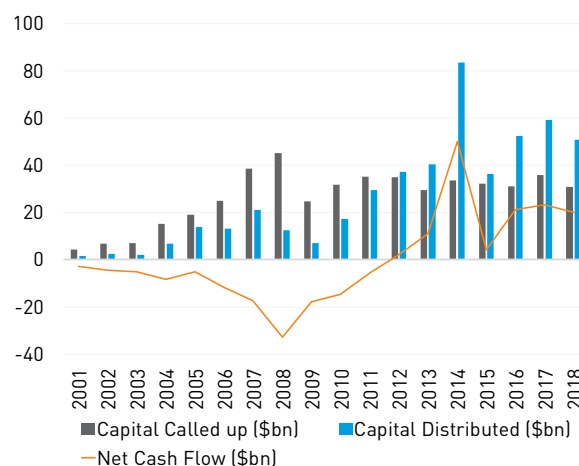


# Private Equity Funds of Funds

Fund of funds vehicles have typically owned their unique spot in the wider private equity universe, allowing for wider portfolio diversification and broader participation for accommodating investors with smaller ticket sizes. Known for their potential for value creation and expansion, small to mid-market funds are an emerging segment. Funds of funds have proven an effective vehicle for accessing such opportunities.

Here we present the latest performance data for private equity funds of funds globally. In Fig. 2, the private equity fund of funds benchmark compares performance across vintages 2000-2018. The most consistent top performing private equity fund of funds managers in Fig. 3 are restricted to active managers that have raised at least three funds – managers that have not launched a new fund since 2013 are excluded. Private equity funds of funds to watch are determined by net multiples generated by vintage 2016-2019 funds that have called up at least 20% of their committed capital (Fig. 4).

**Fig. 1: Private Equity Funds of Funds: Annual Capital Called up, Distributed and Net Cash Flow, 2001 - 2018**



Source: Preqin Pro

**Fig. 2: Private Equity Fund of Funds Performance Benchmark (All Regions), As of 31 December 2018**

Vintage	No. of Funds	Median Fund			Net Multiple Quartiles (X)			Net IRR Quartiles (%)			Net IRR Max/Min (%)	
		Called (%)	Dist (%) DPI	Value (%) RVPI	Q1	Median	Q3	Q1	Median	Q3	Max	Min
2018	19	9.5	0.0	101.3	1.10	1.01	0.94	n/m	n/m	n/m	n/m	n/m
2017	21	26.0	0.0	97.8	1.07	1.04	0.96	n/m	n/m	n/m	n/m	n/m
2016	25	45.0	5.2	108.6	1.20	1.14	1.09	n/a	n/a	n/a	n/a	n/a
2015	27	62.7	11.0	108.6	1.32	1.23	1.16	23.5	14.3	11.2	36.3	4.4
2014	28	75.6	13.4	120.5	1.51	1.35	1.24	20.2	15.4	10.9	23.2	-2.0
2013	24	80.5	17.8	119.0	1.59	1.41	1.29	18.5	12.6	9.5	32.0	5.9
2012	23	81.3	25.6	118.0	1.91	1.55	1.40	19.6	16.2	10.6	22.3	5.9
2011	25	87.5	57.6	103.8	1.75	1.62	1.44	15.2	13.9	9.7	23.0	3.8
2010	14	91.2	65.6	99.5	1.97	1.59	1.48	14.9	12.6	10.4	25.0	8.0
2009	19	91.5	80.9	83.2	1.83	1.75	1.48	16.6	13.1	8.9	23.9	-0.6
2008	47	93.3	109.0	59.9	1.98	1.72	1.48	15.5	12.2	9.4	32.9	0.3
2007	31	91.7	125.2	41.6	1.83	1.60	1.47	11.7	10.0	6.6	13.9	0.6
2006	41	95.0	120.5	26.0	1.67	1.51	1.36	10.1	7.3	5.2	30.2	-0.9
2005	29	95.2	131.6	21.3	1.68	1.54	1.37	9.2	7.2	6.0	15.5	3.4
2004	17	95.7	134.9	16.6	1.68	1.53	1.43	9.0	8.1	6.6	48.7	4.9
2003	12	95.7	162.0	6.0	1.81	1.63	1.58	12.5	9.7	9.4	14.1	0.5
2002	12	94.4	158.3	4.5	1.80	1.65	1.47	10.5	8.8	6.9	29.2	3.5
2001	23	98.0	157.2	0.0	1.76	1.70	1.42	14.1	11.1	7.6	23.2	-3.5
2000	19	97.0	140.3	0.0	1.77	1.40	1.17	12.0	7.3	2.2	17.5	-8.7

Source: Preqin Pro

**Fig. 3: Most Consistent Top Performing Private Equity Fund of Funds Managers**

<u>Firm</u>	<u>Headquarters</u>	<u>Overall No. of Funds with Quartile Ranking</u>	<u>No. of Funds in Top Quartile</u>	<u>No. of Funds in Second Quartile</u>	<u>Average Quartile Ranking</u>
ATP Private Equity Partners	Copenhagen, Denmark	4	4	0	1.00
SwanCap Partners	Munich, Germany	3	3	0	1.00
Axiom Asia Private Capital	Singapore	4	3	1	1.25
Bay Hills Capital	San Francisco, US	6	4	2	1.33
Twin Bridge Capital Partners	Chicago, US	3	2	1	1.33
TrueBridge Capital Partners	Chapel Hill, US	6	3	3	1.50
Bowside Capital	Charleston, US	3	2	0	1.67
Darwin Ventures	San Francisco, US	3	1	2	1.67
Weathergage Capital	Palo Alto, US	8	5	1	1.75
Performance Equity Management	Greenwich, US	4	1	3	1.75
Greenspring Associates	Owings Mills, US	7	4	1	1.86
Industry Ventures	San Francisco, US	9	5	2	1.89
Franklin Park	Bala Cynwyd, US	16	6	6	2.00
LGT Capital Partners	Pfäffikon, Switzerland	15	5	6	2.00
Wilshire Private Markets	Santa Monica, US	13	4	6	2.00
Private Advisors	Richmond, US	8	3	2	2.00
Accolade Partners	Washington, US	5	2	2	2.00
HQ Capital International	New York, US	5	2	2	2.00
SVB Capital	Santa Clara, US	4	2	1	2.00
Emerald Hill Capital Partners	Hong Kong	3	2	0	2.00

Source: Preqin Pro

**Fig. 4: Private Equity Funds of Funds to Watch**

<u>Fund</u>	<u>Firm</u>	<u>Vintage</u>	<u>Fund Size (mn)</u>	<u>Geographic Focus</u>	<u>Net Multiple (X)</u>	<u>Net IRR (%)</u>	<u>Date Reported</u>
StepStone Tactical Growth Fund II	StepStone Group	2017	215 USD	US	1.41	n/m	30-Sep-18
Aberdeen US Private Equity VII	Aberdeen Standard Investments	2018	339 USD	US	1.26	n/m	30-Sep-18
Commonfund Capital Emerging Markets II	Commonfund Capital	2018	84 USD	Asia	1.22	n/m	31-Dec-18
HarbourVest Global 2017 Fund	HarbourVest Partners	2017	590 USD	US	1.18	n/m	30-Sep-18
WP National Pecan Holdings	WP Global Partners	2017	-	US	1.17	n/m	31-Dec-18

Source: Preqin Pro