

# Venture Capital Has Virtually No Correlation With Equities

**Figure 2: Modest correlation with other asset classes**

Correlation among asset classes' quarterly returns

	Venture capital	Private equity	Real estate	Large-cap equity	High yield bonds	Aggregate core bond
Venture capital	1.00	0.71	0.69	-0.06	-0.13	-0.13
Private equity	0.71	1.00	0.65	0.46	0.33	-0.06
Real estate	0.69	0.65	1.00	0.13	0.03	-0.11
Large-cap equity	-0.06	0.46	0.13	1.00	0.73	0.13
High yield bonds	-0.13	0.33	0.03	0.73	1.00	0.35
Aggregate core bond	-0.13	-0.06	-0.11	0.13	0.35	1.00

Source: Cambridge Associates Global Venture Capital, Global Private Equity, and Global Real Estate Benchmarks Return Report. Venture capital, private equity and real estate data from Cambridge Associates. Private equity asset class excludes venture capital. Large-cap equity proxy is Lipper aggregated US large-cap equity fund performance. High yield bond proxy is Lipper aggregated high yield bond fund performance. Aggregated core bond proxy is Lipper aggregated core bond fund performance. Returns for period dating 1990-2014, as of Dec. 31, 2015. Sample size for each asset listed is as follows: venture capital: 771; private equity: 932; real estate: 309; large-cap equity: 674; high yield bonds: 421; and aggregate core bond: 385. Past performance is not a guarantee of future results.