

Global Private Market Trends in 2025

December 2024



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Andy Tsao

Managing Director
Head of Global Gateway

Introduction

The Drive to Innovate Knows No Boundaries

The global venture capital (VC) landscape is navigating uncharted waters. As we look ahead, it is impossible to ignore the challenges — a downturn in VC funding, international trade tensions and evolving regulatory environments to name a few. Yet, within these complexities lie extraordinary opportunities for innovation and growth.

This report captures the pulse of global VC, highlighting not only the obstacles but also the remarkable resilience of founders, investors and ecosystems worldwide. We focus on three key sectors: artificial intelligence (AI), cybersecurity and fintech.

AI has emerged as a transformative force in the innovation economy. It has captured a significant share of investment as it expands from the realm of fundamental models to the application layer, reshaping industries across the globe.

As AI goes from a vertical to a horizontal investment strategy, cybersecurity is rising to the forefront. In an increasingly complex and uncertain world, businesses and governments alike are prioritizing safeguarding their digital frontiers.

Finally, fintech continues to make strides in financial inclusion, offering solutions that help bring banking services to the world's underbanked populations. Developments in these three industries are catalyzing an ever more geographically diverse and vibrant innovation ecosystem.

At SVB, we are proud to have worked for over 20 years with clients who are leading this charge as they bridge markets and build the technologies of tomorrow. While the path ahead may be uncertain, one thing is clear: The drive to innovate knows no boundaries.

Perspectives on the Global Innovation Ecosystem

For China, the Main Issue is Liquidity, Not Geopolitics

“The single biggest issue from an investor standpoint is liquidity. For a period, Shanghai had more IPOs than anywhere in the world. Today, the situation has changed. If the Chinese market had the same levels of liquidity today as it did in 2015-2019, geopolitical concerns would be less pronounced. Still, investors with a long-term horizon are deploying capital to position themselves for the next decade of Chinese economic growth.”



Gary Rieschel
Founding Managing Partner

European Tech Bolstered by Deep Talent Pool

“Europe’s strong talent pool and top notch education systems have enabled a lot of R&D in the AI field. Not surprisingly, companies like Google and Meta have large R&D facilities in Paris, and OpenAI just announced the opening of a Paris office. We have strengthened our early stage funding ecosystem, and companies are easily finding initial funding rounds. The region is well-positioned to take advantage of AI as a macro trend.”



Réza Malekzadeh
General Partner

In Cybersecurity, Israel Stands Above the Rest

“The Israeli cybersecurity ecosystem has become sophisticated and interconnected. All of the founders work together and know each other. It’s tight knit; information is exchanged quickly. The global investor base understands that this is a benefit and therefore prefers Israeli companies in the cybersecurity space. Acquirers are also taking notice. They realize that the best cybersecurity companies tend to be Israeli and shop for opportunities here.”



Amit Karp
Partner

LatAm is Ready for the AI Revolution

“Some of the biggest opportunities in LatAm involve GenAI. When the internet started, many in LatAm didn’t have computers at home. When smart phones came out, they were too expensive for most people. But as GenAI is rolled out, everyone has internet and a phone to leverage its capabilities. Imagine all of the potential development and services that can be provided around this technology.”



Jimena Pardo
Managing Partner

Fintech in Brazil and LatAm Has Been Decades in the Making

“It isn’t a surprise that fintech exploded in Brazil. Nubank and Pix didn’t randomly appear out of thin air. In the 1970s, the legal and economic framework was constructed to encourage private business. In the 1980s, banks and government started developing tech solutions to fight inflation. Instant transfers were developed. More recently, regulatory changes have encouraged competition. Together, this turned fintech into a flagship sector in Brazil and LatAm generally.”



monashees+

Eric Acher
Co-Founder, Managing Partner



The Global Reset

Big Picture: Shifting Trade Winds

In some sense, the world has gotten riskier for investors, with geopolitical tensions, security issues and trade policies raising regional concerns. Investors are reacting to these issues by adjusting their cross-border strategies and international exposures.

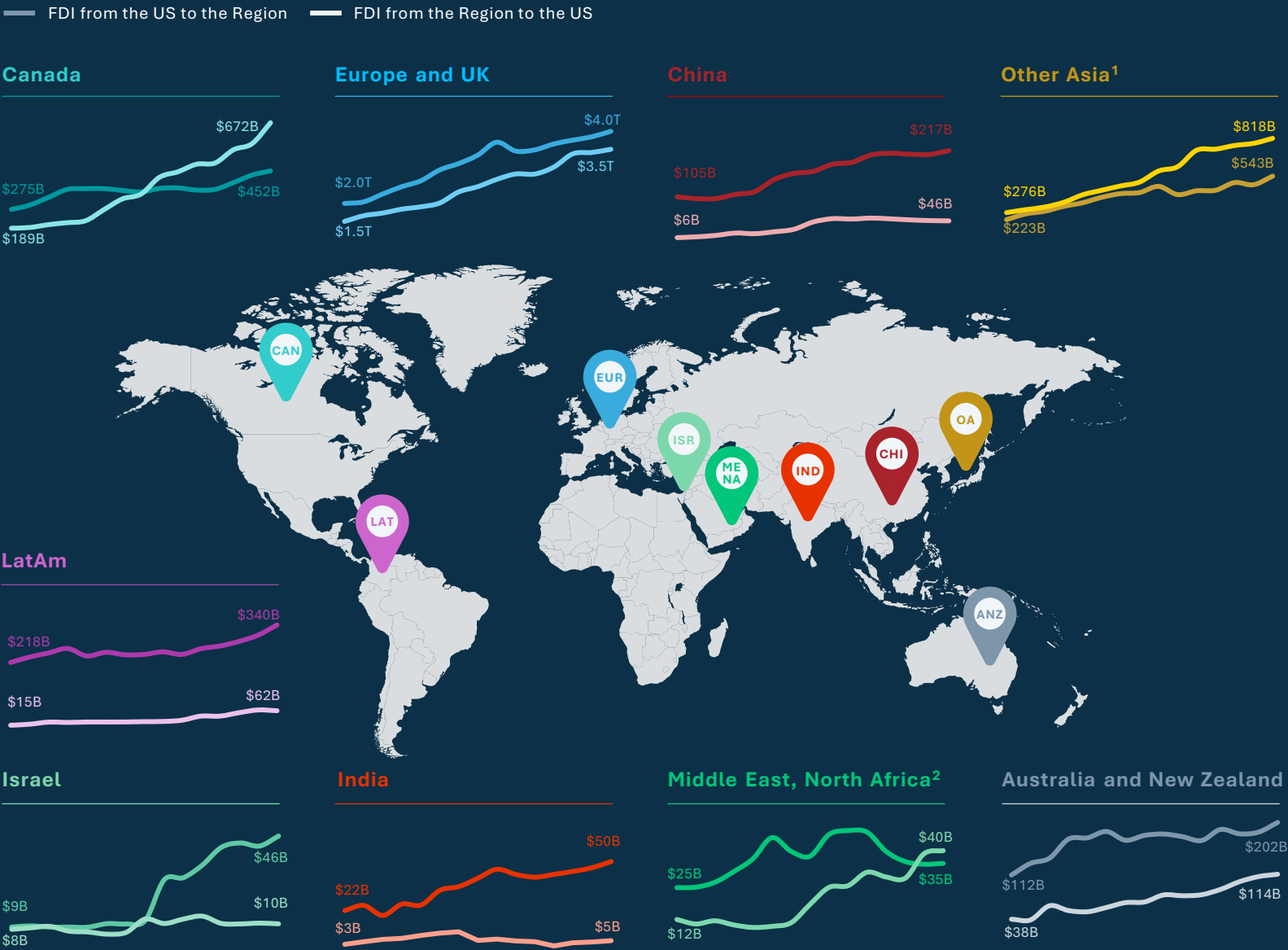
The bifurcation of the global tech market is perhaps one of the biggest drivers of change. In the 2010s, Sino-American investment surged; however, today the reversal of this trend is in full swing and is leading to a **decoupling of US and Chinese tech markets**. In contrast, Other Asia¹ and India have seen increased interest as foreign investors view these regions as safer alternatives for geographic diversification.

Still, Gary Rieschel, Founding Managing Partner at Qiming Venture Partners, suggested that while this can cause problems in some areas, it offers opportunities in others. “The use of US enterprise software is discouraged in China, leading the country to **design its own systems**. This is a big opportunity and **very investible area**.”

Meanwhile, trade policies and supply chain issues have led investors to greener pastures elsewhere. On-shoring and friend-shoring continue to be prominent themes, with cross-border investment between the US and its neighbors increasing. As cybersecurity and technological dominance increasingly become national security concerns, the trend to invest in allied countries continues to grow with implications for VC funding, startup growth and innovation economies around the world.

US Foreign Direct Investment Stagnates in China, Shifts to Europe, Canada, Other Asia

US Foreign Direct Investment to a Region and from a Region, 2009-2023



Notes: 1) Taiwan, Singapore, South Korea and Japan. 2) Does not include Israel.
Source: Bureau of Economic Analysis and SVB analysis.

For LPs, There's No Place Like Home

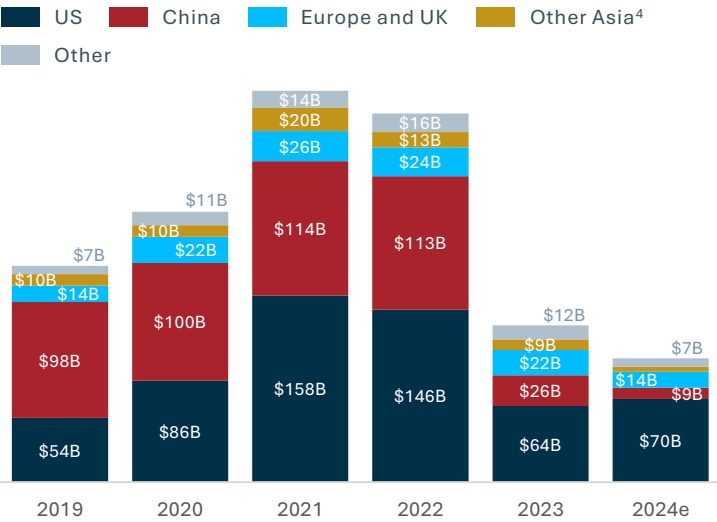
It is no secret that VC fundraising took a hit in 2024, but not all regions are experiencing the downturn equally.

While fundraising in the US and Europe has reset to pre-COVID levels, countries such as China have struggled to regain their footing. Family offices are part of the reason. These groups — big funders in international markets — remain skittish after difficulties experienced during the pandemic and are slow to continue allocating to the region. There continues to be a risk-off sentiment among LPs in terms of cross-border investment amid trade policy fears. Continued difficulty realizing exits from Chinese VC funds has not helped.

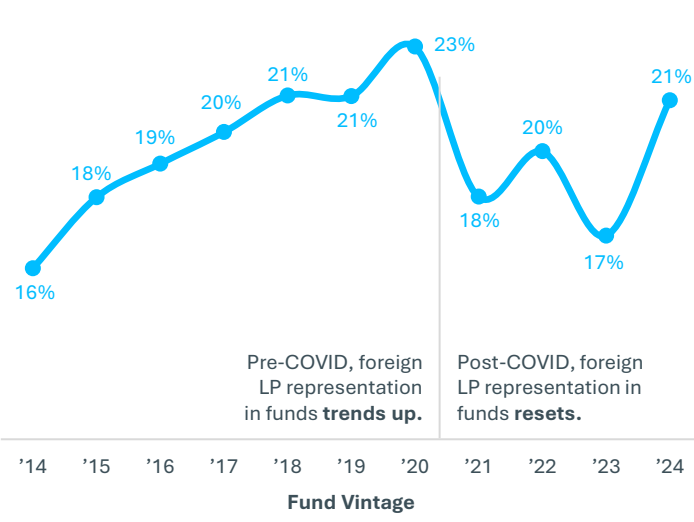
Further, Chinese VC disproportionately relies on domestic LP investors. While US VCs enjoy sizable allocations from LPs in many regions, **LPs in other regions generally invest more with local GPs and have small allocations to Chinese VC.** Taken together, these factors have limited Chinese VC fundraising over the past couple years. It is not only China that is managing a difficult fundraising environment. Emerging market managers have had a hard go at fundraising in the post-ZIRP (zero interest rate period) era that is marked by a more risk-averse sentiment among LPs overall.

Fundraising data is not all negative, however. Gulf state megafunds, for instance, have maintained their interest in foreign VC, serving as a partial backstop to the limited funding from the US and European LP bases.

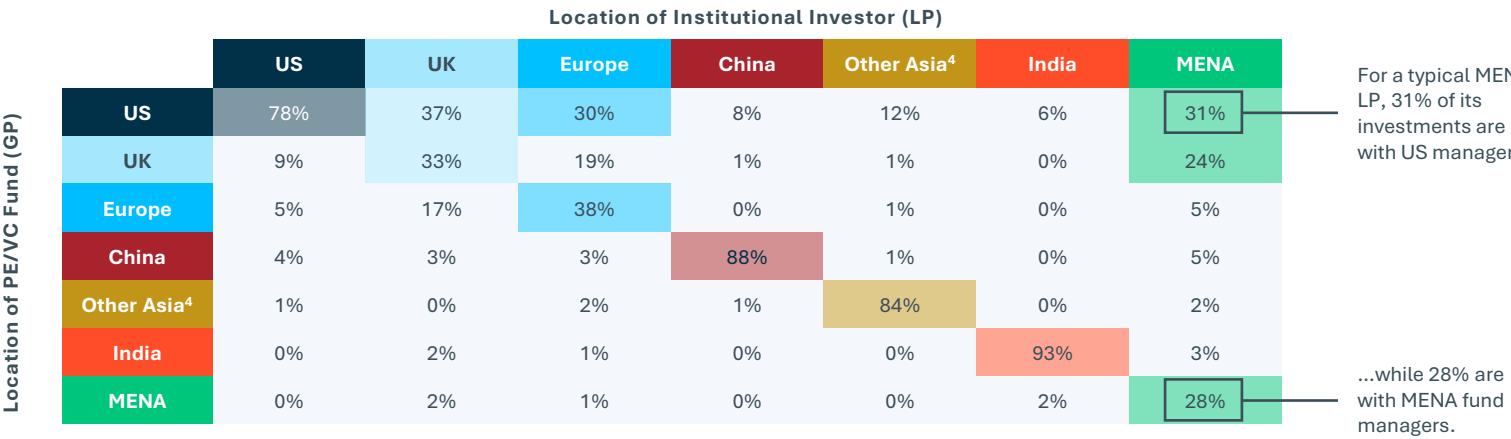
In US, Europe Fundraising Resets to '19 Level¹
Global VC Fundraising, By Region



Foreign LP Interest in US Funds Picks Up²
Average Foreign LP Investment in US PE and VC Funds



Institutional Investors Tend to Invest with Local Fund Managers³
Average Regional Exposure of Top 10 LP's Private Fund Portfolio, by Region



Notes: 1) Data for 2024 is as of December 5 and is scaled to represent a full year. 2) Percent of a fund's capital committed by foreign LPs, average across VC, growth and buyout funds. Data through H1 2024. 3) The top 10 LPs were chosen for each region by the number of fund manager relationships. Each LP portfolio's regional exposure was calculated by the number of fund commitments in that region. Columns may not add to 100% due to LPs investing in regions outside these top 7. 4) Taiwan, Singapore, South Korea and Japan.
Sources: Preqin, SVB proprietary data and SVB analysis.

In Flux: FX Impact on Global VC

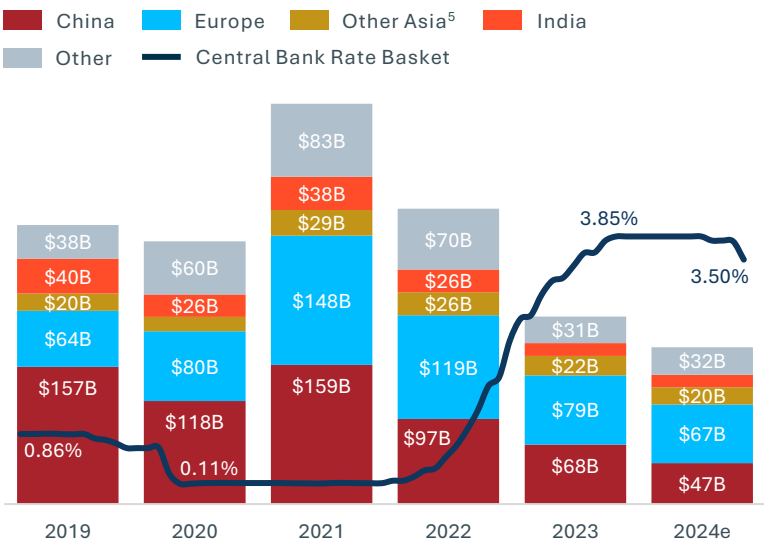
By increasing interest rates, central banks succeeded in taming inflation. Unfortunately, they also tamed VC investment, which decreased in every region in line with monetary policy tightening globally.

As interest rates have changed, currencies have also fluctuated significantly, due to myriad macro shocks such as the COVID-related supply chain issues, armed conflicts and, importantly, disparate monetary and fiscal policy approaches. In the short-term, **FX fluctuations can have a sizeable impact, even among what are generally considered relatively stable currencies.** Consider, for instance, a US VC that is investing \$10M in a Chinese startup. If the deal takes two months to close, there is a 1-in-10 chance that the USD will depreciate, requiring the US VC to invest \$230,000 more than the planned \$10M in local currency.²

While hedging can mitigate these risks, long-term effects are naturally much higher and more difficult and expensive to hedge. These long-term fluctuations are especially important to LPs investing in foreign VC funds. In many cases, FX changes can work in an LP's favor thanks to a rising dollar, as it has with Turkish investors in US VC funds. But the reverse case can happen as well. FX fluctuations cannot be reliably predicted or timed, with **cross-border investors assuming the risk and hoping that growth ultimately outweighs currency exposure.**

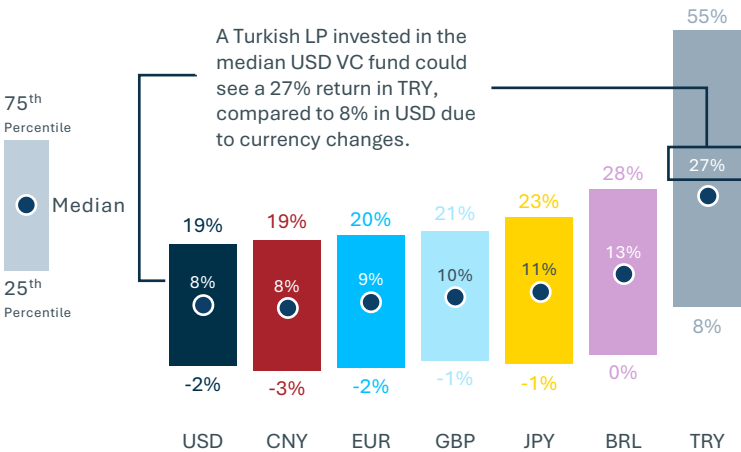
VC Has Reacted Swiftly to Higher Rates¹

VC Investment by Region versus Interest Rates, ex-US



Long-Term FX Trends Weigh on LPs³

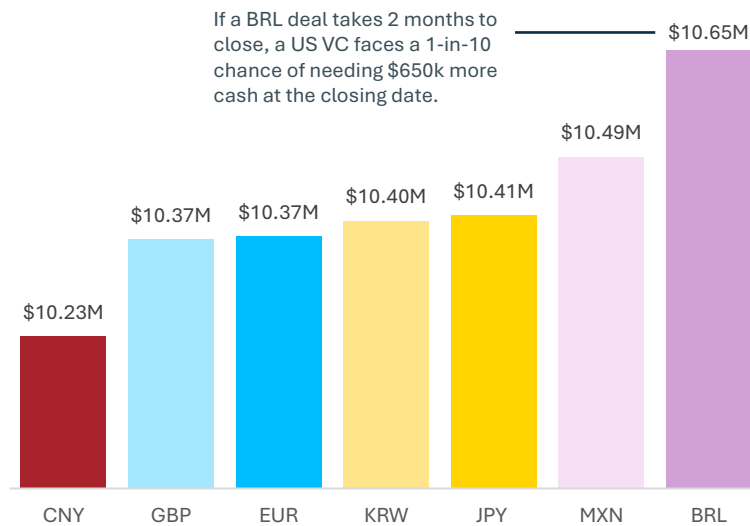
Returns of USD-Denominated VC Funds in Home Currencies



Notes: 1) Data as of November 18, 2024 is extrapolated to represent a full year. Location based on the company receiving the investment. Rate basket represents the average rates from the US Fed, European Central Bank, Japanese Central Bank and the Bank of England. 2) Consider a US VC that wants to invest \$10M of foreign currency equivalent in a foreign company. If the deal takes 2 months to close, what is the 10th percentile downside from FX? Data span 2014-2024. 3) Sample of USD-denominated VC funds, vintages 2000-2019. FX as of the date of each cashflow. 4) Investments by US-based funds into non-US-HQ'd portfolio companies. Data for 2024 is for H1 only. 5) Taiwan, Singapore, South Korea, Japan. Sources: PitchBook, Preqin, S&P Capital IQ, SVB proprietary data and SVB analysis.

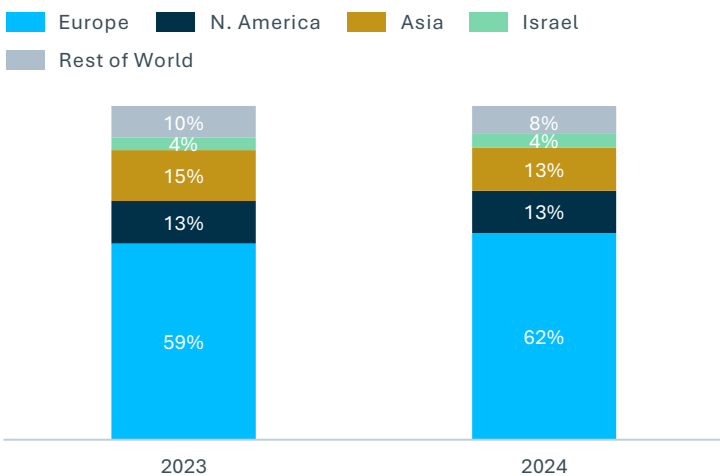
Short-Term FX Fluctuations Have Big Impact²

10th Percentile Shifts for \$10M VC Investment Over a 2-Mo. Period



Still, Geographic Preferences Stay Consistent⁴

Destination for US PE/VC Funds' International Investments



Finding Liquidity in Illiquid Assets

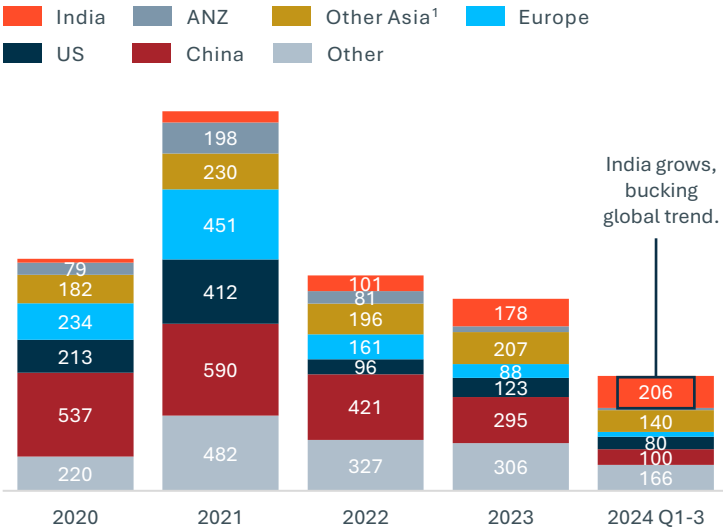
The liquidity crunch has impacted all corners of the globe, slashing exit numbers in the US, China, Europe and elsewhere. Still, bright spots remain, namely India.

In 2024, **IPOs decreased across every region, except India, marking a profound shift in global exit markets.** In 2020-2022, China led the pack in terms of global IPOs, but that designation has shifted rapidly to India. In 2024, India saw over 200 IPOs, more than double the number in 2022. Part of the reason has been a maturing of public financial markets. Strong performance of recently-public companies over the past several years has also helped. Since the start of the rate hiking cycle, the US IPO index has only just recovered. India's IPO index, meanwhile, has shown tremendous growth of over 50%. The health of the Indian IPO market is leading to a rethink among startups and VCs, encouraging them to pursue a public listing domestically instead of aiming for the US.

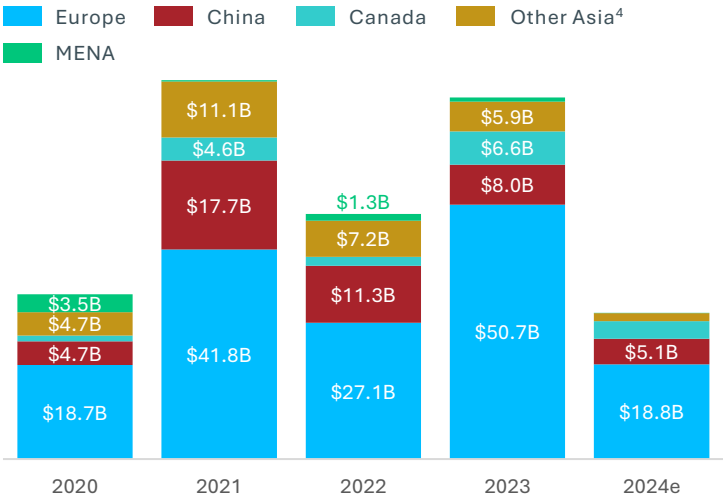
Other regions are showing green shoots as well. In Dubai, food delivery company Talabat's public listing is set to be the largest tech IPO globally this year. Beyond IPOs, M&A activity has been strong in regions such as Europe, whose 2023 levels surpassed even the peak times of 2021.

Still, **the general liquidity crunch has impacted the recycling of capital.** Without distributions, LPs are pausing allocations to new funds and looking to VCs that identify potential exit opportunities preemptively. Because of this, many VCs have eschewed regions with poor liquidity, such as China.

Public Offerings Remain a Global Headwind Count of IPOs, Top Regions Highlighted

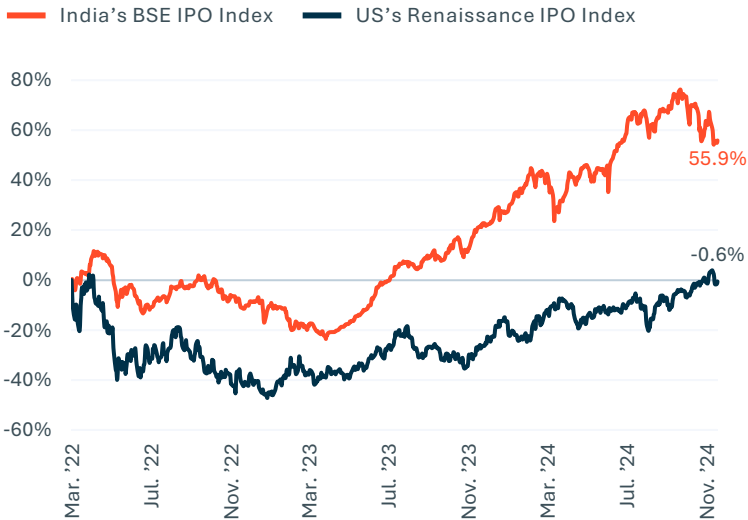


M&A Returns to Around Pre-COVID Levels³ Aggregate Value of M&A for VC-Backed Companies

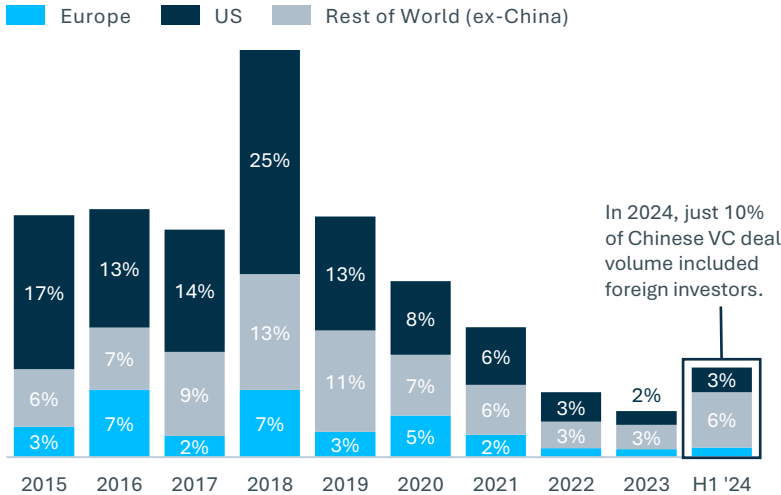


Notes: 1) Taiwan, South Korea and Japan. 2) Data as of November 19, 2024. 3) Select regions. Data as of November 20, 2024; 2024 scaled to represent a full year. 4) Taiwan, South Korea, Singapore and Japan. 5) In this chart, Greater China refers to Mainland China, Macau, Hong Kong and Taiwan.
Sources: World Federation of Exchanges, S&P Capital IQ, PitchBook and SVB analysis.

Indian IPO Markets Outperform US Peers² India versus US IPO Index Since Start of Rate Tightening Cycle



US VCs Flee China Amid Liquidity Fears⁵ Share of Greater China VC Deal Value by Investor Region





The AI Moonshot

A Growing AI Appetite

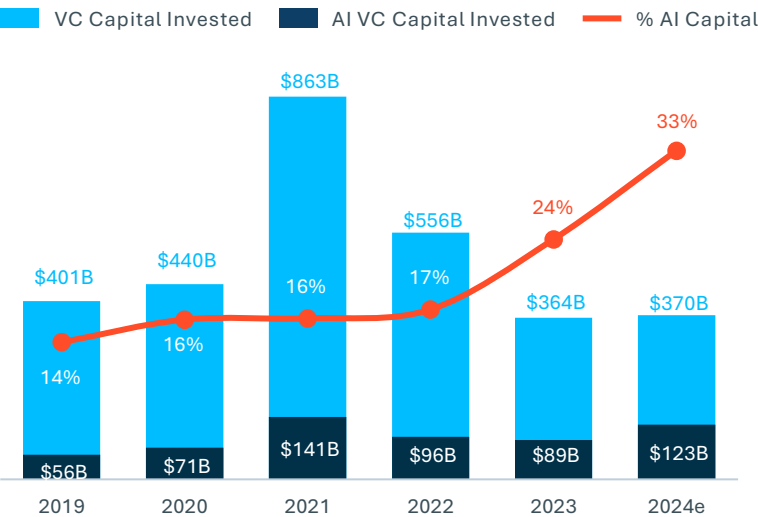
AI has emerged as a rare bright spot in an otherwise challenging global VC landscape. AI now accounts for one-third of all VC deployed worldwide, underscoring its pivotal role in reshaping the future of tech investing.

The US remains a dominant force, driving half of all AI-related deals. Yet, **data suggests a striking shift in global diversification**. In 2011, the US accounted for over 60% of AI projects on GitHub; today, that share has dropped to just 25%. Meanwhile, development in countries like India and other emerging markets has steadily increased. This evolution is fueled, at least in part, by a growing **emphasis on the application layer of AI in emerging markets**. Unlike the resource-intensive development of foundational AI models, the application layer focuses on integrating AI into industry-specific solutions.

“The fundamental models are being built by the big tech companies. LatAm startups do not compete here,” notes Jimena Pardo, managing partner at Hi Ventures, a Mexico-based VC. “Instead, the AI being built in LatAm is the application layer — for example, building AI into a fintech or healthcare company.” These projects are significantly more cost-effective to develop and offer geographically-tailored innovations, whether in LatAm or other emerging markets.

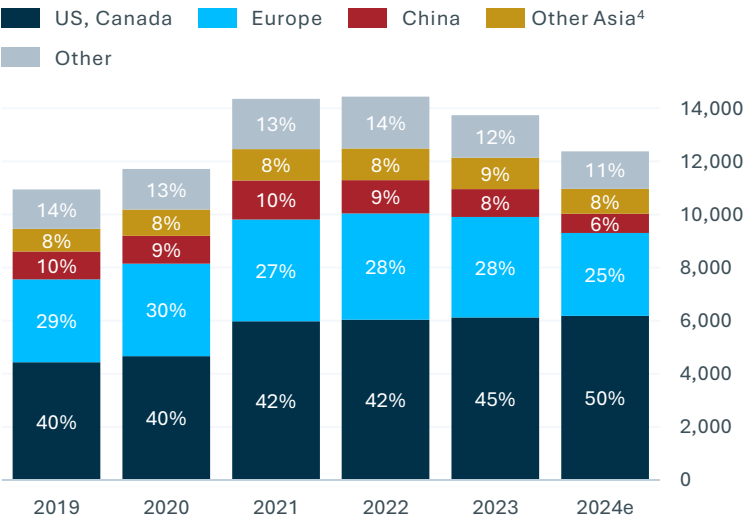
AI’s Share of Global VC Investment Spikes¹

AI VC Capital Invested as a % of Total VC Capital Invested



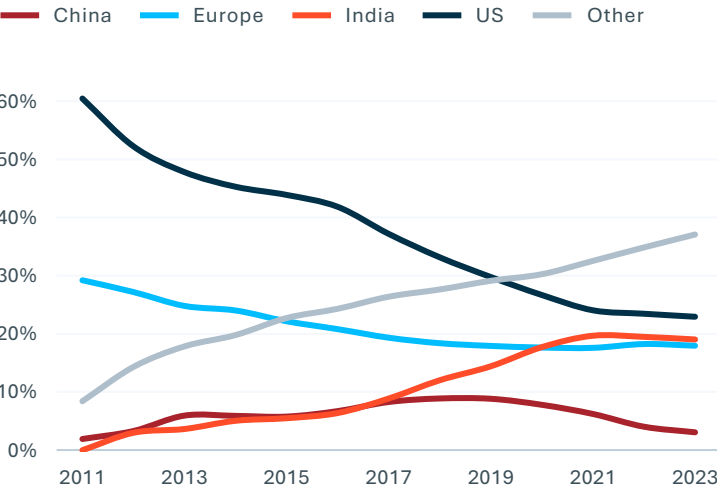
Half of AI Deals Are in Non-US Companies²

VC and Growth AI Deal Count, by Region and Year



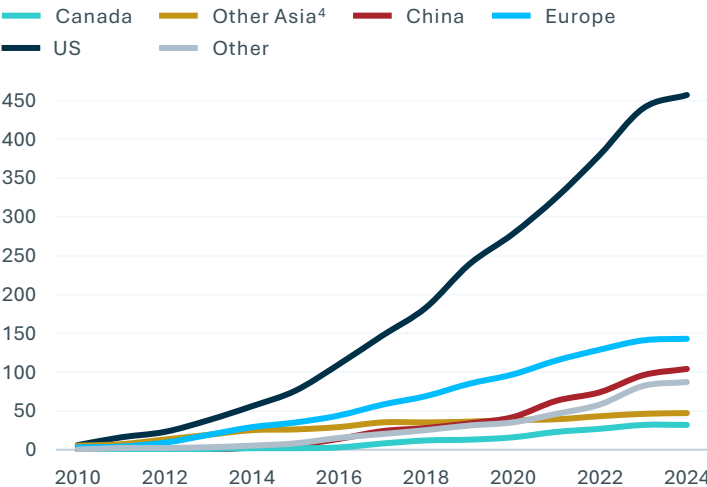
AI Development Geographically Diversifies

GitHub AI Projects by Geographic Area



Wealthy Countries Focus on Models³

Cumulative Number of Notable AI Models, by Region



Notes: 1) Data as of December 5, 2024; 2024 is extrapolated to represent year-end totals. 2) Data as of November 22, 2024. 2024 data is extrapolated to represent year-end totals. 3) An AI model is classified as notable by Epoch AI if it is highly cited, historically relevant, significantly used or majorly improved. 4) Taiwan, Singapore, South Korea and Japan.

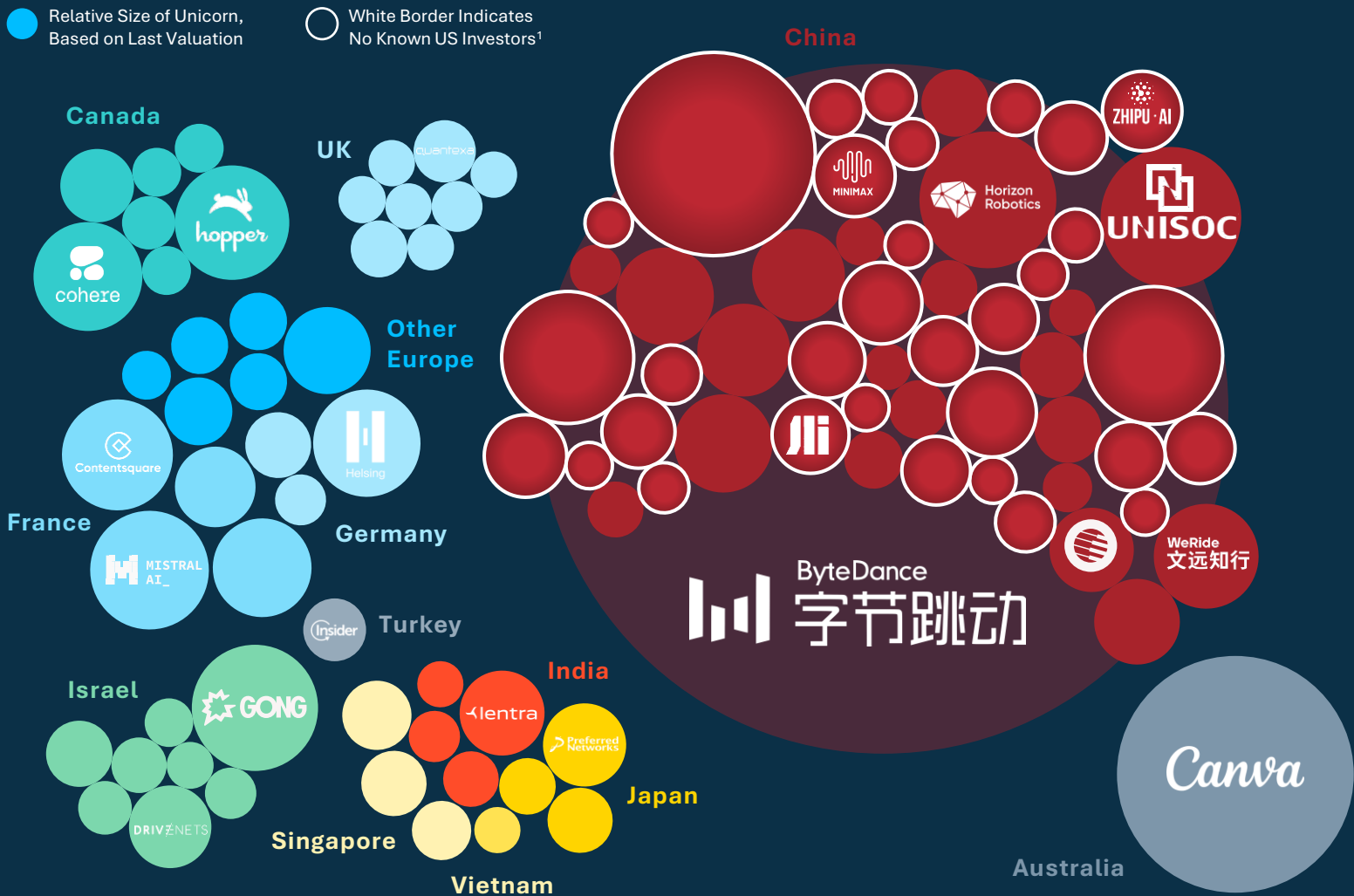
Source: PitchBook, GitHub, Stanford University, Epoch AI’s “Data on Notable AI Models” and SVB analysis.

AI Unicorns: A Global Stampede

As capital has poured into the AI space, unicorns have proliferated globally.

The US dominates the market, with more AI unicorns than the rest of the world combined. For their part, US VCs are very active, not only investing in US AI but in every AI unicorn globally — except in China. In fact, **many Chinese AI companies have reached unicorn status without a single disclosed US VC investor**. AI is a key area of the decoupling of the US and Chinese tech sectors as the two nations race for dominance in the field, whether in terms of computing power, investment dollars or engineering talent.

While other regions have fewer AI unicorns, there are great efforts to catch up, often driven by governments. In Saudi Arabia, for example, the government recently put up \$100 billion in funding for AI infrastructure and startups through its Project Transcendence. The French government has similarly deployed several programs that have led Paris to be the emerging AI capital of Europe. **“The government has done a great job in encouraging the French tech ecosystem, improving the funding environment and removing a lot of red tape,”** said Réza Malekzadeh, General Partner at Partech Partners. “This has allowed the startup ecosystem to thrive, as evidenced by the creation and funding of recent French AI startups.”



104	Count of Non-US AI Unicorns	\$511B	Value of Non-US AI Unicorns
206	Count of US AI Unicorns	\$927B	Value of US AI Unicorns

Notes: 1) AI unicorns by country, excluding US. Data as of October 10, 2024. Company must have AI listed as at least one vertical. Values based on the most recent valuation. Investor location analysis considers only investors listed in PitchBook. Source: PitchBook and SVB analysis.



Cybersecurity in a Less Certain World

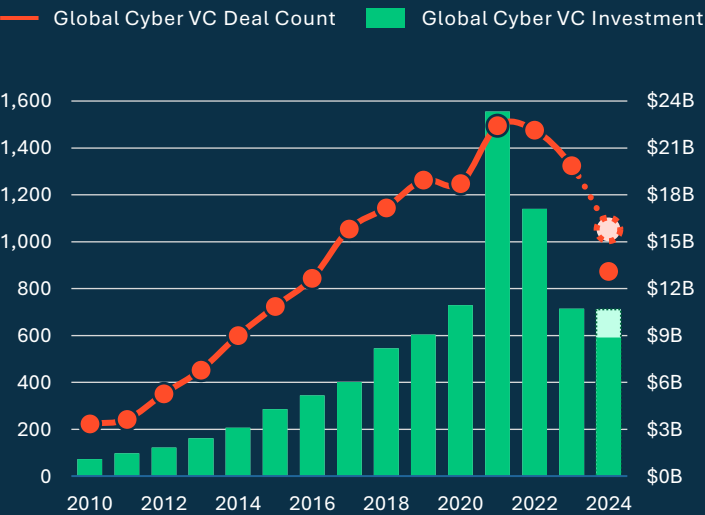
Cyber Continues to Look Abroad

In today’s environment, AI has become a “must have.” Mix in the fact that the pandemic forced companies to go digital and that data is being used and shared in completely new and unique ways. This has provided opportunity for data to be compromised, making cybersecurity more important than ever. For context, the number of US cybercrime complaints and estimated losses are projected to jump 10% and 21%, respectively, in 2024.¹ Cybersecurity’s importance is also being reflected in the strength and resilience of VC investment flowing into cybersecurity startups, which, while down, has fared far stronger than other industries.

One of the effects of the pandemic is that it removed borders for capital. This is evident in the share of deals and dollars that have gravitated towards international cybersecurity startups. **Among the biggest beneficiaries of this trend is Israel — a country known for its strong technical background and collaborative ecosystem.** In fact, along with Singapore, Israel has been one of the strongest countries for VC investment relative to its size, attracting more capital than other countries with similar GDP and even those with greater size. And the headline figures may be underselling Israel’s dominance. **When including companies whose main operations or C-suite are located in Israel, its VC investment for 2024 nearly doubles.**

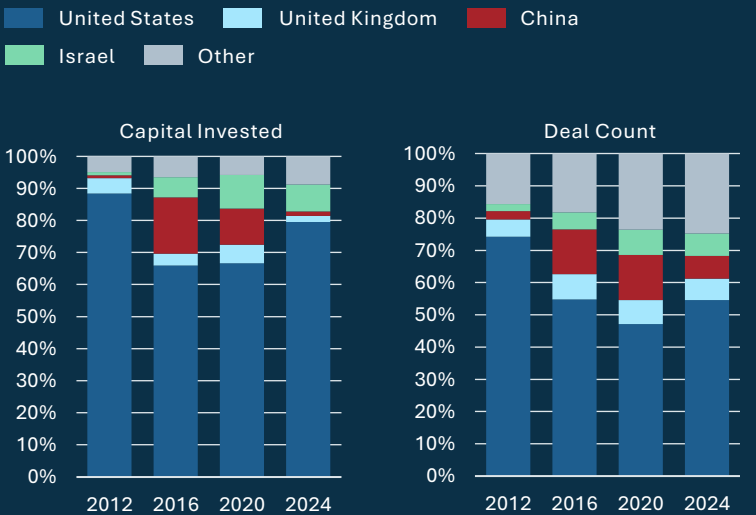
Cyber VC Deals Down but Dollars Flat

Global Cybersecurity VC Deal and Dollars by Year²



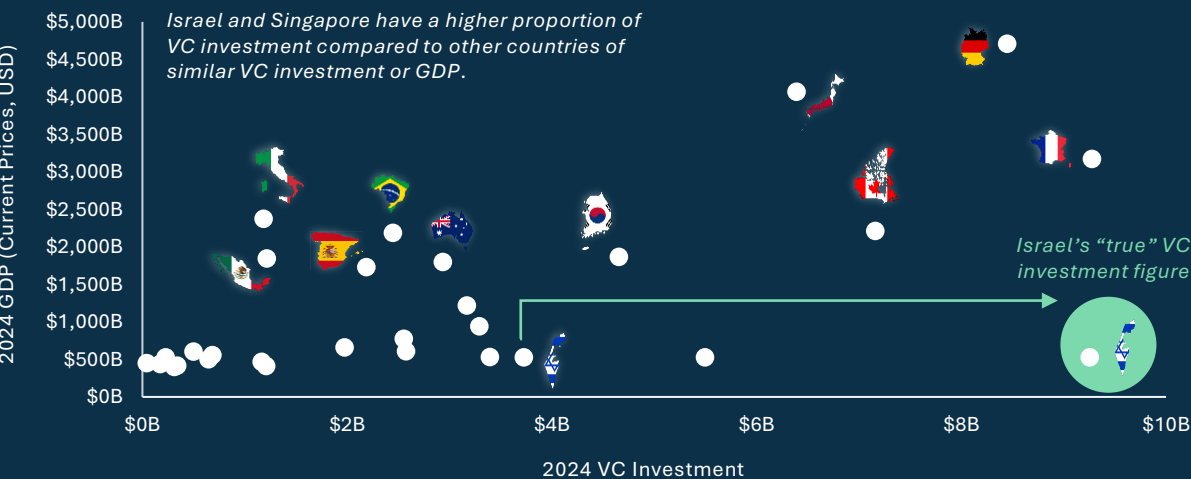
Capital Focused in US but Deals Look Abroad

Share of Cyber VC Investment and Deals by Country²



Israel and Singapore Punching Above Their Weight

Global Domestic Product (GDP) and VC Investment by Country³



GDP to VC Investment Ratio ⁴		
Country		Ratio ↑
Israel		57.1x
Singapore		96.6x
United States		143.8x
Austria		157.8x
United Kingdom		178.5x
Sweden		236.6x
Switzerland		286.3x
Taiwan		303.4x
Canada		309.4x
Belgium		335.0x

Notes: 1) FBI’s Internet Crime Report 2024. 2) VC includes all rounds, series and stages. It excludes crowdfunding, grants, equity for service and corporate deals not associated with a series. Cybersecurity vertical determined using PitchBook taxonomy. 3) Countries with similar VC investment or GDP to Israel chosen for analysis. GDP estimated by IMF. VC investment extrapolated as of 11/15/2024. Israel’s “true” VC investment figure includes funding for companies whose main operations or C-suite locations are in Israel. 4) Advanced countries with >\$100B GDP. Israel ratio determined using the “true” investment figure. Source: FBI’s Internet Crime Complaint Center (IC3), PitchBook Data, Inc., International Monetary Fund (IMF) and SVB analysis.

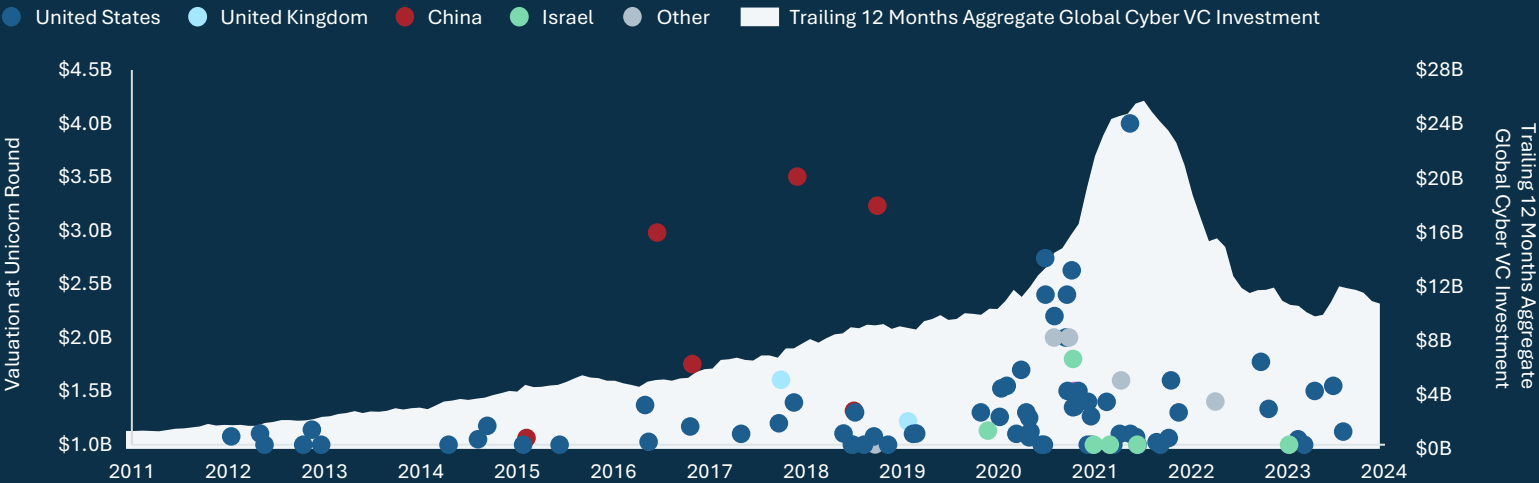
Israel a Main Hub for Cyber Innovation

Israel’s strong education system and military intelligence influence have helped Israel establish itself as one of the top ecosystems. As Amit Karp at Bessemer Venture Partners put it, “What you’re seeing is that **the Israeli cybersecurity ecosystem has become sophisticated and interconnected**. All of the founders work together and know each other. It’s tight knit; information is exchanged quickly. For instance, founders quickly find out who is the best sales rep from their network and can hire that person quickly...It has become a snowball effect.” This type of activity and connectivity attracts investors and capital — even at the later stages. While the US may dominate most unicorn funding rounds or have the largest number of active cyber unicorns, Israel firmly holds the second spot — especially when you consider those that were founded or have operations in Israel.

As Israel continues to demonstrate itself as a hub for innovation, better outcomes should follow suit. Cyber-security exits oftentimes are acquisitions at the early stage. In Israel’s case, acquirers are typically American, looking to open an R&D office or expand, hoping to capitalize on the talent pool. Should startups continue to scale, exits may look more like an IPO. However, the bar to clear an IPO has gotten higher in recent years, and between the quick early-stage acquisition route and the long road to IPO or large acquisition, the key will be to not get stuck in the valley of death.

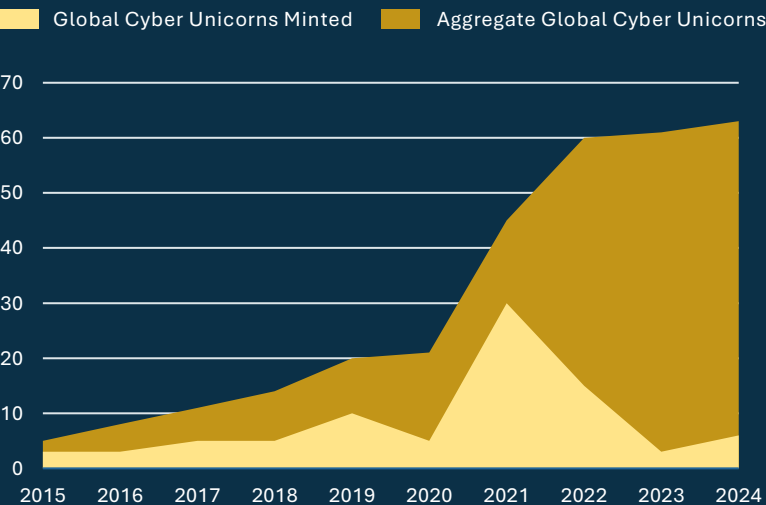
Cyber Unicorn Minting Deals Slow in 2024

Global Cybersecurity Unicorn Deals and Trailing 12 Months Aggregate Global Cybersecurity VC Investment¹



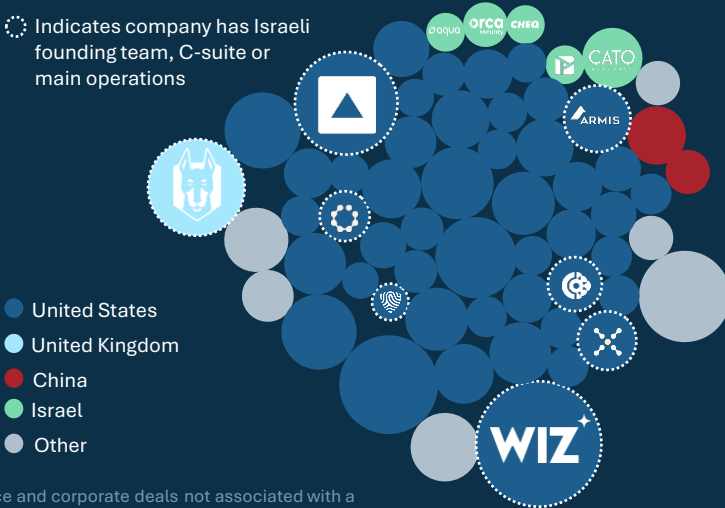
Global Cyber Unicorns Flat After 2022

Global Cybersecurity Unicorn Creation and Count by Year



Israel Remains Top Hub for Current Non-US Unicorn Cyber Cohort

Current Cybersecurity Unicorns by Valuation Size and Country



Notes: 1) VC includes all rounds, series and stages. It excludes crowdfunding, grants, equity for service and corporate deals not associated with a series. Cybersecurity vertical determined using PitchBook taxonomy.
Source: PitchBook Data, Inc. and SVB analysis.



Fintechs Bank the Underbanked

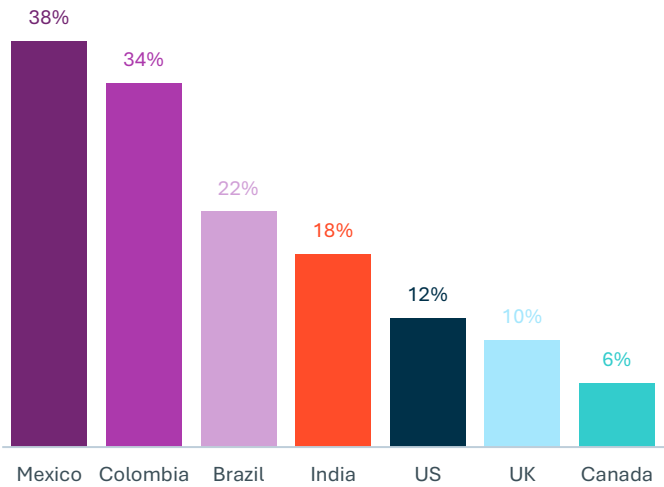
Leapfrogging Legacy Banking

Emerging markets (EMs) are redefining financial inclusion by bypassing traditional banking systems, relying instead on digital payment platforms to build financial ecosystems for underbanked populations. By minimizing dependence on legacy infrastructure, EMs are proving that innovation can thrive in the absence of traditional models.

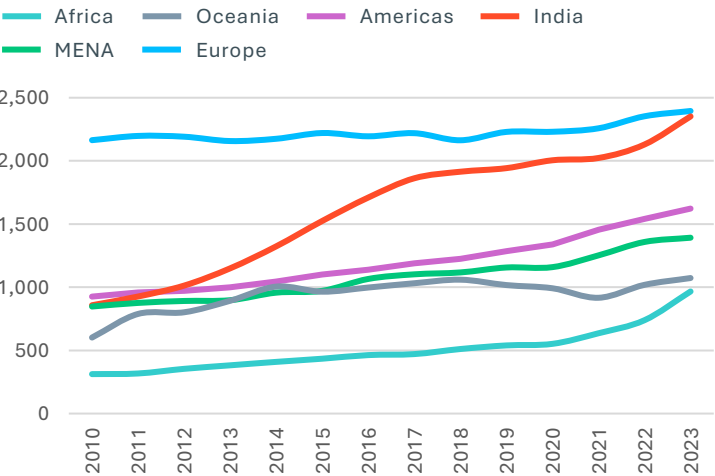
Fintech is driving a regional transformation, particularly in LatAm, where it is reshaping the financial landscape. A prime example is Nubank, a digital bank with a market cap surpassing any brick-and-mortar institution in LatAm.⁴ The success of fintech in the region has intensified competition, pushing traditional banks to modernize while prompting the emergence of government-initiated digital payment solutions like Pix, developed by the Central Bank of Brazil.

Over the past decade, mobile transactions per 1,000 adults have exploded, particularly in Africa, where traditional banking infrastructure is scarce but mobile money solutions dominate. Take Nigeria: over half of all transactions are still in cash.¹ Yet, mobile money is bridging the gap, giving underbanked populations access to financial tools they may not have previously had. Fintech in emerging markets isn't merely playing catch up — it's reshaping financial systems entirely.

EMs Rely on Cash More Heavily at POS¹
Share of Cash in Payment Transactions at Point of Sale (POS)

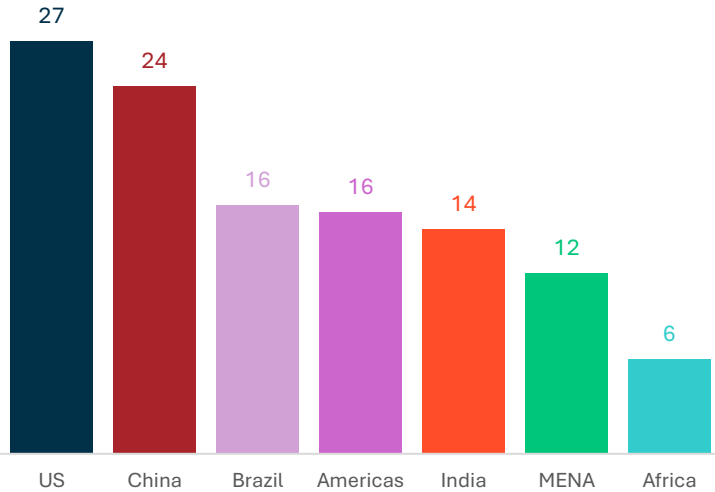


Despite Progress, Access Gap Persists
Deposit Accounts with Commercial Banks, Per 1,000 People

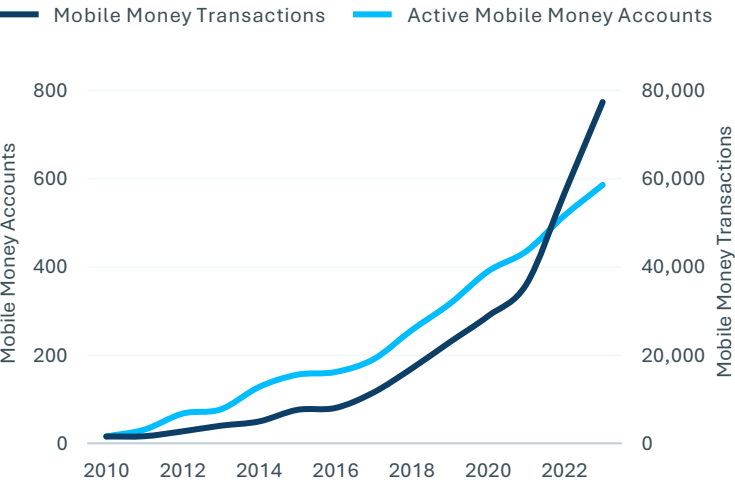


Notes: 1) Share of cash at the point-of-sale for in-store payments in 2023. 2) Equal-weighted average of the countries in each region. 3) Mobile money is a pay-as-you-go digital medium using mobile accounts, facilitated by a mobile network operator or partner, independent of a traditional banking network or account. Average metrics across non-European emerging market countries. 4) Nubank market capitalization, accessed December 2024. Source: Worldpay, International Monetary Fund, World Bank, S&P Capital IQ and SVB analysis.

EMs Lack Robust Banking Sector²
Number of Commercial Bank Branches per 100,000 Adults



Mobile Money Part of the EM Solution³
Active Mobile Money Accounts and Transactions, Per 1,000 Adults



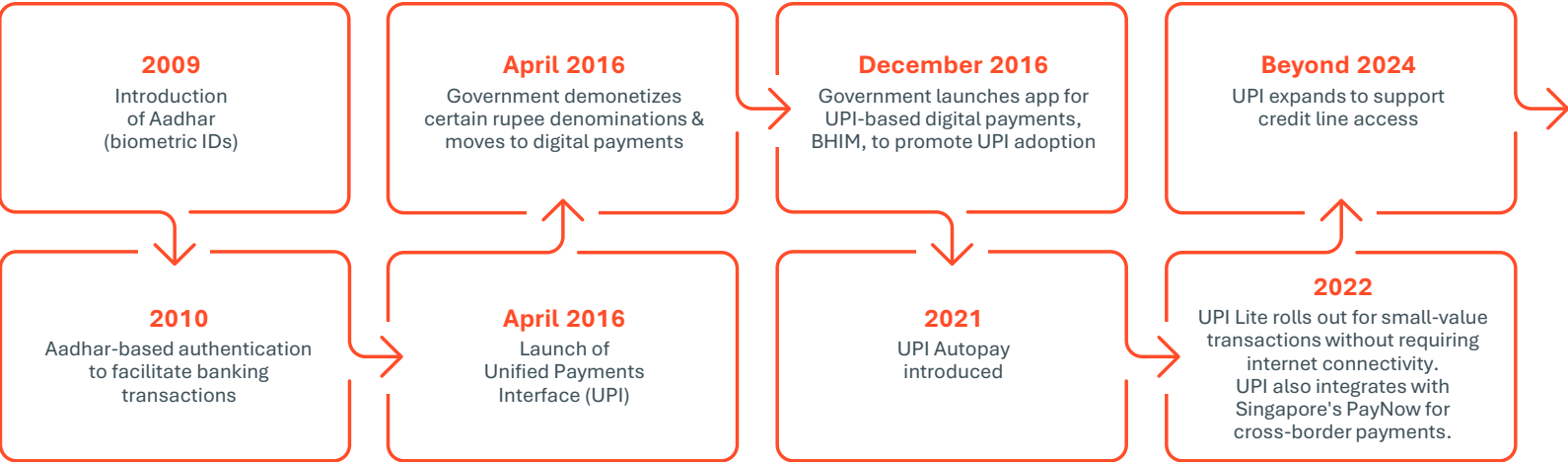
UPI: Paving the Path to Instant Payments

Developed as part of the Indian government’s push to modernize the country’s financial infrastructure, Unified Payments Interface (UPI) has helped address gaps in financial inclusion for a large and rapidly growing population.

UPI’s launch was built on years of groundwork, including the implementation of Aadhar cards — biometric digital IDs. Its adoption accelerated after the 2016 demonetization policy encouraged a shift toward cashless alternatives. By 2024, UPI was processing nearly 70% of India’s digital payment volume. Its open architecture and interoperability have been key to its rapid adoption, enabling seamless integration across banks, fintechs and third-party applications.

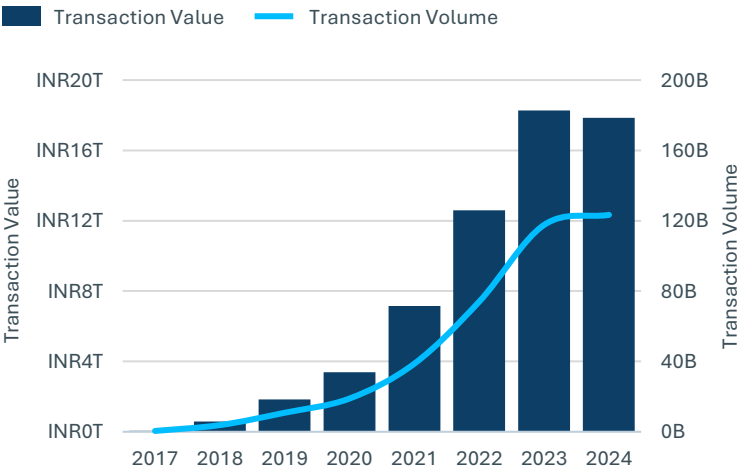
But UPI’s impact doesn’t stop at India’s borders. Its success has inspired similar systems globally, like Brazil’s Pix, demonstrating that scalable, low-cost payment innovations can thrive in regions with limited banking infrastructure. By bringing millions of unbanked individuals into the formal economy and enabling small businesses to transact digitally, UPI is driving true financial inclusion. **Recent cross-border integrations, such as with Singapore, hint at an even bigger role for these platforms in shaping global payment connectivity.**

India’s Path to Digital Payments Timeline of the Indian Government’s Payments Tech



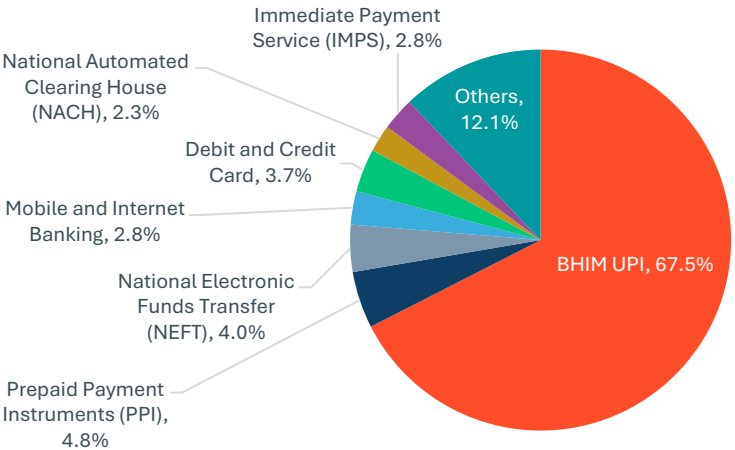
UPI Transactions Surge¹

Number of UPI Transactions by Year



India Relies on UPI²

Share of Payment Systems Across India by Transaction Count



Notes: 1) National Payments Corporation of India UPI Product Statistics. Data as of September 2024 2) RBI Payment System Indicators, January 2024. Other includes payment systems such as Aadhar-enabled Payment Systems (AEPS), National Electronic Toll Collection (NETC), closed-loop wallets, paper-based instruments, other debit transfers and direct debit systems. BHIM UPI refers to the government’s Bharat Interface for Money app that uses UPI for digital payments.

Source: National Payments Corporation of India, Reserve Bank of India and SVB analysis.

Pix's Road to Real-Time Transactions

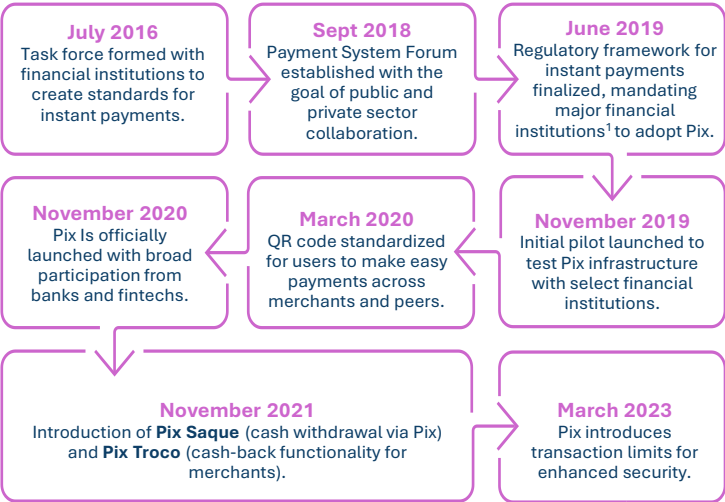
Brazil's concentrated banking sector — dominated by a few large players — has long meant high costs and poor service for customers. Enter Pix. Launched by the Central Bank of Brazil in 2020, Pix was designed to tackle these inefficiencies and reduce the country's reliance on cash. **In just four years, Pix has become the backbone of Brazil's financial ecosystem, bringing over 73 million Brazilians into the formal financial system — many for the first time.** Pix's adoption outpaced India's UPI, possibly due to mandatory participation requirements for large financial institutions set by the Central Bank.¹ It has also reshaped commerce by slashing transaction fees and improving liquidity for businesses, with payments settled instantly rather than the 30-day settlement period typical of credit cards in Brazil.

But its ambitions go beyond Brazil. Initiatives like Pix International and Pix Roaming are connecting Brazilian users with merchants across Latin America and Europe, paving the way for seamless cross-border payments.

“Pix is a prime example of the Central Bank of Brazil's ability to innovate and regulate effectively,” said Eric Acher, Co-founder and Managing Partner at Monashees. “It's an independent institution that developed Pix into a remarkable platform, despite initial technical limitations. It's low-cost, automatic and built on top of existing systems, yet it completely transformed the game. And this is just the beginning — Pix is evolving with new features like monthly installments and cross-border payments, paving the way for even greater impact.”

Brazil's Digital Payment Evolution

Key Milestones in the Development of Pix



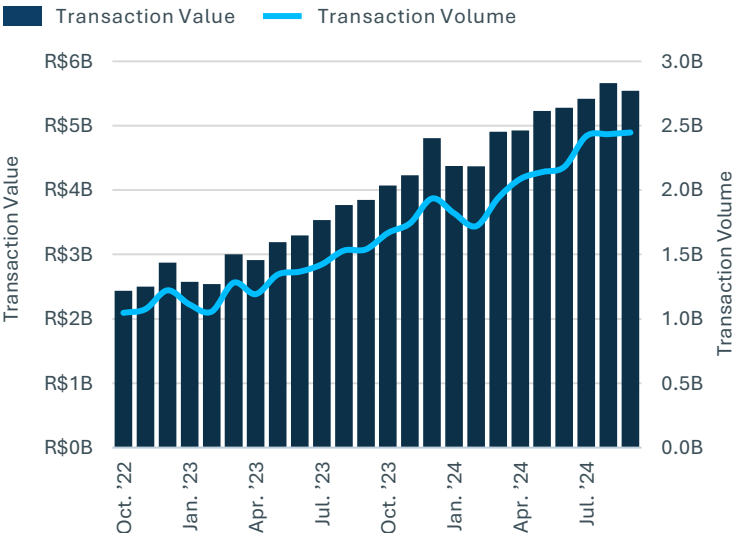
Pix Moves to Expand Internationally

Timeline of Pix's Expansion



Brazil Adopts Pix and Instant Payments²

Pix Transactions by Volume and Value by Month



Notes: 1) Financial institutions with more than 500,000 active accounts. 2) Pix Statistics, Banco Central Do Brasil. Data as of September 2024.
Source: Banco Central Do Brasil and SVB analysis.

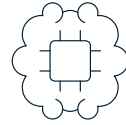
A Recap of the 2025 Global Private Market Trends



The Global Reset

Global investing shifts, bringing challenges, opportunities and evolving market dynamics.

Geopolitical tensions, changing trade policies and macroeconomic shifts are reshaping global VC markets. First, the decoupling of US and Chinese tech markets contrasts with rising international investor interest in other parts of Asia. Second, a tougher exit environment has made VC fundraising ever more challenging, especially in many emerging markets. Finally, interest rates and currency fluctuations have added additional complexity to cross-border investment.



The AI Moonshot

AI continues to be a key driver in global VC trends, across both developed and emerging markets.

AI has become a rare bright spot in the global VC landscape, accounting for one-third of all VC funding. Though the US leads in AI investments and unicorn formation, other markets are increasing their share of the pie. Emerging markets are focusing on cost-effective application-layer AI solutions, while foundational models are more common in larger economies. Government initiatives in France and other countries are encouraging AI development, fostering growth and increasing global competition.



Cybersecurity in an Uncertain World

Data security has never been more important due to the rise of AI and an increasingly digital landscape.

Over the last 5 years, a pandemic forced global digitization, and new innovations such as ChatGPT brought GenAI to the masses. Both marked a long-term tectonic shift in how businesses and consumers interact with technology. Subsequently, data became more vulnerable and susceptible to being compromised. This has spurred increased cybersecurity demand and spend, driving investment in the space. Israel has been at the forefront of this movement, proving itself to be a breeding ground for innovative cybersecurity startups.



Fintech Banks the Underbanked

Fintech is bridging gaps left by the lack of traditional banking systems in emerging markets.

Emerging markets are bypassing legacy banking systems with mobile money and instant payment platforms. Brazil's Pix and India's UPI have revolutionized access to low-cost, real-time transactions, paving the way for other countries to follow. Fintechs are reducing reliance on cash and enabling financial inclusion at scale. Despite these advancements, however, the challenge remains to bridge access gaps while expanding these solutions internationally, ensuring seamless cross-border financial ecosystems.

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