

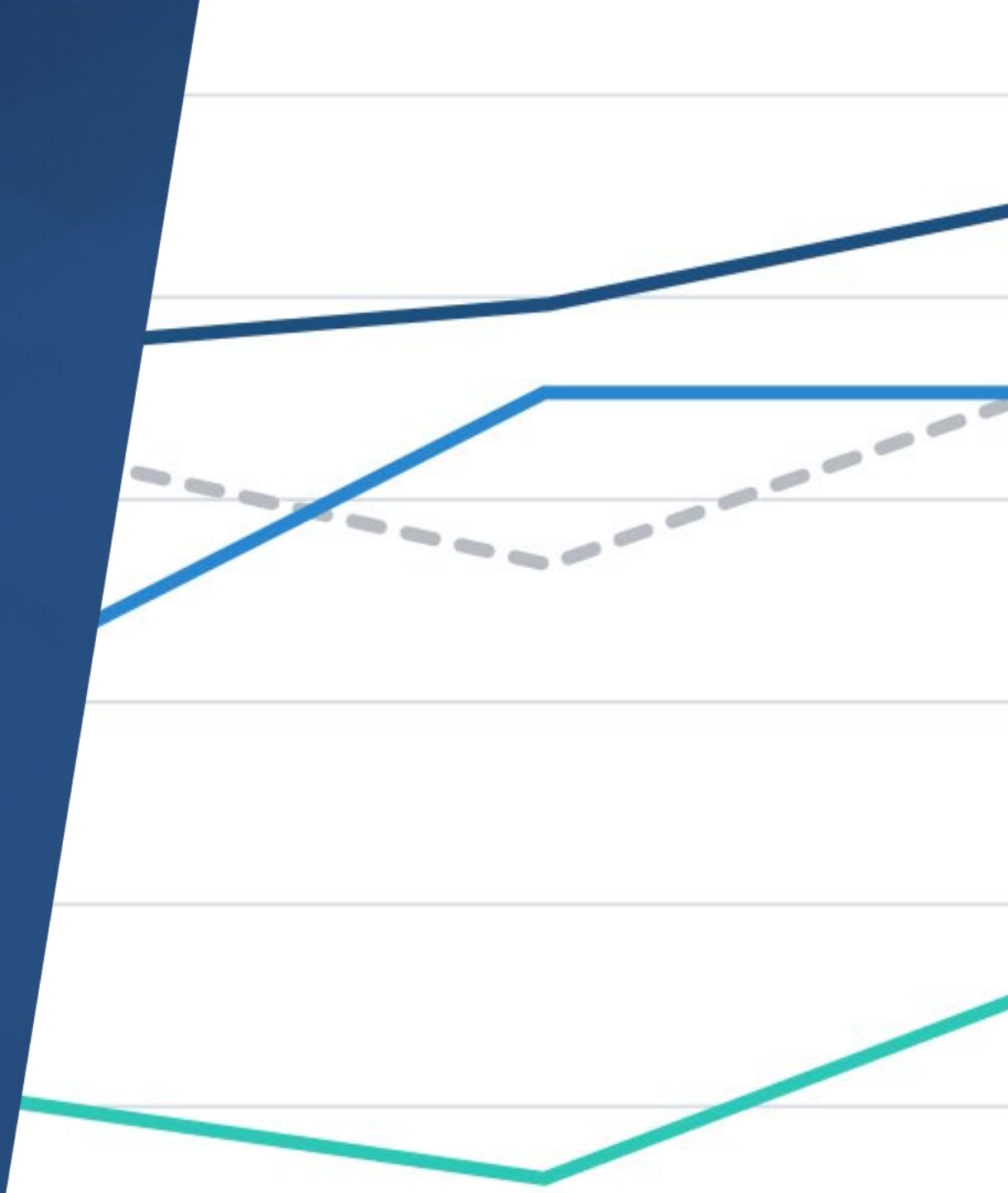


WEBINAR

# Private market fund performance: Spotlight on first-time and emerging managers

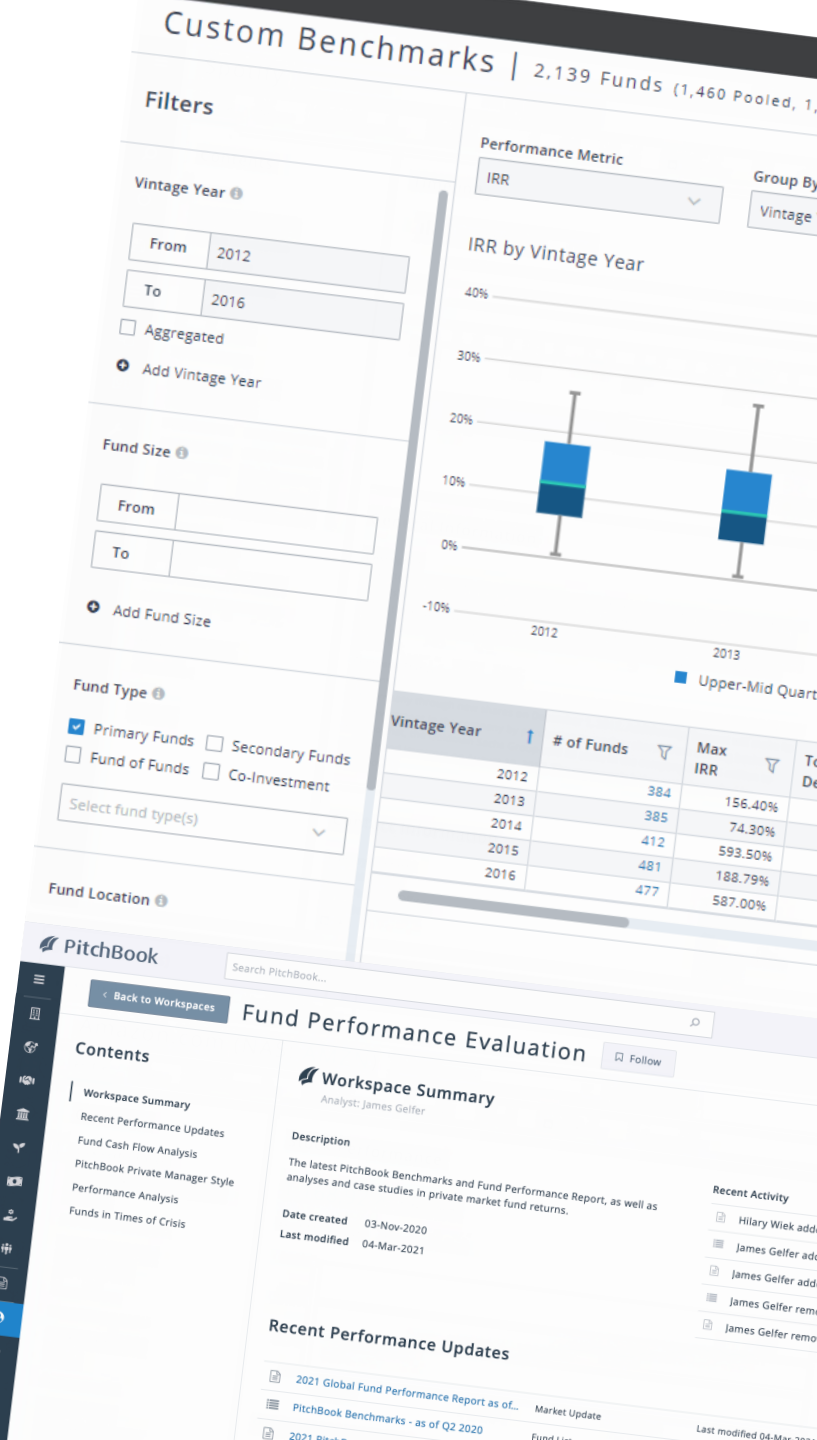
## Q1 2021 Benchmarks

Data as of Q2 2020, preliminary data as of Q3 2020



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WEBINAR

# Private market fund performance: Spotlight on first-time and emerging managers



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PitchBook



**Wylie Fernyhough**

Senior Analyst, PE Lead  
PitchBook

# Research Coverage: Benchmarks & Fund Performance

*PitchBook Benchmarks as of Q2 2020*

[Download report](#)

*Global Fund Performance Report*

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*First Time PE Funds Overview*

[Download report](#)



# Agenda

1 | Private Market Performance

2 | Emerging Manager Trends

3 | First Time Funds

4 | Q&A

# Private Market Performance

(as of 6/30/2020, preliminary through 9/30/2020)

POLL

# What is your role in the private market ecosystem?

A

LP

B

GP

C

Investment Consultant

D

Banker

E

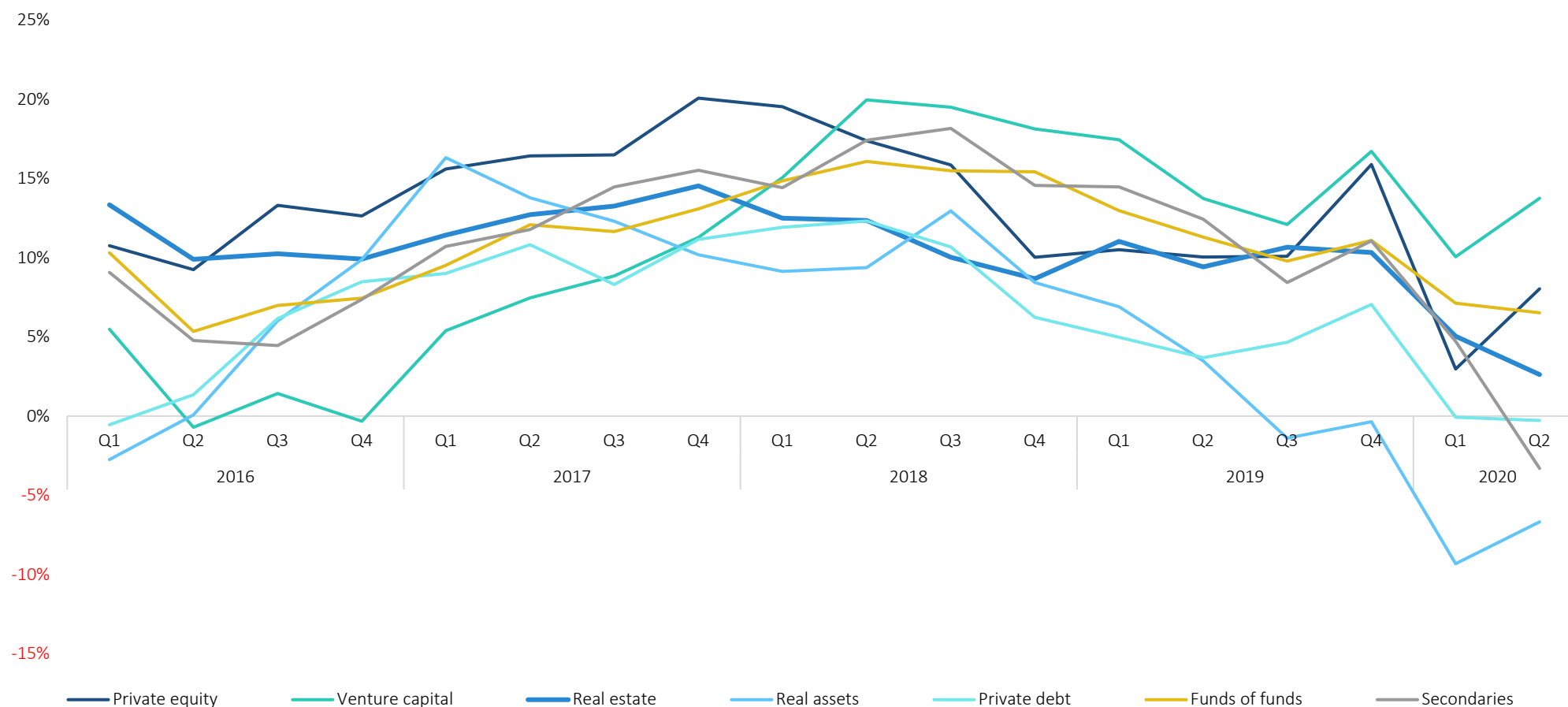
Attorney

F

Other

Rolling one-year horizon IRRs by strategy through Q2 2020

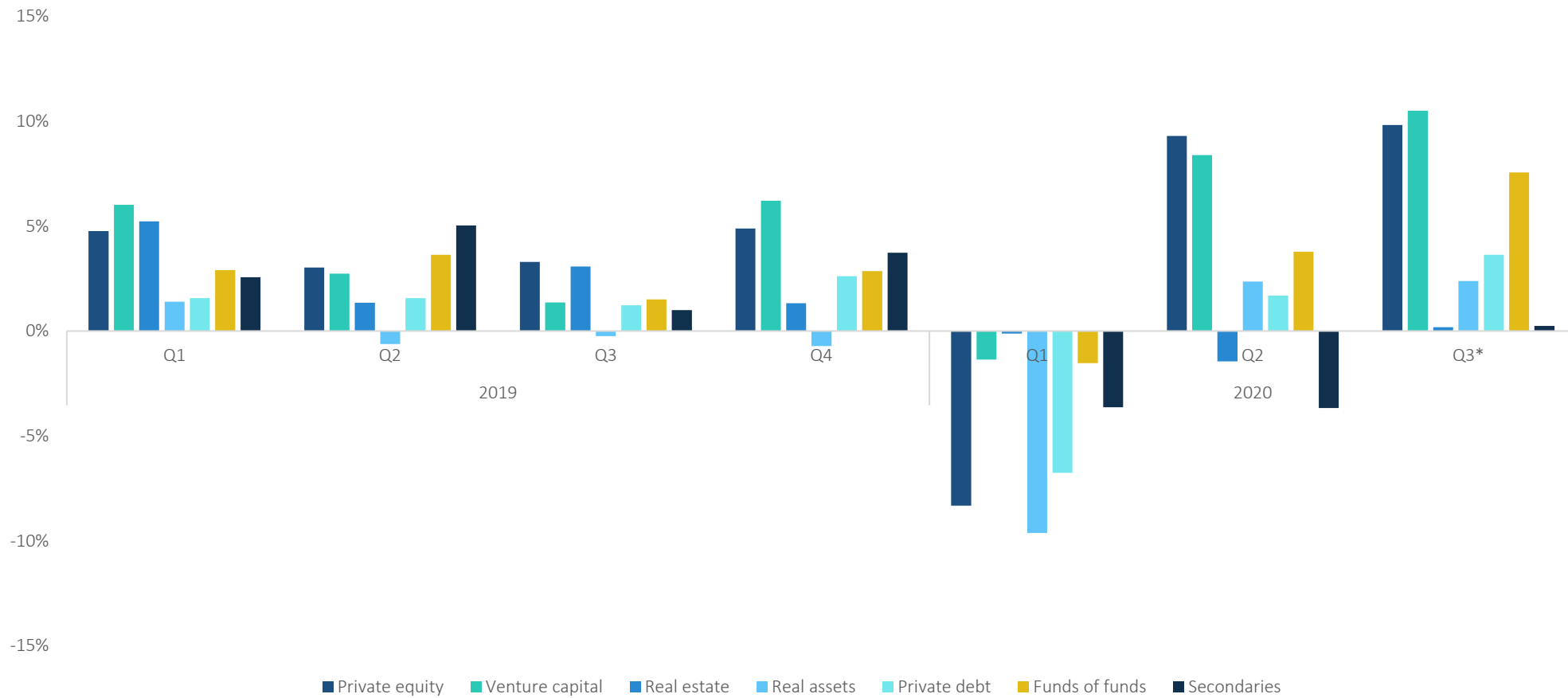
Just as with the public markets, PE and VC bounced back in Q2. Some strategies lagged.





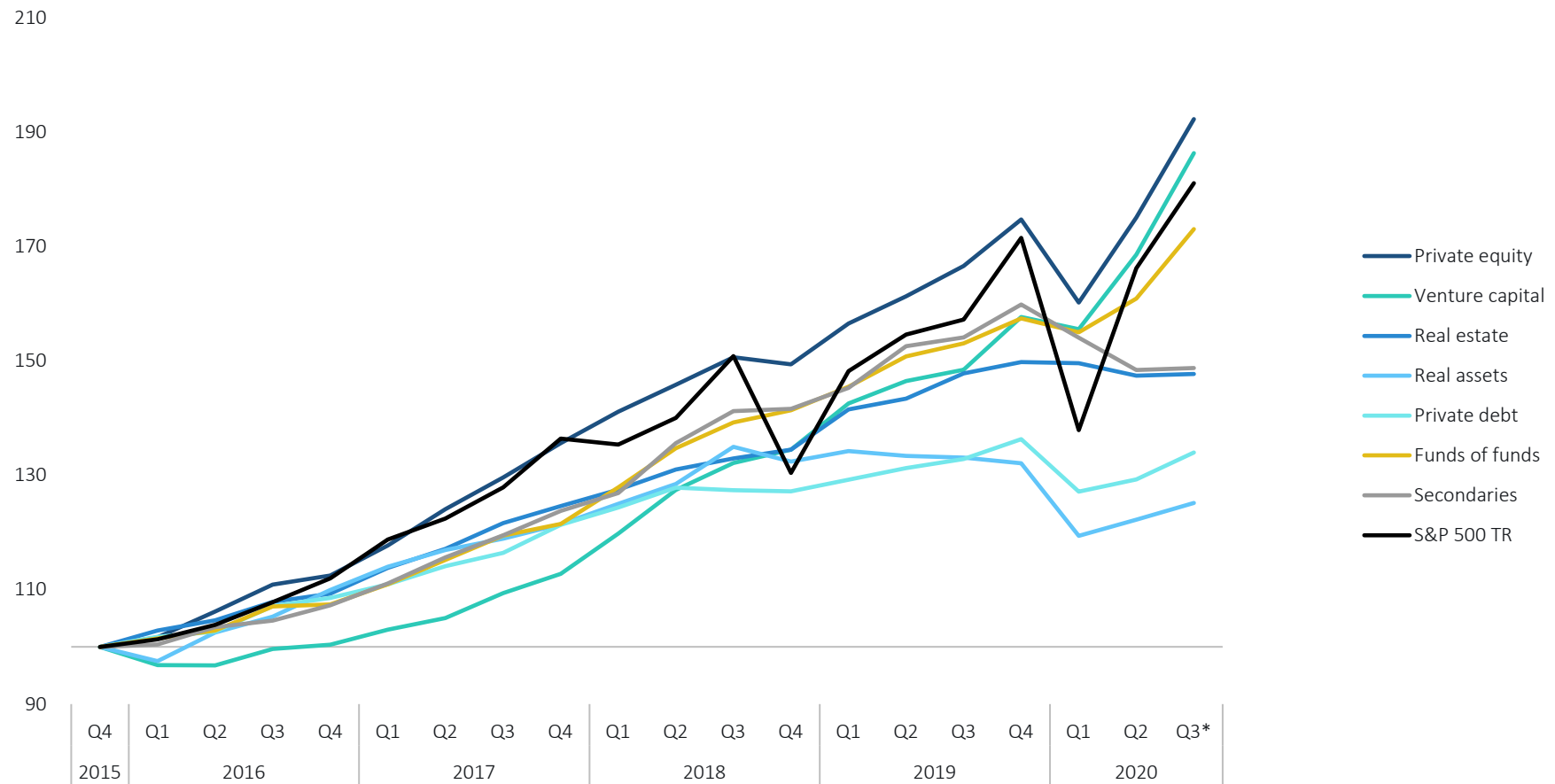
Quarterly returns Q1 2019 to Q3 2020 (including preliminary)

## 3Q preliminary showed all strategies in positive territory



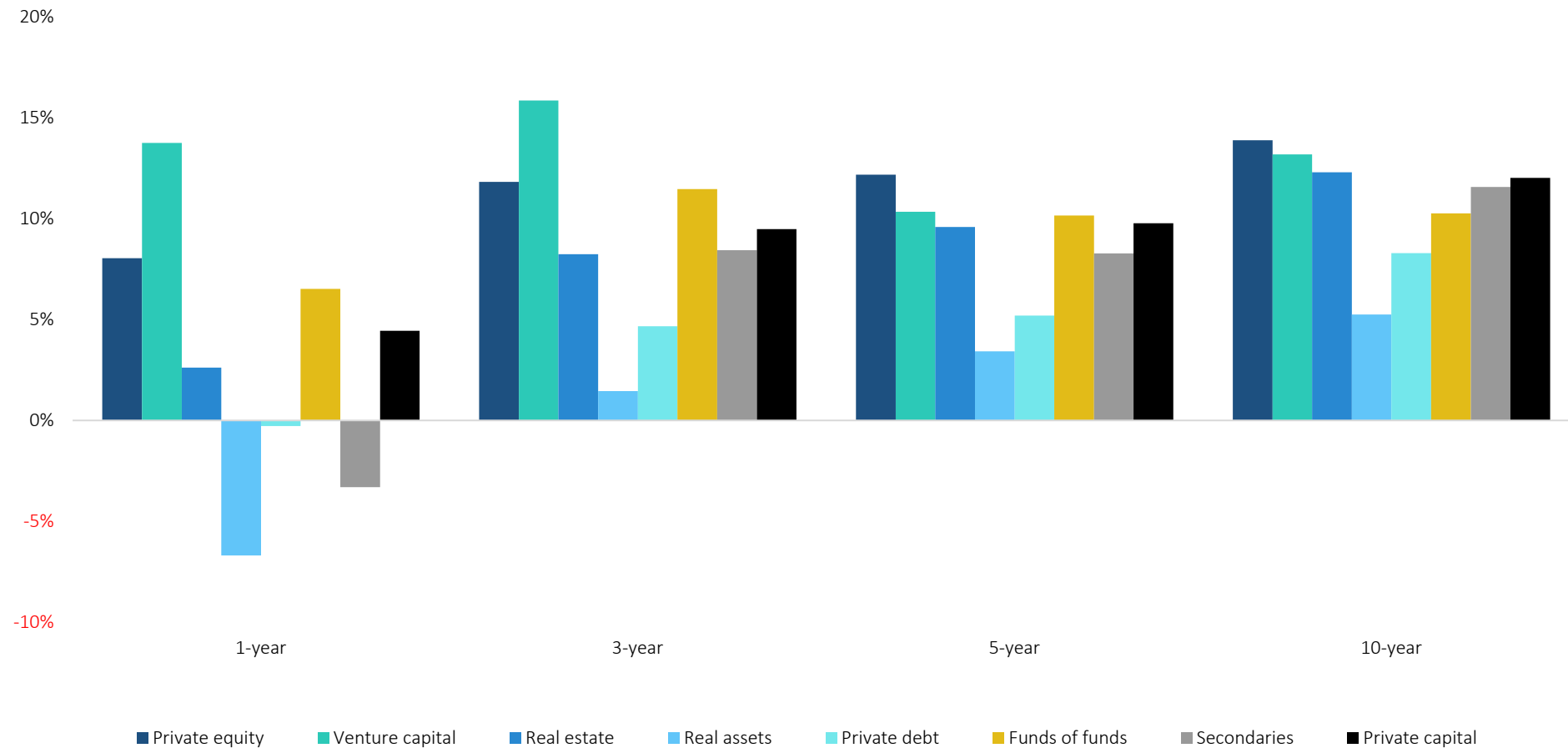
NAV growth rebased to 100 at end of Q4 2015 - as of Q3 2020 (including preliminary)

## Real assets and private debt continue to lag, while PE and VC are ahead of the S&P 500

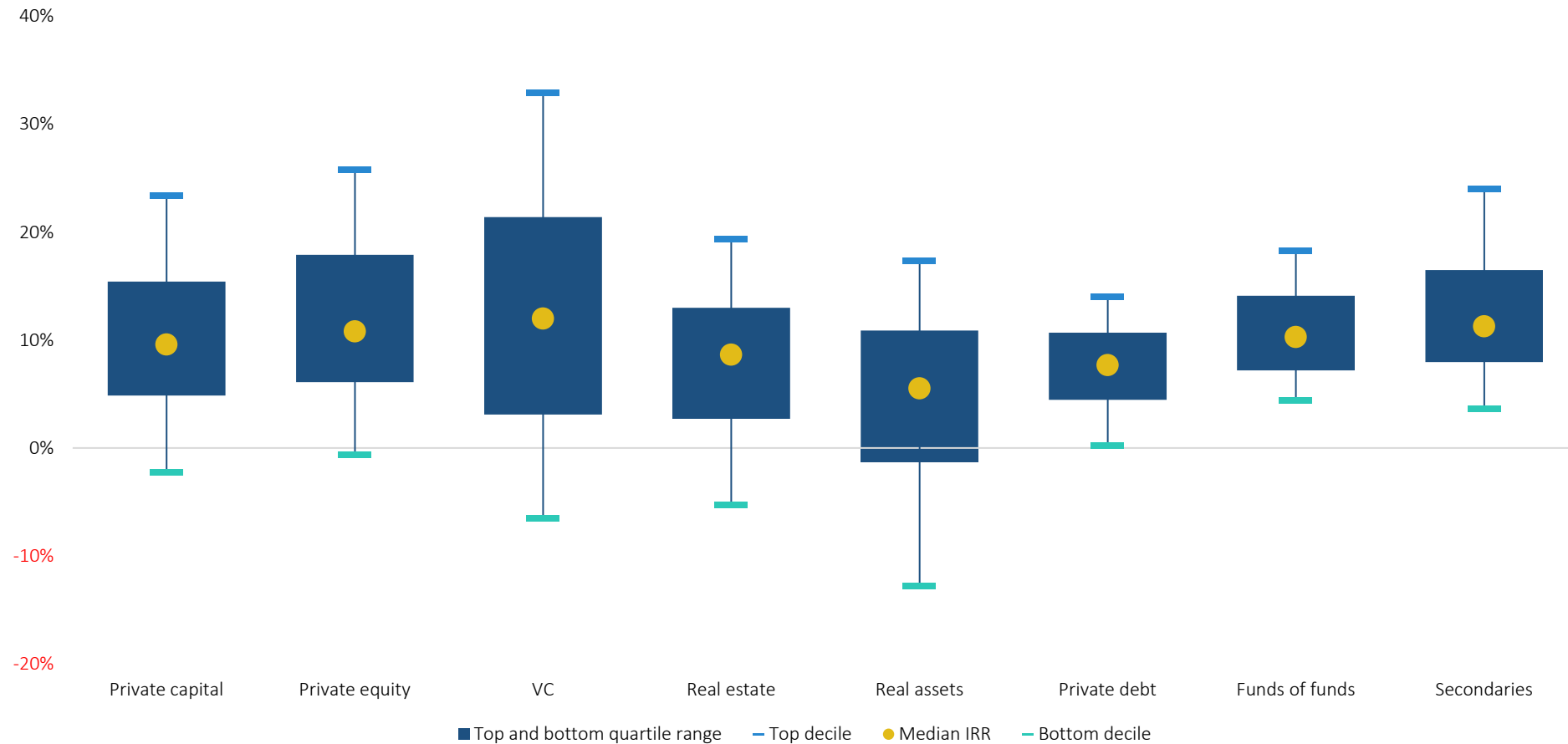


Long term horizon IRRs, through June 2020.

Long-term, PE has prevailed, but VC has dominated the last three years



## Our reported returns can mask a wide distribution in individual fund results

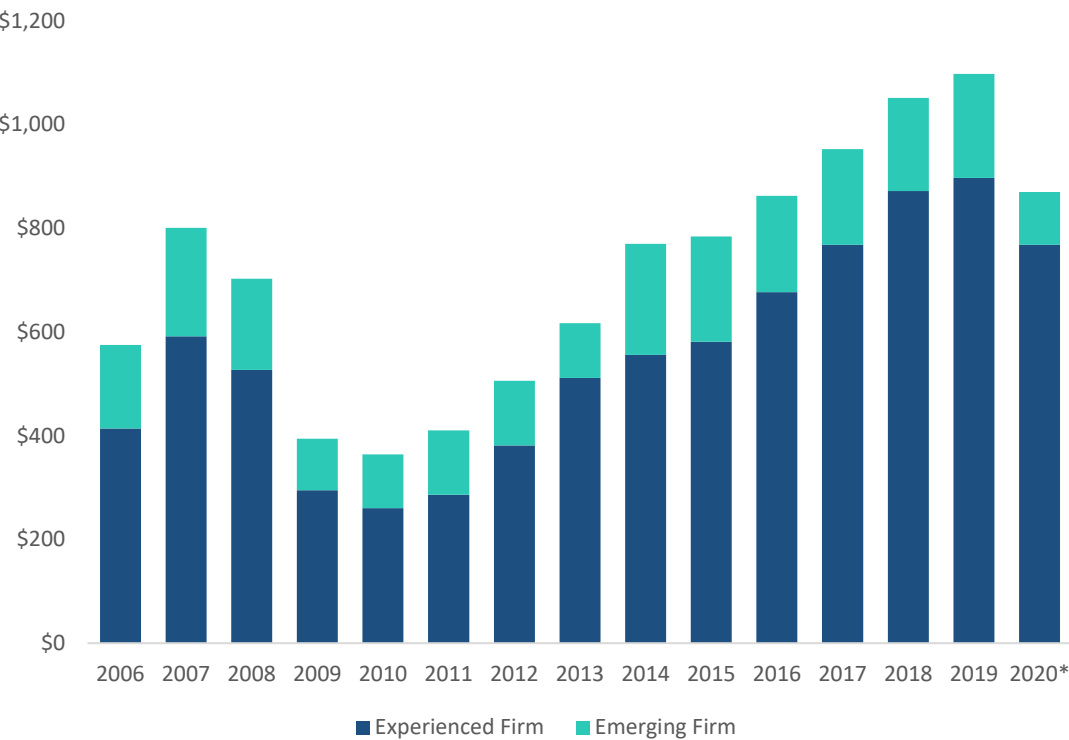


# Emerging Manager Trends

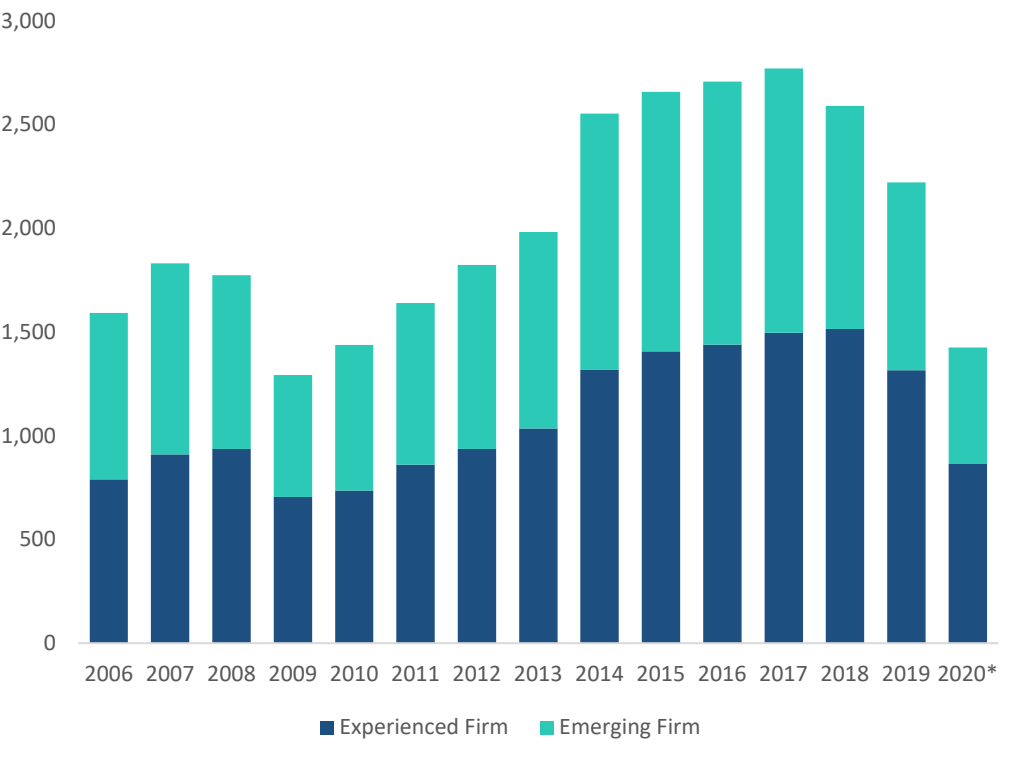
Private capital fundraising by manager experience

Emerging managers raised a lower proportion of funds

Billions of dollars



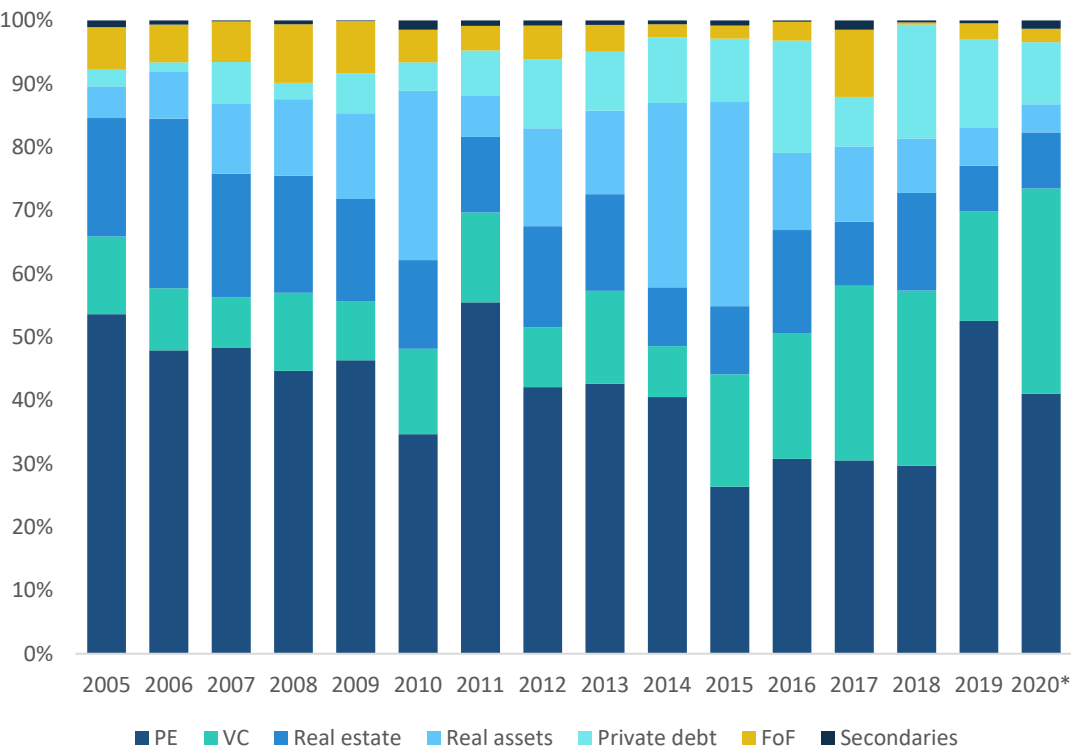
By fund count



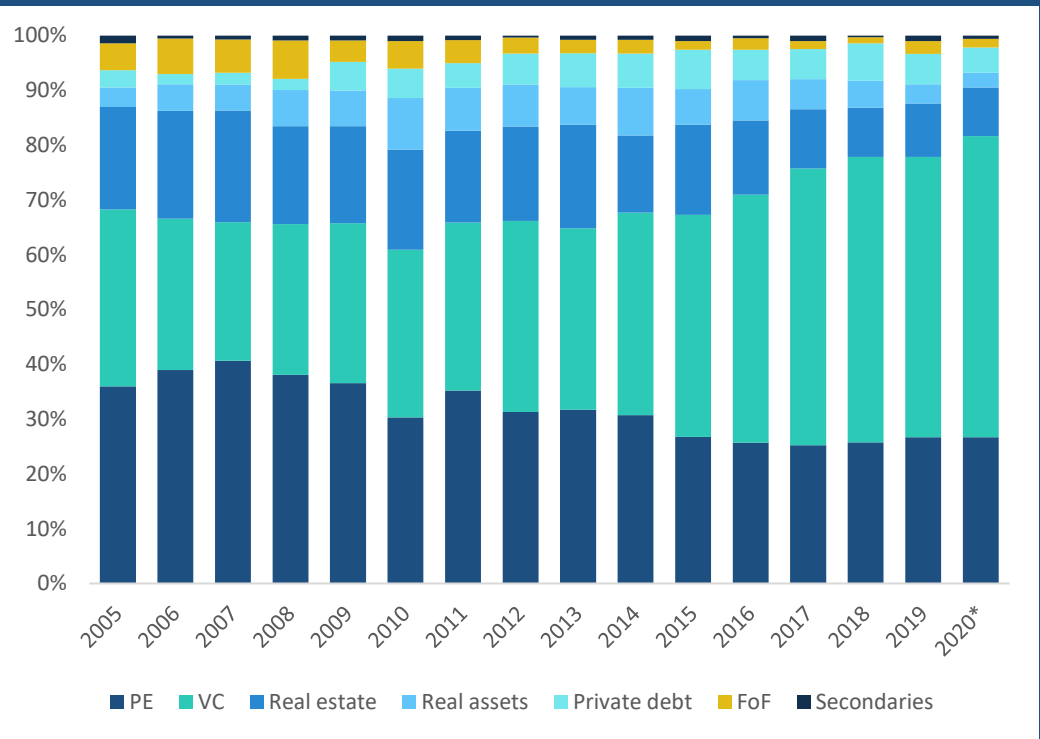
Emerging manager fundraising by strategy

For more context about where emerging funds have been raised over time:

By dollars



By fund count



## POLL

What are your performance expectations for first time funds when compared to the same strategy/vintage/etc.?

A Outperform

B Similar

C Underperform

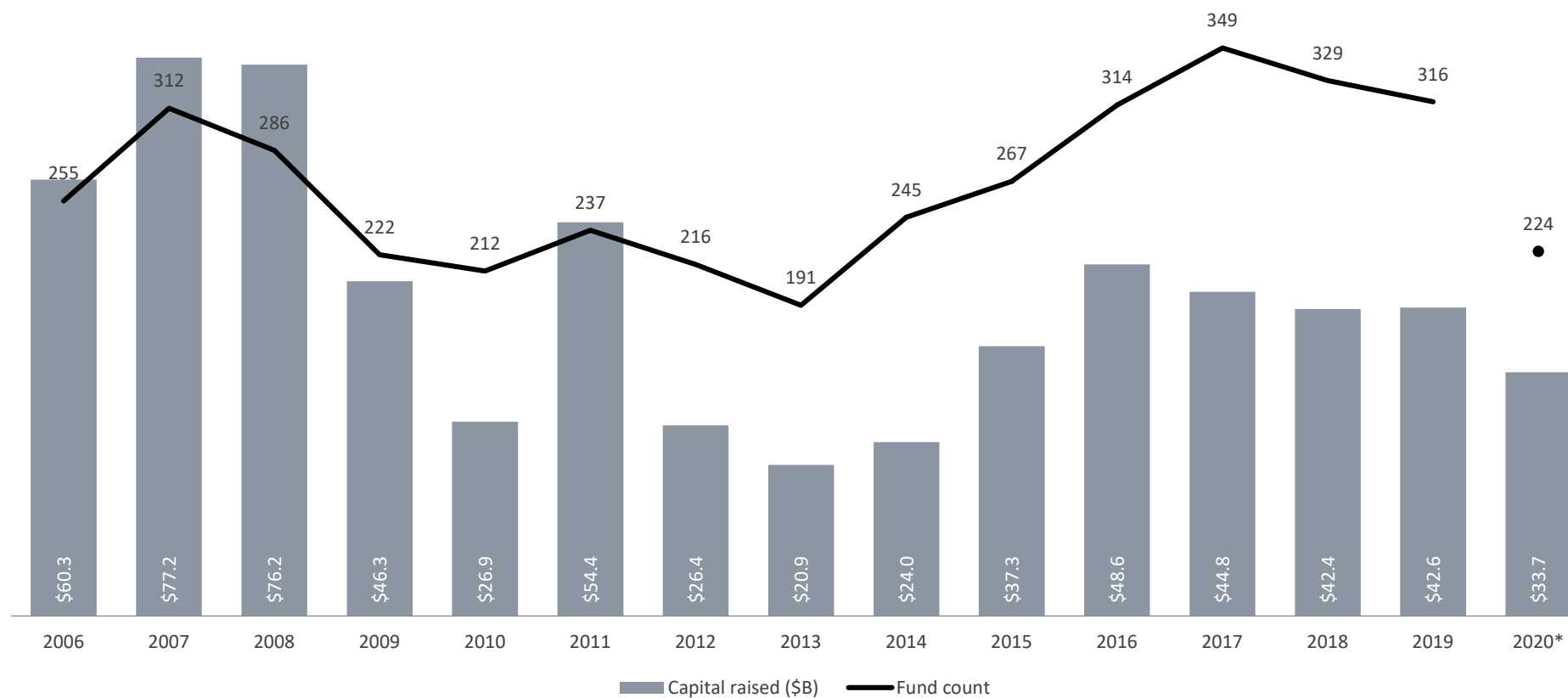
D Depends on the strategy



# First-Time Funds Overview

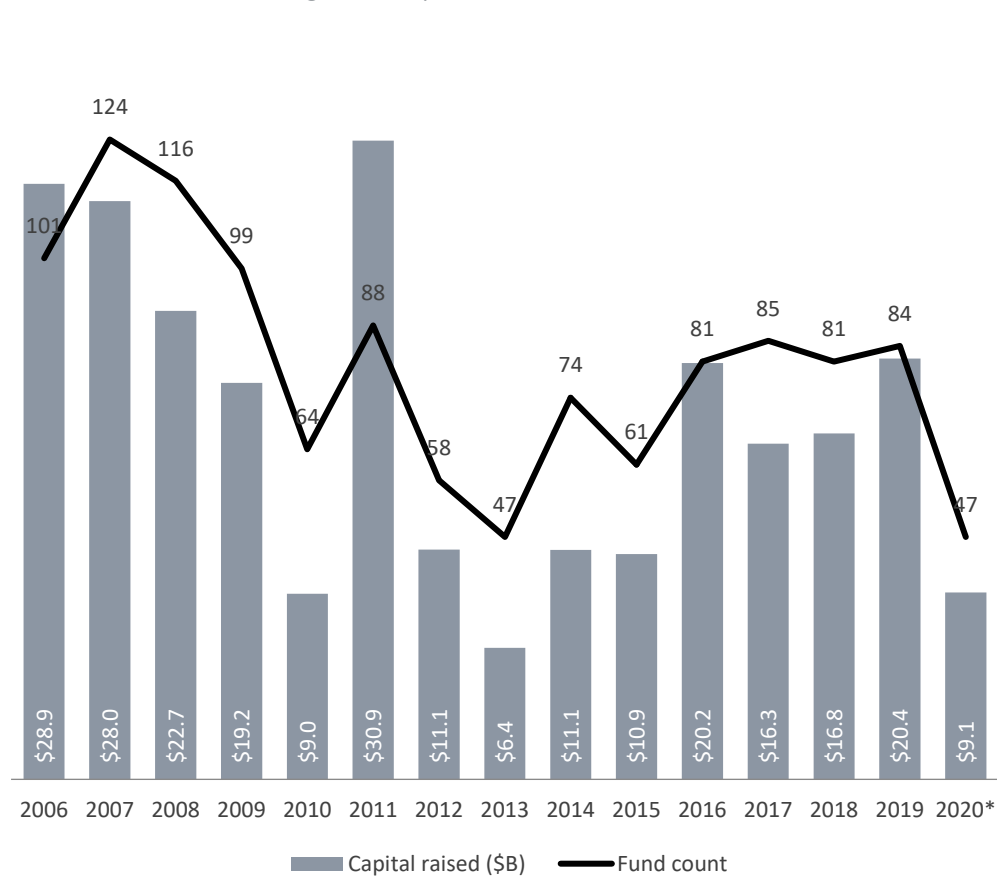
## Private Capital First-Time Fund Fundraising Activity

2020 saw first time funds struggle to close

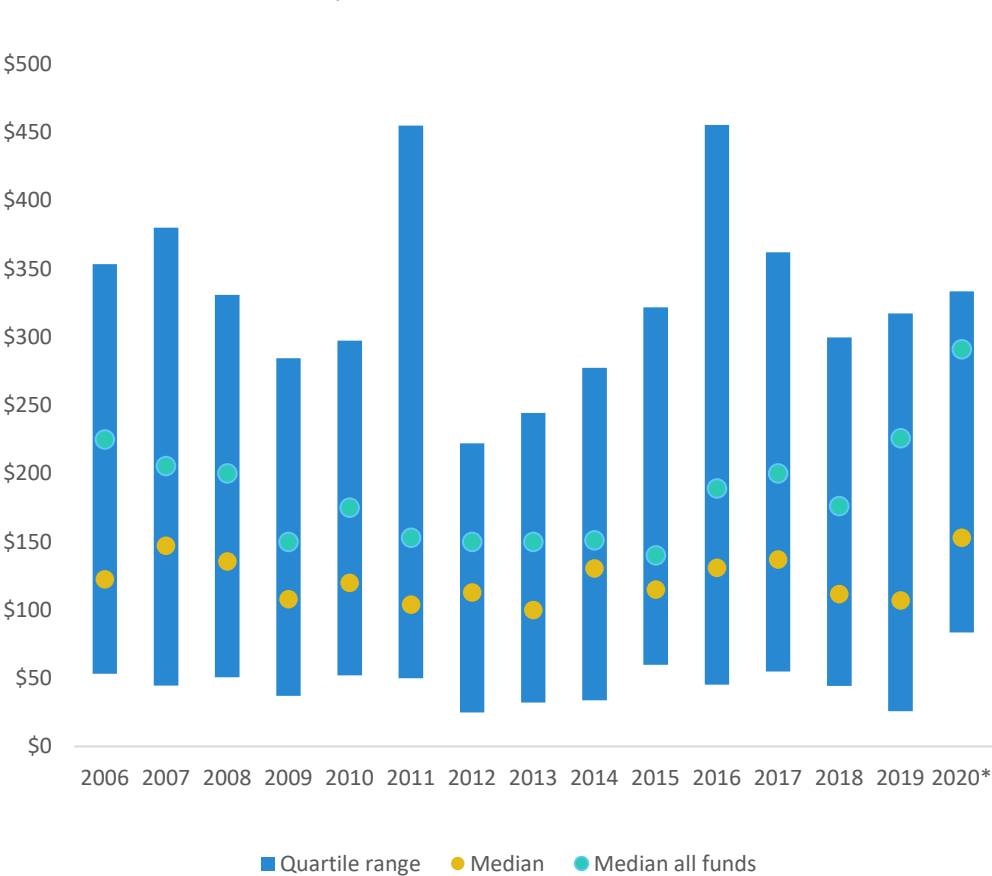


# First-time fundraising plummets for PE firms in 2020

First-time fundraising activity

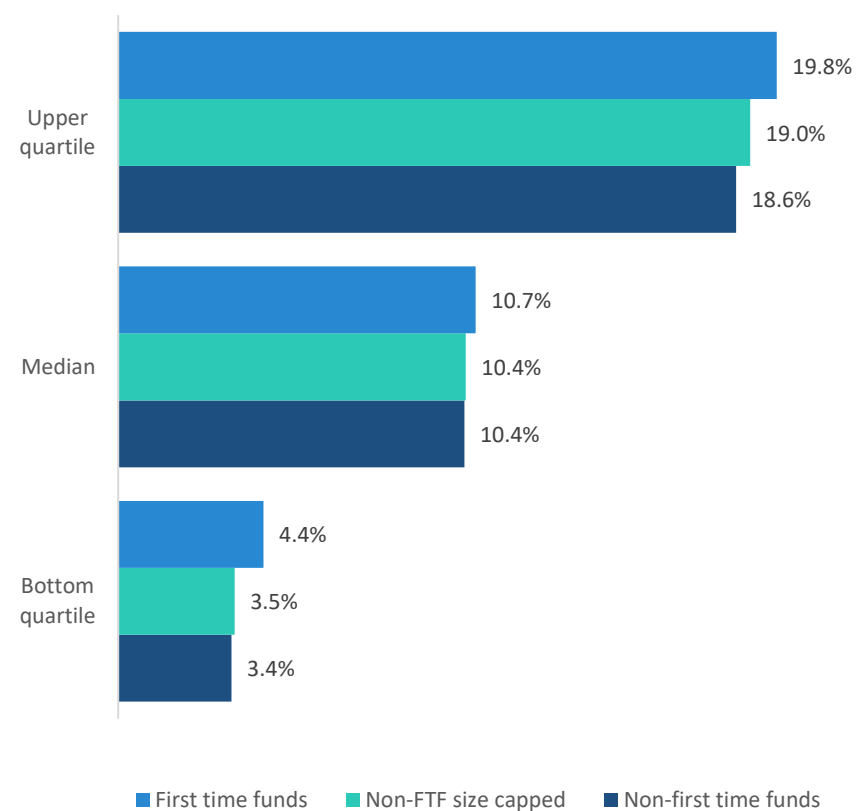


First time fund size dispersion

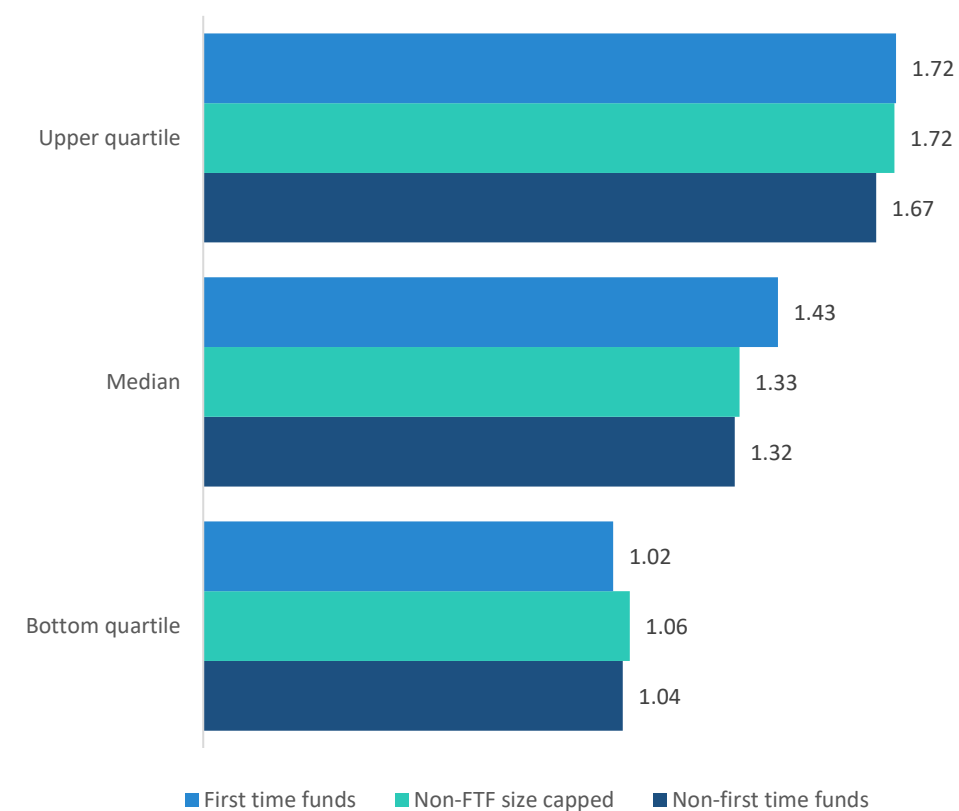


## Performance is very similar across IRRs and TVPIs

IRR quartiles

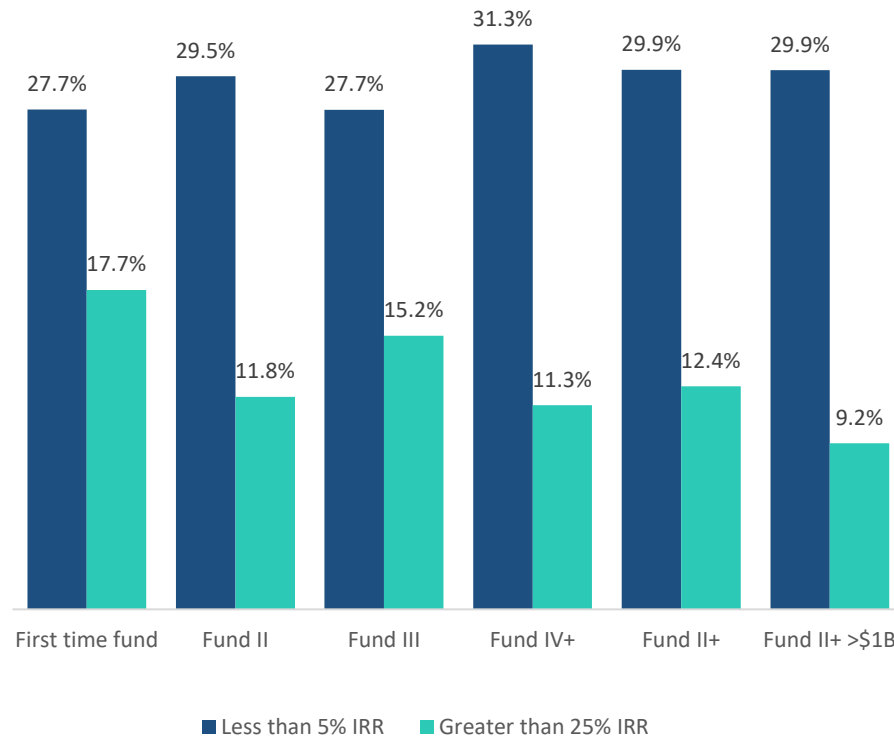


TVPI quartiles

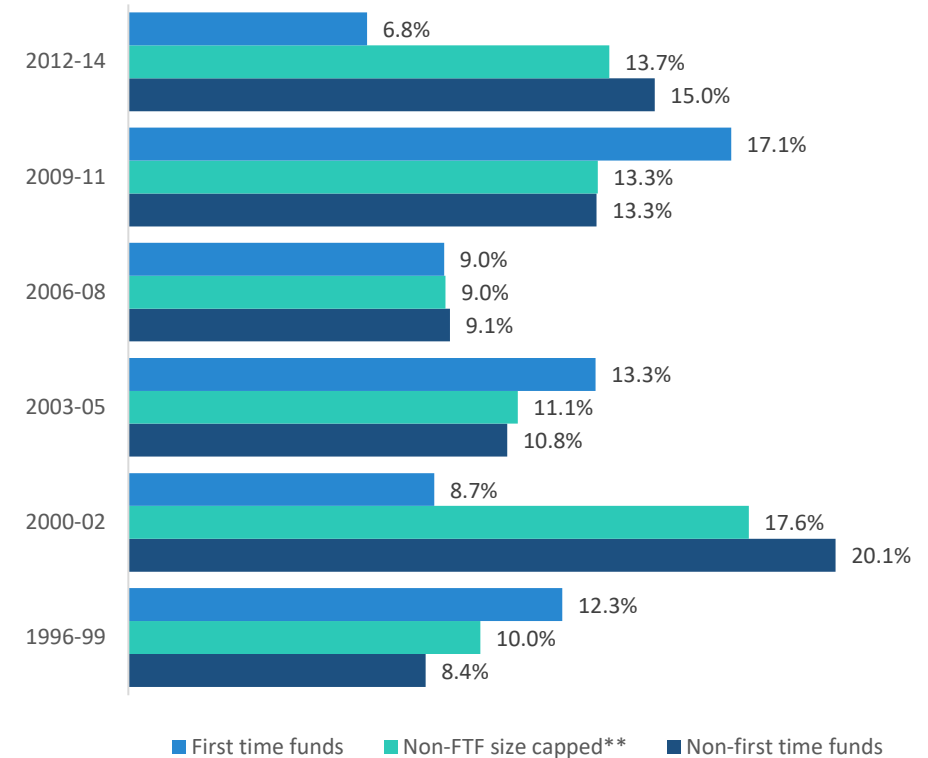


## First-time funds have a higher chance of 25%+ IRRs

Percentage of funds hitting performance milestones by fund number

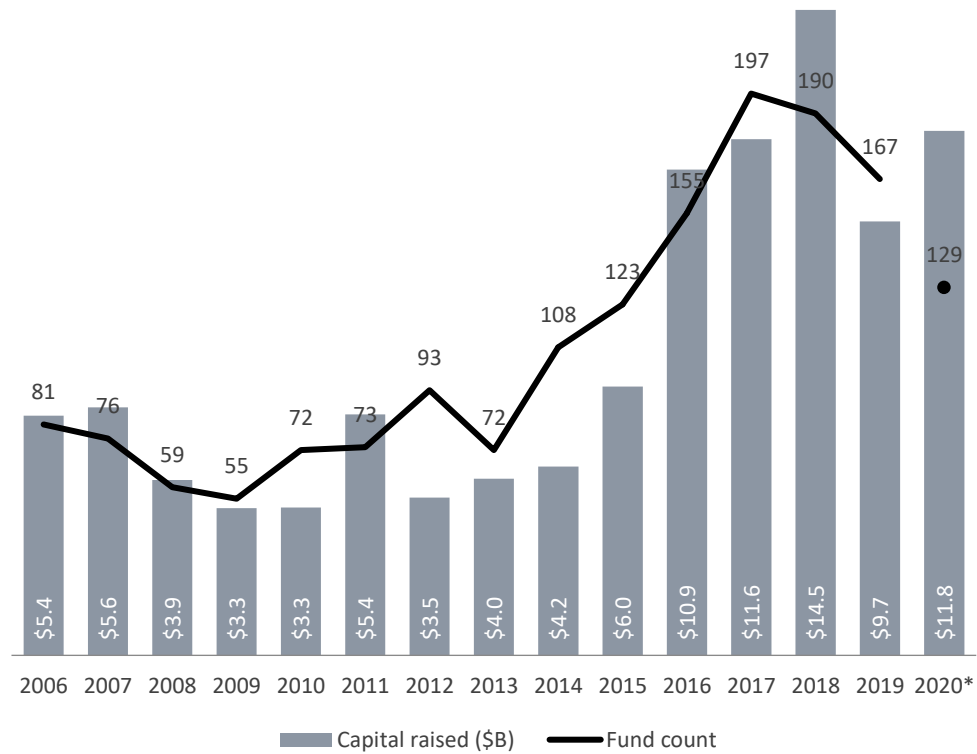


Pooled IRR by vintage cohort

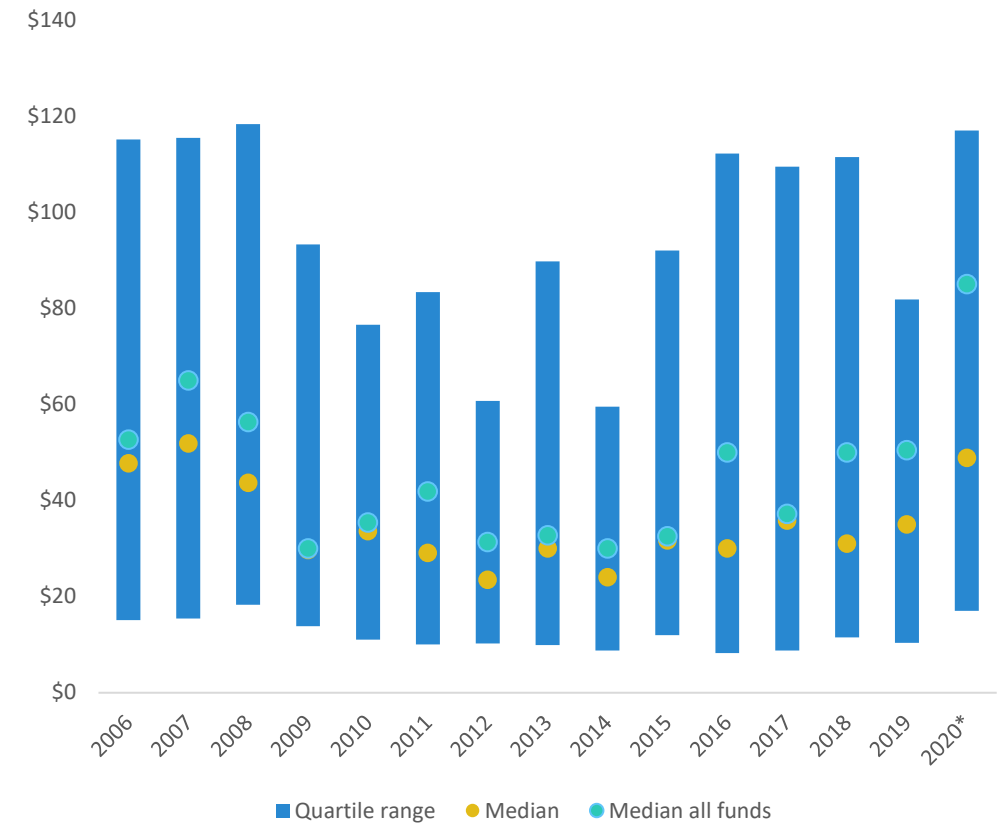


## VC FTF fundraising

First-time fundraising activity

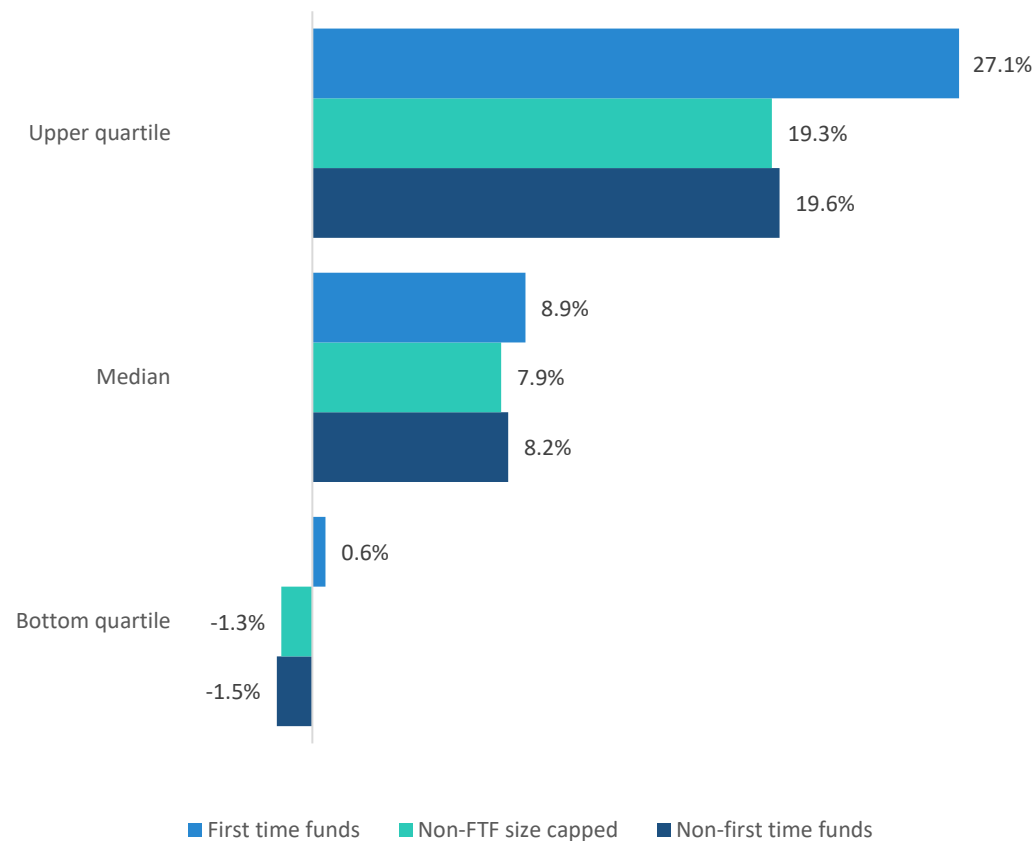


First time fund size dispersion

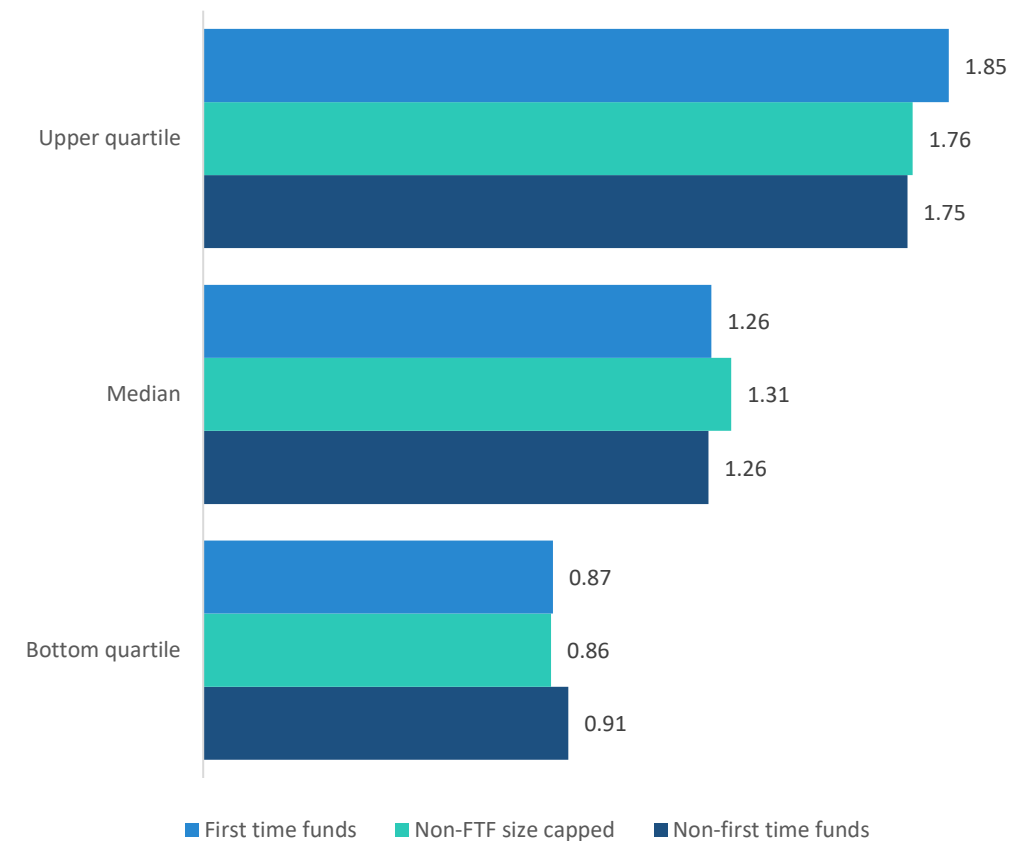


## VC FTF performance IRR & TVPI

IRR quartiles

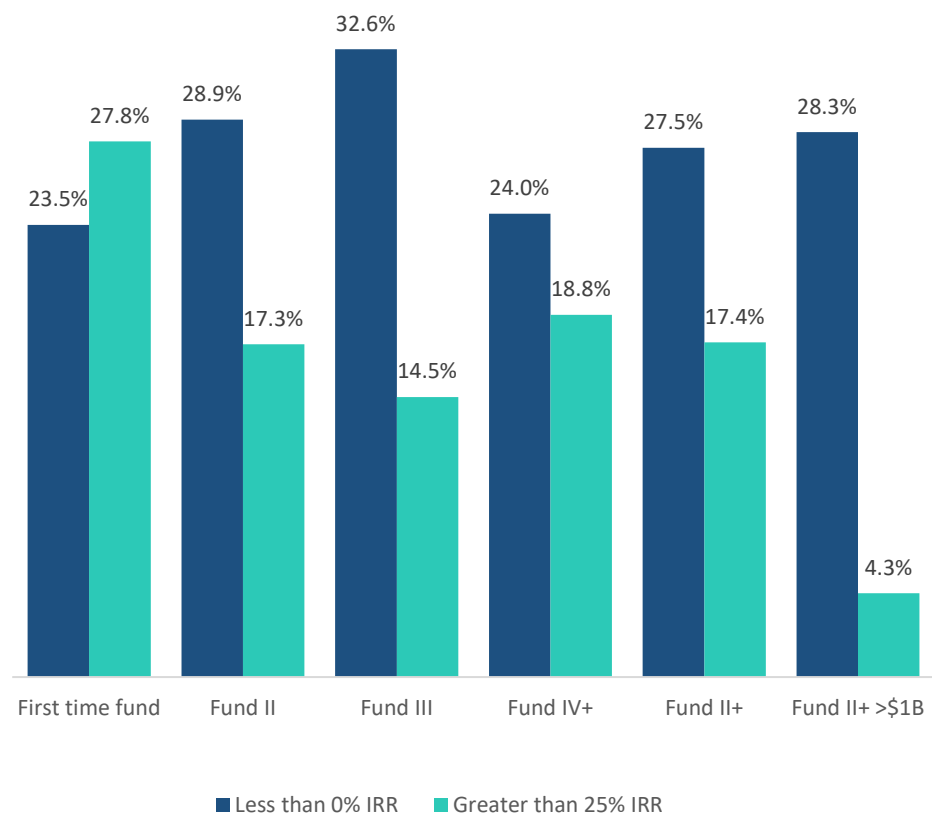


TVPI quartiles

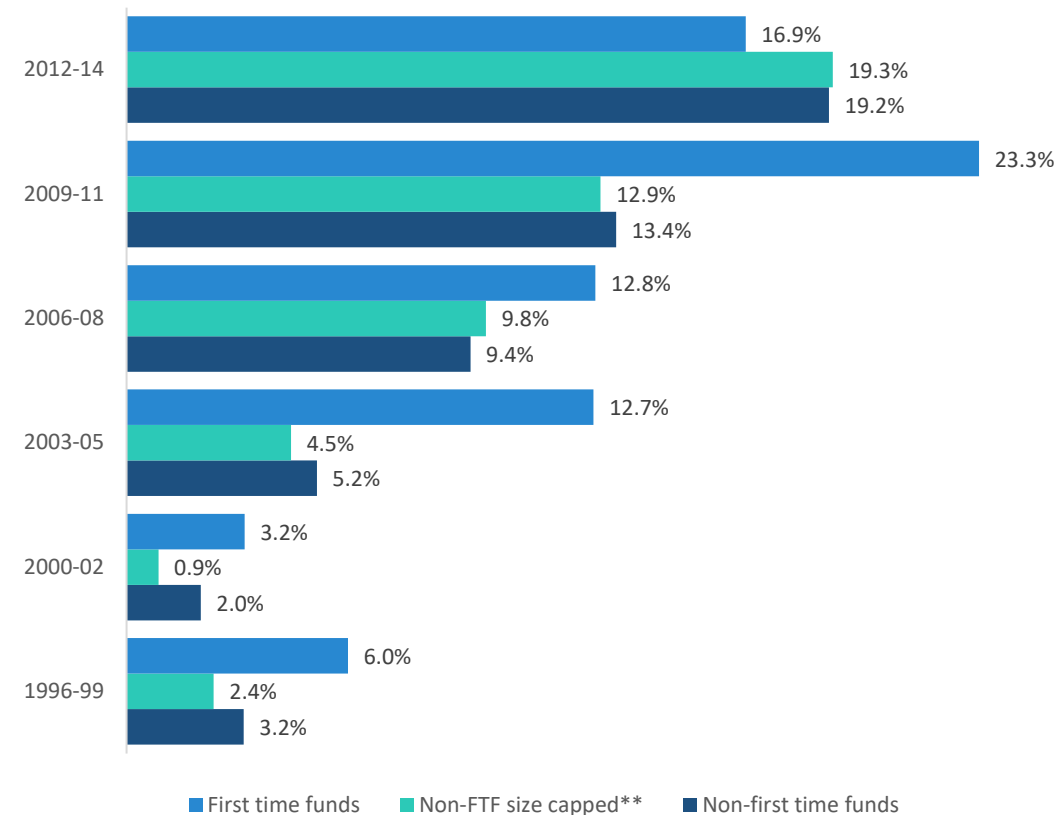


VC first-time funds post significant outperformance with less downside risk.

Percentage of funds hitting performance milestones by fund number



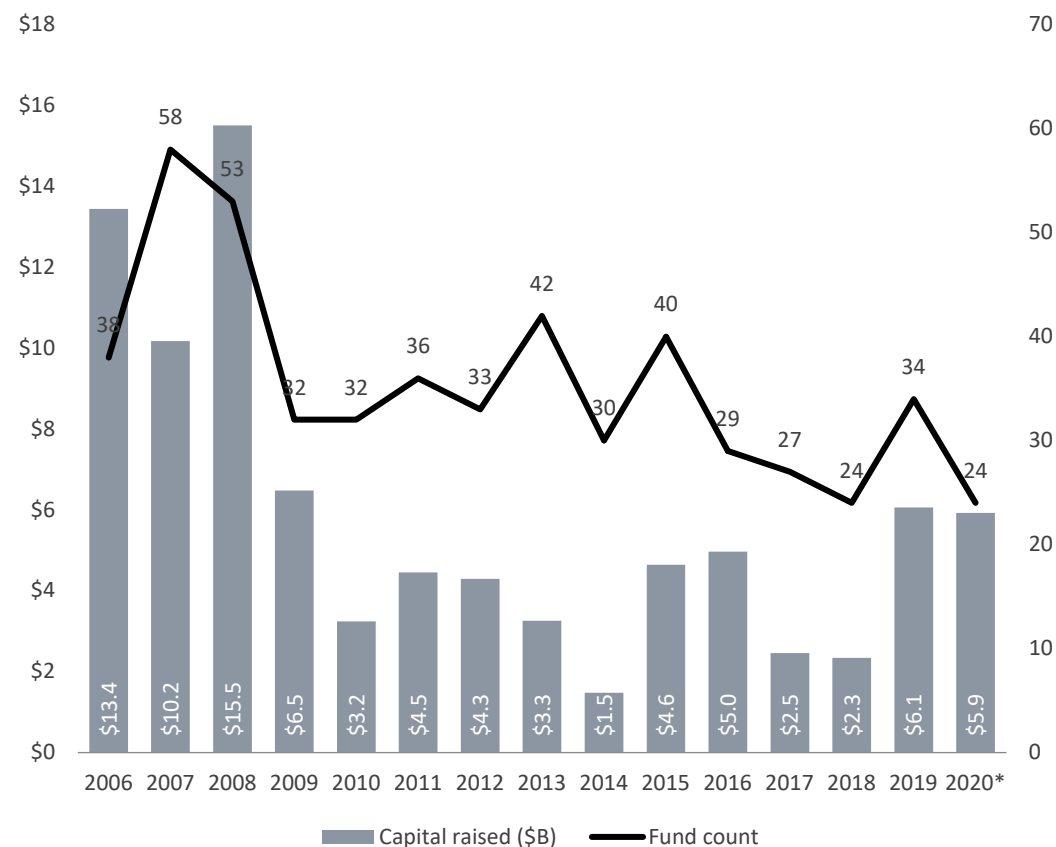
Pooled IRR by vintage cohort



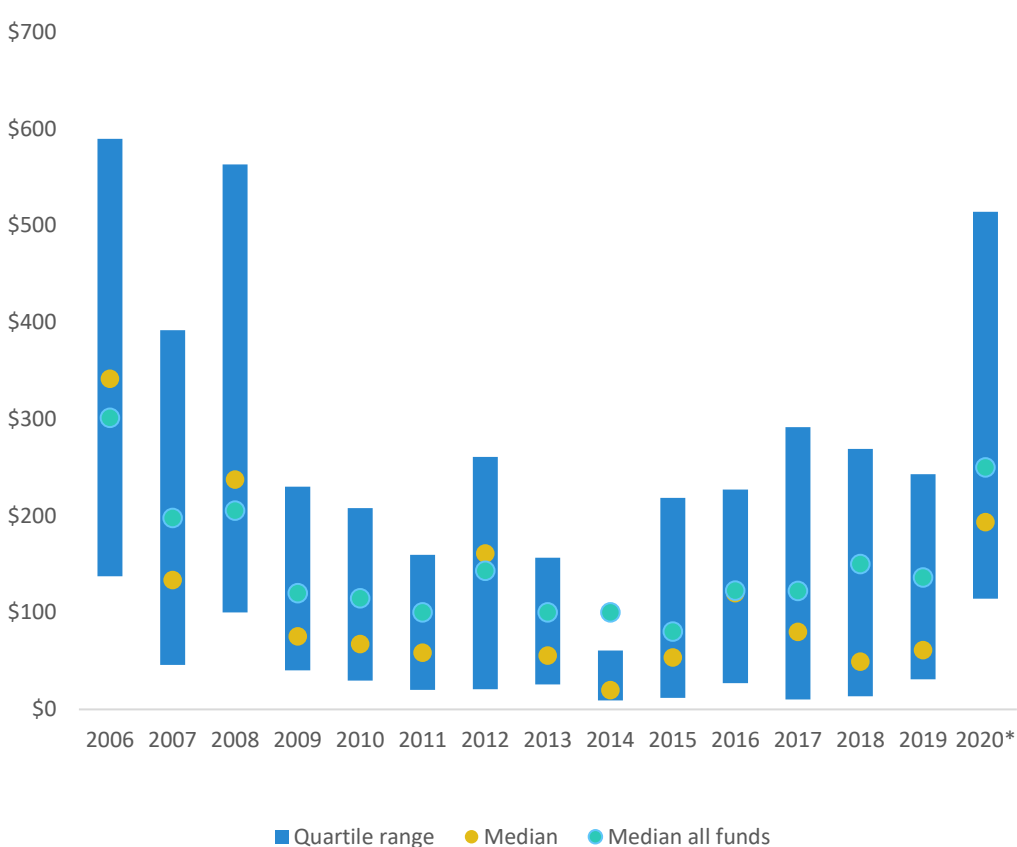


# Real estate FTF fundraising

First-time fundraising activity

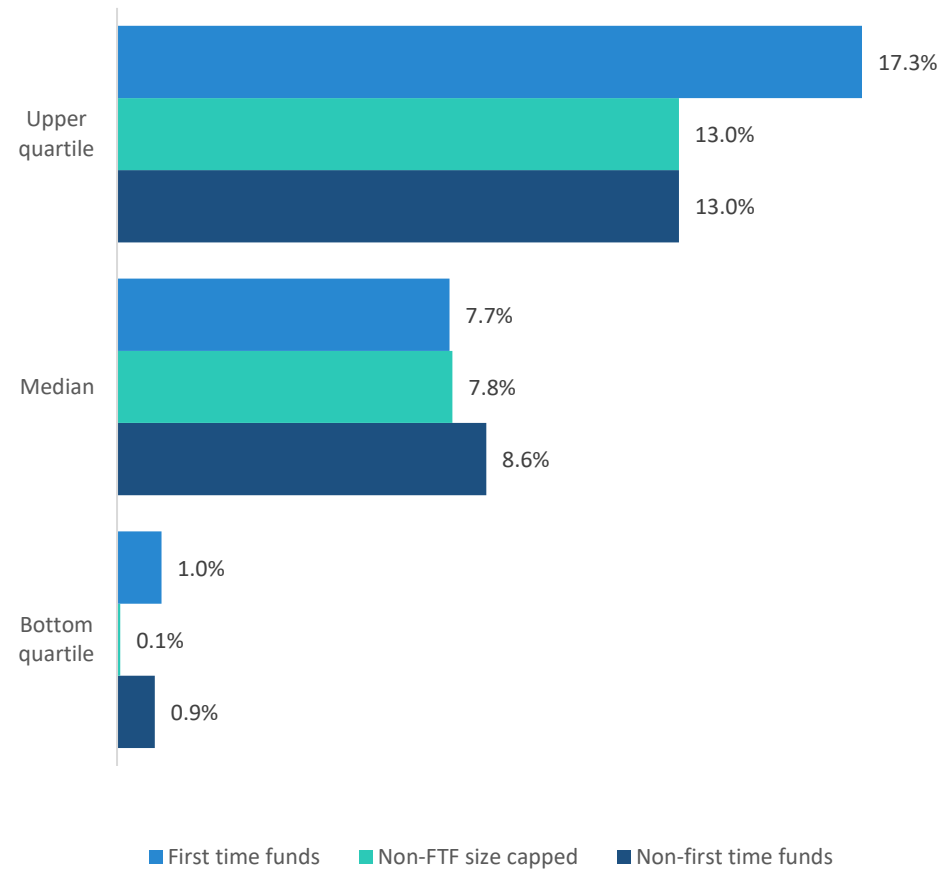


First time fund size dispersion

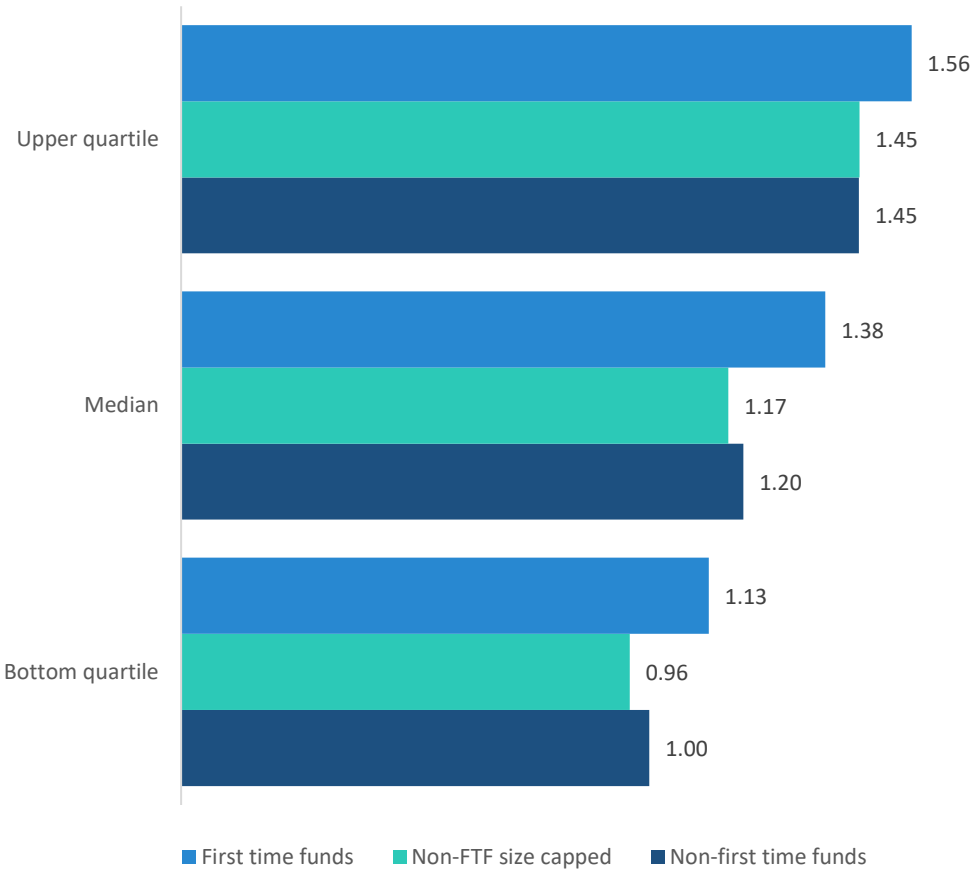


# Real estate FTF performance IRR & TVPI

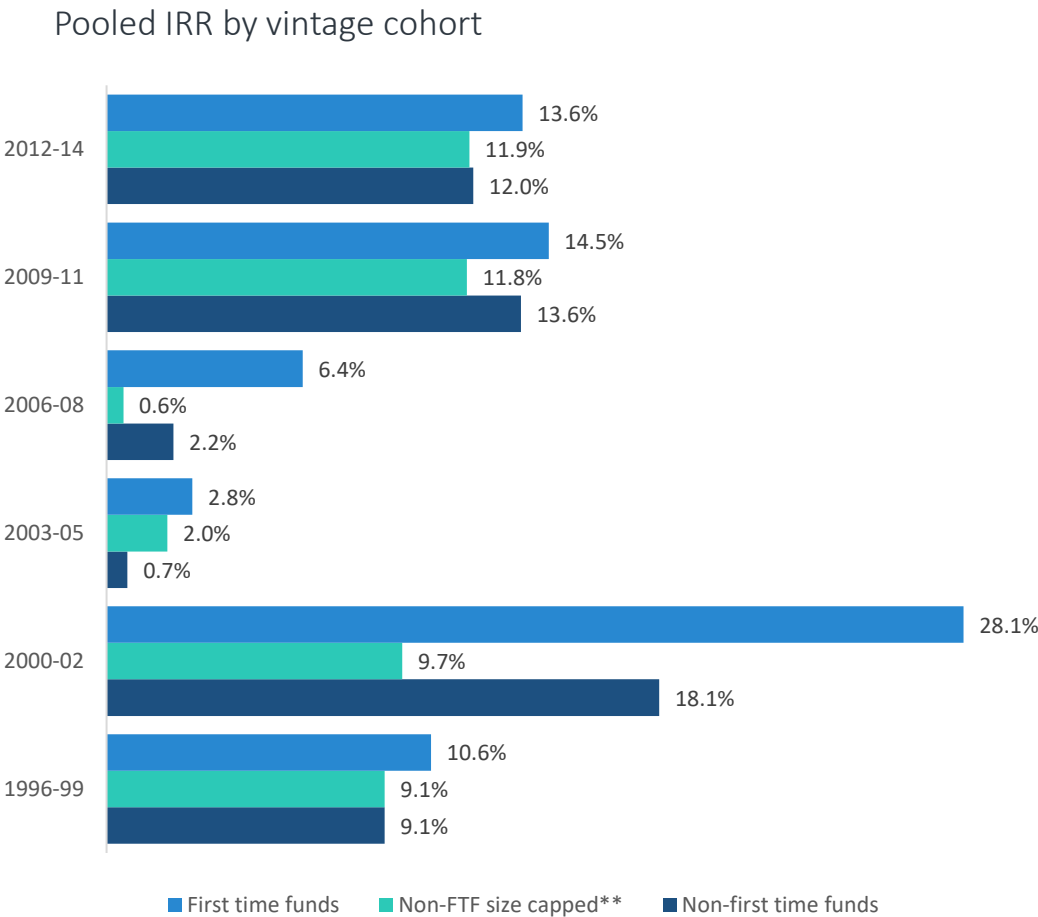
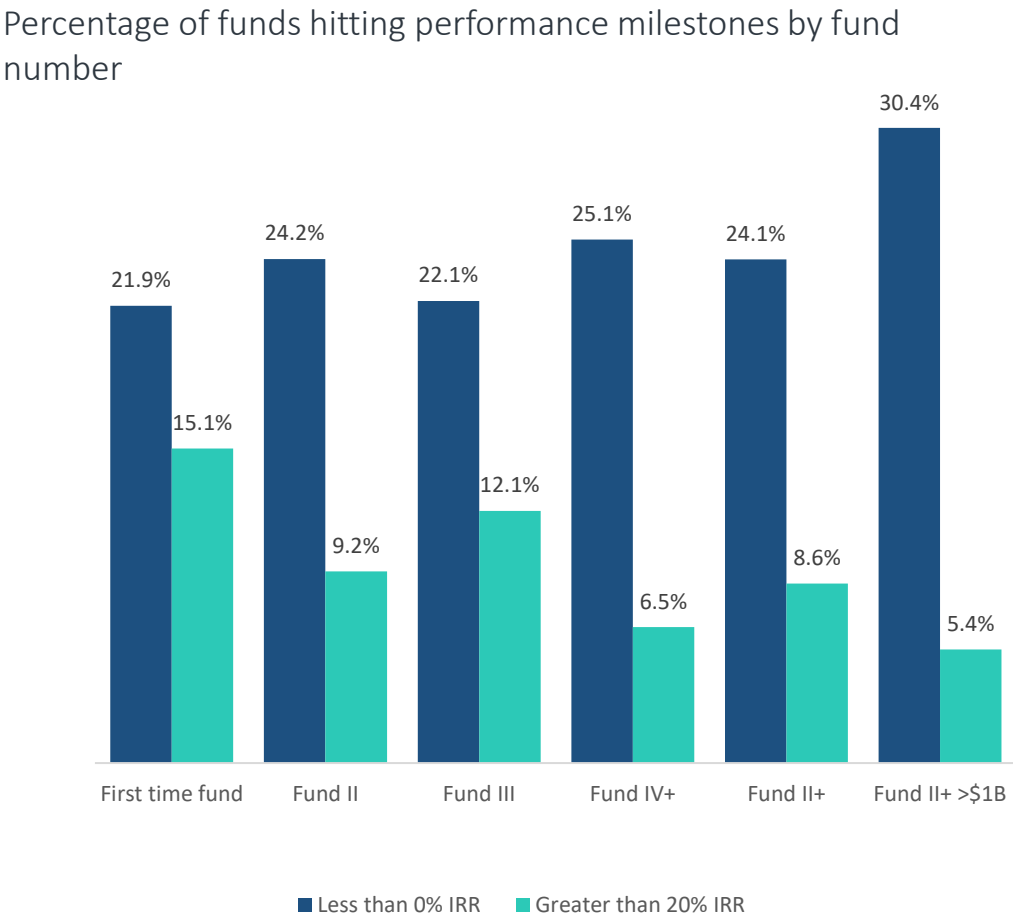
IRR quartiles



TVPI quartiles

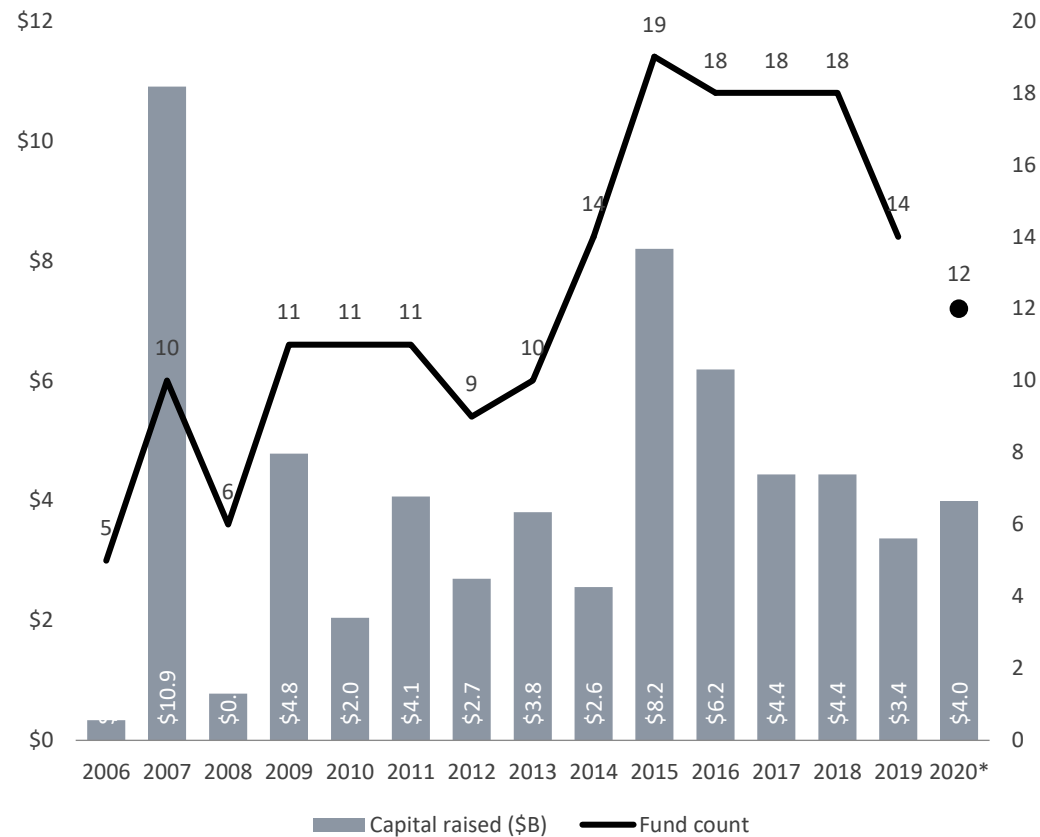


# Real Estate performance payback and homerun/strikeout

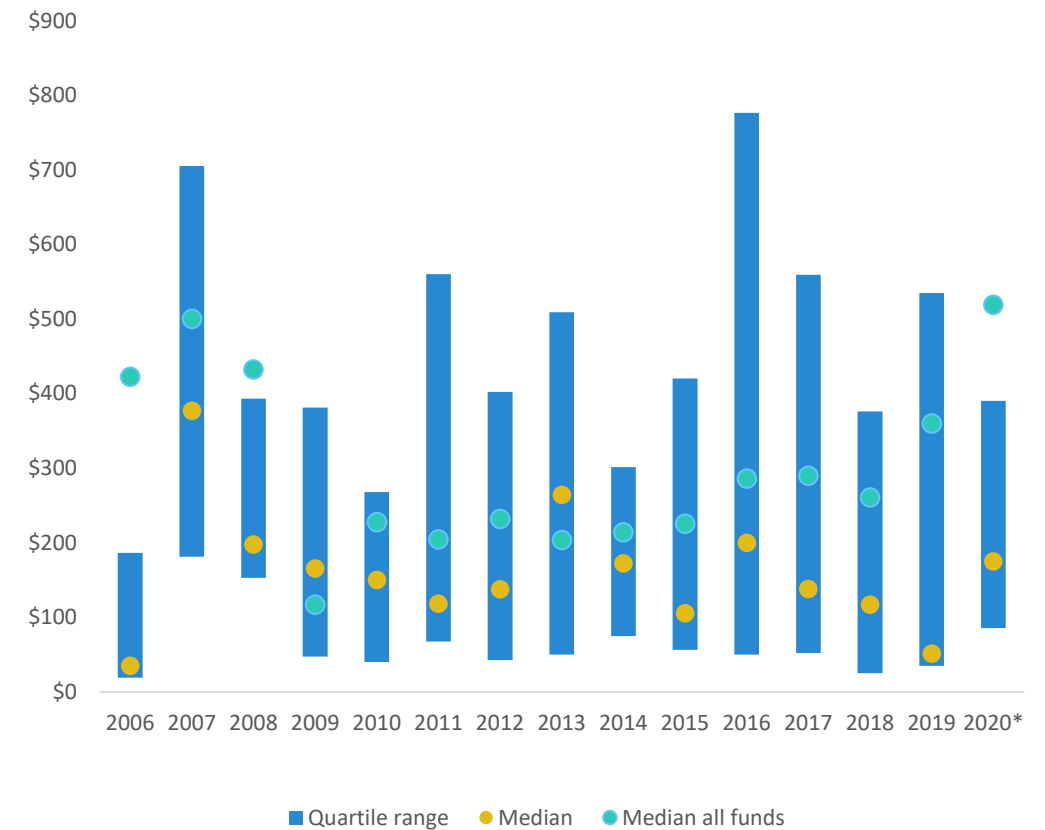


## Private debt FTF fundraising

First-time fundraising activity

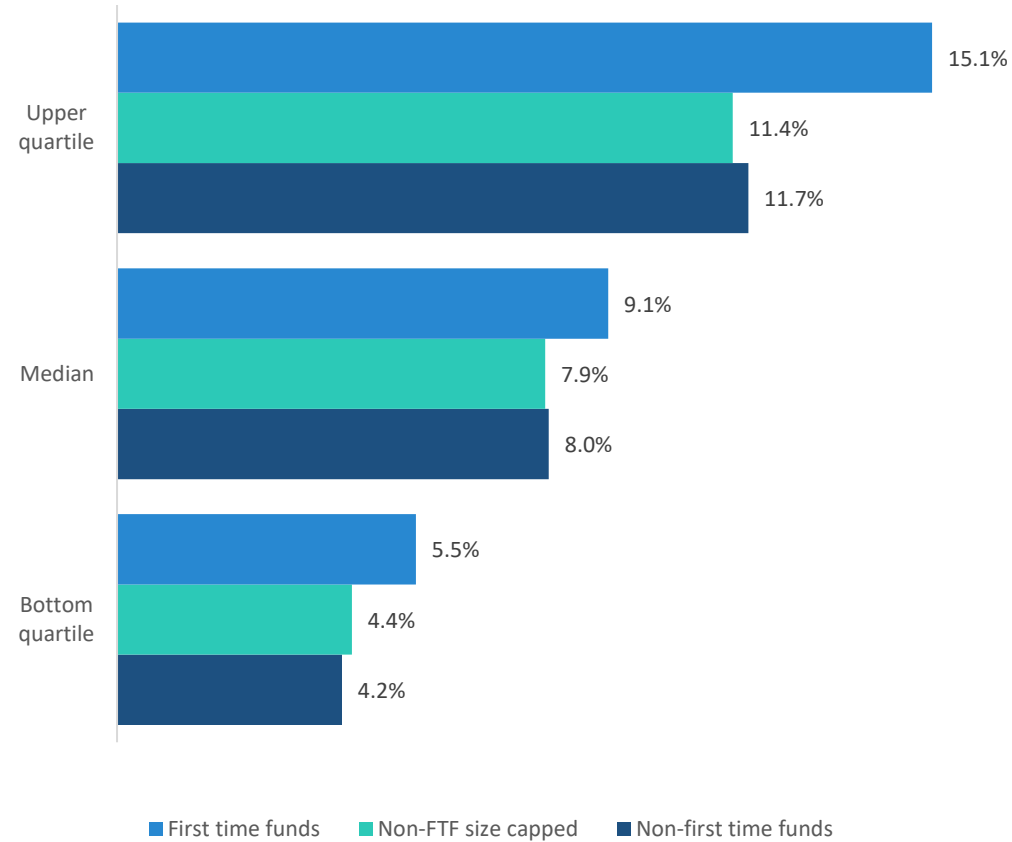


First time fund size dispersion

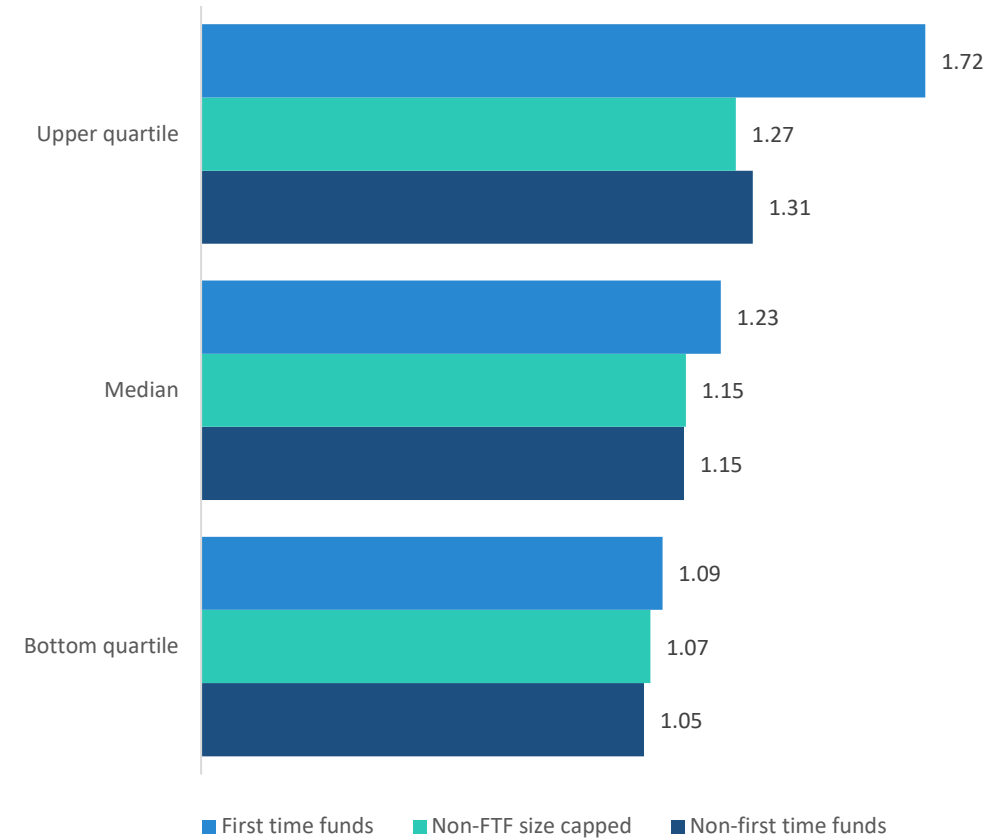


## Private debt FTF performance IRR & TVPI

IRR quartiles

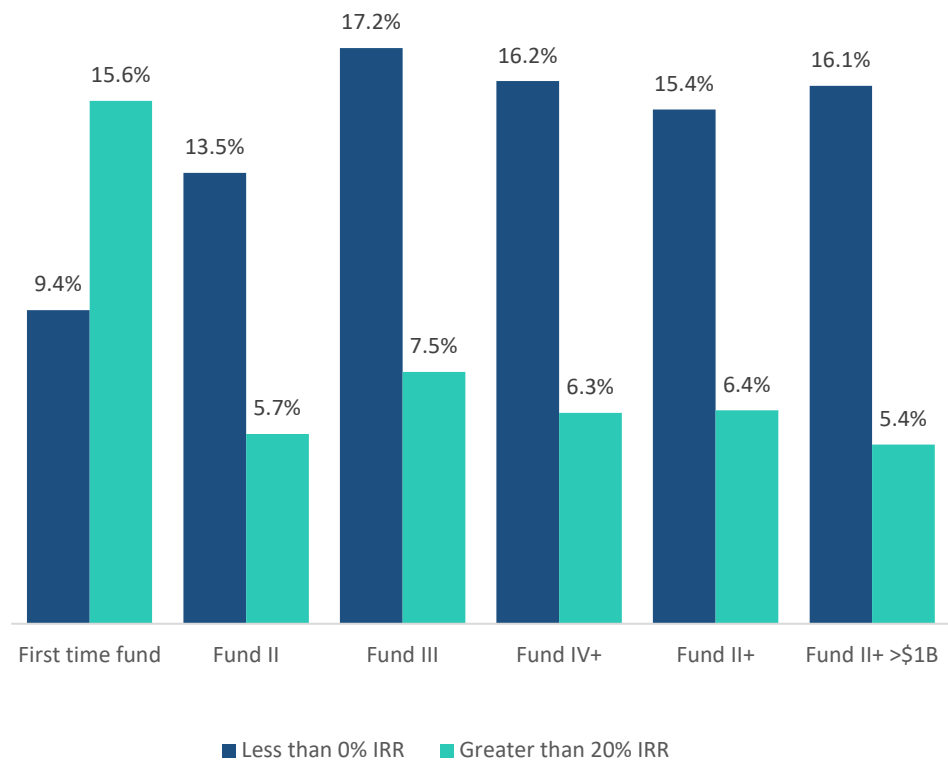


TVPI quartiles

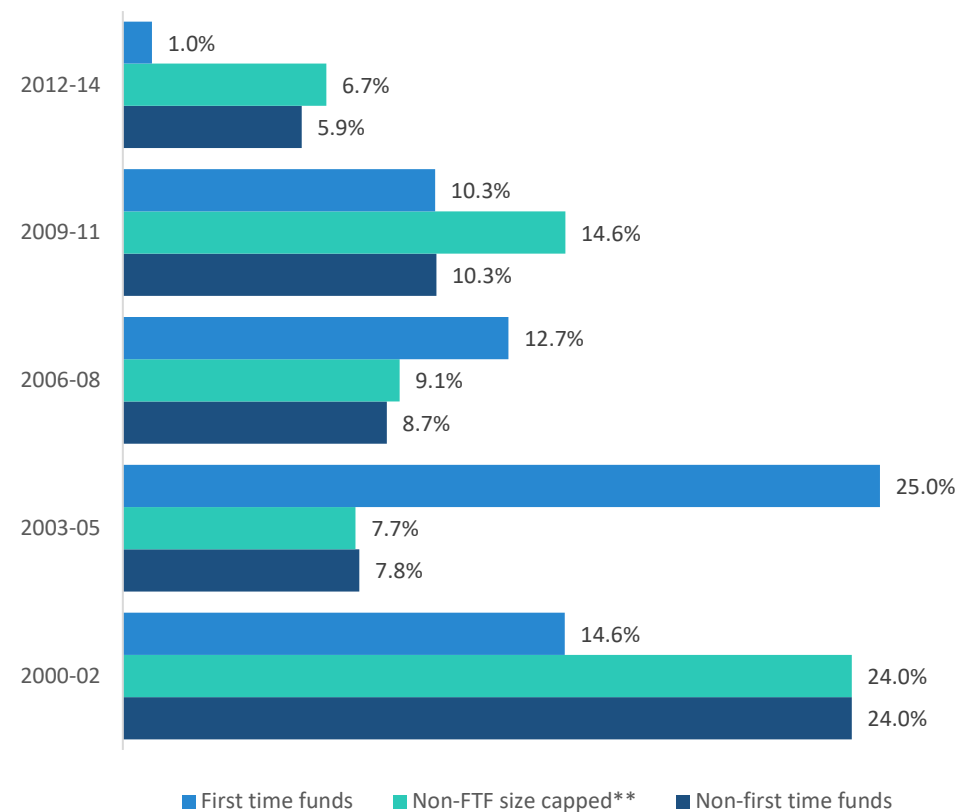


# Private debt performance payback and homerun/strikeout

Percentage of funds hitting performance milestones by fund number



Pooled IRR by vintage cohort



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# Q&A



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