

INDUSTRY RESEARCH

Healthcare

Funds Report

PE and VC fundraising and performance



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Key takeaways

- The PitchBook Healthcare Funds Report offers a comprehensive guide to 450 healthcare and life sciences specialist managers across both private equity and venture capital. Clients can interact with dynamic manager lists to view investments, benchmarked returns, key personnel, and more on the [PitchBook Platform](#).
- Across asset classes, 2021 was a standout fundraising year for healthcare specialists, largely due to the COVID-19 pandemic. Fundraising normalized quickly for life sciences VC funds but has remained elevated for healthcare PE funds and healthcare VC funds that do not focus on life sciences (also referred to as “other healthcare VC”).
- Comparing the performance of healthcare specialist funds to other funds, healthcare specialist PE funds slightly outperform, while life sciences specialist VC funds outperform when measuring IRR and underperform when measuring TVPI. Healthcare specialist VC funds that do not focus on life sciences noticeably underperform in our data, though data counts are low for this category.
- Read our inclusion criteria for the manager lists in this report on [page 28](#).

To update your firm’s classification or fund data, please reach out to rebecca.springer@pitchbook.com.

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Published on August 7, 2023

Click [here](#) for PitchBook’s report methodologies.

Introduction

As the PE and VC industries have matured and become more competitive, managers and allocators have placed a growing emphasis on operational sophistication and sector specialization. Healthcare is a popular specialization strategy because of the industry's complex regulatory frameworks, corporate structures, and revenue architectures, not to mention the scientific rigor necessary to properly diligence technology opportunities, particularly in life sciences. Additionally, many allocators are interested in exposure to healthcare because of the industry's reputation for acyclicity. According to Collier Capital, 87% of LPs believe healthcare and pharmaceuticals are attractive areas for PE investment over the next two years.¹ Finally, many LPs recognize secular tailwinds and innovation opportunities in the healthcare and life sciences industries, including aging populations, the need for dramatic improvements in patient experiences and provider workflows, and the potential for AI and personalized medicine to transform drug development.

This report provides allocators, investor relations teams, and other market participants with a comprehensive view of healthcare specialist managers across PE and VC that are headquartered in North America and Europe. For a detailed explanation of the inclusion criteria and categories used in this report, see [page 28](#).

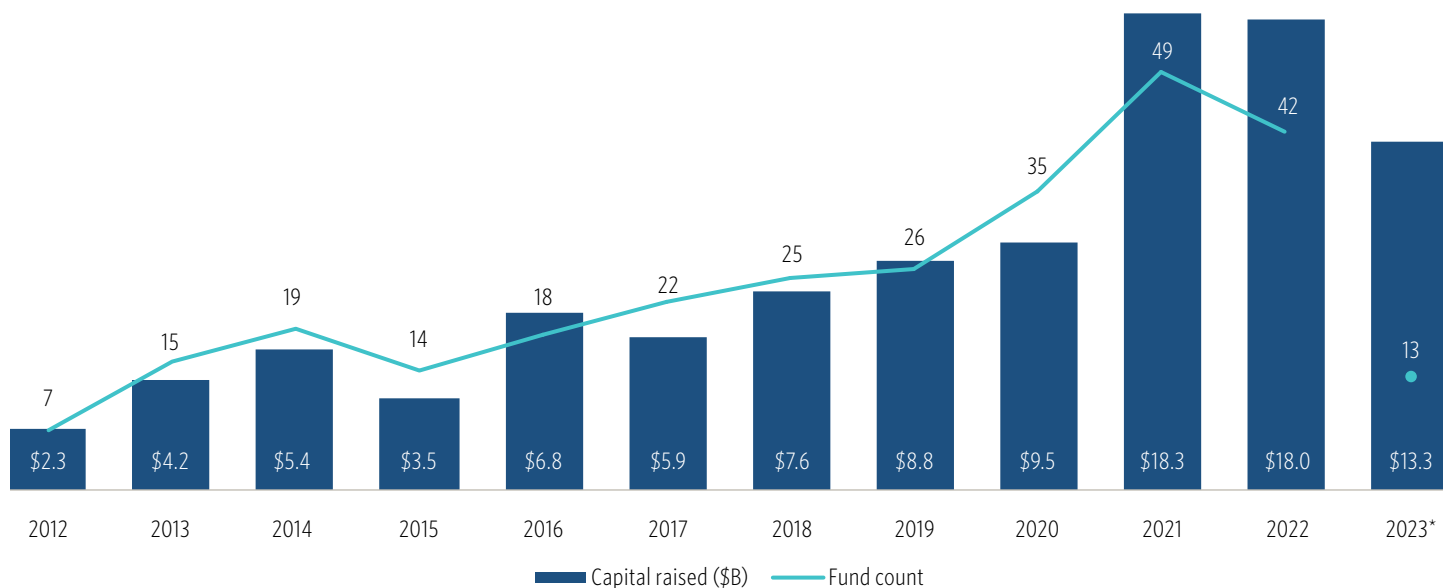
Manager lists are included for the following asset class and style types:

- PE buyout—diversified healthcare
- PE buyout—healthcare services focus
- PE buyout—life sciences focus
- PE growth equity
- Early-stage VC—biopharma
- Multi-/late-stage VC—biopharma
- Early-stage VC—digital health and healthcare IT
- Multi-/late-stage VC—digital health and healthcare IT
- Early-stage VC—diversified healthcare and life sciences
- Multi-/late-stage VC—diversified healthcare and life sciences
- Early-stage VC—diversified life sciences
- Multi-/late-stage VC—diversified life sciences
- Early-stage VC—medtech
- Multi-/late-stage VC—medtech
- CVC—health systems
- CVC—pharma
- CVC—medtech
- CVC—payers
- CVC—other healthcare
- CVC—other

¹: "Global Private Equity Barometer," Collier Research Institute, Summer 2023.

Healthcare specialist fundraising trends

Healthcare PE fundraising activity

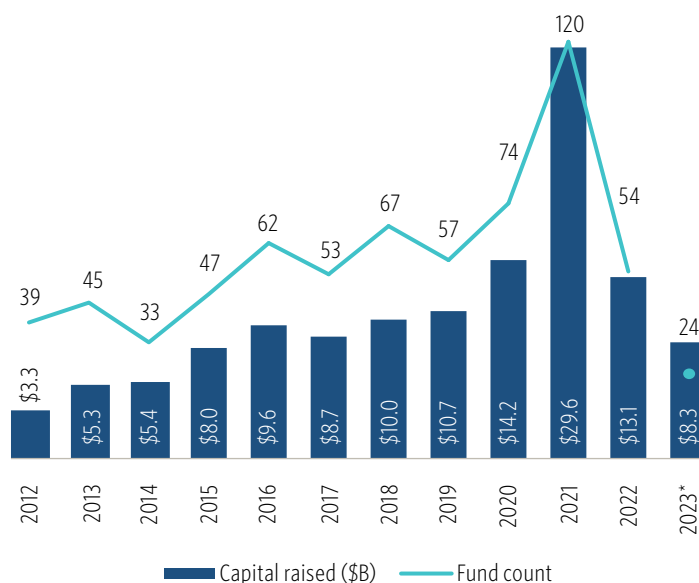


Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Across asset classes, 2021 was a standout fundraising year for healthcare specialists. The COVID-19 pandemic brought widespread attention to opportunities in virtual care delivery and mRNA therapeutics, as well as soaring demand for mental health care and rapid/point-of-care diagnostics. 2021 was, of course, a heyday of private capital fundraising regardless of specialization, as multiple expansion and frothy public markets facilitated early exits and allocators reached for yield in a low-rate environment. Between 2020 and 2021, overall [PE fundraising](#) for North American and European managers increased 34.7% YoY, and [VC fundraising](#) increased by 51.7%. However, over the same time frame and in the same geographies, healthcare specialist PE fundraising increased by 92.4%, life sciences VC fundraising increased 108.1%, and other healthcare VC fundraising increased 32.4%.

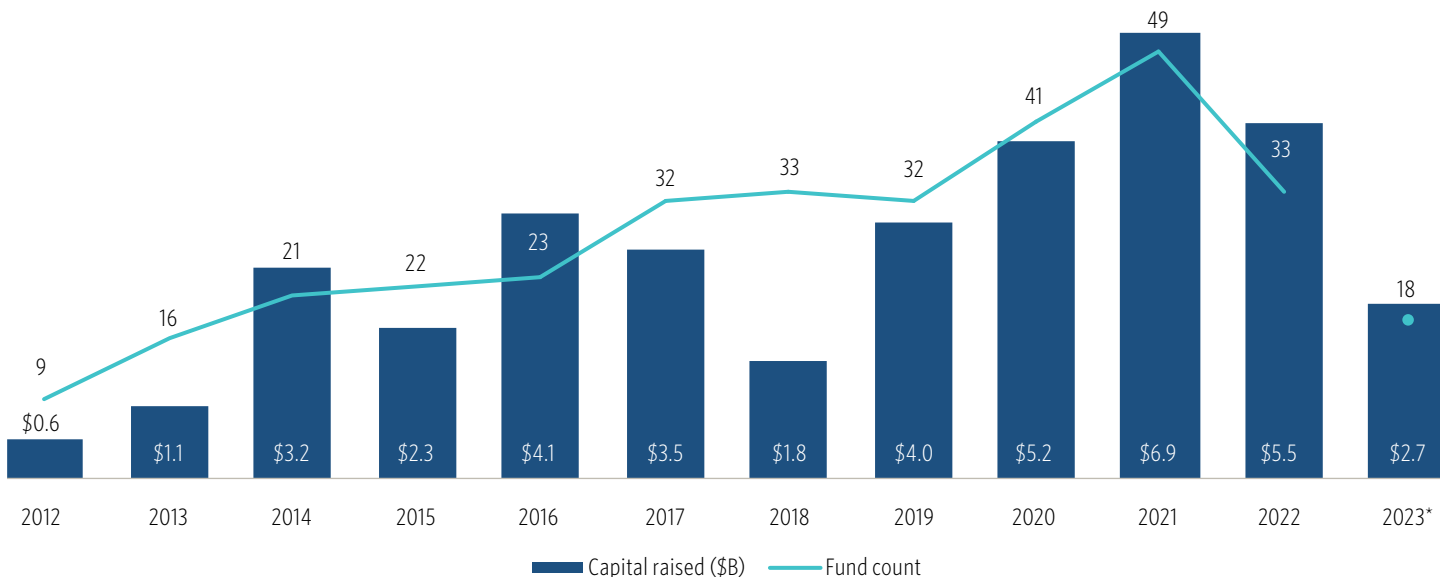
After 2021, fundraising for healthcare specialist PE funds was much more resilient than for VC managers. Not only did 2022's healthcare PE fundraising activity track close to 2021, but the first half of 2023 looks almost as strong—even without

Life sciences VC fundraising activity



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Other healthcare VC fundraising activity



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

accounting for Patient Square Capital’s unprecedented \$3.9 billion first-time fundraise. Healthcare PE managers tend to invest in businesses that are considered recession resistant, and the industry’s concentration in ambulatory provider groups and pharmaceutical distribution, tools, and services positioned the industry on the right side of COVID-19-related trends. Healthcare VC managers not focused on life sciences have also held up over the past two years. By contrast, life sciences VC fundraising normalized abruptly after 2021, likely due to narratives shifting away from what had been a singular hype cycle for the biopharmaceutical industry.

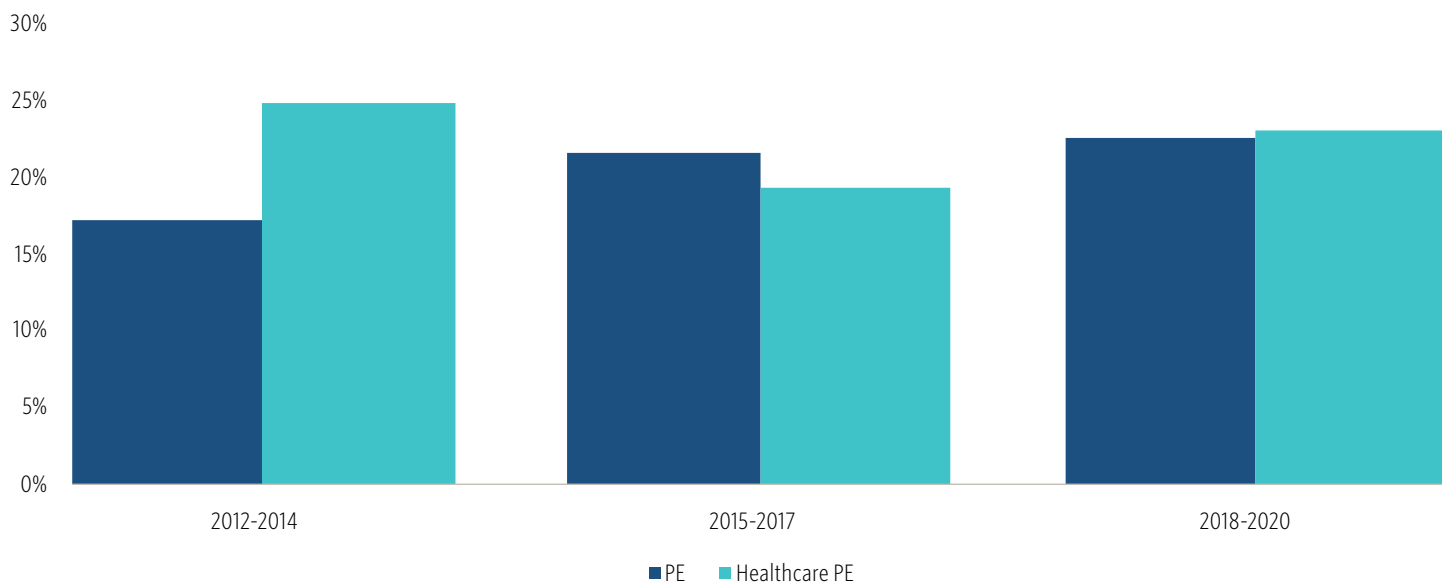
Because healthcare specialist managers account for only a small portion of the private capital deployed into healthcare,

we used historical deal activity trends to estimate the total dry powder—held by both specialist and semispecialist/nonspecialist firms—that is likely to be deployed into healthcare companies in PE and VC deals. We peg this number at around \$125.4 billion held by North American and European managers for healthcare deals, \$34.9 billion for life sciences VC deals, and \$34.9 billion for other healthcare VC deals. For comparison, US healthcare expenditures were \$4.3 trillion in 2021.² It is also important to note that these dry powder figures do not include capital available to be deployed to nontraditional investors, such as corporate venture capital (CVC) arms and hedge funds, or to institutional investors, such as sovereign wealth funds and family offices, for direct investments.

2: “NHE Fact Sheet,” Centers for Medicare & Medicaid Services, June 14, 2023.

Healthcare specialist performance

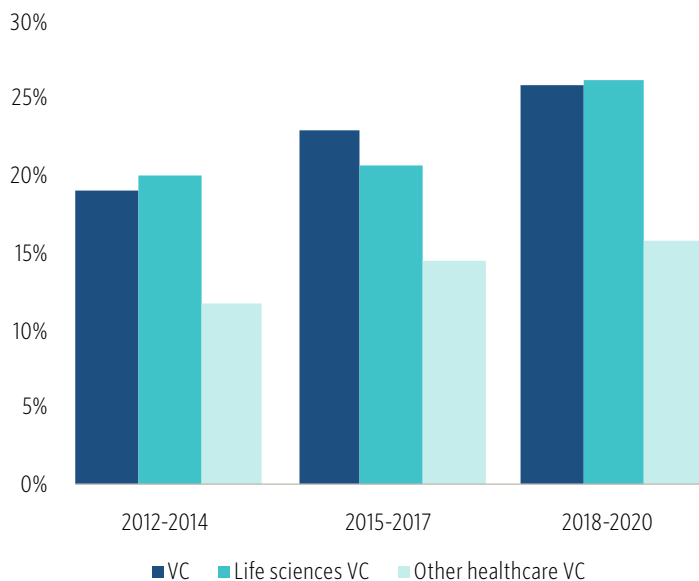
Pooled IRRs by PE sector*



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

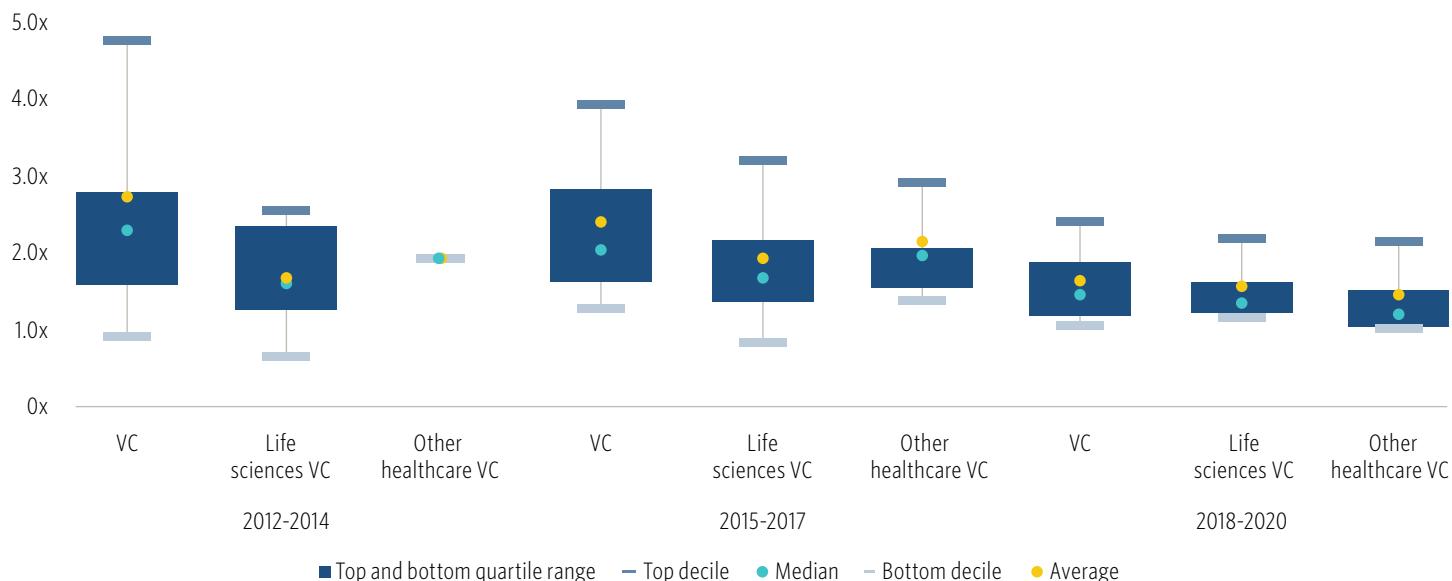
Conventional wisdom holds that specialist managers, by virtue of their focus and operational expertise, outperform generalists. Many also believe that healthcare managers may outperform due to industry tailwinds and acyclicity. Contrary to this assumption, previous PitchBook research has demonstrated that sector specialization is not correlated with outperformance in either [PE](#) or [VC](#). Domain expertise and deal-sourcing advantage are countered by a narrower investable universe and greater exposure to industry dislocation; additionally, many generalist GPs operate with formal or de facto sector-specialized teams, further muddying comparisons. However, our previous research has not specifically examined the performance of healthcare specialists. We compared the performance of healthcare specialists using the curated lists in this report, backfilled to capture managers active between 2012 and the present.

Pooled IRRs by VC sector*



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

TVPI dispersion by VC sector*

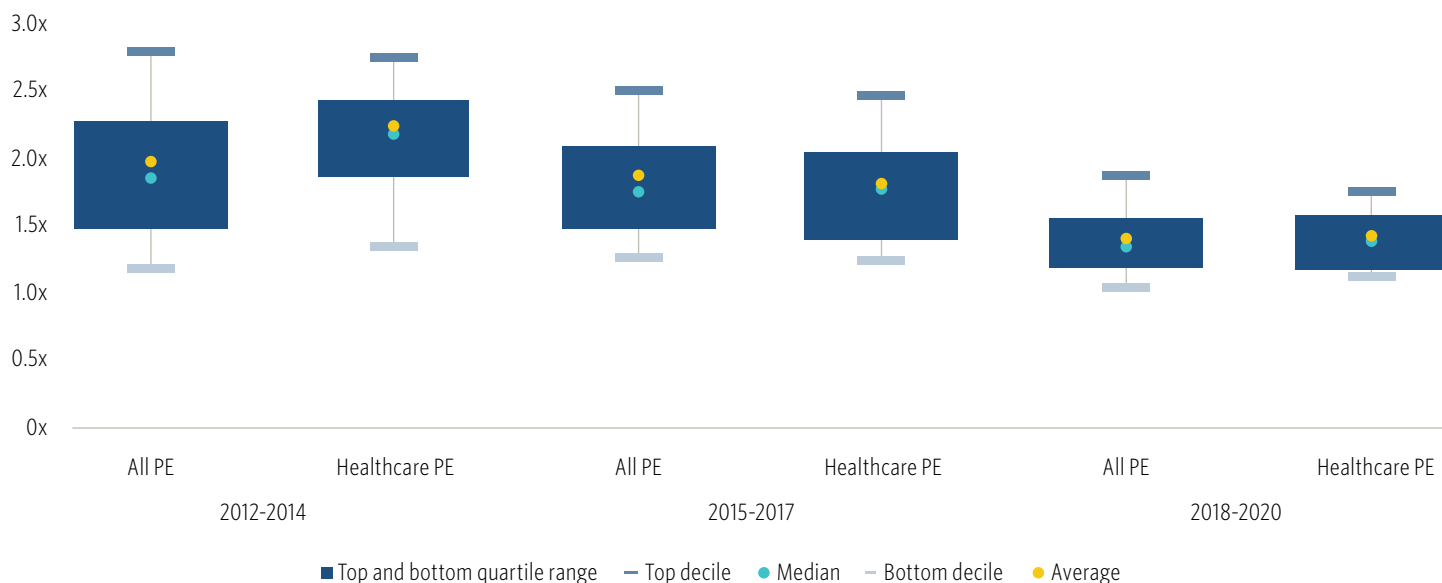


Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Comparing equal-weighted pooled IRRs and TVPIs of healthcare specialists with the broader asset classes suggested several performance trends. Healthcare specialist PE funds in North America and Europe outperformed relative to all PE managers in the same geography for the 2012-2014 vintage bucket and performed about as well as other managers for more recent vintages. For VC, the picture is less rosy. Life sciences VC managers returned superior IRRs

relative to the broader VC industry in two of three vintage buckets but posted considerably lower TVPIs across the board. This may be due to the capital-intensive nature of drug development. Meanwhile, healthcare specialist VC funds that do not focus on life sciences severely underperformed using IRR and moderately underperformed using TVPI. However, it is important to note that data counts for this analysis are low, particularly for the “other healthcare VC” category.

TVPI dispersion by PE sector*



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Data counts*

	IRR			TVPI		
	2012-2014	2015-2017	2018-2020	2012-2014	2015-2017	2018-2020
Healthcare PE	13	11	18	12	10	16
Life sciences VC	15	22	19	14	17	16
Other healthcare VC	1	10	10	1	8	10
PE	232	311	353	224	278	332
VC	78	118	125	75	98	114

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Manager lists

Click to view the interactive lists on the PitchBook Platform.

PE buyout—diversified healthcare*

Manager	Fundraising status	Current/last fund	Last closed year	Last fund size (\$M)	HQ country
Altaris Capital Partners	Open	Altaris Health Partners VI	2021	\$2350.0	US
Amulet Capital Partners	Open	Amulet Capital Fund III	2021	\$650.0	US
Apposite Capital	Closed	Apposite Healthcare Fund III	2021	\$240.0	UK
Ardan Equity	Closed	Ardan Investment Co. V	2022	N/A	US
Consonance Capital	Closed	Consonance Private Equity II	2020	\$856.0	US
Evolve HealthCare Partners	Closed	Evolve Healthcare Partners Fund	N/A	N/A	Spain
G Square Healthcare Private Equity	Closed	G Square Capital III	2020	\$555.6	UK
Great Point Partners	Closed	Great Point Partners IV	2022	\$506.0	US
HealthEdge Investment Partners	Open	HealthEdge Investment Fund IV	2016	\$152.0	US
Hildred Capital Management	Closed	Hildred Capital Management Fund II	2022	\$362.5	US
Impilo	Closed	Impilo Pool II	2021	\$699.2	Sweden
Linden Capital Partners	Closed	Linden Capital Partners V	2021	\$3,000.0	US
Martis Capital Management	Closed	Martis Partners IV	2023	\$779.0	US
NaviMed Capital	Closed	NaviMed Partners Fund II	2021	\$290.0	US
Patient Square Capital	Closed	Patient Square Capital Fund	2023	\$3,900.0	US
Vivalto Partners	Open	Vivalto Capital I	N/A	N/A	France
Water Street Healthcare Partners	Closed	Water Street Healthcare Partners V	2022	\$1,400.0	US
WindRose Health Investors	Closed	WindRose Health Investors VI	2023	\$1,400.0	US

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

PE buyout—life sciences focus*



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

PE growth equity*



Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Early-stage VC—biopharma*

Manager	Fundraising status	Current/last fund	Last closed year	Last fund size (\$M)	HQ country
Aditum Bio	Open	Aditum Bio Fund 2	2020	\$133.0	US
Aglaia Oncology Funds	Open	Aglaia Biomedical Ventures	2019	N/A	Netherlands
ALSA Ventures	Closed	ALSA Ventures Fund I	2020	\$59.0	UK
Apollo Health Ventures	Open	Apollo Health Ventures Fund II	2021	\$180.0	Germany
ARCH Venture Partners	Closed	ARCH Venture Fund XII	2022	\$2,975.0	US
ATEM Capital	Closed	ATEM Capital Fund	2021	\$0.5	US
Atlas Venture	Closed	Atlas Venture Fund XIII	2022	\$450.0	US
Ayuh Ventures	Open	Ayuh Ventures Fund II	2022	N/A	US
Bering Capital	Open	Bering Partners II	2022	\$1.4	US
Bioqube Ventures	Closed	Bioqube Factory Fund I	2020	\$122.9	Belgium
Commodore Capital	Open	Commodore Capital Fund	N/A	N/A	US
Creacion Ventures	Closed	Creacion Ventures	2020	\$155.3	US
Invivo Capital	Open	Invivo Ventures FCR	N/A	N/A	Spain
JLS Fund	Open	JLS Fund II	2021	\$5.3	US
KASTx Ventures	Open	KASTx Life Science Fund I	N/A	N/A	Canada
Khanu Management	Closed	KHAN Technology Transfer Fund I	2019	\$66.6	Germany
Leafy Tunnel	Open	Leafy Tunnel Fund 1	N/A	N/A	UK
Linden Lake Venture Capital	Open	Linden Lake Venture Capital Fund	N/A	N/A	US
LongeVC	Open	LongeVC Fund	N/A	N/A	Switzerland
MedFocus	Open	Jaic-Henson MedFocus Fund II	2016	N/A	US
NCL Technology Ventures	Open	NCL Health Technology Fund II	2020	N/A	UK
Newpath Partners	Open	Newpath Partners III	2021	\$358.0	US
Oskare Capital	Open	MEDCAN FUND	2020	N/A	France
Palo Santo	Closed	Palo Santo Venture Fund	2022	\$50.0	US
quadraScope Venture Fund	Open	quadraScope Venture Fund	N/A	N/A	US
RM Global Partners	Closed	SMO-Nectero	2023	\$0.2	US
The Conscious Fund	Closed	TCF I	2021	\$2.5	US
The Longevity Fund	Closed	Longevity Vision Fund II	2020	\$100.0	US
Utopia SIS	Open	Utopia Fund	N/A	N/A	Italy

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Multi-/late-stage VC—biopharma continued*

Rank	Fund Name	Assets Under Management (\$B)	Number of Investments	Number of Companies
1	Wellcome Leap	1.0	10	10
2	Novartis Venture Partners	0.8	8	8
3	Novartis Venture Capital	0.7	7	7
4	Novartis Venture Capital	0.6	6	6
5	Novartis Venture Capital	0.5	5	5

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Early-stage VC—digital health and healthcare IT*

Rank	Fund Name	Assets Under Management (\$B)	Number of Investments	Number of Companies
1	Wellcome Leap	1.0	10	10
2	Novartis Venture Partners	0.8	8	8
3	Novartis Venture Capital	0.7	7	7
4	Novartis Venture Capital	0.6	6	6
5	Novartis Venture Capital	0.5	5	5

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Multi-/late-stage VC—digital health and healthcare IT*

Rank	Fund Name	Assets Under Management (\$B)	Number of Investments	Number of Companies
1	Wellcome Leap	1.0	10	10
2	Novartis Venture Partners	0.8	8	8
3	Novartis Venture Capital	0.7	7	7
4	Novartis Venture Capital	0.6	6	6
5	Novartis Venture Capital	0.5	5	5

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Multi-/late-stage VC—digital health and healthcare IT continued*

Rank	Fund Name	GP(s)	Region	Total AUM (\$B)
1	Andreessen Horowitz	Andreessen Horowitz	North America	141.5
2	Warburg Pincus	Warburg Pincus	North America	114.5
3	Greenoaks Capital	Greenoaks Capital	North America	102.5
4	Accurix Capital	Accurix Capital	North America	102.5
5	Investment Company of America	Investment Company of America	North America	92.5
6	Wellspring Capital	Wellspring Capital	North America	82.5
7	TCF Capital	TCF Capital	North America	82.5
8	Sequoia Capital	Sequoia Capital	North America	72.5
9	General Catalyst	General Catalyst	North America	62.5
10	LightSpeed Venture Partners	LightSpeed Venture Partners	North America	62.5
11	Bessemer Venture Partners	Bessemer Venture Partners	North America	52.5
12	OpenView Venture Partners	OpenView Venture Partners	North America	52.5
13	Y Combinator	Y Combinator	North America	52.5
14	Rockwell Capital	Rockwell Capital	North America	52.5
15	Redwood Capital	Redwood Capital	North America	52.5
16	North Bridge Venture Partners	North Bridge Venture Partners	North America	52.5
17	Matrix Partners	Matrix Partners	North America	52.5
18	Greenoaks Capital	Greenoaks Capital	North America	52.5
19	Warburg Pincus	Warburg Pincus	North America	52.5
20	Sequoia Capital	Sequoia Capital	North America	52.5

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Early-stage VC—diversified healthcare and life sciences*

Rank	Fund Name	Manager	Assets Under Management (\$B)	Number of Investments	Number of Companies
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Source: PitchBook • Geography: North America and Europe
 *As of July 24, 2023

Multi-/late-stage VC—diversified healthcare and life sciences*

Rank	Fund Name	Assets Under Management (\$B)	Number of Investments	Number of Companies
1	Wellington Management - Diversified Healthcare	10.5	125	150
2	BlackRock - Global Healthcare	8.2	110	140
3	Capital Group - Healthcare	7.8	100	130
4	State Street - Healthcare	6.5	90	120
5	First Trust - Healthcare	5.9	85	110
6	Investment Company of America - Healthcare	5.3	80	105
7	Dimensional Fund Advisors - Healthcare	4.8	75	100
8	Janus Henderson - Healthcare	4.2	70	95
9	Principal Asset Management - Healthcare	3.7	65	90
10	Putnam - Healthcare	3.1	60	85

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Multi-/late-stage VC—diversified healthcare and life sciences continued*

Rank	Fund Name	Manager	Assets Under Management (\$B)	Investment Focus
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Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Multi-/late-stage VC—diversified healthcare and life sciences continued*

Rank	Fund Name	Manager	Assets Under Management (\$B)	Investment Focus
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Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Early-stage VC—diversified life sciences*

Rank	Fund Name	Manager	Assets Under Management (\$B)	Investment Focus
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Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Early-stage VC—medtech*

Rank	Fund Name	Assets Under Management (\$B)	Number of Investments	Number of Companies
1	Wellington	1.2	15	12
2	Redwood	0.8	12	10
3	Sequoia	0.7	10	8
4	Andreessen Horowitz	0.6	8	6
5	GV	0.5	7	5

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Multi-/late-stage VC—medtech*

Rank	Fund Name	Assets Under Management (\$B)	Number of Investments	Number of Companies
1	Wellington	2.5	25	20
2	Redwood	1.8	18	14
3	Sequoia	1.5	15	12
4	Andreessen Horowitz	1.2	12	10
5	GV	1.0	10	8

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

CVC—health systems*

Rank	Fund Name	Assets Under Management (\$B)
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Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

CVC—pharma*

Rank	Fund Name	Assets Under Management (\$B)
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Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

CVC—medtech*

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

CVC—payers*

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

CVC—other healthcare*

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

CVC—other*

Source: PitchBook • Geography: North America and Europe
*As of July 24, 2023

Inclusion criteria and categories

List inclusion

The managers listed in this report meet the following criteria:

1. They are healthcare specialists, with all or virtually all of their investments in healthcare. This report does not include “targeted” or semispecialist managers with a strong, but not exclusive, healthcare focus (examples include New Enterprise Associates, Oak HC/FT, and Shore Capital Partners). Lists of the most active investors (regardless of specialization) by healthcare vertical can be found in Analyst Workspaces on the PitchBook Platform.³ CVCs listed are active healthcare investors but may not be specialists.
2. They manage a PE or VC fund or are a CVC arm. Mezzanine, private credit, and public equities strategies are not included, nor are hedge funds, funds of funds, or allocators that may make direct investments, such as pensions, sovereign wealth funds, or family offices, unless they also manage PE or VC funds. Fundless sponsors are generally not included, with a few exceptions for important firms investing off of balance sheet or other perpetual capital.
3. They are headquartered in North America or Europe. Funds domiciled outside North America or Europe but managed by North America- or Europe-based firms are included.
4. They are actively investing, as defined by two or more (at the fund family level) or three or more (at the manager level) VC rounds, growth equity investments, or buyouts, excluding add-ons, since January 1, 2020.

We also list healthcare specialist funds that meet the below criteria but are managed by nonspecialist firms. For firms with multiple fund families, we report the status of the flagship fund family wherever possible.

Strategy designation

For VC, we determined early-stage versus multi-/late-stage designation using a combination of deal designations according to PitchBook’s methodology, fund size, and manager-stated preferences. For PE, we generally categorized firms as buyout firms (including growth buyout strategies) unless they predominantly make growth equity or late-stage VC investments or state a preference for growth equity. CVC investors are categorized by the industry of the parent corporation rather than by the fund’s investment focus.

Fundraising and performance data

Fundraising and performance data includes managers and funds meeting criteria 1 through 3 on the left with at least three equity investments since 2012. In this data, “life sciences VC” includes only life sciences specialists. Venture firms that split investments between life sciences and other healthcare segments (such as healthcare IT, digital health, and healthcare services) are included in “other healthcare VC.” The “healthcare PE” category includes all buyout and growth firms. We classify PE royalty strategies as growth equity.

³: The Analyst Workspaces for the healthcare vertical can be found at these links: [healthcare services](#), [healthcare IT](#), [digital health](#), [medtech](#). Similar resources for biopharma and pharimatech are forthcoming.

Additional research

Healthcare



Q1 2023 Digital Health Report

Download the report [here](#)



Q1 2023 Healthcare IT Report

Download the report [here](#)



Q1 2023 Healthcare Services Report

Download the report [here](#)



Q1 2023 Medtech Report

Download the report [here](#)

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