the end of the third quarter of 2018. Median market cap of the companies in the Index has increased to \$1.23 billion.

The Index's numerical value is based on a formula developed by SharesPost Research LLC, a wholly owned subsidiary of SharesPost, Inc. The Index relies on data from SharesPost Financial Corporation's secondary transactions, the Index companies' primary funding rounds and publicly available valuation marks, including the holdings of 75 publicly reporting mutual funds. For complete disclosures and more details about the Index methodology, including the companies that comprise the Index, click [here](#).

About SharesPost, Inc.

SharesPost is a FINRA-registered broker-dealer, SEC-registered Alternative Trading System (ATS) and Registered Investment Advisor. SharesPost helped launch the secondary market for private tech companies in 2009 and has built the leading platform for secondary transactions and digital securities. SharesPost provides the private tech asset class with a suite of trading and lending solutions to facilitate shareholder and option holder liquidity. With more than \$4 billion in secondary market transactions in the shares of more than 200 leading technology companies, SharesPost provides the trading, research and online tools to transact in the private market with confidence. SharesPost has trading operations with licensed brokers in San Francisco, Menlo Park, and New York City. For more information, visit sharespost.com.

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Investing in private company securities is appropriate only for those investors who can tolerate a high degree of risk and do not require a liquid investment.

Cautionary Note Regarding Forward-Looking Statements

The matters described herein contain forward-looking statements. These statements include, but are not limited to, statements about research on late-stage, venture-backed companies. SharesPost cautions that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond SharesPost's control. These factors include, but are not limited to, factors detailed in the white paper. SharesPost undertakes no obligation to release any revisions to any forward-looking statements.

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